



ENGINEERING SERVICES DEPARTMENT

CONSTRUCTION CONTRACT FOR THE REBID
VIRGINIA CORRIDOR PHASE 7 PROJECT

City Council
July 22, 2025



Design

- On February 26, 2019, by Resolution No. 2019-80, Council approved a Design Agreement with Mark Thomas and Company, Inc. for the preparation of the construction documentation for this project, for an amount not to exceed \$576,288.
 - This project consists of constructing a 0.5-mile Class 1 expansion of the popular Virginia Corridor Trail, from Woodrow Avenue to West Union Avenue and includes a pedestrian bridge over Standiford Avenue, site furnishings, landscaping and trail lighting.
 - Due to ongoing land-use negotiations with the San Francisco Public Utilities Commissions a need for design revisions was required, resulting in an amendment for additional work in the amount of \$70,017.
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Project Design



STREET VIEW OF PEDESTRIAN BRIDGE (VIEWING NORTH)

Project Design





Original Bidding

- Advertised for bids on August 15, 2024.
 - Bids opened on September 24, 2024, and three bids were received.
 - Staff identified a bidding error that necessitated the rejection of all bids.
 - In addition, the bids were higher than anticipated and value engineering was necessary to bring the project budget down.
 - On November 11, 2024, by Resolution No. 2024-420 the Council authorized the rejection of the prior bids and approved re-issuing the project for bid at a future date.
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Re-Bidding

- Re-advertised for bids on May 13, 2025.
 - Bids opened on June 17, 2025, and four bids were received
 - A&B Construction has been identified as the apparent lowest bidder at \$8,559,197 which is 5% below the Engineer's Estimate.
 - A construction contingency of \$684,736, 8% of the construction cost, has been set aside in the budget.
 - Construction activities are anticipated to start in September 2025 and construction is anticipated to be completed by Fall 2026.
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Construction Management and Inspection

- Due to the size and complexity of the project, staff recommends utilizing a consultant for Construction Management and Inspection Services.
 - On April 22, 2025, a Request for Proposals (RFP) was issued for these services, three proposals were received.
 - TRC Engineers, Inc. was selected as the most qualified firm to provide these services, and an agreement was negotiated at \$798,261 with a contingency of \$79,826 (10% of the agreement amount), for a total amount not to exceed \$878,087.
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Project Costs

PROJECT BUDGET	
Construction	\$ 8,559,197
Construction Contingency (8%)	\$ 684,736
Construction Management & Inspections Services	\$ 798,261
Construction Management & Inspections Services Contingency (10%)	\$ 79,826
Construction Administration – City Staff (1%)	\$ 85,592
Design Support During Construction and Permitting (1.5%)	\$ 128,388
MID Utility Relocation (Completed)	\$ 237,315
Engineering/Design/Admin (previously spent/committed)	\$ 792,000
Total Estimated Project Cost	\$ 11,365,315



Funding Sources

FUNDING SOURCES	
Department of Transportation Grant	\$ 442,650
California Urban Greening Grant	\$ 3,193,401
LTF – Non-Motorized Fund	\$ 2,616,207
Parks & Air Quality Capital Facility Fee Fund	\$ 3,500,000
Measure L Funding	\$ 200,000
Water Division Funding	\$ 892,520
Additional Non-Motorized LTF Funding	\$ 244,006
Measure H Reserves/Carryover	\$ 276,531
Project Funding Sources	\$ 11,365,315



Recommended Council Action

- Resolution approving the Plans and Specifications for the Rebid Virginia Corridor Phase 7 Project, accepting the Bid and Awarding a Construction Contract to Andrew M. Jordan Inc. dba A & B Construction of Oakland, CA, in the amount of \$8,559,197, authorizing \$684,736 for contingency (if needed), for a total payment amount not to exceed \$9,243,933, and authorizing the City Manager, or his designee, to execute the Agreement.
 - Resolution approving the Agreement with TRC Engineering, Inc, of Rancho Cordova, CA, for Construction Management and Inspection Services for the Virginia Corridor Phase 7 Project in the amount of \$798,261, plus \$79,826 in additional services, if needed, for a total amount not to exceed \$878,087 and authorizing the City Manager, or his designee, to execute the Agreement.
 - Resolution amending the Fiscal Year 2025-26 Capital Improvement Program budget to fund Project #100813 (Virginia Corridor Ph 7) in an amount not to exceed \$1,136,526 in transfers, revenue, and to budget expenditures to fund the project, and authorizing the City Manager, or his designee, to implement the provisions of this resolution.
 - Resolution amending the Fiscal Year 2025-26 Measure H Spending Plan to appropriate funding to Capital Improvement Program budget to fund Project #100813 (Virginia Corridor Ph 7) in an amount not to exceed \$276,531 in transfers, revenue, and to budget expenditures to fund the project, and authorizing the City Manager, or his designee, to implement the provisions of this resolution.
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Questions?



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**FORMATION OF CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO.
2025-2 (VILLAGE ONE TRIANGLE) AND
THE CROSSINGS PHASE I FINAL
MAP/SUBDIVISION IMPROVEMENT
AGREEMENT APPROVAL**

Jessica Hill
Director of Community and Economic Development

JULY 22, 2025



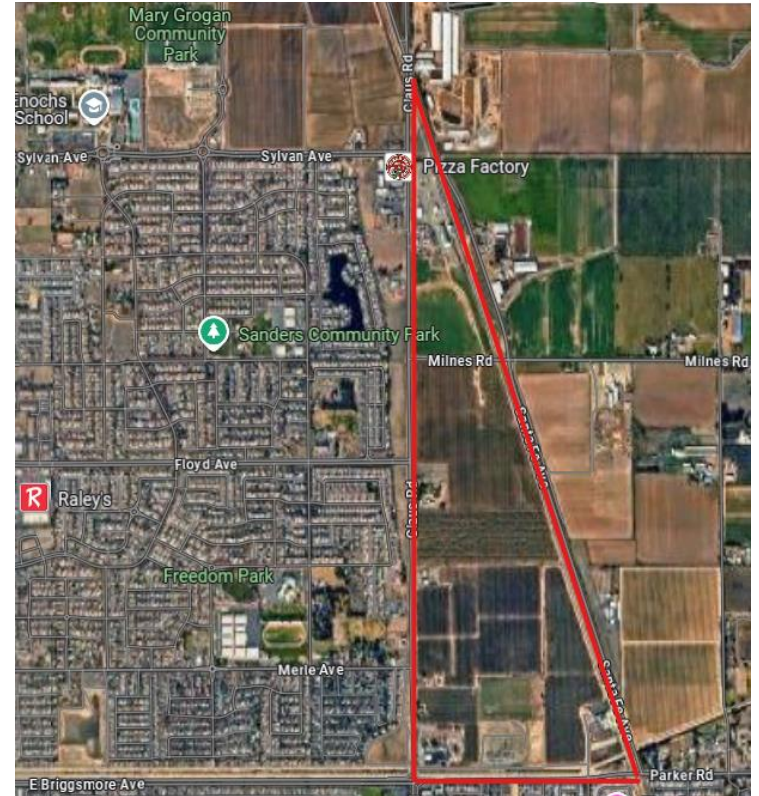
COMMUNITY FACILITY DISTRICT BACKGROUND

- The Mello-Roos Community Facilities Act of 1982 was enacted by the California Legislature to provide a flexible funding mechanism to local governments.
 - A Community Facilities District (CFD) is formed to finance infrastructure improvements and services within the district which might include roadways, storm drain facilities, pump stations, parks, median/roundabout landscaping, or bike trails. The CFD may also be established to provide ongoing infrastructure maintenance.
 - CFDs require approval by a 2/3 majority vote of landowners within the proposed boundary or a 2/3 majority vote of registered voters if there are 12 or more voters residing within the formation boundary.
 - Jurisdictions may also determine a future annexation area for the CFD which provides flexibility for future development to join the district administratively without the need for another vote.
 - A CFD can choose to seek public financing through the sale of bonds for the purpose of financing certain public improvements and services. Bonds are secured by special taxes levied on property owners and billed on property tax rolls.
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VILLAGE ONE TRIANGLE LOCATION

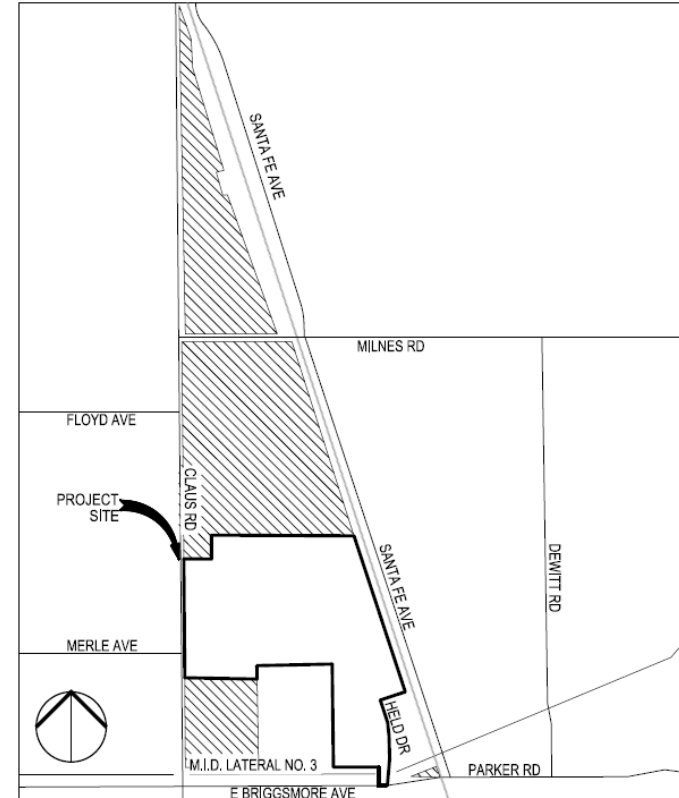
- The Village One Specific Plan was approved by City Council in 1990 and includes 1,784 acres.
 - The specific plan includes two other CFDs (Village One and Village One #2), and with the formation of the Triangle this will complete the development of the area
- On August 15, 2022, DR Horton Bay Inc submitted an application to form the new CFD
- While the boundaries of CFD No. 2025-2 will ultimately encompass the Triangle area, the forming parcels include three (3) parcels that are ready to develop.
 - Other parcels will annex into the CFD as they move through the development process
- On June 10, 2025, Council approved the preliminary Resolution of Intent (ROI) to form the CFD which also set the date of this public hearing for the final formation and election.





CFD BOUNDARY

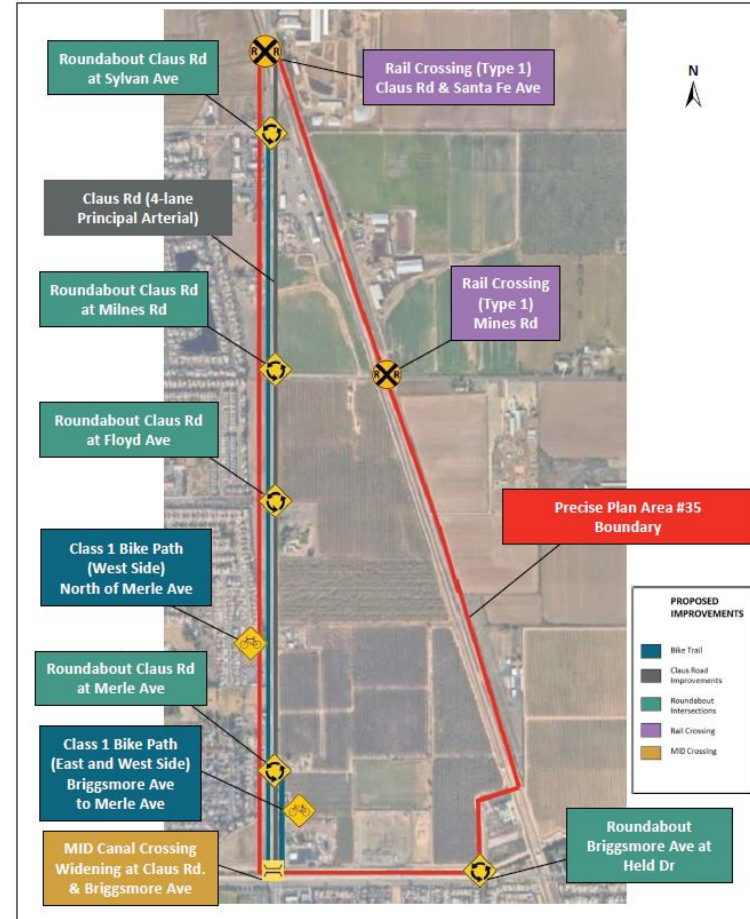
- The Forming Parcels will consist of the APNs 014-026-034, 014-026-038 and 014-026-040, totaling 85.76 acres
- The proposed boundary map also identifies the future annexation area designation.
- The initial forming parcels of the CFD will ultimately develop 551 single-family dwellings (The Crossings and Crossings II).





CFD Purpose-Facilities and Services

- The CFD will provide for funding of the installation and ongoing maintenance of the facilities noted in this exhibit
- The CFD will also fund services including:
 - Litter and debris removal, pruning, staking, fertilizing, plant replacement and restoration, fire and weed control, erosion control, trimming of vegetation, and storm drain system maintenance.
 - Replacement of storm water treatment filters and other storm drainage facilities, and
 - A sinking fund for services that could not otherwise be funded in a given fiscal year





MAXIMUM SPECIAL TAX RATES

- The one-time special tax is due prior to building permit issuance
- Annual maintenance taxes are then collected on subsequent property tax rolls
- Beginning July 1 of each fiscal year, both special taxes are subject to an annual escalation factor of the greater of 4% or the change in the published construction cost index

Special Tax Category	Maximum One-Time Facilities Special Tax Fiscal Year 2025-26	Maximum Annual Maintenance Special Tax Fiscal Year 2025-26
Single Family per Residential Unit	\$22,495	\$1,589
Other Property per Acre	\$145,314	\$10,259



THE CROSSINGS BACKGROUND

- On July 14, 2022, D.R. Horton Bay, Inc. 2025, for Vesting Tentative Subdivision Map of the southerly 257-acre portion of Village One Precise Plan Area No. 35 located east of Claus Road and north of East Briggsmore Avenue
- The applicant will be developing 527 residential lots and five (5) landscape lots and one (1) park lot in five (5) phases
- The Planning Commission approved a vesting tentative map for this project on December 18, 2025, by resolution No. 2023-34
- On June 2, 2025, a Development Plan for the Crossings II was approved which will eventually add an additional 24 units to the D.R Horton project



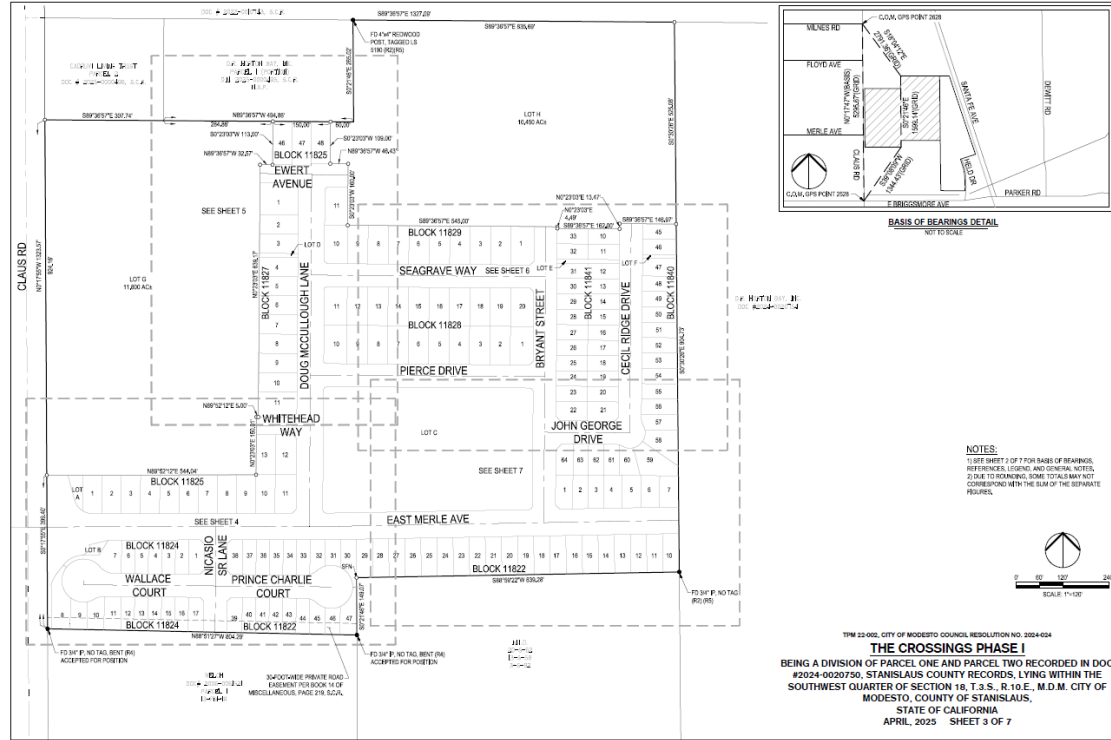
THE CROSSINGS

Modesto, California



FINAL MAP- THE CROSSINGS (PHASE I)

- Following approval of the vesting tentative maps, a Final Map has been checked and certified by the Secretary of the Planning Commission, City Surveyor and City Engineer and must be approved by Council prior to transmitting the map to the County Recorder
- Crossings Phase I will develop 164 residential units
- Pursuant to the Subdivision Map Act, the Final Map contains a certificate for execution by the City Clerk certifying that the Council approved the map and accepted it on behalf of the public





SUBDIVISION IMPROVEMENT AGREEMENT

- As required by Section 66462 of the California Subdivision Map Act and Section 4-4.605 of the Modesto Municipal Code, the owner D.R. Horton Bay, Inc. must execute a Subdivision Improvement Agreement (SIA)
 - Current improvements installed during this initial phase include a new roundabout at Merle/Claus, a dual use park & basin, and neighborhood roadways
 - Per the agreement all improvements will be completed within 24 months from the date of Final Map Recordation
 - The SIA requires the owner to furnish and supply the City a payment bond and performance bond which provide security for the completion of public improvements
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NEXT STEPS

- August 12, 2025
 - Second Reading of the Ordinance will be read by the City Council.
 - Fall 2025
 - Site improvements as well as the Public improvements for Subdivision Improvement Agreement are anticipated to begin
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Questions?



RECOMMENDED ACTIONS

- Resolution declaring the formation of the City of Modesto Community Facilities District No. 2025-2 (Village One Triangle), conditionally authorizing the levy of special taxes therein, and conditionally establishing an annual appropriations limit of \$12,400,000.
 - Resolution of the City Council of the City of Modesto, California, acting as the legislative body of the City of Modesto Community Facilities District No. 2025-2 (Village One Triangle), calling for a special election.
 - Resolution declaring the results of July 22, 2025, special election and approving certain related actions pertaining to City of Modesto Community Facilities District No. 2025-2 (Village One Triangle).
 - Motion introducing an ordinance authorizing the levy of special taxes within the City of Modesto held within the City of Modesto Community Facilities District No. 2025-2 (Village One Triangle)
 - Resolution approving the Final Map and Subdivision Improvement Agreement for The Crossings Phase I subdivision, and authorizing the City Manager, or designee, to execute the Subdivision Improvement Agreement with the Owner, D.R. Horton Bay Inc., a Delaware Corporation, and authorizing the City Clerk to certify the Final Map and record with the Stanislaus County Recorder's Office.
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CITY OF
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HEARING - APPROVAL OF PROPOSED ISSUANCE OF REVENUE BONDS BY CSCDA FOR THE BENEFIT OF KAISER PERMANENTE

Item #29

DeAnna Christensen, Director of Finance
City Council – July 22, 2025



BACKGROUND

California Statewide Communities Development Authority (CSCDA) was created in 1988, to provide CA local governments a tool for financing community public benefit projects.

Cities such as Modesto are able to serve as a conduit issuer of private bonds to promote economic development and provide an efficient mechanism to finance locally approved projects.

The Tax and Equity Fiscal Responsibility Act (TEFRA) requires a public hearing proposed issuance of revenue bonds by CSCDA



DISCUSSION

The proposed revenue bonds by CSCDA is an amount not to exceed \$880 million to support all Kaiser CA projects

\$162 million will be allocated to finance the construction and equipping of a new 105,000 sq. ft., 3 story Medical Office Building for Kaiser at 4601 Dale Rd.

Kaiser will be financing other projects in the cities of Fresno and San Marcos and these agencies will be conducting the same type of TEFRA Hearings



DISCUSSION

In order for the bonds to qualify as tax-exempt, the City must conduct a public hearing (TEFRA hearing)

This provides members of the community an opportunity to speak related to the use of these types of bonds for financing this project

The bonds will be the sole responsibility of the Borrower, and the City will have no financial, legal, liability of responsibility for the project or repayment of the bonds



STAFF RECOMMENDATIONS:

A Resolution of the City Council of the City of Modesto approving the issuance of California Statewide Communities Development Authority Kaiser Permanente Revenue Bonds in one or more Series from time to time pursuant to a plan of finance in an aggregate principal amount not to exceed \$880,000,000 for the purpose of financing or refinancing the acquisition, construction, improvement, equipping, renovation, rehabilitation, remodeling and other capital projects of certain health facilities and certain other matters relating thereto.



REPRESENTATIVES

- James Hamill
Managing Director of CSCDA
 - Andrew Mendoza
Kaiser Permanente
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QUESTIONS?



MUNICIPAL CODE AMENDMENTS TO REGULATE SMOKE SHOPS

City Council
July 22, 2025



The Issue

The City of Modesto and the Modesto Police Department have observed a significant increase in the number of smoke shops within the City in recent years, leading to several concerns:

- Many operate near schools, parks, and residential areas
 - Limited local regulations governing their establishment and oversight
 - Lack of oversight on product safety, leading to health risks
 - Flavored tobacco and high-nicotine vapes attract underage users
 - Locations serve as fronts for illicit activities, including drug sales and illegal gambling
 - Increase in nuisance complaints from residents and businesses
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Enforcement Actions

Since March 2024, a total of **137 inspections** have been conducted citywide:

- **101 Arrests**
- **Over 15,000 pounds** of illegal products seized
- **Illegal Gambling Machines** confiscated
- **Marijuana, Methamphetamine, and psilocybin mushrooms** for sale were seized
- **Firearms** recovered during enforcement actions





Enforcement Actions





Enforcement Actions





Enforcement Actions





Existing Regulations

- On October 8, 2024, the City Council adopted an Urgency Measure prohibiting the establishment of new or expansion of existing smoke shops within the City, and subsequently extended the moratorium through October 2025
 - Staff has been exploring options for regulations
 - On March 26, 2025, the City Council held a workshop to discuss the potential regulation of smoke shop businesses in the City
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Proposed Ordinance

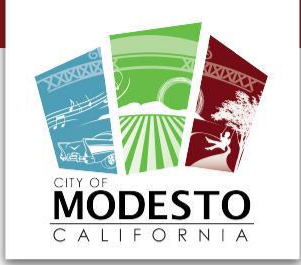
- Establishes requirements on where new smoke shops can be located
 - Requires all smoke shops (both existing and new) to obtain a smoke shop permit
 - Established mandatory operating standards for all smoke shops (both existing and new)
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Smoke Shop Defined

Smoke Shop shall mean a retailer or any person that primarily sells Tobacco Products and/or Tobacco Paraphernalia.

- A retailer or person who is primarily engaged in such activities includes, but is not limited to, a retailer that has 15% or more of the square feet in the establishment, or more than 15 linear feet of display area (whether contiguous or non-contiguous), used for the sale, distribution, display, or storage of Tobacco Products or Tobacco Paraphernalia.
 - Excludes Premium Cigar Retailers, Hookah Lounges, and Cannabis Dispensaries.
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Zoning Code Changes

- Establishes smoke shops as a permitted use in the C-2, C-3, C-M, M-1, and M-2 Zoning Districts, subject to a number of restrictions, including:
 - Smoke shops may not be located within 1,000 feet of certain sensitive uses, including schools, childcare centers, parks, and youth facilities
 - Smoke shops may not be located within 1,000 feet of cannabis dispensaries or other smoke shops
 - Smoke shops may not be located within 100 feet of a residential use
 - Smoke shops may not be located in Downtown Modesto
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Smoke Shop Permits

- Existing smoke shops are not subject to the location restrictions as long as they obtain a Smoke Shop Permit by November 14 (approximately 90 days after the anticipated adoption of the ordinance)
 - All smoke shops (existing and new) are required to obtain a Smoke Shop Permit
 - Smoke Shop Permits won't be issued to a new business until the number of smoke shops in the City falls below one per 25,000 residents
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Smoke Shop Permits

- Smoke Shop Permits issued by the Chief of Police, who will be responsible for reviewing and either approving or rejecting applications
 - Applications may be rejected if the smoke shop violates existing laws after adoption of the Ordinance (or new requirements after November 14)
 - Example of existing law: prohibition on the sale of flavored tobacco
 - A permit lasts for one year, is subject to renewal, may not be transferred, and does not run with the land
-



Operational Requirements

- Exterior lighting requirements
 - Requirement to promptly remove graffiti and trash from the premises
 - Prohibition on vending machines of any kind
 - Limits on window and door obstructions to ensure the inside of the store is visible
 - Regulations on the permitted signs and mandatory signs, including:
 - Prohibition of Flavored Tobacco Prohibited
 - No one under 21 allowed on Premises
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Operational Requirements

- Maximum hours of operations from 8:00 a.m. to 10:00 p.m.
 - Prohibition on the consumption of tobacco products, cannabis, or alcohol on the premises
 - Prohibition on any gambling product or activity other than the California Lotto
 - Prohibition on the sale of certain identified products, including cannabis and flavored tobacco
 - Training requirements
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Security Requirements

- Smoke shops will be required to submit a security plan to the Chief of Police for approval
 - Must maintain a fully functional color digital video camera system monitoring
 - The camera system must meet other specified requirements and offer the Police Department remote and real-time live access to the video footage
 - As part of the Smoke Shop Permit Program, each smoke shop will be inspected at least once per year by the Police Department
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Violations

- Administrative Fines
 - \$500 to \$2,000 for the first violation
 - \$1,000 to \$3,000 for the 2nd violation within a 5-year period
 - \$2,000 to \$5,000 for the 3rd and all subsequent violations within a 5-year period
 - Up to \$20,000 fine for operating without a Smoke Shop Permit
 - Suspension or Revocation of Permit
 - Criminal Prosecution
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Application Fee, Annual Permit Fee and Re-Inspection Fee

- Smoke shop application fee, a smoke shop permit fee, and a re-inspection fee, which will cover the City's cost to implement the Smoke Shop Permit Program, including annual inspections of all permitted smoke shops
 - If the Smoke Shop Permit is approved and issued, the City would apply the application fee as part of the first-year permit fee. If the permit is not approved, the application fee will be non-refundable
 - Application Fee \$500
 - Annual Permit Fee \$1,100
 - Re-Inspection Permit Fee \$530
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Staff Recommendation

Adopt an ordinance amending Title 10 of the Modesto Municipal Code to add Chapter 3, Article 8, “Smoke Shops,” and amending Title 4 of the Modesto Municipal Code to Add Chapter 24, “Smoke Shops,” establishing regulations and requirements for Smoke Shops, including licensing and enforcement, within the City.

Adopt a Resolution adopting the Application Fee, Annual Permit Fee, and Re-Inspection Fee for the Smoke Shop Permit Program.



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