



JOINT MEETING OF THE MILPITAS CITY COUNCIL AND HOUSING AUTHORITY



AGENDA

TUESDAY, SEPTEMBER 15, 2026

CITY COUNCIL CHAMBER, 455 E. CALAVERAS BLVD, MILPITAS, CA

6:00 PM (CLOSED SESSION)

7:00 PM (PUBLIC BUSINESS)

For assistance in the following languages, you may call:

Đối với Việt Nam, gọi 408-586-2400

Para sa Tagalog, tumawag sa 408-586-3051

Para español, llame 408-586-3072

** To access written translation during the meeting, scan the QR Code.*

The City Council meeting is held in the City Council Chamber at City Hall, 455 E. Calaveras Blvd., Milpitas and via teleconference/Zoom webinar.

You may watch the Council meeting without providing public comment by accessing it via links here.

Meeting shall be livestreamed - Go to:

Facebook: <https://www.facebook.com/CityofMilpitas/>

YouTube: <https://www.milpitas.gov/youtube>

Web Streaming: <https://www.milpitas.gov/webstreaming>

PUBLIC COMMENT INSTRUCTIONS

Members of the public may provide oral public comment in person during the City Council meeting or remotely via Zoom. Individual speakers are generally limited to three (3) minutes or less, as determined by the Mayor. Members of the public may provide one comment per agenda item and one comment during General Public Comment. Written comments may be submitted by email to CityClerk@milpitas.gov. To participate via Zoom, please register at:

https://ci-milpitas-ca-gov.zoom.us/webinar/register/WN_dr6wuBfFSjmYMiOiC60vEw

NOTE: If a member of the public wishes to share any presentation materials for Council consideration, they must be submitted to the Clerk's Office by email to CityClerk@milpitas.gov by 12:00 p.m. on the day of the meeting. No presentations will be accepted in person in the Council Chambers.

For complete information about attending meetings, providing public comment, remote participation, language access services, accessibility accommodations, and viewing options, visit: <https://www.milpitas.gov/1443/Participating-in-City-Council-Meetings>

MILPITAS CITY COUNCIL CODE OF CONDUCT

- Be respectful and courteous (words, tone, and body language).
- Model civility.
- Avoid surprises.
- Praise publicly and criticize privately.
- Focus on the issue, not the person.
- Use electronic devices appropriately while on the Council dais.
- Disclose conflicts of interest and affiliations related to agenda items.
- Separate governing from campaigning.
- The Council speaks with one voice after making policy on issues.
- Respect the line between policy and administration.
- Council will hold one another accountable to comply with this Code of Conduct.

CALL MEETING TO ORDER by Mayor and ROLL CALL by City Clerk (6:00 PM)

ADJOURN TO CLOSED SESSION

(a) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Existing Litigation Pursuant to Government Code § 54956.9(d)(1)
In the Matter of *ShaRon Lewis v City of Milpitas, et al.*, Superior Court of California, County of Santa Clara, Case No. 22CV398994
City as Defendant

CLOSED SESSION ANNOUNCEMENT:

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

PLEDGE OF ALLEGIANCE

INVOCATION (Councilmember Chua)

PRESENTATIONS

- IT Professionals Day (Proclamation)
- Mexican Independence Day (Proclamation)
- Childhood Cancer Awareness Month (Proclamation)
- Milpitas Cancer Kids First (Commendation)

PUBLIC FORUM

Members of the public are invited to speak on any item that does not appear on today's agenda within the subject matter jurisdiction of the Milpitas City Council. Comments will be limited to three minutes or less at the Mayor's discretion. When called to speak, you are encouraged to state your name for the record. As an item not listed on the agenda, no action can be taken, however the City Council may instruct the City Manager to place the item on a future meeting agenda.

ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

READING OF THE CITY COUNCIL CODE OF CONDUCT

APPROVAL OF AGENDA

CONSENT CALENDAR

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

C1. Receive City Council Calendar of Meetings (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Recommendation: Receive City Council Calendar of Meetings for September and October 2026.

C2. Approve City Council Meeting Minutes (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Recommendation: Approve City Council Meeting minutes of September 1, 2026.

- C3. Receive the Preview List of Anticipated Items for the Next Regular City Council Meeting (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)**

Recommendation: Receive the list of anticipated agenda items for the next regular City Council meeting.

- C4. Receive and Review the List of Agenda Items Requested by City Councilmembers (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)**

Recommendation: Receive the list of items that have been requested by City Councilmembers and received consensus in previous meetings to date.

- C5. Authorize the City Manager to Send a Response Letter to Santa Clara County Civil Grand Jury Final Report on Pothole Damage Claims (Staff Contact: Scott Transou, Assistant City Manager 408-586-3012)**

Recommendation: Authorize the City Manager to send a response letter to the Santa Clara County Civil Grand Jury Final Report "Pothole Damage: Improving claims processes within Santa Clara County."

- C6. Authorize the City Manager to Send a Response Letter to the Santa Clara County Civil Grand Jury Final Report on VTA's Management and Oversight of BART Silicon Valley Phase II (Staff Contact: Scott Transou, Assistant City Manager 408-586-3012)**

Recommendation: Authorize the City Manager to send a response letter to the Santa Clara County Civil Grand Jury Final Report "VTA's Management and Oversight of BART Silicon Valley Phase II."

- C7. Adopt a Resolution Approving the 2026 Biennial Update to the City of Milpitas Conflict of Interest Code (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001; and Christian M. Curtis, City Attorney, 408-586-3041)**

Recommendation: Adopt a resolution approving the 2026 biennial update to the City of Milpitas Conflict of Interest Code, including the revised list of designated positions and disclosure categories and the requirement for electronic filing of Statements of Economic Interests beginning January 1, 2027.

- C8. Consider Recommendations from Mayor Montano for Appointments to City Commissions (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3005)**

Recommendation: Receive Mayor Montano's recommendations and approve and confirm recommendations for appointments to City Commissions.

- C9. Authorize the City Manager, or Designee, to Negotiate and Execute an Amendment to the Janitorial Services Agreement with Imperial Maintenance Services, Inc. (Staff Contact: Luz Cofresi-Howe, Finance Director, 408-586-3111; and Christian Di Renzo, Public Works Director, 408-586-2602)**

Recommendation: Authorize the City Manager, or designee, to negotiate and execute an amendment to the Janitorial Services Agreement with Imperial Maintenance Services, Inc. to add scope of work, schedules, and pricing for park restrooms and currently inactive locations and services and to add \$511,927 for a revised not-to-exceed amount of \$2,998,790, subject to appropriation by the City Council through the annual budget adoption process.

- C10. Authorize the City Manager, or Designee, to Execute Purchase Orders with Multiple Vendors for Maintenance Supplies, Materials, and Related Services (Staff Contact: Luz Cofresi-Howe, Finance Director, 408-586-3111; and Christian Di Renzo, Public Works Director, 408-586-2602)**

Recommendation: Authorize the City Manager, or designee, to negotiate and execute purchase orders with 34 vendors for as-required citywide purchases of maintenance supplies, materials, and related services for a five-year term beginning October 1, 2026 and ending September 30, 2031, in the individual not-to-exceed amounts set forth in Attachment A and a combined five-year total not to exceed \$11,850,000, subject to appropriation by the City Council through the annual budget adoption process; and find, pursuant to Milpitas Municipal Code Section I-2-3.03, that the award of multiple purchase orders within each supply category and the sole source and limited source awards identified in Attachment A are in the best interest of the City.

C11. Approve the Improvement Agreement with CDP Development, Inc., for an Amazon Distribution Warehouse Building Located at 1000 Gibraltar Drive (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)

Recommendation: Approve and authorize the City Manager, or designee, to execute an Improvement Agreement between the City of Milpitas and CDP Development, Inc., secured by performance and labor and material bonds, each in the amount of \$2,915,746 for an Amazon distribution warehouse located at 1000 Gibraltar Drive.

C12. Approve City Council Requests to Attend the Milpitas Chamber of Commerce's 67th Annual Awards Ceremony (Staff Contact: Julie Minot, Senior City Manager Analyst, 408-586-3054)

Recommendation: Approve requests by Mayor Montano, Vice Mayor Barbadillo, Councilmembers Chua, Lam, and Lien, and City Manager Hopkins to attend the Milpitas Chamber of Commerce's 67th Annual Awards Ceremony on September 18, 2026 for an estimated total amount of \$600.

PUBLIC HEARINGS

Members of the public may be allotted up to three (3) minutes or less at the Mayor's discretion, to comment on any public hearing item. Applicants/Appellants and their representatives may be allotted up to a total of ten (10) minutes for opening statements and up to a total of five (5) minutes maximum for closing statements. Items requested/recommended for continuance are subject to Council's consent at the meeting.

13. Approve the Draft Program Year 2025 Community Development Block Grant Consolidated Annual Performance and Evaluation Report (Staff Contact: John Hall, Housing Official, 408-586-3017)

Recommendation: (1) Approve the draft Program Year (PY) 2025 Community Development Block Grant (CDBG) Consolidated Annual Performance and Evaluation Report (CAPER); and (2) Authorize the City Manager, or designee, to make necessary changes and submit the approved draft PY 2025 CAPER to the U.S. Department of Housing and Urban Development (HUD) to comply with CDBG requirements.

14. Receive a Presentation on the Red Light Camera Traffic Safety Program and Authorize the City Manager, or Designee, to Negotiate and Execute a Three-Year Agreement with Verra Mobility for Red Light Camera Equipment and Services (Staff Contact: Jared Hernandez, Chief of Police, 408-586-2406)

Recommendation: (1) Receive a presentation on the Red Light Camera Traffic Safety Program; and (2) Authorize the City Manager, or designee, to negotiate and execute an agreement for red light camera equipment and services with Verra Mobility for a three-year term in an amount not-to-exceed \$500,000 annually and a total of \$1,500,000 for the term of the agreement.

COMMUNITY SERVICES AND SUSTAINABLE INFRASTRUCTURE

15. **Receive a Presentation on the Condition of the Milpitas Community Center and Provide Direction (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)**

Recommendation: Receive a presentation on the condition of the Milpitas Community Center and provide direction to proceed with the improvement or replacement option.

ANNOUNCEMENTS AND FUTURE AGENDA ITEMS

Members of the City Council or City Manager may make brief announcements at this time. Members of the City Council may also suggest future agenda items. For future agenda items, the City Council shall not debate the topic or engage in discussion but shall simply state a “yes” or “no” as whether to move the item forward. If a majority of the City Council agrees to move the item forward, the City Manager shall place the item on a future agenda.

ADJOURNMENT

KNOW YOUR RIGHTS UNDER THE OPEN GOVERNMENT ORDINANCE

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

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

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

APPLY TO SERVE ON A CITY COMMISSION

Commission application forms are available online at www.milpitas.gov or at Milpitas City Hall. Contact the City Clerk's Office at 408-586-3001 for more information.

If you need assistance, per the Americans with Disabilities Act, for any City of Milpitas public meeting, please call the City Clerk at 408-586-3005 or send an e-mail to CityClerk@milpitas.gov prior to the meeting. Larger font agendas are available upon request.

August 2026						
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MILPITAS CITY COUNCIL CALENDAR

September 2026

October 2026						
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Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1 6:00 PM-Closed Session 7:00 PM-City Council	2 2:00 PM-Santa Clara VTA Monthly Briefing - Northeast Group (CM) (Santa Clara)	3 5:30 PM-Santa Clara VTA Board of Directors (CM) 5:30 PM-Milpitas Chamber of Commerce Board (GB)	4	5
6	7 CITY HOLIDAY City Hall Closed 	8	9 7:00 PM-Silicon Valley Clean Energy Board of Directors (GB) (Sunnyvale)	10 4:00 PM-Santa Clara VTA Policy Advisory Committee (EC) 4:00 PM-Treatment Plant Advisory Committee (CM) (San Jose) 6:00 PM-Youth Advisory Commission (HL) 7:00 PM-Cities Assoc of SCC (CM)	11	12
13	14 4:30 PM-Economic Development and Trade Commission (WL) 7:00 PM- Parks, Recreation & Cultural Resources Commission (EC)	15 5:00 PM-Closed Session 7:00 PM-City Council	16 4:00 PM-City Council Finance Subcommittee (CM/EC) 6:00 PM-Energy and Environmental Sustainability Commission (EC)	17 6:30 PM-Bay Area Water Supply Conserv Agency (CM) (Oak Room - San Mateo Main Library) 7:00 PM-Public Safety and Emergency Preparedness Commission (WL)	18	19
20	21 7:00 PM-Technology Commission (WL) 7:00 PM-Library and Education Commission (HL) (Milpitas Public Library)	22	23	24 4:00 PM-Silicon Valley Regional Interoperability Authority (SVRIA) (GB)	25	26
27	28 7:00 PM-Arts Commission (CM)	29	30			

September 2026						
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MILPITAS CITY COUNCIL CALENDAR

October 2026

November 2026						
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Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1 5:30 PM -Milpitas Chamber of Commerce Board (GB) 5:30 PM -Santa Clara VTA Board of Directors (CM)	2	3
4	5 7:00 PM -Parks, Recreation & Cultural Resources Commission (EC)	6 6:00 PM -Closed Session 7:00 PM -City Council	7 2:00 PM -Santa Clara VTA Monthly Briefing - Northeast Group (CM) (Santa Clara) 5:30 PM -Veterans Commission (GB) 7:00 PM -Community Housing Commission (EC)	8 4:00 PM -Treatment Plant Advisory Committee (CM) (San Jose) 4:00 PM -Santa Clara VTA Policy Advisory Committee (EC) 6:00 PM -Youth Advisory Commission (HL) 7:00 PM -Cities Assoc of SCC (CM)	9	10
11 4:30 PM -Economic Development and Trade Commission (WL)	12	13	14 12:00 PM -Santa Clara Valley Water District - Water Commission (CM) 7:00 PM -Silicon Valley Clean Energy Board of Directors (GB) (Sunnyvale) 7:00 PM -Planning Commission	15	16	17
18	19 7:00 PM -Technology Commission (WL)	20 5:00 PM -Closed Session 7:00 PM -City Council	21 4:00 PM -City Council Finance Subcommittee (CM/EC) 6:00 PM -Energy and Environmental Sustainability Commission (EC)	22	23	24
25	26	27 1:30 PM -Senior Advisory Commission (HL) 5:30 PM -Special City Council	28 5:30 PM -Cities Assoc. of SCC - Recycling and Waste Reduction Commission (CM) 7:00 PM -Planning Commission	29	30	31 



JOINT SPECIAL MEETING OF THE MILPITAS CITY COUNCIL AND SUCCESSOR AGENCY AND JOINT REGULAR MEETING OF THE MILPITAS CITY COUNCIL AND HOUSING AUTHORITY

MINUTES

TUESDAY, SEPTEMBER 1, 2026

The City Council of the City of Milpitas convened in a Special Joint Meeting of the Milpitas City Council and Successor Agency on September 1, 2026, in the City Council Chamber, 455 E. Calaveras Blvd, Milpitas, CA, and via teleconference/Zoom webinar.

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

Mayor Montano called the meeting to order at 5:02 PM. Roll Call was taken by City Clerk Guzzetta.

PRESENT: Mayor Montano, Councilmember Chua, Councilmember Lam, Councilmember Lien

ABSENT: Vice Mayor Barbadillo

SPECIAL MEETING

The City Council convened in a Special Joint Meeting of the Milpitas City Council and Successor Agency.

1. **Adopt a Resolution of the Board of the Successor Agency to the Redevelopment Agency of the City of Milpitas Confirming and Designating Officers of the Successor Agency (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111)**

Finance Director Cofresí-Howe introduced the item.

There were the following public speakers:

1. Voltaire Montemayor

After discussion, motion: to Adopt **Resolution No. SA16** confirming and designating City officials to serve as officers of the Successor Agency to the Redevelopment Agency of the City of Milpitas..

Motion/Second: Councilmember Chua / Councilmember Lien

Motion carried by the following:

AYES: Mayor Montano, Councilmember Chua, Councilmember Lam, Councilmember Lien

NOES: None

ABSENT: Vice Mayor Barbadillo

2. **Adopt a Resolution for the Sale and Issuance of Refunding Bonds for the Successor Agency to the Redevelopment Agency (Staff Contact: Luz Cofresí-Howe, Chief Financial Officer/Treasurer, 408-586-3111)**

Assistant City Manager Transou introduced the item. Director Cofresi-Howe presented the report joined by Consultants Jim Fabian and James Wawrzyniak.

After discussion, motion: to Adopt **Resolution No. SA15** of the Successor Agency Board authorizing the issuance and sale of 2026 Tax Allocation Refunding Bonds (Redevelopment Project Area No. 1) in a principal amount not to exceed \$40,000,000 to refund the outstanding 2015 Tax Allocation Refunding Bonds; approving the Debt Service Savings Analysis, Indenture of Trust, Bond Purchase Agreement, Irrevocable Refunding Instructions, Continuing Disclosure Certificate, and Preliminary Official

Statement; approving an underwriter's discount not to exceed 0.45% and minimum net present value savings of 3.00% of the principal amount of the 2015 Bonds refunded; and authorizing the Executive Director, Assistant Executive Director, or Chief Financial Officer/Treasurer, or designee, to execute related documents and take other actions necessary to complete the financing.

Motion/Second: Councilmember Chua / Mayor Montano

Motion carried by the following:

AYES: Mayor Montano, Councilmember Chua, Councilmember Lam, Councilmember Lien

NOES: None

ABSENT: Vice Mayor Barbadillo

The City Council recessed at 5:55 PM.

ADJOURN TO CLOSED SESSION

The City Council reconvened at 6:01 PM.

City Attorney Christian Curtis briefed the public that the closed session concerned anticipated litigation pursuant to Government Code Section 54956.9(d)(2), arising from a written threat of litigation dated May 19, 2026. He further disclosed that the matter had since been filed as a pending lawsuit: *Timber Soma MC LP and Soma Capital Partners v. City of Milpitas*, Santa Clara County Superior Court Case No. 26CV502228.

There were the following public speakers:

1. Voltaire Montemayor

The City Council adjourned to closed session at 6:03 PM.

(a) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2)

Facts and circumstances related to potential exposure:

Written threat of litigation dated May 19, 2026 and related matters.

REGULAR MEETING CALL TO ORDER

The City Council reconvened in a Joint Regular Meeting of the City Council and Housing Authority at 7:14 PM in the City Council Chamber, 455 E. Calaveras Blvd, Milpitas, CA, and via teleconference/Zoom webinar.

PLEDGE OF ALLEGIANCE

The City Council recited the Pledge of Allegiance.

INVOCATION

Councilmember Chua provided the invocation.

PRESENTATIONS

Mayor Montano, joined by the City Council, presented proclamations in recognition of Women's Equality Day, National Suicide Prevention Week, and National Preparedness Month.

CLOSED SESSION ANNOUNCEMENT:

City Attorney Curtis noted there was nothing to report out from Closed Session (2nd check-in)

PUBLIC FORUM

There were the following public speakers:

1. Karan and Karamjeet
2. Voltaire Montemayor
3. Robert Burrill
4. Rob Means

ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

City Attorney Curtis asked the Mayor and City Councilmembers if they had any personal conflicts of interest. By roll call, there were no conflicts of interest. City Attorney Curtis asked the Mayor and City Councilmembers if they had any reportable campaign contributions. By roll call, there were no reportable campaign contributions.

READING OF THE CITY COUNCIL CODE OF CONDUCT

Mayor Montano read the City Council Code of Conduct.

APPROVAL OF AGENDA

Assistant City Manager Transou requested an amendment to Item 22 to add a request by Councilmember Lam to purchase a ticket to the KTSF 50th Anniversary Banquet at an estimated cost of \$200. City Attorney Curtis advised that Council authorization was required. The Council found that the need for action arose after agenda publication and that immediate action was necessary as the event would occur before the next regular Council meeting.

After discussion, motion: (1) to find that the need for action came to the Council's attention after agenda publication to amend Item 22 to add a request by Councilmember Lam to purchase a ticket to the KTSF 50th Anniversary Banquet at an estimated cost of \$200; and (2) to find that immediate action is needed because the event occurs before the next Council meeting.

Motion/Second: Councilmember Chua / Councilmember Lam
by the following:

AYES: Mayor Montano, Councilmember Chua, Councilmember Lam, Councilmember Lien

NOES: None

ABSENT: Vice Mayor Barbadillo

After discussion, motion: to approve the agenda as amended.

Motion/Second: Councilmember Chua / Councilmember Lien
by the following:

AYES: Mayor Montano, Councilmember Chua, Councilmember Lam, Councilmember Lien

NOES: None

ABSENT: Vice Mayor Barbadillo

CONSENT CALENDAR

Councilmember Lien asked to pull Item C11 and Councilmember Chua asked to pull Item C9.

There were no public speakers.

After discussion, motion: to approve the Consent Calendar, excluding Items C9 and C11.

Motion/Second: Councilmember Lien / Councilmember Chua
Motion carried by the following:

AYES: Mayor Montano, Councilmember Chua, Councilmember Lam, Councilmember Lien
NOES: None
ABSENT: Vice Mayor Barbadillo

3. Receive City Council Calendar of Meetings (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Received City Council Calendar of Meetings for September 2026.

4. Approve City Council Meeting Minutes (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Approved City Council Meeting minutes of August 3 and 11, 2026.

5. Receive the Preview List of Anticipated Items for the Next Regular City Council Meeting (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Received the list of anticipated agenda items for the next regular City Council meeting.

6. Receive and Review the List of Agenda Items Requested by City Councilmembers (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Received the list of items that have been requested by City Councilmembers and received consensus in previous meetings to date.

7. Receive Report of Actions Taken by the City Manager During the City Council Summer Recess from June 17 through August 10, 2026 (Staff Contact: Scott Transou, Assistant City Manager, 408-586-3012)

Received report of actions taken by the City Manager during the City Council Summer Recess from June 17 through August 10, 2026.

8. Authorize the City Manager, or Designee, to Negotiate and Execute an Agreement with Probolsky Research LLC for Citywide Research Services and Surveys (Staff Contact: Luz Cofresi-Howe, Finance Director, 408-586-3111; and Charmaine Angelo, Public Information Officer, 408-586-3055)

Authorized the City Manager, or designee, to negotiate and execute a professional services agreement with Probolsky Research LLC for Citywide research services and surveys for a five-year term with an initial not-to-exceed compensation of \$414,500, plus a 15% contingency of \$62,175, for a total maximum compensation of \$476,675, subject to appropriation by the City Council through the annual budget adoption process.

9. Authorize Conveyance of Below Market Rate Unit at 1377 Coyote Creek Way to the Milpitas Housing Authority, and Approve the Sale of the Unit to an Income-Qualified Buyer (Staff Contact: Hanson Hom, Senior Special Projects Associate; and Michelle Silva, Administrative Analyst II, 408-586-3222)

Item pulled from Consent Calendar.

10. Adopt a Resolution to Amend the Classification Plan to Establish the Positions of Asset Management Program Administrator and Purchasing Manager, Reclassify the Purchasing Manager, and Amend the Salary Schedule to Include the Salary Range for Both Classifications, Effective September 1, 2026 (Staff Contact: Kelli Parmley, Human Resources Director, 408-586-3090)

Adopted **Resolution No. 9536** amending the Classification Plan to: (1) establish a new classification for the Asset Management Program Administrator; (2) establish the classification of Purchasing Manager and reclassify the Purchasing Agent to Purchasing Manager; (3) approve the class specifications for both classifications; and (4) amend the Salary Schedule to include the salary ranges for both classifications.

11. **Authorize the City Manager, or Designee, to Negotiate and Execute an Agreement with CentralSquare Technologies, LLC for Maintenance and Support of the City's Public Safety Computer Aided Dispatch System and Related Software (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111; and Daniel Nam, Information Technology Director, 408-586-2712)**

Item pulled from Consent Calendar.

12. **Waive the Second Reading and Adopt Ordinance No. 38.863 to Amend the Milpitas Municipal Code Title XIII, Chapters B.6, B.8, C.10, and E.4 Relating to the Regulation of Tobacco Retailers (Staff Contact: Jay Lee, Planning Director, 408-586-3077)**

Determined that the ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15183 (Projects Consistent with a Community Plan, General Plan, or Zoning) and, as a separate and independent basis, exempt pursuant to CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption); waive the reading beyond the title; and adopted **Ordinance No. 38.863** amending the Milpitas Municipal Code Title XIII, Chapters B.6, B.8, C.10, and E.4 relating to the regulation of tobacco retailers (P-ZA26-0001).

13. **Authorize the City Manager, or Designee, to Negotiate and Execute an Amendment to the Professional Services Agreement with TDG Engineering, Inc. for the Milpitas Gateway-Main Street Sense of Place Plan (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111; and Jay Lee, Planning Director, 408-586-3077)**

Authorized the City Manager, or designee, to negotiate and execute Amendment No. 3 to the Professional Services Agreement with TDG Engineering, Inc. to add scope of work, increase the not-to-exceed amount by \$100,000 for a revised maximum compensation of \$593,578 (to be fully funded by the grant), and extend the term of the Agreement through December 31, 2027, subject to execution of an amendment to the Master Funding Agreement Supplement with the granting agency, Metropolitan Transportation Commission.

14. **Authorize the City Manager, or Designee, to Execute a Purchase Order for One Specialty DUI Enforcement Patrol Vehicle Funded by the FY2026-27 California Highway Patrol Cannabis Tax Fund Grant Program (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111; and Jared Hernandez, Chief of Police, 408-586-2406)**

Authorized the City Manager, or designee, to execute a purchase order for one specialty DUI enforcement patrol vehicle, including outfitting and decals, in an amount not to exceed \$98,660, with the vendor determined by the Purchasing Agent in accordance with Milpitas Municipal Code Section I-2-3.06, superseding the vendor-specific purchase order authorization approved by the City Council on August 11, 2026.

15. **Approve and Authorize the City Manager, or Designee, to Execute a Stormwater Management Facilities Operation and Maintenance Agreement with KLA Corporation for 1 Technology Drive (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)**

Approved and authorized the City Manager, or designee, to execute a Stormwater Management Facilities Operation and Maintenance Agreement between the City of Milpitas and KLA Corporation for 1 and 3 Technology Drive.

16. **Adopt a Resolution to Accept the Improvements and Authorize the City Engineer to File a Notice of Completion and Issue a Notice of Final Acceptance after the One-Year Warranty for Curtis Recycled Water Line Repair Project – Phase 1 (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)**

Adopted **Resolution No. 9537** to accept the improvements for the Curtis Recycled Water Line Repair Project – Phase 1, and authorize the City Engineer to file a Notice of Completion and issue a Notice of Final Acceptance after the one-year warranty.

17. **Adopt Ordinance No. 232.2 Amending Chapter 3, Backflow Prevention and Cross-Connection Control, of Title VIII of the Milpitas Municipal Code (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)**

Waived the second reading and adopted **Ordinance No. 232.2** amending Chapter 3, Backflow Prevention and Cross-Connection Control, of Title VIII of the Milpitas Municipal Code to align and comply with the Cross-Connection Policy Handbook, adopted by the California State Water Resources Control Board.

18. **Adopt Ordinance No. 240.8 Amending Sections of Chapter 6 of Title VIII of the Milpitas Municipal Code Relating to the Water Shortage Contingency Plan and Permanent Water Waste Restrictions (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602)**

Waived the second reading and adopted **Ordinance No. 240.8** Amending Sections of Chapter 6 of Title VIII of the Milpitas Municipal Code relating to the Water Shortage Contingency Plan and Permanent Water Waste Restrictions including a ban on watering nonfunctional turf.

19. **Authorize the Purchasing Agent, or Designee, to Dispose of Surplus Vehicles and Equipment Each Valued at Over \$5,000 and Authorize the City Manager, or Designee, to Negotiate and Execute an Agreement with J.J. Kane Associates, Inc. for Auction Services (Staff Contact: Luz Cofresi-Howe, Finance Director, 408-586-3111; and Christian Di Renzo, Public Works Director, 408-586-2602)**

(1) Authorized the Purchasing Agent, or designee, to dispose of the 19 surplus vehicles and three pieces of surplus equipment listed in this report, each with an estimated current market value of more than \$5,000; and, (2) authorized the City Manager, or designee, to negotiate and execute an agreement with J.J. Kane Associates, Inc. for auction services for the sale of surplus property, for an initial term beginning on the date of contract execution and ending on January 27, 2029, coterminous with Sourcewell Contract No. 111424-JJK, with up to three additional one-year options to extend the agreement through January 27, 2032, to be exercised at the City's sole discretion and contingent on a valid cooperative or other competitively procured contract remaining in effect.

20. **Consider Fee Waiver Request from Knights of Columbus St. John Council and St. Elizabeth Catholic Church (Staff Contact: Renée Lorentzen, Recreation and Community Services Director, 408-586-3409)**

Approved a fee waiver request of \$342 for the annual Knights of Columbus St. John Council Family Picnic Event on August 15, 2026, and a fee waiver of \$1,115 for the St. Elizabeth Catholic Church Annual Festival on September 26, 2026.

21. **Approve Milpitas Arts and Culture Grant Requests for a Cultural Menorah Lighting Event and Uganda Culture and Sustainability Event (Staff Contact: Renée Lorentzen, Recreation and Community Services Director, 408-586-3409)**

Approved Milpitas Arts and Culture in-kind grant requests from Dina and Marvin Serber for a Cultural Menorah Lighting Event on December 12, 2026; and from CompassPoint Mentorship for a Uganda Culture and Sustainability Event on September 13, 2026, as unanimously recommended for approval by the Arts Commission on May 18, 2026.

22. **Authorize Travel Request by Vice Mayor Barbadillo to Attend the League of California Cities 2026 Annual Conference and Expo in Anaheim, CA (Staff Contact: Julie Minot, Senior City Manager Analyst, 408-586-3054)**

Authorized travel by (1) Vice Mayor Barbadillo to attend the League of California Cities 2026 Annual Conference and Expo in Anaheim, CA from September 23-25, 2026, for an estimated total amount of \$2,800, budgeted under the FY2026-27 Individual Elected Official allocation for Conferences/Meetings/Trainings; and by (2) Councilmember William Lam to attend the KTSF 50th Anniversary Banquet 2026 in Daly City, CA on September 12, 2026, for an estimated total amount of \$200.

ITEMS PULLED FROM CONSENT CALENDAR

9. **Authorize Conveyance of Below Market Rate Unit at 1377 Coyote Creek Way to the Milpitas Housing Authority, and Approve the Sale of the Unit to an Income-Qualified Buyer (Staff Contact: Hanson Hom, Senior Special Projects Associate; and Michelle Silva, Administrative Analyst II, 408-586-3222)**

Councilmember Chua explained that she pulled this item to inquire about the selection process for the income-qualified buyer.

Julius Nyanda, Founder and CEO of House Keys, the program administrator, explained the process and how applicants were ranked and selected. Councilmember Chua requested a detailed memorandum on how many entrants and qualified applicants were Milpitas residents.

Mayor Montano cited the current limitations and expressed a desire to see the City have more direct influence over the selection to better prioritize Milpitas residents.

After discussion, motion: to (1) Authorize conveyance of the real property located at 1377 Coyote Creek Way (APN 083-10-079) from the City of Milpitas to the City of Milpitas Housing Authority and authorize the City Manager, or designee, to execute a grant deed and all other documents necessary to complete the conveyance, in a form approved by the City Attorney; and (2) Approve the sale of the property by the City of Milpitas Housing Authority to the income-qualified buyer at the maximum affordable resale price of \$585,000, and authorize the Executive Director, or designee, to execute the purchase and sale agreement, grant deed, escrow instructions, resale restriction agreement, and all other documents necessary to complete the sale, in a form approved by Authority Counsel..

Motion/Second: Councilmember Chua / Councilmember Lien

Motion carried by the following:

AYES: Mayor Montano, Councilmember Chua, Councilmember Lam, Councilmember Lien

NOES: None

ABSENT: Vice Mayor Barbadillo

11. **Authorize the City Manager, or Designee, to Negotiate and Execute an Agreement with CentralSquare Technologies, LLC for Maintenance and Support of the City's Public Safety Computer Aided Dispatch System and Related Software (Staff Contact: Luz Cofresí-Howe,**

Finance Director, 408-586-3111; and Daniel Nam, Information Technology Director, 408-586-2712)

Councilmember Lien pulled this item to inquire about the sole source procurement justification and a difference between the amount cited in the recommendation and the fiscal impact section of the report.

Finance Director Cofresí-Howe and Information Technology Director Nam responded to questions from City Council.

After discussion, motion: to Authorize the City Manager, or designee, to negotiate and execute an agreement with CentralSquare Technologies, LLC for ongoing maintenance and support of the City's Public Safety Computer Aided Dispatch System and related software with a term of September 1, 2026 through June 30, 2031, a first-year maximum cost of \$143,201, and a total not-to-exceed cost of \$831,464 for the full five-year term, subject to the annual appropriation of funds, with the agreement including a payment for FirstTwo visual intelligence platform services retroactive to July 1, 2026..

Motion/Second: Councilmember Lien / None

Motion carried by the following:

AYES: Mayor Montano, Councilmember Chua, Councilmember Lam, Councilmember Lien

NOES: None

ABSENT: Vice Mayor Barbadillo

PUBLIC HEARINGS

23. Adopt a Resolution Amending the Schedule of User and Regulatory Fees Adopted by Resolution No. 9516 to Update 161 Fees and Establish Six New Fees, Effective November 2, 2026 (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111)

Assistant City Manager Transou introduced the item. Finance Director Cofresí-Howe presented the report, joined by Terry Madsen from Clearsource Financial Consulting and Budget Manager Vurich.

Mayor Montano opened the public hearing.

There were the following public speakers:

1. Voltaire Montemayor

Mayor Montano closed the public hearing.

Councilmember Lien asked for clarification on several of the proposed fee changes.

Mayor Montano expressed concern about the burden of the bounce house permit fee on families with young children and proposed reducing it from \$60 to \$20 for residents and from \$100 to \$50 for non-residents. Recreation and Community Services Director Lorentzen explained that the bounce house permit was intended to address a growing volume of requests, ensure appropriate insurance documentation, and clarify rules for inflatable apparatus use in parks. She noted that the fee would apply separately from the underlying park space rental fee, which ranges from \$64 to \$300 per day depending on park size. Mayor Montano questioned the fee for drop-ins at the After School Activity program and suggested it should be removed. Director Lorentzen explained this new fee was specifically designed to improve access for families who do not need full-year enrollment in the After the Bell program but occasionally require short-term care. She noted that MAP-eligible families could receive a subsidy of 50–75 percent depending on income tier. Upon the clarification, the Mayor expressed support for the fee.

Councilmember Chua indicated she preferred to waive the bounce house permit fee entirely for

residents and retain it for non-residents, and also expressed reservations about the new podium rental fees, suggesting the podium should be included in the community center rental rather than charged separately. She also suggested removing the After School Drop-in fee. City Attorney Curtis clarified that by removing the fee, there would be no option for drop in participation in the After School program. There was general support from the Council to keep the After School program drop in fee.

Councilmember Lam agreed with Mayor Montano's position of \$20 for residents and \$50 for non-residents on the bounce house permit. He also agreed that the podium rental fees be included in the community center rental rather than charged separately.

Mayor Montano revised her recommendation for the bounce house fee to be \$0 for residents and \$60 for non-residents. She also expressed support for including the podium rental with the community center rental fee.

City Attorney Curtis restated the recommended changes to the proposed fees.

After discussion, motion: to Adopt **Resolution No. 9538** amending the Schedule of User and Regulatory Fees adopted by Resolution No. 9516 to update 161 fees and establish six new fees, effective November 2, 2026, with the following amendments:

- (1) Set the bounce house permit fee would be set at \$0 for residents and \$60 for non-residents;
- (2) Remove both podium rental fees from the fee schedule, with no podium delivery to off-site locations.

Motion/Second: Councilmember Chua / Mayor Montano

Motion carried by the following:

AYES: Mayor Montano, Councilmember Chua, Councilmember Lam, Councilmember Lien

NOES: None

ABSENT: Vice Mayor Barbadillo

ANNOUNCEMENTS AND FUTURE AGENDA ITEMS

Councilmember Chua requested that the City Attorney follow up with House Keys to verify the details of the C9 buyer selection process and explore, legally, whether the City could adopt a policy further strengthening local preference for Milpitas residents in the disposition of below-market-rate units. City Attorney Curtis indicated he would reach out and provide an update to the Council.

Mayor Montano asked to observe a moment of silence in memory of the victims of a catastrophic flood in Nepal.

ADJOURNMENT

Mayor Montano adjourned the meeting 8:38 PM in memory of the victims of the flooding in Nepal.

Draft meeting minutes submitted by City Clerk, Suzanne Guzzetta

TENTATIVE CITY COUNCIL AGENDA ITEM LIST

as of 09/08/2026

October 6, 2026 –Regular Meeting (7:00 PM)

CLOSED SESSION

INVOCATION (Vice Mayor Barbadillo)

PRESENTATION

- Fire Prevention Week – October 5-11, 2026 (Proclamation)
- Indigenous Peoples' Day (Proclamation)
- Hindu American Awareness and Appreciation Month (Proclamation)
- California Clean Air Day – October 2, 2026 (Proclamation)

CONSENT CALENDAR

1. Receive City Council Calendar for October 2026 (City Clerk)
2. Approve City Council Meeting minutes of September 15, 2026 (City Clerk)
3. Preview list of items for October 20, 2026 (City Clerk)
4. Councilmember Request List (City Clerk)
5. Commission Workplans (City Clerk / Economic Development / Recreation)
6. Vehicle Purchases (Finance / Public Works)
7. Final Acceptance of Calaveras Median Beautification Project (Public Works / Engineering)

PUBLIC HEARINGS

8. Pulte South Bay Tech Center Townhome Development (Planning)

LEADERSHIP AND SUPPORT SERVICES

9. Mural Policy Update (Recreation)

**MILPITAS CITY COUNCIL
AGENDA ITEM REQUESTS**

Status	Item #	Request	Submitted by:	Date Requested
Open	1	Consider reviewing or developing a policy around the issue of regulation of electric bicycles and scooters.	Barbadillo	8/11/2026
Open	2	Review the City's mixed-use zoning standards, specifically guidelines governing the percentage of commercial versus residential components.	Barbadillo	8/11/2026
Open	3	Review the City's tree ordinance to assess whether updates are needed.	Barbadillo	8/11/2026
Open	4	Return to the City Council with a recommendation regarding transitioning the food pantry lease to a market rate model through the Housing Authority	Lam	5/5/2026
Open	5	Consider prioritization of a formal, third-party staffing analysis for the Fire Department similar to the 2019 study	Barbadillo	4/7/2026
Open	6	Review the permitting process, including the site development permit process, to determine whether updates are needed.	Barbadillo	4/7/2026
Open	7	Explore youth programs and intervention initiatives in the wake of the passing of Milpitas high school student Jared Kavan on March 31st.	Montano	4/7/2026
Open	8	Review the Council prioritization process	Chua	11/18/2025
In Progress	9	Agendize a review by the Facility Naming Subcommittee of facilities named after Cesar Chavez and make recommendations to the Council	Montano	4/7/2026
In Progress	10	Alcohol and Massage Parlor Permits come before the City Council.	Montano	2/3/2026
In Progress	11	Look into the process of establishing a Friendship City relationship	Montano	11/18/2025
In Progress	12	Develop a project management informational memo.	Barbadillo	4/1/2025
In Progress	13	Feasibility study regarding a police satellite office.	Montano	2/18/2025
In Progress	14	Bring back a study or analysis of the permit process	Chua	11/19/2024
In Progress	15	Main Street Infrastructure Projects	Montano	2/28/2023

NOTE: Deferred and Completed Items are not listed



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Authorize the City Manager to Send a Response Letter to Santa Clara County Civil Grand Jury Final Report on Pothole Damage Claims (Staff Contact: Scott Transou, Assistant City Manager 408-586-3012)
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	9/15/2026
Recommendation:	Authorize the City Manager to send a response letter to the Santa Clara County Civil Grand Jury Final Report "Pothole Damage: Improving claims processes within Santa Clara County."

BACKGROUND:

On June 12, 2026, the City of Milpitas (City) received the Santa Clara County Civil Grand Jury final report titled "Pothole Damage: Improving claims processes within Santa Clara County."

The Grand Jury's investigation focused on the processes used by the County of Santa Clara and the 15 cities and towns within the county, including Milpitas, for handling claims related to vehicle damage caused by potholes. The report analyzed claims data from 2020 to 2025, reviewed agency websites for accessibility of claims information, and conducted interviews with representatives from jurisdictions responsible for road maintenance. The Grand Jury's findings and recommendations address issues such as the high rate of claim rejections, challenges in determining jurisdictional responsibility, and the accessibility of claims forms and instructions.

Pursuant to California Penal Code section 933(c), the City is required to provide a response to the Presiding Judge of the Superior Court no later than September 17, 2026.

ANALYSIS:

The Grand Jury's recommendations focus on improving public access to information about jurisdictional boundaries, clarifying which roads are maintained by which agency, and enhancing the accessibility of claims forms and instructions, including translation into multiple languages.

In its draft response letter, the City has documented the following:

- The City already provides online access to GIS-based maps of City-maintained roads and boundaries
- City claims forms are accessible and include translation functionality for the most common languages spoken in Milpitas.
- The City's review of recent claims data indicates that confusion over jurisdictional boundaries has not resulted in rejected pothole claims, and
- The City's current practices meet or exceed the standards recommended by the Grand Jury.

The City's response was prepared by conducting an internal review of claims data from the past three (3) fiscal years, in consultation with the City's Risk Management and Information Technology staff regarding website content and translation tools, and in coordination with the City Attorney's Office to ensure legal sufficiency of the response. No public comments or formal complaints have been received regarding the accessibility or clarity of the City's pothole claims process during this period.

If approved, the next steps will include finalizing the response letter and sending it to the Presiding Judge of the Santa Clara County Superior Court by the statutory deadline.

POLICY ALTERNATIVE(S):

Alternative 1:

Do not respond to the Santa Clara County Civil Grand Jury final report titled "Pothole Damage: Improving claims processes within Santa Clara County."

Pros: None

Cons: Pursuant to Penal Code Section 933(c), the City is required to provide a response to the Presiding Judge of the Superior Court. Not responding as directed could result in legal consequences imposed upon the City.

Reason for Not Recommending:

The City will be out of compliance with section 933, which could have legal consequences.

FISCAL IMPACT:

None.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

This item is not a project under the California Environmental Quality Act (CEQA) Guideline 15378(b).

ATTACHMENT(S):

- (a) City of Milpitas Response to the June 12, 2026 Santa Clara County Civil Grand Jury Final Report Pothole Damage - Improving claims processes within Santa Clara County
- (a) June 12, 2026 Santa Clara County Civil Grand Jury Final Report Pothole Damage - Improving claims processes within Santa Clara County



CITY OF MILPITAS

OFFICE OF THE CITY MANAGER

455 EAST CALAVERAS BOULEVARD, MILPITAS, CALIFORNIA 95035-5479
PHONE: 408-586-3040, FAX: 408-586-3056, www.milpitas.gov

September 11, 2026

Via EMAIL

Hon. Julie A. Emede
Presiding Judge
Santa Clara County Superior Court
191 North First Street
San Jose, CA 95113
CGJ@scscourt.org

Re: City of Milpitas Response to June 12, 2026 Santa Clara County Civil Grand Jury Final Report: "Pothole Damage: Improving Claims Processes Within Santa Clara County"

The City of Milpitas' responds to the June 12, 2026, Grand Jury report titled "Pothole Damage: Improving Claims Processes Within Santa Clara County" (the "Report"). The City is providing this response pursuant to California Penal Code section 933.

FINDINGS

Finding 1: Jurisdictions within Santa Clara County rejected 92% of pothole claims from 2020 to 2025 due to reasons including missed deadlines, incorrect jurisdiction, and lack of prior notice.

City of Milpitas Response to Finding 1: Milpitas does not have data on the county-wide rejection rate and cannot fully respond to this finding. The City agrees, however, that missed deadlines, incorrect jurisdiction, and lack of legal liability (because of a lack of notice of the pothole before the damage occurred) are all reasons that claims may be denied.

Finding 2: Claims are often rejected because the claimant filed with the incorrect jurisdiction, which can happen because jurisdictional lines are often unclear or poorly communicated. The claims websites of all jurisdictions within Santa Clara County lack information about how to determine if a road is in its jurisdiction.

City of Milpitas Response to Finding 2: Milpitas partially disagrees with this finding as it applies to Milpitas. A review of the City's claims over the last three (3) fiscal years shows that zero (0) pothole claims were rejected because the pothole was in a neighboring jurisdiction. By contrast, six (6) claims were rejected because the pothole was inside Milpitas but owned and maintained by another entity, such as CalTrans, the County, or a private HOA. Claimants commonly submit claims to multiple entities

when one entity’s road runs through another’s jurisdiction, so while some of these may be the result of confusion, many are merely a result of duplicative claims. More importantly, it does not appear that any of the rejected claims involved confusion over jurisdictional boundaries.

The City disagrees that jurisdictional boundaries are unclear or poorly communicated. Although jurisdictional boundaries are not always intuitive, they are clearly defined by legal action, and maps of these boundaries are readily available through multiple on-line resources. The City currently publishes on-line maps of its roads and boundaries through its GIS portal at <https://milpitas-gis-milpitas.hub.arcgis.com>. The same information is also available on LAFCO’s website at <https://santaclaralafco.org/policies-and-resources/maps> and can be found on commonly used on-line mapping tools. The two most popular search engines (Google, Bing) provide a map of Milpitas’s boundaries in response to the query “Milpitas Map.”

The City agrees that its claims website does not specifically contain information about how to determine if a road is in its jurisdiction. The City, however, does publish this information separately, and the lack of any recent claims misidentifying jurisdictional boundaries suggests that this is not a significant need. The City lacks information to respond to this question as it applies to other jurisdictions.

Finding 3: Fifteen jurisdictions – the County, Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Palo Alto, San José, Santa Clara, and Saratoga – have websites with deficiencies that make it difficult to file a claim.

City of Milpitas Response to Finding 3: Milpitas disagrees with this finding as it applies to Milpitas. The report does not identify, and the City is unaware, of any specific deficiency with the City’s website, or any feature that makes filing a claim more difficult. Milpitas has already implemented the translation software recommended in 3b and includes clear filing instruction in the form. Milpitas lacks sufficient information to respond to this finding as it applies to other jurisdictions.

RECOMMENDATIONS

Recommendation 2a: All jurisdictions within Santa Clara County should include a link to a map or list of roads they maintain on their claims website. The jurisdictions should implement this by December 15, 2026.

City of Milpitas Response to Recommendation 2a: This recommendation is not being implemented as it is unwarranted. The City currently publishes on-line maps of its roads and boundaries through its GIS portal at milpitas-gis-milpitas.hub.arcgis.com. The same information is also available on LAFCO’s website at <https://santaclaralafco.org/policies-and-resources/maps> and can be found on commonly used on-line mapping tools.

Although the claims website does not specifically link to a map of City boundaries, this does not appear to be a need that warrants including a link in claims materials. Pothole claims account for less than seven percent (7%) of the claims Milpitas received over the last three (3) years. Over that time, zero (0) pothole claims were rejected due to filing in the wrong jurisdiction. Given how uncommon the issue is, this change appears unwarranted. Adding a link for something this minor would not be efficient and would be more likely to cause confusion than benefit.

Recommendation 2b: All jurisdictions within Santa Clara County should update their claims websites to identify roads that are commonly mistaken as being in their jurisdictions. The jurisdictions should implement this by December 15, 2026.

City of Milpitas Response to Recommendation 2b: This recommendation is not being implemented as it is unwarranted. As noted above, the City has not identified any claims in the last three (3) fiscal years that were for locations outside of the jurisdiction. To the extent that confusion exists, it is more likely related to roads owned by other agencies inside of Milpitas.

Recommendation 3a: Eleven jurisdictions – the County, Campbell, Cupertino, Los Altos, Los Altos Hills, Milpitas, Monte Sereno, Morgan Hill, Mountain View, San José, and Saratoga – should update their websites to provide clear instructions and information about how to file a claim in addition to a link to the claim form. The jurisdictions should implement this by December 15, 2026.

City of Milpitas Response to Recommendation 3a: This recommendation is not being implemented as it is unwarranted. The City’s claims form contains clear instructions and is published on the City’s website. Milpitas is unaware of any instances where the placement of the instructions on the form has caused confusion or impeded filing. Moreover, including the instructions on the form allows the City’s translation tool (see 3b) to translate the instructions into languages common in Milpitas. Maintaining that functionality provides more benefit than moving the instructions onto the webpage.

Recommendation 3b: Fourteen jurisdictions – the County, Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Palo Alto, San José, and Santa Clara – should incorporate useable software on their websites that can translate claim forms into multiple languages or provide claim forms in multiple languages based on the demographics they serve. The jurisdictions should implement this by December 15, 2026.

City of Milpitas Response to Recommendation 3b: This recommendation has been implemented. Since April 24, 2026, prior to the Report being issued, the City’s website has integrated DocAccess to provide accessibility tools, including translation, for all PDF documents. Users who click on the Claims Form are presented with a “translate” button on the right-hand side. Milpitas’s most common languages are listed for easy access in a drop-down menu.

This completes the City of Milpitas' response to the Report per section 933.

Sincerely,

Willie A. Hopkins, Jr.
City Manager



June 12, 2026

City of Milpitas
c/o Ms. Suzanne Guzzetta, City Clerk
455 East Calaveras Boulevard
Milpitas, California 95035

Sent via email: sguzzetta@milpitas.gov

Dear Ms. Guzzetta,

The 2025-26 Santa Clara County Civil Grand Jury is transmitting to you its Final Report, ***Pothole Damage: Improving claims processes within Santa Clara County.***

California Penal Code section 933(c) requires that a governing body of the particular public agency or department that has been the subject of a Grand Jury final report shall respond within 90 days to the Presiding Judge of the Superior Court on the findings and recommendations pertaining to matters under the control of the governing body. California Penal Code section 933.05 contains guidelines for responses to Grand Jury findings and recommendations and is attached to this transmission.

Please note:

1. As stated in Penal Code section 933.05(a), attached, you are required to "Agree" or "Disagree" with each applicable Finding: 1, 2, and 3. If you disagree, in whole or part, you must include an explanation of the reasons you disagree.
2. As stated in Penal Code section 933.05(b), attached, you are required to respond with one of four possible actions to each applicable Recommendation: 2a, 2b, 3a, and 3b.

Your comments are due to the office of the Honorable Julie A. Emede, Presiding Judge, Superior Court of California, County of Santa Clara, 191 North First Street, San José, CA 95113, no later than **Thursday, September 10, 2026**. You may transmit these via email to CGJ@scscourt.org. Copies of all responses shall be placed on file with the Clerk of the Court.

If you have any questions, please contact Britney Huelbig, Deputy Manager for the Civil Grand Jury, at (408) 882-2721 or CGJ@scscourt.org.

Sincerely,

Dinesh Ramde
Foreperson
2025-2026 Civil Grand Jury

Enclosures

cc: Kavita Narayan, Chief Assistant County Counsel, County of Santa Clara
Willie Hopkins, City Manager

933.05. (a) For purposes of subdivision (b) of Section 933, as to each grand jury finding, the responding person or entity shall indicate one of the following:

- (1) The respondent agrees with the finding.
- (2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.

(b) For purposes of subdivision (b) of Section 933, as to each grand jury recommendation, the responding person or entity shall report one of the following actions:

- (1) The recommendation has been implemented, with a summary regarding the implemented action.

- (2) The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.

- (3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.

- (4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.

(c) However, if a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the board of supervisors shall respond if requested by the grand jury, but the response of the board of supervisors shall address only those budgetary or personnel matters over which it has some decisionmaking authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

(d) A grand jury may request a subject person or entity to come before the grand jury for the purpose of reading and discussing the findings of the grand jury report that relates to that person or entity in order to verify the accuracy of the findings prior to their release.

(e) During an investigation, the grand jury shall meet with the subject of that investigation regarding the investigation, unless the court, either on its own determination or upon request of the foreperson of the grand jury, determines that such a meeting would be detrimental.

(f) A grand jury shall provide to the affected agency a copy of the portion of the grand jury report relating to that person or entity two working days prior to its public release and after the approval of the presiding judge. No officer, agency, department, or governing body of a public agency shall disclose any contents of the report prior to the public release of the final report.

(Amended by Stats. 1997, Ch. 443, Sec. 5. Effective January 1, 1998.)



2025-2026 Santa Clara County Civil Grand Jury

Pothole Damage:

Improving claims processes within Santa Clara County

June 12, 2026

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SUMMARY

If you hit a pothole within Santa Clara County and damage your vehicle, chances are that your local government will decline to reimburse you for repairs. According to data analyzed by the 2025-26 Santa Clara County Civil Grand Jury (Civil Grand Jury), 92% of pothole claims filed with the County of Santa Clara (County) and the 15 cities and towns in Santa Clara County from 2020 to 2025 were rejected.

People who file claims may find this high rejection rate disappointing. They may also be frustrated by the state law that establishes the claims process, which can often be complex and opaque.

For example, in some jurisdictions, it's not easy to figure out how to file a claim. Also, while the City of Palo Alto (Palo Alto) and the City of Saratoga (Saratoga) offer e-filing options, claims filed in other jurisdictions must be mailed in or returned in person. And when a claim is denied, the rejection notice often provides little or no explanation.

The County, cities, and towns can and should do better. Specifically, they should:

- Make online claim forms available or easier to find, and include clearer instructions and timelines;
- Provide forms in multiple languages that reflect their specific demographics;
- Make it easier for claimants to determine which jurisdiction is responsible for a given roadway;
- Update their rejection letters to specify why claims were denied.

Implementing these changes would make the claims process simpler and more accessible. It would also minimize at least one source of frustration for residents who are already burdened by unexpected repair costs.

BACKGROUND

For the purposes of this report, a pothole is defined as a depression or hole in the road that forms when pavement breaks apart due to traffic stress and weather conditions.

Potholes can cause severe damage to tires and the underside of vehicles, with a particular risk to two-wheeled vehicles. If drivers believe the local government is responsible for their damage, they can file a claim seeking reimbursement.

According to local media reports, Bay Area drivers in 2022 filed more than 1,000 claims for potholes and other road damages. According to data that the California Department of Transportation (Caltrans) provided to CBS News, it rejected more than 95% of Bay Area claims (Feingold and Manthey, 2024; Manthey and Watts, 2024).

Who Is Responsible for Pothole Damage

Claims for road-related damage must be filed with the state, county, or city agency that has jurisdiction over the road where the damage occurred.

For example:

- Caltrans is generally responsible for major freeways and highways, such as US-101, I-280, and State Route 87.
- The County is responsible for expressways and county roads, such as Capitol and Lawrence Expressways.
- Cities and towns are generally responsible for local streets within their boundaries, including residential neighborhoods.

Why So Many Claims Are Rejected

The Civil Grand Jury requested and received claims data from the County and the 15 cities and towns in Santa Clara County covering the period from 2020 to 2025. The Civil Grand Jury's analysis of that data revealed that only 9% of pothole claims across Santa Clara County were settled.

Under the California Government Claims Act (Cal. Gov. Code §§ 810 et seq.), local agencies have wide discretion to reject a pothole claim for reasons including but not limited to:

- The claim form was incomplete or not filed by the required deadline;

- It was filed in the wrong jurisdiction;
- The responsible county, city, or town either was not aware of the pothole or was aware but had not had sufficient time to repair it.

These laws make it difficult for a claimant to dispute a denial. For example, if an agency rejects a claim on the grounds that it was not aware of the pothole, the law does not require it to provide evidence to back up its assertion.

In addition, because different agencies can have jurisdiction over different sections of the same road, it can be difficult for a claimant to determine which agency is responsible for the specific location where the damage occurred. If the person files with the wrong jurisdiction, the agency can reject the claim with no obligation to specify the reason or redirect the claimant to the correct jurisdiction.

If a claim is rejected, the claimant can pursue legal action according to the California Government Claims Act.

The California Government Claims Act

The California Government Claims Act (Cal. Gov. Code §§ 810 et seq.) establishes timelines and procedures for filing lawsuits seeking money or damages from a public entity.

In general, the Government Claims Act specifies that a claim must be filed no later than six months from the date of the incident. The claim must include what happened, what harm occurred, and the amount of compensation requested.

Once the public entity receives the claim, it has 45 days to review, investigate, and decide whether to settle or reject it. If a claim is rejected, the claimant has six months to file a lawsuit.

Why the Civil Grand Jury Conducted This Investigation

The Civil Grand Jury believes that claims processes should be consistent, accessible, and transparent. It also believes the public interest is served by highlighting when processes fall short of that standard.

The Civil Grand Jury conducted this investigation to:

- Examine how local government agencies manage pothole claims;
- Understand why so many claims are denied;

- Recommend how jurisdictions can make it easier for potential claimants to engage in the process.

METHODOLOGY

The Civil Grand Jury requested data from all 16 jurisdictions responsible for road maintenance within Santa Clara County. The data excluded state routes and interstate highways because Caltrans, a state agency, is not subject to Civil Grand Jury review. Jurisdictions provided data about all claims filed against them for road-related damages between 2020 and 2025. Information provided included the number of pothole claims, the amount claimed, the resolution, and the reason for rejection. Three jurisdictions provided response letters sent to claimants.

The Civil Grand Jury reviewed the websites of the following 16 agencies to analyze what content was included and how clearly it was presented:

- County of Santa Clara (County)
- City of Campbell (Campbell)
- City of Cupertino (Cupertino)
- City of Gilroy (Gilroy)
- City of Los Altos (Los Altos)
- Town of Los Altos Hills (Los Altos Hills)
- Town of Los Gatos (Los Gatos)
- City of Milpitas (Milpitas)
- City of Monte Sereno (Monte Sereno)
- City of Morgan Hill (Morgan Hill)
- City of Mountain View (Mountain View)
- City of Palo Alto (Palo Alto)
- City of San José (San José)
- City of Santa Clara (Santa Clara)
- City of Saratoga (Saratoga)
- City of Sunnyvale (Sunnyvale)

The Civil Grand Jury also interviewed representatives from four jurisdictions that together account for about two-thirds of the roads in Santa Clara County. These interviews provided further insight into the agencies' processes and decision-making practices.

INVESTIGATION

There are over 10,000 miles of locally maintained lanes in Santa Clara County (Metropolitan Transportation Commission, 2026). Between 2020 and 2025, the agencies received exactly 400 claims specifically due to potholes.

Of the pothole claims, the Civil Grand Jury determined that the jurisdictions collectively settled 34 claims, or 8.5%. The percentage of settlements for damages varied among the individual entities. The data showed that during that five-year period:

- Gilroy and Saratoga each settled 50% of claims filed (however, they each averaged 1-2 claims per year, among the smallest sample sizes in Santa Clara County).
- Four jurisdictions paid at least 10% of claims: Morgan Hill (17%), the County (11%), Santa Clara (11%), and Milpitas (10%).
- The remaining jurisdictions paid 9% of claims or fewer.

The Civil Grand Jury acknowledges that the significance of this data is limited; if an entity received a high volume of claims filed in the wrong jurisdiction, it will not settle those claims.

How Jurisdictions Investigate Claims

Jurisdictions within Santa Clara County generally follow a similar process for receiving and evaluating a claim.

First, the claim gets submitted to a city clerk, city manager, or equivalent official, who logs it along with any accompanying documents. Next, the official notifies the local public works department so it can investigate the incident site as needed.

In the meantime, the official assigns the claim to an investigator, usually in the city attorney's or county counsel's office. The investigator verifies whether the agency has jurisdiction, ensures the form was filled out correctly, and reviews any photographs and receipts that were submitted.

If the jurisdiction agrees to pay out the claim, it will often mail a check. But if the claim involves injuries or death, or the claimant is seeking tens of thousands of dollars, the settlement may need approval from the respective city council or the County Board of Supervisors.

If the jurisdiction rejects the claim, it will inform the claimant via a form letter or email. The California Government Claims Act does not require jurisdictions to specify the reason for denial.

Two Common Reasons for Rejection

According to the data provided to the Civil Grand Jury, claims are frequently denied for one of two reasons: The claim was out of the entity's jurisdiction, or the County, city, or town had no prior notice of the pothole.

Out of Jurisdiction

A claim must be filed with the agency that has jurisdiction over the specific location where the incident occurred. According to interviews conducted by the Civil Grand Jury, claims that are filed with the wrong jurisdiction will almost certainly be rejected as outside of jurisdiction.

A road's location within an agency's boundaries does not necessarily mean that agency is responsible for receiving or resolving related claims. Jurisdiction over road maintenance can shift multiple times as roads cross between state, county, and municipal boundaries. This patchwork of responsibility can be confusing, making it hard for claimants to figure out which agency has jurisdiction over the specific location of their incident.

Agencies typically verify their jurisdiction by consulting their local public works, utilities, or roads departments.

No Prior Notice

The Government Claims Act also establishes limits to the public entities' liability for the condition of its roadways. One of those limitations is the issue of notice to the public entity. The Civil Grand Jury found this was one of the two most common reasons pothole claims are rejected.

Notice typically requires evidence that at least one of four circumstances exists:

1. The public entity created the condition;
2. The pothole had been reported prior to an incident in which a vehicle was damaged;
3. An agency's employee observed the pothole and reported it;
4. The pothole existed long enough that the jurisdiction should have known about it through regular inspections.

If none of these circumstances applies, the agency can declare it had no prior notice and deny the claim.

When an agency receives notice of a pothole, state law allows for a reasonable period to address the hazard. It does not specify what constitutes a reasonable timeframe.

Drivers can help ensure that a jurisdiction receives prior notice by promptly reporting any potholes. All jurisdictions have a mechanism for reporting potholes and other issues (see [Appendix A](#)).

Rejection Notices are Often Vague

As noted above, it is not unusual for an agency to withhold its reason for rejecting a claim. A rejection notice would contain this language, in part, which is required by the California Government Claims Act (Cal. Gov. Code § 913):

NOTICE OF REJECTION OF CLAIM

Dear Claimant,

Notice is hereby given that the claim you presented to (insert title of board or officer) on (date) was rejected on (date).

WARNING

Subject to certain exceptions, you have only six (6) months from the date this notice was personally delivered or deposited in the mail to file a court action on this claim. See Government Code Section 945.6.

You may seek the advice of an attorney of your choice in connection with this matter. If you desire to consult an attorney, you should do so immediately.

Agencies may provide further information, such as the reason for rejection. A notice of denial can be aggravating enough, but when it is written in minimal legalistic terms, claimants may feel even more frustrated. The Civil Grand Jury learned about rejection letters from the County, Los Altos, Los Gatos, Mountain View, Palo Alto, and San José and found that some but not all rejection letters provide a reason for rejection. Rejection letters from other jurisdictions may follow this same approach.

In Civil Grand Jury interviews, one agency official suggested that people who receive a letter like this contact the agency and see if it will share the reason for rejection. Although the reason for rejection is recorded by the agency, there is no legal obligation to provide this information, and agencies may limit this information.

Filing a Claim: Determining which Jurisdiction is Responsible

Caltrans Jurisdiction

If a pothole is located on a state route or interstate highway, the claim would generally fall under Caltrans's jurisdiction. These routes, which, according to Caltrans, cover about 250 miles throughout Santa Clara County (California Department of Transportation, 2025) include:

- U.S. Route 101 (US-101)
- Interstate 280 (I-280)
- Interstate 680 (I-680)
- Interstate 880 (I-880)
- State Route 17 (SR-17)
- State Route 35 (SR-35)
- State Route 82 (SR-82), which includes El Camino Real
- State Route 85 (SR-85)
- State Route 87 (SR-87)
- State Route 130 (SR-130), which includes part of Alum Rock Road and Mount Hamilton Road
- State Route 152 (SR-152)
- State Route 237 (SR-237)

Residents may not realize that some common local routes fall under Caltrans jurisdiction. These include SR-82, a large part of which includes El Camino Real; Mount Hamilton Road; and SR-130, which is part of Alum Rock Avenue.

When a local road crosses or overlaps a state route or interstate, that portion is generally under Caltrans jurisdiction.

County Jurisdiction

Expressways and many county roads are maintained by the County Roads and Airports Department.

Major roads include:

- Almaden Expressway
- Capitol Expressway
- Central Expressway
- Foothill Expressway
- Lawrence Expressway

- Montague Expressway
- Oregon Expressway
- San Tomas Expressway
- Southwest Expressway

Complicated Exceptions

Further complicating efforts to determine which agency has jurisdiction over a particular area, cities, Caltrans, the County, and even the federal government (such as near Moffett Federal Airfield) have maintenance agreements that specify which agency is responsible for certain roadway segments – such as onramps, offramps, and other defined areas (City of Mountain View, 2019). It is not always easy to determine which agency is responsible for which segments.

Complicated Maps

Some jurisdictions have no public maps indicating which roads they are responsible for. The County and some cities, including San José, Campbell, and Mountain View, do post searchable maps online that can help the public narrow down which jurisdiction is responsible for a particular road. However, the maps often use complicated interfaces rather than a simple image or printout, and many maps are not specific to just the roads maintained by the jurisdictions.

San José, which maintains more than 4,000 miles of locally maintained lanes within its borders, has its own [mapping website](#) (Metropolitan Transportation Commission, 2026; City of San José, 2020). It shows whether a particular street within its boundaries is maintained by San José, the County, a private entity, or another agency. The website provides a large amount of information, although it is complicated for the average user to navigate.

An alternative source of information is pavement management plans that some agencies make available. These plans may list all roads maintained by the jurisdiction and can be used as a reference. As an example, Morgan Hill has a link to its latest [2024 Pavement Management Report](#) with a list of streets at the end. However, there is no direct link from the claim forms webpage, so claimants would not be aware of this reference (AMS Consulting, 2025).

Filing a Claim: Obtaining and Submitting a Claim Form

Once a person has found the proper jurisdiction, the next step is to download the claim form from the local agency's website.

Of the 16 jurisdictions, the Civil Grand Jury found that only Gilroy, Los Gatos, Palo Alto, Santa Clara, and Sunnyvale provide adequate claims process information on their webpages or on the claim form itself.

Most jurisdictions provide forms only in English. This is an omission that could potentially disenfranchise community members who have limited proficiency in English.

The Civil Grand Jury identified three cities that took the helpful step of providing additional language options:

- Morgan Hill provides a PDF of its claim form in English and Spanish.
- Sunnyvale has a translation feature that allows claimants to translate the form into one of 200+ languages. Users can either fill out the translated form online and print a copy or print out a blank translated form and fill it out by hand.
- Saratoga's website uses a third-party widget to translate its website in addition to an online form to many other languages.

The Civil Grand Jury also investigated how easy it is to find claim forms on each jurisdiction's website by searching for the term "claim form."

The Civil Grand Jury could not find any information about submitting a pothole claim in four entities: Campbell, Los Altos, Los Altos Hills, and Monte Sereno.

Cupertino provides a claim form, but users must use the website's search function to find it.

Gilroy does not link directly to a claim form, although it does provide instructions on how to request a form by email or in person.

POTHOLE DAMAGE

Table 1: Access to online claim process instructions and link to claim form
(See [References](#) for links)

Jurisdiction	Online Claims Process Instructions	Link to Claim Form
Caltrans	Yes	Yes
County of Santa Clara	No	Yes
Campbell	No	No
Cupertino	No	Yes
Gilroy	Yes	No
Los Altos	No	No
Los Altos Hills	No	No
Los Gatos	Yes	Yes
Milpitas	No	Yes
Monte Sereno	No	No
Morgan Hill	No	Yes
Mountain View	No	Yes
Palo Alto	Yes	Yes
San José	No	Yes
Santa Clara	Yes	Yes
Saratoga	No	Yes
Sunnyvale	Yes	Yes

Many jurisdictions recommend that claimants deliver the claim form in person, including all relevant information, such as photos, receipts, and witness statements. The claimant should retain a signed copy.

Some agencies allow for email submission, but this is the exception. Alternatively, a claimant could submit the claim by mail to the city or town clerk (or, for the County, the Clerk of the Board).

According to the California Government Claims Act, the agency has 45 days from the date the claim form was mailed or delivered in person to respond to the claimant.

CONCLUSION

Even though state law sets strict rules for filing and reviewing claims, local government agencies retain significant discretion over their processes. By offering clearer online information, improving access to claim forms, expanding language options, and providing more detailed explanations when claims are denied, jurisdictions can significantly improve public trust, reduce frustration, and increase fairness.

Implementing the recommended updates is not only feasible, but it also aligns with the spirit of responsive and transparent public service. The Civil Grand Jury urges all jurisdictions to adopt these improvements by the recommended deadlines to ensure that the claims process is fairer, more consistent, and easier for the public to navigate.

FINDINGS AND RECOMMENDATIONS

Finding 1

Jurisdictions within Santa Clara County rejected 92% of pothole claims from 2020 to 2025 due to reasons including missed deadlines, incorrect jurisdiction, and lack of prior notice.

Recommendation 1

No recommendation.

Finding 2

Claims are often rejected because the claimant filed with the incorrect jurisdiction, which can happen because jurisdictional lines are often unclear or poorly communicated. The claims websites of all jurisdictions within Santa Clara County lack information about how to determine if a road is in its jurisdiction.

Recommendation 2a

All jurisdictions within Santa Clara County should include a link to a map or list of roads they maintain on their claims website.

The jurisdictions should implement this by December 15, 2026.

Recommendation 2b

All jurisdictions within Santa Clara County should update their claims websites to identify roads that are commonly mistaken as being in their jurisdictions.

The jurisdictions should implement this by December 15, 2026.

Finding 3

Fifteen jurisdictions – the County, Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Palo Alto, San José, Santa Clara, and Saratoga – have websites with deficiencies that make it difficult to file a claim.

Recommendation 3a

Eleven jurisdictions – the County, Campbell, Cupertino, Los Altos, Los Altos Hills, Milpitas, Monte Sereno, Morgan Hill, Mountain View, San José, and Saratoga – should update their websites to provide clear instructions and information about how to file a claim in addition to a link to the claim form.

The jurisdictions should implement this by December 15, 2026.

Recommendation 3b

Fourteen jurisdictions – the County, Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Palo Alto, San José, and Santa Clara – should incorporate useable software on their websites that can translate claim forms into multiple languages or provide claim forms in multiple languages based on the demographics they serve.

The jurisdictions should implement this by December 15, 2026.

Finding 4

When pothole claims are rejected, claimants filing claims against the County, Los Altos, Los Gatos, Mountain View, Palo Alto, and San José receive a notice that provides little or sometimes no explanation for the rejection. Although jurisdictions within Santa Clara County are not legally obligated to provide a reason for rejection, the lack of clarity in the decisions made on the claims can add to a claimant's frustration.

Recommendation 4

The County, Los Altos, Los Gatos, Mountain View, Palo Alto, and San José should update their rejection letters to specify whether the decision was due to lack of timeliness, incorrect jurisdiction, lack of prior notice, or other reason and to provide a specific contact to call or email if the claimant has further questions about the reason for rejection.

The jurisdictions should implement this by December 15, 2026.

REQUIRED RESPONSES

Pursuant to California Penal Code section 933(a) et seq. and California Penal Code section 933.05, the 2025-2026 Santa Clara County Civil Grand Jury requests responses from the following governing body:

Responding Agency	Findings	Recommendations
County of Santa Clara	1, 2, 3, 4	2a, 2b, 3a, 3b, 4
City of Campbell	1, 2, 3	2a, 2b, 3a, 3b
City of Cupertino	1, 2, 3	2a, 2b, 3a, 3b
City of Gilroy	1, 2, 3	2a, 2b, 3b
City of Los Altos	1, 2, 3, 4	2a, 2b, 3a, 3b, 4
Town of Los Altos Hills	1, 2, 3	2a, 2b, 3a, 3b
Town of Los Gatos	1, 2, 3, 4	2a, 2b, 3b, 4
City of Milpitas	1, 2, 3	2a, 2b, 3a, 3b
City of Monte Sereno	1, 2, 3	2a, 2b, 3a, 3b
City of Morgan Hill	1, 2, 3	2a, 2b, 3a, 3b
City of Mountain View	1, 2, 3, 4	2a, 2b, 3a, 3b, 4
City of Palo Alto	1, 2, 3, 4	2a, 2b, 3b, 4
City of San José	1, 2, 3, 4	2a, 2b, 3a, 3b, 4
City of Santa Clara	1, 2, 3	2a, 2b, 3b
City of Saratoga	1, 2, 3	2a, 2b, 3a
City of Sunnyvale	1, 2	2a, 2b

APPENDIX A: Reporting a Pothole

Residents who see a pothole can report it so the jurisdiction can repair it in a timely manner.

Based on a Civil Grand Jury review, here is a list of contacts (as of April 15, 2026) where potholes or other needed street repairs can be reported:

Jurisdiction	Website to report a pothole
Caltrans	https://csr.dot.ca.gov/index.php/Msrssubmit
County of Santa Clara	https://roads.santaclaracounty.gov/services/service-requests
Campbell	https://www.campbellca.gov/requesttracker.aspx
Cupertino	https://cupertinoca.citysourced.com/servicerequests/create
Gilroy	https://seeclickfix.com/gilroy
Los Altos	https://www.losaltosca.gov/FormCenter/Public-Works-6/Maintenance-Service-Request-46
Los Altos Hills	https://www.losaltoshills.ca.gov/requesttracker.aspx
Los Gatos	https://www.losgatosca.gov/FormCenter/PPW-15/Report-a-Parks-Public-Works-Concern-87
Milpitas	https://seeclickfix.com/web_portal/chZ2d7WdKoe4V2BriJxUCFqd/report/category
Monte Sereno	https://www.montesereno.org/forms.aspx?FID=80
Morgan Hill	https://www.morganhill.ca.gov/509/Maintenance
Mountain View	https://www.mountainview.gov/our-city/departments/public-works/roads-and-transportation/street-maintenance
Palo Alto	https://www.paloalto.gov/Residents/Services/Report-an-Issue
San José	https://311.sanjoseca.gov/
Santa Clara	https://www.santaclaraca.gov/our-city/government/mayor-and-council/contact-city-council
Saratoga	https://www.saratoga.ca.us/FormCenter/Report-a-Concern-6/Fix-It-Form-45
Sunnyvale	https://sunnyvale.dynamics365portals.us/neighborhood-complaints/

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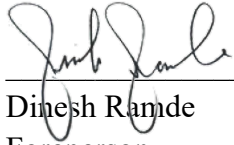
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POTHOLE DAMAGE

This report was **ADOPTED** by the 2025-2026 Santa Clara County Civil Grand Jury on this 12th day of June, 2026.

A handwritten signature in black ink, appearing to read 'Dinesh Rande', is written over a horizontal line.

Dinesh Rande
Foreperson



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Authorize the City Manager to Send a Response Letter to the Santa Clara County Civil Grand Jury Final Report on VTA's Management and Oversight of BART Silicon Valley Phase II (Staff Contact: Scott Transou, Assistant City Manager 408-586-3012)
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	9/15/2026
Recommendation:	Authorize the City Manager to send a response letter to the Santa Clara County Civil Grand Jury Final Report "VTA's Management and Oversight of BART Silicon Valley Phase II."

BACKGROUND:

On June 17, 2026, the City of Milpitas (City) received the Santa Clara County Civil Grand Jury final report titled "VTA's Management and Oversight of BART Silicon Valley Phase II."

The Grand Jury's report addresses governance, appointment processes, and oversight practices related to the Valley Transportation Authority (VTA) Board, with particular focus on the management of the BART Silicon Valley Phase II project. The City of Milpitas, as a member agency of VTA and a participant in regional transportation planning, is subject to the administrative and statutory requirements governing such responses.

Pursuant to California Penal Code section 933(c), the City is required to provide a response to the Presiding Judge of the Superior Court no later than September 22, 2026.

ANALYSIS:

The City's draft response was developed through a review of the Grand Jury's findings and recommendations, with particular attention to those that reference the City's appointment process for VTA Board representation and the City's adherence to the VTA Administrative Code (Section 2-14). The response reflects the City's legal framework as a general law city, which is governed by Government Code section 40605 regarding the appointment of representatives to regional boards. The City's position is that, while it strives to provide continuity and expertise in its appointments, it is constrained by statutory requirements and cannot unilaterally alter the appointment process or bind future elected officials.

The City's response also addresses the Grand Jury's recommendation for a uniform appointment process among VTA Board Appointing Authority Groups 2 through 5. The City notes that it is unaware of any operational issues resulting from the current diversity of appointment processes and remains open to considering specific proposals from the Grand Jury or VTA if a need is demonstrated.

If approved, the next steps will include finalizing the response letter and sending it to the Presiding Judge of the Santa Clara County Superior Court by the statutory deadline.

POLICY ALTERNATIVE(S):

Alternative 1:

Do not respond to the Santa Clara County Civil Grand Jury final report titled "VTA's Management and Oversight of BART Silicon Valley Phase II."

Pros: None

Cons: Pursuant to Penal Code Section 933(c), the City is required to provide a response to the Presiding Judge of the Superior Court. Not responding as directed could result in legal consequences imposed upon the City.

Reason for Not Recommending:

The City will be out of compliance with section 933, which could have legal consequences.

FISCAL IMPACT:

None.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

This item is not a project under the California Environmental Quality Act (CEQA) Guideline 15378(b).

ATTACHMENT(S):

- (a) City of Milpitas Response to the June 12, 2026 Santa Clara County Civil Grand Jury Final Report VTA's Management and Oversight of BART Silicon Valley Phase II
- (b) June 17, 2026 Santa Clara County Civil Grand Jury Final Report VTA's Management and Oversight of BART Silicon Valley Phase II



CITY OF MILPITAS

OFFICE OF THE CITY MANAGER

455 EAST CALAVERAS BOULEVARD, MILPITAS, CALIFORNIA 95035-5479
PHONE: 408-586-3040, FAX: 408-586-3056, www.milpitas.gov

September 11, 2026

Via EMAIL

Hon. Julie A. Emede
Presiding Judge
Santa Clara County Superior Court
191 North First Street
San Jose, CA 95113
CGJ@scscourt.org

Re: City of Milpitas Response to June 17, 2026 Santa Clara County Civil Grand Jury Final
Report: "VTA's Management and Oversight of BART Silicon Valley Phase II"

The City of Milpitas' responds to the June 17, 2026, Grand Jury report titled "VTA's Management and Oversight of BART Silicon Valley Phase II" (the "Report"). The City is providing this response pursuant to California Penal Code section 933.

FINDINGS

Finding 6: VTA Board Appointing Authority Groups 2 through 5 often do not follow VTA Administrative Code (Section 2-14) admonitions to "appoint individuals with appropriate experience and qualifications in transportation" and to "reappoint representatives to consecutive terms."

City of Milpitas Response to Finding 6: Milpitas disagrees with this finding as it applies to Milpitas. Because appointees must be selected from among the elected members of the City Council, who are subject to both regular elections and term limits, neither continuity nor relevant expertise can be guaranteed. The City, however, has strived to provide continuity and expertise in making its appointments to this seat. In particular, the representative for Milpitas is currently serving a third consecutive term, maximizing the opportunity to build familiarity with the agency's operations. The Report does not identify, and Milpitas is unaware of, any information suggesting that Milpitas does not follow these admonitions. The Report does not identify any information suggesting that any VTA Board Member from the City has ever lacked sufficient qualifications. Milpitas lacks sufficient information to respond to this finding as it applies to other jurisdictions.

Finding 7: VTA Board Appointing Authority Groups 2 through 5 have different processes for making Board appointments.

City of Milpitas Response to Finding 7: Milpitas agrees with this finding.

RECOMMENDATIONS

Recommendation 6: VTA Board Appointing Authority Groups 2 through 5 should certify to the VTA Board that they will adhere to VTA Administrative Code (Section 2-14) admonitions, regarding Board member expertise and appointment to consecutive terms.

City of Milpitas Response to Recommendation 6: This recommendation is not being implemented as it is not reasonable. Milpitas has appointed its current representative to a third consecutive term and has worked to provide and cultivate member expertise. As a general law City with an elected mayor, however, the City's appointment process is set by Government Code section 40605. The Attorney General has opined that this extends to regional board in addition to internal commissions or committees. The City Council does not have the authority to change this process and cannot bind current or future elected officials.

Recommendation 7: The cities represented in Appointing Authority Groups 2 through 5 should agree on a uniform process for making Board appointments.

This should be implemented by December 31, 2026.

City of Milpitas Response to Recommendation 7: This recommendation will not be implemented because it is unwarranted. The Milpitas is unaware of any problems caused by the differences in the selection processes among the groups. As such, the City is unsure as to what this recommendation is intended to address. The City, however, is open to other specific methods that the Grand Jury or VTA might recommend, should there be a need.

This completes the City of Milpitas' response to the Report per section 933.

Sincerely,

Willie A. Hopkins, Jr.
City Manager



June 17, 2026

City of Milpitas
c/o Ms. Suzanne Guzzetta, City Clerk
455 East Calaveras Boulevard
Milpitas, California 95035

Sent via email: sguzzetta@milpitas.gov

Dear Ms. Guzzetta,

The 2025-26 Santa Clara County Civil Grand Jury is transmitting to you its Final Report, ***VTA's Management and Oversight of BART Silicon Valley Phase II***.

California Penal Code section 933(c) requires that a governing body of the particular public agency or department that has been the subject of a Grand Jury final report shall respond within 90 days to the Presiding Judge of the Superior Court on the findings and recommendations pertaining to matters under the control of the governing body. California Penal Code section 933.05 contains guidelines for responses to Grand Jury findings and recommendations and is attached to this transmission.

Please note:

1. As stated in Penal Code section 933.05(a), attached, you are required to "Agree" or "Disagree" with each applicable Finding: 6 and 7. If you disagree, in whole or part, you must include an explanation of the reasons you disagree.
2. As stated in Penal Code section 933.05(b), attached, you are required to respond with one of four possible actions to each applicable Recommendation: 6 and 7.

Your comments are due to the office of the Honorable Julie A. Emede, Presiding Judge, Superior Court of California, County of Santa Clara, 191 North First Street, San José, CA 95113, no later than **Tuesday, September 15, 2026**. You may transmit these via email to CGJ@scscourt.org. Copies of all responses shall be placed on file with the Clerk of the Court.

If you have any questions, please contact Britney Huelbig, Deputy Manager for the Civil Grand Jury, at (408) 882-2721 or CGJ@scscourt.org.

Sincerely,

Dinesh Ramde
Foreperson
2025-2026 Civil Grand Jury

Enclosures

cc: Willie Hopkins, City Manager
Kavita Narayan, Chief Assistant County Counsel, County of Santa Clara

933.05. (a) For purposes of subdivision (b) of Section 933, as to each grand jury finding, the responding person or entity shall indicate one of the following:

- (1) The respondent agrees with the finding.
- (2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.

(b) For purposes of subdivision (b) of Section 933, as to each grand jury recommendation, the responding person or entity shall report one of the following actions:

(1) The recommendation has been implemented, with a summary regarding the implemented action.

(2) The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.

(3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.

(4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.

(c) However, if a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the board of supervisors shall respond if requested by the grand jury, but the response of the board of supervisors shall address only those budgetary or personnel matters over which it has some decisionmaking authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

(d) A grand jury may request a subject person or entity to come before the grand jury for the purpose of reading and discussing the findings of the grand jury report that relates to that person or entity in order to verify the accuracy of the findings prior to their release.

(e) During an investigation, the grand jury shall meet with the subject of that investigation regarding the investigation, unless the court, either on its own determination or upon request of the foreperson of the grand jury, determines that such a meeting would be detrimental.

(f) A grand jury shall provide to the affected agency a copy of the portion of the grand jury report relating to that person or entity two working days prior to its public release and after the approval of the presiding judge. No officer, agency, department, or governing body of a public agency shall disclose any contents of the report prior to the public release of the final report.

(Amended by Stats. 1997, Ch. 443, Sec. 5. Effective January 1, 1998.)



2025-2026 Santa Clara County Civil Grand Jury

VTa's Management and Oversight of BART Silicon Valley Phase II

June 17, 2026

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SUMMARY

The Santa Clara Valley Transportation Authority (VTA) project to extend rapid transit rail service through downtown San José is controversial and the most costly and complex project it has ever undertaken. Known as BART Silicon Valley Phase II (BSVII), the \$12.7 billion project extends rail service six miles and includes a large, single-bore underground tunnel and will take 10 years or more from 2026 to complete (VTA, March 2024).

Despite significantly reduced ridership projections and uncertainty about funding sources for both capital and operating costs, VTA has awarded major construction contracts, including for the construction of a launch structure to stage a specialized one-of-a-kind Tunnel Boring Machine (TBM), which will be owned by VTA. Over the next few years, VTA anticipates awarding further construction contracts worth billions of dollars. To reduce uncertainty, the spokesperson for an independent peer review of the project urged VTA to move quickly to “build as much as you can, as fast as you can” (VTA Special Board Meeting, 2025). Such an approach assumes that there will be political will and taxpayer support to finish an incomplete project regardless of cost increases, delays, or reduced ridership.

The VTA's Board of Directors (Board) has recognized the need for additional oversight and guidance, but the Board has failed to exercise its obligation to provide the strategic direction needed for a successful project. The Oversight Committee it created has been left to define its own role. It was not required to, and does not, provide reports that share available independent analyses of critical issues. The Oversight Committee does not routinely make policy recommendations to the Board and does not hold VTA staff accountable for providing the timely analysis it has requested.

The 2025-26 Santa Clara County Civil Grand Jury (Civil Grand Jury) investigated the role of the VTA Board, its Oversight Committee, its staff, and officials in the management and oversight of the BSVII project.

This report identifies financial challenges, risks, and accountability issues that VTA must address to earn the public's trust in delivering the Bay Area Rapid Transit (BART) extension to Silicon Valley and to secure support for future sales tax measures.

BACKGROUND

The Valley Transportation Authority is a transportation agency established by state law. It is responsible for operating public transit services, including buses, light rail, and paratransit within Santa Clara County. In addition to public transit, VTA is a planning and funding agency for transportation infrastructure projects throughout Santa Clara County. As established by the California Public Utilities Code Sections 100060-100070, the VTA is governed by a 12-person Board of Directors composed of elected officials appointed by the County of Santa Clara (County) and the cities in Santa Clara County, who each serve two-year terms. The Board has many responsibilities and its monthly meeting agendas are lengthy.

The San Francisco Bay Area Rapid Transit District provides regional commuter rail service and is governed by a nine-person Board of Directors elected to four-year terms from districts representing San Francisco, Alameda, and Contra Costa counties. As part of its larger regional system, BART operates the commuter rail service within Santa Clara County.

By contract with BART, VTA is solely responsible for paying the capital and net operating costs of extending commuter rail service into Santa Clara County (BART and VTA, Comprehensive Agreement, 2001). Although the County was not included in the legislation establishing BART, voters of Santa Clara County supported three sales tax measures which provided funds to plan, build, and operate the extension of BART to Santa Clara County. Today, 1.625% of sales tax collected in Santa Clara County supports VTA and other local jurisdictions (see Table 1). If a currently proposed measure qualifies for the ballot, in November 2026, voters will decide whether to approve an additional 0.5% sales tax to fund local transit, which would increase the County's base sales tax rate from the current 9.75% to 10.25%.

Table 1: Countywide Sales Tax in Santa Clara County, Effective April 2026

Description	Sales Tax %	Expiration	Funding Purpose
California Base	7.250%	No Expiration	State General Fund
			Local Revenue Fund
			Local Public Safety
			Health & Social Services
1976 Measure A	0.500%	No Expiration	Transit: VTA
2000 Measure A	0.500%	2036	Transit: VTA, BART Silicon Valley
2008 Measure B	0.125%	2042	Transit: BART Silicon Valley
2016 Measure B	0.500%	2047	Transit: VTA + County/City/Caltrain/Caltrans Infrastructure
2012 Measure A	0.125%	No Expiration	County General Fund
2020 Measure RR	0.125%	2050	Transit: Caltrain
2026 Measure A	0.625%	2031	General incl. Healthcare
Total Base Sales Tax Rate	9.750%		

Data extracted from: California Department of Tax and Fee Administration. 2026. (<https://cdtfa.ca.gov/formspubs/cdtfa105.pdf>); VTA Annual Comprehensive Financial Report. Page 3-10. 2024. (<https://www.vta.org/sites/default/files/2024-12/Annual-Comprehensive-Financial-Report-ACRF-FY-2024.pdf>).

Note: Some cities have higher voter-approved rates in addition to the County base rate; Highlighted section of the table refers to sales tax measures that fund VTA.

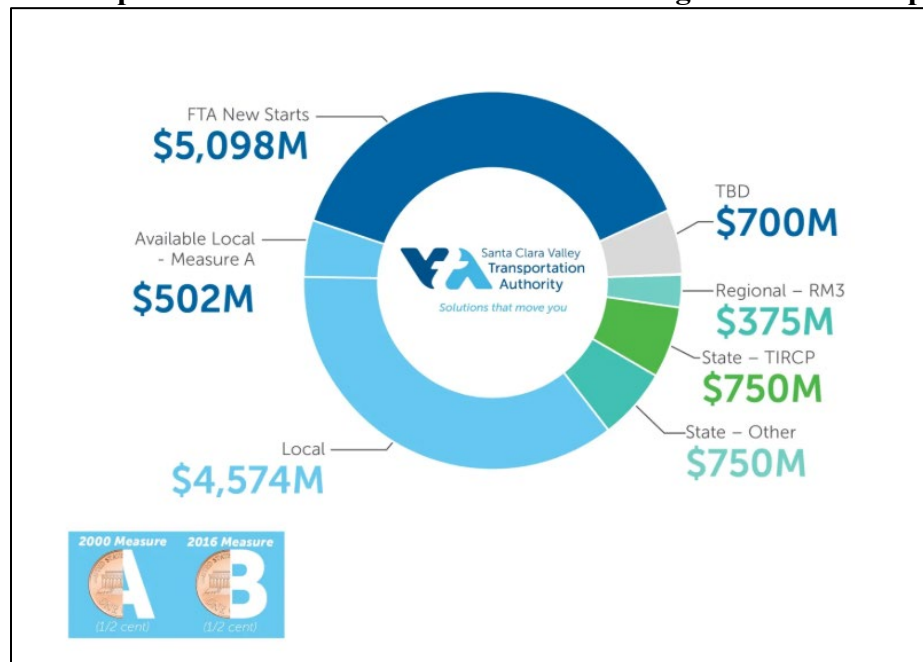
The first phase of BART to Silicon Valley extended service to Milpitas and then to the Berryessa Transit Center (Berryessa). Construction started in 2012 and was completed in 2020. Ridership for Phase I has not met forecasts, and due to operational, maintenance, and depreciation expenses, VTA has experienced significant financial losses. According to data reviewed by the Civil Grand Jury, BART to Silicon Valley Phase I has lost an average of \$69 million annually during the first five years of operation.

The second phase consists of a six-mile, four-station extension from Berryessa through downtown San José to the City of Santa Clara. For this phase, VTA is targeting completion by 2037. As a condition of federal funding, the Federal Transit Administration (FTA) has appointed a Project Management Oversight Consultant (PMOC). The PMOC uses a more conservative schedule and forecasts completion in 2039 (AtkinsRéalis USA Holdings LLC, 2026).

At an early planning stage in 2014, the BSVII project cost was estimated at \$4.7 billion. By 2020, the cost estimate increased to \$6.9 billion. In 2022, based on the PMOC's projected cost analysis, VTA submitted an estimate of \$9.1 billion to the federal government for an Early Start Grant. In October 2023, VTA estimated the construction cost at \$12.2 billion with operations to begin in 2036. The most recent estimate is \$12.7 billion, and operations are pushed back to 2037 (VTA Auditor General Report, January 2024).

The project's funding sources include federal and state grants, as well as local revenues from voter-approved sales tax measures. All the funding sources are subject to risks, which are identified in this report. Figure 1 shows the funding sources with \$700 million to be determined (TBD) and \$375 million from a potential ballot measure in November 2026.

Figure 1: Components of \$12.7 Billion in BSVII Funding Sources as of April 2026



Source: vtabart.org website (accessed April 9, 2026)

Although two years earlier, VTA had asked for a federal commitment of \$6.3 billion, in August 2024, the FTA announced that its share of funding would be capped at \$5.1 billion (Geha, 2024). VTA was forced to increase its reliance on local sales tax revenue and still faced a gap of approximately \$700 million (VTA, Summer 2025). To reduce project costs, VTA has been studying design changes while maintaining the full six-mile extension with four stations. Options discussed by VTA staff and officials include (VTA, November 11, 2024):

- Simplifying station configurations;

- Modifying the Santa Clara Newhall Yard and Maintenance Facility;
- Modifying the tunnel and station ventilation systems;
- Substituting a surface parking lot for a parking structure;
- Reconfiguring the tunnel to use less concrete and steel.

In addition, the funding strategy assumes \$375 million from the yet-to-be-approved regional sales tax measure for a total outstanding gap of \$1.075 billion.

Due in part to the significant increase in estimated cost and a perceived lack of communication about the project's cost, risks, and schedule, the Board conducted a workshop in October 2023 to review the project's status. At this workshop, individual Board members expressed a lack of confidence in the VTA staff's management of the project and requested a new system of oversight and project management.

In response, the Board chair established an Ad Hoc BART Silicon Valley Phase II oversight committee (Oversight Committee) responsible for overseeing all aspects of the project, focusing on a full, independent, and transparent review of costs, funding, risks, and completion schedule. The Oversight Committee's bylaws later stated that its purpose was to provide "guidance and oversight" of the project (VTA, April 4, 2024).

The VTA independent auditor general was tasked with providing staff support to the Oversight Committee and was authorized to contract with Subject Matter Experts (SMEs) to independently review and comment on VTA staff recommendations regarding costs, risks, and schedule. In turn, the Oversight Committee authorized the SME firm, Gall Zeidler (GZ), to independently assess the risks and viability of cost-saving alternatives.

In a 2001 Agreement, VTA and BART agreed to cooperate in the project's planning, design, and construction. They established a series of interagency committees, the latest of which is the Joint VTA/BART Working Committee, which depending on the availability of its members, is scheduled to meet quarterly. BART staff members have been assigned to co-locate with VTA engineers to participate in the preparation and review of BSVII designs in accordance with the agreed Project Design Criteria Manual. According to the BART Inspector General, VTA has reimbursed BART \$19.2 million through 2025 for the cost of the assigned employees (BART, December 19, 2025). In August 2025, the BART assistant general manager, operations, rejected some of VTA's proposed design changes and scope reductions and complained about inadequate coordination (see [Appendix A](#)). The BART inspector general issued a report in December 2025 that also raised concerns about inadequate coordination and criticized VTA's communication with BART officials (*Id.*).

METHODOLOGY

The Civil Grand Jury reviewed every meeting of the BSVII Oversight Committee, as well as select VTA Board meetings. This included reviewing agendas, minutes, agenda item reports, public comment submittals, and associated discussions.

In addition, the Civil Grand Jury conducted 17 interviews of officials from VTA, BART, and the State of California. The Civil Grand Jury also reviewed publicly available documents as described in the reference section, as well as documents requested from VTA and submitted to the Civil Grand Jury.

INVESTIGATION

The Civil Grand Jury investigation of the BSVII project covered critical aspects of VTA's management and oversight, including:

- VTA's funding strategy and its reliance on voter-approved sales tax measures, some of which expire before completion of the project, and some of which have yet to be approved;
- The establishment of a separate Oversight Committee which provides guidance on the BSVII project and how it evaluates independent analyses provided by the VTA auditor general, contracted SMEs, and the federally mandated PMOC;
- The contractual and practical requirement to closely coordinate with BART, which will serve as the system operator;
- The impact of the VTA Board's governance structure on the effectiveness of strategic direction, management, and oversight of the project;
- VTA's approach for keeping the public informed of costs, risks, and schedule.

Financial Risks

The 10-year project completion timeline of BSVII exposes VTA to financial risks that require careful, ongoing assessment of capital and operating costs, including that:

- Rising labor and material costs, combined with aggressive construction methods and schedules, may increase total project costs and strain the budget's contingency for unforeseen risks and unexpected expenses;
- Delays or reductions in state and federal funding will create greater pressure to rely on local funding sources or scale back the scope of the project;
- Lower ridership levels will increase VTA's ongoing obligation to pay net operating costs, which would necessitate service level reductions or voter approval of new or extended sales tax measures;
- Failure to maintain a cash-flow model exclusive to BSVII, means that contracting options for accelerating work may not be able to be financed with available resources.

Risk of Increased Costs of Labor and Materials

The FTA fiscal year 2025 New Starts Financial Assessment report for BSVII stated the VTA inflation estimate was optimistic. If labor and material costs were to rise above those estimated in VTA's budget, it could lead to funding shortfalls (FTA, 2024).

The VTA auditor general's May 1, 2025, report to the Board also identified BSVII financial risks associated with project construction costs. The report found that the assumptions and historical data underlying VTA's financial plan could be more robust to enable the Board and the public to evaluate the financial risk associated with the potential cost increases (VTA, 2025).

Another factor that increases the difficulty in predicting materials and labor costs is the possible extension of the 2037 project completion date. The longer timeline for BSVII increases the likelihood that future costs will differ from current estimates, thereby increasing financial risk.

Local, State, and Federal Funding Risks

The capital cost of construction and the net operating costs are to be paid by VTA from specific revenue sources, some of which are grants with fixed amounts.

The financial risks identified by the Civil Grand Jury have been experienced by other major transit agencies. For example, the various rail projects of the [Los Angeles County Metropolitan Transportation Authority](#) (LA Metro) faced escalating cost estimates, reductions in federal funding, cuts into smaller construction segments to match available funding, and shifting agency priorities (Shalby, 2026).

Local Funding Risks

VTA's capital financing plan calls for the 2016 Measure B to pay \$2.5 billion and for the 2000 Measure A to pay \$2.0 billion of the estimated \$12.7 billion BSVII project. Measure A expires in 2036, before BSVII is expected to be completed. Measure B expires in 2047 (VTA, About 2016 Measure B, n.d.). As the project's cost estimates have evolved, so have the planned funding sources. Measure B has become a much more significant source of proposed funding.

Because Measure B also funds bus transit, local streets, and highway projects, there are built-in limitations on the amount available to close a BSVII financing gap. Measure B limits spending on BSVII to 23.8% of net sales tax revenue over its 30-year life (FTA, 2024). Net sales tax revenue (defined as Program Tax Revenue in the measure) is calculated as the amount remaining after deducting administrative costs and any debt service.

To close current and potential future funding gaps, VTA could issue bonds to be repaid from Measure B sales tax revenue. However, this would reduce the revenue available for other voter-approved projects. Every dollar spent on debt service for BSVII is a dollar that cannot be spent on

the other transportation projects approved by the voters. Because of bond issuance and interest costs, the total project costs would exceed the current estimate of \$12.7 billion.

Another risky approach to filling funding gaps would allow the Board to change the rules and permit a greater percentage of Measure B net sales tax revenue to be used for BSVII. One VTA official acknowledged to the Civil Grand Jury that this would be a “heavy lift” because VTA would first have to notify all the local agencies of the proposed increase in the percentage limit and then approve it by a $\frac{3}{4}$ vote of the Board (9 of 12 Board members). The County and the cities that have planned other transportation measures are likely to object to reduced funding for their projects.

Of course, more Measure B funds could become available to support the capital costs of BSVII if the expected sales tax revenue exceeds previously anticipated levels. While early projections were based on 2016 economic conditions, it is important for the strategic funding plan that the sales tax forecast be updated regularly. The Civil Grand Jury was informed that VTA has ordered an updated forecast.

Because two key sales tax measures are set to expire, several VTA officials stated in interviews that they would simply place a measure on a future ballot for voter consideration if an extension were needed. Given the current sales tax rates applicable within Santa Clara County and the need for management and oversight reforms identified in this report, there is a risk that voters may not approve such a measure.

State Funding Risk

As of April 2026, the capital construction funding strategy required \$1.5 billion from two State of California grants. The VTA has received commitments for nearly \$200 million of that total. The sources of funding are the Transit and Intercity Rail Capital Program (TIRCP) and transportation funds administered by the Metropolitan Transportation Commission (MTC), both of which may be affected by a recent state decision to provide a bridge loan to Bay Area transit agencies (MTC, 2026).

In February 2026, the California legislature appropriated \$590 million from the same TIRCP account to provide a 12-year loan to MTC. These loan proceeds will be made available to San Francisco Municipal Transportation Agency, AC Transit, BART, and Caltrain to help address a greater need for public transit subsidies. The agencies are required to repay the loan over 12 years (MTC, 2026).

The state justified the loan on the basis that the transit agencies would be able to stabilize their financial situations and avoid service reductions pending the anticipated approval in November of a regional sales tax measure. If the regional measure does not pass, or if for any other reason the agencies do not repay the loans on time, the timing of the receipt of funding to VTA might create some cash flow risk for the project.

Further, the TIRCP account itself is funded by payments from private parties who agree to purchase pollution credits in the state's Cap and Invest program. The program's future is uncertain in light of federal changes to environmental regulations and pending legal challenges from the State of California (California State Transportation Agency, n.d.).

Federal Funding Risk

In August 2024, the FTA advised VTA that the federal government's total contribution to the project would be limited to \$5.1 billion. To receive these funds, VTA plans to apply for a Full Funding Grant Agreement (FFGA) by the end of 2026.

Federal support for large-scale rail projects is uncertain. In 2025, the FTA canceled a \$4.2 billion commitment to the California High-Speed Rail Project (Shalby, 2025). VTA's lobbyists have suggested delaying the FFGA application until similar requests from other states are resolved. Considering the political, economic, and budgetary conditions of the United States, approval of VTA's request for an FFGA is highly uncertain. It may be delayed, reduced, or denied.

Low Levels of Ridership Could Increase VTA's Future Costs

BART ridership on the current regional system has not recovered to pre-pandemic levels. Ridership in January 2026 remains only 48% of the levels in January 2019 (BART, January 2026; BART, 2019). Recovering ridership may prove difficult due to the growth of hybrid work patterns.

The Civil Grand Jury also reviewed the forecasts for the first phase of the project, which included the new Milpitas and Berryessa stations. For January 2026, ridership was 86% below estimates (see Table 2).

Table 2: BART Ridership at Milpitas and Berryessa Stations

	Forecast for Average Daily Weekday Ridership for June 2021 at launch	Actual Ridership, January 2026
Ridership/Day	20,110	2,789

Source: Joint VTA/BART Working Committee Meeting, December 4, 2020; BART February 2026 Monthly Ridership Snapshot.

Note: VTA created forecasts in 2020, expressed as rides per day. BART actuals are based on recorded station entries and exits. To normalize BART actuals to the VTA forecast, entries and exits were averaged to produce a daily ridership figure.

An overall decrease in ridership has led BART to project a \$376 million budget deficit for FY2026-27. To seek additional revenue, BART is relying on a 0.5% additional sales tax measure on the November 2026 ballot that would begin in 2027 and remain in place for 14 years. If the ballot measure does not pass, BART has proposed closing up to 15 stations and reducing service hours and train frequency (BART, February 26, 2026). Ironically, the proposed station closures would not affect Santa Clara County because VTA is solely responsible for the net operating costs.

According to VTA records reviewed by the Civil Grand Jury, for the first three years of operation, VTA forecasts annual average costs of \$274 million for operations, maintenance, and capital costs. Average fare revenue is forecast at \$60 million, offsetting VTA's financial obligation to BART, resulting in an average annual financial loss of \$214 million. Any drop in ridership will lead to further financial losses.

The Need for a BSVII Cash Flow Model

With a price tag of \$12.7 billion, BSVII is the largest public infrastructure project in Santa Clara County (Aragon, 2025). Nearly 60% of the planned funding sources include revenue from grants that will not be distributed in advance but will be reimbursed in accordance with each grant's draw schedule (See Figure 1). The timing of those cash inflows must be carefully matched with the timing of payment schedules for construction contracts worth billions of dollars.

VTA staff is evaluating different approaches to contracting the construction work. Alternatives are being evaluated for the following reasons: 1) to identify segments of work that could be bid out separately to accelerate the overall schedule; and 2) to identify segments for which there is a greater likelihood of strong competitive bids. For each contract, the cash outflows will be specified and must be carefully matched with the cash inflows.

A cash flow model that matches receipts and expenditures for BSVII would enable VTA decision-makers to fully evaluate the alternative approaches being studied. However, VTA officials have advised the Civil Grand Jury that such a model has not yet been developed. A cash flow model is necessary to avoid unplanned delays from cash shortfalls.

Oversight Concerns

VTA Board Recognizes That Oversight Must be Improved

Independent reports and audits have identified problems with project management and VTA Board oversight, including those identified by a prior Civil Grand Jury, the California State Auditor, and the PMOC (AtkinsRéalis USA Holdings LLC, 2026). VTA's cost-estimation practices, along with its lack of transparency around changes to project scope and cost, were identified as significant deficiencies. VTA's oversight and management of the BSVII project have also been heavily criticized by the media, in public comments presented at Board meetings, and in letters to the editor of multiple local publications.

VTA Board Outsources Guidance and Oversight of the BSVII Project

Following a workshop on the project's direction in October 2023, the VTA Board Chairman announced the creation of an Ad Hoc BART Silicon Valley Phase II Oversight Committee (VTA, 2023).

However, only the Board can make binding decisions on the project's scope, funding, risks, schedule, and contracting approach. While ultimately accountable itself, the Board nonetheless effectively delegated oversight to a committee without providing clear direction. By abdicating its responsibility to set its expectations of how the Oversight Committee can best support the Board, the committee has been left to set its own course. That course does not keep the Board fully informed of issues raised by independent experts or the PMOC, hampering its ability to make the best decisions about the project's funding and schedule.

At its meeting on January 15, 2026, the Oversight Committee adopted what it called a revised charter intended to clarify the lines of communication and relationships among the auditor general, SME, VTA staff, and Oversight Committee (VTA, January 15, 2026). Members of the Oversight Committee had expressed concern about a perceived lack of coordination between VTA staff and the SME. Nonetheless, the question remains: Is the role of an SME to provide the Board with an independent review of VTA staff recommendations as originally intended, or is it to help VTA staff improve their recommendations? Notably, in the following excerpt, the Charter requires the

auditor general to document issues raised by the SME and the VTA staff but does not require that the full Board be advised of the critical issues:

To ensure transparency and balanced oversight, selected advisory input from SME will be documented in Oversight Committee materials. Where consensus exists between the SME and the Project Team, it will be noted. Where minority or dissenting views are expressed, the AG [auditor general] will explicitly record final input received alongside the majority view (VTA Oversight Committee Charter, 2026).

During Oversight Committee meetings, there are few deliberations or actions to provide collective guidance or oversight, leaving individual members to raise questions and propose guidance for VTA staff to consider. VTA staff also receives input from individual members in private pre-meeting briefings. As a result, the full Board does not benefit from Oversight Committee analysis, and the public is not fully informed about individual Board member perspectives.

The Committee Has Two Purposes: Guidance and Oversight

“Guidance” suggests that the committee helps the Board establish a strategic direction and recommend actions to keep the project on track. “Oversight,” on the other hand, is a separate function that ensures VTA staff is accountable for following the Board’s direction in an efficient and effective manner. “Guidance” looks forward. “Oversight” monitors implementation as it happens.

Better at Oversight than Guidance

The Oversight Committee requires VTA staff to produce a comprehensive monthly report detailing the financing and construction progress of the BSVII project. The auditor general provides insightful periodic reports on his independent review of the project’s costs, risks, and schedule. The VTA staff’s monthly reports address the information gap identified in the auditor general’s January 2024 report. As a result, the Oversight Committee can effectively monitor compliance with the Board’s direction.

However, the Oversight Committee often fails to provide guidance on issues critical to future strategic direction.

Strategic Guidance on Critical Issues is Informal, Intermittent, and Often Late

VTA staff routinely provide private briefings to Oversight Committee members prior to meetings. Those briefings allow VTA staff to explain and advocate for their recommendations and to receive input and questions from individual members. Occasionally, some agenda materials for an Oversight Committee meeting are not published with the rest of the agenda because VTA staff members will modify presentations up to the last minute based on what they have heard in private briefings.

The Oversight Committee has established an informal standard of limiting its once-monthly meetings to no more than two hours, and meetings often do not begin on time. At the meetings, VTA staff often deliver lengthy presentations on issues for which it will subsequently seek Board approval, leaving little time for committee deliberations.

During these presentations, only a few members ask questions, and rarely does a committee member propose a policy recommendation that the Oversight Committee might take action on. Individual Oversight Committee members are given the opportunity to express support or concern about a proposed VTA staff position, providing VTA staff with some insight into how to frame their recommendations to the Board.

The Oversight Committee receives independent analyses from the VTA auditor general, its contracted SME, and the PMOC. The committee often receives lengthy written comments from the public but limits oral comments to one minute. Members of the committee rarely comment on materials received from the public, many of which are extensive critiques of the VTA staff recommendations. Following each meeting, the Oversight Committee chair submits a short report summarizing discussion topics, which is placed on the VTA Board's consent calendar.

Following presentation to the Oversight Committee, formal VTA staff recommendations are made to the VTA Board, but without the benefit of a summary or synthesis of the alternative perspectives from the auditor general, SME, PMOC, or informed public comment.

The Civil Grand Jury identified three examples of policy issues for which guidance was needed but delivered inadequately. One of the examples, the single-bore versus twin-bore issue, illustrates both the failure of the committee to make recommendations and the VTA staff's failure to follow through on committee requests in a timely manner.

Example of Inadequate Guidance: The KST Contract Decision

The Oversight Committee endorsed a major contract change without providing independent analysis, articulating its rationale, or conveying identified risks to the Board.

VTA had issued a contract to a construction consortium, Kiewit Shea Traylor (KST), using a “progressive/design/build” approach, under which KST would design the tunnel project and, after reviews by VTA and its construction management consultant, KST would build it. By the spring of 2025, VTA believed that KST’s proposed design could significantly increase the project’s estimated cost by up to \$1 billion and that it would be preferable to engage in a competitive bidding process for the remaining tunnel work. In a more traditional contract approach, VTA would prepare the design specifications and contract conditions. To accomplish this, it was necessary to limit the contract with KST to only the work required to prepare for the TBM, which VTA would own but make available to the tunneling contractor to operate and maintain.

At its June 12, 2025, meeting, VTA staff presented its proposal to modify the KST contract to the Oversight Committee, which unanimously endorsed it. Two weeks later, the VTA Board met and approved VTA staff recommendations. Although the VTA staff agenda report did include a reference to the Committee’s recommendation, it did not include the risk analysis that had been reviewed by the Committee. The Oversight Committee’s regular report to the VTA Board was placed on the consent calendar and simply reported the committee’s concurrence with the VTA staff recommendation. There was no report or analysis laying out the reasons for the Oversight Committee’s concurrence or the SME’s risk assessment. Therefore, the Board made its decision without a complete understanding of the risks.

Example of Inadequate Guidance: The Twin-Bore versus Single-Bore Decision

The Oversight Committee retroactively requested a side-by-side analysis of tunnel options through Downtown San José.

A preliminary design controversy was whether to tunnel two smaller bores for the downtown San José underground tracks or to tunnel a single larger bore at greater depth. Downtown businesses had raised concerns that the twin-bore approach would require additional work and disrupt their operations during construction.

BART initially opposed the single-bore tunnel approach because it differed from its existing, smaller twin-bore tunnels. However, the BART inspector general reported that in the spirit of

cooperation, BART officials consented to the single-bore approach after being assured that operational and safety concerns would be met (BART, December 19, 2025).

In December 2022, VTA approved the fabrication and purchase of a large TBM for \$76 million, effectively locking in the single-bore approach. In a news article dated November 7, 2023, in the Mountain View Voice, San José Mayor Matt Mahan was quoted as saying: “There is no turning back now” (Hicks, 2023).

Nonetheless, individual Board members and informed public commenters continued to raise questions about whether a twin-bore approach might be cheaper, faster, and safer for BART operations. In response, members of the Oversight Committee commissioned an analysis of the two options for costs, risks, and impact on schedules.

In September 2025, more than 18 months after the request, VTA and its engineering consultants presented their analysis to the Oversight Committee, confirming the single-bore approach. Although it had requested the analysis, the Oversight Committee did not make a recommendation to the Board. In October 2025, the Board was presented with the VTA staff and consultants’ analysis and confirmed the single-bore approach by declining to take steps to amend the environmental documents or modify the tunneling contracts.

Example of Inadequate Guidance: Scenario 1 versus 1a Decision

In October 2025, VTA decided on an approach to the construction of the tunnel without the benefit of the SME’s analysis that the Oversight Committee had requested.

Before design work could progress to a more advanced level, the VTA Board needed to decide between two alternatives for staging the actual tunneling work. The SME had suggested that concurrent tunneling from both ends could reduce costs and accelerate the schedule (VTA, June 12, 2025). The two options were labeled “Scenario 1” (a straight-through tunneling using the larger TBM from west-to-east) and “Scenario 1a” (an option of concurrent tunneling starting at both the east and west portals using two TBMs).

Although this would require two TBMs, the east-to-west work could be done simultaneously with a smaller-bore tunneling machine. Further, the SME reported that a smaller-bore TBM was readily available and would require less lead time than the TBM being fabricated in Germany.

Because the Oversight Committee considered the potential benefits significant, the committee asked both VTA staff and the SME to analyze the options and prepare a recommendation. On

August 4, 2025, the Oversight Committee authorized an expenditure of \$110,000 and directed the auditor general to contract with GZ for the requested work. GZ presented interim reports on September 11, 2025, and October 9, 2025, and promised to deliver its completed report at the November 2025 meeting of the Oversight Committee.

VTA staff subsequently presented its analysis and recommendations to the Oversight Committee on October 9, 2025. Although the Project Manager stated that the VTA staff was aware of some of GZ's preliminary analysis (especially differing assumptions about the rate at which each of the two TBMs can move forward when digging a tunnel), VTA staff requested a Board meeting to decide between the two alternatives. In prior presentations to the Oversight Committee, VTA staff said that the analysis would be presented at a Board "workshop" (at which no formal action could be taken). However, a special meeting of the Board was called for October 17, 2025, and VTA staff made its recommendations to the Board, neglecting to advise the Board that the Oversight Committee was still awaiting the GZ analysis that the Committee had authorized.

The Oversight Committee failed to present any report or recommendation at the special meeting. As a result, the Board adopted 'Scenario 1' without the benefit of an independent analysis of the risks.

On February 12, 2026, four months after the Board made its decision, the SME presented his written report analyzing the options and raising concerns that should have been considered before the decision.

VTA Staff Accountability for Responding to Oversight Committee Member Requests

The auditor general maintains two types of monitoring reports: a tracking report that lists the requests of individual committee members for information or analysis, and a work plan that lists the schedule for upcoming formal reports, including risk assessments such as financing and procurement risks. Both monitoring reports establish a due date, but the deadlines are often not met.

During public meetings, Oversight Committee members rarely discuss the tracking report or the work plan and do not publicly comment on changes to the expected date in subsequent reports. More importantly, neither the auditor general nor the Oversight Committee holds VTA staff accountable for late responses to issues raised in the tracking report. Below, the Civil Grand Jury presents two examples:

Example of Lack of Accountability: Prolonged Delay in Analysis of Single-Bore versus Twin-Bore

The side-by-side analysis of two design options was not provided until more than 18 months after it was first requested.

At the Oversight Committee's first meeting in November 2023, a member of the public requested that the committee order a cost and risk analysis of the single-bore versus twin-bore options, which remained controversial following the VTA Board's selection of the single-bore option in 2018. In 2023, the Chair of the Oversight Committee responded that such an "apples-to-apples" (side-by-side) analysis would be one of the committee's first tasks. Here are some of the subsequent activities:

- At the committee's meeting on January 19, 2023, two committee members formally requested the "apples-to-apples" analysis and placed it on the committee's tracking list. (VTA, March 2025). At its meeting on June 13, 2024, the Project Manager reported that the scope of the twin-bore analysis would be worked on and reported to the Board "over the course of the summer."
- At its meeting on August 8, 2024, a member of the public asked about the status of the "apples-to-apples" analysis.
- At the September 12, 2024, Oversight Committee, the auditor general announced that VTA staff had asked engineering design contractor Mott Macdonald to conduct the "apples-to-apples" review.
- The March 2025 tracking report included a comment regarding the "apples-to-apples" comparison: "These items are being evaluated as part of cost savings task force efforts with participation from GZ" (VTA, April 2024).
- One year later, on September 11, 2025, Mott Macdonald presented its analysis of the twin-bore versus single-bore options – nearly 22 months after the request was first discussed at an Oversight Committee meeting – concluding that the single-bore option was preferred (VTA, September 11, 2025).

Example of Lack of Accountability: An Alternative Strategy Some Call "Plan B"

Despite multiple requests for an alternative strategy to address risks associated with the federal funding decision, VTA staff advised the Oversight Committee that it would wait until after the federal decision.

Since the Oversight Committee meeting on October 9, 2025, committee members have stressed the need for an alternative strategy in the event the federal government delays or denies the FFGA

for the promised \$5.1 billion. Some committee members asked whether a “Plan B” might include reducing the number of planned stations or revising the funding strategy. VTA staff reported to the Civil Grand Jury that there was reluctance to discuss a “Plan B” out of concern that the discussion itself might jeopardize the FFGA. At public meetings, VTA staff dismissed requests for an alternative funding strategy, instead reporting that an alternative plan should not be prepared until the FTA made its decision in 2027. This is an example of the VTA staff’s dismissal of the Oversight Committee direction.

Expediency of Decisions versus Rigorous Analysis

The Civil Grand Jury identified tension between VTA Board members’ competing goals: avoiding delays in decision-making and requiring rigorous, independent analysis of costs, risks, and schedule. In public meetings, the Project Manager has often stated that each month of delay adds \$20 to \$30 million to the overall project cost (Dorsey, 2025).

There is a strong financial incentive to keep the project moving by advancing decisions incrementally—approving one component at a time to show visible progress—without fully evaluating how each step alters the project’s overall cost, scope, and risk. For a project of this size, complexity, and cost, this piecemeal approach masks cumulative effects, increasing the likelihood of cost escalation and delays. These should be identified and addressed through rigorous, front-end analysis.

With two-year terms and constituencies limited to portions of the County, Board members may understandably focus on immediate actions rather than the long-term, systemwide implications that demand a coherent strategic plan.

The Role Assigned to the Auditor General

The Oversight Committee benefits from periodic risk assessments and audits performed by the VTA auditor general on the BSVII project. However, by assigning the auditor general the responsibility to also provide staff support to the Oversight Committee, VTA has created a situation in which the auditor general is asked to provide an independent audit of prior decisions while also assisting the committee in evaluating future policy and management decisions.

At the June 2025 public Board meeting, the auditor general stated that he sometimes feels like a referee among the analyses provided by VTA staff, the SME, the public, and the PMOC. However, the VTA Board is the final arbiter, not the auditor general.

The Board is best served when it hears all relevant views on an upcoming decision and is presented with options and a recommendation. The auditor general's participation and input are critical, but he should not be placed in the position of having to synthesize all the competing views, including his own.

The auditor general is better placed to assist the Oversight Committee in its role of "oversight" and less so in commenting on the Oversight Committee's "guidance" functions. Accordingly, the Oversight Committee and the VTA Board would be better served if a VTA staff person were assigned responsibility for staffing the committee. This person could be part of the General Manager's Office and should not report to the Project Manager. The position would be like that of the chief of staff, which was recently assigned to support the chair of the Board.

Coordination with BART

Because the County of Santa Clara is not part of the BART District, the extension of rail service to San José required a contract that established both VTA's and BART's commitment to cooperate. Under the 2001 Cooperative Agreement, VTA is financially responsible for paying for the design, construction, and operation of the segment in Santa Clara County (BART and VTA, Comprehensive Agreement, 2001). BART retained approval authority over design elements that affect operations, maintenance, and safety. To date, this has been accomplished through the joint preparation of a Design Criteria Manual.

As recently as December 2025, BART's Independent Office of the Inspector General (OIG) issued a report titled: "Transparency & Communication Gaps in the BSVII Project." The report summarizes years of controversy over the single-bore versus twin-bore approach but acknowledges that BART eventually agreed to the single-bore concept evaluated in the final environmental impact statement. However, the BART OIG remained critical of the extent of cooperation between the two agencies:

We also determined that the length of time since the project began, extensive media coverage of the project, conflicting subject-matter opinions, and some public displeasure with the single-bore design have created uncertainty about the project's direction. We concluded that gaps in transparency and communication, including limited public discussions in recent years, have resulted in mixed messaging on a project that has evolved over multiple decades (BART Independent Office of the Inspector General, 2025).

In August 2025, the lack of communication and cooperation was publicly exposed when a BART official wrote a letter to VTA ([Appendix A](#)) specifically objecting to the consideration of reducing

the size of the Newhall Yard and Maintenance Facility as a capital cost-saving measure. The VTA Project Manager publicly acknowledged a failure to keep BART informed of design issues that might impact BART's operational efficiency and pledged to develop recommendations to the administrative heads of both agencies on a more formal process to identify and resolve those issues (VTA Oversight Committee, 2025).

Board Experience and Continuity

Since 2019, five audits and reports have critiqued VTA's governance structure and recommended a series of revisions to improve VTA's capability to provide Board direction and oversight of the BART extension. Those audits have included the 2018-19 Santa Clara County Civil Grand Jury in 2019; the Auditor of the State of California, in 2024; the BART Independent Office of the Inspector General in 2025; RSM US LLC, a VTA subcontractor, in 2019; and the VTA Auditor General in 2024. VTA has accepted and acted on most of the recommendations for governance reform, except those relating to the terms and required experience level of Board members.

During the investigation of the BSVII project, sources repeatedly raised concerns about the level of knowledge and decision-making ability of the full VTA Board, which is responsible for the project's success. Decisions made today will have a direct impact on its ultimate success. Diligent oversight of its schedule, cost, progress, and scope is required.

According to the California Public Utilities Code, which established the VTA Board, "to the extent possible, the appointing powers shall appoint individuals who have expertise, experience, or knowledge relative to transportation issues" (Pub. Util. Code 10000 et seq).

VTA Board members are appointed to two-year terms by appointing agencies, organized into six groups as detailed in Table 3. Appointing agency groups are established and defined by VTA Administrative Code, which states "Appointing Authorities are strongly encouraged, where possible, to: (1) appoint individuals with appropriate experience and qualifications in transportation; (2) ensure that there is sufficient remaining time in the elected official's term of office to allow full completion of their term as a Director; and (3) reappoint representatives to consecutive terms" (VTA Administrative Code § 2-13).

Table 3: Appointing Authorities Composition of the VTA Board

Appointing Agency Group	Jurisdiction Represented	Number of Board Members	Method of Appointment
Group 1	San José	5 members 1 alternate	Appointed by city council from city council members/mayor
Group 2	Los Altos, Los Altos Hills, Mountain View, Palo Alto	1 member 1 alternate	Determined by Group 2 members
Group 3	Campbell, Cupertino, Los Gatos, Monte Sereno, Saratoga	1 member 1 alternate	Determined by Group 3 members
Group 4	Gilroy, Morgan Hill	1 member 1 alternate	Determined by Group 4 members
Group 5	Milpitas, Santa Clara, Sunnyvale	2 members 1 alternate	Determined by Group 5 members
Group 6	County of Santa Clara	2 members 1 alternate	Appointed by County Board of Supervisors

Source: California Pub. Util. Code section 100060.

While VTA continues to insist that two-year terms are suitable for its governance (as specified in PUC § 100060.2), peer agencies in the state appoint their Board members to four-year terms, leading to much longer average lengths of service and potentially greater experience and transportation-related knowledge (see Figure 2).

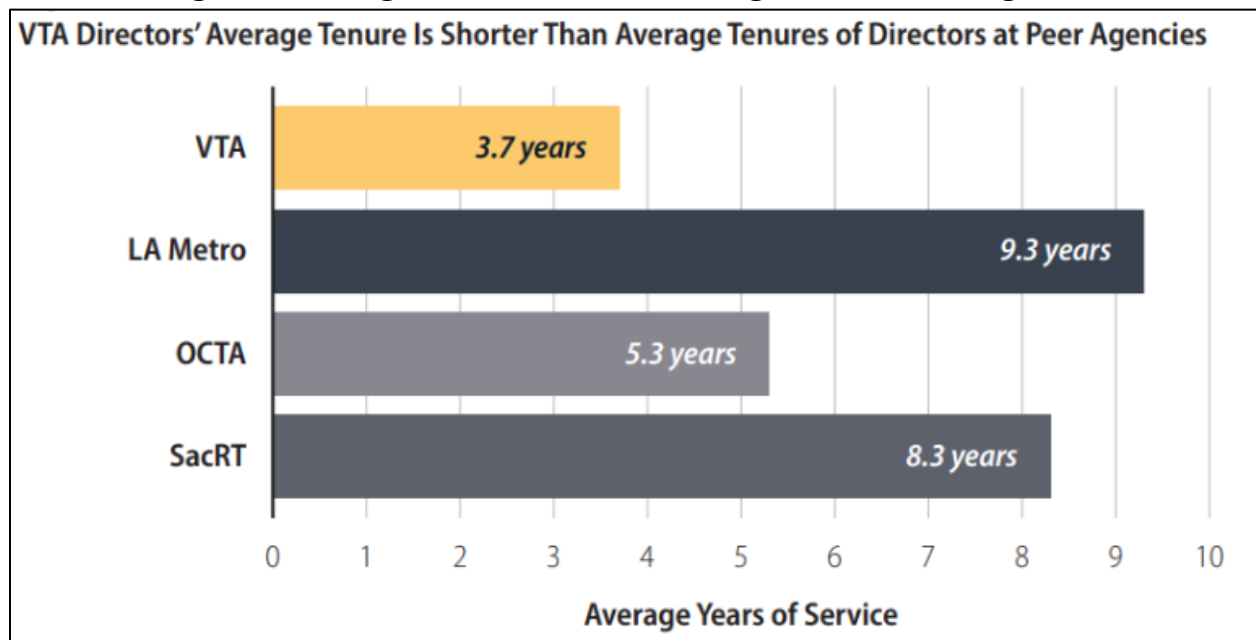
Multiple reports and audits have suggested weaknesses introduced by VTA's approach to the appointment of Board members. For example, the 2019 Board Governance Assessment concluded, in part, that some processes and policies (e.g., committee structure, term limits, and Board member selection guidelines) might not reflect best practices or support long-term Board stability (VTA, 2019). Additionally, a report by the 2018-19 Santa Clara County Civil Grand Jury found that the VTA Board suffers from:

- A lack of experience and limited continuity by many Board members;
- Inadequate time for the directors to devote to the Board's oversight and policy-making functions;
- A lack of engagement by some of the directors, fostered in part by the committee system, resulted in VTA functioning largely as a staff-driven organization.

More recently, a critical 2024 report from the State Auditor regarding VTA's project management and financial oversight noted the following weaknesses:

- The process for selecting directors for the Board is not always transparent enough to ensure the appointment of directors experienced in transportation issues.
- Some groups of cities appoint VTA directors without public deliberation, limiting transparency and sometimes bypassing the statutory recommendation for transportation expertise.
- VTA directors have shorter tenures, on average, than their peers, meaning that VTA's Board has less experience overseeing the agency's operations than the Boards of peer agencies.

Figure 2: Average Directors' Tenure among VTA and Peer Agencies



Source: Auditor of the State of California, “Santa Clara Valley Transportation Authority, Improvements Are Necessary to Strengthen Its Project Management and Financial Oversight,” June 2024.

Note: LA Metro stands for Los Angeles County Metropolitan Transportation Authority; OCTA stands for Orange County Transportation Authority; SacRT stands for Sacramento Regional Transit District.

During interviews and in reviewing existing reports and audits about VTA, the Civil Grand Jury learned that Board members and elected officials broadly support a four-year term for directors. Lengthening terms would require a change to VTA's enabling legislation. The findings of the State and VTA's own auditors' governance reform recommendations remain unchanged.

Public Communication

Following the VTA auditor general's report in January 2024, public communication and community outreach regarding the BSVII project have improved. The Civil Grand Jury noted improvements to the [VTA BSVII project website](#), including efforts to deliver timely updates to residents about the impact of construction activities, and a section for frequently asked questions (FAQ) (VTA, BART Silicon Valley Phase II Project, n.d.). In addition, many interviewees told the Civil Grand Jury that VTA has made efforts to better inform the public and officials since the auditor general's report highlighted communication breakdowns in 2023.

However, there are areas where the public would benefit from VTA focusing more on improving communication.

The VTA's BSVII project website does not offer a simple, clear dashboard outlining the costs, timeline, and progress of the BSVII project. Although it includes technical reports from the federally sponsored PMOC, it does not include the independent analyses by the SME or the VTA auditor general.

A high-level dashboard would consolidate information from multiple sources, present project metrics to the public, and provide access to source materials. Today, information on funding, expenditures, and schedule status is available on the website, but is buried in layers of reports that are nonintuitive to find or navigate.

In addition, the Civil Grand Jury found the site's search function inadequate for locating specific details or addressing questions not covered in the FAQ, and it often returned results for irrelevant materials. The website would be more user-friendly if VTA incorporated a more robust search engine.

CONCLUSION

The VTA Board has failed in its responsibility to provide effective management, oversight, and financial control of the BSVII Project.

Based on its investigation, the Civil Grand Jury concludes:

- There is no realistic plan to deal with foreseeable financial risks, including significant uncertainty about BSVII's construction and operating costs, reliance on expiring voter-approved sales tax measures, uncertain federal government support, cash flow, and declining ridership.
- When considering major scope and design decisions, the Oversight Committee and the VTA Board do not take into account the ongoing operations and maintenance costs that will be borne by VTA and will require voter approval of subsequent sales tax measures.
- The Oversight Committee exercises its oversight responsibility by requiring monthly progress reports and by questioning VTA project staff, but when it declines to make recommendations to the VTA Board, it fails in its responsibility to provide guidance on critical policy issues.
- The Oversight Committee receives valuable input from multiple sources but does not share this information with the VTA Board in the form of helpful reports that synthesize the different perspectives of VTA staff, the Subject Matter Expert, the auditor general, the Project Management Oversight Consultant, and the public.
- The VTA Board and the Oversight Committee have failed to hold VTA staff accountable for missing deadlines to provide analysis and information requested by members of the Oversight Committee.
- There is a lack of meaningful communication and cooperation between BART and VTA officials, which undermines public confidence.
- VTA's failure to adopt governance reform recommendations from prior Civil Grand Jury reports and independent audits has led to a lack of Board member continuity and expertise, weakening the Board's ability to successfully oversee the BSVII project.

FINDINGS AND RECOMMENDATIONS

Finding 1

The BSVII project currently requires voter approval of additional sales tax measures to address gaps in construction and operations funding.

Recommendation 1

VTA should adopt and publish a strategy for the completion and operation of the project that reduces dependency on new sales tax measures.

This should be implemented by December 31, 2026.

Finding 2

VTA does not maintain a cash-flow model for the BSVII project.

Recommendation 2

The VTA Board should direct the General Manager to prepare a cash-flow model for the BSVII project and present it quarterly to the Oversight Committee and the Board.

This should be implemented by December 31, 2026.

Finding 3

VTA has not developed an alternative funding strategy for the project in the event that planned funding sources are unavailable or insufficient.

Recommendation 3

The VTA Board should direct the General Manager to prepare an alternative funding strategy to meet the project's estimated total capital costs and VTA's responsibility for operating and maintenance costs and present it to the Oversight Committee and Board for approval.

This should be implemented by December 31, 2026.

Finding 4

Project management does not consistently report the operating and maintenance cost implications of design and construction decisions to the Oversight Committee or the Board.

Recommendation 4

VTA should adopt a policy requiring staff to present an analysis of operating and maintenance costs when considering design and construction alternatives for BSVII.

This should be implemented by December 31, 2026.

Finding 5

The VTA Board would benefit from longer terms of office to improve continuity and institutional knowledge.

Recommendation 5

VTA should reconsider its prior rejections of audit recommendations calling for the establishment of four-year terms and direct its legislative advocates to seek a legislative author to amend VTA's enabling statute to require four-year terms.

This should be implemented by December 31, 2026

Finding 6

VTA Board Appointing Authority Groups 2 through 5 often do not follow VTA Administrative Code (Section 2-14) admonitions to "appoint individuals with appropriate experience and qualifications in transportation" and to "reappoint representatives to consecutive terms."

Recommendation 6

VTA Board Appointing Authority Groups 2 through 5 should certify to the VTA Board that they will adhere to VTA Administrative Code (Section 2-14) admonitions, regarding Board member expertise and appointment to consecutive terms.

This should be implemented by December 31, 2026.

Finding 7

VTA Board Appointing Authority Groups 2 through 5 have different processes for making Board appointments.

Recommendation 7

The cities represented in Appointing Authority Groups 2 through 5 should agree on a uniform process for making Board appointments.

This should be implemented by December 31, 2026.

Finding 8

The role assigned to the auditor general is outside the traditional scope of an auditor's responsibilities and has introduced conflict and uncertainty among VTA staff and the Oversight Committee. Being involved in the management and policy-making process threatens the auditor general's independence.

Recommendation 8

The Board should implement an alternative model for supporting the Oversight Committee that does not rely on the auditor general to provide services such as agenda preparation, monitoring of VTA staff assignments, or preparation of a synthesis of multiple independent inputs to the Committee's deliberations.

This should be implemented by December 31, 2026

Finding 9

The Board of Directors has not approved the bylaws, nor the charter of the Oversight Committee.

Recommendation 9

VTA should formally adopt a revised Charter for the Oversight Committee, setting the Board's expectations on the following issues:

- Defining the role of the auditor general to no longer require him to supervise the presentations by VTA staff to the Oversight Committee;
- The responsibility of the Oversight Committee to report regularly to the Board on the independent analyses of costs, risks, and schedule by the PMOC and any SMEs; and to provide the Oversight Committee's synthesis of those analyses with recommendations to resolve conflicts when necessary;
- The responsibility of the Oversight Committee to consider and present its recommendations before the Board considers major decisions such as scope of the project, contracting, risk management, budgeting, and funding strategy;

- The responsibility of the Oversight Committee to hold subject matter experts accountable for timely analysis of costs, risk, and schedule;
- The responsibility of the Oversight Committee to report to the Board on the implications of design and construction issues that impact future ongoing operations and maintenance costs to be borne by VTA.

This should be implemented by December 31, 2026.

Finding 10

VTA's vtabart.org website is poorly organized and not always intuitive to navigate, making it hard to find information about the status, cost, and schedule of the BSVII project.

Recommendation 10

The VTA Board should direct the General Manager to implement and maintain a project dashboard on its vtabart.org website that includes status, cost, and schedule information.

This should be implemented by October 31, 2026.

REQUIRED RESPONSES

Pursuant to California Penal Code section 933(a) et seq. and California Penal Code section 933.05, the 2025-26 Santa Clara County Civil Grand Jury requests responses from the following governing bodies:

Responding Agency	Findings	Recommendations
VTA Board of Directors	1, 2, 3, 4, 5, 8, 9, 10	1, 2, 3, 4, 5, 8, 9, 10
County of Santa Clara, Board of Supervisors	6	6
The City of Campbell, City Council	6, 7	6, 7
The City of Cupertino, City Council	6, 7	6, 7
The City of Gilroy, City Council	6, 7	6, 7
The City of Los Altos, City Council	6, 7	6, 7
The Town of Los Altos Hills, Town Council	6, 7	6, 7
The Town of Los Gatos, Town Council	6, 7	6, 7
The City of Milpitas, City Council	6, 7	6, 7
The City of Monte Sereno, City Council	6, 7	6, 7
The City of Morgan Hill, City Council	6, 7	6, 7
The City of Mountain View, City Council	6, 7	6, 7
The City of Palo Alto, City Council	6, 7	6, 7
The City of San José, City Council	6, 7	6, 7
The City of Santa Clara, City Council	6, 7	6, 7
The City of Saratoga, City Council	6, 7	6, 7
The City of Sunnyvale, City Council	6, 7	6, 7

APPENDIX A: BART Management Letter



MEMORANDUM

TO: Carolyn Gonot, VTA General Manager

DATE: August 15, 2025

FROM: Shane Edwards, BART Assistant General Manager, Operations

SUBJECT: Concerns Regarding Lack of Information Sharing and Notification on Key Project Changes

Dear General Manager Gonot:

The Bay Area Rapid Transit District (BART) is gravely concerned with VTA's failure to provide prior notice of the August 11 press release on the twin bore cost report update and the lack of advance discussion on the significantly scaled-down version of the yard presented at the Oversight Committee Meeting on August 14, 2025. Both actions violate established protocols, undermine the trust and coordination that have guided this partnership, and represent serious breaches of process. BART was still under the clear impression, after months of partnership and collaboration, that both agencies were moving forward with Option J of yard design.

In 2018, BART and VTA stood side by side to announce the approval of single bore configuration, marking the culmination of years of coordinated effort, joint advocacy, and mutual reliance. Since the signing of the Comprehensive Agreement, the requirement has been unequivocal: any significant project change, particularly those affecting operations, safety, or long-term system performance, must be disclosed to BART in advance of any public release.

The decision to withhold advance notification of the August 11 release, coupled with the absence of meaningful prior discussion on concepts of yard redesign before presenting in the forum of a public committee, carries direct and lasting operational consequences for BART's ability to safely and efficiently operate the expanded system. These lapses are incompatible with the level of transparency and cooperation expected between primary project partners.

Such omissions hinder BART's ability to fulfill its responsibilities to the public, damage stakeholder confidence, and raise fundamental concerns about VTA's adherence to its commitments. Given the scale, complexity, and visibility of this project, these failures are not minor oversights, they are unacceptable breaches of trust.

I am formally notifying VTA, and the Phase II Project that the Yard Concept presented at the VTA Audit Committee on August 14, 2025 is rejected. The last version of yard design that BART reviewed was revision J.

BSVII: Collaboration, Innovation, Safety, Reliability 1



BART remains fully committed to the successful delivery of this critical regional investment. However, that commitment depends on VTA's immediate corrective action to restore transparency and accountability.

Sincerely,

A handwritten signature in blue ink that reads "Shane Edwards".

Shane Edwards
BART Assistant General Manager, Operations
BART Project Director

Cc: VTA's BART Silicon Valley Phase II Oversight Committee Members
Greg Richardson, VTA Deputy General Manager
Robert Powers, BART General Manager
Michael Jones, BART Deputy General Manager
Ni Lee, BART Deputy Project Director
Monica Born, VTA Program Director
Tom Maguire, VTA Chief Delivery Officer of Mega Projects

BSVII: Collaboration, Innovation, Safety, Reliability 2

CONFLICTS

Members of the Civil Grand Jury are conflicted from a Civil Grand Jury investigation if, as a result of prior or current employment or associations, investment in public or private enterprise, financial interest, bias, or personal relationship, they are subject to recusal from participating in a matter before the Civil Grand Jury. One juror was recused from this matter.

REFERENCES

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This report was **ADOPTED** by the 2025-2026 Santa Clara County Civil Grand Jury on this 17th day of June, 2026.



Dinesh Ramde
Foreperson



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution Approving the 2026 Biennial Update to the City of Milpitas Conflict of Interest Code (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001; and Christian M. Curtis, City Attorney, 408-586-3041)
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	9/15/2026
Recommendation:	Adopt a resolution approving the 2026 biennial update to the City of Milpitas Conflict of Interest Code, including the revised list of designated positions and disclosure categories and the requirement for electronic filing of Statements of Economic Interests beginning January 1, 2027.

BACKGROUND:

The Political Reform Act (Government Code § 81000, et seq.) requires state and local agencies to adopt conflict of interest codes identifying officials and employees who make or participate in making governmental decisions based on the positions they hold. Individuals serving in positions designated in an agency's conflict of interest code are required to disclose specified financial interests as provided in the agency's conflict of interest code.

The City of Milpitas is required to review its Conflict of Interest Code biennially in even-numbered years pursuant to Government Code § 87306.5 to determine whether amendments to the Code are necessary. Amendments may include adding newly created qualifying positions, deleting obsolete positions, revising existing position titles, and updating applicable disclosure categories.

The City's Conflict of Interest Code was last amended on December 3, 2024, as memorialized in City Council Resolution No. 9369. In preparation for the 2026 biennial update, the City Clerk, in coordination with Human Resources and the City Attorney's Office, reviewed the existing Code and list of designated positions and identified applicable amendments.

Individuals serving in positions designated in the City's Conflict of Interest Code are required to file a Statement of Economic Interests (FPPC Form 700) within 30 days of assuming a designated position, annually by April 1, and within 30 days of leaving the position. The City Clerk serves as the City's Filing Officer for Statements of Economic Interests. Filers may also have separate filing obligations based on other positions they hold.

Government Code § 87200 separately identifies certain City officials as statutory filers, including the Mayor, City Councilmembers, City Manager, City Attorney, City Treasurer, and Planning Commissioners. Effective January 1, 2025, Assembly Bill 1170 changed the filing process for § 87200 filers by requiring Statements of Economic Interests to be filed electronically with the Fair Political Practices Commission (FPPC). The City Clerk continues to serve as the City's Filing Officer for these officials; however, their statements are submitted electronically to the FPPC rather than filed with the City Clerk for forwarding to the FPPC.

Since January 2020, the City has utilized NetFile, an electronic filing system approved by the Fair Political Practices Commission, for the electronic filing and administration of Statements of Economic Interests filed with the City Clerk.

ANALYSIS:

The City Clerk, in coordination with Human Resources and the City Attorney's Office, reviewed the City's Conflict of Interest Code and Appendix to identify amendments necessary for the 2026 biennial update. The proposed amendments are shown in redline form as attached as Exhibit A to the resolution and include the addition of newly created qualifying positions, removal of obsolete positions, and revisions to existing position

titles. The list of designated positions also includes Council-appointed Commissioners and Alternates serving on City commissions subject to the Conflict of Interest Code.

The proposed update also revises and simplifies the City's disclosure categories. The City's current Conflict of Interest Code contains seven disclosure categories that identify the types of financial interests designated filers are required to report based on the duties and responsibilities of their positions. The proposed Code consolidates the existing seven disclosure categories into five categories, providing a more streamlined framework for assigning disclosure requirements to designated positions while continuing to require disclosure appropriate to each position's decision-making authority.

In addition, the proposed Conflict of Interest Code will require all Statements of Economic Interests required to be filed with the City Clerk to be submitted electronically through the City's designated electronic filing system beginning January 1, 2027. Electronic filing will provide a consistent filing process for designated filers and support the City Clerk's administration, tracking, and retention of Statements of Economic Interests. This requirement also aligns the City's filing process with the State's transition to mandatory electronic filing for Government Code § 87200 filers.

POLICY ALTERNATIVE(S):

Alternative 1: Do not adopt the resolution approving the 2026 biennial update to the City of Milpitas Conflict of Interest Code.

Pros: None

Cons: The City's Conflict of Interest Code would not reflect current designated positions and disclosure requirements and would not satisfy the City's obligation to complete its 2026 biennial review and update.

Reason for not recommending: The proposed amendments are necessary to maintain an accurate and current Conflict of Interest Code and ensure compliance with the Political Reform Act and applicable FPPC regulations.

PROJECT SCHEDULE/KEY MILESTONES

Date	Milestone/Activity
September 15, 2026	City Council adopts the updated Conflict of Interest Code
September 16 – October 15, 2026	Update the City's filer records and NetFile configuration to reflect the adopted designated positions and revised disclosure categories.
October 16 – November 1, 2026	Notify designated filers of changes to their disclosure requirements, as applicable, and the requirement to electronically file Statements of Economic Interests with the City Clerk beginning January 1, 2027.
December 2026	Complete final system and filer roster review and provide filers with a reminder of the January 1 electronic filing requirement.
January 1, 2027	Electronic filing requirement takes effect.

FISCAL IMPACT:

This item has no fiscal impact. Electronic filing is administered through the City's existing NetFile system, which is funded within the City Clerk's annual operating budget.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

This item is not a project under the California Environmental Quality Act (CEQA) Guideline 15378(b).

ATTACHMENTS:

- (a) Resolution
- (b) Exhibit A: 2026 City of Milpitas Conflict of Interest Code with Appendix – Redlined
- (c) Exhibit A: 2026 City of Milpitas Conflict of Interest Code with Appendix

RESOLUTION NO. ____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AMENDING
THE CITY OF MILPITAS CONFLICT OF INTEREST CODE, AS REQUIRED BY THE
POLITICAL REFORM ACT**

WHEREAS, the State of California enacted the Political Reform Act of 1974, Government Code Section 81000 et seq. (the “Act”), which contains provisions relating to conflicts of interest and requires state and local government agencies to adopt and promulgate conflict of interest codes; and

WHEREAS, the Political Reform Act requires every local government agency to review its conflict of interest code biennially and amend the code when changes are necessary; and

WHEREAS, pursuant to Government Code Sections 87300 and 87302, the City Council of the City of Milpitas has adopted and incorporated by reference the terms of the standard conflict of interest code adopted by the Fair Political Practices Commission and set forth in Title 2, Division 6, California Code of Regulations, Section 18730 (the "Regulations"); and

WHEREAS, the City of Milpitas Conflict of Interest Code was last amended in 2024 by City Council Resolution No. 9369; and

WHEREAS, the City has completed its 2026 biennial review of the Conflict of Interest Code and identified changes to designated positions, position titles, and disclosure requirements that require amendment of the Code and Appendix; and

WHEREAS, the proposed amendments consolidate the City’s existing seven disclosure categories into three disclosure categories and assign disclosure requirements to designated positions based on the duties and responsibilities of each position; and

WHEREAS, the proposed amendments require Statements of Economic Interests required to be filed with the City Clerk to be submitted electronically through the City’s designated electronic filing system beginning January 1, 2027; and

WHEREAS, the City Council has determined that the Conflict of Interest Code and Appendix attached as Exhibit A accurately identify the designated positions and applicable disclosure categories and establish the filing requirements applicable to Statements of Economic Interests filed with the City.

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

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The terms of Section 18730 of the Regulations, and any amendments to Section 18730 or to the Regulations, and any amendments thereto duly adopted by the Fair Political Practices Commission, together with the Appendix attached to the City’s Conflict of Interest Code, constitute the Conflict of Interest Code of the City of Milpitas.
3. The City Council hereby adopts the amended City of Milpitas Conflict of Interest Code and Appendix attached hereto as **Exhibit A**. The adopted Conflict of Interest Code shall be maintained by the City Clerk and made available for public inspection and reproduction as required by law.

4. The amended City of Milpitas Conflict of Interest Code adopted by this Resolution supersedes the Conflict of Interest Code previously adopted by Resolution No. 9369 and shall become effective upon adoption of this Resolution, except that the requirement for electronic filing of Statements of Economic Interests required to be filed with the City Clerk shall take effect January 1, 2027.

PASSED AND ADOPTED this ____ day of _____, 2026, by the following vote:

AYES: ()

NOES: ()

ABSENT: ()

ABSTAIN: ()

ATTEST:

APPROVED:

Suzanne Guzzetta, City Clerk

Carmen Montano, Mayor

APPROVED AS TO FORM:

Christian M. Curtis, City Attorney

EXHIBIT A

CONFLICT OF INTEREST CODE OF THE CITY OF MILPITAS

California's Political Reform Act (Government Code section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation that contains the terms of a standard conflict of interest code which can be incorporated by reference in an agency's code. After public notice and hearing Section 18730 may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendix [or Appendices], designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the City of Milpitas (City).

Officials identified in Government Code section 87200 shall file Statements of Economic Interests in accordance with the filing requirements established by the Political Reform Act and the Fair Political Practices Commission.

~~All officials and designated positions are required to submit a statement of economic interests and shall file their statements with the City Clerk as the City's Filing Officer. The City Clerk shall make and retain a copy of all original statements filed by the Mayor, City Councilmembers and Planning Commissioners, the City Manager, City Attorney and City Treasurer, and shall forward the originals of paper filed original statements to the Fair Political Practices Commission, as required by Government Code section 87200. The City Clerk shall retain the original statements filed by all other officials and designated positions and will make all retained statements available for public inspection and reproduction during regular business hours, per Government Code section 81008. Beginning in the filing year 2020, the City Clerk is authorized to permit electronic filing of Statements of Economic Interest, using an electronic filing system authorized by the Fair Political Practices Commission.~~

Officials and designated positions required to file Statements of Economic Interests with the City shall file their statements electronically with the City Clerk, as the City's Filing Officer, using an electronic filing system approved by the Fair Political Practices Commission. The City Clerk shall retain statements filed with the City and make them available for public inspection and reproduction in accordance with Government Code section 81008.

Nothing in this Conflict of Interest Code shall relieve an official or designated employee of any separate filing obligation imposed by the Political Reform Act or a conflict of interest code adopted by another agency.

Adopted by Milpitas City Council on September xx, 2026

APPENDIX

CONFLICT OF INTEREST CODE OF THE CITY OF MILPITAS

Adopted December xx, 2024

PART A

The phrase “Section 87200 Filer” means each person holding one of the positions defined by California Government Code Section 87200, including each of the following positions:

- a. Mayor
- b. City Councilmember
- c. Planning Commissioner
- d. City Manager
- e. City Attorney
- f. City Treasurer (Director of Finance)
- g. Any City official who manages public investments

Those holding one of the positions above may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligation if they believe their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination as to whether a position is a required filer consistent with Section 87200.

Effective January 1, 2025, all 87200 filers must submit their filings electronically via the FPPC's electronic filing portal, in accordance with AB 1170.

DESIGNATED POSITIONS GOVERNED BY THE CONFLICT OF INTEREST CODE

The term “designated position” means any position with the City that is either: (a) identified in this Exhibit “A”; or (b) involves the making or participation in making of governmental decisions which may foreseeably have a material effect on economic interests.

Each of the following positions shall be deemed a Designated Position:

<u>DESIGNATED POSITIONS</u>	<u>ORIGINAL DISCLOSURE CATEGORIES</u> <i>Discontinued as of 9/30/26</i>	<u>NEW DISCLOSURE CATEGORIES</u> <i>Effective 10/1/26</i>
Administrative Analyst II	5	<u>3</u>
<u>Asset Management Program Administrator</u>	-	<u>1, 3</u>
Assistant City Attorney	1, 2	<u>1</u>
Assistant City Engineer	2, 3, 5	<u>1, 2, 3</u>
Assistant City Manager	1, 2	<u>1</u>
Assistant Director of Recreation and Community Services	1, 2, 7	<u>1, 5</u>
Assistant Finance Director	1, 2	<u>1</u>
Assistant Fire Marshal	2, 3	<u>1, 2, 4</u>
Assistant Chief of Police	5	<u>3</u>
Associate Civil Engineer	2, 3, 5	<u>1, 2, 3</u>
Associate Planner	2, 3, 5, 6	<u>1, 2, 3, 4</u>
Budget Manager	4	<u>3</u>
Building Inspection Manager	2, 3, 5, 6	<u>1, 2, 3, 4</u>
Building/Neighborhood Preservation Inspector	2, 3, 5, 6	<u>1, 2, 3, 4</u>
Building Official	2, 3, 5, 6	<u>1, 2, 3, 4</u>
Business Systems Analyst/Dev	5	<u>3</u>
Buyer	4	<u>3</u>
Capital Improvement Projects Manager	2, 3, 5, 6	<u>1, 2, 3, 4</u>
City Clerk	5, 6	<u>3, 4</u>
City Engineer	1, 2	<u>1, 2, 3</u>
<u>Code Enforcement Officer</u>	-	<u>4</u>
<u>Deputy City Attorney</u>	<u>1, 2</u>	
Deputy City Clerk	5, 6	<u>3, 4</u>
Deputy City Manager	1, 2	<u>1</u>
Deputy Director of Information Technology	5	<u>3</u>
Deputy Fire Chief	5	<u>3</u>
<u>Deputy Fire Chief (Fire Marshal)</u>	<u>2, 3, 5, 6</u>	<u>1, 2, 3, 4</u>
Deputy Public Works Director	1, 2	<u>1, 2, 3</u>
Economic Development & Strategic Initiatives Director	1, 2	<u>1, 5</u>

<u>DESIGNATED POSITIONS</u>	<u>ORIGINAL DISCLOSURE CATEGORIES</u> <i>Discontinued as of 9/30/26</i>	<u>NEW DISCLOSURE CATEGORIES</u> <i>Effective 10/1/26</i>
Finance Manager	1, 2	<u>1, 3</u>
Financial Analyst II	5	<u>3</u>
Fire Battalion Chief	5	<u>3</u>
Fire Chief	5, 6	<u>3, 4</u>
Fire Captain, Prevention/Hazmat Inspector	3, 6	<u>3</u>
Fire Marshal	2, 3, 5, 6	
<u>Fire Prevention Inspector</u>		<u>2, 4</u>
<u>Hazmat Inspector</u>		<u>2, 4</u>
Housing Official	1, 2, 7	<u>1, 2, 5</u>
Human Resources Director	5	<u>3</u>
Human Resources Manager	5	<u>3</u>
Information Technology Director	5	<u>3</u>
Information Technology Manager	5	<u>3</u>
Plan Review Manager	5	<u>2, 3, 4</u>
Plan Check Engineer	5	<u>2, 4</u>
Plan Checker	5	<u>2, 4</u>
Planning Director	1, 2	<u>1, 2, 3, 4</u>
Planning Manager	2, 3, 5	<u>1, 2, 3, 4</u>
Police Captain	5	<u>3</u>
Police Chief	5	<u>3</u>
<u>Police Support Services Manager</u>	-	<u>3</u>
Principal Civil Engineer	1, 2	<u>1, 2, 3</u>
Principal Planner	1, 2	<u>1, 2, 4</u>
Public Information Officer	5	<u>3</u>
Public Works Division Manager	1, 2	<u>1, 2, 3</u>
Public Works Director	1, 2	<u>1, 2, 3</u>
Public Works Inspector	6	<u>2, 4</u>
Purchasing Manager	4	<u>3</u>
Recreation and Community Services Director	5	<u>3, 5</u>
Recreation Services Supervisor	5	<u>3</u>
Risk Analyst II	5	<u>3</u>
Senior Administrative Analyst	5	<u>3</u>
Senior Accountant	4	<u>3</u>
Senior Building Inspector	5, 6	<u>2, 4</u>
Senior Buyer	4	<u>3</u>
<u>Senior City Manager Analyst</u>	-	<u>3</u>
Senior Code Enforcement Officer	6	<u>4</u>
Senior Human Resources Analyst	5	<u>3</u>

<u>DESIGNATED POSITIONS</u>	<u>ORIGINAL DISCLOSURE CATEGORIES</u> <i>Discontinued as of 9/30/26</i>	<u>NEW DISCLOSURE CATEGORIES</u> <i>Effective 10/1/26</i>
Senior Plan Check Engineer	5	<u>2, 3, 4</u>
Senior Planner	1, 2	<u>1, 2, 4</u>
Senior Public Works Inspector	2, 5, 6	<u>1, 2, 3, 4</u>
Transportation and Traffic Engineer	2, 3, 5	
<u>CITY OF MILPITAS COMMISSIONS</u>		
Arts Commission	5, 7	<u>3, 5</u>
Community Advisory Housing Commission	1, 2	<u>1, 2, 5</u>
Economic Development & Trade Commission	1, 2	<u>1, 5</u>
Energy and Environmental Sustainability Commission	1, 2	<u>1, 3, 5</u>
Parks, Recreation & Cultural Resources Commission	1, 2	<u>1, 3, 5</u>
Science, Technology & Innovation Commission	1, 2	<u>1, 3, 5</u>

CONSULTANTS and NEW POSITIONS

Individuals serving as a consultant as defined in FPPC Regulation 18700.3 or in a new position as defined in Regulation 18734 created since this Code was last approved who make, or participate in making, decisions must file under the broadest disclosure category set forth in this Code, subject to the following limitation: The City Manager may determine, that due to the range of duties or contractual obligations, it is more appropriate to assign a limited disclosure requirement. A clear explanation of the duties and a statement of the extent of the disclosure requirements must be a written document (Gov. Code § FPPC Regulations 18219 and 18734). The City Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code (Gov. Code §81008).

ELECTRONIC FILING

Effective January 1, 2027, all designated filers must submit their filings electronically via the City's electronic filing portal.

PART B - DISCLOSURE CATEGORIES

Disclosure categories identify the types of economic interests that the designated position must disclose for each disclosure category to which he or she is assigned. "Investment" means financial interest in any business entity (including a consulting business or other independent contracting business) and are reportable if they are either located in, doing business in, planning to do business in, or have done business in during the previous two years in the jurisdiction of the City of Milpitas.

This Conflict of Interest Code does not require the reporting of gifts from outside this City's jurisdiction if the source does not have some connection with or bearing upon the functions or duties of the position, per FPPC Regulation 18730.1.

Following is the list of ~~seven~~five disclosure categories, defined:

Category 1 (General / Real Property Disclosure): All investments and business positions in business entities, and sources of income, including gifts, loans, and travel payments, from sources located in, doing business in, or owning real property within the City of Milpitas; and all interests in real property located within the City or within two miles of its boundaries, including any leasehold, beneficial or ownership interest, or option to acquire property.~~all investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are located in, doing business in, or that own real property within the City of Milpitas and.~~

~~Category 2: all interests in real property which is located in whole or in part within, or not more than two miles outside the boundaries of the City of Milpitas, including any leasehold, beneficial or ownership interest or option to acquire property.~~

Category 32 (Land Development / Construction): all investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are engaged in land development, construction or the acquisition or sale of real property within the jurisdiction of the City of Milpitas.

Category 43 (City Vendors / Procurement): all investments and business positions in business entities, and sources of income, including gifts, loans and travel payments that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the City of Milpitas.

~~Category 5: all investments and business positions in business entities, and sources of income, including gifts, loans and travel payments that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the designated positions' department, unit or division.~~

Category 64 (Regulated / Permitted Businesses): all investments and business positions in business entities, and sources of income, from, business entities subject to the regulatory, permit, or licensing authority of the designated positions' department, unit or division.

| Category 75 (Grant Recipients): all investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, and income from a nonprofit or other organization, if the source is of the type to receive grants or other monies from or through the City of Milpitas or its subdivisions.

CONFLICT OF INTEREST CODE OF THE CITY OF MILPITAS

California's Political Reform Act (Government Code section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation that contains the terms of a standard conflict of interest code which can be incorporated by reference in an agency's code. After public notice and hearing Section 18730 may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendix [or Appendices], designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the City of Milpitas (City).

Officials identified in Government Code section 87200 shall file Statements of Economic Interests in accordance with the filing requirements established by the Political Reform Act and the Fair Political Practices Commission.

Officials and designated positions required to file Statements of Economic Interests with the City shall file their statements electronically with the City Clerk, as the City's Filing Officer, using an electronic filing system approved by the Fair Political Practices Commission. The City Clerk shall retain statements filed with the City and make them available for public inspection and reproduction in accordance with Government Code section 81008.

Nothing in this Conflict of Interest Code shall relieve an official or designated employee of any separate filing obligation imposed by the Political Reform Act or a conflict of interest code adopted by another agency.

Adopted by Milpitas City Council on September xx, 2026

APPENDIX

CONFLICT OF INTEREST CODE OF THE CITY OF MILPITAS

Adopted December xx, 2024

PART A

The phrase “Section 87200 Filer” means each person holding one of the positions defined by California Government Code Section 87200, including each of the following positions:

- a. Mayor
- b. City Councilmember
- c. Planning Commissioner
- d. City Manager
- e. City Attorney
- f. City Treasurer (Director of Finance)
- g. Any City official who manages public investments

Those holding one of the positions above may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligation if they believe their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination as to whether a position is a required filer consistent with Section 87200.

Effective January 1, 2025, all 87200 filers must submit their filings electronically via the FPPC's electronic filing portal, in accordance with AB 1170.

DESIGNATED POSITIONS GOVERNED BY THE CONFLICT OF INTEREST CODE

The term “designated position” means any position with the City that is either: (a) identified in this Exhibit “A”; or (b) involves the making or participation in making of governmental decisions which may foreseeably have a material effect on economic interests.

Each of the following positions shall be deemed a Designated Position:

<u>DESIGNATED POSITIONS</u>	<u>ORIGINAL DISCLOSURE CATEGORIES</u> <i>Discontinued as of 9/30/26</i>	<u>NEW DISCLOSURE CATEGORIES</u> <i>Effective 10/1/26</i>
Administrative Analyst II	5	3
Asset Management Program Administrator	-	1, 3
Assistant City Attorney	1, 2	1
Assistant City Engineer	2, 3, 5	1, 2, 3
Assistant City Manager	1, 2	1
Assistant Director of Recreation and Community Services	1, 2, 7	1, 5
Assistant Finance Director	1, 2	1
Assistant Fire Marshal	2, 3	1, 2, 4
Assistant Chief of Police	5	3
Associate Civil Engineer	2, 3, 5	1, 2, 3
Associate Planner	2, 3, 5, 6	1, 2, 3, 4
Budget Manager	4	3
Building Inspection Manager	2, 3, 5, 6	1, 2, 3, 4
Building/Neighborhood Preservation Inspector	2, 3, 5, 6	1, 2, 3, 4
Building Official	2, 3, 5, 6	1, 2, 3, 4
Business Systems Analyst/Dev	5	3
Buyer	4	3
Capital Improvement Projects Manager	2, 3, 5, 6	1, 2, 3, 4
City Clerk	5, 6	3, 4
City Engineer	1, 2	1, 2, 3
Code Enforcement Officer	-	4
Deputy City Clerk	5, 6	3, 4
Deputy City Manager	1, 2	1
Deputy Director of Information Technology	5	3
Deputy Fire Chief	5	3
Deputy Fire Chief (Fire Marshal)	2, 3, 5, 6	1, 2, 3, 4
Deputy Public Works Director	1, 2	1, 2, 3
Economic Development & Strategic Initiatives Director	1, 2	1, 5

<u>DESIGNATED POSITIONS</u>	<u>ORIGINAL DISCLOSURE CATEGORIES</u> <i>Discontinued as of 9/30/26</i>	<u>NEW DISCLOSURE CATEGORIES</u> <i>Effective 10/1/26</i>
Finance Manager	1, 2	1, 3
Financial Analyst II	5	3
Fire Battalion Chief	5	3
Fire Chief	5, 6	3, 4
Fire Captain	3, 6	3
Fire Prevention Inspector		2, 4
Hazmat Inspector		2, 4
Housing Official	1, 2, 7	1, 2, 5
Human Resources Director	5	3
Human Resources Manager	5	3
Information Technology Director	5	3
Information Technology Manager	5	3
Plan Review Manager	5	2, 3, 4
Plan Check Engineer	5	2, 4
Plan Checker	5	2, 4
Planning Director	1, 2	1, 2, 3, 4
Planning Manager	2, 3, 5	1, 2, 3, 4
Police Captain	5	3
Police Chief	5	3
Police Support Services Manager	-	3
Principal Civil Engineer	1, 2	1, 2, 3
Principal Planner	1, 2	1, 2, 4
Public Information Officer	5	3
Public Works Division Manager	1, 2	1, 2, 3
Public Works Director	1, 2	1, 2, 3
Public Works Inspector	6	2, 4
Purchasing Manager	4	3
Recreation and Community Services Director	5	3, 5
Recreation Services Supervisor	5	3
Risk Analyst II	5	3
Senior Administrative Analyst	5	3
Senior Accountant	4	3
Senior Building Inspector	5, 6	2, 4
Senior Buyer	4	3
Senior City Manager Analyst	-	3
Senior Code Enforcement Officer	6	4
Senior Human Resources Analyst	5	3
Senior Plan Check Engineer	5	2, 3, 4
Senior Planner	1, 2	1, 2, 4
Senior Public Works Inspector	2, 5, 6	1, 2, 3, 4

<u>DESIGNATED POSITIONS</u>	<u>ORIGINAL DISCLOSURE CATEGORIES</u> <i>Discontinued as of 9/30/26</i>	<u>NEW DISCLOSURE CATEGORIES</u> <i>Effective 10/1/26</i>
<u>CITY OF MILPITAS COMMISSIONS</u>		
Arts Commission	5, 7	3, 5
Community Housing Commission	1, 2	1, 2, 5
Economic Development & Trade Commission	1, 2	1, 5
Energy and Environmental Sustainability Commission	1, 2	1, 3, 5
Parks, Recreation & Cultural Resources Commission	1, 2	1, 3, 5
Technology Commission	1, 2	1, 3, 5

CONSULTANTS and NEW POSITIONS

Individuals serving as a consultant as defined in FPPC Regulation 18700.3 or in a new position as defined in Regulation 18734 created since this Code was last approved who make, or participate in making, decisions must file under the broadest disclosure category set forth in this Code, subject to the following limitation: The City Manager may determine, that due to the range of duties or contractual obligations, it is more appropriate to assign a limited disclosure requirement. A clear explanation of the duties and a statement of the extent of the disclosure requirements must be a written document (Gov. Code § FPPC Regulations 18219 and 18734). The City Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code (Gov. Code §81008).

ELECTRONIC FILING

Effective January 1, 2027, all designated filers must submit their filings electronically via the City's electronic filing portal.

PART B - DISCLOSURE CATEGORIES

Disclosure categories identify the types of economic interests that the designated position must disclose for each disclosure category to which he or she is assigned. "Investment" means financial interest in any business entity (including a consulting business or other independent contracting business) and are reportable if they are either located in, doing business in, planning to do business in, or have done business in during the previous two years in the jurisdiction of the City of Milpitas.

This Conflict of Interest Code does not require the reporting of gifts from outside this City's jurisdiction if the source does not have some connection with or bearing upon the functions or duties of the position, per FPPC Regulation 18730.1.

Following is the list of five disclosure categories, defined:

Category 1 (General / Real Property Disclosure): All investments and business positions in business entities, and sources of income, including gifts, loans, and travel payments, from sources located in, doing business in, or owning real property within the City of Milpitas; and all interests in real property located within the City or within two miles of its boundaries, including any leasehold, beneficial or ownership interest, or option to acquire property..

Category 2 (Land Development / Construction): all investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are engaged in land development, construction or the acquisition or sale of real property within the jurisdiction of the City of Milpitas.

Category 3 (City Vendors / Procurement): all investments and business positions in business entities, and sources of income, including gifts, loans and travel payments that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the City of Milpitas.

Category 4 (Regulated / Permitted Businesses): all investments and business positions in business entities, and sources of income, from, business entities subject to the regulatory, permit, or licensing authority of the designated positions' department, unit or division.

Category 5 (Grant Recipients): all investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, and income from a nonprofit or other organization, if the source is of the type to receive grants or other monies from or through the City of Milpitas or its subdivisions.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Consider Recommendations from Mayor Montano for Appointments to City Commissions (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3005)
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	9/15/2026
Recommendation:	Receive Mayor Montano's recommendations and approve and confirm the recommended appointments to City Commissions.

BACKGROUND:

The City of Milpitas has 13 Commissions (including the Measure F Oversight Committee), with members appointed by the Mayor and confirmed by the City Council. The Commissions advise the Milpitas elected officials on a variety of community interest and policy areas. Commissioner appointments and removals are governed by various sections of the California Government Code, Milpitas Municipal Code, and the adopted Milpitas Commissioner Handbook and By-Laws.

Any resident interested in serving on a City Commission must complete a Commission Application and submit the form to the City Clerk. Copies of the applications are provided to the Mayor for her consideration. Per Government Code 40605, in a general law city where the office of Mayor is an elective office, the Mayor, with the approval of the City Council, shall make all appointments to boards, commissions, and committees unless otherwise specifically provided by statute.

On May 19, 2026, the City Council approved the commission realignment to a quarterly structure. Under the approved structure, commissioner term expiration dates are updated only upon appointment to a new term or appointment to fill a vacant seat. The appointments presented in this report are the first to conform to the new appointment structure.

ANALYSIS:

Appointments and removals are as follows:

Appointments will be provided by the Mayor in a revised report prior to the meeting.

All recommended Commissioner appointments have been reviewed and confirmed by the City Clerk's office.

FISCAL IMPACT:

There is no fiscal impact associated with this item.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The action is an organizational or administrative activity of the City government that will not result in direct or indirect physical changes in the environment and is not a project pursuant to Cal. Code of Regs., tit. 14, § 15378.

ATTACHMENT(S):

n/a



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Authorize the City Manager, or Designee, to Negotiate and Execute an Amendment to the Janitorial Services Agreement with Imperial Maintenance Services, Inc. (Staff Contact: Luz Cofresi-Howe, Finance Director, 408-586-3111; and Christian Di Renzo, Public Works Director, 408-586-2602)
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	9/15/2026
Recommendation:	Authorize the City Manager, or designee, to negotiate and execute an amendment to the Janitorial Services Agreement with Imperial Maintenance Services, Inc. to add scope of work, schedules, and pricing for park restrooms and currently inactive locations and services and to add \$511,927 for a revised not-to-exceed amount of \$2,998,790, subject to appropriation by the City Council through the annual budget adoption process.

BACKGROUND:

On [December 5, 2023](#), City Council authorized the City Manager, or designee, to execute an Agreement for janitorial services with Imperial Maintenance Services, Inc. (Imperial) based on the results of a competitive Request for Proposal (RFP 24-036) process. The Agreement was executed on December 21, 2023, with a term of January 7, 2024, through January 6, 2029, and a maximum compensation of \$2,486,863.

On [August 11, 2026](#), City Council authorized staff to negotiate and execute a new parks and landscaping services contract which streamlined the scope of work to exclude services such as graffiti abatement, parks infrastructure maintenance, and routine park restroom operations such as opening, closing, and cleaning that are not optimally addressed by a landscaping contractor. For restroom operations, staff are now returning to City Council with this recommended amendment to reduce overall costs for the City and allocate the work with the appropriate vendor. The current landscaping vendor will continue to provide park restroom services until Imperial begins on October 1, 2026

ANALYSIS:

When assessing the scope of work for the parks and landscaping maintenance services RFP 25-1069, staff determined that it was not cost-effective for the landscaping company to provide park restroom services, which has been the practice for the last several years. Landscaping services are subject to prevailing wage requirements as set by the California Director of Industrial Relations, while janitorial services are not, resulting in higher wage staff performing lower wage work. Staff obtained quotes for park restroom services from the landscaping vendor currently providing these services as well as Imperial. The quote from the landscaping vendor was \$390,000/year, and the quote from Imperial was \$214,190/year, a difference of \$175,810/year. By contracting with Imperial for these services beginning October 1, 2026, the City will receive cost savings of \$395,572 through the remaining term of the contract.

If approved, this amendment will add scope of work, schedules, and pricing for park restroom services and locations and services that were not reflected in the original Agreement. Locations and services may be adjusted as required, subject to a City-issued work order which will be limited by the contract maximum compensation. This proposed amendment will add \$511,927 to cover costs associated with cleaning, opening, and closing restrooms at 19 City parks for a total cost of \$481,929 through the remainder of the contract, with the remaining balance of the requested increase (approximately \$30,000) needed to cover cleaning services for the Police Department, Community Center, and Senior Center that were added beginning August 1, 2025, resulting in a revised not-to-exceed contract amount of \$2,998,790.

POLICY ALTERNATIVE(S):

Alternative 1: Do not authorize the City Manager, or designee, to negotiate and execute the amendment.

Pros: This will increase City control over service delivery standards and scheduling as the City's Public Works staff will have to be utilized to provide these services.

Cons: The City does not currently have sufficient internal resources to provide these services while also overseeing ongoing operations and maintenance of the City's infrastructure.

Reason for Not Recommending: The City does not currently have sufficient resources to perform these services. If this work is to be absorbed directly by the City, the City will need to purchase equipment and hire additional staff. Until that is addressed, maintenance and repair activities will be delayed.

PROJECT SCHEDULE/KEY MILESTONES

Upon City Council approval, staff will negotiate and execute the amendment with Imperial by September 30, 2026. Imperial will begin parks restroom services on October 1, 2026.

FISCAL IMPACT:

Funding in Fiscal Year 2026-27 for these services was adopted and approved by City Council on June 9, 2026, and there are sufficient funds budgeted and available in the Public Works Facilities and Parks Maintenance operating budget for the current fiscal year ending June 30, 2027. Funding after June 30, 2027, will be subject to appropriation by the City Council through the annual budget adoption process.

Fiscal Summary of Contract:

		Original Agreement	Proposed Amendment
Year 1 ¹	January 7, 2024 – January 6, 2025	\$461,730	\$453,745
Year 2 ²	January 7, 2025 – January 6, 2026	469,877	542,867
Year 3 ³	January 7, 2026 – January 6, 2027	493,354	725,701
Year 4 ³	January 7, 2027 – January 6, 2028	517,992	627,889
Year 5 ³	January 7, 2028 – January 6, 2029	543,910	648,588
		\$2,486,863	\$2,998,790

¹ Proposed Amendment amount reflects actual costs.

² Proposed Amendment amount reflects actual costs, which included addition of the Police Department, Community Center, and Senior Center as of August 1, 2025.

³ Proposed Amendment amount includes park restroom services beginning October 1, 2026.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

This item is not a project under the California Environmental Quality Act (CEQA) Guideline 15378(b).

ATTACHMENT(S):

None.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Authorize the City Manager, or Designee, to Execute Purchase Orders with Multiple Vendors for Maintenance Supplies, Materials, and Related Services (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111; and Christian Di Renzo, Public Works Director, 408-586-2602)
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	9/15/2026
Recommendation:	Authorize the City Manager, or designee, to negotiate and execute purchase orders with 34 vendors for as-required citywide purchases of maintenance supplies, materials, and related services for a five-year term beginning October 1, 2026 and ending September 30, 2031, in the individual not-to-exceed amounts set forth in Attachment A and a combined five-year total not to exceed \$11,850,000, subject to appropriation by the City Council through the annual budget adoption process; and find, pursuant to Milpitas Municipal Code Section I-2-3.03, that the award of multiple purchase orders within each supply category and the sole source and limited source awards identified in Attachment A are in the best interest of the City.

BACKGROUND:

The City infrastructure includes vehicles, motorized equipment, buildings, streets, parks, medians, water and sewer systems, and other public assets. To preserve these assets, maintain efficient City operations, and ensure public safety, City staff purchase supplies (including parts), materials, and services that include, but are not limited to, the following:

- (1) General Maintenance, Repair, and Operations (MRO) Supplies and Facilities Maintenance Supplies: parts for plumbing, HVAC, electrical, and system repairs; and consumables such as janitorial supplies, chemicals, and air filters
- (2) Fleet Maintenance Supplies: parts and consumables
- (3) Park and Landscaping Maintenance Supplies: paint, electrical supplies, aggregate materials, plants, shrubs, trees, irrigation system components, turf maintenance supplies, and chemicals
- (4) Utility Operations and Maintenance Supplies: waterworks and electrical supplies, pump stations, reservoirs, water quality testing and treatment supplies and chemicals, and aggregate materials
- (5) Street Maintenance Supplies: electrical supplies, pavement marking materials and traffic signs, traffic intersection equipment and streetlight components, and aggregate materials

ANALYSIS:

On June 18, 2026, the City issued an Invitation for Bid (IFB 26-229) for Maintenance Supplies and Related Repairs. Vendors were instructed to submit bids based on their ability to provide supplies and services within the five supply categories: general MRO supplies and facilities maintenance supplies, fleet maintenance supplies, park and landscaping maintenance supplies, utility operations and maintenance supplies, and street maintenance supplies. The IFB provided for the award of blanket purchase orders to the lowest cost, responsive and responsible vendors based on the discount off list price offered for each supply category. As stated in the IFB, the City intended to award multiple blanket purchase orders within each supply category so that the City would have adequate capacity and capability to meet its requirements, and the City reserved the right to request pricing from multiple awarded vendors to obtain the best value on individual orders.

The IFB was publicly noticed on the [City's Website](#) and on [OpenGov](#), the City e-procurement website, in accordance with Milpitas Municipal Code Section [I-2-3.11](#). Upon release, notifications were sent to 7,436 vendors, and 116 firms downloaded the solicitation documents. The City received 25 submittals by the bid due date of August 4, 2026, and following review, 24 were deemed responsive and responsible. One submittal was determined to be non-responsive. Notice of intent to award was posted, and the seven-day protest period provided by Milpitas Municipal Code Section [I-2-3.19](#) has closed.

While the products and related services offered by the responding vendors meet a significant portion of the City's required demand, Original Equipment Manufacturer (OEM) supplies, parts, and related services for specialized City equipment were not offered by any bidder. Category 2 of the IFB expressly included OEM parts for City fleet vehicles, and the IFB required bidders to be the authorized distributor for the products offered. Notwithstanding notice to 7,436 vendors, no responsive bid offered OEM parts or authorized service for the City's specialized equipment. The solicitation therefore constitutes the good faith review of available sources required by Milpitas Municipal Code Section [I-2-3.06](#), which authorizes award without competition where the Purchasing Agent determines in writing that only one viable source exists or that there is a compelling reason for using only one source, with negotiation as appropriate as to price, delivery, and terms. Staff identified 10 OEM sole source or limited source vendors, which are listed in Attachment A together with the basis for each determination. A written determination will be placed in each contract file, and these awards will be included in the Purchasing Agent's annual sole source report to the City Council.

This recommendation requests authorization to negotiate and execute purchase orders with all 34 of these vendors. See Attachment A (Recommended Contract Awards by Vendor) for a list of the recommended vendors and additional details. The total estimated not-to-exceed for these 34 vendors is \$11,850,000, which is approximately \$2,370,000/year. The amounts shown in Attachment A are individual maximums for each vendor and are not transferable among vendors. Not-to-exceed amounts are inclusive of shipping and freight, which the IFB limits to 12% of the gross value of an order. All contracted vendors will be required to comply with the City's standard terms and conditions, and purchases are not guaranteed. All purchases will be subject to City request and the appropriation of funds.

Even with these awarded purchase orders, additional gaps still exist and some areas require additional vendor redundancy. Staff will return to City Council with a separate request for authorization to issue purchase orders to additional vendors after a more thorough gap analysis has been completed. That request is anticipated for the November 10, 2026 City Council meeting and is expected to involve approximately 71 additional vendors.

POLICY ALTERNATIVE(S):

Alternative 1: Do not authorize the City Manager, or designee, to negotiate and execute these purchase orders.

Pros: This alternative would allow additional time to evaluate individual vendor requirements before five-year purchase order amounts are established.

Cons: If these purchase orders are not approved, there will be a delay in addressing maintenance and repair needs for City assets. This will affect City operations, asset longevity, and public safety.

Reason for Not Recommending: This would restrict City staff's ability to purchase the necessary supplies, materials, parts, equipment, and related services necessary to maintain efficient operations, preserve City assets, and ensure public safety. Maintenance and repair work would be delayed or paused until the necessary goods and services could be purchased.

PROJECT SCHEDULE/KEY MILESTONES

Following approval of this recommendation, staff will issue notices of award and will execute purchase orders as each vendor delivers the insurance certificates and other documentation required by the IFB. Purchase orders are anticipated to be in place by October 1, 2026.

FISCAL IMPACT:

Funding in Fiscal Year 2026-2027 was adopted and approved by City Council on June 9, 2026. There are sufficient funds budgeted and available in the adopted operating budgets of the using Departments for the current fiscal year for the purchase of maintenance supplies, materials, and related services. These purchases are funded by the General Fund, Water and sewer enterprise funds, and other funds, depending on the asset being maintained. Consistent with Milpitas Municipal Code Section [I-2-4.03](#), no purchase order will be issued unless a sufficient, unencumbered appropriated balance is available. Funding in the future fiscal years will be requested and appropriated through the annual budget process. No additional funding is requested at this time.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

This item is not a project under the California Environmental Quality Act (CEQA) Guideline 15378(b).

ATTACHMENT(S):

(a) Recommended Contract Awards by Vendor

ATTACHMENT A – RECOMMENDED CONTRACT AWARDS BY VENDOR

Solicitation-Awarded Vendors:

#	Vendor	Category(ies)	Goods/Services Provided	5-Year Not-to-Exceed
1	55GEEKS	MRO and Facility Maintenance Supplies	Electrical and low-voltage infrastructure solutions, including data/network connectivity, security systems, EV charging, and energy systems	\$250,000
2	AZCO Supply, Inc.	Park and Landscaping Maintenance Supplies; Utility Operations and Maintenance Supplies; Street Maintenance Supplies	Transportation and utility infrastructure supplies, including traffic signal/ITS equipment, controllers, cabinets, detection systems, and roadway lighting	\$750,000
3	Backflow Apparatus & Valve dba BAVCO	Park and Landscaping Maintenance Supplies	Backflow-prevention equipment and parts, including repair parts, test kits, enclosures, pressure-control valves, water meters, and expansion valves	\$500,000
4	Varsity Brands, Inc. dba BSN Sports LLC	Park and Landscaping Maintenance Supplies	Athletic and sporting-goods products: team uniforms, apparel, footwear, and sports equipment across multiple sports	\$500,000
5	D & J International Inc.	MRO and Facility Maintenance Supplies; Park and Landscaping Maintenance Supplies	Polyethylene film and plastic packaging products, including plastic bags and custom high-/low-density polyethylene film products	\$250,000
6	Ennis-Flint, Inc.	Street Maintenance Supplies	Pavement and traffic-marking materials, including waterborne and solvent-based traffic paints and road/highway/parking-lot marking products	\$500,000
7	Ferguson US Holdings, Inc. dba Ferguson Enterprises, LLC	Park and Landscaping Maintenance Supplies; Utility Operations and Maintenance Supplies	Water and utility infrastructure materials: pipe, valves, fittings, sanitary-sewer and stormwater products, meters, pumps, and related contractor supplies	\$500,000
8	Fonroche Lighting America Inc	MRO and Facility Maintenance Supplies; Park and Landscaping Maintenance Supplies; Utility Operations and Maintenance Supplies; Street Maintenance Supplies	Off-grid solar LED lighting systems, including solar streetlights, parking/area lighting, pathway lighting, bollards, and smart/IoT-enabled solar lighting systems	\$500,000
9	Geveko Markings Inc.	Street Maintenance Supplies	Road and pavement-marking materials, including preformed markings, hot-applied materials, traffic paints, glass beads, primers, and application equipment	\$100,000

ATTACHMENT A – RECOMMENDED CONTRACT AWARDS BY VENDOR

#	Vendor	Category(ies)	Goods/Services Provided	5-Year Not-to-Exceed
10	Global Equipment Company Inc. dba Global Industrial	MRO and Facility Maintenance Supplies; Fleet Maintenance Supplies; Park and Landscaping Maintenance Supplies; Utility Operations and Maintenance Supplies; Street Maintenance Supplies	Broad industrial/MRO catalog: fasteners, material-handling equipment, plumbing supplies, tools, storage, safety equipment, janitorial supplies, and shop equipment	\$250,000
11	Granite Construction Company	Park and Landscaping Maintenance Supplies; Utility Operations and Maintenance Supplies; Street Maintenance Supplies	Aggregates, asphalt concrete, ready-mix concrete, base materials, sand, and specialty aggregates	\$375,000
12	Iteris, Inc.	Street Maintenance Supplies	Intelligent transportation/smart-mobility technology, including video/radar traffic detection, intersection sensors, traffic analytics, and signal optimization	\$1,000,000
13	Lawson Products, Inc.	MRO and Facility Maintenance Supplies; Fleet Maintenance Supplies; Park and Landscaping Maintenance Supplies; Utility Operations and Maintenance Supplies; Street Maintenance Supplies	Industrial MRO supplies, including fasteners, chemicals, electrical products, hardware, hydraulics, material-handling products, safety supplies, and welding supplies	\$125,000
14	Milpitas Materials Company	Park and Landscaping Maintenance Supplies; Utility Operations and Maintenance Supplies; Street Maintenance Supplies	Ready-mix concrete and specialty concrete products, including colored, lightweight, pervious, early-strength, water-resistant, and fiber-reinforced concrete	\$375,000
15	Nancy Massa dba Steel Source Construction	MRO and Facility Maintenance Supplies; Fleet Maintenance Supplies; Park and Landscaping Maintenance Supplies; Utility Operations and Maintenance Supplies; Street Maintenance Supplies	Primary product is the MX Water Quality Sampling Station for municipalities and water utilities	\$100,000
16	Pinion Group LLC	MRO and Facility Maintenance Supplies; Fleet Maintenance Supplies; Park and Landscaping Maintenance Supplies; Utility Operations and Maintenance Supplies; Street Maintenance Supplies	Batteries (sealed lead-acid, golf cart, and automotive) and lighting products (Satco, ATG, Keystone, and Maxlite)	\$250,000

ATTACHMENT A – RECOMMENDED CONTRACT AWARDS BY VENDOR

#	Vendor	Category(ies)	Goods/Services Provided	5-Year Not-to-Exceed
17	Rentokil North America, Inc dba Target Specialty Products	Park and Landscaping Maintenance Supplies	Pest-management and environmental services/products, including termite and general pest control, bed-bug services, bird management, and bioremediation	\$500,000
18	Sierra Pacific Turf Supply, Inc.	Park and Landscaping Maintenance Supplies	Golf, landscape, and sports-turf supplies, including turf seed, fertilizers, fungicides, herbicides, insecticides, soil amendments, and irrigation products	\$100,000
19	Statewide Traffic Safety and Signs, Inc. dba AWP Safety	Street Maintenance Supplies	Traffic-control services and equipment for work zones, including flagging, arrow boards, temporary traffic-control setups/plans, and smart work-zone technologies	\$100,000
20	Tahoe Supply Company, LLC	MRO and Facility Maintenance Supplies	Janitorial, cleaning, and facility-maintenance supplies and equipment, including floor-care chemicals/equipment, cleaners, liners, waste receptacles, mops, and safety supplies	\$250,000
21	Underground Republic Water Works, Inc.	Utility Operations and Maintenance Supplies	Underground utility infrastructure materials for sewer, stormwater, and fire-protection systems; <i>excludes Clow hydrants and check valves which were awarded to another vendor through a separate bid process.</i>	\$500,000
22	Unipak Corp.	MRO and Facility Maintenance Supplies	Plastic and polyethylene packaging products, including trash liners, plastic bags, reclosable bags, retail/merchandise bags, poly tubing, sheeting, and films	\$250,000
23	Washington Western Systems, Inc.	Street Maintenance Supplies	Traffic-signal and intelligent-transportation equipment, including traffic signal cabinets/controllers, detection systems, communications equipment, and backup power	\$100,000
24	Z.A.P. Manufacturing, Inc.	Street Maintenance Supplies	Traffic and roadway signs, including new traffic-control signs/blanks and refurbished aluminum signs with reflective sheeting; also provides custom signage	\$325,000
TOTAL NOT-TO-EXCEED FOR SOLICITATION-AWARDED VENDORS				\$8,450,000

ATTACHMENT A – RECOMMENDED CONTRACT AWARDS BY VENDOR

OEM Sole Source/Limited Source Vendors:

#	Vendor	Category(ies)	Justification	5-Year Not-to-Exceed
25	Altec Industries, Inc.	Fleet Maintenance Supplies and Repair Services	Provides authorized parts and repairs for the City's Altec boom trucks	\$100,000
26	DGDG 16 LLC dba Capitol Ford	Fleet Maintenance Supplies and Repair Services	Provides authorized repairs and parts for Ford vehicles and is the authorized Ford dealer in the City's area equipped to handle ongoing fleet repairs for the City's light- and medium-duty Ford vehicles	\$500,000
27	Playcore Wisconsin, Inc. dba GameTime	Park and Landscaping Maintenance Supplies	Provides proprietary playground parts and components	\$250,000
28	Bobcat of Chico dba Iconic Machinery	Fleet Maintenance Supplies and Repair Services	Provides authorized Bobcat parts and repairs	\$500,000
29	Jams Services, LLC	Street Maintenance Supplies	Sole authorized dealer for CA for Rectangular Flashing Beacons (pedestrian safety device used for crosswalks)	\$500,000
30	Kompan, Inc.	Park and Landscaping Maintenance Supplies	Provides proprietary playground parts and components	\$250,000
31	Mission Valley Ford Truck Sales, Inc.	Fleet Maintenance Supplies and Repair Services	Provides authorized repairs and parts for Ford vehicles and specializes in larger Ford truck repairs (F450 and up)	\$50,000
32	Owen Equipment Sales	Fleet Maintenance Supplies and Repair Services	Authorized regional parts distributor and service provider for the City's Vactor sewer trucks	\$250,000
33	Peterson Power Systems, Inc.	Fleet Maintenance Supplies and Repair Services	Authorized Caterpillar dealer for this territory; provides Caterpillar parts and service for the City's Caterpillar heavy equipment	\$500,000
34	Trane U.S. Inc.	MRO and Facility Maintenance Supplies	OEM parts and equipment for furnaces, air handlers, A/C, heat pumps, coils, VAV boxes, and air handler units	\$500,000
TOTAL NOT-TO-EXCEED FOR OEM VENDORS				\$3,400,000

GRAND TOTAL ALL VENDORS THIS RECOMMENDATION	\$11,850,000
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CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Approve the Improvement Agreement with CDP Development, Inc., for an Amazon Distribution Warehouse Building Located at 1000 Gibraltar Drive (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)
Category:	Consent Calendar-Community Development
Meeting Date:	9/15/2026
Recommendation:	Approve and authorize the City Manager, or designee, to execute an Improvement Agreement between the City of Milpitas and CDP Development, Inc., secured by performance and labor and material bonds, each in the amount of \$2,915,746 for an Amazon distribution warehouse located at 1000 Gibraltar Drive.

BACKGROUND:

On [September 10, 2025](#), the Milpitas Planning Commission approved Site Development Permit No. SD24-0006, Environmental Assessment No. EA24-0002, and Tree Removal Permit No. TR25-0021 to construct an approximately 487,564 square-foot tilt-up concrete industrial building and associated site and public improvements at 1000 Gibraltar Drive ("Project") by CDP Development, Inc. ("Developer"). The approval was appealed to the City Council. On [December 2, 2025](#), following a public hearing, the City Council denied the appeal and upheld the Planning Commission's approval by Resolution No. 9461.

ANALYSIS:

In accordance with Milpitas Municipal Code [XI-1-17 – Improvement Agreement, Bonds](#), the Developer is required to enter into an Improvement Agreement with the City for the construction of off-site public improvements ("Improvements") associated with the Project. The Improvements will be completed concurrently with the on-site work. The Improvements will be accepted by the City after completion of construction which consists of, but not limited to, asphalt pavement improvements including full-streets grind and overlay of Gibraltar Drive and full-street crack and slurry seal treatment of South Milpitas Boulevard; concrete improvements including replacement of curb, gutter, driveways, sidewalk and ADA curb ramps; modification and upgrade of traffic signal facilities at the intersections of South Milpitas Boulevard and Ames Avenue, and South Milpitas Boulevard and Gibraltar Drive; new utility improvements such as sewer, storm, and domestic, fire, and recycled water services; replacement of all existing fire hydrants along the Project frontage; installation of landscaping and irrigation; and other miscellaneous items of work as identified on the improvement plans.

The Agreement requires the Developer to complete the Improvements within one year of the Agreement's effective date, with extensions at the City's sole discretion, and to warrant the Improvements for one year following acceptance. The City Engineer's approved cost estimate for the Improvements is \$2,915,746. The Developer has posted a performance bond and a labor and material bond, each in that amount, which are included with the Agreement as Exhibit C. The Improvements will be accepted by the City Council after construction is complete and the City Engineer has approved the work.

The City Engineer has reviewed the Public Improvement Plans (2-1484) and recommends the City Council approve the Improvement Agreement I.

POLICY ALTERNATIVE(S):

Alternative 1: Do not approve the Agreement.

Pros: None

Cons: The denial of approval of the Improvement Agreement will cause construction of the off-site public improvements to be delayed and will prevent the Developer from occupying the new industrial building.

Reason for Not Recommending: The Improvements are designed to support the public and the Project. Staff recommend approval of the Improvement Agreement to allow the Project to move forward.

PROJECT SCHEDULE/KEY MILESTONES:

The improvements will be completed by the Developer within one (1) year from the date of the Improvement Agreement.

FISCAL IMPACT:

There is no cost to the City associated with approving the Improvement Agreement. The Developer will construct all improvements at its sole expense, secured by performance and labor and material bonds of \$2,915,746. The Developer funds all City costs for plan review, permitting, and construction inspection through a developer deposit account. Following completion and City Council acceptance of the improvements, the City will have perpetual ownership and maintenance responsibility, with the Developer providing a one-year warranty following acceptance. The Public Works Department provides funding for future maintenance of newly accepted City infrastructure through its budget, subject to the annual appropriation of funds by the City Council.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The 1000 Gibraltar Drive Final Environmental Impact Report (FEIR) (State Clearinghouse No. 2020069024) was certified by the Planning Commission on March 24, 2021 by Resolution No. 21-007. On [September 10, 2025](#), the Milpitas Planning Commission reviewed and adopted the Addendum to the 1000 Gibraltar Drive FEIR together with the Mitigation Monitoring and Reporting Program (MMRP) for the Project, as modified in the Resolution No. 25-012, finding pursuant to CEQA Guidelines Sections 15162 and 15164 that no supplemental or subsequent environmental review is required. The City Council upheld that determination on December 2, 2025 by Resolution No. 9461. The public improvements covered by the Agreement were analyzed in the FEIR and Addendum, and approval of the Agreement requires no further environmental review.

Attachment(s):

- (a) Improvement Agreement
- (b) Resolution No. 25-012

RECORDING REQUESTED BY:
WHEN RECORDED RETURN TO:

CITY OF MILPITAS
455 E. Calaveras Blvd
MILPITAS, CA 95035
ATTN: Engineering Department

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Exempt from recording fee, per Government Code
Section 6103

CITY OF MILPITAS, CALIFORNIA

By: _____
City Clerk

AGREEMENT FOR COMPLETION OF PUBLIC IMPROVEMENTS

**between
CITY OF MILPITAS**

a California municipal corporation

**and
CDP DEVELOPMENT, INC.**

a California corporation

AGREEMENT FOR COMPLETION OF PUBLIC IMPROVEMENTS

I. PARTIES AND DATE.

This Agreement for the Completion of Public Improvements (“Agreement”) is entered into as of this ____ day of _____, 2026 by and between the City of MILPITAS, a California municipal corporation (“City”) and CDP Development, Inc., a California corporation, with its principal office located at 400 Capitol Mall, Suite 2040, Sacramento, CA 95814 (“Developer”). City and Developer are sometimes hereinafter individually referred to as “Party” and hereinafter collectively referred to as the “Parties.”

II. RECITALS.

A. On November 25, 2024, Developer submitted to the City an application for the approvals necessary for Site Development Permit P-SD24-0006, Environmental Assessment P-EA24-0002, and Tree Removal Permit P-TR25-0021 for real property located within City, a legal description of which is attached hereto as Exhibit “A” (“Property”).

1. Site Development Permit (P-SD24-0006): Develop a new, one-story, 487,567-sf tilt-up concrete industrial building with office space and associated site improvements, including new internal roadways, landscaping, offsite public improvements, and a new surface parking lot with 781 vehicles parking spaces, 50 oversized parking stalls for tractor-trailers, and 27 loading dock doors; and
2. Environmental Assessment (P-EA24-0002): Consider an Addendum to the 1000 Gibraltar Drive Final Environmental Impact Report (State Clearing House No. 2020069024); and
3. Tree Removal Permit (P-TR25-0021): To remove 25-ordinance sized trees pursuant to Section X-2-4.02 of the Milpitas Municipal.

B. The Planning Commission approved the above-referenced entitlements on September 10, 2025 per Resolution No. 25-012. An appeal of the Planning Commission’s decision was subsequently filed; however, after a public hearing on December 2, 2025, the City Council denied the appeal and upheld the Planning Commission’s approval of the Project per City Council Resolution No. 9461.

C. Developer has not completed all of the work or made all of the public improvements required by **Title X, Chapter 1, Section 10 of the City’s Municipal Code**, Developer and City enter into this Agreement for the timely construction and completion of the public improvements and the furnishing of the security therefor, acceptable to the City Engineer and City Attorney, for the Project.

D. Pursuant to Section **Title X, Chapter 1, Section 10 of the City’s Municipal Code**, Developer and City enter into this Agreement for the timely construction and completion of the public improvements and the furnishing of the security therefor, acceptable to the City Engineer and City Attorney, for the Project.

E. Developer's execution of this Agreement and the provision of the security are made in consideration of City's approval of the Project.

III. TERMS.

1.0 Effectiveness. This Agreement shall not be effective unless and until all of the following conditions are satisfied: (a) Developer provides City with security of the type and in the amounts required by this Agreement; and (b) Developer executes and records this Agreement in the Recorder's Office of the County of SANTA CLARA . If the above described conditions are not satisfied within 60 days after the entry date of this Agreement, this Agreement shall automatically terminate without need of further action by either City or Developer.

2.0 Public Improvements. Developer shall construct or have constructed at its own cost, expense, and liability all improvements required by City as part of the 1000 Gibraltar Project, Improvement Plans 2-1484, including, but not limited to, all grading, paving, curbs, sidewalks, and gutters, pathways, storm drains, sanitary sewers, utilities, drainage facilities, traffic controls, landscaping, street lights, and all other required facilities as shown in detail on the plans, profiles, and specifications which have been prepared by or on behalf of Developer for the Project ("Public Improvements"). The Public Improvements are more specifically described in Exhibit "B," which is attached hereto and incorporated herein by this reference and as shown on the City-approved Improvement Plan No. 2-1484 on file with the City. Construction of the Public Improvements shall include any transitions and/or other incidental work deemed reasonably necessary for drainage or public safety. The Developer shall be responsible for the replacement, relocation, or removal of any component of any irrigation water system in conflict with the construction or installation of the Public Improvements. Such replacement, relocation, or removal shall be performed to the reasonable satisfaction of the City Engineer and the owner of such water system. Developer further promises and agrees to provide all equipment, tools, materials, labor, tests, design work, and engineering services necessary or required by City to fully and adequately complete the Public Improvements.

2.1 Prior Partial Construction of Public Improvements. Where construction of any Public Improvements has been partially completed prior to this Agreement, Developer agrees to complete such Public Improvements or assure their completion in accordance with this Agreement.

2.2 Permits; Notices; Utility Statements. Prior to commencing any work. Developer shall, at its sole cost and expense, and liability, obtain necessary permits and licenses and give all necessary and incidental notices required for the lawful construction of the Public Improvements and performance of Developer's obligations under this Agreement. Developer shall conduct the work in full compliance with the regulations, rules, and other requirements contained in any permit or license issued to Developer. Prior to commencing any work, Developer shall file a written statement with the City Clerk and the City Engineer, signed by Developer and each utility which will provide utility service to the Property, attesting that Developer has made all deposits legally required by each utility for the extension and provision of utility service to the Property.

2.3 Pre-approval of Plans and Specifications. Developer is prohibited from commencing work on any Public Improvement until all plans and specifications for such Public

Improvement have been submitted to and approved by the City Engineer, or his or her designee. Approval by the City Engineer shall not relieve Developer from ensuring that all Public Improvements conform with all other requirements and standards set forth in this Agreement.

2.4 Quality of Work; Compliance With Laws and Codes. The construction plans and specifications for the Public Improvements shall be prepared in accordance with all applicable federal, state and local laws, ordinances, regulations, codes, standards, and other requirements. The Public Improvements shall be completed in accordance with all approved maps, plans, specifications, standard drawings, and special amendments thereto on file with City, as well as all applicable federal, state, and local laws, ordinances, regulations, codes, standards, and other requirements applicable at the time work is actually commenced.

2.5 Standard of Performance. Developer and its contractors, if any, shall perform all work required to construct the Public Improvements under this Agreement in a skillful and workmanlike manner, and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Developer represents and maintains that it or its contractors shall be skilled in the professional calling necessary to perform the work. Developer warrants that all of its employees and contractors shall have sufficient skill and experience to perform the work assigned to them, and that they shall have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the work, and that such licenses, permits, qualifications and approvals shall be maintained throughout the term of this Agreement.

2.6 Alterations to Improvements. The Public Improvements in Exhibit "B" are understood to be a complete description of the work and improvements to be done. All work shall be done and improvements made and completed as shown on approved plans and specifications, and any subsequent alterations thereto.

3.0 Maintenance of Public Improvements and Landscaping. City shall not be responsible or liable for the maintenance or care of the Public Improvements until City approves and accepts them. City shall exercise no control over the Public Improvements until accepted by City pursuant to Section 11.0. Any use by any person of the Public Improvements, or any portion thereof, shall be at the sole and exclusive risk of the Developer at all times prior to City's acceptance of the Public Improvements. Developer shall maintain all the Public Improvements in a state of good repair until they are completed by Developer and approved and accepted by City, and until the security for the performance of this Agreement is released. Maintenance shall include, but shall not be limited to, repair of pavement, curbs, gutters, sidewalks, signals, parkways, water mains, and sewers; maintaining all landscaping in a vigorous and thriving condition reasonably acceptable to City; removal of debris from sewers and storm drains; and sweeping, repairing, and maintaining in good and safe condition all streets and street improvements. It shall be Developer's responsibility to initiate all maintenance work, but if it shall fail to do so. If Developer fails to properly and/or timely prosecute its maintenance obligation under this section, then the City shall provide written notice to Developer of same, as applicable. Upon receipt of City's notice, Developer shall have sixty (60) calendar days after notice thereof in writing or such longer period as applicable law may require or if such failure cannot, with due diligence, be cured within sixty (60) days, to cure such default. If Client does not commence to cure such default within said sixty (60) day period and thereafter prosecute the cure of such default

as quickly as reasonable practicable, then the City may do all work necessary for such maintenance and the cost thereof shall be the responsibility of Developer and its surety under this Agreement. City shall not be responsible or liable for any damages or injury of any nature in any way related to or caused by the Public Improvements or their condition prior to acceptance.

4.0 Construction Schedule. Unless extended pursuant to this Section 4.1 of this Agreement, Developer shall fully and adequately complete or have completed the Public Improvements within one (1) year of the effective date of this Agreement, unless extended pursuant to Section 4.1.

4.1 Extensions. City may, in its sole and absolute discretion, provide Developer with additional time within which to complete the Public Improvements. It is understood that by providing the security required under Section 13.0 et seq. of this Agreement, Developer and its surety consent in advance to any extension of time as may be given by City to Developer, and waives any and all right to notice of such extension(s). Developer's acceptance of an extension of time granted by City shall constitute a waiver by Developer and its surety of all defense of laches, estoppel, statutes of limitations, and other limitations of action in any action or proceeding filed by City following the date on which the Public Improvements were to have been completed hereunder to the extent that any such defenses of laches, estoppel, statutes of limitations, and other limitations of action are directly related to such extension and are made available to Developer as a result of such extension and would not have been available otherwise.. In addition, as consideration for granting such extension to Developer, City reserves the right to review the provisions of this Agreement, including, but not limited to, the construction standards, the cost estimates established by City, and the sufficiency of the improvement security provided by Developer, and to require adjustments thereto when warranted according to City's reasonable discretion.

4.2 Accrual of Limitations Period. Any limitations period provided by law related to breach of this Agreement or the terms thereof shall not accrue until Developer has provided the City Engineer with written notice of Developer's intent to abandon or otherwise not complete required or agreed upon Public Improvements.

5.0 Grading. Developer agrees that any and all grading done or to be done in conjunction with construction of the Public Improvements or development of the Project shall conform to all federal, state, and local laws, ordinances, regulations, and other requirements, including City's grading regulations. In order to prevent damage to the Public Improvements by improper drainage or other hazards, the grading shall be completed in accordance with the time schedule for completion of the Public Improvements established by this Agreement, and prior to City's approval and acceptance of the Public Improvements and release of the Security as set forth in Sections 11.0 and 13.0 et seq. of this Agreement.

6.0 Utilities. Developer shall provide utility services, including water, power, gas, and telephone service to serve each parcel, lot, or unit of land within the Project in accordance with all applicable federal, state, and local laws, rules, and regulations, including, but not limited to, the regulations, schedules and fees of the utilities or agencies providing such services. Except for commercial or industrial properties, Developer shall also provide cable television facilities to serve each parcel, lot, or unit of land in accordance with all applicable federal, state, and local

laws, rules, and regulations, including, but not limited to, the requirements of the cable company possessing a valid franchise with City to provide such service within City's jurisdictional limits. All utilities shall be installed underground.

7.0 Fees and Charges. Developer shall, at its sole cost, expense, and liability, pay all fees, charges, and taxes arising out of construction of the Public Improvements, including, but not limited to, all plan check, design review, engineering, inspection, and other service fees, and any impact or connection fees established by City ordinance, resolution, regulation, or policy, or as established by City relative to the Project.

8.0 City Inspection of Public Improvements. Developer shall, at its sole cost, expense, and liability, and at all times during construction of the Public Improvements, maintain reasonable and safe facilities and provide safe access for inspection by City of the Public Improvements and areas where construction of the Public Improvements is occurring or will occur.

9.0 Default; Notice; Remedies.

9.1 Notice. If Developer neglects, refuses, or fails to fulfill or timely complete any obligation, term, or condition of this Agreement, or if City determines there is a violation of any federal, state, or local law, ordinance, regulation, code, standard, or other requirement, City may at any time thereafter declare Developer to be in default or violation of this Agreement and make written demand upon Developer or its surety, or both, to immediately remedy the default or violation ("Notice"). Developer shall commence the work required to remedy the default or violation within (i) sixty (60) calendar days after receipt of the Notice thereof or (ii) such longer period as applicable law may require or if such failure cannot, with due diligence, be cured within sixty (60) (the "Cure Period"). If the default or violation constitutes an immediate threat to the public health, safety, or welfare, City may provide the Notice verbally, and Developer shall substantially commence the required work within twenty-four (24) hours thereof.

9.2 Failure to Remedy; City Action. If the work required to remedy the noticed default or violation is not (i) diligently prosecuted to a completion to City's satisfaction or (ii) commenced if such failure, cannot, with due diligence, be cured within the sixty (60) day period, as applicable, then City may complete all remaining work, arrange for the completion of all remaining work, and/or conduct such remedial activity as in its reasonable discretion it believes is required to remedy the default or violation. All such reasonable work or remedial activity shall be at the sole and absolute cost, expense, and liability of Developer and its surety, without the necessity of giving any further notice to Developer or surety. City's right to take such actions shall in no way be limited by the fact that Developer or its surety may have constructed any, or none of the required or agreed upon Public Improvements at the time of City's demand for performance. In the event City elects to complete or arrange for completion of the remaining work and improvements, City may require all work by Developer or its surety on the Property to cease in order to allow adequate coordination by City. Notwithstanding the foregoing, if conditions precedent for reversion to acreage can be met and if the interests of City will not be prejudiced thereby, City may also process a reversion to acreage and thereafter recover from Developer or its surety the full cost and expense incurred.

9.3 Other Remedies. No action by City pursuant to Section 9.0 et seq. of this Agreement shall prohibit City from exercising any other right or pursuing any other legal or equitable remedy available under this Agreement or any federal, state, or local law. City may exercise its rights and remedies independently or cumulatively, and City may pursue inconsistent remedies. City may institute an action for damages, injunctive relief, or specific performance.

10.0 Administrative Costs. If Developer fails to construct and install all or any part of the Public Improvements within the time required by this Agreement, or if Developer fails to comply with any other obligation contained herein, Developer and its surety shall be jointly and severally liable to City for all administrative expenses, fees, and costs, including reasonable attorney's fees and costs, incurred in obtaining compliance with this Agreement or in processing any legal action or for any other remedies permitted by law.

11.0 Acceptance of Improvements by City Council; As-Built or Record Drawings. If the Public Improvements are properly completed by Developer and approved by the City Engineer, and if they comply with all applicable federal, state and local laws, ordinances, regulations, codes, standards, and other requirements, the City Council shall be authorized to accept the Public Improvements. The City Council may, in its sole and absolute discretion, accept fully completed portions of the Public Improvements prior to such time as all of the Public Improvements are complete and reduce the requirement Security amount pursuant to Section 13.0 et seq., which shall not release or modify Developer's obligation to complete the remainder of the Public Improvements within the time required by this Agreement. Upon the total or partial acceptance of the Public Improvements by City, Developer shall file with the Recorder's Office of the County of SANTA CLARA a notice of completion for the accepted Public Improvements in accordance with California Civil Code section 9204, at which time the accepted Public Improvements shall become the sole and exclusive property of City without payment therefor. Issuance by City of occupancy permits for any buildings or structures located on the Property shall not be construed in any manner to constitute City's acceptance or approval of any Public Improvements. Notwithstanding the foregoing, City may not accept any Public Improvements unless and until Developer provides one (1) set of "as-built" or record drawings or plans to the City Engineer for all such Public Improvements. The drawings shall be certified and shall reflect the condition of the Public Improvements as constructed, with all changes incorporated therein.

12.0 Warranty and Guarantee. Developer hereby warrants and guarantees all Public Improvements against any defective work or labor done, or defective materials furnished in the performance of this Agreement, including the maintenance of all landscaping included in the Public rights-of-way and sidewalk easement in a vigorous and thriving condition reasonably acceptable to City, for a period of one (1) year following completion of the Public Improvements and acceptance of them by the City Council ("Warranty"). During the Warranty, Developer shall repair, replace, or reconstruct any defective or otherwise unsatisfactory portion of the Public Improvements, in accordance with the current ordinances, resolutions, regulations, codes, standards, or other requirements of City, and subject to the approval of the City Engineer. All repairs, replacements, or reconstruction during the Warranty shall be at the sole cost, expense, and liability of Developer and its surety. Nothing herein shall relieve Developer from any other liability it may have under federal, state, or local law to repair, replace, or reconstruct any Public Improvement following expiration of the Warranty or any extension thereof. Developer's

warranty obligation under this section shall survive the expiration or termination of this Agreement.

13.0 Improvement Security; Surety Bonds. Prior to this Agreement taking effect as set forth in Section 1.0 above, Developer shall provide City with surety bonds or a cash deposit in the amounts and under the terms set forth below ("Security"). The amount of the Security shall be based on the City Engineer's approximation of the actual cost to construct the Public Improvements, including the replacement cost for all landscaping ("Estimated Costs"). If City determines, in its sole and absolute discretion, that the Estimated Costs have changed, Developer shall adjust the Security in the amount requested by City. Developer's compliance with this provision (Section 13.0 et seq.) shall in no way limit or modify Developer's indemnification obligation provided in Section 16.0 of this Agreement.

13.1 Performance Bond. To guarantee the faithful performance of the Public Improvements and all the provisions of this Agreement, to protect City if Developer is in default as set forth in Section 9.0 et seq. of this Agreement, and to secure Developer's one-year guarantee and warranty of the Public Improvements, including the maintenance of all landscaping in a vigorous and thriving condition, Developer shall provide City either (a) a cash deposit to be held by the City in a non-interest bearing account, or (b) a faithful performance bond in the amount of **Two million, nine hundred fifteen thousand, seven hundred and forty-six USD dollars (\$2,915,746)**, which sum shall be not less than one hundred percent (100%) of the Estimated Costs. The City Council may, in its sole and absolute discretion and upon recommendation of the City Engineer, partially release a portion or portions of the security provided under this section as portions of the Public Improvements are completed and accepted by the City Council, provided that Developer is not in default on any provision of this Agreement or condition of approval for the Project, and the total remaining security is not less than twenty-five percent (25%) of the Estimated Costs. All security provided under this section shall be released at the end of the Warranty period, or any extension thereof as provided in Section 12.0 of this Agreement, provided that Developer is not in default on any provision of this Agreement or condition of approval for the Project.

13.2 Labor & Material Bond. To secure payment to the contractors, subcontractors, laborers, material men, and other persons furnishing labor, materials, or equipment for performance of the Public Improvements and this Agreement, Developer shall provide City a labor and materials bond in the amount of **Two million, nine hundred fifteen thousand, seven hundred and forty-six USD dollars (\$2,915,746)**, which sum shall not be less than one hundred percent (100%) of the Estimated Costs. The security provided under this section may be released by written authorization of the City Engineer after three (3) months from the date City accepts the final Public Improvements. The amount of such security shall be reduced by the total of all stop notice or mechanic's lien claims of which City is aware, plus an amount equal to twenty percent (20%) of such claims for reimbursement of City's anticipated administrative and legal expenses arising out of such claims.

13.3 Additional Requirements. The surety for any surety bonds provided as Security shall have a current A.M. Best's rating of no less than A:VIII, shall be licensed to do business in California, and shall be satisfactory to City. As part of the obligation secured by the Security and in addition to the face amount of the Security, the Developer or its surety shall secure

the costs and reasonable expenses and fees, including reasonable attorney's fees and costs, incurred by City in enforcing the obligations of this Agreement. The Developer and its surety stipulate and agree that no change, extension of time, alteration, or addition to the terms of this Agreement, the Public Improvements, or the plans and specifications for the Public Improvements shall in any way affect its obligation on the Security.

13.4 Evidence and Incorporation of Security. With the exception of a cash deposit, evidence of the Security shall be provided on the forms set forth in Exhibit "C," unless other forms are deemed acceptable by the City Engineer and the City Attorney, and when such forms are completed to the satisfaction of City, the forms and evidence of the Security shall be attached hereto as Exhibit "C" and incorporated herein by this reference.

14.0 Monument Security. Not applicable.

15.0 Lien. Not applicable.

16.0 Indemnification. Developer shall defend, indemnify, and hold harmless City, its elected officials, officers, employees, and agents from any and all actual or alleged claims, demands, causes of action, liability, loss, damage, or injury, to property or persons, including wrongful death, whether imposed by a court of law or by administrative action of any federal, state, or local governmental body or agency, arising out of or incident to any acts, omissions, negligence, or willful misconduct of Developer, its personnel, employees, agents, or contractors in connection with or arising out of construction or maintenance of the Public Improvements, or performance of this Agreement. This indemnification includes, without limitation, the payment of all penalties, fines, judgments, awards, decrees, attorneys fees, and related costs or expenses, and the reimbursement of City, its elected officials, officers, employees, and/or agents for all legal expenses and costs incurred by each of them. This indemnification excludes only such portion of any claim, demand, cause of action, liability, loss, damage, penalty, fine, or injury, to property or persons, including wrongful death, which is caused solely and exclusively by the negligence or willful misconduct of Agency as determined by a court or administrative body of competent jurisdiction. Developer's obligation to indemnify shall survive the expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by City, its elected officials, officers, employees, or agents.

16.1 Public Works Determination. Developer has been alerted to the requirements of California Labor Code section 1770 et seq., including, without limitation S.B. 975, which require the payment of prevailing wage rates and the performance of other requirements if it is determined that this Agreement constitutes a public works contract. It shall be the sole responsibility of Developer to determine whether to pay prevailing wages for any or all work required by this Agreement. As a material part of this Agreement, Developer agrees to assume all risk of liability arising from any decision not to pay prevailing wages for work required by this Agreement.

17.0 Insurance.

17.1 Types; Amounts. Developer shall procure and maintain, and shall require its contractors to procure and maintain, during construction of any Public Improvement pursuant

to this Agreement, insurance of the types and in the amounts described below (“Required Insurance”). If any of the Required Insurance contains a general aggregate limit, such insurance shall apply separately to this Agreement or be no less than two times the specified occurrence limit.

17.1.1 General Liability. Developer and its contractors shall procure and maintain occurrence version general liability insurance, or equivalent form, with a combined single limit of not less than \$1,000,000 per occurrence for bodily injury, personal injury, and property damage.

17.1.2 Business Automobile Liability. Developer and its contractors shall procure and maintain business automobile liability insurance, or equivalent form, with a combined single limit of not less than \$1,000,000 per occurrence. Such insurance shall include coverage for the ownership, operation, maintenance, use, loading, or unloading of any vehicle owned, leased, hired, or borrowed by the insured or for which the insured is responsible.

17.1.3 Workers’ Compensation. Developer and its contractors shall procure and maintain workers’ compensation insurance with limits as required by the Labor Code of the State of California and employers’ liability insurance with limits of not less than \$1,000,000 per occurrence, at all times during which insured retains employees.

17.1.4 Professional Liability. For any consultant or other professional who will engineer or design the Public Improvements, liability insurance for errors and omissions with limits not less than \$1,000,000 per occurrence, shall be procured and maintained for a period of five (5) years following completion of the Public Improvements. Such insurance shall be endorsed to include contractual liability.

17.2 Deductibles. Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either: (a) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its elected officials, officers, employees, agents, and volunteers; or (b) Developer and its contractors shall provide a financial guarantee satisfactory to City guaranteeing payment of losses and related investigation costs, claims, and administrative and defense expenses.

17.3 Additional Insured; Separation of Insureds. The Required Insurance shall name City, its elected officials, officers, employees, agents, and volunteers as additional insureds with respect to work performed by or on behalf of Developer or its contractors, including materials, parts, or equipment furnished in connection therewith. The Required Insurance shall contain standard separation of insureds provisions, and shall contain no special limitations on the scope of its protection to City, its elected officials, officers, employees, agents, and volunteers.

17.4 Primary Insurance; Waiver of Subrogation. The Required Insurance shall be primary with respect to any insurance or self-insurance programs covering City, its elected officials, officers, employees, agents, and volunteers. All policies for the Required Insurance shall provide that the insurance company waives all right of recovery by way of subrogation against City in connection with any damage or harm covered by such policy.

17.5 Certificates; Verification. Developer and its contractors shall furnish City with original certificates of insurance and endorsements effecting coverage for the Required Insurance. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements must be received and approved by City before work pursuant to this Agreement can begin. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

17.6 Term; Cancellation Notice. Developer and its contractors shall maintain the Required Insurance for the term of this Agreement and shall replace any certificate, policy, or endorsement which will expire prior to that date. All policies shall be endorsed to provide that the Required Insurance shall not be suspended, voided, reduced, canceled, or allowed to expire except on 30 days prior written notice to City.

17.7 Insurer Rating. Unless approved in writing by City, all Required Insurance shall be placed with insurers licensed to do business in the State of California and with a current A.M. Best rating of at least A:VIII.

18.0 Signs and Advertising. Developer understands and agrees to City's ordinances, regulations, and requirements governing signs and advertising structures. Developer hereby agrees with and consents to the removal by City of all signs or other advertising structures erected, placed, or situated in violation of any City ordinance, regulation, or other requirement. Removal shall be at the expense of Developer and its surety. Developer and its surety shall indemnify and hold City free and harmless from any claim or demand arising out of or incident to signs, advertising structures, or their removal.

19.0 Relationship Between the Parties. The Parties hereby mutually agree that neither this Agreement, any map related to the Project, nor any other related entitlement, permit, or approval issued by City for the Property shall operate to create the relationship of partnership, joint venture, or agency between City and Developer. Developer's contractors and subcontractors are exclusively and solely under the control and dominion of Developer. Nothing herein shall be deemed to make Developer or its contractors an agent or contractor of City.

20.0 General Provisions.

20.1 Authority to Enter Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority make this Agreement and bind each respective Party.

20.2 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate, or convenient to attain the purposes of this Agreement.

20.3 Construction; References; Captions. It being agreed the Parties or their agents have participated in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days, or period for performance shall be deemed calendar days and not work days. All references to Developer include all personnel, employees, agents, and subcontractors of Developer, except as otherwise specified in this Agreement. All references to City include its

elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

20.4 Notices. All notices, demands, invoices, and written communications shall be in writing and delivered to the following addresses or such other addresses as the Parties may designate by written notice:

CITY OF MILPITAS
455 E. Calaveras Blvd
MILPITAS, CA 95035
Attn: Christian Di Renzo
Public Works Director

CDP DEVELOPMENT, INC.
c/o Panattoni Development Company
400 Capitol Mall, Suite 2040
Sacramento, CA 95814
Attn: Todd Chandler
Development Manager

Depending upon the method of transmittal, notice shall be deemed received as follows: by facsimile, as of the date and time sent; by messenger, as of the date delivered; and by U.S. Mail first class postage prepaid, as of 72 hours after deposit in the U.S. Mail.

20.5 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

20.6 Waiver. City's failure to insist upon strict compliance with any provision of this Agreement or to exercise any right or privilege provided herein, or City's waiver of any breach of this Agreement, shall not relieve Developer of any of its obligations under this Agreement, whether of the same or similar type. The foregoing shall be true whether City's actions are intentional or unintentional. Developer agrees to waive, as a defense, counterclaim or set off, any and all defects, irregularities or deficiencies in the authorization, execution or performance of the Public Improvements or this Agreement, as well as the laws, rules, regulations, ordinances or resolutions of City with regards to the authorization, execution or performance of the Public Improvements or this Agreement.

20.7 Assignment or Transfer of Agreement. Developer shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without prior written consent of City. Any attempt to do so shall be null and void, and any assignee, hypothecate, or transferee shall acquire no right or interest by reason of such attempted assignment, hypothecation, or transfer. Unless specifically stated to the contrary in City's written consent, any assignment, hypothecation, or transfer shall not release or discharge Developer from any duty or responsibility under this Agreement.

20.8 Binding Effect. Each and all of the covenants and conditions shall be binding on and shall inure to the benefit of the Parties, and their successors, heirs, personal representatives, or assigns. This section shall not be construed as an authorization for any Party to assign any right or obligation.

20.9 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

20.10 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

20.11 Consent to Jurisdiction and Venue. This Agreement shall be construed in accordance with and governed by the laws of the State of California. Any legal action or proceeding brought to interpret or enforce this Agreement, or which in any way arises out of the Parties' activities undertaken pursuant to this Agreement, shall be filed and prosecuted in the appropriate California State Court in the County of SANTA CLARA, California. Each Party waives the benefit of any provision of state or federal law providing for a change of venue to any other court or jurisdiction including, without limitation, a change of venue based on the fact that a governmental entity is a party to the action or proceeding, or that a federal right or question is involved or alleged to be involved in the action or proceeding. Without limiting the generality of the foregoing waiver, Developer expressly waives any right to have venue transferred pursuant to California Code of Civil Procedure Section 394.

20.12 Counterparts. This Agreement may be executed in counterpart originals, which taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, the day and year first above written.

CITY OF MILPITAS

By: _____
 (signature)
Willie Hopkins
 (print name)
City Manager
City of MILPITAS

CDP DEVELOPMENT, INC.

By: _____
 (signature)
Tim Schaedler
 (print name)
Partner

APPROVED AS TO FORM:

By: _____
 (signature)
Christian Curtis
 (print name)
City Attorney
City of MILPITAS

APPROVED AS TO CONTENT:

By: _____
 (signature)
Luz Cofresi-Howe
 (print name)
Finance Director/Risk Manager
City of MILPITAS

APPROVED AS TO SUFFICIENCY:

By: _____
 (signature)
Christian Di Renzo
 (print name)
Public Works Director
City of MILPITAS

NOTE: DEVELOPER'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO DEVELOPER'S BUSINESS ENTITY.

All Capacity Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF Sacramento

On August 7th, 2024, before me, Angel B. Kaminski, Notary Public, personally appeared Tim Schaedler, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Angel B. Kaminski
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- .. Individual
- .. Corporate Officer

Title(s)

Title or Type of Document

- .. Partner (s) .. Limited
- General

Number of Pages

- .. Attorney-In-Fact
- .. Trustee(s)
- .. Guardian/Conservator
- .. Other:

Date of Document

Signer is representing:
Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

All Capacity Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- .. Individual
- .. Corporate Officer

Title(s)

Title or Type of Document

- .. Partner " Limited (s)
- .. General

Number of Pages

- .. Attorney-In-Fact
- .. Trustee(s)
- .. Guardian/Conservator
- .. Other:

Date of Document

Signer is representing:
Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

EXHIBIT "A"
LEGAL DESCRIPTION OF PROPERTY
APN 086-42-033

EXHIBIT A**LEGAL DESCRIPTION**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED CITY OF MILPITAS, IN THE COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1, AS SHOWN ON THAT CERTAIN PARCEL MAP RECORDED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SANTA CLARA, STATE OF CALIFORNIA ON FEBRUARY 15, 1991 IN BOOK 624 OF MAPS AT PAGES 11 AND 12, AND PARCEL 2, AS SHOWN ON THAT CERTAIN PARCEL MAP RECORDED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SANTA CLARA, STATE OF CALIFORNIA ON FEBRUARY 24, 1992 IN BOOK 634 OF MAPS AT PAGES 26 AND 27, AS SAME ARE CONTAINED IN THAT CERTAIN DECLARATION OF MERGER, RECORDED APRIL 7, 1994 IN BOOK N385, PAGE 1274, OFFICIAL RECORDS AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A CITY MONUMENT 100.46 FEET NORTH OF THE INTERSECTION OF SOUTH MILPITAS BOULEVARD AND GIBALTAR DRIVE, SAID MONUMENT BEING ON THE MONUMENT LINE OF SOUTH MILPITAS BOULEVARD; THENCE SOUTH 51°16' 25" WEST 45.00 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE SOUTHERLY ON THE ARC OF A TANGENT 1,160 FOOT RADIUS CURVE TO THE RIGHT HAVING AN ARC LENGTH OF 15.00 FEET THROUGH A DELTA OF 0° 44' 27" ALONG THE WESTERLY LINE OF MILPITAS BOULEVARD; THENCE ALONG A TANGENT CURVE 45.00 FOOT RADIUS CURVE TO THE RIGHT AN ARC LENGTH OF 73.82 FEET THROUGH A DELTA OF 93° 59' 08" ALONG THE WESTERLY LINE OF MILPITAS BOULEVARD; THENCE ALONG THE NORTHERLY LINE OF GIBALTAR DRIVE, SOUTH 56° 00' 00" WEST 35.91 FEET; THENCE ALONG A TANGENT CURVE WITH A 570.00 FOOT RADIUS CURVE TO THE RIGHT AN ARC LENGTH OF 293.71 FEET AND DELTA OF 29° 31' 24"; THENCE CONTINUING ALONG THE NORTHERLY LINE OF GIBALTAR DRIVE, SOUTH 85° 31' 24" WEST 285.67 FEET; THENCE CONTINUING ALONG THE NORTHERLY LINE OF GIBALTAR DRIVE ALONG A TANGENT CURVE WITH A 930.00 FOOT RADIUS CURVING TO THE LEFT HAVING AN ARC LENGTH OF 190.64 FEET THROUGH A DELTA OF 11° 44' 41"; THENCE CONTINUING ALONG THE NORTHERLY LINE OF GIBALTAR DRIVE, SOUTH 73° 46' 43" WEST 102.23 FEET; THENCE CONTINUING ALONG THE EASTERLY LINE OF GIBALTAR DRIVE THROUGH A 220.00 FOOT RADIUS TANGENT CURVING TO THE RIGHT HAVING AN ARC LENGTH OF 293.35 FEET THROUGH A DELTA OF 76° 23' 58"; THENCE CONTINUING ALONG THE EASTERLY LINE OF GIBALTAR DRIVE THROUGH A TANGENT CURVE WITH A 1,770.00 FOOT RADIUS CURVING TO THE RIGHT HAVING AN ARC LENGTH OF 351.66 FEET THROUGH A DELTA OF 11° 23' 00"; THENCE CONTINUING ALONG THE EASTERLY LINE OF GIBALTAR DRIVE, NORTH 18° 26' 19" WEST 395.56 FEET; THENCE CONTINUING ALONG THE EASTERLY LINE OF GIBALTAR DRIVE THROUGH A TANGENT CURVE TO THE LEFT WITH A 3,030.00 FOOT RADIUS HAVING AN ARC LENGTH OF 365.16 FEET THROUGH A DELTA OF 06° 54' 18"; THENCE ALONG THE NORTHERLY LINE OF PARCEL 2, AS RECORDED IN BOOK 634 OF MAPS, PAGES 26 AND 27, NORTH 61° 59' 31" EAST 304.58 FEET; THENCE CONTINUING ALONG THE NORTHERLY LINE OF SAID PARCEL 2, NORTH 60° 41' 38" EAST 363.89 FEET TO THE WESTERLY LINE OF MILPITAS BOULEVARD; THENCE CONTINUING ALONG THE WESTERLY LINE OF MILPITAS BOULEVARD, SOUTH 38° 43' 35" EAST 1,512.11 FEET TO THE TRUE POINT OF BEGINNING.

APN: 086-42-033

EXHIBIT “B”
LIST OF PUBLIC IMPROVEMENTS
APN 086-42-033

ENGINEER'S OPINION OF PROBABLE COST

Public Improvement Plans for 1000 Gibraltar Drive.

COST ESTIMATE

ITEM NO.	DESCRIPTION	UNITS	QUANTITY	UNIT PRICE	AMOUNT
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I. GENERAL

1	EROSION CONTROL	LS	1	\$7,500.00	\$7,500
SUBTOTAL==>					\$7,500

II. OFFSITE DEMOLITION

1	CURB AND GUTTER REMOVAL	LF	790	\$5.00	\$3,950.00
2	CONCRETE SIDEWALK REMOVAL	SF	15,731	\$9.00	\$141,579.00
3	CONCRETE DRIVEWAY REMOVAL	SF	6,000	\$10.00	\$60,000.00
4	REMOVE EXISTING SD LATERAL	LF	16	\$10.00	\$160.00
5	EXISTING LANDSCAPE TO BE REMOVED	SF	4,880	\$1.00	\$4,880.00
6	SAWCUT	LF	1,712	\$2.50	\$4,280.00
7	REMOVE EXISTING WATER BOX	EA	24	\$300.00	\$7,200.00
8	REMOVE EXISTING 2" WATER LATERAL	LF	80	\$5.00	\$400.00
9	REMOVE EXISTING 8" WATER LATERAL	LF	40	\$5.00	\$200.00
10	MONUMENT SIGN TO BE REMOVED	EA	3	\$500.00	\$1,500.00
11	LIGHT TO BE REMOVED	EA	10	\$500.00	\$5,000.00
12	REMOVE EXISTING MEDIAN CONC. CURB	LF	20	\$30.00	\$600.00
13	CURB RAMP TO BE REMOVED	SF	1,450	\$10.00	\$14,500.00
14	EXISTING TREES TO BE REMOVED	EA	35	\$100.00	\$3,500.00
15	UTILITY STRUCTURES TO BE REMOVED	EA	10	\$400.00	\$4,000.00
SUBTOTAL==>					\$251,749

III. OFFSITE SURFACE IMPROVEMENTS

1	3" GRIND & OVERLAY	SF	120,000	\$6.50	\$780,000
2	CRACK & SLURRY SEAL	SF	98,000	\$1.70	\$166,600
3	CONC. SIDEWALK 4" PCC / 4" CLASS II AB	SF	15,785	\$25.00	\$394,625
4	CONC. DRIVEWAY 6" PCC / 6" CLASS II AB	SF	3,220	\$35.00	\$112,700
5	BIORETENTION PLANTER 18" BSM / 12" DRAIN ROCK	SF	560	\$45.00	\$25,200
6	8" MEDIAN CURB	LF	6	\$60.00	\$360
7	CURB OPENING & SPILLWAY	EA	7	\$150.00	\$1,050
8	CALTRANS CURB RAMP - CASE A.C & G	EA	9	\$3,500.00	\$31,500
9	CONC. CURB & GUTTER PER CITY STND NO. 410	LF	750	\$45.00	\$33,750
SUBTOTAL==>					\$1,545,785

ITEM NO.	DESCRIPTION	UNITS	QUANTITY	UNIT PRICE	AMOUNT
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IV. OFFSITE UTILITY IMPROVEMENTS

1	6" SEWER LATERAL	LF	66	\$100.00	\$6,600
2	8" SEWER LATERAL	LF	60	\$130.00	\$7,800
3	2" RECYCLED WATER LATERAL	LF	44	\$40.00	\$1,760
4	4" WATER LATERAL	LF	36	\$50.00	\$1,800
5	6" FIRE SERVICE LATERAL	LF	13	\$150.00	\$1,950
6	10" FIRE SERVICE LATERAL	LF	100	\$150.00	\$15,000
7	FIRE HYDRANT PER CITY STND NO. 742	EA	13	\$4,000.00	\$52,000
8	4" PERFORATED PIPE	LF	114	\$50.00	\$5,700
9	12" STORM DRAIN LATERAL	LF	16	\$180.00	\$2,880
10	15" STORM DRAIN LATERAL	LF	90	\$190.00	\$17,100
11	18" STORM DRAIN LATERAL	LF	25	\$200.00	\$5,000
12	SANITARY SEWER CLEANOUT TO GRADE	EA	2	\$500.00	\$1,000
13	STORM DRAIN JUNCTION BOX	EA	3	\$3,000.00	\$9,000
14	FLATE GRATE PER CITY STND NO. 464	EA	2	\$3,000.00	\$6,000
15	SDMH PER CITY STND NO. 230	EA	2	\$7,500.00	\$15,000
16	2" WATER METER BOX	EA	1	\$1,500.00	\$1,500
17	4" WATER METER BOX	EA	1	\$2,000.00	\$2,000
18	10" RPDA PER CITY STND NO. 730	EA	4	\$6,500.00	\$26,000
19	WATER VALVE PER CITY STND NO. 702	EA	5	\$450.00	\$2,250
20	REPLACE LIGHT FIXTURE	EA	11	\$250.00	\$2,750

SUBTOTAL==> \$183,090

V. RECTANGULAR RAPID FLASHING BEACON (PROVIDED BY HEXAGON)

1	RECTANGULAR RAPID FLASHING BEACON	LS	1	\$78,134.00	\$78,134
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SUBTOTAL==> \$78,134

VI. MILPITAS BOULEVARD AND GIBRALTAR DRIVE STRIPING (PROVIDED BY HEXAGON)

1	MILPITAS BLVD & GIBRALTAR DR STRIPING	LS	1	\$112,439.00	\$112,438
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SUBTOTAL==> \$112,438

VII. AMES AVE AND SOUTH MILPITAS BOULEVARD SIGNAL (PROVIDED BY HEXAGON)

1	TRAFFIC SIGNAL POLES & MODIFICATION	LS	1	\$571,151.00	\$571,151
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SUBTOTAL==> \$571,151

VIII. GIBRALTAR DRIVE AND SOUTH MILPITAS BOULEVARD SIGNAL (PROVIDED BY HEXAGON)

1	TRAFFIC SIGNAL POLES & MODIFICATION	LS	1	\$165,899.00	\$165,899
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SUBTOTAL==> \$165,899

GRAND CONSTRUCTION TOTAL \$2,915,746

BOND NO. 1106585
INITIAL PREMIUM: \$36,447.00
SUBJECT TO RENEWAL

CITY OF MILPITAS
APN 086-42-033 IMPROVEMENTS
PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS the City of MILPITAS, California ("City") and CDP Development, Inc. ("Principal"), have executed an agreement for work consisting of, but not limited to, the furnishing all labor, materials, tools, equipment, services, and incidentals for all grading, roads, paving, curbs and gutters, pathways, storm drains, sanitary sewers, utilities, drainage facilities, traffic controls, landscaping, street lights, and all other required facilities for the Project ("Public Improvements");

WHEREAS, the Public Improvements to be performed by Principal are more particularly set forth in that certain Agreement for Completion of Pubic Improvements dated _____, _____ ("Improvement Agreement");

WHEREAS, the Improvement Agreement is hereby referred to and incorporated herein by reference; and

WHEREAS, Principal is required by the Improvement Agreement to provide a good and sufficient bond for performance of the Improvement Agreement, and to guarantee and warranty the Public Improvements constructed thereunder.

NOW, THEREFORE, Principal and The Hanover Insurance Company ("Surety"), a corporation organized and existing under the laws of the State of MA, and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto City in the sum of Two Million Nine Hundred Fifteen Thousand Seven Hundred Forty-Six and 00/100 dollars (\$ 2,915,746.00), said sum being not less than one hundred percent (100%) of the total cost of the Public Improvements as set forth in the Improvement Agreement, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION is such, that if Principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions, agreements, guarantees, and warranties in the Improvement Agreement and any alteration thereof made as therein provided, to be kept and performed at the time and in the manner therein specified and in all respects according to their intent and meaning, and to indemnify and save harmless City, its officers, employees, and agents, as stipulated in the Improvement Agreement, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As part of the obligation secured hereby, and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by City in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Improvement Agreement, or to any plans, profiles, and specifications related thereto, or to the Public Improvements to be constructed thereunder, shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration, or addition.

This bond is executed and filed to comply with Section 66499 et seq. of the Government Code of California as security for performance of the Improvement Agreement and security for the one-year guarantee and warranty of the Public Improvements.

IN WITNESS WHEREOF, the seal and signature of the Principal is hereto affixed, and the corporate seal and the name of the Surety is hereto affixed and attested by its duly authorized Attorney-in-Fact at 10 State House Square, Floor 11, Hartford, CT 06103, this 7th day of August, 2026.

(Corporate Seal)

CDP Development, Inc.

Principal

By 

Title Partner

(Corporate Seal)

The Hanover Insurance Company

Surety

By 

Attorney-in-Fact

(Attach Attorney-in-Fact Certificate)

Title Liam Russell, Attorney-in-Fact

The rate of premium on this bond is \$12.50 per thousand. The total amount of premium charges is \$ 36,447.00.
(The above must be filled in by corporate attorney.)

THIS IS A REQUIRED FORM

Any claims under this bond may be addressed to:

(Name and Address of Surety)

The Hanover Insurance Company

440 Lincoln Street

Worcester, MA 01653-0002

(Name and Address of Agent or Representative for service of process in California, if different from above)

Iliana Ryan

333 Bush Street, Floor 7, Suite 775

San Francisco, CA 94104

(Telephone number of Surety and Agent or Representative for service of process in California)

445-400-4548

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

Civil Code § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

State of California

County of Sacramento

On 8/10/24 before me, Angel B. Kaminski, Notary Public

personally appeared Timothy Schaefer

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal

Signature Angel B. Kaminski
Notary Public Signature



Place Notary Public Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to the persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document _____

Document Date _____ Number of Pages: _____

Signer's Name: _____

- ☐ Individual
- ☐ Corporate Officer – Title(s): _____
- ☐ Partner - ☐ Limited ☐ General
- ☐ Guardian or Conservator
- ☐ Attorney-in-Fact
- ☐ Trustee
- ☐ Other: _____

Signer is representing _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb

- ☐ Individual
- ☐ Corporate Officer – Title(s): _____
- ☐ Partner - ☐ Limited ☐ General
- ☐ Guardian or Conservator
- ☐ Attorney-in-Fact
- ☐ Trustee
- ☐ Other: _____

Signer is representing _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

Civil Code § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

State of Connecticut

County of Hartford



On August 7, 2026 before me, Katelyn Gingras, Notary Public
Date Name and Title of Notary

personally appeared Liam Russell
Name and or Names of Signer(s)

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Katelyn Gingras
 NOTARY PUBLIC
 State of Connecticut
 My Commission Expires 07/31/2030

Witness my hand and official seal.

Signature 
Katelyn Gingras, Notary Public Signature

Place Notary Public Seal Above

OPTIONAL

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☐ Individual ☐ Corporate Officer – Title(s): _____ ☐ Partner - ☐ Limited ☐ General ☐ Guardian or Conservator ☒ Attorney-in-Fact ☐ Trustee ☐ Other: _____ Signer is representing _____ _____ _____	RIGHT THUMBPRINT OF SIGNER Top of thumb
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☐ Individual ☐ Corporate Officer – Title(s): _____ ☐ Partner - ☐ Limited ☐ General ☐ Guardian or Conservator ☐ Attorney-in-Fact ☐ Trustee ☐ Other: _____ Signer is representing _____ _____ _____	RIGHT THUMBPRINT OF SIGNER Top of thumb
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**THE HANOVER INSURANCE COMPANY
MASSACHUSETTS BAY INSURANCE COMPANY
CITIZENS INSURANCE COMPANY OF AMERICA**

POWER OF ATTORNEY

THIS Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

KNOW ALL PERSONS BY THESE PRESENTS:

That THE HANOVER INSURANCE COMPANY and MASSACHUSETTS BAY INSURANCE COMPANY, both being corporations organized and existing under the laws of the State of New Hampshire, and CITIZENS INSURANCE COMPANY OF AMERICA, a corporation organized and existing under the laws of the State of Michigan, (hereinafter individually and collectively the "Company") does hereby constitute and appoint, **Malerie Janet Williams, Jonathan Gleason, Doritza Mojica, Ashley Alexis, Jason Martin, Stacy-ann Morrison, Alec Steinfeldt, Liam Russell, Haley Pulley, Emma Pulley, Kaden Tate, Howard Freeman, Blake Steinfeldt, Joshua Pierce, Destini Watson, and/or Katelyn Gingras** Of Willis of Connecticut, LLC of Hartford, CT each individually, if there be more than one named, as its true and lawful attorney(s)-in-fact to sign, execute, seal, acknowledge and deliver for, and on its behalf, and as its act and deed any place within the United States, any and all surety bonds, recognizances, undertakings, or other surety obligations. The execution of such surety bonds, recognizances, undertakings or surety obligations, in pursuance of these presents, shall be as binding upon the Company as if they had been duly signed by the president and attested by the secretary of the Company, in their own proper persons. Provided however, that this power of attorney limits the acts of those named herein; and they have no authority to bind the Company except in the manner stated and to the extent of any limitation stated below:

Any such obligations in the United States, not to exceed Twenty Million and No/100 (\$20,000,000) in any single instance

That this power is made and executed pursuant to the authority of the following Resolutions passed by the Board of Directors of said Company, and said Resolutions remain in full force and effect:

RESOLVED: That the President or any Vice President, in conjunction with any Vice President, be and they hereby are authorized and empowered to appoint Attorneys-in-fact of the Company, in its name and as it acts, to execute and acknowledge for and on its behalf as surety, any and all bonds, recognizances, contracts of indemnity, waivers of citation and all other writings obligatory in the nature thereof, with power to attach thereto the seal of the Company. Any such writings so executed by such Attorneys-in-fact shall be binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company in their own proper persons.

RESOLVED: That any and all Powers of Attorney and Certified Copies of such Powers of Attorney and certification in respect thereto, granted and executed by the President or Vice President in conjunction with any Vice President of the Company, shall be binding on the Company to the same extent as if all signatures therein were manually affixed, even though one or more of any such signatures thereon may be facsimile. (Adopted October 7, 1981 – The Hanover Insurance Company; Adopted April 14, 1982 – Massachusetts Bay Insurance Company; Adopted September 7, 2001 – Citizens Insurance Company of America and affirmed by each Company on March 24, 2014)

IN WITNESS WHEREOF, THE HANOVER INSURANCE COMPANY, MASSACHUSETTS BAY INSURANCE COMPANY and CITIZENS INSURANCE COMPANY OF AMERICA have caused these presents to be sealed with their respective corporate seals, duly attested by two Vice Presidents, this 7th day of January 2026



The Hanover Insurance Company
Massachusetts Bay Insurance Company
Citizens Insurance Company of America

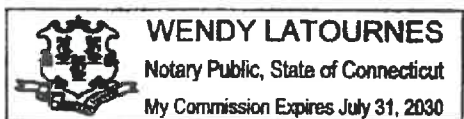

James H. Kawiecki, Vice President

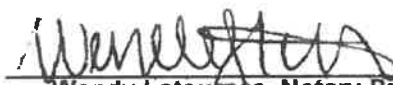
STATE OF CONNECTICUT }
COUNTY OF HARTFORD } ss.

The Hanover Insurance Company
Massachusetts Bay Insurance Company
Citizens Insurance Company of America


Bryan J. Salvatore, Executive Vice President

On this 7th day of January, 2026 before me came the above named Executive Vice President and Vice President of The Hanover Insurance Company, Massachusetts Bay Insurance Company and Citizens Insurance Company of America, to me personally known to be the individuals and officers described herein, and acknowledged that the seals affixed to the preceding instrument are the corporate seals of The Hanover Insurance Company, Massachusetts Bay Insurance Company and Citizens Insurance Company of America, respectively, and that the said corporate seals and their signatures as officers were duly affixed and subscribed to said instrument by the authority and direction of said Corporations.




Wendy Latournes, Notary Public
My commission expires, July 31, 2030

I, the undersigned Vice President of The Hanover Insurance Company, Massachusetts Bay Insurance Company and Citizens Insurance Company of America, hereby certify that the above and foregoing is a full, true and correct copy of the Original Power of Attorney issued by said Companies, and do hereby further certify that the said Powers of Attorney are still in force and effect.

GIVEN under my hand and the seals of said Companies, at Worcester, Massachusetts, this_ 7th day of August, 2026

CERTIFIED COPY

~~The Hanover Insurance Company
Massachusetts Bay Insurance Company
Citizens Insurance Company of America~~


John Rowedder, Vice President

BOND NO. 1106585
INITIAL PREMIUM: Premium Included on Performance Bond
SUBJECT TO RENEWAL

CITY OF MILPITAS
APN 086-42-033 IMPROVEMENTS
LABOR AND MATERIAL BOND

KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS the City of MILPITAS, California ("City") and CDP Development, Inc. ("Principal"), have executed an agreement for work consisting of, but not limited to, the furnishing all labor, materials, tools, equipment, services, and incidentals for all grading, roads, paving, curbs and gutters, pathways, storm drains, sanitary sewers, utilities, drainage facilities, traffic controls, landscaping, street lights, and all other required facilities for the Project ("Public Improvements");

WHEREAS, the Public Improvements to be performed by Principal are more particularly set forth in that certain Agreement for Completion of Pubic Improvements dated _____, _____ ("Improvement Agreement");

WHEREAS, the Improvement Agreement is hereby referred to and incorporated herein by reference; and

WHEREAS, Principal is required to furnish a bond in connection with the Improvement Agreement providing that if Principal or any of its subcontractors shall fail to pay for any materials, provisions, or other supplies, or terms used in, upon, for, or about the performance of the Public Improvements, or for any work or labor done thereon of any kind, or for amounts due under the provisions of Title 3 (commencing with section 9000) of Part 6 of Division 4 of the California Civil Code, with respect to such work or labor, that the Surety on this bond will pay the same together with a reasonable attorney's fee in case suit is brought on the bond.

NOW, THEREFORE, Principal and The Hanover Insurance Company ("Surety"), a corporation organized and existing under the laws of the State of MA, and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto City and to any and all contractors, subcontractors, material suppliers, persons, companies or corporations furnishing materials, provisions, and other supplies used in, upon, for or about the performance of the Public Improvements, and all persons, companies or corporations renting or hiring teams, or implements or machinery, for or contributing to the Public Improvements to be done, and all persons performing work or labor upon the same and all persons supplying both work and materials as aforesaid excepting the Principal, the sum of Two Million Nine Hundred Fifteen Thousand Seven Hundred Forty-Six and 00/100 dollars, (\$ 2,915,746.00), said sum being not less than 100% of the total cost of the Public Improvements under the terms of the Improvement Agreement, we bind

ourselves, our heirs, executors and administrators, successors and assigns jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if the Principal, his or its subcontractors, heirs, executors, administrators, successors, or assigns, shall fail to pay for any materials, provisions, or other supplies or machinery used in, upon, for or about the performance of the Public Improvements, or for work or labor thereon of any kind, or fail to pay any of the persons named herein, or amounts due under the Unemployment Insurance Code with respect to work or labor performed by any such claimant, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the contractor and his subcontractors pursuant to Section 13020 of the Unemployment Insurance Code with respect to such work and labor, and all other applicable laws of the State of California and rules and regulations of its agencies, then said Surety will pay the same in or to an amount not exceeding the sum specified herein.

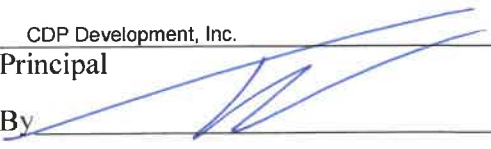
As part of the obligation secured hereby, and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by City in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

This bond is executed and filed to comply with Section 66499 et seq. of the California Government Code as security for payment to contractors, subcontractors, and persons furnishing labor, materials, or equipment for construction of the Public Improvements or performance of the Improvement Agreement. It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the California Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Improvement Agreement, or to any plans, profiles, and specifications related thereto, or to the Public Improvements to be constructed thereunder, shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration, or addition.

IN WITNESS WHEREOF, the seal and signature of the Principal is hereto affixed, and the corporate seal and the name of the Surety is hereto affixed and attested by its duly authorized Attorney-in-Fact at 10 State House Square, Floor 11, Hartford, CT 06103, this 7th day of August, 2026.

(Corporate Seal)

CDP Development, Inc.
Principal
By 
Title Partner

(Corporate Seal)

The Hanover Insurance Company
Surety
By 
Attorney-in-Fact

(Attach Attorney-in-Fact Certificate)

Title Liam Russell, Attorney-in-Fact

The rate of premium on this bond is \$12.50 per thousand. The total amount of premium charges is \$ 36,447.00.
(The above must be filled in by corporate attorney.)

THIS IS A REQUIRED FORM

Any claims under this bond may be addressed to:

(Name and Address of Surety)

The Hanover Insurance Company
440 Lincoln Street
Worcester, MA 01653-0002

(Name and Address of Agent or Representative for service of process in California, if different from above)

Ilana Ryan
333 Bush Street, Floor 7, Suite 775
San Francisco, CA 94104

(Telephone number of Surety and Agent or Representative for service of process in California)

445-400-4548

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

Civil Code § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

State of California

County of Sacramento

On 8/10/24 before me, Angel B. Kaminski, Notary Public

personally appeared Timothy Schaefer

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature AB Kaminski



Place Notary Public Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to the persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document _____

Document Date _____ Number of Pages: _____

Signer's Name: _____

- ☐ Individual
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- ☐ Partner - ☐ Limited ☐ General
- ☐ Guardian or Conservator
- ☐ Attorney-in-Fact
- ☐ Trustee
- ☐ Other: _____
- Signer is representing _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb

- ☐ Individual
- ☐ Corporate Officer – Title(s): _____
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State of Connecticut

County of Hartford



On August 7, 2026 before me, Katelyn Gingras, Notary Public
Date Name and Title of Notary

personally appeared Liam Russell
Name and or Names of Signer(s)

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Katelyn Gingras
 NOTARY PUBLIC
 State of Connecticut
 My Commission Expires 07/31/2030

Witness my hand and official seal.

Signature Katelyn Gingras
Katelyn Gingras, Notary Public Signature

Place Notary Public Seal Above

OPTIONAL

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THE HANOVER INSURANCE COMPANY
MASSACHUSETTS BAY INSURANCE COMPANY
CITIZENS INSURANCE COMPANY OF AMERICA

POWER OF ATTORNEY

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RESOLVED: That the President or any Vice President, in conjunction with any Vice President, be and they hereby are authorized and empowered to appoint Attorneys-in-fact of the Company, in its name and as it acts, to execute and acknowledge for and on its behalf as surety, any and all bonds, recognizances, contracts of indemnity, waivers of citation and all other writings obligatory in the nature thereof, with power to attach thereto the seal of the Company. Any such writings so executed by such Attorneys-in-fact shall be binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company in their own proper persons.

RESOLVED: That any and all Powers of Attorney and Certified Copies of such Powers of Attorney and certification in respect thereto, granted and executed by the President or Vice President in conjunction with any Vice President of the Company, shall be binding on the Company to the same extent as if all signatures therein were manually affixed, even though one or more of any such signatures thereon may be facsimile. (Adopted October 7, 1981 – The Hanover Insurance Company; Adopted April 14, 1982 – Massachusetts Bay Insurance Company; Adopted September 7, 2001 – Citizens Insurance Company of America and affirmed by each Company on March 24, 2014)

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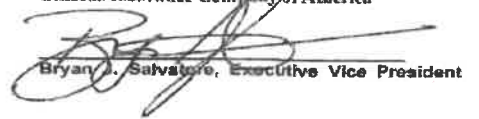


The Hanover Insurance Company
Massachusetts Bay Insurance Company
Citizens Insurance Company of America

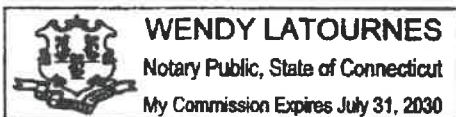

James H. Kawiecki, Vice President

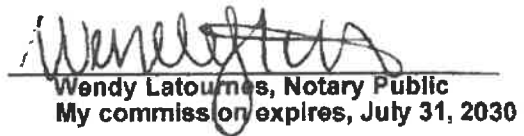
STATE OF CONNECTICUT }
COUNTY OF HARTFORD } ss.

The Hanover Insurance Company
Massachusetts Bay Insurance Company
Citizens Insurance Company of America


Bryan J. Salvatore, Executive Vice President

On this 7th day of January, 2026 before me came the above named Executive Vice President and Vice President of The Hanover Insurance Company, Massachusetts Bay Insurance Company and Citizens Insurance Company of America, to me personally known to be the individuals and officers described herein, and acknowledged that the seals affixed to the preceding instrument are the corporate seals of The Hanover Insurance Company, Massachusetts Bay Insurance Company and Citizens Insurance Company of America, respectively, and that the said corporate seals and their signatures as officers were duly affixed and subscribed to said instrument by the authority and direction of said Corporations.




Wendy Latournes, Notary Public
My commission expires, July 31, 2030

I, the undersigned Vice President of The Hanover Insurance Company, Massachusetts Bay Insurance Company and Citizens Insurance Company of America, hereby certify that the above and foregoing is a full, true and correct copy of the Original Power of Attorney issued by said Companies, and do hereby further certify that the said Powers of Attorney are still in force and effect.

GIVEN under my hand and the seals of said Companies, at Worcester, Massachusetts, this 7th day of August, 2026

CERTIFIED COPY

The Hanover Insurance Company
Massachusetts Bay Insurance Company
Citizens Insurance Company of America

John Rowedder, Vice President

RESOLUTION NO. 25-012

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MILPITAS, APPROVING SITE DEVELOPMENT PERMIT NO. SD24-0006, ENVIRONMENTAL ASSESSMENT NO. EA24-0002, AND TREE REMOVAL PERMIT NO. TR25-0021, TO REMOVE AND REPLACE 25-ORDINANCE SIZED TREES, DEMOLISH ALL EXISTING STRUCTURES ON THE SITE INCLUDING FOUR INDUSTRIAL/OFFICE BUILDINGS, SURFACE PARKING LOTS, AND ASSOCIATED IMPROVEMENTS, AND DEVELOP A NEW, ONE-STORY, 487,564-SQUARE FOOT TILT-UP CONCRETE INDUSTRIAL BUILDING WITH OFFICE SPACE, SURFACE PARKING LOTS, 781 VEHICLE PARKING SPACES, 50 OVERSIZED TRUCK TRAILER PARKING SPACES, AND ASSOCIATED SITE IMPROVEMENTS ON AN APPROXIMATELY 28.96-ACRE SITE IN THE M2 (HEAVY INDUSTRIAL) ZONING DISTRICT LOCATED AT 1000 GIBRALTAR DRIVE (ALSO KNOWN AS 1001 S. MILPITAS BLVD.) (APN 086-42-033); AND ADOPT THE ADDENDUM TO THE 1000 GIBRALTAR DRIVE FINAL ENVIRONMENTAL IMPACT REPORT (SCH NO. 2020069024), MAKING CEQA FINDINGS PURSUANT TO CEQA GUIDELINES SECTION 15162 AND 15164.

WHEREAS, on March 24, 2021, by adoption of Resolution No. 21-006, the Planning Commission of the City of Milpitas approved to demolish existing onsite buildings, parking lots, and associated improvements and to remove and replace 88 ordinance-sized trees, construct a new, 491,040-square foot tilt-up concrete distribution center with office space, parking lots, 346 vehicle parking spaces, 101 truck trailer spaces, and associated site improvements located at 1000 Gibraltar Drive per Site Development Permit No. SD19-0008, Environmental Assessment EA20-0007, and Tree Removal Permit TR19-0007 (the “previous project”); and

WHEREAS, in order to evaluate the previous project under the California Environmental Quality Act (“CEQA,” codified at Public Resources Code § 21000, *et seq.*, as further governed by the CEQA Guidelines, found at 14 C.C.R. § 15000, *et seq.*), an environmental impact report was prepared (the Draft EIR, as revised by the Final EIR’s errata section, together with the other sections of the Final EIR, are collectively referred to herein as the “1000 Gibraltar Drive FEIR,” State Clearinghouse No. 2020069024) was certified on March 24, 2021, by the Planning Commission by adoption of Resolution No. 21-007 available for review at <https://www.milpitas.gov/379/Environmental-Documents-CEQA>; and

WHEREAS, on June 22, 2022, by adoption of Resolution No. 22-008, the Planning Commission of the City of Milpitas approved a time extension request per Time Extension No. TE22-0005 to extend the expiration date of the previous project’s entitlements, Site Development Permit No. 19-0008 and Tree Removal Permit No. TR19-0007 to March 24, 2024. The approved project entitlements expired as the development did not vest the previous project per Milpitas Municipal Code Section XI-10-64.06, Expiration of Permit or Approvals, and was not constructed; and

WHEREAS, on November 25, 2024, Panattoni Development Company (“Applicant”), on behalf of the property owner, submitted an application to the City of Milpitas for the approvals

necessary for Site Development Permit SD24-0006, Environmental Assessment EA24-0002, and Tree Removal Permit TR25-0021. The proposed development (the “Project”) is a similar but modified version of the previous project, thus consists of and requires:

- a. *Site Development Permit (P-SD24-0002)*: Develop a new, one-story, 487,564-square foot tilt-up concrete industrial building with office space and associated site improvements, including new internal roadways, landscaping, offsite public improvements, and a new surface parking lot with 781 vehicle parking spaces, 50 oversized parking stalls for tractor-trailers, and 27 loading dock doors; and
- b. *Environmental Assessment (P-EA24-0002)*: Consider an Addendum to the 1000 Gibraltar Drive Final Environmental Impact Report (State Clearinghouse No. 2020069024); and
- c. *Tree Removal Permit (P-TR25-0021)*: To remove 25-ordinance sized trees pursuant to Section X-2-4.02 of the Milpitas Municipal Code.

WHEREAS, Milpitas City Staff conducted a full analysis of the Project to ensure compliance with the City’s General Plan, Zoning Ordinance, Engineering Design Requirements, Transportation Analysis Guidelines, and all other applicable laws, regulations and standards, as all further explained in detail in City staff’s report to the Planning Commission; and

WHEREAS, the Planning Division completed an environmental impact assessment for the project in accordance with the California Environmental Quality Act (“CEQA”) and prepared an Addendum to the 1000 Gibraltar Drive FEIR in accordance with CEQA, and State and local guidelines implementing CEQA; and

WHEREAS, the Addendum to the 1000 Gibraltar Drive FEIR concluded that impacts of the proposed Project are consistent with or less than the previous project and the environmental analysis conducted for the same;

WHEREAS, in connection with the approval of a project involving the preparation of an environmental impact report that identifies one or more significant effects, CEQA requires the decision-making body of the lead agency to incorporate feasible mitigation measures that would reduce those significant environment effects to less than significant level; and

WHEREAS, whenever a lead agency approves a project requiring the implementation of measures to mitigate or avoid significant effects on the environment, CEQA also requires a lead agency to adopt a Mitigation Monitoring and Reporting Program to ensure compliance with the mitigation measures during the project implementation; and

WHEREAS, the City of Milpitas is the lead agency, and the Milpitas Planning Commission is the decision-making body for the proposed Project; and

WHEREAS, the Milpitas Planning Commission reviewed and considered the Addendum to the 1000 Gibraltar Drive FEIR (“Addendum”), attached hereto and incorporated herein as

Exhibit 2, together with the Addendum's Mitigation Monitoring and Reporting Program for the Project, attached hereto and incorporated herein as **Exhibit 3**, and adopted the Addendum's Mitigation Monitoring and Reporting Program, as modified by this Resolution, to ensure the Project is in compliance with CEQA and State and local guidelines implementing CEQA at its meeting on September 10, 2025; and

WHEREAS, per 14 C.C.R. §§ 15162 and 15164, the Planning Commission hereby adopts the Addendum, together with its findings and conclusions that no supplemental or subsequent environmental review is required because: (a) no substantial changes are proposed in the Project which will require major revisions of the 1000 Gibraltar Drive FEIR; (b) no substantial changes have occurred with respect to the circumstances under which the Project is being undertaken which will require major revisions in the 1000 Gibraltar Drive FEIR; and (c) no new information which was not known and could not have been known at the time the 1000 Gibraltar Drive FEIR was certified has become available; and

WHEREAS, as separate and independent bases, the Planning Commission hereby finds and determines that the Project is exempt from further CEQA review pursuant to CEQA Guidelines Section 15183 (Projects Consistent with a Community Plan, General Plan or Zoning); and

WHEREAS, the Planning Commission makes and accepts as its own the findings set forth in the resolution; and

WHEREAS, on September 10, 2025, the Planning Commission held a duly noticed public hearing on the subject application, at which all those in attendance were given the opportunity to speak on the Project; and

WHEREAS, the Planning Commission has considered all of the written and oral testimony presented at the public hearing in making its decision; and

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

SECTION 1. Recitals

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

SECTION 2: Record

The location and custodian of the documents or other material which constitute the record of proceedings upon which this decision is based is within the Planning Department, City of Milpitas, 455 East Calaveras Boulevard, Milpitas, California 95035.

SECTION 3. CEQA Finding

An Addendum to the 1000 Gibraltar Drive Final Environmental Impact Report (FEIR) (SCH No. 2020069024) was published on September 5, 2025. The Addendum finds that the impacts of the proposed Project remain consistent or less than with the impacts previously analyzed in the certified 1000 Gibraltar Drive FEIR. The Addendum further concludes that proposed Project does not require any substantial revisions to the 1000 Gibraltar Drive FEIR, that no new significant information or changes in circumstances surrounding the proposed Project have occurred since the certification of the 1000 Gibraltar Drive FEIR, and that the previous analysis completed for the 1000 Gibraltar Drive FEIR remains adequate under CEQA. As further discussed in the Addendum, the Addendum's Mitigation Monitoring Reporting Program (MMRP) has been updated to identify the relevant mitigation measures applicable to the Project from the 1000 Gibraltar Drive FEIR's MMRP. The Planning Commission therefore finds that its actions are consistent with CEQA and CEQA Guidelines Sections 15162 and 15164, and that no additional environmental review is required. Therefore, the Planning Commission thereby approves and adopts this Addendum and its Mitigation Monitoring and Reporting Program, attached hereto and incorporated herein as **Exhibit 2** and **Exhibit 3**, respectively.

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

The Planning Commission makes the following findings based on the evidence in the public record in approving Site Development Permit No. SD24-0006:

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

The proposed Project's architecture is reflective of a modern and 'Contemporary' architectural style that incorporates various wall planes and massing elements that adds interest to the proposed elevations and was modeled to be similar from the previously approved building. The high-quality architecture sets a new standard for future development in the heavy industrial zoned area. Although the proposed warehouse will be one-story tall, the proposed architectural design with alternating colors, delineations, and materials provides the illusion that the building could be more than one-story. The exterior façade of the Project includes three, two-story glass corners including the main office entry and surrounding site vantage points while the bulk of the structure is offset by various façade elements including concrete panel accents and multi-colored paint patterns with three different shades of gray and a blue accent trim and two types of blue-glazed glass.

The proposed landscaping plan is compatible as it adds a variety of drought tolerant groundcovers and approximately 234 new trees, in addition to retaining approximately 58 existing trees along the perimeter of the site and will include modern stormwater bioretention areas. The proposed new surface parking lots will also be a substantial improvement from the existing unmaintained site with new striped parking stalls, EV ready and EV charging stalls, landscaping, and delineated areas for trucks, employee/visitor parking, and flex delivery drivers.

Generally, buildings surrounding the Project site vary in height. At a maximum height of 46.5-feet up to 49.5-feet to the top of parapet, the proposed building complements neighboring one- to two-story buildings that are also industrially zoned uses. The varying rooflines add to the building's aesthetic and the Applicant has provided line of sight studies in the proposed plan set to ensure that rooftop equipment is adequately screened by parapets from any ground or street level vantage point, as well as realistic renderings which demonstrate that the proposed Project will be compatible to the neighborhood in scale, bulk, and height and will be aesthetically harmonious with adjacent and surrounding development.

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

The Project site is zoned M2 (Heavy Industrial). It is anticipated that the facility would operate as a warehousing and distribution center and is a permitted use per MMC Table XI-10-7.02-1 "Industrial Zone Uses". As demonstrated in Table 1, the Project complies with the required setbacks, number of parking spaces, landscaped area, and maximum floor area ratio. The proposed signage will be reviewed under a future separate permit.

Although the M2 Zoning District does not identify any maximum height limits, the construction of any new building greater than 35-feet in height requires the Planning Commission to make a finding that any such excess height will not be detrimental to the light, air or privacy of any other structure or use currently existing or anticipated, pursuant to MMC XI-10-7.03. Given that heights of surrounding structures vary and there are sufficient setbacks between the proposed building and structures on adjacent parcels and the Project would be largely centered around the surface parking lot in a large 28.96-acre lot, the proposed height of the Project would not be detrimental to the light, air, or privacy of any other structure as further demonstrated by the renderings on Sheet A601 of the proposed plans.

Additionally, during the development review process, Planning staff asked the Applicant if it was feasible to reduce the maximum height of the building to 35-feet or below; however, the Applicant indicated that the proposed height is the minimum required height necessary for the feasibility of the development to occur and support the operations of the Project, provides more storage and shelving capacity, and is the industry standard to include interior ceiling heights at a minimum of 36-40 feet. Considering all of the above and if the Planning Commission grants the finding of excess height beyond 35-feet at approximately 46-feet and 6-inches (up to 49-feet and 9-inches to top of parapet) with an internal 36-foot clear ceiling height, the Project will be consistent with the Milpitas Zoning Code. The Planning Commission finding is included as **Section 5** of this Resolution

**Table 1: Heavy Industrial (M2) Zoning District
Development Standards Conformance**

Standards	M2 Requirements	Proposed	Complies
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Front Setback (Min.)	35 feet from face of curb	65 feet, 9 inches	Yes
Street Side Setback (Min.)	35 feet from face of curb	73 feet	Yes
Rear Setback (Min.)	None	217 feet	Yes
Floor Area Ratio (FAR)	1.0	0.387	Yes
Landscaping	Required front yard area and required side yard area	New landscaped areas within required front yard and side yard areas	Yes
Parking	Office: 1 per 350 sq. ft. Warehouse: 1 per 1,500 sq. ft. 349 stalls required	781 stalls	Yes
Building Height (Max.)	None. However, prior to construction of any structure that exceeds three (3) stories or thirty-five (35) feet in height, the Planning Commission must make a finding as stated in the Complies column	46 feet, 6 inches; up to 49 feet, 6 inches to top of parapet	Yes, if the Planning Commission makes the following finding: That any such excess height will not be detrimental to the light, air or privacy of any other structure or use currently existing or anticipated. The Planning Commission finding is included as Section 5 of this Resolution

3. *The Project is consistent with the Milpitas General Plan.*

The proposed Project is consistent with the Milpitas General Plan, as demonstrated and outlined in Table 2, and particularly Policy *ED 1-5*, which wants to make Milpitas a more predictable place for companies to do business by reducing impediments to growth and actively planning to provide adequate space for companies to provide long-term growth needs, and Policy *LU 7-3*, which encourages the development of new industrial areas and the redevelopment of existing older or marginal areas with new similar uses, especially those in locations which facilitate efficient multi-modal commute patterns. The proposed Project will be developed on an existing corporate industrial/office campus lot spawning 28.96-acres that has been underutilized and vacant since 2018 and is over 45 years old. The Project is also considered an infill development on previously developed land and will be

served by existing utilities and will ensure the land continues to be used as an industrial use, providing a desired manufacturing land use as a warehousing and distribution center that is specifically listed in the General Plan’s description for Manufacturing (MFG). The City’s Office of Economic Development has also provided a letter of support. Furthermore, reinvestment into the Project site will help promote additional economic activity into the area and employment opportunities, as well as provide offsite public improvements that was coordinated closely with the Applicant and City’s Engineering Division.

Table 2: General Plan Consistency

Policy	Consistency Finding
ED 1-3: Strengthen the City’s position as a premier regional location for high-tech industrial and advanced manufacturing uses in Silicon Valley.	Consistent: The City embarked on a multi-year process to update the City’s General Plan in 2016, which included several consultant-prepared studies including economic development projections, which at the time saw increasing potential growth of attracting new high-tech industrial and advanced manufacturing uses in the City. The previously approved project was submitted before the unprecedented global COVID-19 pandemic and was approved in the midst of the pandemic in March 2021, at a time of uncertain economic conditions and high construction costs. As such, construction of the previous project became financially infeasible, resulting in expired entitlements. As economic conditions began to improve over time, renewed interest in redeveloping this subject lot with a modified Project proposal ensued. Approval of the proposed Project would attract an established web-based retail tenant or similar prospective tenants to invest in the site and City as a viable “last mile” warehousing and distribution facility and ensure the lot remains as an industrial use and strengthens the City’s position as a premier regional location in Silicon Valley. The Project site is also strategically located near major freeways and the Applicant has strategically modified the Project’s surface parking lot

Policy	Consistency Finding
	design from the previously approved entitlements for efficiency, including separating locations for access and circulation for trucks, employee/visitor vehicles, and flex delivery parking in designated areas of the surface parking lot with gates separating internal access into the truck yard area.
ED 1-5: Make Milpitas a more predictable place for companies to do business by reducing impediments to growth and actively planning to provide adequate space for companies to meet long-term growth needs.	Consistent: The proposed Project's new concrete tilt up industrial warehouse building and site planning was carefully modified from the expired entitlements to plan for the future growth of a web-based retail tenant to meet long-term growth needs and add an employment center with local job opportunities. The Addendum prepared to the 1000 Gibraltar Drive Final Environmental Impact Report estimates the Project to generate an average of 363 employees, which also accounts for seasonal fluctuations. The large 28.96-acre site has been vacant and underutilized since 2018, and the City's General Plan 2040 prioritizes the maintenance of its industrial lands with active uses and tenants that are consistent the intent of the Manufacturing land use designation. Additionally, the City's Office of Economic Development provided a letter of support for the Project.
LU 7-3: Encourage the development of new industrial, manufacturing, and business park areas and the redevelopment of existing older or marginal areas with new similar uses, especially those in locations which facilitate efficient multi-modal commute patterns. Use available public financing to provide necessary infrastructure improvements to encourage economic development and revitalization.	Consistent: The redevelopment of the existing, outdated, and underutilized site will lead to a new state-of-the-art modern industrial warehousing building with careful site planning, such as locating all oversized trucks and trailers in the parking lot to be separated by different entry points with two protective gates, while ensuring adequate parking, access and circulation remains for other passenger vehicle types with new improved pedestrian walkways.

Policy	Consistency Finding
	Through these ongoing coordination efforts with City staff, the Applicant has agreed to several off-street public improvements including but not limited to pavement restoration along portions of Gibraltar Drive and S. Milpitas Blvd., sidewalk replacements along perimeter of the lot to meet ADA requirements, and operational upgrades to traffic signals at the S. Milpitas Blvd./Ames Avenue and Gibraltar Drive intersections. The improvements will be coordinated by the City's Engineering Division with the Applicant and are included as Conditions of Approval (Exhibit 1 to Resolution 25-012).
CD 1-2: Encourage infill development projects to accommodate contemporary uses and design and planning approaches and requirements in manner that minimizes conflicts with the surrounding existing development.	Consistent: This infill Project will accommodate a new warehouse/distribution building to serve the needs of a contemporary business that would be constructed with a modern design to replace a dilapidated corporate industrial office campus site that was constructed over 45 years ago around 1980. The Project site is surrounded by a mix of other commercial, office, manufacturing, and industrial uses and the Project will retain its industrial land use. Therefore, the proposed Project will not create a conflict with the surrounding development and will add to the diversity of contemporary building types in the area.

SECTION 5: Building Height Finding (MMC Section XI-10.7.03)

Consistent with MMC Section XI-10.7.03, Industrial Zone General Development Standards, the Planning Commission finds and determines, based upon the totality of circumstances in the record, that although there is no maximum building height in the M2 Heavy Industrial Zoning District and that construction of the new, one-story warehouse would result in a maximum building height of 46.5-feet up to 49.5-feet to the top of its parapet with a maximum internal ceiling height of 36-feet, that the proposed excess height above 35-feet in height will not

be detrimental to the light, air or privacy of any other structure or use currently existing or anticipated.

SECTION 6: Planning Commission Approval

The Planning Commission of the City of Milpitas hereby adopts the Addendum to the 1000 Gibraltar Drive Final Environmental Impact Report per Environmental Assessment No. EA24-0002, attached hereto as Exhibit 2, and approves Site Development Permit No. SD24-0006 and Tree Removal Permit No. TR25-0021 based on the above Findings and subject to the Conditions of Approval, attached hereto as Exhibit 1 and the Addendum's Mitigation Monitoring and Reporting Program, attached hereto as Exhibit 3 incorporated herein.

PASSED AND ADOPTED at a regular meeting of the Planning Commission of the City of Milpitas on September 10, 2025.

Chair

TO WIT:

I HEREBY CERTIFY that the following resolution was duly adopted at a regular meeting of the Planning Commission of the City of Milpitas on September 10, 2025, and carried by the following roll call vote:

COMMISSIONER	AYES	NOES	ABSENT	ABSTAIN
Chia Ling Kong	X			
Michael Caulkins	X			
Mercedes Albana			X	
Dipak Awasthi	X			
Alexander Galang	X			
Parveen Gupta	X			
Sonia Medina-Ashby	X			

**CONDITIONS OF APPROVAL
1000 GIBRALTAR DRIVE
(ALSO KNOWN AS 1001 S. MILPITAS BLVD)
(APN 086-42-033)**

**SITE DEVELOPMENT PERMIT NO. SD24-0006
ENVIRONMENTAL ASSESSMENT NO. EA24-0002
TREE REMOVAL PERMIT NO. TR25-0021**

The City of Milpitas Planning Commission approves Site Development Permit No. SD24-0006, Environmental Assessment No. EA24-0002, and Tree Removal Permit No. TR25-0021, in accordance with Chapter 21 and Sections XI-10-57.03, XI-2-4.02, and XI-10-7.03-1, of the Milpitas Municipal Code, subject to and conditioned upon all applicable State and local laws and regulations and the Conditions of Approval outlined below. This Site Development Permit, Environmental Assessment, and Tree Removal Permit entitlement includes the demolition of four industrial/office buildings, surface parking lots, and associated improvements, and allow the development of a new, one-story, 487,564-square foot tilt-up concrete industrial building with office space and associated site improvements on an approximately 28.96-acre site in the M2 (Heavy Industrial) Zoning District located at 1000 Gibraltar Drive (also known as 1001 S Milpitas Blvd.). The height of the new building will be approximately 46-feet and 6-inches above grade level (up to a maximum height of 49-feet and 6-inches to top of parapet). Proposed site improvements include new internal roadways, landscaping, offsite public improvements, and a new surface parking lot with 781 vehicle parking spaces, 50 oversized parking stalls for tractor-trailers, and 27 loading dock doors. These approvals are subject to all other necessary reviews, approvals, studies, and inspections necessary for such development including for the issuance building permits or occupancy.

APPROVED SUBJECT TO THE FOLLOWING CONDITIONS OF APPROVAL:

General Conditions

1. General Compliance. The Permittee/Applicant and owner, including all successors in interest (collectively “Permittee”) shall comply with each and every condition set forth in this Permit. No certificate of occupancy or temporary certificate of occupancy shall be issued for the development project described in **Site Development Permit No. SD24-0006, Environmental Assessment No. EA24-0002, and Tree Removal Permit No. TR25-0021** (collectively “Permit”), and the Permit shall have no force or effect and no building permit shall be issued unless and until all things required by the below-enumerated precedent conditions have been performed or caused to be performed. **(P)**
2. The Permittee shall develop the approved project in conformance with the approved plans (dated August 8, 2025), and sample color and materials approved by the Planning Commission on September 10, 2025, in accordance with these Conditions of Approval. **(P)**

3. Modifications to Project. Any deviation from the approved site plan, floor plans, or other approved submittal shall require that, prior to the issuance of building permits, the Permittee shall submit modified plans and any other applicable materials as required by the City for review and obtain the approval of the Planning Director or Designee. If the Planning Director or designee determines that the deviation is significant, the Permittee shall be required to apply for review and obtain approval of the Planning Commission, in accordance with the Zoning Ordinance. **(P)**
4. Effective Date. Unless there is a timely appeal filed in accordance with the Milpitas Zoning Code, the date of approval of this Permit is the date on which the decision-making body approved this Permit. **(P)**
5. Conditions of Approval. As part of the issuance of building permits, the Permittee shall include within the first four pages of the working drawings for a plan check, a list of all conditions of approval imposed by the final approval of the project. Each and every condition set forth in this Exhibit shall apply to the Project and continue to apply to the Project so long as the Permittee is operating the Project under the permits and approvals in this Resolution **(P)**
6. Written Response to Conditions. The Permittee shall provide a written response to the Conditions of Approval indicating how each condition has been addressed with the building permit application submittal. **(ALL)**
7. Permit Expiration. Pursuant to Section XI-10-64.06 of the Milpitas Municipal Code, this Permit shall be deemed to have expired and become null and void if the activity permitted by this Permit is not commenced within two (2) years from the date of approval, or for a project submitted with a tentative map, within the time limits of the approved tentative map. Pursuant to Section XI-10-64.06(B) of the Milpitas Municipal Code, an activity permitted by this Permit shall be deemed to have commenced when the project:
 - a. Completes a foundation associated with the project; or
 - b. Dedicates any land or easement as required from the zoning action; or
 - c. Complies with all legal requirements necessary to commence the use, or obtains an occupancy permit, whichever is sooner.
8. Time Extension. Pursuant to Section XI-10-64.07 of the Milpitas Municipal Code, unless otherwise provided by State law, Permittee shall have the right to request a one-time extension of the Permit if the request is made in writing to the Planning Division prior to the expiration date of the approval. **(P)**
9. Project Job Account. If Permittee's project job account is at any time delinquent or below the required deposit amount, City will not continue to review or process the application until Permittee's private job account is paid in full and the required deposit has been made.

Additionally, prior to the issuance of any building permit or occupancy permit, as applicable, Permittee shall pay in full the project account balance and establish a remaining balance of at least twenty-five percent (25%) of the required initial deposit. **(P/E)**

10. Cost and Approval. Permittee shall fully complete and satisfy each and every condition set forth in this Resolution and any other condition applicable to the project to the sole satisfaction of the City. Additionally, Permittee shall be solely responsible and liable for the cost to satisfy each and every condition. Permittee shall pay all required fees and charges to the City at the rate in effect at time of building permit issuance, or, the rate in effect when the fees and charges are due and paid in full to the City. There is no vesting of any fees or charges with the adoption of this Resolution. **(ALL)**
11. Conditions. Each and every condition set forth in this Exhibit shall apply to the project and continue to apply to the project so long as the Permittee is operating the project under the permits and approvals in this Resolution. **(ALL)**
12. Compliance with Laws. The construction, use, and all related activity authorized under this Permit shall comply with all applicable local, state, and federal laws, rules, regulations, guidelines, requirements, and policies. **(CA/P)**
13. Acceptance of Permit. Should Permittee fail to file a timely appeal within twelve (12) calendar days of the date of approval of this Permit, inaction by Permittee shall be deemed to constitute each of the following:
 - a. Acceptance of this Permit by Permittee; and
 - b. Agreement by the Permittee to be bound by, comply with, and to do all things required of or by Permittee pursuant to all of the terms, obligations, and conditions of this Permit.**(P)**
14. Indemnification. To the fullest extent permitted by law, Permittee shall indemnify, defend with counsel of the City's choosing, and hold harmless City, its City Council, its boards and commissions, officials, officers, employees, and agents (the "Indemnified Parties") from and against any and all third party claim, action, or proceeding against City and/or the Indemnified Parties to attack, review, set aside, void or annul the City's approval of **SITE DEVELOPMENT PERMIT NO. SD24-0006, ENVIRONMENTAL ASSESSMENT NO. EA24-0002, AND TREE REMOVAL PERMIT NO. TR25-0021**; including any environmental determination made therefore. This indemnification shall include, but not be limited to, damages awarded against the City, if any, costs of suit, reasonable attorneys' fees, and other reasonable expenses incurred in connection with such claim, action, causes of action, suit or proceeding. The Permittee shall pay to the City upon demand or, as applicable, on a monthly basis to counsel of City's reasonable choosing, amounts owed pursuant to the indemnification requirements prescribed in this condition, provided each such demand or monthly payment request includes reasonably detailed back-up documentation, including invoices and/or receipts, as applicable, for all amounts to be paid. Notwithstanding the foregoing, City shall have the right to redact invoices and/or receipts as necessary to preserve attorney-client privilege. City shall promptly notify the Permittee of any claim, action, or

proceeding and shall engage in reasonable efforts to cooperate in the defense. If City fails to so promptly notify the Permittee, or if City fails to engage in reasonable efforts to cooperate in the defense, then the Permittee's indemnification obligations as set forth in this condition of approval shall thereafter terminate. The Permittee shall not be required to pay or perform any settlement unless the settlement is approved by the Permittee. The above indemnification is intended to be as broad as permitted by applicable law. To the extent the above indemnification is limited by Government Code Section 66474.9, any limitations shall only apply to **SITE DEVELOPMENT PERMIT NO. SD24-0006, ENVIRONMENTAL ASSESSMENT NO. EA24-0002, AND TREE REMOVAL PERMIT NO. TR25-0021**, and the balance of the Permit shall be unaffected by said Government Code section. **(CA)**

15. Revocation, Suspension, Modification. This Permit may be suspended, revoked, or modified in accordance with Section XI-10-63.06 of the Milpitas Municipal Code. **(P)**
16. Severability. If any term, provision, or condition of this Permit is held to be illegal or unenforceable by the Court, such term, provision, or condition shall be severed and shall be inoperative, and the remainder of this Permit shall remain operative, binding, and fully enforceable. **(ALL)**
17. Certificate of Insurance: Permittee shall provide certificate of insurance and name City as an additional insured in its insurance policies for the Project.
18. Previous Approvals. Permittee shall abide by and continue to comply with all previous City approvals, permits, or requirements relating to the subject property, unless explicitly superseded or revised by this Permit. **(P)**

PLANNING DEPARTMENT CONDITIONS OF APPROVAL

19. Significant Deviation of Use: Given that the tenant could be subject to change at any time, should a future tenant propose a use that significantly deviate from the approved project, the Planning Director or designee may require additional analysis to demonstrate the extent of environmental impact of the proposed use. If the Planning Director or designee determines that the deviation is significant, the Permittee shall be required to apply for review and obtain approval of the Planning Commission, in accordance with the Zoning Ordinance. **(P)**
20. Tree Removal Permit: Removal of any protected trees shall require a tree removal permit that is issued from the Planning Department. Removal of any protected trees shall be replaced at a 2:1 ratio as provided by Tree Removal Permit P-TR25-0021. Any proposed changes to the proposed tree planting plan and/or landscaping sheets from the project plan set dated August 8, 2025, approved at the Planning Commission public hearing on September 10, 2025, shall be reviewed and approved by the Planning Department. **(P)**
21. Environmental Assessment Compliance: The Project is subject to the applicable mitigation

measures in the Mitigation, Monitoring, and Reporting Program (MMRP) in the 15164 Addendum (August 2025) to the 1000 Gibraltar Drive Final Environmental Impact Report (March 2021) (SCH# 2020069024). Permittee shall comply with the requirements of the Addendum's MMRP (Exhibit 3) pursuant to State law (Public Resources Code Section 21081.6). **(P)**

22. **Public Art Requirement:** Permittee shall comply with the City's Public Art Requirements for Private Development, as set forth in Milpitas Municipal Code Section XI-10-14. If Permittee opts to pay a fee in lieu of installing public art on site, the fee shall be no less than one-half of one percent of building development costs and shall be payable at time of building permit issuance, or installation of "Public Art", as defined per MMC Section V-20-310 and XI-10-14.01. **(P)**
23. **Parking:** The Project shall supply at least 781 vehicle parking spaces and 50 oversized truck trailer parking spaces onsite, pursuant to the project plans dated August 8, 2025, and approved at the Planning Commission hearing on September 10, 2025. Any deviations shall be reviewed by the Planning Division, meet minimum requirements of the City's Municipal Code for Off-Street Parking Regulations and shall maintain compliance with all applicable laws. **(P)**
24. **Landscaping:** Prior to certificate of occupancy permit issuance, all required landscaping shall be planted in place. All planter areas (including containerized planters) shall be serviced by a sprinkler or drip system. **(P)**
25. **Landscaping Maintenance and Replacement:** All required landscaping, as approved on the final landscape plan, shall be replaced and continuously maintained as necessary to provide a permanent, attractive and effective appearance. **(P)**
26. **Lighting:** Exterior lighting shall be shielded or recessed so that direct glare and reflections are contained within the boundaries of the parcel, and shall be directed downward and away from adjoining properties and public rights-of-way. Fixtures shall be appropriate in terms of height, style, design, scale and wattage to the use of the property. Fixtures shall be spaced appropriately to maximize pedestrian safety. Prior to building permit issuance, the Permittee shall submit details and elevations of all site lighting fixtures to the Planning Division for review and approval. **(P)**
27. **Trash Enclosures and Equipment Screening:** All trash enclosures and equipment screening shall meet MMC Section XI-10-54.16, Trash Enclosures, Equipment and their Screening. Rooftop equipment shall be adequately screened from the parking lot areas and street level views through rough design that is architecturally integrated with the building, such as equipment wells and parapets. All ground-mounted and mechanical equipment including ground transformers and meters shall be adequately screened, if feasible, and subject to the Planning Department review and approval. If the screening is proven infeasible as solely determined by the Planning Director, then all ground-mounted equipment and surrounding bollards (if any) shall be of design and color that will minimize visual impact. **(P)**

28. Signage: Prior to approval of any signage for the development, proper applications, depending on signage type will need to be submitted to the Planning Department. **(P)**

**OFFICE OF HOUSING
CONDITIONS OF APPROVAL**

29. Non-Residential Affordable Housing Impact Fee: Per MMC Section XII-1-5.01 of the City's Affordable Housing Ordinance, the Project is subject to payment of a non-residential affordable housing impact fee due prior to the issuance of the building permit. The impact fee will be calculated per MMC Section XII-1-5.02 and per Section MMC XII-1.5.01 is subject to change and will be officially calculated once the gross non-residential square footage is finalized and the building permit application is approved.

**PUBLIC WORKS DEPARTMENT - ENGINEERING DIVISION
CONDITIONS OF APPROVAL**

PRIOR TO CONSTRUCTION PLAN SUBMITTALS

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

30. Modifications: The Site Development Plan plans dated 8/8/2025 is subject to change during the plan check stage based upon City's previous comments and conditions stated herein.
31. Solid Waste and Recycling Handling Plan: Permittee shall submit final Solid Waste and Recycling Handling Plan based upon City's previous comments for City's review and approval by the Solid Waste Program. The Plan shall show calculations of waste generation volumes and how materials will be transferred from the waste generation areas to the trash enclosure/external collection point; demonstrate how recycling food waste, and yard trimmings shall have a separately maintained process from garbage handling; address other requirements such as waste generation and compactor sizing, chute shut-off and property management responsibility for bin management and litter control; outreach and education to tenants/occupants, and procure sufficient service frequency based upon waste generation calculation volumes.
32. Stormwater Control Plan: Permittee shall submit City approved final Stormwater Control Plan (SWCP) that complies with the latest Municipal Regional Stormwater NPDES Permit, including Low Impact Development (LID) Section C3.c.i.(2)(b) measures for harvesting and reuse, infiltration, or evapo-transpiration, for City's review and approval by the Engineering Division.
33. Photometric Analysis: Permittee shall submit streetlight photometric analysis for City's review and approval by the Engineering Division along **Milpitas Boulevard, Gibraltar**

Dr, and public sidewalk area that meet the Illuminating Engineering Society of North America (IESNA), RP8, for roadway and sidewalk lighting standards and City standard design guidelines.

34. Recycled Water Cross-Connection Specialist: In order to comply with the California Code of Regulations Title 17 and 22, and for timely plan approval by the California State Water Resources Control Board/Division of Drinking Water (SWRCB/DDW) as well as by South Bay Water Recycling (SBWR), Permittee must hire a certified cross-connection specialist for their consultation as to irrigation water system design and construction phasing. The name and contact information of the certified cross-connection specialist shall be provided on all landscape submittal plans.
35. Submittal Requirements: Permittee to ensure that all plan check submittals are in accordance with City's submittal check list for each permit type, including but not limited to, payment of permit fees and/or fee deposit at the time of the submittal.
36. Project Job Account/Fee Deposit: Permittee shall open a new PJ account as a deposit to cover the costs for Engineering Department's services for review and inspection of the project. The amount shall be determined based on the approved City fee schedule at the time of application submittal.

PRIOR TO OFF-SITE PLAN APPROVAL/ENCROACHMENT PERMIT ISSUANCE

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

37. Public Improvement Design Standards: All public improvements shall be designed and constructed in accordance with all applicable public improvement design standards, including but not limited to:
 - a. Milpitas Design Guidelines: (<https://www.milpitas.gov/317/Land-Development-Procedures-Guidelines>);
 - b. Standard details and specifications: (<https://www.milpitas.gov/333/Standard-Details-Specifications>);
 - c. Americans with Disabilities Act (ADA) requirements, where applicable.
38. Improvement Agreement and Securities: Permittee shall execute an Improvement Agreement and provide improvement securities in accordance with MMC Title XI, Section 17, and submit all other supplemental documents as stipulated in the Improvement Agreement (such as certificate of insurance).
39. Sanitary Sewer Calculations: Permittee shall submit a completed "Sewer Needs Questionnaire" form and sanitary sewer calculations to justify lateral size design, allocation of discharge for each of the lateral, and impact to the existing main. Permittee shall be responsible to implement any necessary improvements if there is any identified deficiency to the existing main as a result of the project.

40. Storm Drain Design: Permittee shall submit storm drain hydrology and hydraulic calculations based upon a 10-year storm event to justify the size of the storm drain lateral flowing full, without surcharging the main line pipe, and to be reviewed and approved by the Engineering Division.
41. Domestic Water and Fire Service Calculations: Permittee shall submit potable water and fire service calculations to confirm adequacy of lateral size, pressure and flow, to be reviewed and approved by the Engineering Division and Fire Department. Hydraulic modeling analysis by the City and paid by the Permittee may be required as needed. Permittee shall be responsible to implement any necessary improvements if there is any identified deficiency to the existing main as a result of the project.
42. Specific Improvements: In addition to standard public improvements required under Milpitas Municipal Code (MMC) Title XI, Chapter 1, Section 7, Permittee shall install other specific improvements listed below including incidental improvements as required by the City as part of the encroachment permit.
- a) Installation of separate water service tap and meter for each of the following services: residential, non-residential, irrigation, and fire.
 - b) Installation of separate utility service lines (domestic water, fire service, sanitary sewer) for non-residential.
 - c) Installation of radio-transmitted water meters with a meter antenna, any repeaters or transmitters as needed with dedicated power supplies at no cost to the City at locations acceptable to the City to ensure accurate and timely reception of meter readings. Permittee shall execute a recorded instrument providing dedicated space, access rights and dedicated power supplies to the City for operation/maintenance/repair/replacement of subject radio antenna.
 - d) Installation of full street width 3-inch Asphalt Concrete (AC) grind and overlay (G&O), with a 3-inch base repair on Gibraltar Dr. Including the intersection of Gibraltar Dr and South Milpitas Blvd., and full street width crack and slurry seal with base repairs on South Milpitas Blvd, along the project frontage limits.
 - e) Installation of ADA-compliant curb ramps at two intersections along South Milpitas Blvd., Ames Ave., and Gibraltar Dr., and sidewalk along the project frontage, ensuring compliance with the latest ADA standards.
 - f) Remove curb ramp at southeast corner of Gibraltar Dr. & S. Milpitas Blvd. intersection and replace it with City standard sidewalk.
 - g) The crosswalk on south leg of the Gibraltar Dr. and S. Milpitas Blvd. intersection should be closed due to non-ADA compliant and a sign combination of R9-3 & R49 (CA) shall be installed on southwest corner of the intersection
 - h) Installation of street trees along the project frontage. The locations, spacing of street tree and tree species shall be in compliance with applicable City standards and details.
 - i) Installation of a 36-strand fiber optic cable within the existing SIC conduit from Yosemite Dr to the Gibraltar Dr intersection along South Milpitas Blvd, or wireless Signal Interconnect (SIC), to enhance connectivity and improve traffic flow along the corridor. Additionally, implementation of a wireless SIC connection between the Gibraltar Dr and Garden St intersection. This is necessary to ensure better traffic flow thru proper connection to and communication from City owned Advance Traffic

- Management System (ATMS). City to confirm make and model of wireless SIC or type of Fiber optic cable at later time.
- j) Installation of a new traffic cabinet with new traffic signal equipment at the Ames Ave and South Milpitas Blvd intersection, along with battery backups. Removal and replacement of any required existing traffic signal equipment related to traffic signal communication only at Gibraltar Drive and South Milpitas Blvd. intersection, to ensure efficient and uninterrupted traffic flow along the corridor. City to confirm the make and model of the traffic signal equipment at later time.
 - k) Installation of a new Rectangular Rapid Flashing Beacon (RRFB) to replace the outdated and non-functioning RRFB at its existing location along Gibraltar Dr. City to confirm make and model of the RRFB at later time.
 - l) Installation of video detection cameras (VDS) and Accessible Pedestrian Signal (APS) at two intersections along S. Milpitas Blvd. from Ames Ave. to Gibraltar Dr. City to confirm make and model of VDS and APS at a later time.
 - m) Either install the Video Detection Cameras (VDS) on existing signal pole or install a new traffic signal pole with a mast arm at the northeast corner and replace the two existing poles without mast arms at the Gibraltar Dr and South Milpitas Blvd. intersection. City to confirm the type of pole and mast arm length at later time.
 - n) Developer to finish an additional street light pole and be delivered to the Public Works Corporation Yard for storage and future use in the event of a pole getting damaged.
43. Abandonment of Existing City Utilities: Permittee shall cap, abandon or remove any unused existing public utilities based upon City's Abandonment Notes and to the City's satisfaction.
44. Relocation and Adjustment of Existing Public Utilities: Permittee shall relocate and/or adjust existing public utilities as needed that are in conflict with the proposed improvements.
45. Maintenance Agreement: Permittee shall record a Maintenance Agreement for perpetual maintenance of certain public improvements, such as sidewalk within the 25' sidewalk easement, mutually agreed between the City and the Permittee.
46. Water Service Agreement: Permittee shall complete a water service agreement to obtain water service.
47. Encroachment Permit: Prior to any work in the public right-of-way and/or public easement, obtain an encroachment permit with insurance requirements for all public improvements including a traffic control plan per the latest California Manual on Uniform Traffic Control Devices (MUTCD) standards to be reviewed and approved by the Engineering Division.
48. Pothole Encroachment Permit: Due to multiple new utility service connections on arterial/collector streets, Permittee shall pothole and verify all potential utility crossing conflict as part of the public improvement plan during the design stage.

PRIOR TO BUILDING PERMIT ISSUANCE

*The following conditions shall be addressed during the building plan check process and shall be met **prior to** any building permit issuance (except demolition permit and rough grade permit), unless otherwise approved by the City Engineer. (E)*

49. Easements on the Building Permit Plans: Permittee shall depict all existing easements to remain based upon current preliminary title report and depict new easements on applicable building permit plans.
50. Concurrent Off-site Plan Reviews: Permittee shall submit separate off-site improvement plans for City's review and approval by the Engineering Department.
51. Abandonment/Quitclaim Easements: Permittee shall abandon/quit claim existing easements that are in conflict with or unnecessary for the project.
52. Stormwater Facility Operation & Maintenance Plan: Permittee shall incorporate design details into applicable construction plans in accordance with City-approved SWCP. Permittee shall also submit Stormwater Facility Operation & Maintenance Plan that describes operation and maintenance procedures needed to ensure that treatment Best Management Practices (BMPs) and other storm water control measures continue to work as intended and do not create a nuisance (including vector control).
53. Stormwater Management Facilities O&M Agreement: Permittee shall execute and record a Stormwater Management Facilities Operation and Maintenance (O&M) Agreement associated with the SWCP O&M Plan, including perpetual maintenance of treatment areas/units, as reviewed and accepted by the Engineering Division. The subject O&M Agreement shall be referenced in the Covenants, Conditions and Restrictions (CC&Rs), if applicable.
54. Water Supply and Force Majeure: The City reserves the right to suspend the issuance of building permits in case of an emergency declaration of water supply in the case of a major catastrophic event that restricts City's assurance to provide water supply.
55. Recycled Water Approval: Permittee shall use recycled water for landscape irrigation purpose, except for the interior courtyard/podium areas within the building footprint where the potable water shall be used for irrigation. Permittee shall comply with California Code of Regulations (CCR), Title 22, Division 4, Chapter 3, titled "*Water Recycling Criteria*", CCR, Title 17, Division 1, Chapter 5, Subchapter 1 titled "*Drinking Water Supply*" and all other recycled water regulations as listed under the publication titled "*California Department of Public Health Regulations Related to Recycled Water June 18, 2014*". Permittee shall obtain approval from the California State Water Resources Control Board/Division of Drinking Water, SBWR and the City for recycled water design, including but not limited to on-site irrigation design, based upon SBWR Guidelines and City of Milpitas Supplemental Guidelines. All landscape plants shall be compatible with recycled water.

56. Water Efficient Landscapes: Permittee shall comply with Milpitas Municipal Code Title VIII, Chapter 5 (Water Efficient Landscapes) for landscape design, including but not limited to, providing separate water meters for domestic water service and irrigation service and providing applicable landscape documentation package.
57. Solid Waste and Recycling Facility Design: Permittee shall comply with all applicable City design guidelines/details associated with haul route, turning radius, vertical and horizontal clearance, trash enclosure, staging area, storage area, etc.
58. Recycling Report Prior to Demolition Permit Issuance: Permittee shall submit Part I of a Recycling Report on business letterhead to the Building Department, for forwarding to the Engineering Division for review and approval. The report shall describe the following resource recovery activities:
- What materials will be salvaged.
 - How materials will be processed during demolition.
 - Intended locations or businesses for reuse or recycling.
 - Quantity estimates in ~~tons~~ (both recyclable and for landfill disposal). Estimates for recycling and disposal tonnage amounts by material type shall be included as separate items in all reports to the Building Division before demolition begins.
- Permittee shall make every effort to salvage materials for reuse and recycling and shall comply with the City's demolition and construction debris recycling ordinance.
59. Recycling Report Prior to Building Permit Issuance: Permittee shall submit Part II of the Recycling Report to the Building Department, for forwarding to the Engineering Division. Part II of the Recycling Report shall be supported by copies of weight tags and/or receipts of "end dumps." Actual reuse, recycling and disposal tonnage amounts (and estimates for "end dumps") shall be submitted to the Building Department for approval by the Engineering Division prior to inspection by the Building Department.
60. Development Fees: Permittee shall pay the following development fees. The information listed in items "a" through "e" are based upon current fee rates; however, those fee rates are subject to change. The exact fee amount shall be determined at the time of building permit fee payment.
- Water connection fee at \$1,164/unit for residential and \$5.97/gpd for commercial, based upon increased water usage.
 - Sewer connection fee at \$1,406/unit for residential and \$8.52/gpd for commercial, based upon increased average wastewater flow.
 - Wastewater Treatment Plant fee per MMC VIII, Chapter 2, Section 7.04.
 - Calaveras Boulevard Widening Traffic Impact fee per Resolution No. 7894.
 - 3.8% of applicable fees in accordance with City Resolution No. 8969 as Permitting Automation Fee.
61. Mailboxes: The Permittee shall coordinate with US Postal Services regarding placement of required mailboxes. Mailbox location shall not be on public street frontages and shall

be approved by City and US Postal Services prior to building permit issuance. Mailbox locations shall be shown on the improvement plans and Permittee shall submit a letter to the City's Land Development Engineering Section from the Postmaster approving the location of the mailbox. Structures to protect mailboxes may require Building, Engineering and Planning Department review.

DURING CONSTRUCTION

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

62. Dewatering: If dewatering is needed during construction, Permittee shall obtain a Short-Term Industrial Wastewater Permit from the San Jose/Santa Clara Regional Wastewater Facility for discharging the groundwater to a sanitary sewer system.
63. On-site Recycled Water Coordination: Permittee's cross-connection specialist shall coordinate the phasing of the construction; facilitate the cross-connection testing in order to minimize the impact for occupied buildings during cross-connection testing; sign-off before the water meter set; coordinate on-site construction inspection; complete the site inspection; fill out required paperwork/questionnaire; and provide them to the City for forwarding to SBWR. Developer shall notify SBWR 7 days in advance to schedule attendance of SBWR inspector during Cross-Connection Test.
64. Prohibition of Potable Water Usage: Permittee shall use recycled water for construction purposes, including dust control and compaction. Permittee shall comply with MMC VIII-6-5.00 and 6-6.00 where potable water usage is prohibited, unless otherwise approved by the City Council.
65. Construction Staging and Employee Parking: Permittee shall place all construction related materials, equipment, and arrange construction workers parking on-site and not located in the public right-of-ways or public easements.
66. Water Shut-down Plan: Permittee shall provide a water shut-down plan at least seven days in advance of the shut-down in coordination with the Engineering Inspector and notify affected property owners/tenants when cut-in tee(s) is/are required.

PRIOR TO FIRST OCCUPANCY

*The following conditions shall be met **prior to** issuance of a certificate of occupancy of the approved project, unless otherwise approved by the City Engineer.*

67. Completion of Public Improvements: Permittee shall complete all public improvements, including but not limited to **S. Milpitas Boulevard and Gibraltar Dr. frontage improvements** including pavement restoration, signing and striping, concrete work, stormwater treatment facilities, and traffic signal modifications as shown on City approved plans.

68. Grant deed shall be revised to state Property Owner/Developer shall maintain Public Sidewalk around project frontage.
69. Landscape Certificate of Completion: Permittee shall submit a Certificate of Substantial Completion that complies with the Milpitas Municipal Code Water Efficient Landscapes ordinance.
70. Certificate of Cross-Connection: Permittee shall ensure that the cross-connection specialist complete the required recycled water construction inspection checklist, cross connection test results and any special inspection checklist as required by SBWR and forward them to the City.
71. Record Drawings: Permittee shall submit record drawings in Full size hard copy, AutoCAD, TIFF, and PDF formats for City records. Record drawings shall include all public improvements. Additionally, if the project uses recycled water, the permittee shall also submit record drawings of on-site irrigation facilities.
72. Private Job (PJ) Balance: Permittee shall pay for any remaining balance from the Private Job deposit.

OFFICE OF BUILDING SAFETY CONDITIONS OF APPROVAL

73. Compliance with California Code of Regulations. The Project shall comply with the requirements of the Office of Building Department and the California Code of Regulations Title 24 and the Milpitas Municipal Code as adopted by the City. Building permits shall be submitted to and approved by the Building Safety and Housing Department prior to start of construction. All California Code of Regulations Title 24 and Milpitas Municipal Code requirements applicable at the time of building permit application must be met in advance of any building permit approvals or related construction. Changes to the site plan and/or building plan require review and approval by the Office of Building Safety.

FIRE DEPARTMENT CONDITIONS OF APPROVAL

*The plans approved by the City Council, Planning Commission, and/or the Planning permit process are **not** building construction plans and have not been reviewed nor approved for conformance to the California Building Code (CBC), California Fire Code (CFC) and the Milpitas Municipal Code (MMC). Do not consider this review as a final review for building construction plans approved by the Fire Department. Building construction plans **must** be submitted for review and approval before construction is to commence. The following notes are a general list of the applicable code requirements (2022 Edition) and are provided to assist with the building permit process. Please note that these are not all inclusive. All applicable Building, Fire and Municipal Code requirements must be met in advance of any building permit approvals or related construction.*

74. Technical Assistance: To determine the acceptability of technologies, processes, products, facilities, materials, and uses attending the design, operation or use of a building or premises subject to inspection by the Fire Code Official, the Fire Code Official is authorized to require the owner or agent to provide, without charge to the jurisdiction, a technical opinion(s), plan review(s) and/or report(s). CFC Section 104.8.2
75. Electronic Documents: The Fire Code Official may require electronic base documents for all construction documents and operational permits. The Fire Code Official shall designate the software base format for the electronic documents. CFC Section 106.1.1, added by MMC Section V-300-2.28
76. Fire Department Access: Fire Department apparatus and staff access shall be provided to all buildings and site. Detailed review will be done during construction permit process. The plans submitted appear to be in general conformance with the requirements. Final design shall meet the requirements listed below. CFC Section 503
- 76.1 Minimum Number of Fire Apparatus Access Points: A Minimum of two independent and approved (approved by the Fire Code Official) means of fire apparatus access shall be provided for the site. Buildings or facilities exceeding 30 feet (9144 mm), or three stories in height, or 50,000 square feet (5760 m²) shall be provided with at least two means of fire apparatus access for each structure. CFC, Section D104.1, adopted and amended by MMC V-300-2.170
- 76.2 Fire Apparatus Clearance: Fire apparatus access roads shall provide a minimum clear width of 26 feet. Only conditions with 26 feet roads are applicable. This requirement is for the use and function of a fire ladder apparatus. CFC, Appendix D, Sections D103.1 and D105.2, adopted and amended by Milpitas Municipal Code. MMC V-300-2.169 and 2.172
- 76.3 Timing of Installation and Serviceability of Fire Protection Elements: When fire apparatus access roads or a water supply for fire protection is required to be installed, such protection shall be installed and made serviceable prior to and during the time of construction. Combustible construction shall not begin until water mains and hydrants are operational and fire apparatus access roads are installed (paved). CFC Section 501.4
- 76.4 Fire Apparatus Access: Fire apparatus access shall extend to within 150 feet of all portions of exterior walls of the building/structure per the California Fire Code Section 503.1.1. When there is a dead-end condition, means for fire apparatus turn-around shall be provided.
- 76.5 Turning Radius: Fire apparatus access roads shall meet the Milpitas Fire Department turning radii guidelines and shall provide continuous apparatus travel. Turning radii for fire apparatus access roads shall be a minimum net clearance of 48 feet 6 inches for the outside radius and 28 feet 0 inches for the inside radius. The layout for the

outside and the inside radius shall be from the same reference point (center). CFC Section 503.2.4

76.6 Adjacent Access Rights: No source of access from lands adjoining a property to be developed shall be considered fire apparatus access roads, unless there is obtained the irrevocable and unobstructed rights and recorded as an ingress/egress access easement with the Country of Santa Clara. CFC Section 503.7, added by MMC V-300-2.51

76.7 Fire Access Road Materials and Load Bearing Requirements: Fire access roads shall be paved (concrete and/or asphalt cement, or other concrete type pavement approved by the Fire Dept.). Fire apparatus access roads/lanes and emergency vehicle roads shall be designed and maintained to support the imposed loads of fire apparatus and shall be surfaced so as to provide all-weather capabilities. CFC Section 503.2.3

76.8 Access and loading. Facilities, buildings or portions of buildings hereafter constructed shall be accessible to fire department apparatus by way of an approved fire apparatus access road with an asphalt, concrete or other approved driving surface capable of supporting the imposed load of fire apparatus weighing up to 75, 000 pounds (34,500kg).

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

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

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

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

77. Fire Protection. Fire apparatus access roads and water supply for fire protection is required to be installed and made serviceable during the time of construction.

Combustible construction shall not begin until water mains and hydrants are operational and fire apparatus access roads are installed (paved). CFC Section 501.4

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

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

78.2 Fire Flow Requirement for Buildings. Section B105 fire flow for buildings amends section B105.2 to read:

B105.2 Buildings other than one-and two-family dwellings, Groups R3 and R4 buildings and townhouses. The minimum fire-flow and flow duration for buildings other than one- and two-family dwellings, Group R3 and R4 buildings and townhouses shall be as specified in Tables B105.1(2) and B105.2.

The maximum fire flow reduction for all commercial buildings greater than 30,000 square feet and residential podium buildings shall not exceed 25 percent of the fire flow specified in Table B105.1(2). The maximum fire flow seduction for all other buildings shall not exceed 50 percent of the fire flow specified in Table B105.1(2). Industrial areas shall have a fire flow not less than 5,000 gpm, with 20 psi residual pressure.

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

78.4 Hydrant for Automatic Fire Sprinkler/Standpipe Systems: Buildings equipped with an automatic fire sprinkler system and/or a standpipe system installed in accordance with Sections 903 and or 905 shall have a fire hydrant within 50 feet of the fire department connections. CFC Section 507.5.1.1, amended by MMC Section V-300-2.56

78.5 Private Hydrant Requirements: Private hydrants shall have the bottom 6 inches of the hydrant painted, with a weather resistive paint, white in color. CFC Section 507.5.7, added by MMC V-300-2.62.

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

79. Automatic Fire Sprinkler System for Structures:

79.1 Automatic Fire Sprinkler. The buildings shall be provided with an automatic fire sprinkler system in conformance with the NFPA 13 Standards. California Fire Code Section 903

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

79.3 Sprinkler Monitoring: Alarm, supervisory and trouble signals shall be distinctly different and shall be automatically transmitted to an approved supervising station. CFC Section 903.4.1

79.4 Fire Riser Location. The fire sprinkler system riser shall not be located within electrical rooms or storage closets and shall be provided with clear access and working clearance. California Fire Code Section 903.3.5.3, added by MMC Section V-300-2.73

79.5 Sprinkler Design. Hydraulic design for the automatic fire sprinkler system shall provide a minimum of 20% safety margin. CFC Section 903.3.5.6, MMC V-300-2.76

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

79.7 Fire pump room and access. There shall be direct and unobstructed access to the fire pump room.

79.8 Fire Pump power. PG&E is not considered a reliable source of power. Standby power will be a requirement. Or provide other listed (listed by a national recognized testing lab) and approved (approved by the local fire dept.) means of power for the fire pump. CA Fire Code Section 102.9

79.9 Fire Pump(s). When required, fire pumps shall be installed in conformance with California Fire Code, the NFPA 20 and applicable standards. And the fire pump room shall be dedicated for no other use.

79.10 FDC/PIV (fire department connection/post indicating valve) Location(s). The location of the fire department FDC's/PIV's shall be at a readily visible and accessible location off the fire access road and approved by the Fire Code Official.

FDC's/PIV's shall not be located behind parking stalls, trees, landscape structures, nor behind any other obstruction. Final review for location for the FDC's/PIV's will be conducted during the construction permit process. CFC Section 912.2.1

Note, the required FDC's and PIV's shall be located off Gibraltar Dr and not on the onsite fire apparatus access road.

All FDC's and PIV's shall have fire department approved locking connection caps/locks. CFC Section 912.4.1

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

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

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

80. Fire Alarm System:

80.1 A fire alarm system shall be installed when required in the buildings when required by the CA Fire Code Section 907.

80.2 All valves controlling the water supply for the automatic sprinkler system shall be electrically supervised by a listed fire alarm control unit. CFC 904.3

80.3 Electrical supervision of the automatic fire sprinkler system shall be transmitted to an approved supervising station. CFC 903.4.1

80.4 One exterior approved audible device (for each riser) shall be connected to every automatic sprinkler system in an approved (by the Fire Code Official) location. CFC 903.4.2

80.5 Fire Alarm Panel: Fire alarm panel (or fire alarm annunciator panel) shall be located in a readily accessible location and shall be provided with the necessary access and working clearance as required by the CA Electrical Code. CFC Section 907.6.5

- 80.6 Fire Alarm Monitoring: Fire alarm monitoring (approved supervising station - UL, or FM approved). Fire alarm systems required by the Fire Code or by the California Building Code shall be monitored by an approved supervising station in accordance with the NFPA 72. CFC Section 907.6.6

81. Building/Structure Other Requirements:

- 81.1 Premises Identification: New and existing buildings shall have approved address numbers, building numbers or approved building identification placed in a position that is plainly legible and visible from the street or road fronting the property. These numbers shall contrast with their background. Address numbers shall be Arabic numerals or alphabet letters and shall be consistent with Milpitas standardized addressing guidelines. CFC Section 505. The Fire Dept. may require the installation of address numbers at multiple building locations. CFC Section 102.9
- 81.2 Address Illumination: All required addresses shall be illuminated. CFC Section 505.3, added by MMC V-300-2.55
- 81.3 Fire Department Emergency Key Box (aka: Knox Box, Knox Locks, Knox Electric Switches, etc.): The Fire Code Official is authorized to require a key box(es) to be installed in an approved location(s) if necessary for lifesaving or fire-fighting purposes. Quantity and location shall be as directed by the Fire Code Official. CFC Section 506. Locked mechanical closets, fire alarm closets, sprinkler riser closets, etc. will need a Fire Dept. approved lock or “Knox” key box.
- 81.4 Access Control Devices. When access control devices including bars, grates, gates, electric or magnetic locks or similar devices, which would inhibit rapid fire department emergency access to the building, are installed, such devices shall be approved by the fire code official. All access control devices shall be provided with an approved means for deactivation or unlocking by the fire department. Access control devices shall also comply with Chapter 10 Egress. CFC Section 504.6, added to the CFC by MMC Section V-300-2.54

Means to deactivate the locking system shall be located in the fire command room (when required) or other location as directed by the fire department.

In addition, all door lock control systems shall meet the requirements of the CFC Sections 1010.2.

81.5 Fire Command Center. Where required by other sections of this code and in all buildings classified as high-rise buildings by the California Building code and Group I2 occupancies having occupied floors located more than 75 feet above the lowest level of fire department vehicle access and in all F-1 and S-1 occupancies with a building footprint greater than 500,00 square feet, a fire command center for fire department shall be provided and shall comply with the Sections 508.1.1 through 508.1.7.

A fire command center is required to be located at the front of the building (near fire dept. point of approach) with readily access from the exterior. Location to be approved by the Fire Dept. CFC 508.1.1

Separation. The fire command center shall be separated from the remainder of the building by not less than 2-hour fire barrier constructed in accordance with Section 707 of the California Building Code or horizontal assembly constructed in accordance with Section 711 of the California Building Code, or both. CFC 508.1.2, amended by MMC Section V-300-2.59.

Layout approval. A layout of the fire command center and all features required by this section to be contained therein shall be submitted for approval prior to installation. CFC Section 508.1.4

Required features (CFC Section 508.1.6). The fire command center shall comply with NFPA 72 and shall contain the following features:

- i. All items (applicable) noted under the CFC Section 508.1.6.
- ii. Knox locking key box, approved by the fire code official, large enough for ten (10) sets of master keys. Added by MMC Section V-300-2.60
- iii. Ten (10) sets of master keys for the building(s). Added by MMC Section V-300-2.60
- iv. A complete set of architectural, electrical, mechanical and plumbing plans for the building. Sets shall be “as-built” sets. Added by MMC Section V-300-2.60
- v. A complete set of underground fire water lines, automatic fire sprinklers, automatic fire alarm drawings, standpipe systems, other fire suppression systems, emergency responders’ ratio coverage, etc. All drawings shall be the latest sets and as-built.

81.6 Fire Equipment ID signs. Fire protection equipment shall be identified in an approved manner. Rooms containing controls for air-conditioning, systems, sprinkler risers and valves, or other fire detection, suppression or control elements shall be identified for the use of the fire department. CA Fire Code Section 509

- 81.7 Emergency Responder Radio Coverage: A Fire Department approved emergency responder radio coverage system shall be provided. SVRIA (Silicon Regional Interoperability Authority) registration is required prior to any design. CFC Section 510, MMC V-300-2.61
- 81.8 Electrical Energy Storage Systems. Stationary storage battery systems shall comply with the CFC, Section 1207.
- 81.9 Portable Fire Extinguishers. Portable fire extinguishers shall be selected, installed and maintained in accordance with CFC Section 906.
- 81.10 Fire Protection Service (CFC Section 901.6). All fire alarm systems, fire detection systems, automatic sprinkler or extinguishing systems, communication systems, and all other equipment, material or systems required by these regulations shall be maintained in an operable condition at all times in accordance with this code and California Code of Regulations, Title 19, Division 1. Upon disruption or diminishment of the fire protective qualities of such equipment, material or systems, immediate action shall be instituted to affect a reestablishment of such equipment, material or systems to their original normal and operational condition. California Code of Regulations, Title 19, Division 1, §1.14
- 81.11 Electrical Generators. Generators with fuel tanks shall meet the requirements of the CFC Chapters 50, 57 and the NFPA 30
- i. Installation of aboveground tanks shall conform to Unidocs document UN-018. Please see the following link for a copy.
<http://www.unidocs.org/hazmat/new-construction/un-018.pdf>
 - ii. Tank Design and Construction
Each tank shall be designed and constructed in accordance with nationally recognized standards (UL 142/2244 or equivalent. UL 2085 is the listing for protected tanks). CFC 5704.2.7, NFPA 30, 21.4.2.1
 - iii. Tank Protection. Approved means shall be provided to protect tanks subject to vehicle damage. CFC 5704.2.8.6, CFC 312, NFPA 30, 22.15
 - iv. Aboveground tanks located outside of buildings shall be located in accordance with Table 22.4.1.1(a) of NFPA 30. CFC 5704.2.9.6.1.1
 - v. Secondary Containment (protected and unprotected tanks). Tanks shall be provided with secondary containment. CA Fire Code Section 5004.2
 - vi. Signage and Labeling. Warning and identification signs shall be posted to clearly identify hazards. CFC 5003.5, CFC 5703.5, NFPA 30, 21.7.2.1

- vii. Provide a fire extinguisher (minimum 40B:C rating) at each generator location. CFC 5704.3.3.1, NFPA 30, 9.10.2
 - viii. Hazardous Material Business Plan. Each application for a permit shall include a Hazardous Materials Management Plan (HMMP) in accordance with the CA Fire Code Section 5001.5.1. The fire code official is authorized to accept a similar plan required by other regulations.
 - ix. HMBPs shall be submitted electronically. HMBPs shall be submitted on the California Environmental Reporting System at <http://cers.calepa.ca.gov/>. CA Fire Code Section 5001.5.1
82. Fire Safety: Fire safety during construction, alteration or demolition of the building shall meet the requirements of Chapter 33 of the California Fire Code and the Standards for Construction Site Fire Safety (un-024) by “unidocs” organization (<http://www.unidocs.org>). A Construction Site Fire Safety plan shall be submitted to the Milpitas Fire Prevention Division for review and approval prior to the start of combustible construction. CFC Chapter 33
83. Landscape sheets: The proposed landscaping may be impacted by the comments above and the requirements for fire access, fire systems and devices (such as apparatus access, hydrants, fire service lines, fire department connections valves, etc.). The Fire Dept. reserves the right to relocate, delete or change the proposed landscaping when in conflict with fire systems and devices. CFC 507.5.4.
84. Plan Submittal: Complete plans and specifications for all aspects of fire protection systems shall be submitted to the Fire Department for review and approval prior to system installation. CFC Section 901.2

POLICE DEPARTMENT CONDITIONS OF APPROVAL

85. All Ingress and egress of traffic on Gibraltar Drive and South Milpitas Boulevard do not appear to be a concern because the development is being incorporated with an already existing business park.
86. Parking lot areas shall have postings with appropriate signs per 22658(a) CVC to assist in removal of vehicles at the property owners'/managers' request.
87. “No Trespassing/Loitering” signage should be posted at the entrances of parking lots placed in conspicuous areas. Signs should be at least 2’ x 1’ in overall size, with white background and black 2” high letters.
88. The parking project should allow circulation for police patrols (vehicles, foot, and bicycles), to prevent and reduce the likelihood of criminal activity occurring in the area.

Addressing:

89. Address numbers shall be illuminated during hours of darkness and should be strategically positioned as to be readily visible from the street. Address numbers should have a minimum height of 12 inches. If numerous alarm zones are utilized then zone numbers should be clearly marked above appropriate common doorways (i.e. office space, break rooms, recreational area, etc.).

Visibility:

90. Parking lots and associated driveways, circulation areas, aisles, passageways, recesses, and grounds contiguous to buildings shall be provided with lighting of sufficient wattage to provide adequate illumination to make clearly visible the presence of any person on or about the premises during the hours of darkness.
91. A building design that encourages visibility of potential crime locations and natural surveillance.
92. Stairwells and/or elevator lobbies should be of open design whenever possible, making users open to visual scrutiny.
93. Any posters, material, and objects near common area exterior windows should not block views in those common areas from the street.
94. All trash enclosures should be located at the perimeter of the parking lot, not adjacent to exterior doors, or in areas where such enclosures can compromise surveillance.
95. Any other line of sight obstructions (including recessed doors, alcoves, etc.) should be avoided on building exterior walls and interior hallways.
96. From a public safety perspective, the front entrance area needs to have as much natural surveillance as possible and exposed to public view. When natural surveillance is afforded, the likely occurrence of burglaries, robberies, etc. to that particular establishment/area are substantially reduced because the risk of detection and apprehension of the perpetrator increases. Seclusion is one of the main elements sought after by perpetrators of a crime.

Accessibility:

97. Any and all areas controlled by electronic security devices (i.e. key fobs, access cards, keypads, etc.) should have Knox boxes installed near such access points with the Knox boxes containing the appropriate security devices to gain entry. If access points are controlled by keypads or access cards, management should provide the police department with the needed code(s) or electronic key(s) and regularly update the police department if such code(s)/key(s) change.

98. An up-to-date map of the interior floor plan shall be provided to the Police Department. The map should minimally identify the locations of each entry/exit points, elevators, storage areas, entry/exit points controlled by electronic security devices, locations of security cameras, maintenance areas, stairwells, recreation centers, etc.

Landscaping:

99. Landscaping shall be of the type and situated in locations to maximize observation while providing the desired degree of aesthetics. Security planting materials are encouraged. Landscaping shall not conceal doors or windows from view, obstruct visibility of the parking lot from the street, nor hinder access to the roof, if needed.

Security:

100. Video/security cameras security system shall be required for the site, with coverage at all access points to the building in and around the business. The video/security cameras shall record in high definition and also cover the parking lot area to have the clarity necessary to identify an individual, vehicle, etc., and have a field of view to maximize the area of coverage. The video/security system shall have the capacity to save/store footage for a minimum of thirty (30) days and have the capability to be downloaded. A copy of video/security footage shall be made available to law enforcement upon request for investigative purposes. It is recommended the employees of the business be appropriately trained on how to use the security surveillance camera system so that footage can be reviewed and collected in a timely fashion by the Police department if needed.
101. Extra security measures should be taken to properly secure mail deliveries including larger boxes. Installing temporary package lock boxes or large parcel drop boxes should assist in preventing package theft. A security camera system should be installed covering both the package lock boxes and the cluster box units to assist the police department and the US Postal Service Inspectors in identifying package/mail thieves.
102. Video/security cameras shall be required for the site with coverage at all access points into the building. The video/security cameras shall record in high definition and cover main areas, entrances/exits, any hallway leading to the restrooms, and the exterior parking lot.

Miscellaneous:

103. The Property Manager shall file an emergency notification form with the police department so law enforcement can contact the property manager in the event of any major accident, emergency, or unforeseen circumstance.
104. Applicant shall have fire extinguishers on site during normal business hours.

Key:

(P) = Planning

(B) = Building

(E) = Engineering

(F) = Fire Prevention

(PD) = Police Department

(CA) = City Attorney

(ALL) = All

NOTICE OF RIGHT TO PROTEST

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

AGREEMENT

Permittee/Property Owner

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

Date: _____

Signature of Permittee



CITY OF MILPITAS AGENDA REPORT (AR)

Title	Approve City Council Requests to Attend the Milpitas Chamber of Commerce's 67th Annual Awards Ceremony (Staff Contact: Julie Minot, Senior City Manager Analyst, 408-586-3054)
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	9/15/2026
Recommendation:	Approve requests by Mayor Montano, Vice Mayor Barbadillo, Councilmembers Chua, Lam, and Lien, and City Manager Hopkins to attend the Milpitas Chamber of Commerce's 67th Annual Awards Ceremony on September 18, 2026 for an estimated total amount of \$600.

BACKGROUND:

Each year, the Milpitas Chamber of Commerce (Chamber) holds an awards ceremony, which is part of the Chamber's tradition of recognizing excellence in the Milpitas business community. Award categories include business achievement, community service, public service, and non-profit leadership. There is a cost of \$100 per person to attend the awards ceremony.

ANALYSIS:

The City of Milpitas Travel and Expense Reimbursement Policy (policy) established procedures and guidelines for business-related travel and training expenses of all City officials and employees, including City Council, Commission and Committee members in accordance with California Government Code Article 2.3 Section 53232.2, and section A.3 of the policy stipulates City Council (Council) approval is required prior to this expenditure.

Council approval of this request will provide Mayor Montano, Vice Mayor Barbadillo, Councilmembers Chua, Lam, and Lien, and City Manager Hopkins the opportunity to recognize local leaders, connect with Chamber members, and celebrate the Chamber's role in fostering economic growth and community engagement in the City of Milpitas.

POLICY ALTERNATIVE(S):

Not Applicable

FISCAL IMPACT:

The estimated expense related to the City Council and City Manager's attendance at the Chamber of Commerce's 67th Annual Awards Ceremony is \$600. Sufficient funds are available in the FY2026-27 General Fund budget for this expense.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

This item is not a project under the California Environmental Quality Act (CEQA) Guideline 15378(b)

ATTACHMENT(S):

None.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Approve the Draft Program Year 2025 Community Development Block Grant Consolidated Annual Performance and Evaluation Report (Staff Contact: John Hall, Housing Official, 408-586-3017)
Category:	Public Hearings-Community Development
Meeting Date:	9/15/2026
Recommendation:	(1) Approve the draft Program Year (PY) 2025 Community Development Block Grant (CDBG) Consolidated Annual Performance and Evaluation Report (CAPER); and (2) Authorize the City Manager, or designee, to make necessary changes and submit the approved draft PY 2025 CAPER to the U.S. Department of Housing and Urban Development (HUD) to comply with CDBG requirements.

BACKGROUND:

The U.S. Department of Housing and Urban Development (HUD) requires Community Development Block Grant (CDBG) entitlement jurisdictions to prepare a Consolidated Annual Performance and Evaluation Report (CAPER) following each program year. The CAPER describes the City's use of CDBG resources, reports accomplishments and expenditures, and evaluates progress toward the goals established in the Annual Action Plan and the 2025-2029 Consolidated Plan.

Program Year (PY) 2025 (July 1, 2025 through June 30, 2026) marked the first year of implementation of the City of Milpitas' 2025-2029 Consolidated Plan. Throughout the program year, the City successfully advanced the priorities established in the Consolidated Plan and the PY 2025 Annual Action Plan by investing CDBG resources in activities that expanded access to affordable housing, strengthened community services, promoted economic opportunities, and enhanced the quality of life for low- and moderate-income residents. The City allocated \$1,215,125.05 to twelve (12) activities serving low- and moderate-income residents and other eligible populations. In total, the City expended \$983,881.91 during the program year. Remaining available funds and program income are committed to eligible activities continuing into future program years.

Approval of the PY 2025 CAPER ensures compliance with HUD's reporting requirements and preserves the City's eligibility for CDBG entitlement funding that supports community development and housing programs and services. The CAPER is due to HUD 90 days after the close of the program year. Staff must submit the report to HUD by the September 28, 2026, deadline.

ANALYSIS:

PY 2025 CAPER Accomplishments

Overall, the City made substantial progress toward the goals established in the PY 2025 Annual Action Plan. Several annual performance objectives were met or exceeded, particularly in supportive and community services. Key accomplishments reported in the draft CAPER include:

Program Area	PY 2025 Accomplishment	Reported Outcome
Affordable Housing Preservation	Rebuilding Together Silicon Valley completed critical repairs and accessibility improvements for income-qualified homeowners. Expended Funds: \$253,419.40	14 owner-occupied homes; 22 residents
Affordable Rental Housing	Terrace Gardens completed roof replacement on Buildings A through D, preserving deed-restricted senior housing. Expended Funds: \$160,758	148 affordable rental units preserved

Program Area	PY 2025 Accomplishment	Reported Outcome
Supportive & Community Services	CDBG-funded providers delivered housing advocacy, legal services, nutrition, independent living assistance, domestic violence services, and other supportive services. Expended Funds: \$93,573.45	394 persons assisted
Economic Development	The Milpitas Microenterprise Assistance Program provided grants to income-qualified local microenterprises. Expended Funds: \$373,581	40 businesses assisted
Planning and Administration	Staff successfully administered the CDBG Program. Expended Funds: \$102,550.06	Successful program implementation
	Total Expended: \$983,881.91	
The \$231,243.14 balance of allocated funds is committed to activities continuing into PY 2026.		

CDBG-funded activities assisted 394 persons, 162 households, and 40 businesses during PY 2025, for 596 beneficiaries in total. Persons served, or approximately 66 percent of beneficiaries, were assisted through supportive and community service activities. The City's investments also preserved 148 deed-restricted affordable senior rental units, rehabilitated 14 owner-occupied homes, and assisted 40 income-qualified microenterprises.

CDBG Expenditures and Timeliness

The City expended \$983,881.91 in CDBG funds during PY 2025 for affordable housing preservation, public services, economic development, and program administration. Although the City did not meet HUD's timeliness standard during the reporting period, substantial progress was made in reducing the outstanding balance after execution of the PY 2025 HUD grant agreement. The City accelerated implementation by finalizing subrecipient agreements, processing reimbursements, and increasing drawdowns. Staff continues to implement the City's Timeliness Workout Plan. The plan focuses on active management of project schedules, expenditures, and available funding to improve expenditure performance and restore compliance with HUD's timeliness requirements while maintaining federal program compliance.

Public Outreach

Consistent with the City's Citizen Participation Plan and federal requirements, the draft PY 2025 CAPER was made available for a public review and comment period from August 21 through September 11, 2026. Copies were made available on the City's website, at City Hall, and at the Milpitas Library. The public notice was translated into Spanish, Vietnamese, Tagalog, and Simplified Chinese to support participation by residents with limited English proficiency.

The September 15, 2026 City Council meeting provides the required public hearing and an additional opportunity for the community to comment on the City's PY 2025 CDBG performance and the proposed CAPER submission. Any comments received at the public hearing will be incorporated into the final CAPER, as appropriate, prior to submission to HUD.

POLICY ALTERNATIVE(S):

Alternative 1: Do not approve the draft PY 2025 CAPER.

Pros: None.

Cons: The City would miss the September 28, 2026 HUD submission deadline and jeopardize future CDBG entitlement funding.

Reason for Not Recommending: Timely CAPER submission is a federal condition of continued participation in the CDBG program.

PROJECT SCHEDULE/KEY MILESTONES:

Milestone	Date
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Public comment period	August 21 – September 11, 2026
City Council public hearing	September 15, 2026
Submission to HUD	On or before September 28, 2026

FISCAL IMPACT:

There is no General Fund impact. All PY 2025 activities were funded with federal CDBG resources, including program income. Submission of the CAPER is a HUD requirement associated with the City's continued participation in the CDBG entitlement program.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

This item is not a project under the California Environmental Quality Act (CEQA) Guideline 15378(b)

ATTACHMENT(S):

(a) Draft PY 2025 Consolidated Annual Performance and Evaluation Report (CAPER)



CITY OF MILPITAS

**DRAFT CONSOLIDATED ANNUAL
PERFORMANCE AND EVALUATION
REPORT (CAPER)**

PY 2025

CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)

This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.

Program Year (PY) 2025 marked the first year of implementation of the City of Milpitas' 2025-2029 Consolidated Plan. Throughout the program year, the City successfully advanced the priorities established in the Consolidated Plan and the PY 2025 Annual Action Plan by investing Community Development Block Grant (CDBG) resources in activities that expanded access to affordable housing, strengthened community services, promoted economic opportunity, and enhanced the quality of life for low- and moderate-income residents.

Consistent with the priorities identified in the Consolidated Plan, CDBG investments focused on the following objectives:

- Maintain and Preserve Affordable Housing
- Supportive and Community Services
- Homelessness Prevention and Response
- Public Improvements
- Workforce and Economic Development
- Planning and Administration

During PY 2025, the City allocated CDBG resources to twelve (12) activities that addressed a broad range of community development needs through partnerships with nonprofit organizations and local agencies. Collectively, these investments preserved affordable housing, expanded access to critical supportive services, assisted vulnerable residents, promoted small business recovery, and ensured continued compliance with federal program requirements.

Major accomplishments during PY 2025 include the following:

Affordable Housing Preservation

The City continued to prioritize the preservation of affordable housing through investments benefiting both homeowners and renters.

Rebuilding Together Silicon Valley (RTSV) completed critical repairs for fourteen (14) owner-occupied housing units, benefiting twenty-two (22) residents. Home improvements included electrical upgrades, plumbing repairs, accessibility modifications, and other emergency repairs. These improvements enabled residents, mainly seniors and persons with disabilities, to safely remain in their homes.

The City also partnered with Terrace Gardens to complete roof replacement on Buildings A through D of its affordable senior housing development. These improvements preserved one hundred forty-eight (148) deed-restricted affordable housing units, extended the useful life of the property, and improved safety and living conditions for senior residents.

Supportive and Community Services

CDBG-funded public service activities provided essential assistance to vulnerable populations throughout the community.

- **Catholic Charities** provided long-term care ombudsman services and advocacy for sixteen (16) Milpitas seniors residing in licensed care facilities.
- **Child Advocates of Silicon Valley** matched nine (9) Milpitas foster youth with Court Appointed Special Advocates (CASAs), providing advocacy and support through the court process.
- **Next Door Solutions to Domestic Violence** provided emergency shelter and supportive services to thirty-one (31) survivors of domestic violence.
- **Project Sentinel** assisted one hundred and thirty-six (136) residents through housing advocacy, counseling, landlord-tenant mediation, and case management.
- **Senior Adults Legal Assistance** delivered free legal services to thirty-seven (37) older adults.
- **Silicon Valley Independent Living Center** provided housing-related assistance and independent living services to forty-eight (48) residents with disabilities.
- **Sourcewise** delivered nutritious meals and supportive services to seventy-seven (77) homebound seniors.
- **YWCA Silicon Valley** provided emergency shelter and supportive services to forty (40) individuals experiencing domestic violence.

Collectively, these activities strengthened the City's supportive services network while addressing critical needs related to housing stability, legal advocacy, nutrition, disability services, domestic violence prevention, and independent living.

Economic Development

The City continued implementation of the Milpitas Microenterprise Assistance Program (MEAP) in partnership with FORWARD. Through this initiative, forty (40) income-qualified local microenterprises received grants that helped offset eligible business expenses, preserve employment opportunities, and support continued economic recovery for locally owned microenterprises.

Program Administration

City staff successfully administered the CDBG Program by ensuring compliance with federal regulations, monitoring subrecipient performance, processing reimbursement requests, completing environmental review requirements, maintaining financial oversight, and providing technical assistance to funded organizations.

Summary of Performance

Overall, the City made substantial progress toward achieving the goals established in the PY 2025 Annual Action Plan. Several performance objectives met or exceeded annual targets, as outlined in **Table 1**, particularly in the areas of public services.

The accomplishments achieved during PY 2025 demonstrate the City's continued commitment to preserving affordable housing, supporting vulnerable residents, and investing CDBG resources in activities that produce measurable community benefits.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals.

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Maintain and Preserve Affordable Housing	Affordable Housing	CDBG: \$160,758	Rental units rehabilitated	Household Housing Unit	0	148	-	148	148	100.00%

Maintain and Preserve Affordable Housing	Affordable Housing	CDBG: \$253,419.40	Homeowner Housing Rehabilitated	Household Housing Unit	248	14	5.65%	23	14	60.87%
Maintain and Preserve Affordable Housing	Affordable Housing	CDBG: \$0	Housing for Homeless added	Household Housing Unit	0	0	-	0	0	-
Maintain and Preserve Affordable Housing	Affordable Housing	CDBG: \$0	Housing for People with HIV/AIDS added	Household Housing Unit	0	0	-	0	0	-
Planning and Administration	Affordable Housing Public Housing Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$102,550.06	Other	Other	1	1	100.00%	1	1	100.00%
Public Improvements	Non-Housing Community Development	CDBG: \$0	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1000	0	0.00%	0	0	-

Supportive and Community Services	Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$93,573.45	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1940	394	20.31%	179	394	220.11%
Supportive and Community Services	Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$0	Public service activities for Low/Moderate Income Housing Benefit	Households Assisted	20	0	0.00%	0	0	-
Workforce and Economic Development	Non-Housing Community Development	CDBG: \$0	Facade treatment/business building rehabilitation	Business	0	0	-	0	0	-
Workforce and Economic Development	Non-Housing Community Development	CDBG: \$373,581	Businesses assisted	Businesses Assisted	50	40	80.00%	67	40	59.70%

Table 1 - Accomplishments – Program Year & Strategic Plan to Date

Assess how the jurisdiction’s use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

The Consolidated Annual Performance Evaluation Report (CAPER) corresponds with the first Annual Action Plan year covered by the City’s 2025-2029 Consolidated Plan which was adopted by Milpitas City Council on June 3, 2025.

The CAPER provides a snapshot of how the City utilized its CDBG allocation to meet the needs of the City’s low- and moderate-income

population. The following priorities were considered to meet the housing and community development needs in Milpitas:

- Maintain and Preserve Affordable Housing
- Supportive and Community Services
- Homelessness Prevention and Response
- Public Improvements
- Workforce and Economic Development
- Planning and Administration

The City successfully achieved and, in several areas, exceeded the goals outlined in the PY 2025 Annual Action Plan (AAP). This was accomplished through strategic planning, strong community partnerships, and data-driven decision-making. For the program year, the City allocated **\$1,215,125.05** to twelve (12) activities, which addressed a wide range of community needs including home rehabilitation, public services, and economic development. The detailed funding allocation is as follows:

CDBG Formula Funds for Program Year 2025: **\$555,374**

CDBG Prior Year Unused Formula: **\$64,868.19**

Program Income: **\$594,882.86**

In total, 596 Milpitas residents were assisted in Program Year 2025, reflecting the City's commitment to serving vulnerable populations. A total of 66% (394/596) of clients served with CDBG funds were conducted by supportive and community services activities such as aging-in-place resources, legal advocacy, nutrition programs, access to affordable housing, emergency shelter, counseling, and other supportive services.

A top priority for the City is to maintain and preserve affordable housing, ensuring long-term housing stability and safety for residents. Through an ongoing partnership with Rebuilding Together Silicon Valley, a total of 14 housing units (22 homeowners) were rehabilitated. Twenty-two homeowners, many of whom are elderly or disabled, received critical assistance with emergency home repairs and safety modifications. These repairs included water heater replacements, electrical upgrades, plumbing repairs, and installation of accessibility features such as ramps and

grab bars, which allowed residents to remain safely in their homes.

Regarding affordable housing rental rehabilitation, Terrace Gardens, a 100% affordable senior housing development was awarded CDBG funding for roof replacement. These investments not only improved the safety and longevity of the building but also enhanced the quality of life for senior residents by creating more welcoming and functional shared spaces.

Given the persistent economic challenges faced by local businesses, and building on the success of the pilot Microenterprise Assistance Program (MEAP), the City launched a third round of grants for Milpitas microenterprises. Through targeted outreach and technical assistance, a total of \$335,000 was awarded to 40 income-eligible microenterprises. The funding supported activities such as payroll, rent, and business adaptation strategies, thereby helping to preserve jobs and promote economic recovery in the Milpitas business community.

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).

91.520(a)

	CDBG
White	195
Black or African American	31
Asian	251
American Indian or American Native	3
Native Hawaiian or Other Pacific Islander	18
Asian/White	1
Other Multi-Racial	97
Total	596
Hispanic	80
Not Hispanic	516

Table 2 – Table of assistance to racial and ethnic populations by source of funds

Narrative

Table 2 summarizes the racial and ethnic characteristics of individuals and households assisted through the Community Development Block Grant (CDBG)-funded activities during Program Year (PY) 2025, as reported in HUD's Integrated Disbursement and Information System (IDIS).

The City of Milpitas remains committed to ensuring that CDBG-funded programs are accessible to all eligible residents regardless of race, ethnicity, or other protected characteristics. Funded activities are implemented on a nondiscriminatory basis and are designed to address the needs of low- and moderate-income residents throughout the community.

The demographic information reported in **Table 2** reflects the diversity of Milpitas and demonstrates that CDBG investments benefited residents from a broad range of racial and ethnic backgrounds. Housing rehabilitation, housing advocacy services, legal assistance, nutrition programs, independent living services, domestic violence assistance, affordable housing preservation, and economic development activities collectively served a diverse cross-section of the community. The City will continue monitoring beneficiary data to ensure future investments remain responsive to community needs and consistent with the priorities established in the 2025–2029 Consolidated Plan.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	public - federal	1,583,485	\$983,881.91

Table 3 - Resources Made Available

Narrative

During PY 2025, the City of Milpitas received Community Development Block Grant (CDBG) resources totaling **\$1,583,485**, including the annual entitlement allocation, prior-year funds, and program income. These resources provided the financial foundation for implementing the priorities identified in the 2025–2029 Consolidated Plan. While total CDBG resources available for PY 2025 equaled \$1.58 million, including prior-year funds and program income, the City allocated \$1.22 million to twelve activities during the program year.

The City expended **\$983,881.91** in CDBG funds during the program year to support affordable housing preservation, public services, economic development initiatives, and program administration. These expenditures reflect projects completed during the reporting period, while the remaining available funds have been committed to eligible activities that will continue into future program years in accordance with HUD regulations and the City's Consolidated Plan.

Although the City did not meet HUD's timeliness standard during the reporting period, substantial progress was made toward reducing the outstanding balance. Following the execution of the PY 2025 HUD grant agreement, the City accelerated project implementation by finalizing subrecipient agreements, processing reimbursements, and increasing drawdowns. These efforts resulted in the significant expenditures during the latter portion of the program year and established a stronger foundation for continued improvement in future years. Staff continues to implement the City's Timeliness Workout Plan and is committed to prudent financial management of federal resources.

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
City of Milpitas	100	100	

Table 4 – Identify the geographic distribution and location of investments

Narrative

The City of Milpitas does not designate specific geographic target areas for its CDBG Program. Instead, funding is allocated on a citywide basis to benefit low- and moderate-income residents wherever eligible needs are identified.

Projects are selected based on demonstrated community need, consistency with the Consolidated Plan, and their ability to achieve one or more of HUD's National Objectives. This citywide approach allows the

City to respond to emerging housing and community development needs while ensuring equitable access to federally funded programs.

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

The Community Development Block Grant Program serves as an important component of the City's broader affordable housing and community development strategy. While CDBG funding provides critical financial support for eligible activities, the City actively leverages federal, state, local, and private resources to maximize program impact and address housing and community development needs that cannot be met through CDBG funding alone.

During Program Year 2025, CDBG investments complemented a variety of locally administered housing and homelessness initiatives, allowing the City to expand services, preserve affordable housing, and strengthen community partnerships. By coordinating funding across multiple programs, the City maximized available resources.

Program income generated through the City's Revolving Loan Fund continued to provide an important source of local funding that supplemented the annual CDBG entitlement allocation. These additional resources increased the City's capacity to preserve affordable housing, support homeowner rehabilitation, and respond to evolving community needs without relying exclusively on annual federal appropriations.

The City also continued to leverage investments through partnerships with nonprofit organizations and affordable housing providers. Organizations receiving CDBG funding contributed additional financial resources, volunteer support, professional expertise, and community partnerships that significantly increased the overall impact of federal investments. These collaborative efforts enabled service providers to reach more residents, deliver higher-quality services, and strengthen long-term program outcomes.

Beyond CDBG, the City continued implementing complementary housing initiatives supported through other funding sources, including the Permanent Local Housing Allocation (PLHA), local affordable housing resources, and other state and regional programs. These investments supported affordable housing, homelessness response, workforce housing, and housing assistance programs that collectively advanced the City's housing objectives.

The City's coordinated funding strategy reflects its commitment to integrating multiple funding sources into a comprehensive housing and community development framework. By leveraging federal resources with state, local, and private investments, the City is able to expand services, preserve affordable housing, promote housing stability, and improve the quality of life for low- and moderate-income residents throughout the community.

CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

The City of Milpitas continued to make meaningful progress toward preserving and improving affordable housing opportunities during PY 2025. Consistent with the priorities established in the 2025–2029 Consolidated Plan, the City invested CDBG funds in activities designed to preserve existing affordable housing, improve housing conditions for low-income homeowners, and support long-term housing stability.

Recognizing that preserving affordable housing is often the most cost-effective strategy for maintaining the community's affordable housing inventory, the City prioritized investments that protected both owner-occupied and affordable rental housing.

A significant accomplishment during the program year was the completion of major rehabilitation improvements at **Terrace Gardens**, a deed-restricted affordable senior housing community. CDBG funding supported roof replacement on Buildings A through D, preserving the long-term viability of **148 affordable housing units**. These improvements enhanced resident safety, protected the buildings from future deterioration, and extended the useful life of one of the City's important affordable housing assets.

The City also partnered with **Rebuilding Together Silicon Valley** to provide emergency home rehabilitation services for income-qualified homeowners. Through this program, **14 owner-occupied homes** received critical repairs that addressed health and safety deficiencies, improved accessibility for seniors and persons with disabilities, increased energy efficiency, and allowed residents to safely remain in their homes. Typical improvements included electrical and plumbing repairs, water heater replacement, accessibility modifications, and other emergency repairs that preserved the housing stock and reduced the likelihood of displacement.

Although the homeowner rehabilitation program did not fully achieve its projected annual rehabilitation goal, this shortfall resulted primarily from delays associated with execution of the PY 2025 HUD grant agreement, which shortened the available implementation period for construction activities. Despite these challenges, the completed rehabilitation projects addressed urgent housing needs and produced meaningful benefits for participating households. The City anticipates improving production levels during future program years as implementation timelines return to normal.

Collectively, affordable housing activities assisted **162 households** during PY 2025. Overall, the City's affordable housing investments contributed directly to the preservation of existing affordable housing, improved housing quality, enhanced accessibility, and increased long-term housing stability for low-income residents. These accomplishments support the Consolidated Plan's objective of maintaining and preserving existing housing while maximizing the impact of limited federal resources.

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	0	0
Number of Non-Homeless households to be provided affordable housing units	171	162
Number of Special-Needs households to be provided affordable housing units	0	0
Total	171	162

Table 5 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	0	0
Number of households supported through The Production of New Units	0	0
Number of households supported through Rehab of Existing Units	171	162
Number of households supported through Acquisition of Existing Units	0	0
Total	171	162

Table 6 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

While the City anticipated completing additional rehabilitation projects during the program year, execution of the HUD grant agreement occurred later than expected, reducing the amount of time available to complete construction activities before the close of the reporting period. This delay affected project scheduling rather than program demand or contractor capacity.

Regardless, the City made substantial progress toward affordable housing goals established in the PY 2025 Annual Action Plan. A total of 162 households benefited from CDBG-funded affordable housing investments. The City will continue evaluating program performance annually and will refine performance targets to maximize the effectiveness of future CDBG investments.

Discuss how these outcomes will impact future annual action plans.

The accomplishments and lessons learned during PY 2025 will help inform future Annual Action Plans and funding decisions. Performance data collected through completed activities provides valuable information regarding community needs, program demand, and effective service delivery strategies.

Future funding priorities will continue emphasizing preservation of existing affordable housing and housing stability. The City will also continue monitoring performance outcomes to ensure federal resources remain aligned with HUD National Objectives and the priorities established in the 2025–2029 Consolidated Plan.

By incorporating program performance into future planning efforts, the City will continue strengthening its housing and community development programs while ensuring CDBG resources produce measurable and lasting benefits for low- and moderate-income residents. As housing costs continue to place increasing pressure on low- and moderate-income households, preserving existing affordable housing will remain one of the City’s highest priorities.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Households Served	CDBG Actual	HOME Actual
Extremely Low-income	91	0
Low-income	71	0
Moderate-income	0	0
Total	162	0

Table 7 – Number of Households Served

Narrative Information

During Program Year 2025, affordable housing activities primarily benefited households with the greatest housing needs. Based on program income eligibility requirements, approximately **56 percent** of households served were classified as **extremely low-income**, while the remaining **44 percent** were **low-income** households.

These results demonstrate that the City's affordable housing investments continue to prioritize residents with the greatest economic need, consistent with HUD regulations and the objectives established in the Consolidated Plan. By directing resources toward households most vulnerable to housing instability, the City helps preserve affordable housing opportunities and promotes long-term residential stability for low-income families and seniors.

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

During Program Year (PY) 2025, the City of Milpitas continued to implement a coordinated strategy to identify, engage, and assist individuals experiencing homelessness through partnerships with Santa Clara County, nonprofit service providers, and regional Continuum of Care (CoC) agencies. Consistent with the priorities established in the 2025–2029 Consolidated Plan, the City's efforts focused on connecting unsheltered individuals with housing resources, supportive services, and coordinated entry into the regional homeless response system.

Although Community Development Block Grant (CDBG) funds were not used directly to finance homeless outreach activities, CDBG investments complemented broader City initiatives by funding public service programs that promoted housing stability and assisted individuals and families at risk of homelessness. These coordinated efforts help reduce barriers to housing while improving access to critical community resources. Some of those resources include:

Homeless Outreach/Assessment and Mobile Hygiene Services

To create a more coordinated and comprehensive approach to serving unhoused residents, the City combined homeless outreach, assessment, case management, and mobile hygiene services into a single competitive RFP. The combined service model provides a consistent point of contact for outreach and engagement while integrating basic hygiene services with housing navigation, assessment, referrals, and case management. This approach is intended to strengthen connections to housing and supportive services, improve service coordination, and provide the City with standardized data to inform future program planning and resource allocation. The City awarded WeHOPE a 5-year agreement with a not-to-exceed contract amount of \$849,207. Under this agreement, WeHOPE will identify, assess, and refer unhoused residents to appropriate housing programs and services, while also providing timely data and long-term projections on the unhoused population. This approach will help the City maintain a strategic and standardized methodology for serving unhoused residents.

Permanent Local Housing Allocation (PLHA)

In July 2023, the City received a signed Standard Agreement from HCD approving its 2019, 2020, and 2021 funding applications, totaling \$1,017,554. These funds are designated for homeless outreach and the creation of a Workforce Housing Rental Assistance Program. This program offers rental subsidies to Milpitas residents and local workforce members earning at or below 30% of the Area Median Income (AMI), as defined by HCD as extremely low income. The City used its 2019–2021 PLHA allocation to fund one year of homeless outreach, the Workforce Housing Rental Assistance Program (WHRAP), and

program administration. Through WHRAP, the City has provided rental assistance to extremely low-income Milpitas households. The first round provided 22 households earning at or below 30% of AMI with \$645 per month for 24 months, beginning in August 2024. The second round began in May 2026 and provides 26 eligible Milpitas households earning at or below 30% of AMI with \$706.60 per month for 24 months.

Addressing the emergency shelter and transitional housing needs of homeless persons

During PY 2025, the City continued to address the needs of residents experiencing homelessness, housing instability, and domestic violence by supporting a coordinated network of emergency shelter, crisis intervention, outreach, and supportive services. Through partnerships with nonprofit organizations and connections to countywide resources, residents were able to access immediate assistance while also receiving support to help them work toward longer-term housing stability.

The City supported emergency shelter and crisis intervention services through partnerships with Next Door Solutions to Domestic Violence and YWCA Silicon Valley. Next Door Solutions provided emergency shelter, case management, safety planning, and supportive services to individuals and families fleeing domestic violence. YWCA Silicon Valley similarly provided emergency shelter and comprehensive supportive services to help survivors establish safety, stabilize their living situations, and begin transitioning toward permanent housing.

In addition to emergency shelter services, the City partnered with WeHOPE to provide coordinated homeless outreach and assessment. Through direct engagement with individuals experiencing homelessness, WeHOPE provided on-site case management, assessed individual needs and barriers, and connected residents with appropriate shelter, housing, and supportive services. These outreach efforts helped ensure that individuals received assistance tailored to their circumstances while also providing the City with information on local needs, demographics, and service utilization. This information supports the City's ongoing efforts to better understand homelessness in the community and identify opportunities to strengthen its response.

The City further connected residents to the broader regional homeless response system by promoting the Santa Clara County Here4You Hotline. The hotline serves as a centralized resource for adults, couples, and families seeking emergency shelter or temporary housing. Callers can receive information about available shelter options and assistance identifying programs that align with their needs and current capacity. Hotline staff may also coordinate transportation to shelter and provide referrals to other community resources, including homelessness prevention and rental assistance programs. The Here4You Hotline is available seven days a week, from 9:00 a.m. to 7:00 p.m., at (408) 385-2400.

Together, these resources create multiple pathways for residents to access assistance based on their individual circumstances. The City's partnerships with Next Door Solutions, YWCA Silicon Valley, and

WeHOPE, combined with access to countywide resources such as the Here4You Hotline, strengthen the continuum of services available to residents in crisis. Through this coordinated approach, the City is able to respond to immediate safety and shelter needs while connecting individuals and families to case management, housing resources, and supportive services that promote greater stability and progress toward permanent housing.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The County CoC provides guidance and connections to resources for individuals transitioning from institutional settings, including access to reentry resource centers where individuals can be assessed for housing and supportive service needs. Assessments and coordinated entry processes help identify an individual's level of vulnerability and connect them with appropriate resources, which may include residential or outpatient treatment, transitional housing, emergency shelter, and other supportive services. This coordinated approach helps ensure that individuals leaving institutional settings have access to services that can support a more stable transition back into the community.

Preventing homelessness more broadly remains a central component of the City's housing and community development strategy. In addition to responding to immediate housing crises, the City invests in programs intended to address housing instability before it results in homelessness. During Program Year 2025, CDBG-funded activities supported legal assistance, fair housing counseling, nutrition services, accessibility improvements, independent living services, homeowner rehabilitation, and domestic violence services. Together, these activities addressed a range of financial, physical, and social factors that can place vulnerable households at risk of housing instability.

The City's affordable housing preservation efforts further supported homelessness prevention by helping residents remain safely and stably housed. Through the rehabilitation of owner-occupied homes and preservation of affordable rental housing, the City helped address health, safety, accessibility, and deferred maintenance needs while reducing the financial burden that significant housing repairs can place on lower-income households. These investments not only preserve the existing affordable housing stock but also help prevent displacement and promote long-term housing stability.

The City also continued coordinating with Santa Clara County and local service providers to connect residents with additional resources, including rental assistance, behavioral health services, workforce development programs, and other supportive services designed to address the circumstances that may contribute to housing loss. Through these partnerships, the City seeks to provide residents with access to a broader network of resources beyond those directly funded through CDBG.

Collectively, these efforts demonstrate the City's commitment to a prevention-oriented approach that addresses both immediate housing needs and the underlying factors that contribute to housing instability. By combining regional coordination, supportive services, housing preservation, and targeted assistance, the City continues working to prevent homelessness and promote long-term housing stability and self-sufficiency among low- and moderate-income residents.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The City recognizes that ending homelessness requires more than providing emergency shelter. Successful outcomes depend upon connecting individuals and families to permanent housing, supportive services, healthcare, employment opportunities, and community resources that promote long-term housing stability.

Throughout Program Year 2025, the City continued collaborating with Santa Clara County, nonprofit organizations, and affordable housing providers to support permanent housing solutions for individuals experiencing homelessness. Service providers receiving CDBG assistance coordinated closely with other community partners to ensure participants could access comprehensive services that addressed both immediate and long-term needs.

In addition to supportive services, the City's ongoing investment in affordable housing preservation contributes to the regional effort to expand housing opportunities available to extremely low-income households. Preserving existing affordable housing helps maintain the supply of housing available to vulnerable residents while reducing displacement pressures within the community.

The City will continue strengthening partnerships with regional housing providers, homeless service organizations, and public agencies to improve coordination, expand access to permanent housing opportunities, and support individuals transitioning from homelessness to stable, independent living.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

The City of Milpitas does not operate or oversee a Public Housing Authority (PHA); therefore, does not administer traditional public housing programs. Nevertheless, the City continues to support affordable housing opportunities through partnerships with affordable housing providers, Santa Clara County, nonprofit organizations, and other regional agencies that serve low- and moderate-income households.

During PY 2025, the City continued investing CDBG resources in activities that preserved affordable housing, improved housing conditions, and expanded access to supportive services for vulnerable residents. Although these investments were not directed to public housing developments, they complemented the region's affordable housing network by helping preserve existing affordable units, improving housing quality, and reducing the risk of displacement among income-qualified households.

Milpitas is home to several affordable housing developments that serve households with limited incomes, including project-based Section 8 housing and permanent supportive housing developments.

Actions taken to encourage public housing residents to become more involved in management and participate in homeownership

Although the City does not administer a public housing program, it remains committed to expanding homeownership opportunities for income-qualified households through its Below Market Rate (BMR) Homeownership Program.

Throughout the program year, City staff continued partnering with HouseKeys to administer the BMR program. Information regarding available homes was distributed through the City's website, the HouseKeys website, and community outreach efforts to ensure public awareness of affordable homeownership opportunities.

Actions taken to provide assistance to troubled PHAs

The City of Milpitas does not operate or oversee a PHA; therefore, no direct actions were required during the program year to address troubled PHA performance. However, the City continued pursuing complementary housing strategies designed to improve housing stability for low- and moderate-income households. These efforts included preservation of existing affordable housing, administration of the BMR Homeownership Program, support for affordable housing development, and coordination with regional housing partners to improve access to housing resources.

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)

Resolution No. 8523

The City adopted Resolution No. 8523, which recognizes homelessness as a crucial problem in the County and will help contribute to future affordable housing projects that will house the homeless.

Affordable Housing Ordinance 297

Affordable Housing Ordinance 297 requires residential development projects of 10 units or more that are designed and intended for permanent occupancy to provide 15 percent of the total dwelling units as affordable units.

Housing Opportunity Zone

The project will establish a new 'overlay district' within established critical priority areas of Milpitas and complete the associated California Environmental Quality Act (CEQA) analysis to accelerate housing production in the City. The Housing Opportunity Zone (HOZ) will provide objective standards and incentives to developers to encourage and support the development of by-right, affordable, and supportive housing projects, including housing for special-needs residents.

The project would streamline housing approvals and accelerate housing production by providing clarity and certainty to developers to stimulate development in priority areas. Incentives to developers may include reduced parking requirements, additional density bonuses beyond the State Density Bonus, increased allowable heights, streamlined permitting processes, and fee waivers.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

The City contracted with WeHOPE to provide assessment services to the unhoused via case managers. The case managers provide ongoing outreach and assessment services to the unhoused community in Milpitas.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

The County of Santa Clara implements a Lead Safe Homes Program. The funded programs help the community identify lead-paint hazards through inspections and remove lead hazards caused by lead-paint in homes built before 1978 in Santa Clara County.

Additionally, Milpitas has adopted a Lead-Based Paint Management Plan which complies with HUD Lead-Based Paint regulations. In addition, the City publicizes and identifies lead-based hazards and older residential projects through its Code Enforcement Division and Building Department.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

Through WHRAP, the City has provided rental assistance to extremely low-income Milpitas households. The first round provided 22 households earning at or below 30% of AMI with \$645 per month for 24 months, beginning in August 2024. The second round began in May 2026 and provides 26 eligible Milpitas households earning at or below 30% of AMI with \$706.60 per month for 24 months.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

The City is striving to improve intergovernmental and private sector cooperation to synergize efforts and resources and develop new revenues for community service needs and the production of affordable housing. Continued collaborative efforts include:

Participating in regular quarterly meetings between entitlement jurisdictions at the CDBG Coordinators meeting;

Participating in the Regional Housing Working Group;

Coordinating joint jurisdiction Request for Proposals and project review committees; and

Participating in Community Development Roundtable monthly meetings with the development communities.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

The City benefits from a strong jurisdiction and region-wide network of housing and community development partners, such as the County and the CoC. To improve intergovernmental and private sector cooperation, the City will continue to participate with other local jurisdictions and developers in sharing information and resources.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

During Program Year 2025, the City of Milpitas continued efforts to address barriers to housing access through education, counseling, outreach, and enforcement-related services. These efforts were implemented in coordination with Project Sentinel, the City's contracted housing service provider.

With CDBG funding, Project Sentinel provided housing counseling, tenant-landlord counseling, dispute

resolution, case intake, education, and community outreach to Milpitas residents. These services helped residents understand their rights and responsibilities under federal and state fair housing laws, identify potential discriminatory housing practices, and obtain assistance resolving housing-related concerns. During PY 2025, Project Sentinel assisted 136 Milpitas residents through housing advocacy, counseling, landlord-tenant mediation, and case management.

In addition, the City continued to make information regarding affordable housing and homeownership opportunities available to the community.

CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

The City of Milpitas is committed to administering its Community Development Block Grant (CDBG) Program in accordance with all applicable federal regulations while maintaining a comprehensive monitoring system that promotes accountability, transparency, and effective stewardship of public funds. During PY 2025, the City continued implementing a monitoring program designed to ensure that all funded activities were carried out in compliance with HUD requirements, the terms of executed subrecipient agreements, and the objectives established in the 2025-2029 Consolidated Plan.

Each subrecipient entered into a written agreement that clearly defined the scope of work, performance measures, eligible activities, reporting requirements, financial management standards, records retention requirements, and all applicable federal compliance obligations. Agreements were reviewed to ensure consistency with HUD regulations and approved by the City Attorney prior to execution.

Throughout the program year, City staff conducted ongoing desk monitoring by reviewing quarterly performance reports, reimbursement requests, beneficiary documentation, financial records, supporting invoices, and other program records submitted by each subrecipient. Staff evaluated whether reported accomplishments were consistent with approved work plans and ensured that activities continued to meet applicable National Objectives and program requirements.

In addition to ongoing desk reviews, City staff conducted monitoring visits for all active subrecipients during PY 2025. Monitoring included reviews of program administration, financial management practices, procurement documentation where applicable, beneficiary eligibility, recordkeeping, performance reporting, and compliance with applicable federal requirements such as environmental compliance, Section 3, civil rights requirements, the Build America, Buy America Act (BABA) and Davis-Bacon and related Acts. Monitoring activities were conducted both virtually and in person, depending upon the nature and complexity of each activity.

City staff also provided technical assistance throughout the program year to help subrecipients understand regulatory requirements, improve reporting practices, and resolve questions before they developed into compliance concerns. This collaborative approach promotes continuous improvement while helping ensure successful program implementation.

Following each monitoring review, City staff documented observations, discussed preliminary results with subrecipient representatives, and provided written follow-up summarizing the monitoring results. When minor administrative issues were identified, staff worked collaboratively with the organization to provide guidance and ensure timely resolution. No monitoring findings or concerns requiring formal

corrective action were identified during Program Year 2025.

The City's monitoring process also serves as an important program management tool. Information obtained through quarterly reporting, reimbursement reviews, and monitoring visits is used to evaluate organizational capacity, identify implementation challenges, improve future funding decisions, and strengthen long-term program performance. Lessons learned through monitoring are incorporated into technical assistance efforts and future subrecipient training to promote consistent compliance across all CDBG-funded activities.

In addition to subrecipient monitoring, City staff maintained oversight of internal program administration by reviewing expenditure rates, monitoring timeliness, tracking project implementation schedules, and evaluating progress toward Annual Action Plan goals. These internal management practices support responsible financial stewardship and help ensure that CDBG resources are expended efficiently while maximizing community benefit.

Through this comprehensive monitoring framework, the City continues to maintain a high level of accountability, protect the integrity of the CDBG Program, and ensure that federal investments produce measurable and lasting benefits for the residents of Milpitas.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

The City of Milpitas remains committed to promoting transparency and meaningful public participation in the administration of its CDBG Program. Consistent with the City's adopted Citizen Participation Plan and the requirements of 24 CFR Part 91, residents were provided the opportunity to review and comment on the draft Consolidated Annual Performance and Evaluation Report (CAPER) prior to its submission to the U.S. Department of Housing and Urban Development (HUD).

The draft PY 2025 CAPER was made available for public review for a minimum 15-day comment period. Copies of the document were posted on the City's website and made available at City Hall and the Milpitas Library to ensure convenient public access. Upon request, electronic copies were also provided to interested individuals and organizations.

The public comment period will be from August 21 through September 11, 2026.

To encourage participation from Milpitas' diverse community, the public notice announcing the availability of the draft CAPER was translated into Spanish, Vietnamese, Tagalog, and Simplified Chinese. These outreach efforts supported meaningful participation by residents with limited English proficiency and reinforced the City's commitment to equitable public engagement.

A public hearing will be conducted before the City Council to receive comments regarding the City's accomplishments during PY 2025 and the proposed CAPER submission. Public comments are being

accepted. Copies of the draft CAPER were made available at the front desk at City Hall, the Milpitas Library, and online for public review at <https://www.milpitas.gov/475/Federal-Program-Community-Development-BI>. A public hearing will be held on September 15, 2026.

Will be updated after the September 15, 2026 Public Hearing

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

During the program year, the City of Milpitas continued implementing the priorities and objectives established in the 2025–2029 Consolidated Plan and PY 2025 Annual Action Plan. The City's overall CDBG program objectives remained focused on preserving affordable housing, providing supportive and community services, addressing homelessness and housing instability, supporting economic development, and ensuring effective program administration.

During the reporting period, however, the City continued to experience challenges related to the timely expenditure of CDBG funds. The City remained above HUD's required timeliness standard and therefore continued evaluating program implementation practices and expenditure schedules to identify opportunities to accelerate the use of available resources.

Several factors affected expenditure rates, including delays associated with execution of the PY 2025 HUD Grant Agreement and the resulting compressed implementation period. These circumstances affected the timing of subrecipient agreements, project implementation, reimbursement processing, and construction activities. In addition, the availability of prior-year resources and significant program income increased the amount of CDBG funding available for expenditure and contributed to the City's elevated line-of-credit balance.

In response, the City conducted a comprehensive review of its CDBG portfolio and developed a Timeliness Workout Plan identifying specific actions to improve expenditure performance and restore compliance with HUD's timeliness requirements. The Workout Plan established a framework for more actively managing project schedules, expenditures, and available funding while maintaining compliance with federal program requirements.

While the City had not returned to compliance with HUD's timeliness standard by the end of the reporting period, substantial progress was made in advancing funded activities and reducing outstanding CDBG balances. The City's experience during PY 2025 reinforced the importance of aligning project readiness, funding commitments, expenditure projections, and implementation schedules when developing future Annual Action Plans.

Moving forward, the City will continue implementing the new Timeliness Workout Plan and evaluating the performance of its CDBG portfolio.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?

The City does not have any open Brownfields Economic Development Initiative (BEDI) grants.

Accordingly, there are no BEDI accomplishments or program outcomes to report for PY 2025.

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

Not applicable.

CR-58 – Section 3

Identify the number of individuals assisted and the types of assistance provided

Total Labor Hours	CDBG	HOME	ESG	HOPWA	HTF
Total Number of Activities	0	0	0	0	0
Total Labor Hours					
Total Section 3 Worker Hours					
Total Targeted Section 3 Worker Hours					

Table 8 – Total Labor Hours

Qualitative Efforts - Number of Activities by Program	CDBG	HOME	ESG	HOPWA	HTF
Outreach efforts to generate job applicants who are Public Housing Targeted Workers					
Outreach efforts to generate job applicants who are Other Funding Targeted Workers.					
Direct, on-the job training (including apprenticeships).					
Indirect training such as arranging for, contracting for, or paying tuition for, off-site training.					
Technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).					
Outreach efforts to identify and secure bids from Section 3 business concerns.					
Technical assistance to help Section 3 business concerns understand and bid on contracts.					
Division of contracts into smaller jobs to facilitate participation by Section 3 business concerns.					
Provided or connected residents with assistance in seeking employment including: drafting resumes, preparing for interviews, finding job opportunities, connecting residents to job placement services.					
Held one or more job fairs.					
Provided or connected residents with supportive services that can provide direct services or referrals.					
Provided or connected residents with supportive services that provide one or more of the following: work readiness health screenings, interview clothing, uniforms, test fees, transportation.					
Assisted residents with finding child care.					
Assisted residents to apply for, or attend community college or a four year educational institution.					
Assisted residents to apply for, or attend vocational/technical training.					
Assisted residents to obtain financial literacy training and/or coaching.					
Bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.					
Provided or connected residents with training on computer use or online technologies.					
Promoting the use of a business registry designed to create opportunities for disadvantaged and small businesses.					
Outreach, engagement, or referrals with the state one-stop system, as designed in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.					

Other.					
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Table 9 – Qualitative Efforts - Number of Activities by Program

Narrative

No CDBG-funded activities during PY 2025 triggered applicable Section 3 labor-hour reporting requirements.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Receive a Presentation on the Red Light Camera Traffic Safety Program and Authorize the City Manager, or Designee, to Negotiate and Execute a Three-Year Agreement with Verra Mobility for Red Light Camera Equipment and Services (Staff Contact: Jared Hernandez, Chief of Police, 408-586-2406)
Category:	Public Safety
Meeting Date:	9/15/2026
Recommendation:	(1) Receive a presentation on the Red Light Camera Traffic Safety Program; and (2) Authorize the City Manager, or designee, to negotiate and execute an agreement for red light camera equipment and services with Verra Mobility for a three-year term in an amount not-to-exceed \$500,000 annually and a total of \$1,500,000 for the term of the agreement.

BACKGROUND:

The City of Milpitas serves as a major thoroughfare for commuters with direct access to Interstate 680, Interstate 880, and Highway 237, resulting in a high volume of daily vehicular traffic. The significant volume of traffic contributes to safety concerns at several signalized intersections where red light violations increase the risk of collisions ranging from minor fender benders to serious collisions, including incidents involving bicyclists or pedestrians.

According to 2023 data from the California Office of Traffic Safety (OTS), Milpitas recorded 212 fatal and injury crashes. Internal department accident data for 2023 reflects an additional 44 collisions, that were not recorded by OTS, bringing the total fatal and injury crashes for the City of Milpitas to 256.

Police Department staff reviewed internal statistics from 2023-2026 (YTD) to identify intersections within Milpitas with the highest number of collisions. The data reflected the following four locations with the highest number of collisions:

- Great Mall Parkway, between Abel Street and McCandless Drive
- Calaveras Boulevard, between Abbott Avenue and Hillview Drive
- North McCarthy Boulevard/Ranch Drive
- North Milpitas Boulevard/Dixon Road

These four locations were also identified by Verra Mobility as candidates for camera installation.

Traffic safety remains a top public safety priority for the Milpitas Police Department. However, due to ongoing staffing challenges in the Department, the number of dedicated traffic safety officers has been reduced over time. Therefore, the Police Department recommends implementing a red light camera traffic safety program through an agreement with Verra Mobility.

ANALYSIS:

Due to limited staffing in the Police Department, particularly in the reduction of the Traffic Safety Unit to three motor officers, it is challenging for the Department to consistently enforce traffic laws at the many intersections across the City. The mere presence of red light safety cameras and prominent signage often deters potential traffic violations, which in turn can help reduce public safety risks. Issuing citations further reduces the likelihood of drivers committing repeat traffic offenses.

According to the Insurance Institute for Highway Safety (IIHS), the introduction of red light cameras in Oxnard, California, led to a 29% reduction in injury collisions at signalized intersections. Additionally, the IIHS reported that large cities with red light enforcement programs experienced a 21% decrease in fatal collisions caused by red light running.

Verra Mobility offers a red light safety camera system that is currently implemented by over 25 California agencies, including nearby jurisdictions such as Fremont, Newark, Tracy, and San Jose.

The red light camera system equipment activates when a vehicle approaches and enters the intersection against a red light and captures multiple images of an alleged violation from the rear and front of the vehicle. The captured data is encrypted and securely sent to Verra Mobility for initial processing where potential violations are reviewed to ensure compliance with the Milpitas Police Department's established criteria. Verra Mobility then obtains the registered owner information from the California Department of Motor Vehicles (DMV) to assist in identifying the driver before the citation package is forwarded to the Milpitas Police Department for final review and approval.

Upon receipt, an officer or authorized department personnel member reviews the citation package to verify the violation occurred and confirms the identity of the driver. If a violation occurred, a citation is issued by mail, along with instructions on how the recipient can resolve the citation. If the citation is contested, the reviewer may be required to appear in court or submit a written declaration.

Verra Mobility offers a comprehensive "end-to-end" program that covers the intersection surveys, equipment, installation, programming, maintenance, and traffic court support with no upfront cost to the City. Verra Mobility is paid a flat monthly fee for each camera-monitored approach, currently estimated at \$5,250 per approach per month; the fee is not based on the number of citations issued or on a percentage of fine revenue, as required by California Vehicle Code [Section 21455.5](#). The total fine for a red light violation is approximately \$450 to \$500, of which the City receives approximately \$125 after State and County distributions. Based on that share, each camera needs to generate approximately two paid citations per day to cover its monthly fee. The agreement will include a cost-neutrality provision: if net citation revenue in a month is insufficient to cover the monthly fee, the unpaid balance is deferred to a subsequent billing cycle and is payable only from future net revenue, so the program does not draw on the General Fund. Any revenue above program costs is deposited in the General Fund. Any request to add staff to administer the program would be brought to the City Council separately.

Based on information provided by the Milpitas Police Department, Verra Mobility conducted a survey of 28 intersections for potential deployment in the City of Milpitas. Utilizing a program that analyzes traffic conditions, signal light placement, traffic volume, and other factors, Verra Mobility was able to predict current daily violations, daily violations after 12-18 months of program implementation, monthly violations after 12-18 months of program implementation, Verra Mobility monthly fees, and cost savings.

Staff proposes the approval of 28 camera-monitored approaches with an initial deployment of 7 camera-monitored approaches at 7 intersections. The survey projects an approximate monthly revenue of \$112,500 per month across these approaches once the program matures, against a combined monthly operating cost of approximately \$36,750. The \$500,000 annual not-to-exceed amount is based on 7 initial approaches at the estimated monthly fee, with an allowance for additional unanticipated expenses. A summary of the survey results is provided as Attachment 1.

Pursuant to Milpitas Municipal Code Sections [I-2-3.03](#) and [I-2-3.06](#), the City may enter into purchases without further competitive procurement when the Purchasing Agent determines in writing, after conducting a good faith review of available sources, that only one viable source exists for the required supplies, material, equipment, or general service, or that there is a compelling reason for using only one source. At this time, Verra Mobility is the only vendor for the Red Light Camera Program Equipment and Services that integrates and is operational with the Superior Court of California, County of Santa Clara's traffic court system. As a result, implementation would not require the City to develop a custom integration or coordinate with the Court to establish system interoperability. The Purchasing Agent made the sole source determination in writing on September 9, 2026; the determination is retained in the contract file.

Before citations are issued, the City will publicly announce the program and issue warning notices only for at least 30 days, post signs at each camera location, and retain final review of every citation by Milpitas Police Department personnel, as required by Vehicle Code Section 21455.5.

POLICY ALTERNATIVE(S):

Alternative 1: Do not implement a red light camera program and continue enforcement with existing Traffic Safety Unit staffing.

Pros: No contractual commitment; no public concern about automated enforcement.

Cons: Three motor officers cannot provide consistent enforcement at the highest-collision intersections; collision risk remains unaddressed.

Reason for Not Recommending: The Department does not have adequate staffing to address the identified intersections through in-person enforcement.

Alternative 2: Conduct a competitive solicitation for red light camera services.

Pros: Tests the market on price and terms.

Cons: No other vendor currently integrates with the Santa Clara County Superior Court traffic system, so a competitive award would require the City to negotiate, fund and manage a custom integration with the court.

Reason for Not Recommending: The court integration requirement makes Verra Mobility the only viable source at this time.

PROJECT SCHEDULE/KEY MILESTONES

Council authorization of agreement: September 15, 2026

Agreement execution: November 2026

City Managed Intersections – Install and Testing: 3 to 4 months after agreement execution

Caltrans Intersections - Install and Testing: 6 to 8 months after agreement execution

Public announcement and 30-day warning period: February to July of 2027

Citation issuance estimated: no later than July 2027

FISCAL IMPACT:

No expenditure or revenue is expected in FY2026-27 because citation issuance is not expected to begin before July 2027. Beginning in FY2027-28, staff estimates annual program fees of approximately \$441,000 and annual net citation revenue to the City of approximately \$1,350,000 based on the Verra Mobility survey. Under the cost-neutrality provision, fees are payable only from net citation revenue. Program revenue and expenditures for FY2027-28 and subsequent years will be included in the Police Department's operating budget request, subject to appropriation by the City Council through the annual budget adoption process.

Staff time for citation review and court appearances will be absorbed within the Department's existing budget during initial implementation. If citation volume requires dedicated staffing, the Department will request a position through the annual budget process, and the cost will be treated as a program operating cost recovered from net citation revenue, subject to appropriation by the City Council.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

This item is not a project under the California Environmental Quality Act (CEQA) Guideline 15378(b).

ATTACHMENT(S):

(a) Presentation



Milpitas City Council Meeting

Item #13:

Red Light Camera Traffic Safety Program

Date: September 15, 2026

City of Milpitas

455 E. Calaveras Blvd., Milpitas, CA 95035



www.milpitas.gov



408-586-3000

Background

- Significant staffing reduction since the early 2000s
 - FY 02/03: 15 officers funded and assigned to Traffic Safety Unit
 - Today: 6 funded positions. 3 vacancies.
- Current Staffing
 - Only 2 motorcycle officers assigned
 - 1 officer recently retired due to long-term injury
 - 1 officer currently in training
- Staffing Priority - Patrol
 - Resources redirected to maintain response times
 - Reduced capacity for proactive traffic enforcement

Impact of Reduced Staffing

- Limited Traffic Enforcement presence
 - Decrease in roadway safety
- City Growth = Increased Demand
 - Major residential & commercial expansion
 - Increased commuter traffic
 - Higher volume of calls for service
- Opportunity
 - Supplement limited staffing w/ automated traffic enforcement
 - Improve traffic safety citywide

Contributing Factors – Traffic Safety

- **Major Commuter Routes:** I-680, I-880, SR 237, and Montague Expressway
- **High Traffic Volume** increases collision risk at intersections and hazardous driving behaviors
- **Red Light Violations** often result in:
 - Minor fender benders
 - Serious collisions
 - Injuries and/or death to motorists, bicyclists, and pedestrians.



City of Milpitas Traffic Safety Statistics

➤ 212 Fatal and Injury Crashes (2023)

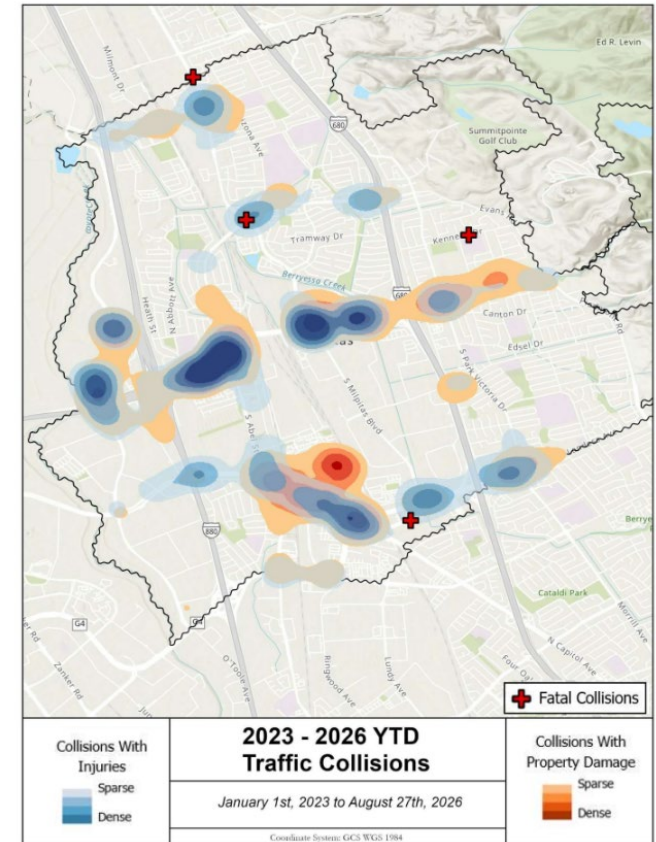
- Ranked 70 out of 103 comparable cities*

➤ Overall Crash Activity (2023)

- Ranked 80 out of 103 comparable cities*

➤ High Collision Areas (2023 -2026)**

- WB/EB Calaveras Blvd.
- Great Mall Parkway
- N. McCarthy/Ranch Dr.
- N. Milpitas Bl/Dixon Rd.



*Data Source: California Office of Traffic Safety (OTS)

** Internal Traffic Collision Analytics

Supplementing Traditional Enforcement with Automated Enforcement

- **Restores enforcement ability without significant increase in personnel**
 - May require a program administrator in the future
- **Improves challenges of maintaining consistent enforcement**
 - Numerous high-traffic intersections citywide
- **Automated enforcement promotes compliance**
 - Cameras and signage deter violations
- **Improves driver behavior over time**
 - Citations reduce repeat offenses

Proven Safety Benefits of Red-Light Camera Program

➤ Reduction of injury collisions

- 29% decrease at signalized intersections (Oxnard, CA)

➤ Reduction of fatal crashes

- 21% reduction in large cities w/ enforcement programs

➤ Reduced intersection grid-lock

➤ Consistent findings across multiple jurisdictions

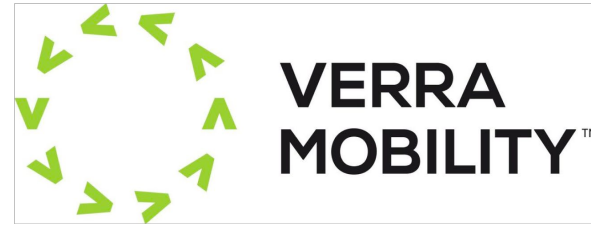


*Data Source: Insurance Institute for Highway Safety

Statutory Requirements

- Authority to implement a program – California Vehicle Code **§21455.5**
- A City Council shall conduct a public hearing on the proposed use of an automated enforcement system prior to authorizing the city to enter into contract for the use of the system - California Vehicle Code **§21455.6(a)**
- Requires warning signs be posted and visible to approaching traffic
- Requires 30-day warning period before enforcement
- Required light intervals be properly set per the California Manual on Uniform Traffic Control Devices
- Note: Citations issued under **CVC §21453** & carry the same fine and penalties as a standard traffic stop

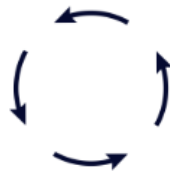
Program Overview



- **Comprehensive evaluation** of available red-light camera solutions
- **Proven technology** for automated red-light enforcement
- **Established California presence** with 25+ law enforcement agencies, including the Bay Area



Violator-Funded
No Upfront Costs



End-To-End
Program Services



Experienced &
Professional
Expertise



Positive Law Enforcement
References

Red Light Traffic Camera Program

➤ Stationary Red Light Camera

- Provides effective and continuous red-light enforcement

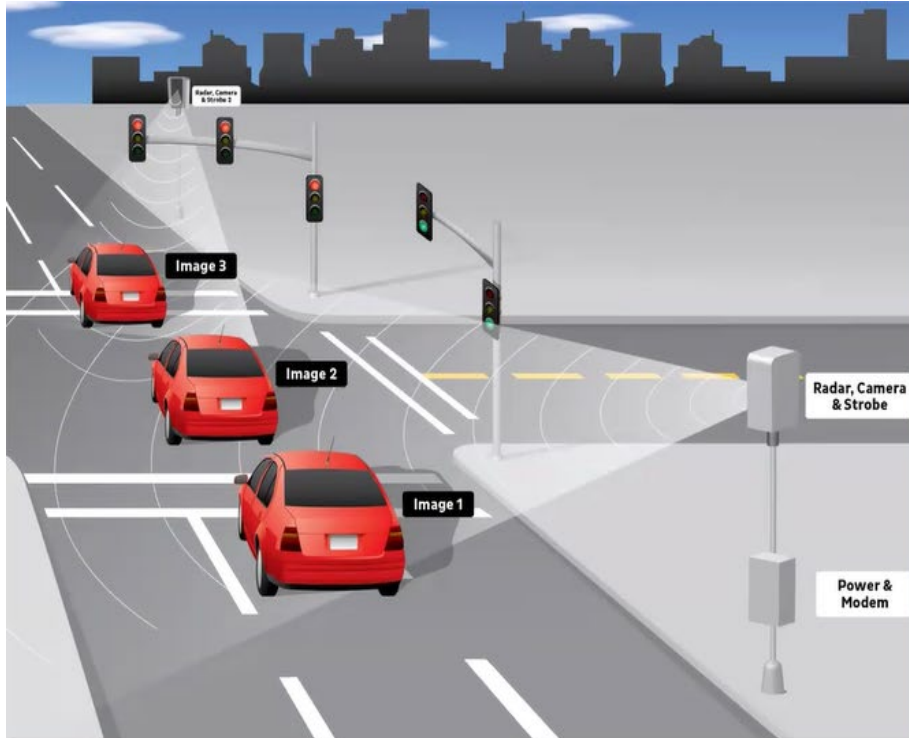
➤ 3D HD Radar-Based Vehicle Detection

- Highly accurate & capable of analyzing 100+ vehicles simultaneously
- Single Pole, Single Connection
- Detects vehicles in up to 6 lanes of traffic
- Operational in all weather conditions



How Does It Work?

Red-Light Safety Camera



The **1st Image** records the vehicle behind the violation point while the light is red.

The **2nd Image** records the vehicle proceeding through the intersection while the light is red.

The **3rd Image** records the driver of the vehicle.

*pole and equipment structure vary based on intersection design

Step 1: The system activates upon entering the intersection on a red light. The automated safety camera captures multiple images of an alleged violation from the rear and front of the vehicle.

Step 2: The first image shows the vehicle prior to entering the intersection while the light is red.

Step 3: The second image shows the vehicle proceeding through the intersection on a red light.

Step 4: The third image, taken by camera two, identifies the driver of the vehicle.

Step 5: A close-up image of the license plate is also provided with the evidence.

Step 6: Data, including the time, date, and duration of the yellow and red lights, is also recorded.

Step 7: Cameras also record a 12-second digital video of the violation, including six seconds prior to and six seconds after running the red light.

Sample #1 Still Shot – Red Light Violation



Image 1

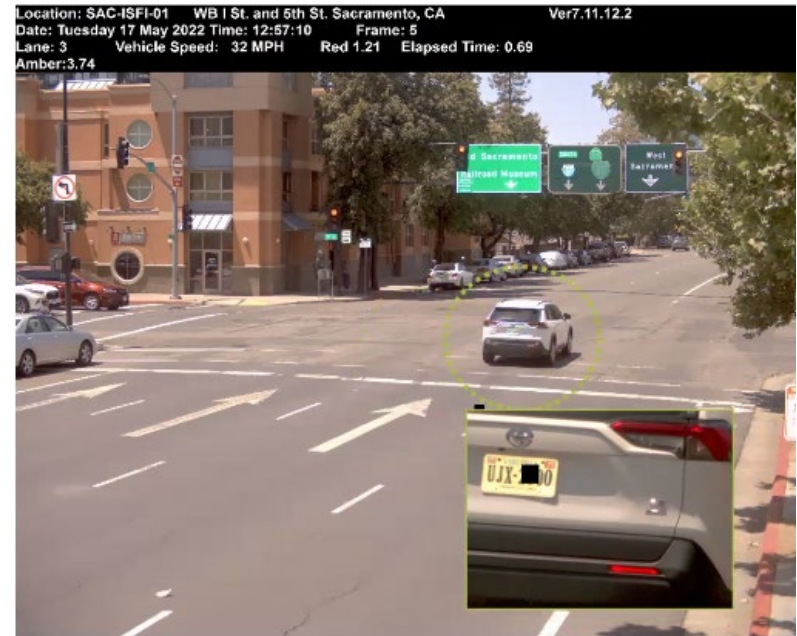


Image 2

Sample #2 Still Shot – Red Light Violation



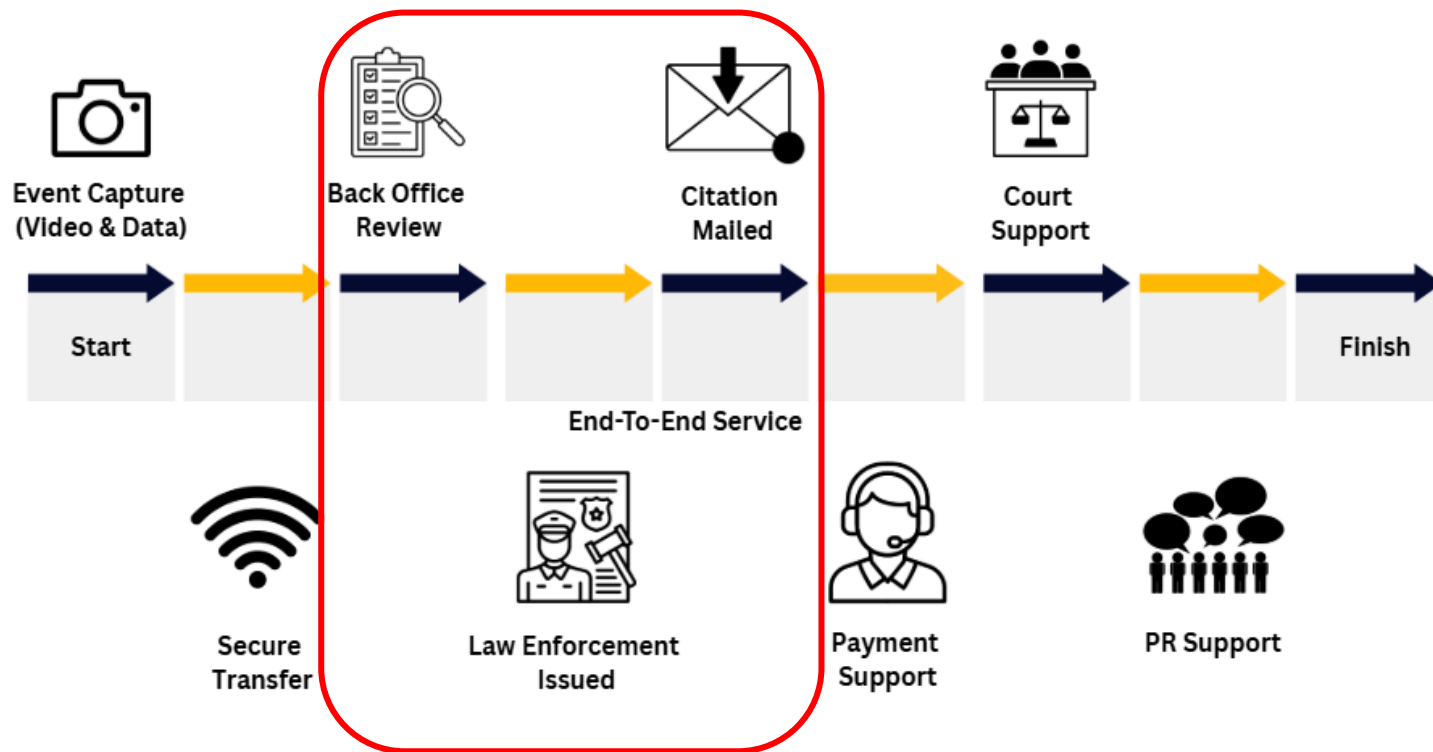
Image 3

Sample Video – Red Light Violation



End-To-End Services

Red-Light Safety Camera Program



Cost Neutral Through Program Design

- Fully Managed System service that includes intersection surveys, equipment, installation, programming, maintenance, training, & support

⚙ Equipment → ⚡ Installation → 📊 Data → 🚔 Traffic Court

- **Monthly service fees offset** through program design



Data-Driven Deployment

➤ Intersections Analyzed For:

- Historical Traffic Collisions Data (High-Risk Intersections Prioritized)
- Traffic Volume
- Signal Timing & Placement

➤ Ensures **efficient deployment** and **long-term program sustainability**

➤ Helps focus enforcement where it **maximizes public safety** and reduces collisions

Projected Trends



Location	Current Predicted Daily	Predicted monthly violations after 12-18	
	Violations	Predicted daily violations after 12-18 months	months
SB MCCARTHY BLVD @ BELLEW DR	12.3	8.4	253
EB CALAVERAS BLVD @ ABBOTT AVE	12.3	8.4	252
WB CALAVERAS BLVD @ ABEL ST	10.3	7.0	211
EB GREAT MALL PKWY @ MCCANDLESS DR / FAIRLANE DR	9.5	6.5	196
EB CALAVERAS BLVD @ ABEL ST	9.3	6.4	191
EB W CALAVERAS BLVD @ SERRA WAY	9.3	6.4	191
WB W CALAVERAS BLVD @ SERRA WAY	9.3	6.4	191
WB CALAVERAS BLVD @ ABBOTT AVE	9.2	6.3	189
WB GREAT MALL PKWY @ S ABEL ST	8.1	5.5	166
WB E CALAVERAS BLVD @ S HILLVIEW DR	7.8	5.3	160
WB GREAT MALL PKWY @ CENTRE POINTE DR / MUSTANG DR	7.8	5.3	160
WB TASMAN DR @ ALDER DR	7.8	5.3	160
EB GREAT MALL PKWY @ S ABEL ST	7.2	4.9	147
NB MCCARTHY BLVD @ BELLEW DR	7.1	4.8	145
NB S PARK VICTORIA DR @ YOSEMITE DR	7.0	4.8	143
NB MCCARTHY BLVD @ RANCH DR	6.9	4.8	143
NB S PARK VICTORIA DR @ E CALAVERAS BLVD	6.9	4.8	143
EB MONTAGUE EXPY @ TRADE ZONE BLVD / MCCANDLESS DR	6.9	4.7	142
WB GREAT MALL PKWY @ S MAIN ST	6.8	4.6	139
SB S PARK VICTORIA DR @ E CALAVERAS BLVD	6.4	4.4	132
WB TASMAN DR @ MCCARTHY BLVD	6.4	4.4	132
SB MCCARTHY BLVD @ RANCH DR	6.4	4.4	131
SB S PARK VICTORIA DR @ YOSEMITE DR	6.4	4.4	131
EB E CALAVERAS BLVD @ S HILLVIEW DR	6.1	4.2	126
EB GREAT MALL PKWY @ CENTRE POINTE DR / MUSTANG DR	6.1	4.2	126
EB TASMAN DR @ ALDER DR	6.1	4.2	126
SB N MILPITAS BLVD @ DIXON LANDING RD	6.0	4.1	123
EB E CALAVERAS BLVD @ MILPITAS BLVD	5.9	4.0	121
Totals	218	149	4471

Program Management Comparison

Feature	Traditional Red-Light Program	Civil Program
Management & Oversight	Managed/Administered by Police Department	Managed/Administered by DOT or City Public Works Department
Driver Identification	Captures driver and vehicle (as part of citation evidence)	Only captures license plate, no driver picture
Violation Type	Vehicle code citations issued; driver may receive DMV points	Civil violation issued to registered vehicle owner only
Fee/Penalty Increase	Standard citation fines	Fees increase for each subsequent violation
Adjudication	Superior Court	Administrative
Revenue Use	Deposited into City's General Fund; no spending restrictions	Restricted to traffic calming measures; must be expended within 3 years or revert to CA Transportation Commission

Recommendation

➤ Implement Traditional Red-Light Camera Program

➤ Initial Phase: Start w/ **7 approaches** based on data-driven metrics

- **5 approaches within City Jurisdiction** – Expected implementation within 3-4 months after contract execution
- **2 approaches requiring state permitting (Caltrans)** – Expected implementation within 6-8 months after contract execution
- **Initial oversight by current staff** – Future staffing needs will be determined by program workload and cost analysis

➤ Goals of Initial Implementation

- Assess program effectiveness, operational feasibility, and workload.
- Monitor reduction in daily and monthly violations
- Evaluate potential future expansion

Next Steps If Council Approves a Program

➤ Program Implementation

- Finalize vendor contract and negotiate contract terms
- Execute agreement and initiate program setup and deployment

➤ Community Outreach

- Host **community informational meeting(s)** to share program details and answer questions.
- Provide updates via social media, website, and/or city newsletters

➤ Program Evaluation

- Monitor **reduction in daily and monthly violations**
- Review **effectiveness, operational feasibility and workload**
- Use **results to guide future decisions**



City of Milpitas

455 E. Calaveras Blvd., Milpitas, CA 95035

 www.ci.milpitas.ca.gov  408-586-3000



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Receive a Presentation on the Condition of the Milpitas Community Center and Provide Direction (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)
Category:	Community Services and Sustainable Infrastructure
Meeting Date:	9/15/2026
Recommendation:	Receive a presentation on the condition of the Milpitas Community Center and provide direction to proceed with the improvement or replacement option.

BACKGROUND:

The 17,000 square foot Milpitas Community Center (Community Center) opened in 1982 as the central hub for community life in the City and serves as headquarters for the Recreation and Community Services (RCS) Department. Its primary purpose is to provide programs and services that enrich the community, promote health and wellness, foster cultural awareness, and host events to bring the community together. The building includes an auditorium with a stage and kitchen for events and banquets, staff offices, classrooms for preschool and program activities, and meeting rooms. In addition, like all City recreation sites, the Community Center is designated as a Warming and Cooling Center during periods of extreme weather. The Milpitas Sports Center is the City's designated shelter site.

Over the years, the Community Center has required extensive maintenance and repairs to several components, including the ceiling, flooring, mechanical systems, and roof. Facility maintenance has historically been reactive and service-request driven rather than preventive; staff recently established monthly preventive maintenance for the roof and gutters. In 2023, staff repaired a major ceiling failure and subsequently consulted with the City's on-call roofing vendor, Tremco, to inspect the condition of the roof. Tremco identified several deficiencies including: several repairs to address leaks; evidence of water pooling and structural wood framing deterioration in several areas; inadequate waterproofing for supports; widespread micro fractures in the roof's membrane; and congestion of mechanical equipment. Tremco concluded that the protective membrane has exceeded its 25-year service life and requires complete replacement. They also noted that all mechanical equipment would have to be removed to complete this work, and the equipment's support bracing should be properly attached to the roof and waterproofed.

As part of the adopted FY2025-2029 Capital Improvement Program, the City Council approved the Community Center Roof Renovation Project, CIP No. 3485 (Project) with a funding allocation of \$500,000 from the General Government CIP Fund to perform an assessment of the existing roof, mechanical systems, kitchen, and accessibility, and develop conceptual plans and cost estimates to program and prioritize necessary improvements of essential components to maintain the longevity of the 44-year-old building. Staff selected Aetypic, Inc. (AET) through a Request for Proposals process in accordance with Milpitas Municipal Code Sections I-2-3.09, Request for Proposals Procedure, and I-2-3.13, Contracting for Consultants. On June 3, 2025, the City Council approved a Design Services Agreement with AET in the amount of \$237,716 to perform this work.

In March 2026, staff repaired another ceiling failure in the restroom, which prompted staff to debrief City Council on the roof's condition and the necessary improvements. During the adoption of the FY2026-27 Operating Budget on June 9, 2026, the City Council approved allocating an additional \$370,000 in funding from the General Fund to the Project to advance the design of the full roof replacement. In addition, staff committed to bring a presentation to City Council in September to further discuss the Project.

ANALYSIS:

AET completed the condition assessment of the existing roof, mechanical systems, kitchen, and accessibility and developed recommended improvements for staff to program and prioritize over the next several years.

Based on AET's analysis, the Community Center's essential components, such as the roof and HVAC system, are in poor condition and require immediate attention to keep the building operational. The following sections summarize the condition assessment, estimated cost of recommended improvements, operation impacts, funding analysis and strategies, and staff recommendation for City Council consideration. The analysis is based on the best information available to staff and may change as the Project advances through the design and permitting phases.

Roof System: The Community Center has two types of roof systems: (1) a flat roof system (16,000 square feet) which consists of a protective PVC membrane, installed in the mid-1990s, on top of the original membrane and is enclosed by a 6-foot-high parapet wall; and (2) a gable roof system (4,000 square feet) which consists of the original clay tiles placed on steep-slope cover board with a water proofing barrier that attaches to the parapet wall. The assessment identified the following concerns and deficiencies that are susceptible to water intrusion into the roof and wall assemblies.

- Flat roof system: is in poor condition as the PVC membrane is experiencing widespread micro fractures; water pooling is occurring due to improper roof sloping for drainage likely caused by material degradation; the supports for mechanical equipment and parapet wall are improperly waterproofed; and it is heavily congested with mechanical equipment.
- Gable roof system: is in poor condition as there are missing and broken clay tiles leading to the water proofing barrier deteriorating due to weathering. The barrier has become dry and brittle and has lost its effectiveness to protect the roof and wall assembly from the weather.
- Parapet wall: shows evidence of deterioration, including wood rot and peeling paint. It is susceptible to water intrusion due to a lack of protective metal flashing along the top edge of the wall, and the PVC membrane was improperly installed over the metal flashing at the bottom of the wall.
- Interior ceiling: is showing widespread evidence of water intrusion from the roof due to evidence of water stains on the acoustical tile ceiling and light fixtures, and ceiling failures that have occurred over the past years.

AET concludes that the flat roof system has reached its 25-year service life and is no longer suitable for continued spot repairs. Because the facility has experienced recurring maintenance and repair efforts due to water intrusion, portions of the wood structural components have likely deteriorated as well. AET recommends replacing the roof down to the plywood decking with a thermoplastic polyolefin material; replacing damaged framing; correcting the roof slope to eliminate any water pooling; waterproofing all mechanical equipment and parapet wall supports attached to the roof; improving the parapet wall system by replacing deteriorating framing, installing proper metal flashing along the top and bottom of the wall, repairing siding failures, and applying thick film elastomeric paint above the roof line. AET also concludes that the gable roof system's waterproofing barrier and clay tiles should be replaced as they have reached their service life of 25 years. The barrier should be replaced with high-vapor-permeability synthetic material to align with the clay tile life expectancy.

Mechanical System: HVAC units with associated ductwork, natural gas distribution piping, and telecommunication conduits are the primary equipment attached above the roof, which is common in these types of buildings. All existing equipment must be removed to allow contractors to properly correct all deficiencies and install a new roof system. Therefore, AET conducted a thorough condition, operation serviceability, and capacity adequacy assessment of the HVAC, gas, and electrical systems to determine the level of upgrades needed to continue operating the Community Center.

The existing HVAC system consists of eight (8) single-zone rooftop air conditioning (AC) units connected to outdoor ductwork. The units are electrically powered, with heating supplied by natural gas furnaces served by a rooftop gas distribution network. Seven of the eight AC units were replaced in 2011, however, one unit and most of the ductwork has been in service since 1982. AET identified significant deficiencies in the system, including malfunctioning components; inadequate mounting and supports of the AC units, ductwork, and natural gas distribution piping that do not meet current industry standards for maintenance and seismic requirements; the ductwork is dented, leaking, and the paint is peeling; and airflow is inconsistent during peak seasonal conditions, causing occupant discomfort. As the HVAC equipment has reached its expected service life of 15 years, AET recommends the entire system be replaced and

upgraded to meet the requirements of building codes, and integrate a modern digital control system to better control airflow temperature and manage energy throughout the building.

The electrical system consists of a 1,200-ampere (A) main switchboard that accommodates the backup emergency generator to ensure continuous operation during outages; solar photovoltaic systems to diversify the power supply which is connected to the micro grid system; and distributes power to six panelboards serving specific areas and loads. The HVAC system has a dedicated panelboard (AC2) with a capacity of 400A to manage power distribution for seven AC units to ensure efficient and reliable operation. Because of the panelboard size, one AC unit is powered directly from the main switchboard.

Since the HVAC system will be upgraded, the existing main switchboard and panelboard AC2 cannot support the new electrical loads. AET recommends increasing the main switchboard capacity from 1200A to 1600A and panelboard AC2 from 400A to 700A. The increase in capacity will require PG&E's transformer serving the facility to be upgraded to 750KVA. In addition, AET recommends replacing the remaining five panelboards with the same capacity, as they have surpassed their expected service life of 30 years and their original manufacturer is no longer in operation.

Accessibility: The Americans with Disabilities Act of 1990 (ADA) fundamentally transformed how buildings are designed, constructed, and altered. It established standards and specifications for accessibility related to, but not limited to, entrances, pathways, restrooms, parking, and kitchens, recreation, and work areas that apply to newly constructed buildings, alterations, and certain existing facilities. Unfortunately, the Community Center was constructed prior to the enactment of the ADA and was not designed with accessibility in mind. AET found numerous areas that do not comply with current accessibility standards, including, but not limited to, accessible parking spaces, doors, entryways, electrical receptacles and switches, kitchen, pathways, the auditorium performance and stage areas, restrooms, service counters, signage, sinks, and workspace area. Staff recommends programming these improvements to bring the facility into compliance with current ADA and California building code regulations.

Kitchen: The kitchen appliances and cabinetry are outdated and do not meet the operational needs of the Community Center. As it is used by the public for events and banquets, several components such as the sinks, counters, and equipment no longer comply with requirements of California's building codes and health and safety code. AET recommends renovating the kitchen to improve functionality and comply with applicable building, accessibility, health, and fire codes to allow the public to continue the use of the kitchen.

Exterior Building Improvements: The exterior of the building was last painted in 2000. Industry standard practice recommends repainting exterior building surfaces every 7 to 10 years to protect the building envelope from weathering, sunlight, and moisture intrusion, which extends the service life of exterior materials and reduces future maintenance efforts and costs. AET observed minor cracking of the stucco throughout the building and recommends repairing the cracks and repainting the exterior of the building.

Estimated Improvement Costs

AET provided probable cost estimates for improvements intended to maintain the Community Center in good working order for years to come. Because the General Fund is limited and is the primary funding source for maintenance and improvements to City facilities, staff recommends prioritizing improvements based on immediate and necessary needs, assuming they will have to be funded over several years due to funding limitations. The following is the scope of work, anticipated design and construction schedule, and probable cost estimates for the two-project approach.

Project 1 - Immediate Improvements: This project focuses on replacing the flat and gable roof systems and upgrading the HVAC and electrical systems. The scope of work includes, but is not limited to, replacing the flat roof to the plywood decking with thermoplastic polyolefin membrane; repairing the roof decking, parapet wall, and roof drainage system; reinforcing the structural framing for mechanical equipment; upgrading the HVAC and electrical system; and replacing telecommunication conduits.

The duration of the design, permitting, and bidding phase is approximately 12 months and construction anticipated to be completed within 15 months. Staff aims to start construction by spring 2028, but this is subject to change based on material lead times, PG&E's schedule to upgrade the transformer, and the relocation of staff, programs, and services. The estimated project cost, including administration, design, and construction, is \$7.4 million.

In the meantime, staff are exploring temporary repairs by applying roof foaming with a silicone coating on the flat roof, repairing the gable roof, and improving the drain inlets to ensure positive drainage. These repairs are intended as a temporary measure and are expected to reduce the potential for roof leaks for about two years, until the start of construction. The estimated cost for the repairs is \$1 million, which will be funded by the General Government CIP Fund and/or the General Fund-Facility Replacement Reserve.

Construction Costs	
Roof Replacement	\$1,520,000
HVAC Replacement	\$1,700,000
Electrical Upgrades	\$790,000
Construction Contingency (15%)	\$601,000
Unanticipated Hazard Mitigation (5%)*	\$201,000
Probable Construction Budget	\$4,812,000
Soft Costs	
Design Cost (15%)	\$ 722,000
Administration Cost (10%)	\$481,000
Probable Soft Cost Budget	\$ 1,203,000
2-year Cost Escalation (3% annually)	\$361,000
Temporary Repairs	\$1,000,000
Probable Project Cost	\$7,376,000

Given the age and condition of the building, hazardous materials such as asbestos and lead-based paint and moisture due to ongoing water intrusion may be encountered during construction. The extent of abatement or remediation will not be known until the demolition phase begins. A 5% contingency is included in the estimate to address these potential conditions if encountered.

Project 2 - Necessary Improvements: This project focuses on improving the building's accessibility to comply with current ADA and California building code regulations; stucco repair and painting of the exterior building; and renovating the kitchen for continued public use. The duration of the design, permitting, and bidding phase is approximately 12 months and the construction anticipated to be completed within 18 months. The estimated project cost, including administration, design, and construction, is \$1.4 million. This project will start when funding becomes available.

Construction Costs	
Kitchen Remodel	\$364,000
ADA Improvements	\$337,000
Exterior Painting & Stucco Repair	\$141,000
Construction Contingency (15%)	\$126,000
Unanticipated Hazard Mitigation (5%)	\$42,000
Probable Construction Budget	\$1,010,000
Soft Costs	
Design Cost (15%)	\$151,000
Administration Cost (10%)	\$101,000
Probable Soft Cost Budget	\$252,000
2-year Cost Escalation (3% annually)	\$76,000

Recreation and Community Services Department Operation Impacts

The Community Center will have to be closed for a minimum of 15 months to complete the immediate improvements (Project 1), impacting the programs, services, staff, and revenue generated by rentals. Eight (8) full-time and 15 part-time employees working in the Community Center, along with various programs such as Pre-K enrichment program, youth camps, community theatre, and year-round classes, will have to be temporarily relocated or canceled during the closure. Special events held at the site such as Tree Lighting, Lantern Festival and Lunar New Year would need to be relocated and/or reimagined with limited/smaller capacities.

As space is limited throughout City facilities, staff is evaluating potential facilities to determine the most viable and cost-effective relocation option. Other potential relocation options are leasing space or partnering with other organizations such as Milpitas Unified School District (MUSD) and County of Santa Clara. At this time, Sal Cracolice Recreational Facility is a leading option for relocating staff. Using this facility would avoid leasing costs, but would prevent the City's ability to host rentals, classes, and programs, resulting in revenue losses to the General Fund.

A major impact due to the closure will be the loss of revenue generated from services and rentals (e.g., Auditorium and rooms) at the Community Center. Currently, the site programming generates approximately \$400,000 annually, where approximately \$260,000 is from facility rentals, which will surely be lost due to the closure. If programs and services cannot be relocated, the total potential revenue loss could be approximately \$400,000, which will impact the General Fund. The extent of the relocation effort will have to be further explored to determine appropriate relocation and actual revenue loss.

Funding Strategies

As mentioned above, facility improvements are typically funded through the General Fund, either directly or through fund balances such as General Government CIP Fund or General Fund – Facility Replacement Reserve. The project budget currently has \$620,000 available to complete the design phase for immediate improvement (Project 1) only. Approximately \$3.1 million is also available in the General Fund - Facility Replacement Reserve to fund a portion of construction administration and improvements. This would leave a shortfall of approximately \$3.7 million to complete Project 1 and \$5.0 million to complete both Project 1 and 2.

Additionally, staff also reviewed Capital Improvement Projects currently funded by the General Fund and identified the following workplans or projects that could potentially be deferred and reallocated to fund this Project.

Approved Workplan	Potential Deferred Funding Amount
Community Center Auditorium Floor Repair (3406)	\$100,000
City Hall- HR Office Reconfiguration (3406)	\$115,000
Citywide Rekey (3406)	\$100,000
Senior Center Dance Studio Resurfacing (3406)	\$35,000
City Hall 2 nd Floor Carpet Replacement (3406)	\$120,000
PD Window Framing Sealing (3406)	\$250,000
PD Dispatch Kitchen Remodel (3406)	\$100,000
PD Sleeping Quarter Improvement (3406)	\$125,000
PD/PW Roof Replacement Design (3422)	\$200,000
Calaveras Median Conversion Project (3468)	\$100,000
City Hall Fountain Landscape Renovation Planning (3470)	\$250,000
Community and Senior Center Energy Resilience Project (3488)	\$675,000
Sport Center Parking Lot Resurfacing (3716)	\$200,000
TOTAL	\$2,370,000

As Project 1 is anticipated to start construction in spring 2028, staff recommends the City Council not reallocate any funding from these workplans and projects until the FY2027-28 budget discussions commence. Staff will bring this Project for discussion during the Capital Improvement Program study session in February 2027 when the General Fund balances are available for the upcoming fiscal year.

The City will need to invest approximately \$8.7 million in immediate and necessary improvements over the next several years to ensure the building can continue serving the community for years to come. However, we should not lose sight that the building is reaching its expected service life of 50 years and will require extensive time and resources to maintain, replace, or upgrade other critical components such as flooring, windows, and gas and fire alarm equipment, to name a few. Continued annual investment in maintenance and improvements could extend the useful life of the facility; however, the building will have to be replaced at some point.

When the Community Center opened in 1982, Milpitas' population was approximately 39,000, and it now stands at approximately 79,000, doubling in 44 years. As Milpitas' population is anticipated to increase to 125,000 by 2050, the current size and operations of the Community Center will most likely be inadequate to meet the demands of a larger community. Although the primary discussion is focused on addressing immediate and necessary needs, City Council may want to consider investing in a new Community Center that could better serve future generations. Staff worked with AET to develop the following two high-level replacement options for City Council's consideration and discussion:

- Replacement-In-Kind Option: This option assumes the new building will be 17,000 square feet, one single story, and located at the current location. The new facility would maintain the current RCS operation, programs, and services. The planning and design phase is anticipated to take approximately 24 months, and construction is anticipated to be completed within 24 months. The estimated project cost, including administration, design, and construction, is \$23 million, which also includes the renovation of the landscape areas and water fountain at the City Hall campus. The estimated cost to renovate the water fountain is between \$1.3 to \$1.7 million which includes repairing, waterproofing, and resurfacing the fountain and replacing the associated pump system.
- Replacement-Expansion Option: Staff reviewed community centers in Cupertino, Dublin, Mountain View, and Redwood City, which were the benchmark cities used during the development of the Parks and Recreation Master Plan. These cities offer their communities a wide range of programs and services, and their buildings range from 20,000 to 45,000 square feet. A comprehensive programming and needs assessment will be required to determine the appropriate building size, amenities, and space allocation. For planning purposes, this replacement option assumes the new building will be a 40,000-square-foot, two-story building located at the same location. A larger facility could provide an opportunity for RCS to expand rental and community meeting space, programs, and services to better serve the community and generate more revenue for the City. The planning and design phase is anticipated to take approximately 24 to 30 months, with construction anticipated to be completed within 36 months. The estimated project cost, including administration, design, and construction, is \$60 million, which will include the renovation of the landscape areas and water fountain at City Hall campus.

The replacement options will have a more extensive impact on RCS Department operation than the improvements approach because the planning, design, and construction timeframe will be substantially longer. Staff and programs would need to be temporarily relocated for 24 to 36 months, and the estimated revenue loss is \$400,000 annually. A replacement project would require a separate financing strategy, potentially by issuing a general obligation bond (requiring two-thirds voter approval) or lease revenue bond, similar to the financing approach (lease revenue bond) City Council approved for the replacement of Fire Station No. 2 in October 2020.

If the City Council elects to proceed with the replacement rather than renovation, staff will continue to explore temporary repairs for the flat and gable roofs and improve the drain inlets to ensure positive drainage. At the same time, staff will work with the consultant to begin programming and a needs assessment to determine the appropriate building size, amenities, and space allocation. Upon completion, staff would return to City Council with proposed conceptual designs; additional details regarding the relocation of staff, programs, and services; potential revenue impacts; and financing options for City Council consideration.

In summary, AET's condition assessment identifies several concerns and deficiencies with the Community Center that require immediate attention, particularly the deteriorated flat and gable roof systems and HVAC system. The City will need to invest approximately \$8.7 million in immediate, necessary improvements over the next few years to ensure the building continues to serve the community for years to come. As funding will be needed for the ongoing maintenance and improvements of this 44-year-old building, City Council should consider investing in a new Community Center that could better serve the community for future generations. Staff is hereby requesting that the City Council provide direction on whether to proceed with the immediate and necessary improvements needed to maintain the current operations of the Community Center or proceed with planning for replacement of the Community Center.

POLICY ALTERNATIVES:

Alternative 1: Do not provide direction to staff to proceed with either the improvement or replacement of the Milpitas Community Center.

Pros: None

Cons: Given the poor condition of the roof systems, the building will continue to experience water intrusion that could result in another ceiling failure, potentially placing occupants at risk of injury and increasing the City's liability.

Reason for Not Recommending: Deferring the immediate improvements could lead the City to close the building during the winter to protect the public and staff from water intrusion incidents, which will result in unplanned revenue loss and cease the operation of the RCS Department at that site with no notice to customers.

PROJECT SCHEDULE/KEY MILESTONES

Upon receiving City Council's direction, staff will either negotiate an amendment to AET's contract for the necessary improvements or issue a Request for Proposal (RFP) to obtain a consultant for design of the replacement of the Community Center. In either case, an agreement will be brought for Council approval at a future meeting. The improvement project is targeted to start construction in spring 2028, while the replacement project is targeted to start construction in 2029, subject to securing funding.

FISCAL IMPACT:

As of September 15, 2026, available funding for the Community Center Roof Renovation Project, CIP No. 3485 ("Project"), is \$620,000, funded by the General Government CIP Fund. Sufficient funding is available in the Project budget to complete the design phase for immediate improvements (Project 1) only. Approximately \$3.1 million in funding is available in the General Fund - Facility Replacement Reserve that can fund a portion of the construction administration and improvements. This leaves a shortfall of approximately \$3.7 million to complete the immediate improvements and \$5.0 million to complete both immediate and necessary improvements. As the project is anticipated to start construction in spring 2028, staff will present funding recommendations during the Capital Improvement Program study session next February when the General Fund balances are available for the upcoming fiscal year.

If the City Council elects to proceed with the replacement rather than improve the Community Center, the replacement project will have to be financed through some mechanism. Upon the completion of the programming and needs assessment of the new building, staff would return to the City Council with a financing strategy.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

This item is not a project under the California Environmental Quality Act (CEQA) Guideline 15378(b).

Environmental review and analysis will be conducted in accordance with the California Environmental Quality Act (CEQA) to evaluate the potential environmental impacts associated with the selected improvement option. The scope of the environmental review, technical studies, and the appropriate CEQA determination will depend on the alternative selected by the City Council.

ATTACHMENT(S):

- (a) Condition Assessment
- (b) Cost Estimate

**CITY OF MILPITAS
COMMUNITY CENTER ROOF RENOVATION
FINAL CONDITION ASSESSMENT REPORT**

MARCH 30, 2026

FOR

**THE CITY OF MILPITAS
PUBLIC WORKS DEPARTMENT**

AT

457 E. CALAVERA BLVD
MILPITAS, CALIFORNIA



AETYPIC, INC.
111 NEW MONTGOMERY STREET, STE 500
SAN FRANCISCO, CA 94105
(415) 762-8388

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4.6	Appendix F: Non-Destructive Pre-Renovation Asbestos, lead, and PCBs Roof Survey
4.7	Appendix G: Food Service Schematic Plan and Preliminary Cost Estimate

Project Team

CLIENT:

City of Milpitas
1265 North Milpitas Boulevard
Milpitas California, CA 95035

ARCHITECT:

AET
7 Freelon Street
San Francisco, CA 94107

Steve Grist, Principal
415-762-8388 x35
steve.grist@aetypic.com

Andres Sandoval, Project Manager
415-762-8388 x63
andres.sandoval@aetypic.com

ADA ACCESSIBILITY:

Hilliard Architects
Oakland, California
415-989-6400

Mike Hilliard, AIA, CAsp, Certified Access Specialist
415-989-1727
mhilliard@hilliardarchitects.com

MECHANICAL ENGINEER:

YEI Engineers
7677 Oakport Street, Suite 200
Oakland, CA 94621

Hubert Hidalgo, Principal
510-957-1612
hhidalgo@yeiengineers.com

PLUMBING ENGINEER:

YEI Engineers
7677 Oakport Street, Suite 200
Oakland, CA 94621

Hubert Hidalgo, Principal
510-957-1612
hhidalgo@yeiengineers.com

ELECTRICAL ENGINEER:

YEI Engineers

7677 Oakport Street, Suite 200
Oakland, CA 94621

Brandon Yee, Principal
510-957-1611
byee@yeiengineers.com

STRUCTURAL ENGINEER:

Brokaw Design

6060 Dawn Drive
Rohner Park, CA 94928

Tim Lengyel
415-999-0323
time.lengyel@brokawdesign.com

ENVIRONMENTAL ENGINEER:

SCA Environmental, Inc.

320 Justin Drive
San Francisco, CA 94112

Ryan Kau
415-882-1675
rkau@sca-enviro.com

KITCHEN CONSULTANT:

RAS Design Group, LLC

23 Wanda Way
Martinez, CA 94553

Lynn Sadusky
925-212-2826
lynn@rasdes.com

COST ESTIMATOR:

Sierra West Group

9700 Business Park Drive, Suite 102
Sacramento, CA 95827

John Moreno
916-925-4000
jlmorano@sierrawestgroup.com

1 Executive Summary

1.1 Introduction

Representatives of the City of Milpitas requested the services of AET to prepare a Condition Assessment Report (CAR) of the existing roof, mechanical systems, kitchen, and accessibility for the Milpitas Community Center. The purpose of the CAR is to provide an objective, independent, professional opinion of pre-defined items for the existing building. The results presented in the CAR are intended to assist the City with planning and scope definition for the next phase of the project.

1.2 Facility Function

The Milpitas Community Center was constructed in 1983 and serves as a multifunctional facility hosting community events, an auditorium, offices for the Recreation and Community Service Department, classrooms, and pre-school activities. The facility is approximately 16,362 square feet in area and is 100% utilized.

1.3 Field Investigation

The Design Team (Team) members visited the site on September 16, 2025 to conduct the field investigation. All roof levels were accessed. Interior spaces were also observed such as the kitchen and restrooms.

The Team requested the City to identify a person, or persons, knowledgeable of the physical characteristics, maintenance, and repair of the property. The Team interviewed building representatives during the site visit to inquire about the building's historical repairs and replacements, level of preventive maintenance, pending repairs and improvements, and frequency of repairs and replacements related to the building's physical condition.

2 Project Description

2.1 Current Condition

The building has experienced recurring rainwater intrusion, leading to frequent repairs and potential long-term structural damage. Roof leaks have been observed throughout the facility, resulting in issues ranging from minor ceiling tile stains and light fixture discoloration to significant damage on finished ceilings. The cause of these problems possibly include water ponding on the roof and non-functioning roof drains.

The existing HVAC system on the roof is cluttered with ductwork that is non-compliant and leaking. Additionally, the communication, electrical and gas conduits are exposed to the elements and are either attached to or resting directly on the roof membrane. Extensive improvements to the communication, electrical, gas, HVAC and plumbing systems are anticipated prior to roof restoration. Although the HVAC system was replaced in 2012, many of its components are in poor condition, necessitating replacement.

2.2 Scope of Work

The initial phase of the project includes site investigations and the CAR. The results presented in this CAR are intended to assist with planning, scope definition, and value engineering purposes for the City. This Report will provide the City with the information of the extent of the work required.

2.3 Objective

After the completion of the CAR, the Design Team will begin development of the design and construction drawings for permit submittal. This work will include:

- Removal of the existing HVAC system
- Replacement of both the low-slope and steep-slope roof systems to the roof sheathing
- Installation of new roof drainage, insulation, and roofing systems, and all associated work
- Redesigning the alignment of ductwork, electrical, telecommunication lines and gas pipes
- Upgrading of the HVAC and electrical systems to comply with current building codes
- Installation of new sheet metal flashings
- Replacement of damaged parapet wall siding, and paint
- Repair and/or replacement of any damaged roofing structure as needed
- Interior building repair and replacement work
- Kitchen remodel
- Accessibility improvements

3 Assessment and Recommendations

3.1 Architectural

3.1.1 Overview

AET reviewed the records and documents provided to specifically identify, or assist in the identification of physical deficiencies, as well as any preceding or ongoing efforts to investigate or remediate the physical deficiencies. A Roof Analysis Report was prepared by Tremco, Inc. dated 8/28/2023.

This CAR is based on observations made during the site investigation. Observations were limited to accessible areas of the roof and interior spaces. No inspection or investigation in generally inaccessible areas were performed.

The condition of building structures and components evaluated were broken down into one of the following descriptions:

Excellent:	New or like new.
Good:	No major signs of age or wear, may need replacement.
Fair:	Serviceable, showing age and wear, and will require maintenance, repair or replacement.
Poor:	Requiring action immediately or within 12 months.

3.1.2 Assessment

3.1.2.1 Flat Roof

Type: Mechanically fastened 60 mil PVC membrane was installed over the original 4-ply-built up roof in the mid-1990s. It is approximately 16,000 square feet.

Evidence of water ponding and improper sloping for drainage was observed.



The roof membrane is deteriorating, and patching/repairing will not be effective due to evidence of water penetration to the substrate.



Drainage: Storm water on the roof is directed to roof drains with internal downspouts. No overflow drains were present.

Organic debris surrounded some of the roof drains which inhibit adequate storm water drainage.



Improperly installed utility lines and equipment near the roof drain may cause interruption to adequate storm water drainage.





Parapets and Coping: The parapets are approximately 6'-6" tall and run along the perimeter of the flat roof.

The parapets are finished with plywood panels and wood batons on the interior side. Metal flashing is located at areas where the wall is braced. The paint on the wood elements is peeling in some locations which could lead to water penetrating the wood elements leading to rot.



The base of the parapet wall is finished with metal flashing directly above the roof membrane. Ideally, the roof membrane runs up the wall a minimum of 8" with the metal flashing above. The current condition may be prone to water intrusion into the parapet wall assembly if water was to pond near the wall.



The top of the parapet is lacking the protective cap metal flashing. Water is susceptible to percolating into the wall assembly.



Roof Penetrations: Roof penetrations were present for sanitary stacks, vent fans, plumbing and electrical lines, etc.

The parapet walls at some locations are braced back onto the flat roof. The base of the braces are improperly water proofed leading to water penetrating into the roof membrane.



Roof Access: The roof is accessed via an interior ladder up to a roof hatch.

Existing utility lines running directly in front of the roof hatch poses a significant safety concern as users need to step over the lines when entering or exiting the access hatch.



Skylights: The main entrance lobby has 3 large skylights. There is also a pyramid-shaped skylight located at the end of the wing.

Two of the main entrance lobby skylights show evidence of water damage to the wood ceiling members.



General Condition: Poor – The PVC membrane is deteriorating as there is evidence of widespread minor fractures and water intrusion.

Concerns:

- The roof is heavily congested with ductwork and conduit. Extensive HVAC, electrical and plumbing work would be needed in advance of any roof replacement or restoration work
- Repairs are required around the skylights to address leaks.
- Isolated areas of ponding water present
- Widespread micro fractures in the membrane were observed.
- Leaking ductwork
- Electrical and gas lines are laying directly on the roof membrane.

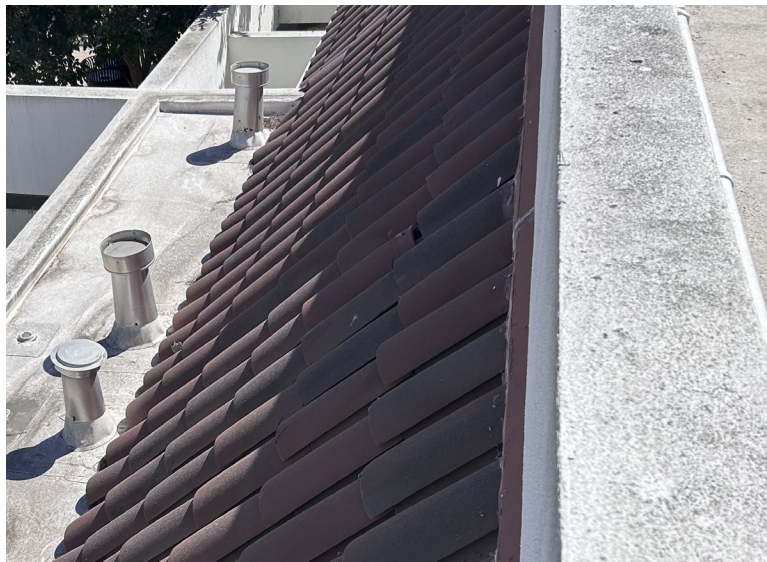
3.1.2.2 Gable Clay Tile Roof

Type: Clay tiles over cover board originally installed in 1981. It is approximately 4,000 square feet.

Damaged/missing tiles and mortar were observed at several locations.



Some of the clay roof tiles have detached and shifted causing water to possibly penetrate onto the underlayment.

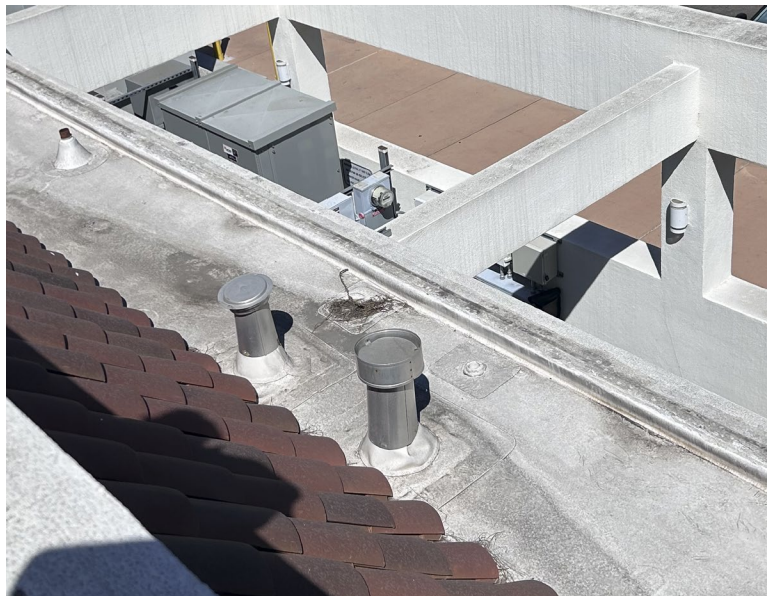


Temporary repairs to the clay roof tiles were observed at locations where they have detached and shifted.



Drainage: Storm water on the roof is directed down the clay tiles onto a flat roof to gutters and downspouts.

Organic debris surrounded some of the roof drains which inhibits adequate storm water drainage.



Parapets and Coping: See Flat Roof Parapets and Coping.

Roof Penetrations: There were no roof penetrations at the tile roofs.

General Condition: Fair – The clay tiles are broken and the underlayment beneath the tile is also deteriorating at some locations causing it to become dry and brittle, compromising its effectiveness as a waterproof barrier.

Concerns:

- The underlayment beneath the tile is also deteriorating as they have become dry and brittle, compromising its effectiveness as a waterproof barrier.
- Water will continue to make its way into the underlayment if the broken tiles are not replaced.
- The existing wood elements supporting the tiles may be decayed due to water intrusion and need to be replaced.

3.1.2.3 Ceilings

Type: 12"x12" acoustical tile over gypsum board.

Evidence of roof leaks were observed throughout the facility. These leaks ranged from small stains on ceiling tiles and stains inside light fixtures, to large sections of damaged finished ceiling.



In some areas, the acoustical ceiling tiles are separating from the gypsum board backing causing the tiles to shift in height.



General Condition: Fair. The majority of the ceiling tiles are in good shape, except for those damages by water.

Concerns: Although the leaks in areas have been repaired, the damaged/stained ceiling tiles remain. Special consideration will be required when removing and replacing the ceiling tiles. Portions of the existing gypsum board backing will also need to be replaced.

3.1.3 Recommendations

3.1.3.1 Flat Roof

The roof has surpassed its designed service life and has reached the point of failure. Tear-off of the existing roofing layers down to the wood deck is required. Replacement of the roof should include the following:

- Installation of new tapered insulation and coverboard.
- Installation of new sheet metal flashings.
- Replacement of damaged parapet wall siding.
- Painting of remaining parapet wall siding and stucco surfaces above the roof line with a thick film elastomeric paint.

In addition, activities including clearing and minor repair of drain system components should be performed regularly as part of the property management's routine maintenance and operations program.

3.1.3.2 Gable Clay Tile Roof

The roof tiles were observed to generally be in good condition. Undamaged existing tiles can be salvaged for reinstallation. Salvaged tile should be cleaned to remove organic growth and resealed. Broken tiles should be replaced with new tiles matching the profile of the existing tiles. Depending on the amount of replacement tiles needed, it is recommended that one roof surface be selected to receive the new tile, allowing the original tile on that surface to be integrated with the other salvaged original tile and limiting the appearance of the new tile to a single location.

Felt underlayment such as originally used is typically one of the first components of a tile roofing system to fail since it does not have an expected service life that is similar to the concrete tiles. It is recommended to use synthetic material that has an extended service life more in line with the anticipated service life of the concrete tiles such as a high-vapor permeability synthetic material.

Although we anticipate retaining the plywood decking, we recommend that an allowance be carried for repair of decayed decking. At locations where the plywood sheathing and batten has decay, it is recommended to use either pressure-treated wood or naturally decay-resistant species for extended service life. Battens should be elevated off the roof deck to facilitate drainage. Batten extensions should be used where it is necessary to fasten a tile in an area with metal flashing. Fasteners attaching the battens to the roof and attaching tile to the battens should be stainless steel.

3.2 Food Service

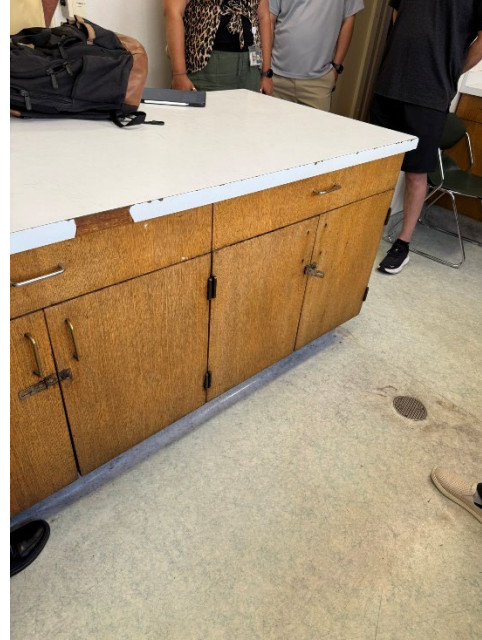
3.2.1 Overview

RAS attended a site walk to review the existing pantry with the study team. The pantry is essentially a residential kitchen. In our discussions during the visit, we were directed to study a commercial health compliant replacement.

3.2.2 Assessment

The existing kitchen requires renovation to meet the current and future needs of the facility. The appliances and cabinetry are outdated and need to be modernized.





3.2.3 Recommendations

If this is to be used by the public, the counters and equipment will need to be ADA compliant but there are limitations to what can be ADA. The hand sink can be compliant, and the counters can be 34" AFF. The center worktables can be mobile so that the turn arounds and clearances are compliant. A 3-compartment sink cannot be compliant and still meet health code. Per health the 3 compartment sink tubs have to be sized for the largest utensil. The sinks have to be approximately 12" min deep to meet health regulations and there can be no knee space. The front roll edge must be 3" high to keep the water in the tubs and drainboards. This brings the sink The shelving and refrigeration will reach restrictions on the higher shelves. The ice machine is compliant to side reach.

See *Appendix G: Food Service Schematic Plan and Preliminary Cost Estimate*.

3.3 ADA Accessibility

3.3.1 Overview

CASp Property Inspection Report (CRASCA)

Construction Related Accessibility Standards Compliance Act Report

3.3.1.1 Scope of Report

Hilliard Architects was retained to inspect the path of travel and communal areas of the Milpitas Community Center, 457 E Calaveras Blvd, Milpitas, CA 95035

Architect Michael Hilliard, CASp 706 evaluated the facility on Tuesday, September 16, 2025.

Improvement's history, It was originally built in 1983 as a community center.

Description of the facility, including the nature of businesses the approximately 20,000 square feet of community center provides many services to the Milpitas community from preschoolers through seniors.

Accessibility Code Standard used for this report. Building Owners want to make voluntary accessibility upgrades to the building so the 2022 California Building Code was used for this report. Architect Michael Hilliard, CASp 706 evaluated the facility on Tuesday, September 16, 2025.

Construction Work NOT Triggering Accessibility Upgrades is limited to the following:

California Building Code Section 11B-202.3: Projects consisting only of heating, ventilation, air conditioning, reroofing, electrical work not involving placement of switches and receptacles, cosmetic work that does not affect items regulated by this code, such as painting, equipment not considered to be a part of the architecture of the building or area, such as computer terminals and office equipment shall not be required to comply with Section 11B-202.4 unless they affect the usability of the building or facility. The 2025 State of California Valuation Threshold for Alterations or Additions is \$203,611. When the threshold is exceeded, you are required to bring the entire path of travel to the area of work up to the current accessibility code. For projects less than the threshold you must spend 20% of the construction value on accessibility upgrades. Remediation Items in this report are in the order mandated by the California Building Code Section 11B-202.3.

3.3.2 Assessment

3.3.2.1 Item #1 – 11B-503.4 Floor and Ground Surfaces

California Building Code: *Vehicle pull-up spaces and access aisles serving them shall comply with Section 11B-302. Access aisles shall be at the same level as the vehicle pull-up space they serve. Changes in level, slopes exceeding 1:48, and detectable warnings shall not be permitted.*

Non-Compliance: All accessible parking spaces and accessible Electric Vehicle Charging Stations (EVCS) paved with asphalt exceed the 1:48 maximum slope. These spaces cannot exceed 1:48 in any direction within the extents of the parking spaces and access aisles.

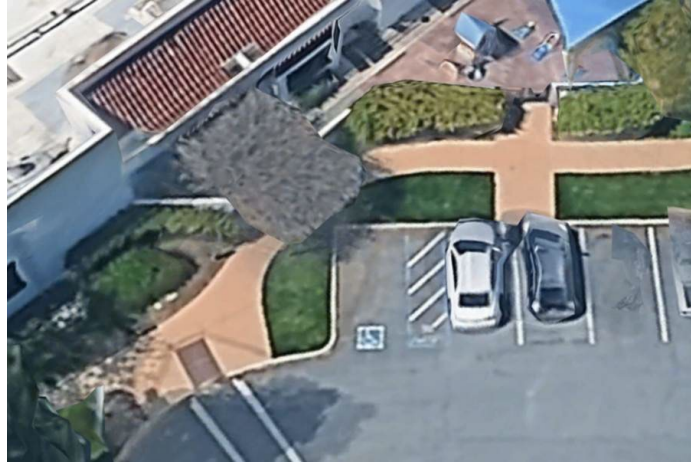


Recommendation: Repave all non-concrete accessible parking spaces and accessible EVCS to comply with the 1:48 maximum slope. Most contractors use concrete to pave accessible parking spaces and access aisles because concrete is easier to control slopes than hot asphalt paving.

3.3.2.2 Item #2 – 11B-502.7.1 Arrangement

California Building Code: *Parking spaces and access aisles shall be designed so that persons using them are not required to travel behind parking spaces other than to pass behind the parking space in which they parked.*

Non-Compliance: The Accessible parking space and access aisle near pre-school yard do not provide safe and direct access to an accessible path of travel. It forces a wheelchair driving individual into traffic to reach the curb ramp on the left.

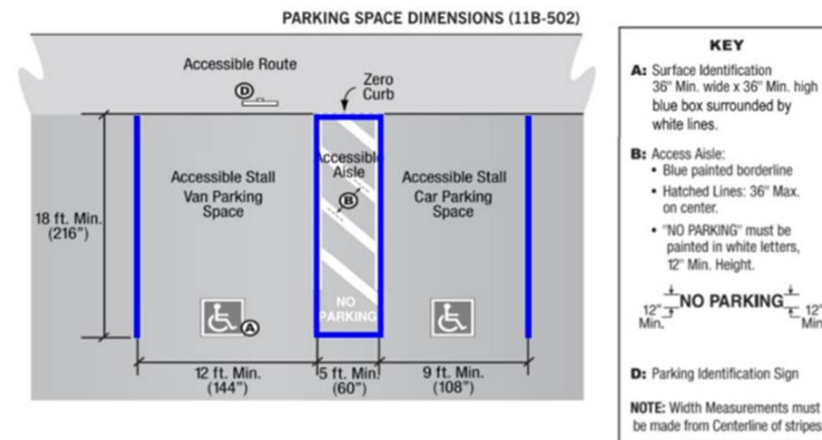


Recommendation: Move accessible parking and access aisle to a curb ramp or provide accessible walk and curb ramp access to aisle.

3.3.2.3 Item #3 – 11B-502.3.3 Marking

California Building Code: Access aisles shall be marked with a blue painted borderline around their perimeter. The area within the blue borderlines shall be marked with hatched lines a maximum of 36 inches (914 mm) on center in a color contrasting with that of the aisle surface, preferably blue or white. The words “NO PARKING” shall be painted on the surface within each access aisle in white letters a minimum of 12 inches (305 mm) in height and located to be visible from the adjacent vehicular way. Access aisle markings may extend beyond the minimum required length.

Recommendation: After repaving accessible parking and access aisles, they need to be painted. Carefully follow the code requirements including 36-inch square blue box with white lines around it (not 36-inch square white box), and a blue striped rectangle entirely around the access aisle.



3.3.2.4 Item #4 – 11B-81.8.2 Five to Twenty Five

California Building Code: Where five to twenty-five total EVCS are provided, one van

accessible EVCS shall be identified by an ISA complying with Section 11B-703.7.2.1 The required standard accessible EVCS shall not be required to be identified with an ISA.

Non-Compliance: California law does not reserve ISA-marked charging stations for disabled drivers only; instead, it requires accessible spaces to be available to all drivers, not limited to those with disability placards. The California Building Standards Code (CBC) requires that some EV charging stations be made accessible for people with disabilities, but the accessible space is still available for use by anyone who needs it. The part of the sign that states "PARKING ONLY VAN ACCESSIBLE MINIMUM FINE \$250" is not correct.



Recommendation: The part of the sign that states "PARKING ONLY VAN ACCESSIBLE MINIMUM FINE \$250" is not correct. The current federal ADA Standards do not mandate a "use last" model. However, the U.S. Access Board is considering it and is working on a notice of proposed rulemaking to address this and other specific technical requirements for EV charging stations.



3.3.2.5 Item #5 – 11B-302 Floor or Ground Surfaces

California Building Code: 11B-302.1 General. Floor and ground surfaces shall be stable, firm and slip resistant and shall comply with Section 11B-302.

11B-302.2 Carpet. Carpet tile shall be securely attached and shall have a firm cushion, pad, or backing or no cushion or pad. Carpet or carpet tile shall have a level loop, textured loop, level cut pile, level cut/uncut pile texture. Pile height shall be 1/2 inch (12.7 mm) maximum. Exposed edges of carpet shall be fastened to floor surfaces and shall have trim on the entire length of the exposed edge. Carpet edge trim shall comply with Section 11B-303.

Non-Compliance: Walk off mats are not firm enough. They are a trip and wheelchair barrier hazard.



Recommendation: Provide mats firm enough that you can't kick them up or attach walk off mats to floor.

3.3.2.6 Item #6 – 11B-302 Floor or Ground Surfaces

California Building Code: 11B-302.1 General. Floor and ground surfaces shall be stable firm and slip resistant and shall comply with Section 11B-302.

11B-302.2 Carpet. Carpet tile shall be securely attached and shall have a firm cushion, pad, or backing or no cushion or pad. Carpet or carpet tile shall have a level loop, textured loop, level cut pile, level cut/uncut pile texture. Pile height shall be 1/2 inch (12.7 mm) maximum. Exposed edges of carpet shall be fastened to floor surfaces and shall have trim on the entire length of the exposed edge. Carpet edge trim shall comply with Section 11B-303.

Non-Compliance: Carpet tile at the gallery door is loose.



Recommendation: Replace damaged carpet tile.

3.3.2.7 Item #7 – 11B-404.2.10 Door and Gate Surfaces

California Building Code: Swinging door and gate surfaces within 10 inches (254 mm) of the finish floor or ground measured vertically shall have a smooth surface on the push side extending the full width of the door or gate. Parts creating horizontal or vertical joints

in these surfaces shall be within 1/16 inch (1.6 mm) of the same plane as the other and be free of sharp or abrasive edges. Cavities created by added kick plates shall be capped.

Exceptions:

1. *Sliding doors shall not be required to comply with Section 11B-404.2.10.*
2. *Tempered glass doors without stiles and having a bottom rail or shoe with the top leading edge tapered at 60 degrees minimum from the horizontal shall not be required to meet the 10 inch (254 mm) bottom smooth surface height requirement.*

Non-Compliance: Throughout the building, door hold opens have been installed on the push side of doors which does not comply with 11B-404.2.10 of the 2022 California Building Code.



Recommendation: Remove all door hold opens that have been installed on the push side of doors.

3.3.2.8 Item #8 – 11B-404.2.10 Door and Gate Surfaces

California Building Code: *Swinging door and gate surfaces within 10 inches (254 mm) of the finish floor or ground measured vertically shall have a smooth surface on the push side extending the full width of the door or gate. Parts creating horizontal or vertical joints in these surfaces shall be within 1/16 inch (1.6 mm) of the same plane as the other and be free of sharp or abrasive edges. Cavities created by added kick plates shall be capped.*

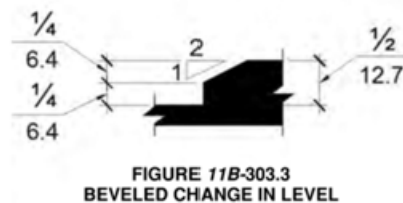
Non-Compliance: Auditorium surface-mounted panic hardware does not comply with 11B-404.2.10 of the 2022 California Building Code.



Recommendation: Replace the non-compliant hardware with fully compliant panic hardware.

3.3.2.9 Item #9 – 11B-303.3 Beveled

California Building Code: *Changes in level between 1/4 inch (6.4 mm) high minimum and 1/2 inch (12.7 mm) high maximum shall be beveled with a slope not steeper than 1:2.*



Non-Compliance: Auditorium double door thresholds are higher than one half inch.



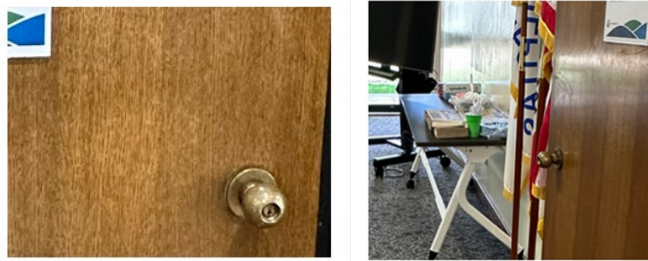
Recommendation: Replace the non-compliant hardware with fully compliant hardware and thresholds.

3.3.2.10 Item #10 – 11B-404.2.7 Door and Gate Hardware

California Building Code: *Handles, pulls, latches, locks and other operable parts on doors and gates shall comply with Section 11B-309.4. Operable parts of such hardware shall be 34 inches (864 mm) minimum and 44 inches (1118 mm) maximum above the finish floor or ground. Where sliding doors are in the fully open position, operating hardware shall be exposed and usable from both sides.*

11B-309.4 Operation. Operable parts shall be operable with one hand and shall not require tight grasping, pinching, or twisting of the wrist. The force required to activate operable parts shall be 5 pounds (22.5 N) maximum.

Non-Compliance: Doors without panic hardware throughout the building have doorknobs that do not comply with sections 11B-404.2.7 and 11B-309.4 of the 2022 California Building Code.



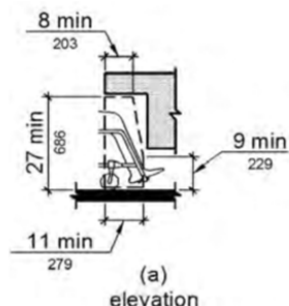
Recommendation: Remove all doorknobs and replace with lever handle hardware.

3.3.2.11 Item #11 – 11B-606 Lavatories and Sinks

California Building Code: *11B-606.1 General. Lavatories and sinks shall comply with Section 11B-606.*

11B-606.2 Clear Floor Space. A clear floor space complying with Section 11B-305, positioned for a forward approach, and knee and toe clearance complying with Section 11B-306 shall be provided.

11B-606.3 Height. Lavatories and sinks shall be installed with the front of the higher of the rim or counter surface 34 inches (864 mm) maximum above the finish floor or ground.



Non-Compliance: All toilet room counters have less than the required minimum 27 inches of clearance under them.

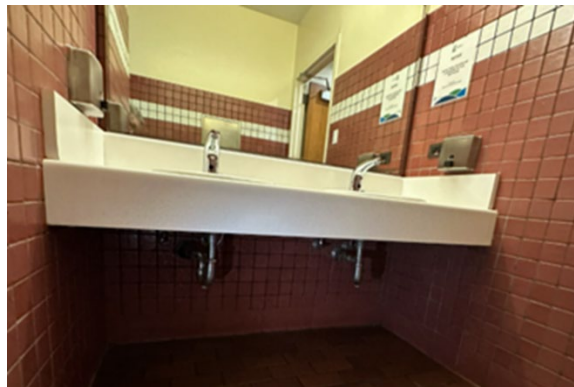


Recommendation: Renovate counters to provide the required clearances.

3.3.2.12 Item #12 – 11B-606.5 Exposed Pipes and Surfaces

California Building Code: *Water supply and drain pipes under lavatories and sinks shall be insulated or otherwise configured to protect against contact. There shall be no sharp or abrasive surfaces under lavatories and sinks.*

Non-Compliance: All toilet room pipes and valves are not covered.



Recommendation: Provide lavatory guards or pipe and valve covers. See <https://ipsplumbingproducts.com/brands/truebro/> for lavatory examples of guards or pipe and valve covers.

3.3.2.13 Item #13 – 11B-809.12 Electrical Receptacles, Controls, and Switches.

California Building Code: *Electrical receptacles on branch circuits of 30 amperes or less, communication system receptacles, controls, and switches shall be located as follows:*

1. *Where there is no obstruction, 48 inches (1219 mm) maximum measured from the top of the receptacle box and 15 inches (381 mm) minimum measured from the bottom of the receptacle box to the finish floor.*

Non-Compliance: Switches required to be used by the public or non-maintenance employees cannot be higher than 48 inches above the finished floor.



Recommendation: Change to a motion-activated switch so that only maintenance personnel can adjust or lower the light switches.

3.3.2.14 Item #14 – 11B-604.4 Seats

California Building Code: *The seat height of a water closet above the finish floor shall be 17 inches (432 mm) minimum and 19 inches (483 mm) maximum measured to the top of the seat. Seats shall not be sprung to return to a lifted position. Seats shall be 2 inches (51 mm) high maximum.*

Non-Compliance: Accessible toilet seats are too low.



Recommendation: Provide 2-inch-high toilet seats to provide a minimum 17-inch-high accessible toilet seats.

3.3.2.15 Item #15 – 11B-226.4 Baby Diaper Changing Station

California Building Code: *Baby diaper changing stations shall comply with Sections 11B-309 and 11B-902. Baby diaper changing stations, when deployed, shall not obstruct the required width of an accessible route except as allowed by Section 11B-307.2. Baby diaper changing stations shall not be located in toilet compartments complying with Section 11B-604.8 within a multiple accommodation toilet facility.*

California law (AB-1127) requires baby changing stations in men's and women's restrooms.

- *It applies to: Public buildings with a maximum occupancy of over 60 people, shopping centers larger than 25,000 sq. ft., and retail stores over 5,000 sq. ft.*
- *It requires: At least one safe, sanitary, and accessible baby diaper changing station in the men's and women's restrooms.*
- *Examples of qualifying buildings: Theaters, libraries, restaurants, cultural complexes, and passenger terminals.*

Non-Compliance: Baby changing stations mounted inside toilet compartments do not comply with the 2022 California Building Code section 11B-226.4



Recommendation: Provide baby changing stations in both Men's and Women's Restrooms that comply with the 2022 California Building Code.

3.3.2.16 Item #16 – 11B-605.2 Height and Depth

California Building Code: *Urinals shall be the stall-type or the wall-hung type with the rim 17 inches (432 mm) maximum above the finish floor or ground. Urinals shall be 13 1/2 inches (343 mm) deep minimum measured from the outer face of the urinal rim to the back of the fixture.*

Non-Compliance: Accessible urinals are too high.



Recommendation: Provide accessible urinals (one in each toilet room) that complies with CBC 11B-505.2

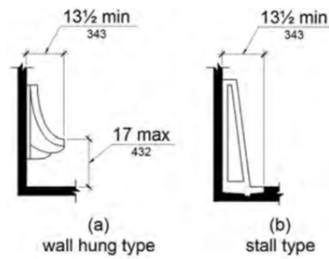


FIGURE 11B-605.2
HEIGHT AND DEPTH OF URINALS

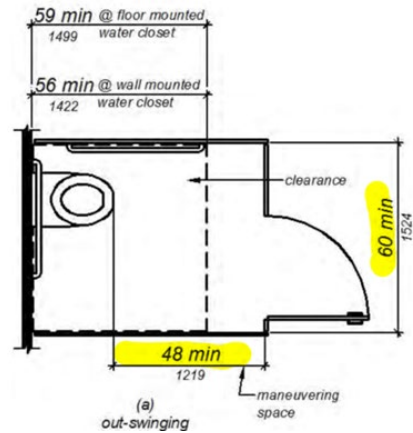
3.3.2.17 Item #17 – 11B-604.8.1.1.3 Maneuvering Space with End-Opening Door

California Building Code: In a wheelchair accessible compartment with a door located in the front wall or partition (facing the water closet), either in-swinging or out-swinging, a minimum 60 inches (1524 mm) wide and 48 inches (1219 mm) deep maneuvering space shall be provided in front of the water closet. See Figure 11B-604.8.1.1.3.

Non-Compliance: C37 & C38 Accessible toilet compartment dimensions do not comply with 11B-604.8.1.1.3. There is not 48 inches clear in front of the toilet rim to the wall. The compartment is less than 60 inches wide.



Recommendation: Renovate toilet rooms C37 & C38 to provide compliant accessible toilet compartments.



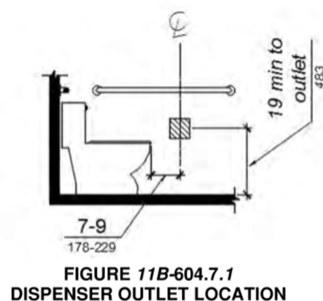
3.3.2.18 Item #18 – 11B-604.7.1 Dispenser Outlet Location

California Building Code: Toilet paper dispensers shall comply with Section 11B-309.4 and shall be 7 inches (178 mm) minimum and 9 inches (229 mm) maximum in front of the water closet measured to the centerline of the dispenser. The outlet of the dispenser shall be below the grab bar, 19 inches (483 mm) minimum above the finish floor and shall not be located behind grab bars. Dispensers shall not be of a type that controls delivery or that does not allow continuous paper flow.

Non-Compliance: Toilet Paper Dispenser locations in all toilet rooms do not comply with 2022 California Building Code Section 11B-604.7.1



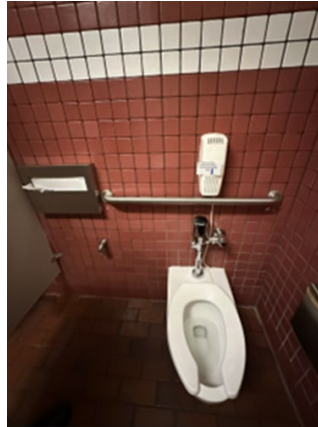
Recommendation: Provide Toilet Paper Dispensers that comply with the Section 11B-604.7.1



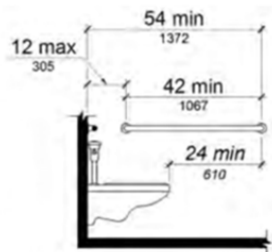
3.3.2.19 Item #19 – 11B-604.5.1 Side Wall

California Building Code: *The side wall grab bar shall be 42 inches (1067 mm) long minimum, located 12 inches (305 mm) maximum from the rear wall and extending 54 inches (1372 mm) minimum from the rear wall with the front end positioned 24 inches (610 mm) minimum in front of the water closet.*

Non-Compliance: Accessible toilet stall in Toilet Room C-37 is missing side wall grab bar.



Recommendation: Install the required side wall grab bar.



**FIGURE 11B-604.5.1
SIDE WALL GRAB BAR AT WATER CLOSETS**

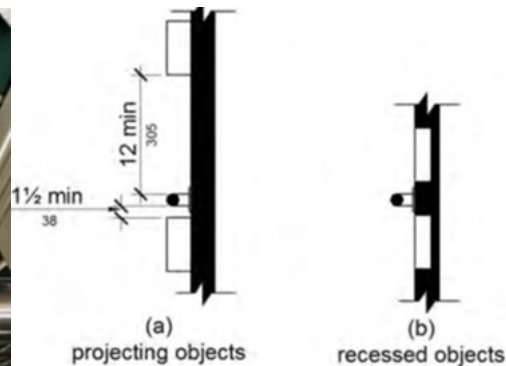
3.3.2.20 Item #20 – 11B-609.3 Spacing

California Building Code: *The space between the wall and the grab bar shall be 1 1/2 inches (38 mm). The space between the grab bar and projecting objects below and at the ends shall be 1 1/2 inches (38 mm) minimum. The space between the grab bar and projecting objects above shall be 12 inches (305 mm) minimum.*

Non-Compliance: Space between wall and grab bar is less than one- and one-half inches and space above grab bar is less than 12 inches.



Recommendation: Renovate toilet rooms to provide required grab bar clearances.



**FIGURE 11B-609.3
SPACING OF GRAB BARS**

3.3.2.21 Item #21 – 11B-703.7.2.6 Toilet and Bathing Facilities Geometric Symbols

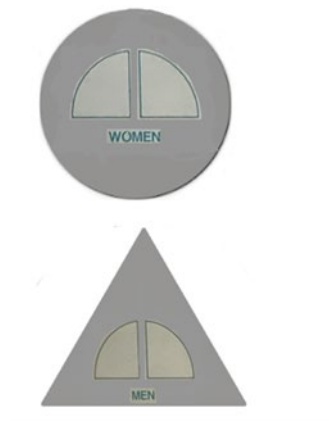
California Building Code: *Geometric symbols at entrances to toilet and bathing rooms shall be mounted at 58 inches (1473 mm) minimum and 60 inches (1524 mm) maximum above the finish floor or ground surface measured from the centerline of the symbol. Where a door is provided the symbol shall be mounted within 1 inch (25 mm) of the vertical centerline of the door.*

Non-Compliance: Toilet rooms are required to have both latch side wall signs and geometric signs on the doors.



Recommendation: Add required geometric signs on all toilet room doors and add latch

side wall signs where they are missing.



3.3.2.22 Item #22 – 11B-216.2 Designations

California Building Code: Interior and exterior signs identifying permanent rooms and spaces shall comply with Sections 11B-703.1, 11B-703.2, 11B-703.3 and 11B-703.5. Where pictograms are provided as designations of permanent rooms and spaces, the pictograms shall comply with Section 11B-703.6 and shall have text descriptors complying with Sections 11B-703.2 and 11B-703.5.

Non-Compliance: Staff Office 2, Men's and Women's Toilet Rooms C-37 and C-38 do not have required signs on the latch side walls.



Recommendation: Provide required signs.

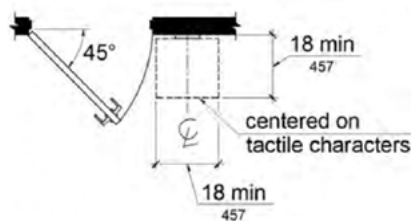


FIGURE 11B-703.4.2
LOCATION OF TACTILE SIGNS AT DOORS

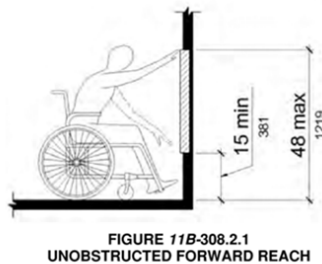
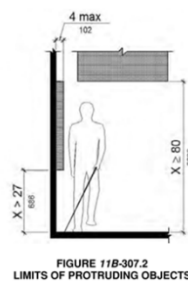
3.3.2.23 Item #23 – 11B-308.2 Forward Reach

California Building Code: 11B-308.2.1 Unobstructed. Where a forward reach is unobstructed, the high forward reach shall be 48 inches (1219 mm) maximum and the low forward reach shall be 15 inches (381 mm) minimum above the finish floor or ground.

Non-Compliance: Corridor wall surface-mounted Heart Defibrillator and fire alarm pull stations are higher than 48 inches.



Recommendation: Lower to under 48 inches and confirm that it does not protrude into corridors more than 4 inches. Install all Heart Defibrillators and fire alarm pull stations in code compliant locations.



3.3.2.24 Item #24 – 11B-206.2.6 Performance Areas

California Building Code: Where a circulation path directly connects a performance area to an assembly seating area, an accessible route shall directly connect the assembly seating area with the performance area. An accessible route shall be provided from performance areas to ancillary areas or facilities used by performers unless exempted by Section 11B-206.2.3 Exemptions 1 through 7.

Non-Compliance: There is no accessible route from the assembly seating area to the performance area of the stage.



Recommendation: Provide an accessible route from the assembly seating area to the performance area of the stage. There are many solutions to this puzzle, from ramps to wheelchair lifts.

3.3.2.25 Item #25 – 11B-212 Kitchens, Kitchenettes, Wet Bars and Sinks

California Building Code: 11B-212.1 General. Where provided, kitchens, kitchenettes, wet bars, and sinks shall comply with Section 11B-212.

11B-212.2 Kitchens, kitchenettes, and wet bars. Kitchens, kitchenettes, and wet bars shall comply with Section 11B-804.

11B-212.3 Sinks. Where sinks are provided, at least 5 percent, but no fewer than one, of each type provided in each accessible room or space shall comply with Section 11B-606.

Non-Compliance: If only City of Milpitas employees work in the kitchen then the kitchen is an employee only area and may be considered accessible. If the City of Milpitas rents or lets the public use the kitchen then the kitchen is not accessible and does not comply with California Building Code section 11B-212.



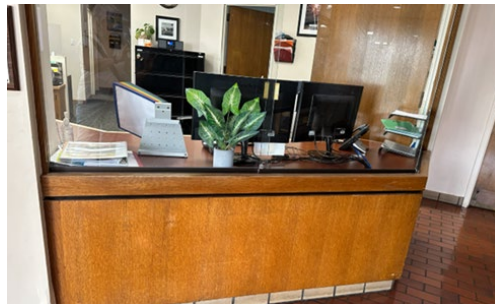
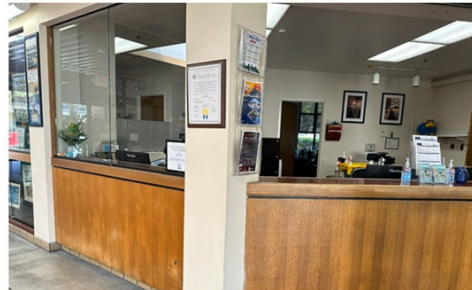
Recommendation: Either restrict the kitchen to City of Milpitas Employees or make the kitchen accessible.

3.3.2.26 Item #26 – 11B-904.4 Sales and Service Counters.

California Building Code: *Sales counters and service counters shall comply with Section 11B-904.4.1 or 11B-904.4.2. The accessible portion of the countertop shall extend the same depth as the sales or service countertop.*

11B-904.4.1 Parallel Approach. A portion of the counter surface that is 36 inches (914 mm) long minimum and 34 inches (864 mm) high maximum above the finish floor shall be provided. A clear floor or ground space complying with Section 11B-305 shall be positioned for a parallel approach adjacent to the 36 inch (914 mm) minimum length of counter.

Non-Compliance: The service desk utilized is over 34 inches high.



Recommendation: Lower the service desk or use the lower service desk to the right.

3.3.3 Recommendations

And how to receive a DSA 610 NOTICE OF ACCESS INSPECTION AND 120-DAY GRACE PERIOD

If the Building Owner agrees to correct areas of noncompliance within 120 days from the date of finalized inspection report and provides a schedule to accomplish the work:

1. *The owner may be eligible for a reduction in minimum statutory damages in California Courts, in the event of future litigation.*
2. *The owner can display the DSA 610 / NOTICE OF ACCESS INSPECTION AND 120-DAY GRACE PERIOD certificate.*

3. *Owner will receive expedited building permit review.*

The owner can receive a DSA 610 / NOTICE OF ACCESS INSPECTION AND 120-DAY GRACE PERIOD certificate that can be displayed on site by agreeing to correct all areas of noncompliance within 120 days. The owner writes in the planned completion date on each item and signs under the date. Send signed report to Mike Hilliard, AIA, CASp / Hilliard Architects / mHilliard@HilliardArchitects.com

3.4 Mechanical and Plumbing

3.4.1 Overview

YEI Engineers Inc. conducted the HVAC assessment for the Milpitas Community Center at 457 E. Calaveras Blvd, Milpitas, California prior to production of PS&E. Two inspections were performed on September 16, 2025 and October 9, 2025 by field observation. YEI Engineers consulted with the building maintenance facility on the condition of the mechanical systems. In addition, YEI Engineers reviewed the available record drawings and visited the site for limited field observations to evaluate existing conditions. The purpose of the HVAC assessment was to identify deficiencies, equipment or systems that will be replaced, and provide recommendations for replacements and upgrades per 2022 Edition of California Code of Regulations, Title 24.

The data contained within are based on the available record drawings that were provided to the YEI team and on the two field observations conducted. The team met with Milpitas Public Works personnel on September 16th and October 9th to discuss the building HVAC units' replacement project and conduct the field survey of the following HVAC systems:

1. Eight (8) existing constant volume single zone packaged rooftop air conditioning units with gas furnace
2. Existing Equipment Roof Curbs
3. Mechanical Ventilation Roof Exhausters
4. Outdoor insulated supply and return air distribution ducts and risers connected to the eight (8) existing packaged rooftop air conditioning units
5. AC unit bypass dampers
6. AC unit zone dampers
7. Associated wall mounted thermostats
8. AC unit controllers
9. 1st floor air distribution outlets
10. Natural gas distribution piping above roof that served the eight (8) existing packaged rooftop air conditioning units
11. Condensate drain piping to the eight (8) existing packaged rooftop air conditioning units
12. Roof Drains and Overflow Roof Drains

The City maintenance staff noted that they have replaced HVAC duct smoke detectors on the AC units, and there is no major issue on the AC units except for old age. The Milpitas Community Center staff noted that some rooms are hot during summer and cold during winter.

The HVAC equipment assessment and roof replacement was prepared in accordance with the scope of work in the contract. The goal of the mechanical scope is to evaluate the current physical conditions of the packaged air condition units with gas furnaces, and identify their deficiencies. The observations and evaluations contained in this report reflect a professional review of the condition of the HVAC mechanical equipment.

The HVAC and electrical equipment were evaluated with respect to service/capacity adequacy, and current state of operating condition and serviceability.

Below is the abbreviated table of recommendations. More detailed descriptions of deficiencies and recommendations are shown in the HVAC Equipment Table and HVAC Equipment Recommendation Table.

Equipment	Recommendations	Deficiencies	Need Design
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AC-1	Replace unit with In-Kind - Based on ASHRAE Equipment Life Expectancy of 15 years for packaged air conditioning units, a replacement for AC-1 is recommended, based on its manufacturing date of June 2011. Replace Equipment Platform - Replace equipment platform with insulated roof curb with vibration isolators. Replace Outdoor Roof Mounted Distribution Ductwork - Replace outdoor insulated supply and return ductwork with duct insulation and facilitate demolition of roof and noted deficiencies. Replace Zone Dampers and Ceiling Supply Air Outlets - Replace zone dampers and ceiling supply air outlets with digital VAV diffusers and wall mounted room temperature sensor that can provide personal temperature control by monitoring room temperature and modulating the flow of supply air into a space. Replace Bypass Damper - Replace outdoor bypass damper with digital modulating control dampers to accommodate proposed VAV diffusers operation and provide new duct static pressure sensors.	- The unit is approaching its life expectancy of 15 years. - The unit is currently mounted on an equipment platform and does not meet the minimum height per industry standard and SMACNA. - Outdoor insulated supply and return ductwork is dented, ponding rainwater on top of duct, leaking air, and peeling exterior paint off. - Zone dampers and constant volume ceiling supply air outlets cause occupant discomfort, being too hot during summer and too cold during winter. - The bypass damper is based on constant volume and will not be able to work based on proposed new digital VAV diffusers operation.	Yes
AC-2	Replace Unit with In-Kind - Based on ASHRAE equipment life expectancy of 15 years for a packaged air conditioning unit. Replace Roof Equipment Rails - Replace roof equipment rails with insulated roof curb with vibration isolators. Replace Outdoor Roof Mounted Distribution Ductwork - Replace outdoor insulated supply and return ductwork with duct insulation and facilitate demolition of roof and noted deficiencies. Replace Zone Dampers and Ceiling Supply Air Outlets - Replace zone dampers and ceiling supply air outlets with digital VAV diffusers and wall mounted room temperature sensor	- The unit was manufactured in 1981 and seems to have been operating for about 44 years. This unit is beyond the life expectancy, noted by ASHRAE, of 15 years. - The unit is currently mounted on roof equipment rails and does not meet the minimum height per industry standard and SMACNA. - Outdoor insulated supply and return ductwork is dented,	Yes

	that can provide personal temperature control by monitoring room temperature and modulating the flow of supply air into a space. Replace Bypass Damper - Replace outdoor bypass damper with digital modulating control dampers to accommodate proposed VAV diffusers operation and provide new duct static pressure sensors. Missing Gas Piping Sediment Trap - Provide sediment traps on the gas piping per California Mechanical and Plumbing Codes.	ponding rainwater on top of duct, leaking air, and peeling exterior paint off. - Zone dampers and constant volume ceiling supply air outlets cause occupant discomfort, being too hot during summer and too cold during winter. - The bypass damper is based on constant volume and will not be able to work based on proposed new digital VAV diffusers operation. - The unit is missing a sediment trap that prevents sediment from entering and accumulating in the gas line which can lead to gas leaks, fires, and other hazards. California Mechanical Code and California Plumbing Code mandate the installation of sediment trap for gas appliances and equipments.	
AC-3	Replace unit with In-Kind and Horizontal Duct Connections - Based on ASHRAE Equipment Life Expectancy of 15 years for packaged air conditioning units, a replacement for AC-3 is recommended, based on its manufacturing date of June 2011. - Unit shall have horizontal supply and return air duct connections in lieu of bottom supply and return duct plenum to facilitate horizontal duct connections. Replace Equipment Platform - Replace equipment platform with insulated roof curb with vibration isolators. Replace Outdoor Roof Mounted Distribution Ductwork	- The unit is approaching its life expectancy of 15 years. - The unit is harder to maintain and replace air filters because the unit is raised approximately 4-ft above the roof. - The unit is currently mounted on an equipment platform and does not meet the minimum height per industry standard and SMACNA.	Yes

	- Replace outdoor insulated supply and return ductwork with duct insulation and facilitate demolition of roof and noted deficiencies. Replace Zone Dampers and Ceiling Supply Air Outlets - Replace zone dampers and ceiling supply air outlets with digital VAV diffusers and wall mounted room temperature sensor that can provide personal temperature control by monitoring room temperature and modulating the flow of supply air into a space. Replace Bypass Damper - Replace outdoor bypass damper with digital modulating control dampers to accommodate proposed VAV diffusers operation and provide new duct static pressure sensors.	- Outdoor insulated supply and return ductwork is dented, ponding rainwater on top of duct, leaking air, and peeling exterior paint off. - Zone dampers and constant volume ceiling supply air outlets cause room condition discomfort being too hot during summer and too cold during winter. - The bypass damper is based on constant volume and will not be able to work based on proposed new digital VAV diffusers operation.	
AC-4	Replace unit with In-Kind - Based on ASHRAE Equipment Life Expectancy of 15 years for packaged air conditioning units, a replacement for AC-4 is recommended, based on its manufacturing date of June 2011. Replace Equipment Platform - Replace equipment platform with insulated roof curb with vibration isolators. Replace Outdoor Roof Mounted Distribution Ductwork - Replace outdoor insulated supply and return ductwork with duct insulation and facilitate demolition of roof and noted deficiencies.	- The unit is approaching its life expectancy of 15 years. - The unit is currently mounted on an equipment platform and does not meet the minimum height per industry standard and SMACNA. - Outdoor insulated supply and return ductwork is dented, ponding rainwater on top of duct, leaking air, and peeling exterior paint off.	Yes
AC-5	Replace unit with In-Kind and Horizontal Duct Connections - Based on ASHRAE Equipment Life Expectancy of 15 years for packaged air conditioning units, a replacement for AC-5 is recommended, based on its manufacturing date of June 2011. - Unit shall have horizontal supply and return air duct connections in lieu of bottom supply and return duct plenum to facilitate horizontal duct connections. Replace Equipment Platform	- The unit is approaching its life expectancy of 15 years. - The unit is harder to maintain and replace air filters because the unit is raised approximately 4-ft above the roof. - AC unit is not seismically supported and could potentially	Yes

	- Replace equipment platform with insulated roof curb with vibration isolators. Replace Outdoor Roof Mounted Distribution Ductwork - Replace outdoor insulated supply and return ductwork with duct insulation and facilitate demolition of roof and noted deficiencies. Replace Zone Dampers and Ceiling Supply Air Outlets - Replace zone dampers and ceiling supply air outlets with digital VAV diffusers and wall mounted room temperature sensor that can provide personal temperature control by monitoring room temperature and modulating the flow of supply air into a space. Replace Bypass Damper - Replace outdoor bypass damper with digital modulating control dampers to accommodate proposed VAV diffusers operation and provide new duct static pressure sensors.	overturn during seismic events. - The unit is currently mounted on an equipment platform and does not meet the minimum height per industry standard and SMACNA. - Outdoor insulated supply and return ductwork is dented, ponding rainwater on top of duct, leaking air, and peeling exterior paint off. - Zone dampers and constant volume ceiling supply air outlets cause room condition discomfort being too hot during summer and too cold during winter. - The bypass damper is based on constant volume and will not be able to work based on proposed new digital VAV diffusers operation.	
AC-6	Replace unit with In-Kind - Based on ASHRAE Equipment Life Expectancy of 15 years for packaged air conditioning units, a replacement for AC-6 is recommended, based on its manufacturing date of June 2011. Replace Roof Equipment Rails - Replace roof equipment rails with insulated roof curb with vibration isolators. Replace Outdoor Roof Mounted Distribution Ductwork - Replace outdoor insulated supply and return ductwork with duct insulation and facilitate demolition of roof and noted deficiencies. Replace Ceiling Supply Air Outlets - Replace ceiling supply air outlets and replace with digital VAV diffusers and wall mounted room temperature sensor that can provide personal temperature control by monitoring room temperature and	- The unit is approaching its life expectancy of 15 years. - The unit is currently mounted on roof equipment rails and does not meet the minimum height per industry standard and SMACNA. - Outdoor insulated supply and return ductwork is dented, ponding rainwater on top of duct, leaking air, and peeling exterior paint off. - Constant volume ceiling supply air outlets cause occupant discomfort, being too hot during	Yes

	modulating the flow of supply air into a space. Add new outdoor bypass damper with digital modulating control damper to accommodate proposed VAV diffusers operation and provide new duct static pressure sensors.	summer and too cold during winter.	
AC-7	Replace unit with In-Kind and Horizontal Duct Connections - Based on ASHRAE Equipment Life Expectancy of 15 years for packaged air conditioning units, a replacement for AC-7 is recommended, based on its manufacturing date of June 2011. - Unit shall have horizontal supply and return air duct connections in lieu of bottom supply and return duct plenum to facilitate horizontal duct connections. Replace Equipment Platform - Replace equipment platform with insulated roof curb with vibration isolators. Replace Outdoor Roof Mounted Distribution Ductwork - Replace outdoor insulated supply and return ductwork with duct insulation and facilitate demolition of roof and noted deficiencies. Replace Zone Dampers and Ceiling Supply Air Outlets - Replace zone dampers and ceiling supply air outlets with digital VAV diffusers and wall mounted room temperature sensor that can provide personal temperature control by monitoring room temperature and modulating the flow of supply air into a space. Replace Bypass Damper - Replace outdoor bypass damper with digital modulating control dampers to accommodate proposed VAV diffusers operation and provide new duct static pressure sensors.	- The unit is approaching its life expectancy of 15 years. - The unit is harder to maintain and replace air filters because the unit is raised approximately 4-ft above the roof. - AC unit is not seismically supported and potentially overturned during seismic events. - The unit is currently mounted on an equipment platform and does not meet the minimum height per industry standard and SMACNA. - Outdoor insulated supply and return ductwork is dented, ponding rainwater on top of duct, leaking air, and peeling exterior paint off. - Zone dampers and constant volume ceiling supply air outlets cause occupant discomfort, being too hot during summer and too cold during winter. - The bypass damper is based on constant volume and will not be able to work based on proposed new digital VAV diffusers operation.	Yes
AC-8	Replace unit with In-Kind Based on ASHRAE Equipment Life	The unit is approaching its life expectancy of 15	Yes

	Expectancy of 15 years for packaged air conditioning units, a replacement for AC-8 is recommended, based on its manufacturing date of June 2011. Replace Roof Equipment Rails - Replace roof equipment rails with insulated roof curb with vibration isolators. Replace Zone Dampers and Ceiling Supply Air Outlets - Replace zone dampers and ceiling supply air outlets with digital VAV diffusers and wall mounted room temperature sensor that can provide personal temperature control by monitoring room temperature and modulating the flow of supply air into a space. Missing Gas Piping Flexible Connector and Sediment Trap - Provide flexible connector and sediment traps on the gas piping per California Mechanical and Plumbing Codes.	years. - The unit is currently mounted on roof equipment rails and does not meet the minimum height per industry standard and SMACNA. - Zone dampers and constant volume ceiling supply air outlets cause room condition discomfort being too hot during summer and too cold during winter. - The unit is missing a flexible connector and sediment trap that prevents sediment from entering and accumulating in the gas line which can lead to gas leaks, fires, and other hazards. California Mechanical Code and California Plumbing Code mandate the installation of sediment trap for gas appliances and equipment.	
Roof Exhausters, Roof Jacks, Flues, and Vents	Remove and reinstall the Roof Exhauster, Jack Holes, Flues, and Vents to accommodate the reroofing. Provide new roof curbs for the Roof Exhausters that are compliant with SMACNA.	The roof curb is low and does not meet the 10" minimum industry standard and SMACNA.	Yes

Utility	Recommendations	Deficiencies	Need Design
Natural Gas Piping	Replace, seismically brace, and support the natural gas piping on the roof. Provide a plug valve at the natural gas pipe riser penetrating the roof.	The existing natural gas header on the roof above the second floor is not seismically braced and supported onto the roof.	Yes
PV Solar Panels	Remove and reinstall the PV Solar Panels to accommodate the reroofing. Refer to		Yes

	Architectural and Electrical for detailed report.		
Drainage	Recommendations	Deficiencies	Need Design
Roof Drains and Overflow Drains	- Replace the roof drain to keep out leaves and other debris from clogging up the drainage system. - Install new overflow drain next to each existing roof drain including overflow drain piping riser and downspout nozzle per California Plumbing Code.	- Roof drain grate is damaged and is open for leaves and other debris to make its way in and clog the drainage system. - Missing overflow drain next to roof drain is non-compliant to California Plumbing Code.	Yes

3.4.2 Assessment

The HVAC equipment table includes the capacities from the available record drawings and visible equipment nameplate. Refer to Appendix B for the locations of the packaged air conditioning units that were evaluated. The mechanical equipment information was extracted from the available record drawings provided by the City and the survey information during our field observation period. The evaluation column contains the summary evaluation notes captured during our field observations, stated maintenance reports and design drawings. There were no maintenance reports available for the HVAC assessment report and replacement of parts and operation of the systems were only mentioned during our field observation.

On the day of the field observation, October 9, 2025, YEI Engineers, Inc. (Hubert Hidalgo, Jane Huynh) were accompanied by City of Milpitas Public Works facility maintenance personnel. YEI first received from the City of Milpitas personnel a printed Q&A email with the city's answers to YEI questions. YEI then surveyed and observed the rooms in the Milpitas Community Center. All existing thermostats and smoke sensors with their respective locations were noted in order to verify the locations in the 2011 mechanical renovation drawings. The community center staff noted that the reception area can get warm and that the HVAC system is very loud in this area.

The packaged air conditioning units, AC-1 through AC-8, were manufactured in 2011 except AC-2 which was manufactured in 1981. AC-2 has long surpassed the 15-year mark, while the other AC units are approaching their operational useful life of 15 years, based on the ASHRAE Equipment Life Expectancy Chart (see Appendix D). The packaged air conditioning units have a DX system (refrigeration compressor, refrigerant evaporator coil, refrigerant condenser coil, and refrigerant piping) for cooling system, natural gas-fired furnace for morning warm up and heating during winter, and 100% outside air economizer.

Refer to HVAC Equipment Table for detailed findings and deficiencies.



AC-1



AC-2



AC-3



AC-4



AC-5



AC-6



AC-7



AC-8



Roof drain near AC-5



Gas piping, condensate drain, and roof drain near AC-2



Gas piping near AC-3



Gas piping near AC-4

The HVAC equipment table below includes the equipment capacities obtained from the available record drawings, TAB report and visible equipment nameplates. The evaluation column contains the summary evaluation notes captured during our field observations.

HVAC Equipment Table		
Equipment	Survey Information	Evaluation
AC-1	Trane Refrigerant: R-410 Nominal Cooling Capacity (tons): 7.8 Model # YSC092E3RHA15C000000101B3 D Serial # 112413403L Built Date: June 2011 Unit Weight (lbs): 935	Due to its built date of June 2011, the unit is approaching its life expectancy of 15 years. The current unit is also using R-410, which should be replaced with a unit using R-454B.
AC-2	Carrier Refrigerant: R-22 Nominal Cooling Capacity (tons): 5.3 Model # 48GSN060115501 Serial # 4104G21304 Built Date: 1981 Unit Weight (lbs): 720	Due to its built date of 1981, the unit is about 44 years old, and is well past its life expectancy of 15 years. The current unit is also using R-22, which should be replaced with a unit using R-454B.
AC-3	Trane Refrigerant: R-410 Nominal Cooling Capacity (tons): 9.9 Model # YSC120F3RHA00D000000101B3 Serial # 112610234L Built Date: July 2011 Unit Weight (lbs): 1159	Due to its built date of July 2011, the unit is approaching its life expectancy of 15 years. The current unit is also using R-410, which should be replaced with a unit using R-454B.
AC-4	Trane Refrigerant: R-410 Nominal Cooling Capacity (tons): 4 Model # YSC048E3RMA18C00000000103 B Serial # 112411398L Built Date: June 2011 Unit Weight (lbs): 589	Due to its built date of June 2011, the unit is approaching its life expectancy of 15 years. The current unit is also using R-410, which should be replaced with a unit using R-454B.
AC-5	Trane Refrigerant: R-410 Nominal Cooling Capacity (tons): 9.9 Model # YSC120F3RHA00D000000101B3 Serial # 112610316L Built Date: June 2011 Unit Weight (lbs): 1159	Due to its built date of June 2011, the unit is approaching its life expectancy of 15 years. The current unit is also using R-410, which should be replaced with a unit using R-454B.

AC-6	Trane Refrigerant: R-410 Nominal Cooling Capacity (tons): 4 Model # YSC048E3RMA18C00000000103 B Serial # 112411600L Built Date: June 2011 Unit Weight (lbs): 150	Due to its built date of June 2011, the unit is approaching its life expectancy of 15 years. The current unit is also using R-410, which should be replaced with a unit using R-454B.
AC-7	Trane Refrigerant: R-410 Nominal Cooling Capacity (tons): 9.9 Model # YSC120F3RHA00D000000101B3 D Serial # 112610327L Built Date: June 2011 Unit Weight (lbs): 1159	Due to its built date of June 2011, the unit is approaching its life expectancy of 15 years. The current unit is also using R-410, which should be replaced with a unit using R-454B.
AC-8	Trane Refrigerant: R-410A Nominal Cooling Capacity (tons): 29.2 Model # YCH360BEHF2A2DD20000000000000000 Serial # C11F03335 Built Date: June 2011 Unit Weight (lbs): 4350	Due to its built date of June 2011, the unit is approaching its life expectancy of 15 years. The current unit is also using R-410A, which should be replaced with a unit using R-454B.

3.4.3 Recommendations

Below are the recommendations identified based on the observed deficiencies, and interviews with the operations and maintenance people knowledgeable about the building HVAC system.

The HVAC unit replacements were preliminarily selected, and they are included as an attachment (Appendix C).

HVAC Equipment Recommendation Table	
Equipment	Recommendations
ACU-1	Adjusted capacity to meet the HVAC calculation reports. See Appendix A.
ACU-2	Unit will be anchored to a new, industry standard roof curb. See Appendix E.
ACU-3	New outdoor insulated supply and return ductwork
ACU-4	Installation of new Mechanical direct digital control system using BACnet
ACU-5	communication protocol and interface to existing BACnet City Facility Operation
ACU-6	Control Center.
ACU-7	Installation of duct smoke detector.
ACU-8	Installation of natural gas piping to the new units with associated appurtenances.
	Installation of condensate piping to the new units.

HVAC Equipment Recommendation Table	
Equipment	Recommendations
Roof Exhauster, Roof Jacks, Flues, and Vents	Remove and reinstall the Roof Exhauster, Jack Holes, Flues, and Vents to accommodate the reroofing. Provide new roof curbs for the Roof Exhausters that are compliant with SMACNA.
Natural Gas Piping	Replace, seismically brace, and support the natural gas piping on the roof. Provide a plug valve at the riser penetrating the roof.
PV Solar Panels	Remove and reinstall the PV Solar Panels to accommodate the reroofing. Refer to Architectural and Electrical for detailed recommendations.
Roof Drains and Overflow Drains	- Replace the roof drain to keep out leaves and other debris from clogging up the drainage system. - Install new overflow drain next to each existing roof drain including overflow drain piping riser and downspout nozzle per California Plumbing Code.

3.5 Electrical

3.5.1 Overview

A field observation was conducted to determine if the existing as-built electrical plans matched what was constructed to verify the new HVAC and mechanical equipment can be fed from the existing electrical panels. In regard to location and ratings, the as-builts do match what was found in the field. Since all the mechanical AC units will be replaced, the existing electrical system can support the replacement of the new mechanical loads. The field observation also consisted of evaluating electrical equipment conditions along with deficiencies.

The electrical design will support the replacement of the new AC units and mechanical equipment. A comprehensive field observation was conducted to ascertain the congruence between the existing as-built electrical plans and the actual constructed electrical infrastructure. The primary objective of this verification was to confirm that the new HVAC and mechanical equipment could be safely and effectively powered from the existing electrical panels.

3.5.2 Assessment

The electrical service for the facility is delivered via a Pacific Gas and Electric Company (PG&E)-owned pad mount transformer, identified by asset number 11467, strategically located at the North end of the building. This transformer steps down the primary voltage and feeds the Main Switchboard, designated "MSB2."

The Main Switchboard "MSB2" handles the facility's power requirements. It is rated for a nominal voltage of 208/120 Volts, 3-Phase, 4-Wire, with a continuous current capacity of 1200 Amperes. The three distinct sections of the MSB2 serve specific functions:

1. PG&E Cable Pull Section: This initial section provides the necessary space and termination points for the utility-side service entrance conductors.
2. Utility Meter and Main Breaker Section: This middle section houses the PG&E revenue-grade metering equipment for tracking consumption.
3. Distribution Section: This final section is dedicated to branching power out to the various downstream loads and distribution panels within the building.

The distribution section powers six panelboards: Panel "RD", "RE", "RF", "RG", "RH", and "AC2." Additionally, it supplies power directly to a major mechanical load, specifically Air Conditioning Unit AC-8.

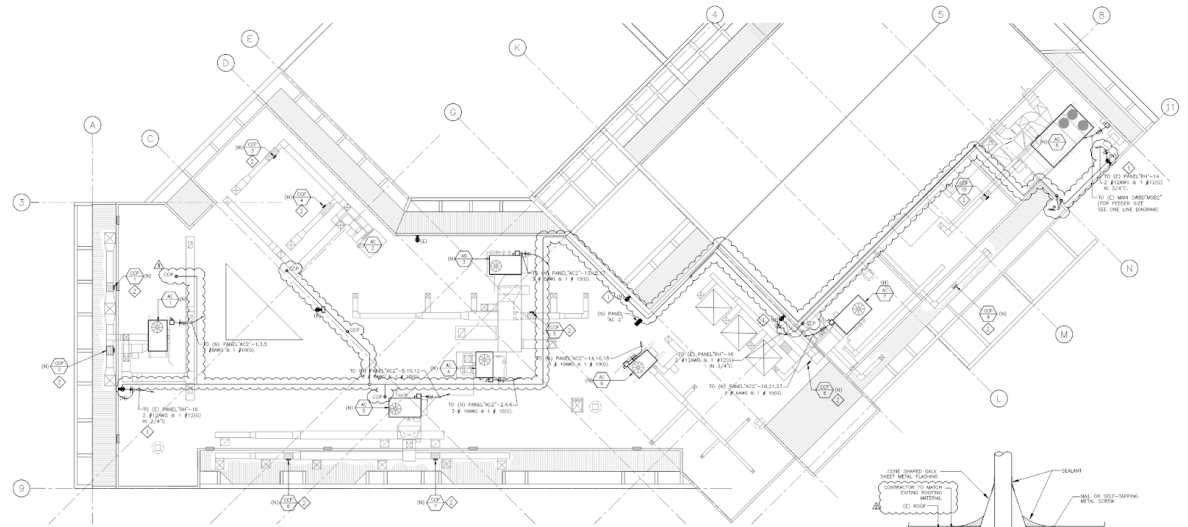
Furthermore, the Main Switchboard "MSB2" is designed to integrate supplementary power sources. A dedicated 450A circuit breaker is installed within the switchboard to accommodate solar photovoltaic systems and a backup emergency generator (for resiliency during utility outages), ensuring continuous and diversified power supply to the building.

The HVAC system on the roof of the building incorporates a total of eight air conditioning units. Seven of these units, designated AC-1, AC-2, AC-3, AC-4, AC-5, AC-6 and AC-7, fed their power from a dedicated 208V, 400A panel, labeled "AC2", which is located near AC-6. This panel is specifically designed to manage the power distribution for these primary air conditioning units, ensuring their efficient and reliable operation.

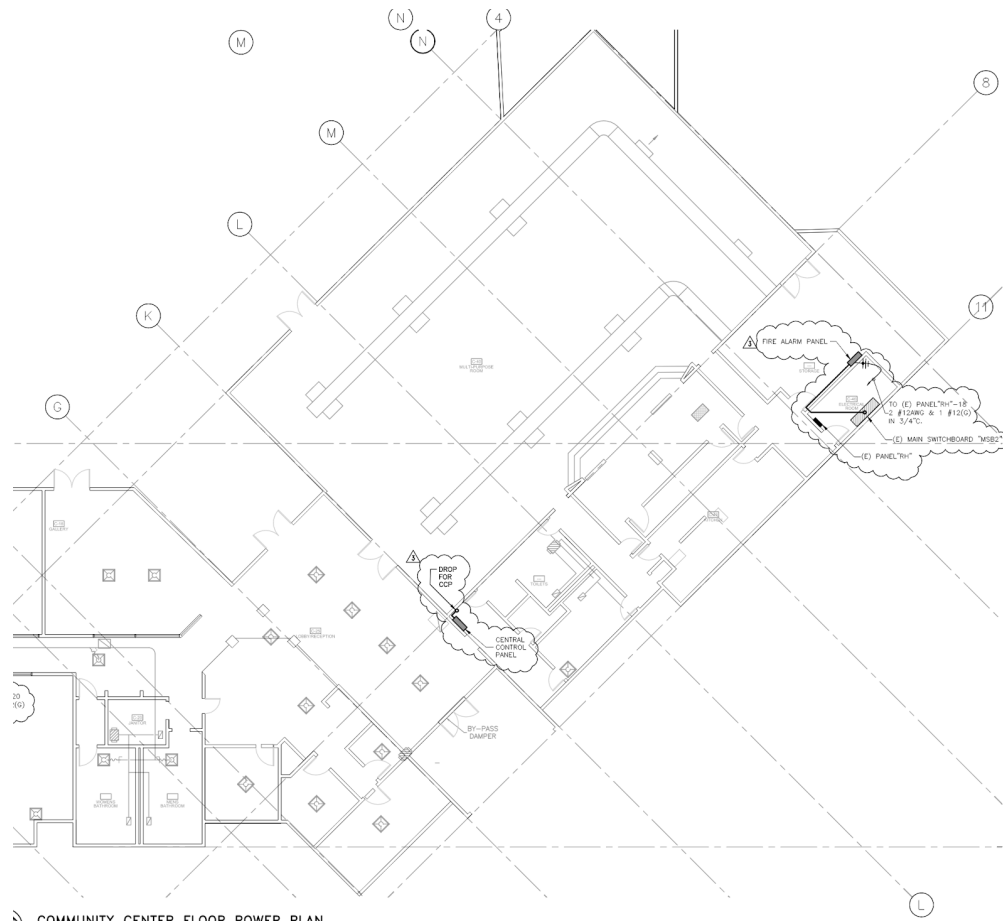
In addition to these seven units, an eighth air conditioning unit, AC-8, also located on the roof, draws its power from the main 208/120V, 1200A Switchboard, designated "MSB2", which is located on the first floor electrical room C-46 (see roof plan image below).

The general-purpose non-gfci receptacles throughout the roof are supplied by a separate 208/120V, 150A panel, labeled "RH", which is located on the first floor electrical room C-46 (see floor plan image below). This panel is specifically allocated for supplying power to standard electrical outlets and lighting, ensuring that these common electrical points have a dedicated and appropriately sized power source.

There are four exhaust fans located on the roof. EF-1 and EF-2 are supplied by a 208/120V, 225A panel, labeled "RG", which is located in the kitchen room C-43. However, EF-3 and EF-4 require further field verification regarding their circuitry and power source, as the as-built drawings do not indicate their circuit numbers.



Roof Plan



COMMUNITY CENTER FLOOR POWER PLAN

Floor Plan



MAIN DISTRIBUTION SWITCHBOARD "MSB2"



PANEL "RH"



PANEL "RG"



PANEL "AC2"

3.5.3 Recommendations

All eight air conditioning units will be replaced with new (AC-1, AC-2, AC-3, AC-4, AC-5, AC-6, AC-7 and AC-8). The mechanical equipment selection appears to have increased along with additional electrical loads for the supporting economizers for each AC unit. The existing electrical panel "AC2" can no longer support power to the new AC-1, AC-2, AC-3, AC-4, AC-5, AC-6, AC-7 and each supporting economizers. In addition, the existing 200A breaker at the Main Switchboard "MSB2" can no longer support power to the new AC-8.

The Main Switchboard "MSB2," and Panels "RD," "RE," "RF," and "RG" are original components from the 1982 installation. These components, including the switchboard and panelboards, have surpassed their 30-year expected service life. A further concern is that the original manufacturer, ITE, is no longer operating, which significantly increases the risk of being unable to source necessary replacement parts and new breakers.

Main Switchboard "MSB2" rating should be increased to 1600A, which is an additional 400A to the existing power capacity. Panel AC2 should be increased to 700A to accommodate the new AC-1 through AC-7 loads and their respective economizers. Panels "RD", "RE", "RF", "RG", and "RH" should be replaced with the same rating as the existing along with new conduit and cables. Additionally, the PG&E transformer will require upgrading to 750KVA.

For the roof replacement, the existing exhaust fans will need to be removed. The existing conduit and cables will need to be disconnected and protected in place. When the reroofing is completed, the existing exhaust fans will be reinstalled and reconnected to the existing electrical.

It is also recommended that existing non-GFCI receptacles be replaced with GFCI receptacles to comply with NEC requirements.

3.6 Structural

3.6.1 Overview

The community center was constructed circa 1981-1982. We were provided record drawings dated 8-4-1981 prepared by Goodwin Steinberg Architects of the original construction. We were also provided HVAC renovation drawings prepared by Advanced Design Consultants, inc prepared 2/1/2010.

The structure consists of a wood framed building supported on a deep foundation consisting of drilled concrete piers. The wood framed structure consists of a combination of TJI I-joists, long span custom wood trusses and conventional framing.

3.6.2 Assessment

Brokaw Design, inc performed a cursory walk thru assessment of the structure on 9/16/2025. During our visit the weather was clear and sunny. We did not remove any finishes or perform any testing. We also reviewed the available record drawings.

3.6.2.1 Site Observations

During our visit we noticed the following structural issues:

1. Portions of the roof structural roof plywood deck in the vicinity of the HVAC equipment were observed to have failed to the point that the roofing moved significantly. When stepping of the area it depressed a couple inches.

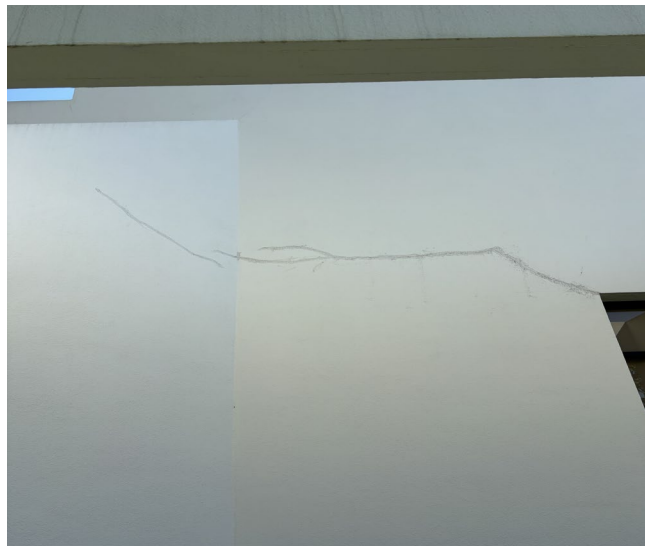


AREA OF FAILED ROOF DECK AND ROOFING

2. The exterior stucco had minor cracking that was observed. This appeared to be consistent with stucco of that age.



TYPICAL STUCCO CRACKING



TYPICAL STUCCO CRACKING

3.6.2.2 Mechanical equipment

The following table indicates the HVAC equipment weight based on the 1981 and 2011 Record drawings and the proposed weights for the new units.

Equipment	Original Equipment weight per 1981 Record Drawings	Equipment weight per 2011 Record Drawings	Preliminary Proposed Unit weight
AC-1	2,450 lb	935lb	2,000 lb

AC-2	650lb	-	1,900 lb
AC-3	1,030lb	1159lb	2,300 lb
AC-4	4,300 lb	589 lb	1,900 lb
AC-5	1,030 lb	1159 lb	2,300 lb
AC-6	-	150 lb	1,900 lb
AC-7	-	1159 lb	2,300 lb
AC-8	-	4350 lb	7,900 lb

The weights of the proposed units appear to exceed the existing units by more the 10% in all cases. Based on our assessment of the framing in the area, this will require the framing below the units to be reinforced with new supplemental roof framing.

3.6.3 Recommendations

Based on our cursory walk thru survey, our review of the record drawings and review of the preliminary proposed unit weights, we offer the following recommendations:

1. When the roofing is replaced, portions of the roof decking should be anticipated to be replaced.
2. The exterior stucco cracks should be ground out to sound material, caulked and repainted.
3. All new HVAC unit should be supported on pre-engineered roof curbs.
4. The existing framing likely needs to be reinforced with new sistered framing and blocking to support the new roof curbs. This will need to be evaluated as the units are selected if lighter units are not available.

3.7 Environmental

3.7.1 Overview

AET in conjunction with SCA Environmental Inc, conducted an environmental hazardous material survey for Asbestos-Containing Materials (ACMs), Lead (Pb) Based and Containing Materials, and Polychlorinated Biphenyls (PCBs).

The survey was limited to the areas walked and should not be considered a comprehensive survey of the entire building. No inspection of investigation behind walls or in any other generally inaccessible areas was performed.

The full *Asbestos, Lead (Pb) & Mold Survey Report*, prepared by SCA Environmental Inc. for AET, is included as *Appendix F*. The attached report includes a full description of the sampling methodologies, definitions, testing locations, laboratory results, conclusions and recommendations, and assessment and abatement costs. This section only provides a representative summary of findings, conclusions and recommendations.

SCA warrants that this survey was performed using due care and state of the art techniques. Beyond this, SCA does not warrant or guarantee the survey. Despite the care exercised, some materials may not have been identified, or may have been incompletely identified. This condition may occur due to renovations or original construction practices that concealed older materials, and/or visually similar materials with different compositions.

3.7.2 Assessment

3.7.2.1 Asbestos

Sampling activities were conducted per Federal Asbestos Hazard Emergency Response Act (AHERA) regulations under the Title 40 of the Code of Federal Regulations (CFR) Part 763 (40 CFR Part 763). Samples of suspect materials were collected following modified AHERA sampling protocols, and sample locations were documented on the sample location diagram (Figure 1). All asbestos samples collected were submitted to Asbestos TEM Laboratories (ATEM) in Oakland, CA for analysis by polarized light microscopy with dispersion staining (DS/PLM).

SCA has entered the sampling data into Exhibit 1: Materials Matrix Report (MMR) included in Attachment 1 which present the detailed sample results, locations, and quantity estimates, as well as a summary of identified asbestos containing materials. Sample locations are included on the sample location diagram in Figure 1 in Attachment 2 (asbestos sample locations are shown in blue), and Laboratory results in Attachment 3.

3.7.2.2 Lead

SCA performed bulk lead sampling of representative exterior coatings to confirm the presence and extent of lead-containing paints. Representative bulk samples of building materials that may contain lead were also collected. Samples collected were submitted to McCampbell Analytical, Inc. (MAI) in Pittsburg, CA for analysis by Inductively Coupled

Plasma Mass Spectrometry (ICP/MS) EPA Method 6010.

In general, lead results of coatings ranged between 0.618 and 143 milligrams per kilogram (mg/kg) in paints. Lead results, quantities, and locations for paints and coatings are included in Exhibit 1 in Attachment 1. The Sample Location Diagram illustrating where the specific samples were collected is included in Figure 1 in Attachment 2 (lead sample locations are shown in green), and all analytical reports are included in Attachment 4. Exterior paints throughout the roof were noted to be in good condition.

3.7.2.3 PCB and other Hazardous Materials

Given the age of the buildings, representative suspect building materials were sampled to determine for PCB content. The roof building materials included various caulking. The materials sampled for PCBs were found to contain between <10 mg/kg and <11 mg/kg of PCBs, which is below the hazardous waste standard of 50 mg/kg for PCBs.

3.7.3 Recommendations

3.7.3.1 Asbestos

(SCA assumes that this survey report may be referenced by Abatement Contractors providing bids for abatement of materials prior to renovation at the surveyed work areas. SCA requests that this text portion of the report be provided to bidding contractors for review. Bidding Contractors are hereby notified that the quantities included herein are estimates only, and all quantities should be field verified by the Contractor for any budgeting, planning or bidding decisions.

3.7.3.2 Lead

As lead was identified in most paints and coatings and a detailed inventory of paints was not performed for the project, for the purpose of complying with California's lead in construction regulation under Title 8 California Code of Regulations (CCR) Section 1532.1 (8 CCR 1532.1), all coated surfaces shall be considered to contain some lead and require demolition dust control procedures and presumed respiratory protection usage for compliance with 8 CCR 1532.1.

Conventional demolition techniques should be employed for all painted surfaces with the Contractor complying with applicable Federal Occupational Safety and Health Administrations (OSHA) and Cal/OSHA statutes regarding:

- Worker awareness training
- Exposure monitoring, as needed
- Medical examinations, which may include blood lead level testing
- Establishing a written respiratory protection program

In California, loose and peeling lead-containing or other wastes require characterization and testing for leachability. Current EPA and Cal/EPA regulations do not require lead-containing paints to be removed prior to demolition, unless loose and peeling. Provided

that the paint coatings are securely adhered to the substrates (i.e., non-flaking or non-peeling), disposal of intact demolition debris can generally be handled in California as non-hazardous and non-Resource Conservation Recovery Act (RCRA) waste, pending receipt of waste characterization testing following demolition.

3.7.3.3 PCB and other Hazardous Materials

SCA noted the presence of AC units throughout the roof. AC units contain freon, which is considered a hazardous waste, if not properly recycled (i.e., reclaimed for reuse). Refrigeration systems are not hazardous waste when recycled, as long as the freon is reclaimed by trained technicians for recycling or disposal.

SCA also noted the presence of avian/animal waste throughout the roof. The City is advised that additional animal waste may be present behind substrates and not immediately visible without destructive means.

ATTACHMENT B

Community Center Roof Replacement Project

Probable Cost of Improvement

I. Project 1- Immediate Improvements Cost Estimate

Construction Costs	
Roof Replacement	\$ 1,520,000
HVAC Replacement	\$ 1,700,000
Electrical Upgrades	\$ 790,000
Construction Contingency (15%)	\$ 601,000
Unanticipated Hazard Mitigation (5%)*	\$ 201,000
Probable Construction Budget	\$ 4,812,000
Soft Costs	
Design Cost (15%)	\$ 722,000
Administration Cost (10%)	\$ 481,000
Probable Soft Cost Budget	\$ 1,203,000
2-year Construction Cost Escalation (3% annually)	\$ 361,000
Temporary Repair	\$ 1,000,000
Probable Project Cost	\$ 7,376,000

**Given the age and condition of the building, hazardous materials such as asbestos and lead-based paint and moisture due to ongoing water intrusion may be encountered during construction. The extent of abatement or remediation will not be known until the demolition phase begins. The budget will carry a 5% contingency to address this matter if it is encountered in the field.*

II. Project 2- Necessary Improvements Cost Estimate

Construction Costs	
Kitchen Remodel	\$ 364,000
ADA Improvements	\$ 337,000
Exterior Painting & Stucco Repair	\$ 141,000
Construction Contingency (15%)	\$ 126,000
Unanticipated Hazard Mitigation (5%)	\$ 42,000
Probable Construction Budget	\$ 1,010,000
Soft Costs	
Design Cost (15%)	\$ 151,000
Administration Cost (10%)	\$ 101,000
Probable Soft Cost Budget	\$ 252,000
2-year Construction Cost Escalation (3% annually)	\$ 76,000
Probable Project Cost	\$ 1,338,000



MCC BASE ESTIMATE

TRADE	DESCRIPTION	QYT	UNIT	UNIT COST	TOTAL
	PROTECTION TO (E) BLDG FINISHES	17,369	SF	\$2.00	\$34,738
	REMOVE SINGLE PLY ROOFING	17,369	SF	\$3.00	\$52,107
	REMOVE PARAPET WALL SHEATHING	872	SF	\$3.50	\$3,052
	REMOVE ROOF SHEATHING	1,600	SF	\$3.50	\$5,600
	REMOVE GAS PIPING, VALVES & SUPPORTS FROM ROOF	380	LF	\$15.00	\$5,700
	REMOVE CONDENSATE DRAIN LINES	180	LF	\$10.00	\$1,800
	REMOVE ROOF DRAINS	17	EA	\$350.00	\$5,950
	MECHANICAL DEMOLITION	17,369	SF	\$2.00	\$34,738
	ELECTRICAL DEMOLITION	17,369	SF	\$1.50	\$26,054
	SUBTOTAL- DEMOLITION	17,369	SF		\$169,739
	PAINT TO INTERIOR SIDE OF PARAPET WALLS- ELASTOMERIC	6,084	SF	\$6.00	\$36,504
	PATCH & REPAINT STUCCO AT PARAPET WALLS	5,500	SF	\$15.00	\$82,500
	SUBTOTAL- EXTERIOR WALLS	5,500	SF		\$119,004
	ROOF SHEATHING	1,600	SF	\$10.50	\$16,800
	PARAPET WALL SHEATHING	872	SF	\$12.50	\$10,900
	LVL BEAMS- 11.25"	2,243	BF	\$18.00	\$40,374
	PLYWOOD WEB FILLER	1,996	SF	\$10.00	\$19,960
	HARDWARE/ FASTENERS/ HANGERS	1	LOT	\$7,042.00	\$7,042
	SUBTOTAL-ROUGH CARPENTRY	17,369	BLDGSF		\$95,076
	TPO ROOFING	17,369	SF	\$18.00	\$312,642
	COVER BOARD	17,369	SF	\$3.00	\$52,107
	RIGID/ TAPERED INSULATION	17,369	SF	\$7.50	\$130,268
	REPLACEMENT OF CLAY TILES	1	LS	\$250,000.00	\$250,000
	SUBTOTAL- ROOFING				\$745,017
	ROOF ACCESSORIES AND FLASHINGS	17,369	SF	\$2.00	\$34,738
	PARAPET CAPS	1230	LF	\$65.00	\$79,950
	REPLACE PARAPET WALL COUNTERFLASHING	950	LF	\$35.00	\$33,250
	REPLACE SKYLIGHT BASE FLASHING	130	LF	\$175.00	\$22,750
	SUBTOTAL-SHEET METAL FLASHING	17,369	RFSF		\$170,688
	CAULKING AND SEALANTS	17,369	SF	\$0.50	\$8,685
	SUBTOTAL-CAULK & SEALANTS	17,369	BLDGSF		\$8,685
	REPLACE GLUE-UP ACOUSTICAL TILES- 12" SQ	1,600	SF	\$8.00	\$12,800
	SUBTOTAL- DRYWALL/ ACOUSTICAL CEILINGS	1,600	SF		\$12,800
	REMOVE/ SALVAGE & REINSTALL COUNTER MT LAVATORIES	8	EA	\$2,400.00	\$19,200
	ROOF DRAINS W/ OVERFLOWS- CONNECT TO EXISTING RWLS	17	EA	\$2,450.00	\$41,650
	DOWNSPOUT NOZZLES	12	EA	\$850.00	\$10,200
	CONDENSATE DRAIN LINE	210	LF	\$45.00	\$9,450
	CONNECTION TO EXISTING GAS LINE	1	EA	\$850.00	\$850
	GAS CONNECTION TO EQUIPMENT- SOC/ DIRT LEG/ UNION	8	EA	\$1,250.00	\$10,000
	GAS SHUT OFF VALVES- 4"	1	EA	\$1,785.00	\$1,785
	GAS PIPING- 4"	20	LF	\$95.00	\$1,900
	GAS PIPING- 3"	110	LF	\$65.00	\$7,150

	GAS PIPING- 2.5"	12	LF	\$45.00	\$540
	GAS PIPING- 2"	90	LF	\$40.00	\$3,600
	GAS PIPING- 1.5"	150	LF	\$30.00	\$4,500
	GAS PIPING- TO 1"	20	LF	\$25.00	\$500
	SUBTOTAL-PLUMBING	8	FIX		\$111,325
	HVAC EQUIPMENT AND CONTROLS				
	PACKAGED ROOFTOP AC UNITS	32,620	CFM	\$15.88	\$518,006
	NEW CURBS TO ROOFTOP UNITS- 18"	8	EA	\$4,550.00	\$36,400
	KITCHEN EXHAUST FANS	1,000	CFM	\$8.00	\$8,000
	MAKE UP AIR UNITS	1,000	CFM	\$12.00	\$12,000
	RMV, SALV. & REINSTALL EXISTING EXH. FANS ON NEW CURBS	4	EA	\$25,600.00	\$102,400
	THERMOSTATS W/ C02 SENSORS	15	EA	\$2,750.00	\$41,250
	THERMOSTATS	6	EA	\$2,000.00	\$12,000
	AC UNIT CONTROLLERS	8	EA	\$7,500.00	\$60,000
	ROUGH IN				
	POC TO EXISTING DUCT	6	EA	\$950.00	\$5,700
	DOUBLE WALLED DUCT- RECTANGULAR	12,930	LBS	\$26.00	\$336,180
	DOUBLE WALLED DUCT- ROUND	534	LBS	\$24.00	\$12,816
	INSULATION TO ROOFTOP DUCT	5,180	SF	\$6.00	\$31,080
	CLEAN EXISTING DUCT AND PLENUMS	200	LF	\$25.00	\$5,000
	DIGITAL VAV CEILING DIFFUSERS	39	EA	\$2,400.00	\$93,600
	MANUAL AIR DAMPERS	56	EA	\$250.00	\$14,000
	DIFFUSERS & GRILLES	17	EA	\$650.00	\$11,050
	TEST & BALANCE	17,369	SF	\$4.00	\$69,476
	SUBTOTAL- REPLACE HVAC EQUIPMENT	17,369	SF		\$1,368,958
	POWER				
	REMOVE, SALVAGE & REINSTALL ROOFTOP PV PANELS	1	LOT	\$20,000.00	\$20,000
	MAIN SWITCHBOARD- 120V	1,600	AMP	\$65.00	\$104,000
	DISTRIBUTION PANELS- 120V	1,425	AMP	\$55.00	\$78,375
	DISCONNECTS- 400A	1	EA	\$4,800.00	\$4,800
	DISCONNECTS- 200A	3	EA	\$2,400.00	\$7,200
	DISCONNECTS- 100A	5	EA	\$1,800.00	\$9,000
	PANEL FEEDERS- 700A	210	LF	\$650.00	\$136,500
	PANEL FEEDERS- 225A	70	LF	\$175.00	\$12,250
	PANEL FEEDERS- 150A	220	LF	\$125.00	\$27,500
	PANEL FEEDERS- 100A	40	LF	\$95.00	\$3,800
	MECHANICAL FEEDERS- 400A	30	LF	\$275.00	\$8,250
	MECHANICAL FEEDERS- 125A	510	LF	\$125.00	\$63,750
	MECHANICAL FEEDERS- 100A	240	LF	\$95.00	\$22,800
	MECHANICAL FEEDERS- 80A	560	LF	\$65.00	\$36,400
	MECHANICAL FEEDERS- 125A	1	EA	\$1,500.00	\$1,500
	FIRE ALARM	17,369	SF	\$2.84	\$49,328
	NEW PG&E TRANSFORMER	1	LS	\$100,000.00	\$100,000
	SUBTOTAL-ELECTRICAL UPGRADE	17,369	SF		\$685,453
	BLDG SUBTOTAL				\$3,486,743
	GENERAL CONDITIONS		10.00%		\$348,674
	OVERHEAD & PROFIT		5.00%		\$174,337
	BLDG SUBTOTAL WITH MARKUP				\$4,009,755
	UNANTICIPATED HAZARD MITIGATION		5.00%		\$200,488
	CONTINGENCY - UNDOCUMENTED NEEDS		15.00%		\$601,463
	TOTAL CONSTRUCTION COST IN TODAY'S DOLLARS				\$4,811,705
	DESIGN COST		15%		\$721,756
	ADMINISTRATION COST		10%		\$481,171
	2 YEARS CONSTRUCTION COST ESCALATION (ANNUAL 3% INCREASE)		6%		\$360,878
	TEMPORARY REPAIR				\$1,000,000
	TOTAL PROJECT COST				\$7,375,510



TRADE	DESCRIPTION	QUAN.	UNIT	UNIT COST	TOTAL
ADA IMPROVEMENT					
	EROSION CONTROL	1	LOT	\$5,000.00	\$5,000
	SAWCUT AC PAVING	79	LF	\$10.00	\$790
	REMOVE AC PAVING & BASE	754	SF	\$4.00	\$3,016
	TIE-IN TO AC PAVING	79	LF	\$35.00	\$2,765
	AC PAVING	754	SF	\$25.00	\$18,850
	PAINT ADA PARKING INSIGNIA	3	EA	\$350.00	\$1,050
	STRIPING- 4"	18	LF	\$6.00	\$108
	STRIPING- BULK	248	SF	\$6.00	\$1,488
	CLEAR AND GRUB	100	SF	\$2.00	\$200
	DOWEL TO CONCRETE	16	EA	\$35.00	\$560
	PAVING CURB RAMPS	100	SF	\$65.00	\$6,500
	DETECTABLE WARNING PAVERS	24	SF	\$75.00	\$1,800
	SUBTOTAL- SITE WORK	854	SF		\$42,127
	REMOVE TOILET ACCESSORIES	54	EA	\$75.00	\$4,050
	REMOVE LAVATORY COUNTERS	23	LF	\$75.00	\$1,725
	REMOVE TOILET PARTITIONS	5	EA	\$350.00	\$1,750
	SUBTOTAL- DEMOLITION	17,369	BLDGsf		\$7,525
	REPLACE EXTERIOR DOOR & PANIC HARDWARE	2	EA	\$1,850.00	\$3,700
	REPLACE EXTERIOR THRESHOLDS	6	LF	\$3,500.00	\$21,000
	SUBTOTAL-DOORS/FRAMES/HDWR - EXT.				\$24,700
	REMOVE DOOR HOLDERS	12	EA	\$75.00	\$900
	REPLACE INTERIOR DOOR HARDWARE	36	EA	\$250.00	\$9,000
	SUBTOTAL-DOORS/FRAMES/HDWR - INT.	2	DRS		\$9,900
	REMOVE GLASS ABOVE SERVICE DESK	24	SF	\$25.00	\$600
	SUBTOTAL-INTERIOR GLAZING	24	SF		\$600
	REPLACE DAMAGED CARPET TILE	435		\$20.00	\$8,700
	REPLACE WALK-OFF ENTRY MAT	18		\$125.00	\$2,250
	REPLACE PANIC HARDWARE	2		\$1,850.00	\$3,700
	SUBTOTAL-FLOORING				\$14,650
	TOILET PARTITIONS- ADA	2	EA	\$2,250.00	\$4,500
	TOILET PARTITIONS	3	EA	\$1,980.00	\$5,940
	GRAB BARS	4	PRS	\$350.00	\$1,400
	TOILET PAPER DISPENSERS	10	EA	\$250.00	\$2,500
	SEAT COVER DISPENSERS	10	EA	\$250.00	\$2,500
	SANITARY NAPKIN DISPOSALS- SURFACE	6	EA	\$175.00	\$1,050
	SANITARY NAPKIN DISPENSER	2	EA	\$556.10	\$1,112
	SOAP DISPENSERS	8	EA	\$150.00	\$1,200
	MIRRORS	8	EA	\$350.00	\$2,800
	PAPER TOWEL DISPENSERS/ DISPOSAL	4	EA	\$850.00	\$3,400
	BABY CHANGING STATIONS	4	EA	\$1,800.00	\$7,200
	SUBTOTAL-TOILET ACCESSORIES	17,369	EA	BLDGsf	\$33,602
	LOWER EXISTING DEFIBRILLATOR	1	EA	\$650.00	\$650
	MODIFY STAGE STAIRS/ ADD RAMP TO STAGE	1	LOT	\$35,000.00	\$35,000
	DOOR/ WALL SIGNAGE	8	EA	\$250.00	\$2,000
	SUBTOTAL-MISCELLANEOUS SPECIALTIES	17,369	BLDGsf		\$37,650
	BRACED COUNTERTOPS- RESTROOMS	23	LF	\$350.00	\$8,050
	SUBTOTAL-CASEWORK	17,369	BLDGsf		\$8,050
	RELOCATE WATER CLOSETS- WALL MT	4	EA	\$3,500.00	\$14,000
	RELOCATE URINALS	2	EA	\$3,500.00	\$7,000
	REPLACE EXISTING PLUMBING FIXTURES		EA		
	SUBTOTAL-PLUMBING	6	FIX		\$21,000

	REPLACE SWITCHES W/ MOTION SENSOR SWITCHES	6	EA	\$650.00	\$3,900
	REPLACE INTERIOR RECEPTACLES	17,369	SF	\$5.00	\$86,845
	PIKE ACARM LOWER EXISTING MANUAL PULL STATIONS	5	EA	\$500.00	\$2,500
	SUBTOTAL-ELECTRICAL UPGRADE	17,369	SF		\$93,245
	ADA IMPROVEMENT SUBTOTAL				\$293,049.20
	GENERAL CONDITIONS		10.0%		\$29,304.92
	OVERHEAD & PROFIT		5.0%		\$14,652
	ADA IMPROVEMENT SUBTOTAL WITH MARKUP				\$337,006.58
	UNANTICIPATED HAZARD MITIGATION		5.0%		\$16,850
	CONTINGENCY - UNDOCUMENTED NEEDS		15.0%		\$50,551
	TOTAL ADA IMPROVEMENT CONSTRUCTION COST				\$404,408
REPAIR OF STUCCO AS NEEDED					
	PATCH & REPAIR STUCCO- 10%	1,440	SF	\$35.00	\$50,400
	PAINT TO EXTERIOR WALLS	14,400	SF	\$5.00	\$72,000
	SUBTOTAL- EXTERIOR WALLS	14,400	SF		\$122,400
	REPAIR STUCCO SUB TOTAL				\$122,400
	GENERAL CONDITIONS		10.0%		\$12,240
	OVERHEAD & PROFIT		5.0%		\$6,120
	STUCCO REPAIR SUBTOTAL WITH MARKUP				\$140,760.00
	UNANTICIPATED HAZARD MITIGATION		5.0%		\$7,038
	CONTINGENCY - UNDOCUMENTED NEEDS		15.0%		\$21,114.00
	TOTAL REPAIR OF STUCCO CONSTRUCTION COST				\$168,912
KITCHEN REMODEL					
TRADE	DESCRIPTION	QUAN.	UNIT	UNIT COST	TOTAL
	REMOVE/ PREP FLOORING	320	SF	\$5.00	\$1,600
	REMOVE CASEWORK	35	LF	\$55.00	\$1,925
	REMOVE PLUMBING FIXTURES	2	EA	\$1,200.00	\$2,400
	ELECTRICAL DEMOLITION	320	SF	\$5.00	\$1,600
	SUBTOTAL- DEMOLITION	17,369	SF		\$7,525
	CERAMIC TILE FLOORING	320	SF	\$50.00	\$16,000
	CERAMIC TILE- BASE	82	LF	\$25.00	\$2,050
	SUBTOTAL-CERAMIC TILE	320	SF		\$18,050
	PATCH AND REPAIR WALLS	100	SF	\$25.00	\$2,500
	PAINT TO WALLS / CEILINGS	1,140	SF	\$7.00	\$7,980
	SUBTOTAL- INTERIOR WALLS AND FINISHES	17,369	BLDGSF		\$10,480
	KITCHEN EQUIPMENT	320	SF	\$ 250.00	\$80,000
	SUBTOTAL-MISCELLANEOUS SPECIALTIES	17369	BLDGSF		\$80,000
	BASE CABINETS W/ SOLID SURFACE COUNTERTOPS	26	LF	\$550.00	\$14,300
	ISLAND- 3.5" D	9	LF	\$10,800.00	\$97,200
	SUBTOTAL-CASEWORK	17,369	BLDGSF		\$111,500
	GREASE INTERCEPTOR- 40 GAL/ 50 GPM	1	EA	\$3,500.00	\$3,500
	SLAB REMOVAL & REPLACEMENT TO GI-1/ FLOOR SINKS	16	SF	\$175.00	\$2,800
	FLOOR SINKS	2	EA	\$2,500.00	\$5,000
	ROUGH IN TO KITCHEN EQUIPMENT- HOT & COLD WATER	3	EA	\$7,500.00	\$22,500
	ROUGH IN TO KITCHEN EQUIPMENT- COLD WATER ONLY	4	EA	\$5,000.00	\$20,000
	ROUGH IN TO KITCHEN EQUIPMENT- GAS	3	EA	\$2,500.00	\$7,500
	SUBTOTAL-PLUMBING	5	FIX		\$61,300
	ELECTRICAL/ LOW VOLTAGE COORDINATION	320	SF	\$85.00	\$27,200
	SUBTOTAL-ELECTRICAL	17,369	SF		\$27,200
	KITCHEN REMODAL SUB TOTAL				\$316,055
	GENERAL CONDITIONS		10.0%		31605.5
	OVERHEAD & PROFIT		5.0%		\$15,803
	KITCHEN REMODEL SUBTOTAL WITH MARKUP				\$363,463.25
	UNANTICIPATED HAZARD MITIGATION		5.0%		\$18,173
	CONTINGENCY - UNDOCUMENTED NEEDS		15.0%		\$54,519.49
	TOTAL KITCHEN REMODEL CONSTRUCTION COST				\$436,156

	TOTAL CONSTRUCTION COST WITH ALL OPTIONAL ITEMS				\$1,009,476
	DESIGN COST		15.0%		\$151,421
	ADMINISTRATION COST		10.0%		\$100,948
	2 YEARS CONSTRUCTION COST ESCALATION (ANNUAL 3% INCREASE)				\$75,711
	TOTAL PROJECT COST				\$1,337,555