

Law and Legislation Committee Report

915 I Street, 1st Floor

Sacramento, CA 95814

www.cityofsacramento.org

File ID: 2022-00536

March 29, 2022

Discussion Item 01

Title: Community Benefits Ordinance Framework and Outreach

Location: Citywide

Recommendation: 1) Provide direction to staff on the proposed framework for a community benefits ordinance; and 2) direct staff to bring back to the Law and Legislation Committee a community benefits ordinance for consideration.

Contact: Ellen Sullivan, Senior Development Project Manager, (916) 808-5758, eesullivan@cityofsacramento.org, Office of Innovation and Economic Development; Leslie Fritzsche, Community Investment Manager, (916) 808-5450, lfritzsche@cityofsacramento.org, Office of Innovation and Economic Development

Presenter: Ellen Sullivan, Senior Development Project Manager, (916) 808-5758, eesullivan@cityofsacramento.org, Office of Innovation and Economic Development; Leslie Fritzsche, Community Investment Manager, (916) 808-5450, lfritzsche@cityofsacramento.org, Office of Innovation and Economic Development

Attachments:

1-Description/Analysis

2-Aggie Square Settlement Agreement with Sacramento Investment Without Displacement

3-Inclusive Economic Development Investment Guidelines

Description/Analysis

Issue Detail: On May 12, 2021, the City of Sacramento, the Regents of the University of California, and Sacramento Investment Without Displacement (SacWID) entered into a settlement agreement regarding the Aggie Square Project (“Settlement Agreement”)(included as Attachment 2) The Settlement Agreement included a provision requiring the City to endeavor to bring forward a Community Benefits Ordinance (CBO) for City Council consideration by January 1, 2022. The parties have since agreed to extend that deadline to the end of June, 2022.

Staff is working on developing the CBO and is requesting direction from the Law and Legislation Committee regarding the proposed framework.

Policy Considerations: A CBO is consistent with City Council’s adopted “Policy to Take Comprehensive, Intentional Actions to Increase and Diversify our Economic Growth in an Inclusive and Equitable Manner that Focuses on Neighborhoods and Their Unique Needs” approved by Council on July 31, 2018. In addition, a CBO would align with the City’s Inclusive Economic Development Guidelines approved by Council in 2019 (included as Attachment 3).

Economic Impacts: Not applicable.

Environmental Considerations: Not applicable.

Sustainability: None.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: Staff is requesting feedback and direction from the Law and Legislation Committee on the framework for a proposed CBO.

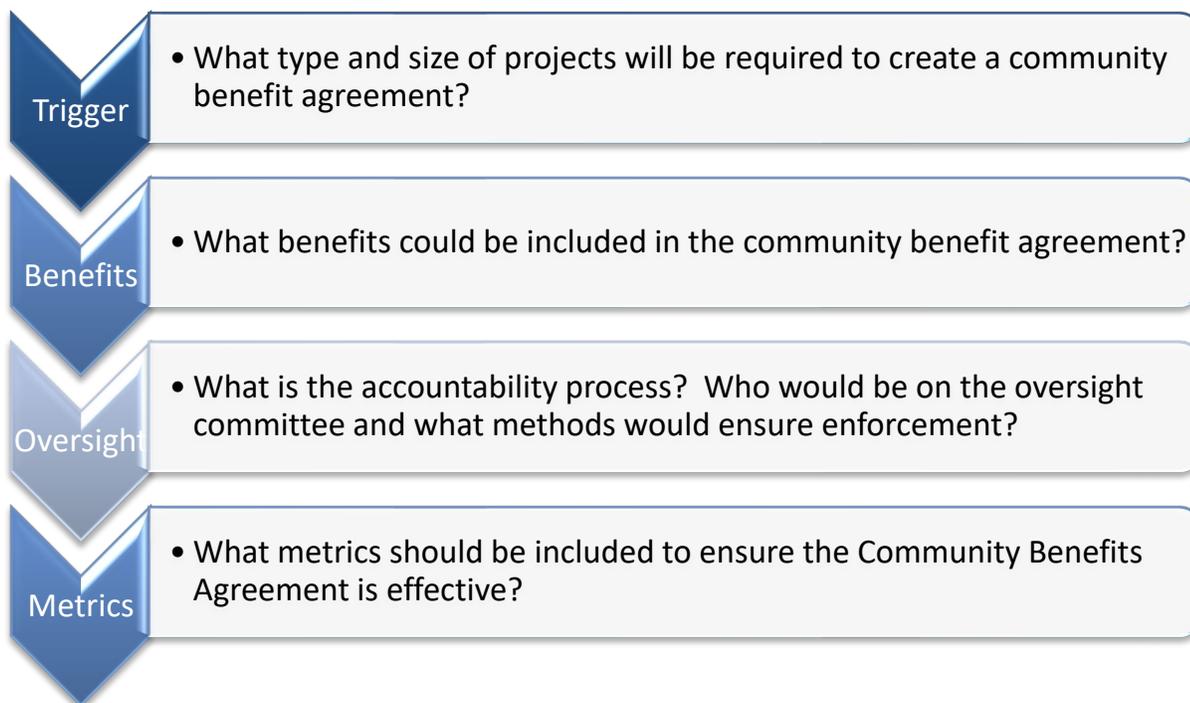
Financial Considerations: None.

Local Business Enterprise (LBE): Not applicable.

Background: As a component of the Settlement Agreement, the City is required to work with SacIWD, to develop the CBO. Once the CBO is drafted, it is to be considered for adoption by City Council. The CBO would require community benefits agreements (CBA) for certain projects receiving economic subsidies within the meaning of Government Code section 53083. The Settlement Agreement included provisions regarding what the CBO should contain:

- (A) Identification of criteria for determining which projects receiving economic subsidies from the City will require CBAs;
- (B) Provisions for community enforcement of the CBAs.
- (C) A transparent accountability process that includes a Public Oversight Committee that is guided by an inclusive, comprehensive, community-driven process; and
- (D) Provisions in the CBAs for long term small/local business protection, anti-displacement strategies, and production of affordable housing to be developed with SacIWD, affected residents, and other relevant community partners.

Utilizing the provisions listed above, staff has created the following framework to facilitate the drafting of the Community Benefits Ordinance:



Sacramento Investment Without Displacement (SacIWD)

City staff met with representatives of SacIWD on February 25, 2022, to present the draft framework and solicit their feedback. SacIWD representatives indicated that they are currently conducting community outreach and plan to propose language for a proposed ordinance to share with City staff in early April.

City staff will continue to collaborate with SacWID and other organizations to gather community input to answer the questions listed in the framework to develop the draft CBO.

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into by and is made among the City of Sacramento (“City”), Sacramento Investment Without Displacement (“SaciWD”), and The Regents of the University of California, on behalf of its Davis campus (“Regents”).

RECITALS

- A. The Aggie Square Project is a development located on the UC Davis Medical Center Sacramento Campus, along the Stockton Boulevard corridor as described in Volume 2 of the Supplemental Environmental Impact Report for the UC Davis Sacramento Campus 2020 Long Range Development Plan Update (“SEIR”), including the up to 190 unit and 252 bed residential project. On November 19, 2020, the Regents certified the SEIR and approved the Aggie Square Project and 2020 Long Range Development Plan Update.
- B. On December 21, 2020, SaciWD filed a Petition for Writ of Mandate challenging the Regents’ approval of the SEIR in the case of *Sacramento Investment Without Displacement v. Board of Regents of the University of California*, Sacramento Superior Court Case No. 34-2020-80003557 (“Lawsuit”).
- C. On April 13, 2021, the City approved an agreement between the City, the Regents, and Wexford Development, LLC (“Developer”) outlining the employment, workforce training, housing, youth engagement, and transportation commitments of the City, Regents, and Developer for Phase 1 of the Aggie Square Project (“Community Benefit Partnership Agreement” or “CBPA”) to extend the benefits of Aggie Square Phase 1 to the surrounding community.
- D. The City has also initiated the formation of an Enhanced Infrastructure Financing District to allow a portion of tax increment revenue from Aggie Square Phase I to infrastructure improvements and housing within and surrounding Aggie Square (“Aggie Square EIFD”). The City preliminarily approved the Infrastructure Finance Plan for the EIFD on April 13, 2021. On April 20, 2021, the Aggie Square Public Financing Authority approved the Infrastructure Finance Plan and formed the EIFD.

- E. The City has proposed creating a forward-looking Ordinance that requires a Community Benefits Agreement for all significant new City development projects with public financing and/or incentives.
- F. SacIWD has expressed legal and policy concerns regarding the CBPA.
- G. SacIWD has advocated that the CBPA should include other community benefits for economic justice, without limitation, investment in small businesses, environmental justice, childcare, transportation, and food access.
- H. Based on the potential for the Aggie Square Project to bring real benefits and opportunities for both the City and the communities surrounding the development, SacIWD fully supports the Aggie Square Project.
- I. On or about April 13, 2021, the Parties agreed to a Term Sheet to address the issues relating to the CBPA, EIFD and Lawsuit described in the above Recitals and setting forth terms to be memorialized in a formal settlement agreement.
- J. Through this Settlement Agreement the parties desire to resolve the issues relating to the CBPA, EIFD and the Lawsuit on the terms and conditions set forth below.

AGREEMENT

- 1. Recitals. The recitals set forth above are true and correct and are hereby full incorporated by reference into this Agreement.
- 2. Definitions.
 - a. "**Aggie Square Project**" shall mean the development located on the UC Davis Medical Center Sacramento Campus, along the Stockton Boulevard corridor as described in Volume 2 of the Supplemental Environmental Impact Report for the UC Davis Sacramento Campus 2020 Long Range Development Plan Update ("EIR"), including the up to 190 unit and 252 bed residential project approved by the Regents on November 19, 2020.
 - b. "**Aggie Square EIFD**" shall mean the Enhanced Infrastructure Financing District formed by the Aggie Square Public Financing Authority to allow a portion of tax increment revenue from Aggie Square Phase I to finance infrastructure improvements and housing within and surrounding Aggie Square.

c. **“Agreement”** shall mean this Settlement Agreement. The Community Benefits Partnership Agreement is attached hereto as Attachment A for reference but is not part of this Agreement.

d. **“CBA”** shall mean community benefits agreement.

e. **“CBPA”** shall mean the Community Benefits Partnership Agreement between the City, the Regents, and Developer.

f. **“City”** shall mean the City of Sacramento, and any of its departments and/or agencies.

g. **“Developer”** shall mean Wexford Development, LLC.

h. **“LRDP”** shall mean the UC Davis Sacramento Campus 2020 Long Range Development Plan Update as described in the Supplemental Environmental Impact Report for the UC Davis Sacramento Campus 2020 Long Range Development Plan Update and approved by the Regents on November 19, 2020.

h. **“Oversight Committee”** shall mean a committee consisting of between nine and twelve members, which shall include the following:

- i. one representative from developer of the applicable project;
- ii. one representative from the Regents;
- iii. one representative from the Mayor’s office,
- iv. one representative from the City Council District 5 office,
- v. one representative from the City Council District 6 office,
- vi. one representative from SacIWD,
- vii. one youth representative,
- viii. one representative from labor, and
- ix. no more than three representatives from community benefit organizations that represent the issue areas: workforce, housing, and transportation.

i. **“Party”** shall mean either the City, the Regents or SacIWD and **“Parties”** shall mean the City, the Regents, and the SacIWD.

j. **“Regents”** shall mean The Regents of the University of California, on behalf of its Davis campus.

k. **“SacIWD”** shall mean the Sacramento Investment Without Displacement, Inc., a California nonprofit public benefit corporation and its current and future, officers, directors,

managers, employees, agents, attorneys (including Soluri Meserve), representatives authorized to act on behalf of SacIWD, legal successors and assigns, and each of them (collectively, “SacIWD”).” SacIWD does not include its organizational members.

l. **“SacIWD Representative”** shall mean an individual or individuals who are residents of, business owners in, or individuals serving in 95817, 95820, 95824, and 95828 and designated by SacIWD authorized to speak or act on behalf of the SacIWD for all purposes under this Agreement.

m. **“SEIR”** shall mean the Supplemental Environmental Impact Report for the UC Davis Sacramento Campus 2020 Long Range Development Plan Update and Aggie Square Project approved by the Regents on November 19, 2020.

3. Settlement Terms.

a. Obligations of the City of Sacramento.

i. The City will publicly and consistently acknowledge to the press and the public that the CBPA is based, in significant part, on SacIWD’s community benefit recommendations. The City agrees to hold a press conference and issue public statements within one week of the Parties executing this Agreement.

ii. The City and SacIWD agree to work together to create a mutually respectful, sustained relationship focused on improving the lives of Sacramento residents, particularly in low-income neighborhoods.

iii. CBPA

(A) The City shall identify designated staff positions within the City that will be responsible for monitoring the performance of each program or activity that the City is obligated to perform under the CBPA.

(B) If the City determines that the performance by a contractor or third party responsible for carrying out any program or activity under the CBPA is materially deficient, the staff position designated pursuant to 3.a.iii.A. above shall transmit the determination to the appropriate SacIWD representative. The City will likewise make such a determination available to the public to ensure transparency and accountability. The City shall work with SacIWD, affected residents, and other relevant community partners, to address the deficiency.

(C) The City shall work with SacIWD to ensure the successful implementation of the CBPA including, but not limited to, ensuring participation in the housing,

workforce, and transportation working groups. SacIWD Representatives will serve on each of the working groups.

(D) The City shall attend and participate in two community forums per year that are organized and led by SacIWD until the parties mutually agree that they are no longer necessary. The purpose of the forums is to ensure that implementation of the CBPA is successful, transparent, and guided by an inclusive, comprehensive, and community-driven process. The semiannual forums will be scheduled at mutually agreed dates and times. In advance of each community forum, the City shall prepare reports on the implementation of the CBPA and its progress, and shall forward these reports to SacIWD and post the reports on the City's website at least two weeks before each community forum. These reports shall include a description of all actions the City, Regents, and the Developer have taken to implement or comply with the provisions of the CBPA, with detail sufficient enough for the SacIWD Representative(s) to determine compliance with the CBPA.

iv. The City shall work with the SacIWD to develop for City Council consideration a forward-looking City ordinance requiring CBAs for certain projects receiving economic subsidies within the meaning of Government Code section 53083. The City shall endeavor to bring this ordinance forward for Council consideration no later than January 1, 2022. The ordinance brought forward for Council consideration shall include the following:

(A) Identification of criteria for determining which projects receiving economic subsidies will require CBAs;

(B) Provisions for community enforcement of the CBAs.

(C) A transparent accountability process that includes a public Oversight Committee (as defined above) that is guided by an inclusive, comprehensive, community-driven process; and

(D) Provisions in the CBAs for long term small/local business protection, anti-displacement strategies, and production of affordable housing to be developed with SacIWD, affected residents, and other relevant community partners.

v. Upon request from the SacIWD Representative, the City shall provide any non-exempt public records as that term is defined in the California Public Records Act (Gov. Code, § 6250 et seq.) requested by SacIWD, including any non-exempt public records provided to the City by its contractors, vendors, lessees, and licensees.

vi. The City shall work with SacIWD to develop for City Council consideration an Enhanced Infrastructure Financing District 2 (“EIFD 2”) providing resources along Stockton Boulevard. SacIWD shall provide recommendations to the City regarding the development and implementation of the EIFD 2, as well as recommendations regarding the use of funds generated by the EIFD 2. The EIFD 2 will be proposed and brought forward for City Council approval on a mutually agreed upon schedule.

vii. The City shall work with SacIWD and Regional Transit to enhance public transportation in and around the Stockton Boulevard corridor. This Agreement does not commit the City or SacIWD to fund public transportation.

viii. The City shall also work with SacIWD to identify transportation investment priorities and the financing mechanisms to realize investment priorities. These financing mechanisms may include the EIFD 2. Transportation investment priorities shall include, but not be limited to:

(A) Necessary operations funding, and zero-emission vehicles, for 15 minute service on Broadway/38;

(B) Implementing the City’s Stockton Blvd. Corridor Study and SacRT’s Stockton Boulevard Corridor Analysis, including “Bus Rapid Transit”, where feasible;

(C) Stockton Boulevard Corridor Study recommendations for “Complete Streets” and expanded tree canopy projects beyond that identified in the CBPA by working closely with the SacIWD and impacted residents in identifying the needs of the community.

ix. The City shall work with SacIWD to develop for City Council consideration a “small/local business protection and development program,” which could be established and funded by the EIFD 2 or other revenue generating mechanisms. The City shall endeavor to bring forward this program for City Council consideration no later than January 1, 2022.

x. The City shall support the SacIWD’s advocacy for increasing the total number of Medi-Cal beneficiaries assigned to UC Davis Health in the affected zip codes of the CBPA as UC Davis’ Sacramento Campus capacity expands. To that end, the City, in collaboration with the SacIWD, shall prepare a letter of support consistent with this Agreement.

xi. The City agrees that SacIWD has the right to enforce compliance by City with the terms of the CBPA against the City only, not the other parties to the CBPA.

b. Obligations of the UC Regents and Developer.

i. The Regents and/or the Developer will reimburse SacIWD for their attorney's fees up to \$35,000 within ten (10) days following execution of this Agreement upon presentation of an itemized bill submitted by SacIWD's legal counsel.

ii. Except as set forth in Section 3.b.i. above, this Agreement does not impose obligations on the Regents or Developer.

c. Obligations of SacIWD.

i. SacIWD will publicly represent its support for the CBPA and the Aggie Square Project.

ii. SacIWD agrees to file a dismissal of the Lawsuit, with prejudice, within ten (10) days of execution of this Agreement, provided SacIWD has received reimbursement of its attorney's fees as set forth in Section 3.b.i above.

iii. SacIWD agrees to and shall hereby release the City, the Regents, and Developer and their respective agents, directors, officers, managers, elected and appointed officials, councils, boards and commissions, officials, owners, employees, principals, subsidiaries, predecessors, insurers, administrators, trustees, representatives, attorneys, successors and assigns, and all other persons, firms and entities from any and all claims, demands, rights, causes of action and remedies of any kind that SacIWD now has or hereafter may have on account of or in any way arising out of or relating in any manner to the Lawsuit. SacIWD shall not oppose, challenge, and/or file any appeal or lawsuit regarding any of the approvals or actions related to the Aggie Square Project or LRDP in an administrative proceeding before any agency or in any court of law including but not limited to the following:

(A) Any future approvals necessary to implement the Aggie Square Project or any projects implementing the LRDP;

(B) Any actions by the City and the Aggie Square Public Financing Authority in formation of the Enhanced Infrastructure Finance District and approval of the corresponding Infrastructure Finance Plan as defined by the current CBPA; or

(C) Any minor discretionary approvals necessary to implement the up to 190 unit and 252 bed residential project approved by the Regents on November 19, 2020.

iv. SacIWD shall not join or cooperate in opposing the Aggie Square project or its implementing approvals and the LRDP or its implementing approvals in any current or future

litigation or administrative proceeding. SacIWD will use its best efforts in good faith to discourage its organizational members from filing any lawsuits against the City, Regents or Developer challenging projects and/or actions that are covered by SIWD's release under this Section 3.c.

v. This Agreement does not apply to:

(A) Claims presented to Regents by SacIWD based on substantial evidence that there are substantial revisions to the Aggie Square Project or LRDP that trigger the need to conduct further environmental review to the EIR under CEQA's supplemental environmental review standards (Pub. Res. Code sec. 21166 and CEQA Guidelines sec. 15162 & 15163);

(B) Challenges based on the Regents' failure to comply with adopted mitigation measures relating to the Aggie Square project or LRDP;

(C) Future projects, on or outside of, the UC Davis Sacramento Campus that trigger the need to conduct further environmental review to the SEIR under CEQA's supplemental environmental review standards (Pub. Res. Code sec. 21166 and CEQA Guidelines sec. 15162 & 15163); and

(D) Challenges based on violations of the commitments of this Agreement.

4. Attorney's Fees and Costs. Except as provided herein, the Parties shall each bear their own costs, expenses and attorneys' fees associated with the Lawsuit.

5. Release of Unknown Claims. SacIWD hereby waives any and all rights or benefits that they may have under Section 1542 of the Civil Code of the State of California, which provides:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

SacIWD acknowledges that it understands the effect of this waiver pursuant to Civil Code Section 1542, and that it is represented by counsel, and have been advised of this release by their counsel.

6. Knowledge of Parties. The Parties understand and agree to the terms of this Agreement, and enter into this Agreement knowingly and voluntarily. The Parties have had the opportunity to consult with counsel, and have in fact consulted with counsel of their choice. The Parties have investigated the facts pertaining to the settlement and this Agreement and all matters pertaining thereto as deemed necessary. The Parties have relied upon their judgment, belief, knowledge, understanding and expertise after consultation with their counsel concerning the legal effect of the settlement and its terms. By signing this document and the documents referred to herein, the Parties signify their full understanding, agreement, and acceptance of the Agreement.

8. Entire Agreement/Merger. This Agreement contains the entire agreement of the Parties regarding the subject matter of this Agreement and shall constitute the final understanding between the Parties thereto and supersedes and replaces any prior negotiations and agreements between the Parties, whether written or oral.

9. Amendments. This Agreement may be amended only by a written instrument executed by all parties hereto.

10. Waiver. No breach of this Agreement or of any provision herein can be waived except by an express written waiver executed by the Party waiving such breach. Waiver of any one breach shall not be deemed a waiver of any other breach of the same or other provisions of this Agreement.

11. Non-Assignment. SacIWD warrants that it has not assigned any of the claims that are the subject of this Agreement.

12. Authority to Execute. Each signatory hereto warrants to the other Parties that he or she has the full power and authority to execute, deliver and perform under this Agreement and all

documents referred to herein, and that any needed consent or approval from any other person has been obtained.

13. Consultation with Attorneys. Each Party has investigated the facts and had the opportunity to consult with independent counsel pertaining to this Agreement and all matters pertaining thereto as deemed necessary by each Party.

13. Negotiated Settlement. This Agreement is the result of a compromise of disputed claims. The obligations of the Parties assumed hereunder are not to be construed as an admission of liability or responsibility regarding the same.

14. Counterparts. This Agreement may be executed in counterparts. The execution of a signature page of this Agreement shall constitute the execution of the Agreement, and the Agreement shall be binding on each party upon that party's signing of such a counterpart.

15. Interpretation. This Agreement shall be deemed to have been drafted equally by the parties and shall not be interpreted for or against either party on the ground that any such party drafted it.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

17. Effective Date. This Agreement shall become effective immediately following execution by all of the Parties, on the latest date appearing below.

IN WITNESS WHEREOF, the Parties hereto have executed this Settlement Agreement and General Release.

THE REGENTS OF THE
UNIVERSITY OF CALIFORNIA



Kelly Ratliff, Vice Chancellor for Finance,
Operations, and Administration

DATED: May 7, 2021

THE REGENTS OF THE
UNIVERSITY OF CALIFORNIA

DATED:

Michael Sweeney

Michael Sweeney
Campus Counsel

CITY OF SACRAMENTO

DATED: May 12, 2021

Howard Chan

[Howard Chan \(May 12, 2021 17:35 PDT\)](#)

Howard Chan, City Manager

SACRAMENTO INVESTMENT WITHOUT
DISPLACEMENT

DATED:

Gabby Trejo, Board President

APPROVED AS TO FORM:

SACRAMENTO CITY ATTORNEY'S
OFFICE

DATED: May 12, 2021

Brett M. Witter

[Brett M. Witter \(May 12, 2021 13:10 PDT\)](#)

Brett M. Witter
Supervising Deputy City Attorney

THE REGENTS OF THE
UNIVERSITY OF CALIFORNIA

DATED:

Michael Sweeney
Campus Counsel

CITY OF SACRAMENTO

DATED:

Howard Chan, City Manager

SACRAMENTO INVESTMENT WITHOUT
DISPLACEMENT

DATED:

 5/7/21

Gabby Trejo, Board President

APPROVED AS TO FORM:

SACRAMENTO CITY ATTORNEY'S
OFFICE

DATED:

Brett M. Witter
Supervising Deputy City Attorney

SACRAMENTO INVESTMENT WITHOUT
DISPLACEMENT



DATED: May 7, 2021

Soluri Meserve
Patrick Soluri

Attachment A

AGGIE SQUARE – COMMUNITY BENEFITS PARTNERSHIP AGREEMENT

This Community Benefits Partnership Agreement (this “**Agreement**”), dated as of April 6, 2021, for reference, is between the CITY OF SACRAMENTO, a California municipal corporation and charter city (the “**City**”); THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, on behalf of its Davis campus (“**UC Davis**”); and WEXFORD DEVELOPMENT, LLC, a Delaware limited liability company, and its permitted assignees under this Agreement (collectively, “**Wexford**”). The parties have entered into this Agreement in connection with UC Davis’s and Wexford’s implementation of Aggie Square Phase I (“**Aggie Square**”) at UC Davis’s Sacramento Campus, which includes the UC Davis Medical Center, School of Medicine, and School of Nursing. This Agreement is intended to be integral to, and align with, the following:

- The establishment of the Aggie Square Enhanced Infrastructure Financing District (the “**Aggie Square EIFD**”) and approval by the Aggie Square Public Finance Authority (the “**PFA**”) and the Sacramento City Council of the Aggie Square EIFD’s Infrastructure Financing Plan.
- The execution of a Community Workforce Training Agreement between Wexford’s contractor and the Sacramento Sierra Building and Construction Trades.
- The dedication of 20% of the Aggie Square EIFD’s tax increment (resulting from the value created by Aggie Square) for providing affordable housing in the Stockton Boulevard area.

Background

- A. This Agreement reflects the City’s work to strengthen and guarantee the connections between UC Davis and Wexford and the local community to promote inclusive economic development and improve physical and economic opportunities for neighborhoods and local residents, particularly those adjacent to Aggie Square and those lower-income neighborhoods that historically have not benefitted from economic development. For purposes of this Agreement, “**Neighborhoods**” and “**Local Residents**” refer to the Elmhurst, Oak Park, and Tahoe Park areas of Sacramento and cover the residents living in the zip codes 95817, 95820, 95824, and 95828.
- B. The parties are entering into this Agreement to recognize their mutual interests and goals; to address community concerns expressed during the extensive community-input process with respect to Aggie Square; and to advance commitments related to the community, especially for Neighborhoods and communities of interest. For purposes of this Agreement, “**Communities of Interest**” refers to the Meadowview, Del Paso Heights, and other key areas of Sacramento and covers the residents in the zip codes 95811, 95814, 95815, 95818, 95823, 95832, 95833, and 95838.
- C. The City, UC Davis, and Wexford believe that this Agreement is an important first step to ensuring and prioritizing the community’s long-term success. Aggie Square cannot thrive without making the community a priority and a partner: one cannot be successful without the other. The commitments in this Agreement are based on the feedback received from the

community, and the parties look forward to establishing sustainable structures and agreements needed for coordination and collaboration to support our local residents and communities. This Agreement presents a framework of community benefits. The parties are committed to working with the community on the development of the next steps towards successful implementation of the strategies outlined.

- D. Launched in 2018, Aggie Square is a collaboration that will (1) transform Sacramento’s innovation economy; (2) promote inclusive economic development, jobs, and workforce training for residents in our Neighborhoods; (3) spur affordable housing, stability and community development; and (4) create shared public places and events encouraging interaction among members of the university, industry, and the community.
- E. Aggie Square will bring over a million square feet of space, comprising a lifelong learning office and classroom building; two science and technology buildings; housing for students, community-serving uses, a parking structure, and public spaces. Aggie Square is anchored by UC Davis programs and configured to host private-industry tenants and investment. It is anticipated that Aggie Square will generate approximately 5,000 construction jobs and create 3,500 to 4,000 permanent jobs.
- F. UC Davis, one of the nation’s leading public universities and research institutions, is part of the University of California, a constitutionally created entity of the State of California, with “full powers of organization and government” (Cal. Const., art. IX, § 9). UC Davis is one of the most academically comprehensive universities in the University of California system, with a premier Medical Center and ten schools and colleges:
- College of Agricultural and Environmental Sciences
 - College of Biological Sciences
 - College of Engineering
 - College of Letters and Sciences
 - School of Education
 - School of Law
 - Graduate School of Management
 - School of Medicine (primarily on the Sacramento campus)
 - Betty Irene Moore School of Nursing (primarily on the Sacramento campus)
 - School of Veterinary Medicine
- G. UC Davis’ two campuses—in Davis and Sacramento—constitute the second-largest individual employer in the Sacramento region, behind only the State of California. An economic analysis found that, in 2013-14, for every two jobs at UC Davis, an additional job was created in other economic sectors of the Sacramento region. UC Davis is a powerful economic engine for California, generating \$8.1 billion in statewide economic activity. UC Davis Health is home to a National Cancer Institute designated comprehensive cancer center, an international institute for neurodevelopmental disorders, a leading-edge stem-cell program, a top-ranked comprehensive children’s hospital, and other nationally prominent

centers. As a top research institution, UC Davis has provided innovation and cures that benefit the nation and the world.

- H. UC Davis acknowledges the community feedback over the past three years and is transforming its community engagement efforts. In 2019, UC Davis Health, which includes the UC Davis Medical Center, School of Medicine, and School of Nursing, formally launched its Anchor Institution Mission for Community Health. Anchor institutions are nonprofit or public place-based entities, such as universities and hospitals, that are rooted in their local communities by mission, invested capital, and relationships to customers, residents, and employees. As one of the leading institutions in both higher education and health care in the region, UC Davis Health is committed to leveraging its economic power and human and intellectual resources to increase the economic vitality of our surrounding nearby communities, thereby improving the health welfare and wellbeing of its residents. Based on UC Davis Health’s commitment, future goals related to hiring and investing in community will expand from Aggie Square to an institution-wide focus, embracing the Anchor Institution Mission. As part of the Anchor Institution Mission, \$5 million dollars is being raised for an affordable-housing program funded with \$2.5 million in philanthropic contributions and matched by \$2.5 million over five years from UC Davis. This fund-raising effort will be coordinated by the City with the assistance of UC Davis. The City and UC Davis are working together to bring partners to assist with this effort.
- I. Wexford Science & Technology, LLC, the parent company of Wexford, is a real estate company exclusively focused on partnering with universities, academic medical centers, and research institutions. Wexford was selected—in a highly competitive process by UC Davis—to develop Aggie Square based upon its unparalleled experience developing innovation districts with leading universities.
- J. A crucial role that Wexford plays as the Aggie Square developer is to provide the infrastructure, spaces, and places required for entrepreneurial activity and significant programming, and to foster community inclusion and engagement. Wexford will include in Aggie Square more than 50,000 square-feet of innovation space, including life sciences, health, and tech collaboration space, and Innovation Hall, a community-focused gathering and convening place.
- K. In addition to developing the Aggie Square buildings, Wexford plays an active role in bringing together the innovation elements that comprise a “**Knowledge Community**,” which is both (1) a vibrant, mixed-use community built on a foundation of discovery, innovation, and entrepreneurial activity to create visible, concrete outcomes in the form of substantial economic growth, new and diverse jobs, and community transformation; and (2) a physical space that consists of academic research, industry tenants, community programming, and indoor and outdoor public spaces.
- L. One critical piece of Wexford’s involvement is the identification of a community non-profit or similar organization (the “**Innovation Convener**”) to facilitate, operate, and coordinate community-facing programs.
- M. Another critical element of a Knowledge Community is an organizational entity that will implement certain innovation and programming elements within Aggie Square. To that end,

Wexford and UC Davis intend to create an organization (the details will be determined later) to be named the “**Aggie Square Innovation District.**”

- N. Aggie Square is the first innovation district in the Sacramento region to bring together academic, industry, and community partners in one place. The City, UC Davis, and Wexford anticipate that Aggie Square will—
- transform Sacramento’s innovation economy;
 - provide a platform for new companies and industries to leverage university research and draw investment to the Sacramento region;
 - improve the civic life of the Stockton Boulevard Corridor with vibrant public space that connects people across economic sectors;
 - find new inventions and cures that advance the public good; and
 - improve the economic health of existing Local Residents and Communities of Interest.
- O. For the City, the success of Aggie Square will be measured—
- in the commitment of the City, UC Davis, and Wexford to bring jobs, research opportunities, education, innovation entrepreneurship, and business development to the region;
 - in Aggie Square’s ability to enhance the health and quality of life of Sacramento residents, specifically in the Neighborhoods adjoining Aggie Square; and
 - by the increase in resources for affordable housing development and stabilization along Stockton Boulevard.
- P. For UC Davis and Wexford, success includes developing an innovation center that advances the public good by—
- providing a home for state of the art university research;
 - hosting industry, educational, and community-based partners that connect with university research, teaching, and community-engaged work;
 - integrating university teaching and learning into a network of lifelong learning that serves multiple communities;
 - building stronger relationships and improving the economic health for the surrounding neighborhoods, the city, and the region; and
 - developing a public-private partnership that is financially stable and earns funds for continuous reinvestment and expansion.
- Q. In 2018, UC Davis began a planning process to gain an understanding of community needs related to Aggie Square, which involved engagement with various community stakeholders, campus constituents, and the City. The City and UC Davis established a Community Engagement Advisory Group that met between September 2018 and June 2020 to solicit input on Aggie Square. Additionally, UC Davis, Wexford, and the City held over 90 meetings, open houses, town halls, and community forums.

- R. From fall 2020 through spring 2021, the City hosted community forums and outreach to directly solicit input regarding the community benefits that could derive from Aggie Square and how they could be captured in this Agreement. The forums focused on workforce development, youth opportunities, housing, and traffic and transportation.
- S. With this Agreement, the parties recognize their mutual interest and goals; address community concerns expressed during the extensive community-input process with respect to Aggie Square; and advance commitments related to the community, especially for Neighborhoods and Communities of Interest.
- T. UC Davis, Wexford, and the City entered voluntarily into this Agreement. The community investments described in this Agreement are in addition to Aggie Square's Mitigation Monitoring and Reporting Program required by the California Environmental Quality Act ("CEQA") and are not part of the CEQA process related to Aggie Square.

With these background facts in the mind, the parties hereby agree as follows:

1. Community Engagement.

- (a) The Aggie Square Innovation District and the City will conduct community engagement meetings for the general public and interested stakeholders regarding Aggie Square (1) quarterly until construction of the first building in Aggie Square is completed; (2) semi-annually during the first three years after construction of the first building is completed; and (3) annually during the fourth through tenth years after construction of the first building is completed. The community meetings will focus on sharing updates on the community-benefit goals and soliciting feedback from the community on the next steps. The community-engagement commitments in this section 1(a) are in addition to any public process required by CEQA for Aggie Square.
- (b) The Aggie Square Innovation District and the City will make information about Aggie Square readily accessible to the public through online platforms (including but not limited to the Aggie Square website, electronic newsletters, and other digital platforms) and will work with community partners to share information and updates about Aggie Square throughout the construction of the buildings and implementation of this Agreement.
- (c) The parties shall continue to leverage existing opportunities and create new opportunities for partnership and engagement with community-based organizations ("CBOs"), neighborhood and business organizations, and other stakeholders as part of the implementation of this Agreement.

- 2. Accountability and Transparency.** Accountability and transparency for all parties are critical to building trust. Reporting on Aggie Square will include achievement goals for UC Davis, Wexford, and the City to address and be responsive to residents and communities, measured by outcomes from a project-generated community fund, employment (which includes Aggie Square and the region), youth engagement, access to space, revenue enhancements to the City's budget, and other areas as outlined in this Agreement. The outcomes will be included in an annual report, prepared by the Aggie Square Innovation District during each of the first ten years after completion of construction of the first

building. The annual report will be shared at the community-engagement meetings and with the general public. Baseline metrics will be shared with the community in 2022 for the annual report.

3. Commitments by the Parties.

(a) ***Affordable Housing Development and Assistance.*** The parties recognize the need to address housing for students, Neighborhoods, and the Sacramento region. The City has identified housing as a key priority and will focus on development of additional housing and stabilization support for existing residents within the Stockton Boulevard and Aggie Square areas. The City shall provide a report on activities for residential stabilization and housing development pipeline to be made public semiannually. To achieve these housing goals, the parties shall implement the following strategies and initiatives:

- (1) The City shall establish a Stockton Boulevard Affordable Housing Fund of at least \$50 million to fund programs to assist in stabilizing the residential fabric and developing new housing around Aggie Square. The fund will include the following components:
 - (A) \$16 million present value (\$29 million over 45 years) from Aggie Square EIFD revenues created by the new taxes generated by Aggie Square;
 - (B) \$29 million from the City and SHRA-administered affordable-housing resources (the allocation of these funds will require further approvals by the Sacramento City Council or SHRA, or by both);
 - (C) \$5 million affordable housing program funded with \$2.5 million in philanthropic contributions and matched by \$2.5 million over five years from UC Davis. The City shall coordinate this fund-raising effort with the assistance of UC Davis. The fund would be used specifically for anti-displacement efforts and residential-stabilization activities.
- (2) The City shall include, in the housing element of its general plan, policies to evaluate and mitigate displacement.
- (3) The City shall work with community representatives to identify affordable housing needs and develop programs to stabilize existing residential uses around Aggie Square. These could include housing-rehabilitation programs, down-payment assistance, and a homelessness-prevention program in the area surrounding Aggie Square.
- (4) Wexford shall develop a minimum of 200 beds of housing in Aggie Square with the primary goal of addressing housing needs for undergraduate and graduate (includes medical and nursing) students and easing the demand for off-campus housing in Sacramento.

- (5) UC Davis shall promote its website that highlights UC Davis employee discounts and offerings related to housing (e.g., reduction in closing costs), automobile purchases, and other services.

(c) *Investment in Fund and Aggie Square Community Partnership.*

- (1) The Aggie Square Innovation District will create the Aggie Square Community Partnership (“ASCP”) to set priorities for an Aggie Square Community Fund (“**Community Fund**”), a monthly assessment, at the rate of \$0.015 per rentable square foot, on all leased space within Aggie Square. This equates to a target amount of approximately \$150,000 a year based on full occupancy. For the first three years after Aggie Square opens (i.e., within the three years after UC Davis issues the first certificate of occupancy or equivalent for a building in Aggie Square), Wexford shall seed the fund to cover the gap that might exist between the assessed amount and the annual target. In addition, Wexford shall provide \$75,000 per year during the first two years of construction, with the initial contribution at initiation of construction. If the City, Wexford, and UC Davis jointly decide to use these initial funds specifically to support the One-Stop Hiring Center in partnership with the City, then Wexford shall make an additional \$50,000 available at the start of construction to be used for youth programming the City and Wexford jointly approve. The ASCP may also seek additional funding from other sources as needed (e.g., public funds, philanthropic funds).
- (2) The parties share a mutual commitment to enable community participation and engagement. To enable a community-centered voice in community benefits, the Aggie Square Innovation District will convene the ASCP, which serves as a focal point for community participation and engagement. The ASCP will include Neighborhood voices in the deployment of a community fund dedicated to local benefits. The ASCP will provide an annual report that outlines how funds were used and distributed, level of participation by each member, and level of activity for targeted priorities identified below. The Aggie Square Innovation District will implement the following strategies and initiatives to achieve this objective:
 - (A) The ASCP will consist of at least five members representing institutional partners, including UC Davis, UC Davis Health, Wexford, and possible anchor coalition partners (such as the community college), and at least five seats will be filled by Neighborhood partners (as determined by community residents and business owners).
 - (B) The ASCP will set priorities for the community fund using agreed-upon criteria with a focus on the following (or other criteria as determined by the community and ASCP membership): youth opportunities, workforce development and training, place-making, public art, and entrepreneurial support.

(d) *Jobs, Workforce Development and Career Pathways.*

- (1) The parties share a desire to create inclusive economic development and job opportunities for residents in the surrounding community, the City of Sacramento, and the Sacramento region. Aggie Square will focus on inclusive economic development in partnership with the City and its communities. It will bring more jobs to the Sacramento region along with workforce programs to create pipelines into those jobs.
- (2) Aggie Square's Lifelong Learning Building will be a focal point for workforce development involving UC Davis Continuing and Professional Education, partners from across UC Davis's two campuses, industry, and the Sacramento region.
- (3) Aggie Square's workforce development efforts shall include outreach, training, and preparation to help Local Residents and members of Communities of Interest compete successfully for jobs. Subject to any and all applicable obligations under state and federal law, collective bargaining agreements, and the university's or other employers' policies, the Aggie Square Innovation District shall ensure that 20% of the available jobs in Aggie Square that are the focus of the project's workforce development efforts are offered to qualified Local Residents and members of Communities of Interest over the initial 10 years of the project. After the initial 10 years of operation, again subject to any and all applicable obligations under state and federal law, collective bargaining agreements, and the university's or other employers' policies pertaining to hiring, retention, and diversity, equity, and inclusion, 25% of the available jobs shall be offered to qualified Local Residents and members of Communities of Interest. For purposes of this section 3(d)(3), the term "jobs" means the number of individuals working for any employer at the Aggie Square Innovation District at occupancy of Aggie Square. Aggie Square Innovation District shall transmit to the City and make public an annual report to the community that describes the number and type of jobs to address this requirement during the period this agreement is in effect. The parties hereby affirm their mutual commitment to their respective policies supporting principles of diversity, equity, and inclusion, prohibiting discrimination on the basis of any legally protected category, as well as their commitment to maintaining fair, equitable and merit based hiring and promotion practices. Successful job placements and outcomes in the region from Aggie Square's outreach and training will also be tracked. This provision may not be used in any individual hiring decision to compel a hiring authority to select a particular candidate, nor shall this provision be used to deny a UC Davis graduate or undergraduate student the opportunity to participate in a work-study, internship, or other form of paid training program located at Aggie Square. In the event the percentages are not met, the parties agree to engage additional community participation and develop new workforce development strategies to meet these percentages consistent with state and federal law, collective bargaining agreements, and employer hiring policies. The parties shall implement the following strategies and initiatives to achieve the goals in this paragraph:

- (A) Prepare Local Residents and members of Communities of Interest for access to jobs and training opportunities.
- (i) Leveraging existing one-stop hiring solutions, the City and the Aggie Square Innovation District will create a One Stop Hiring Portal for employment opportunities at Aggie Square. The portal, which is envisioned to be a physical location, would involve local community-based workforce providers (i.e., including but not limited to Asian Resources, Inc., the Greater Sacramento Urban League, La Familia Counseling Center, and PRO Youth and Families), organized labor (i.e., including but not limited to University of California bargaining groups and Central Labor Council representatives), trades (i.e., including but not limited to the Sacramento Sierra Building and Construction Trades Council), community colleges, and industry. This commitment includes review of local hiring goals, a short-term and long-term strategy for partnership with workforce and training stakeholders, and implementation via technical support for residents in preparing job applications, and listing of job opportunities. This portal would serve as an important resource for Aggie Square and related industry employers and job seekers.
 - (ii) As of the Effective Date (defined in section 4(a)), UC Davis's practice is to hold job talks and fairs with workforce and CBOs, such as the Sacramento Employment and Training Agency. As part of this effort, UC Davis shall continue to hold job talks and fairs with CBOs at least annually.
 - (iii) UC Davis shall complete an initial assessment (e.g., types, skills) of the jobs available in Aggie Square as of the Effective Date and the jobs anticipated to become available in Aggie Square.
 - (iv) The City and UC Davis shall work with local CBOs and workforce-investment organizations to pilot workforce-development efforts with the objective of helping Local Residents and members of Communities of Interest prepare for jobs
 - (v) The City shall be a lead participant in identifying funding for the capital needs of the development of the adult school pre-apprenticeship program at Hiram Johnson High School.
 - (vi) The City shall work closely with Mark A. Sanders Career Center (2901 50th Street), to further enhance local workforce services being offered at that location, creating more collaboration between Mark Sanders Career Center and local workforce providers to serve the surrounding communities and increase job preparedness and access.
 - (vii) Wexford's third-party contractor selected to construct Aggie Square shall enter into a community-workforce agreement with the

Sacramento Sierra Building and Construction Trades Council and its affiliated unions, regarding certain wage terms, individual trade separations, local contracting, local hiring, apprenticeship programs, and other labor-specific benefits related to construction of Aggie Square.

- (B) Expand efforts to increase regional workforce-development opportunities.
 - (i) The City shall foster a network of workforce providers and CBOs, known as a Workforce Partner Collaborative, focused on inclusive job training, skill development, and career pathways for inclusive economic growth. The City shall also support ongoing alignment and coordination with these organizations to help prepare and inform local residents of the current and emerging job opportunities.
 - (ii) The City shall work with stakeholders on regional workforce-development opportunities focusing on the health and biomedical fields and supporting career pathways into those fields.
 - (iii) The Aggie Square Innovation District and the City will expand work with local CBOs and workforce investment organizations to explore ways to provide access and navigation resources to help Local Residents and members of the Communities of Interest prepare for regional jobs.
 - (iv) The City and UC Davis shall continue piloting workforce-development programs by partnering with CBOs, workforce organizations, K-12 education systems, community colleges, and industry.
 - (v) The City shall standardize and centralize workforce resources to get consistent details to the local jobseekers; ensure that all workforce partners are using consistent information; coordinate alignment of job-training programs to meet the skillset requirements of employer's current job openings; and create greater coordination of supportive services for jobseekers enrolled in training programs to achieve higher completion rates.
 - (vi) The City shall create an annual workforce summit, hosted at Aggie Square, that showcases emerging trends and current and upcoming workforce practices, and provides statistics and outcomes from the Aggie Square workforce collaborative efforts (including job placements).
- (C) Implement sustainable workforce-development programs.
 - (i) Wexford shall use good-faith efforts to identify the Innovation Convener, which will hold regular events to discuss the skills necessary for open positions, provide opportunities to meet hiring managers, and provide information about skill development.

Information on these positions will be made available through the TalentPortal, an online tool that lists innovation-related jobs within the region. This will align with the City's centralized system and One Stop Hiring Portal described above in section 1(d)(3)(A)(i).

- (ii) Wexford shall work with the Aggie Square Innovation District and the Innovation Convener with the goal of developing an Aggie Square-wide internship program.
- (iii) Wexford shall work with the Innovation Convener with the goal of partnering with local accelerator programs with a focus on supporting underrepresented entrepreneurs to foster the local Sacramento ecosystem.
- (iv) Throughout Aggie Square, the Aggie Square Innovation District and the City shall continue to develop and implement Aggie Square sustainable workforce-development programs.

(e) *Youth Opportunities and Educational Support.*

- (1) The parties recognize UC Davis's longstanding commitment and support of pathway and pipeline programs that target elementary-school, middle-school, and high-school students, through partnerships with school districts and CBOs, to increase the number of underserved, low-income students' exposure to educational and career pathways.
- (2) The parties are focused on maximizing youth education and employment opportunities by strengthening partnerships with K-12 education systems, community colleges, and industry. The parties shall continue and expand the opportunities for youth, especially in the Neighborhoods, enabling access to educational support and programs that support career readiness. Beginning in 2022, UC Davis shall develop baseline metrics that show current youth educational opportunities and participation in the schools in the Neighborhoods. Annually, the Aggie Square Innovation District will share the usage of the youth programs by neighbors. The parties shall implement the following strategies and initiatives to achieve the goals in this paragraph:
 - (A) Continue youth opportunities. UC Davis shall continue K-12 youth-engagement efforts across the region. Current examples of these efforts include the following:
 - Health Equity Academy – Leaders for Tomorrow's Healthcare
 - College Opportunity Program
 - Early Academic Outreach Program (EAOP)
 - Summer Mathematics and Science Honors Academy (SMASH)
 - Girls in Robotics Leadership (GIRL)
 - Young Scholars Program

- School of Medicine Tours for High Schools and Community Colleges
- (B) Identify opportunities to expand or pilot new youth programs. UC shall pilot youth-opportunity programs by partnering with community colleges, the City, and industry. As part of this effort, the parties shall determine if an assessment should be performed on related UC Davis programs, school district programs, or other educational programs to identify opportunities and gaps.
- (C) Implement sustainable youth programs.
- (i) To keep the community informed, the Aggie Square Innovation District will share with neighbors, the City, and other stakeholders an annual youth-engagement plan and calendar highlighting programs available for neighborhood youths.
 - (ii) Wexford shall work with the Innovation Convener with the goal of holding monthly youth-focused programming as part of the Thursday events known as the Thursday Gathering. This programming is aimed at exposing K-12 students to innovation-related careers, as well as providing opportunities for their parents to connect to the innovation and start-up community at the same time.
 - (iii) Wexford shall work with the Innovation Convener with the goal of convening an event twice a year with STEM educators and practitioners to share best practices and to engage with the industry.
 - (iv) The Aggie Square Innovation District shall implement new youth opportunities by partnering with K-12 education systems, community colleges, the City, and/or industry.
 - (v) The parties acknowledge that the needs of the community may change over time. Programs identified and outlined in this section 1(e) are subject to change if the needs of the community change or if other areas of focus surface as community-identified priorities.
- (f) *Community Access to Space and Resources at Aggie Square.*
- (1) The parties are committed to providing the community with access to space and resources at Aggie Square. Wexford shall create an open and flexible environment that includes space for tenants and the broader community to convene and connect in an effort to drive greater innovation and entrepreneurship throughout the region. Spaces, such as the ones planned, bring together various stakeholder groups across multiple industries. The parties shall implement the following strategies and initiatives to achieve these access goals:
- (A) Access to Aggie Square space.

- (i) Wexford or its operator shall publish standard rates and fee schedule for the Innovation Hall space. Through discounts and waiving of fees, Wexford, through the operator of Innovation Hall, shall provide discounts and fee waivers for use of the meeting space valued at up to \$1 million annually in Innovation Hall, which will be made available to the community on a non-exclusive basis.
 - (ii) UC Davis shall complete a feasibility study of renovating the UC Davis owned Governor's Hall for UC Davis and community-serving uses.
 - (iii) Wexford, through the operator of Aggie Square's co-working space, shall identify areas within the co-working space for a recurring cohort of startups led by under-represented entrepreneurs.
 - (iv) The Aggie Square Innovation District will host Aggie Square community meetings in Aggie Square.
- (B) Access to Aggie Square resources.
- (i) UC Davis shall provide a community-engagement portal at Aggie Square to help community members access the resources of the university; provide better visibility to university jobs; give guidance for local businesses seeking to do business with the university; and facilitate non-profit groups seeking sponsorship funding for capacity building in their organizations and securing volunteers to assist in their communities.
 - (ii) Wexford shall fund recurring outdoor programming for the community (e.g., outdoor movies, concert series, job fairs). UC Davis shall provide such programming in the outdoor spaces of Aggie Square.
 - (iii) Wexford shall work with the Innovation Convener with the goal of leveraging the Thursday Gathering to feature and promote startups from the surrounding communities.
 - (iv) Wexford shall work with the Innovation Convener with the goal to provide the weekly Thursday Gathering with 12 to 15 free educational sessions or workshops each week with a goal of a minimum of 500 sessions or workshops annually. These free public-education sessions offered by the Innovation Convener will cover topics such as civic engagement, entrepreneurial education, youth mentoring in entrepreneurship, and innovation-talent nights.
 - (v) The City shall provide information to the residents of the larger community and the Neighborhoods to make them aware of opportunities for use of space and resources at Aggie Square.

(vi) The parties acknowledge that the needs of the community may change over time. Programs identified and outlined in this section 1(f) are subject to change if the needs of the community change or if other areas of focus surface as community-identified priorities.

(g) ***Connections to Adjacent Business Districts.*** The parties are committed to connecting to adjacent business districts, especially to small, minority-owned, and veteran-owned businesses. Aggie Square will create positive impacts to and growth for businesses and commercial areas within Aggie Square and the surrounding business districts, particularly for small, minority-owned, and veteran-owned local businesses. This includes opportunities for growing companies to secure space along the existing corridors, supporting local businesses through procurement of goods and services, and cross promotion of key events. On an annual basis, the Aggie Square Innovation District will report on the growth of companies emerging from Aggie Square as it relates to their space needs. The ASCP will maintain a pipeline report to share with existing business-district leadership. The report must include annual procurement activities by participating industry partners. The parties shall implement the following strategies and initiatives to achieve the goals in this paragraph:

- (1) Through the ASCP, the Aggie Square Innovation District will develop a strategy to align efforts with the nearby business districts to support the growth of companies emerging from incubators and accelerator programs within Aggie Square to potentially locate on Stockton Boulevard or an adjacent commercial corridor.
- (2) The ASCP will maintain a shared event calendar to cross-promote events in surrounding business districts.
- (3) The Innovation Convener will feature local food and beverage providers during Aggie Square industry-popups events and programming.
- (4) For two years after the commencement of construction of Aggie Square, Wexford shall, upon the City's written request, advance up to \$400,000 to the City to fund third-party start-up cost for the formation of an Enhanced Infrastructure Financing District for the greater Stockton Boulevard area (the "**Stockton Boulevard EIFD**"). These start-up costs must be reimbursed to Wexford from the Stockton Boulevard EIFD (from tax increment or tax-increment bond proceeds, or a combination of both) on a first-priority basis after formation of the Stockton Boulevard EIFD or, if the Stockton Boulevard EIFD is not formed, in accordance with a reimbursement agreement to be negotiated in good faith by Wexford and the City that is acceptable to them in their reasonable discretion.
- (5) UC Davis shall increase awareness of the University of California's Small Business First program, which is focused on providing contracting and procurement opportunities with certified Small Businesses, Microbusinesses, and Disabled Veteran Business Enterprises.

- (6) By 2023, the City shall complete a Stockton Boulevard Specific Plan, which will include for approval by the Sacramento City Council, policies to promote additional development along Stockton Boulevard and the support of existing local businesses. This includes CEQA review of the elements in the plan and completion of any required environmental document for the Sacramento City Council's review and action.
- (h) ***Neighborhood Transportation Connection and Street Enhancements.*** The parties' goal is to enhance community connectivity, improve transportation options, and enhance vehicular traffic-reduction measures. UC Davis shall provide annual reporting of key transportation projects and transportation demand management efforts. The City shall also provide regular updates on related Stockton Boulevard projects. The parties shall implement the following strategies and initiatives to achieve this goal:
 - (1) UC Davis will implement Transportation Demand Management Measures. While focused on enhancing community connectivity and vehicular traffic reduction measures, UC Davis will strive to achieve the following by 2025:
 - (A) Zero-emission vehicles ("ZEV") or hybrid vehicles will account for at least 50% of all new light-duty UC Davis vehicle acquisitions.
 - (B) Reduce its percentage of UC Davis employees and students commuting by single-occupancy vehicles ("SOV") by 10% relative to UC Davis 2015 SOV commute rates.
 - (C) Have at least 4.5% of commuter vehicles are ZEV.
 - (2) At the time of construction, UC Davis shall contribute funds to the planned improvements at the Broadway and Stockton Boulevard intersection using fair-share methodology, not to exceed 50% of the cost of intersection improvements. As outlined in the Stockton Boulevard Corridor Study, these improvements are intended to enhance walking, bicycling and transit safety, and effectiveness. The fair-share methodology will be based on the percentage of UC Davis-related vehicles in relation to total volumes expected at the intersection for peak hour periods for the 2040 LRDP forecast. Improvements are estimated at \$2.2 million. UC Davis's contribution is based on the fair-share methodology percentage and is not to exceed \$1.1 million.
 - (3) UC Davis shall grant an easement to the City and construct improvements along Aggie Square's Stockton Boulevard frontage for preferred off-street walking, bicycling, and transit elements identified in the City's March 2021 Draft Stockton Boulevard Corridor Study.
 - (4) UC Davis shall (A) undertake and complete a campus access study with the City's Transportation Planning and Traffic Engineering Design Sections and neighborhood associations, with a goal of creating better access from Neighborhoods to and through UC Davis's Sacramento Campus so that the Campus better provides for walking and bicycling and neighborhood

connectivity, and (B) UC Davis shall implement the recommendations of the study.

- (5) UC Davis shall complete new parking structure four, which is closer to the UC Davis Medical Center and will help replace parking spaces displaced by Aggie Square.
- (6) Wexford shall build on-site pedestrian, bike, and vehicle-infrastructure improvements.
- (7) Wexford shall construct improvements at the intersection of 2nd Avenue and Stockton Boulevard.
- (8) Wexford shall construct improvements at the intersection of 3rd Avenue and Stockton Boulevard.
- (9) Wexford shall design and build a 1,300 space new parking structure to serve Aggie Square.
- (10) The City shall complete the Stockton Boulevard Corridor Study, which covers the area between Alhambra Boulevard and 47th Avenue, by December 2021.
- (11) The City shall seek funding for the next phase of, and for preliminary engineering and federal and state environmental clearance for, the Envision Broadway in Oak Park Plan covering Broadway between Franklin and Martin Luther King Jr. Boulevard to the extent that project conforms to citywide priorities.
- (12) The City shall encourage the Sacramento Regional Transit District to provide enhanced comfortable, convenient, frequent, and fast bus service on and near Stockton Boulevard.
- (13) The City shall seek funding to implement the recommendations in the study identified in section 3(h)(11) and the plan identified in section 3(h)(12), as well as the Vision Zero Top 5 Corridors Study, to the extent these projects conform to the citywide priorities.

4. General Provisions

- (a) **Effective Date.** This Agreement becomes effective on the date when all the following have occurred (the “**Effective Date**”):
 - (1) The PFA has approved the Aggie Square EIFD’s Infrastructure Financing Plan and established the Aggie Square EIFD; and the PFA has approved (or, if necessary, the PFA and the City have approved) an agreement between the PFA and Wexford (or, if necessary, between the PFA, Wexford, and the City) that commits the Aggie Square EIFD tax increment to Aggie Square.
 - (2) The City has formed the Aggie Square Community Facilities District (“**CFD**”) and authorized the issuance of bonds through the CFD.

- (A) The City and UC Davis have entered into a joint community facilities agreement for any CFD-financed improvements that UC Davis will own or operate.
 - (B) The City, UC Davis, and Wexford have entered into an acquisition agreement, under which the City and UC Davis will acquire specified CFD-financed improvements from Wexford.
- (3) No actions challenging any of the matters described in the sections 4(a)(1) and 4(a)(2) have been filed in any court with jurisdiction; or, if any such actions have been filed, they have been resolved in a manner acceptable to Wexford in its sole discretion.
- (4) An action to validate the actions and matters relating to the Aggie Square EIFD, as described in the section 4(a)(1), has been filed by the appropriate party in accordance with California Code of Civil Procedure section 860, California Government Code section 53511, or any other applicable California law or statute; the trial court has entered a final judgment in favor of the plaintiff or petitioner named in the action; and either the time to appeal from the trial court's final judgment has expired with no appeals timely filed or, if appeals have been timely filed, all appeals have been resolved in a manner acceptable to Wexford in its sole discretion, so that the trial court's judgment validating the actions and matters described in the section 4(a)(1) has become final in all respects.
- (5) Any and all actions challenging Aggie Square for noncompliance with CEQA or otherwise have been resolved in a manner acceptable to UC Davis and Wexford.
- (b) **Term.** Unless otherwise noted, the initial term of this Agreement is ten years after the Effective Date, after which the parties will reevaluate this Agreement. This allows flexibility as the needs of the community evolve over time.
- (c) **No Waiver of Authority.** By entering into this Agreement, the City is in no way modifying or limiting the obligations of UC Davis to develop Aggie Square in accordance with all laws applicable to UC Davis. Nothing in this Agreement is a waiver by UC Davis of its constitutional status, its sovereignty, or the exemptions available to it as a California constitutional corporation, including its exemption from compliance with local regulations or other local laws that related to Aggie Square. UC Davis's meeting of its obligations under the Agreement is separate and apart from, and cannot be related in any form to, its constitutional status.
- (d) **Enforcement of Agreement; Default; Remedies.**
- (1) **Enforcement.** As of the Effective Date, the only parties to this Agreement are the City, UC Davis, and Wexford. This Agreement is not intended, and shall not be construed, to benefit or be enforceable by any other person or entity.
 - (2) **Meet-and-Confer Process.** Before sending a notice of default, the party asserting that another party has failed to perform or fulfill its obligations under this Agreement must first attempt to meet and confer with the other party to discuss

the alleged failure and must permit that party a reasonable period, but not less than ten days, to respond to or cure alleged failure. The party asserting such a failure must request that the meeting and conference occur within 21 days following the request. If, despite the good-faith efforts of the requesting party, such a meeting has not occurred within 30 days of after the request, then the requesting party will have satisfied the requirements of this section 4(d)(1).

(3) **Dispute Resolution.** If a dispute arises regarding Aggie Square and the parties' obligations under this Agreement, the parties shall meet within 30 days to discuss the dispute and try in good faith to resolve it.

(4) **Remedies.**

(A) **No Damages.** The parties agree that it would be extremely difficult and impractical to fix or determine the actual damages suffered by a party because of a default and that, as a result, monetary damages are inappropriate as a remedy for any default under this Agreement. The parties further agree that equitable remedies, not including damages but including demands for specific performance, are the appropriate remedies for enforcement of this Agreement. Accordingly, neither the City nor Wexford will be liable to UC Davis for damages under this Agreement, neither UC Davis nor the City will be liable to Wexford for damages under this Agreement, and neither UC Davis nor Wexford will be liable to the City for damages under this Agreement. The City, UC Davis, and Wexford each expressly waives its right to recover damages under this Agreement.

(B) **Time Limits; Waiver; Remedies Cumulative.** A party's failure to insist on strict performance of this Agreement or to exercise any right or remedy upon breach of this Agreement will not constitute a waiver of the performance, right, or remedy. A party's waiver of another party's breach of any provision in this Agreement will not constitute a continuing waiver or a waiver of any subsequent breach of the same or any other provision. A waiver is binding only if set forth in a writing signed by an authorized representative of the waiving party.

(e) **Other General Provisions.**

(1) **Miscellaneous.**

(A) This Agreement may be amended or modified only by a writing signed by the parties.

(B) All approvals and determinations of City requested, required, or permitted under this Agreement may be made in the sole and absolute discretion of the head of the City department with jurisdiction over the matter. Any approvals requested, required, or permitted by the City must not be unreasonably withheld.

- (C) This Agreement contains the entire agreement between the parties, and all prior written or oral negotiations, discussions, understandings, and Agreements are merged into this Agreement.
- (D) The section and other headings of this Agreement are for convenience of reference only and are to be disregarded in the interpretation of this Agreement.
- (E) Time is of the essence.
- (F) This Agreement is to be governed in accordance with California law, except that the rule of interpretation in California Civil Code section 1654 will not apply.
- (G) The parties may sign this Agreement with electronic or digital signatures. In addition, the parties may sign this Agreement in counterparts, each of which will be considered an original, but all of which will constitute the same Agreement. Delivery of a signed counterpart may be accomplished by email transmission of a pdf file as follows:

For delivery to the City, LFritzsche@cityofsacramento.org

For delivery to Wexford, Danielle.howarth@wexfordscitech.com

For delivery to UC Davis, smdommes@ucdavis.edu

- (2) *Contingent Obligations.* The obligations contained in this Agreement are contingent on UC Davis and Wexford proceeding together with Aggie Square as contemplated and securing successful leasing, entitlement, and requisite approvals to implement Aggie Square.
- (3) *Environmental Review.* This Agreement does not commit the parties to any action or project in advance of the environmental review required by CEQA. Depending on the result of the environmental review, an action or project might be changed from what is described in this Agreement or might not be carried out. Upon request, the parties shall meet and confer to ensure that all environmental review required by CEQA has been completed before any commitment to a specific action or project.
- (4) *Notices.* All notices sent by one party to the others, including notices of a change in address, will be effective only when delivered to the following addresses (see the next page):

If to the City:

City of Sacramento
Office of Innovation and Economic
Development
915 I Street, Fourth Floor
Sacramento, California 95814
Attention: Leslie Fritzsche,
Economic Investment Manager

If to UC Davis:

University of California, Davis One
Shields Avenue
Davis, California 95616
Attention: Michael Sweeney, Chief
Campus Counsel

If to Wexford:

Wexford Development, LLC
801 W. Baltimore Street, Suite 505
Baltimore, Maryland 21201
Attention: Danielle Howarth, Senior
Vice President and General Counsel
and Mark Korczakowski, Senior
Vice President, Asset Management

- (5) *Force Majeure.* If a party's performance of any act required by this Agreement is delayed, hindered, or prevented by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, governmental moratorium or other governmental action or inaction (including a declaration of emergency and a failure, refusal, or delay in issuing permits, inspections, approvals, and authorizations), injunction or court order, riots, insurrection, war, terrorism, bioterrorism, fire, epidemic or pandemic, quarantine, earthquake, flood or other natural disaster, or other similar reason of a like nature that is beyond the reasonable control of the party Agreement, then the party's performance of the act will be excused for the duration of the delay, and the time for the performance of the act will be extended for a period equal to the duration of the delay.
- (6) *Assignment.* Wexford intends to develop Aggie Square through one or more limited-liability companies (each, a "**Project LLC**") that will hold leasehold interests to portions of the land on which Aggie Square will be located under a number of long-term ground leases (each, a "**Ground Lease**"). The Project LLCs will be initially owned directly or indirectly by affiliates of Wexford and one or more third-party equity providers. Without the consent of the City or UC Davis, Wexford may assign its rights and obligations under this Agreement to one or more Project LLCs, either collectively or individually, upon the execution of the Ground Leases. Each of the Project LLCs may subsequently assign its rights and obligations under this Agreement to any assignee of its interest in its Ground Lease. Notwithstanding anything to the contrary in this Agreement, the obligations of any Project LLC under this Agreement will terminate upon the termination of its Ground Lease.

(Signature Page Follows)

Each party is signing this agreement on the date under the party's signature.

City of Sacramento

DocuSigned by:
By: *Darrell Steinberg*
D302A18C83FD4F8...

Darrell Steinberg, Mayor
Date: May __, 2021 5/25/2021

DocuSigned by:
By: *Howard Chan*
320C08AC85814D2...

Howard Chan, City Manager
Date: May __, 2021 5/25/2021

Attest
Sacramento City Clerk

By: *Wendy Klock-Johnson*
Wendy Klock-Johnson (May 25, 2021 14:48 PDT)
Signature

Approved as to Form
Sacramento City Attorney

DocuSigned by:
By: *Joseph Cerfillo*
E20B9D708D44F71...

Joseph Cerfillo
Senior Deputy City Attorney 5/24/2021

The Regents of the University of California

DocuSigned by:
By: *Gary May*
1B87DD762D846E...

Gary S. May, Chancellor
Date: May __, 2021 5/21/2021

Wexford Development, LLC

DocuSigned by:
By: *Douglas Woodruff*
2808E0334959409...

Douglas Woodruff, Senior Vice President
Date: May __, 2021 5/21/2021

INCLUSIVE ECONOMIC DEVELOPMENT INVESTMENT FUNDING GUIDELINES

1. DEFINITIONS

Inclusive Economic Development Investments or Investments: Investments that expand economic opportunities that benefit underserved and underrepresented communities, thereby reducing social, racial, health, and economic disparities in these communities. Through public and private actions that are responsive to community need and builds on resident assets, these investments foster small business growth, increase quality jobs, stabilizes people in safe and affordable homes, prepare resident of all ages to fill those jobs, improve neighborhoods, and increase household wealth.

Equity: Fair and just treatment, access, opportunities, and advancement for all people, while identifying and eliminating barriers that have prevented the full participation of some groups.

Racial and gender equity: The development of policies, practices, and strategic investments to reverse racial disparity trends, eliminate institutional racism, and ensure that outcomes and opportunities for all people are no longer predictable by race and gender.

Priority neighborhoods: Neighborhoods already having a federal, state, or local designation (could include city Priority Neighborhood, federal Promise Zone, federal Opportunity Zone, Health Need Assessment Focus Communities, etc.) or neighborhoods experiencing a cost of living that outpaces the incomes of the residents, lagging commercial and residential investment, increased poverty and gentrification pressures; limited access to services and amenities, substantial change due to major development and/or public infrastructure improvements and local business displacement.

2. PURPOSE

The purpose of Inclusive Economic Development Investments is to foster economic and community development and job growth within the City of Sacramento that create opportunities for all of Sacramento's residents, while at the same time prioritizing strategic investments for people of color, low-income individuals, and underinvested communities. The Fund will use city dollars to make Inclusive Economic Development Investments in projects and programs that advance inclusive economic development and reduce inequities by improving the health, stability and economic security of residents and neighborhoods; fostering business and job growth; increasing household wealth; encouraging productivity; and supporting people, places, and actions that promote economic growth throughout the City's diverse communities.

3. OBJECTIVES

Investments must seek to advance economic growth and development by achieving the following objectives:

- A. **Catalyze Inclusive Economic Development:** Investments must help to further develop and/or grow targeted industry clusters, tradeable sectors and university-industry innovation districts. Investments must catalyze economic development and community revitalization in targeted geographic areas that increase the economic security and mobility of vulnerable families and workers.
- B. **Stimulate Job Growth:** Investments must help retain and grow job opportunities by cultivating the entrepreneurial ecosystem, attracting new businesses that create a range of quality jobs, and supporting the growth and advancement of existing businesses. Investments must also support hiring and retaining of low income and historically underserved and underrepresented residents.
- C. **Create Experiential and Educational Opportunities:** Investments must expand access to experiential and educational opportunities that lead to career pathways that lead to the middle class. Investments must also cultivate homegrown talent through strong cradle-to-career pipelines that increase economic security and access to job opportunities for all residents, with a focus on those communities and residents that have been historically underserved and underrepresented.
- D. **Create Vibrant, healthy, opportunity-rich neighborhoods:** With the goal of reducing racial, social, health, and economic disparities, Investments must increase the supply and access to safe and affordable housing, transit and transportation options, promote clean and safe neighborhoods, create positive youth development experiences, and remove barriers to future economic development, particularly in distressed and disadvantaged neighborhoods that have not benefited from previous economic growth. Investments must ensure all communities have access to services and amenities that support healthy and vibrant neighborhoods.
- E. **Increase Revenue and other Social and Economic Benefits to the City:** Investments must directly or indirectly increase City revenue and/or generate other significant public benefits (as outlined in Section 5F - Public Benefit) that provide a return on investment to the City.

4. GUIDING PRINCIPLES

The guiding principles are based on equity-focused practices that guide all Investments.

- A. **Neighborhoods and Places – Make all neighborhoods healthy and safe communities of full opportunity.** Unlock opportunities for residents to

access options that offer affordable, safe and stable housing, amenities, culture and services, and maximize quality of life. Proactively support: (1) communities of color and (2) underserved residents and businesses within “priority neighborhoods”.

- B. **Community Engagement – Build community ownership, voice and capacity.** Tap into community-rooted organizations and neighborhood groups to develop community driven solutions that advance equitable and inclusive development priorities, policies and practices over the long term. Projects and programs will be vetted through the impacted neighborhood, community, and/or stakeholder(s) to ensure that they meet the needs of the community.
- C. **People and Jobs – Expand employment opportunities.** Concentrate workforce development programs, increase talent pipelines, address skills gaps, and expand employment opportunities at all levels and for all ages including youth and young adults.
- D. **Business and Innovation – Advance equity, diversity, and inclusion throughout Sacramento’s business community.** Expand ownership opportunities at all stages and ensure new development and growth happens in a way that benefits the entire community.
- E. **Integrate a focus on people, place and the economy.** Understand that the City of Sacramento—and the neighborhoods where low-income people of color live— need strategies that are embedded in a broader metropolitan economy, and act to create more connections and linkages between their underserved residents and the local and regional economy. These strategies:
 - Are place-based and people-oriented;
 - Leverage business and financing models that are equity driven; and
 - Identify resources and innovate new ways of working with markets and investors to achieve inclusive and equitable solutions.
- F. **Embrace equity as an economic imperative.** Engage private sector businesses to identify long-term, bottom-line benefits of racial and economic equity in their business models.

5. MINIMUM ELIGIBILITY CRITERIA

The City may consider making an Investment in projects and programs that have a significant economic impact and meet the following criteria:

- A. **Equity and Inclusion:** Demonstrate strategies that ensure all Sacramento’s residents, particularly for people of color, low-income individuals and underinvested communities have the ability to participate, prosper, and reach

their full potential. Investments will provide goals and measurable outcomes to reduce disparities and build equity in the City's diverse communities. All applications and subsequent agreements must include a statement of how the project or program reduces inequities and creates opportunities for Sacramento's underserved and underrepresented communities. As appropriate, agreements should support capacity- building by connecting existing community needs and activities to new resources and opportunities.

- B. Mutual Benefits and Consistency with City policy and goals:** All Investments must be consistent with City policies and goals for achieving an inclusive and equitable community. Both the City's and prospective partners' goals and the mutual benefits should be openly and clearly stated in all agreements.
- C. Employment:** Create and/or retain jobs with defined salary ranges based on Sacramento area and industry income standards or within priority career pathways as identified in the City's Inclusive Economic Development Strategy and Action Plan or policies. Priority should be placed on creating job opportunities for underserved residents and in underserved neighborhoods.
- D. Tax Revenue Generation:** Provide significant property and/or sales tax revenues to the City. This amount will take into consideration the relative size of the project or program and its contribution to the City and community.
- E. Leverage:** Investment should be leveraged by other private or public funds and innovative partnerships. Projects and programs must demonstrate long-term financial sustainability.
- F. Public Benefit:** Investments must provide a public benefit for residents and businesses in Sacramento. All applications and subsequent agreements must include a statement of public benefits. Benefits should distinguish between one-time/upfront cost reductions and ongoing reduction to everyday expenses to the targeted groups. Programs and projects will address an array of social and economic benefits that improve quality of life, including, but not limited to:
- Mobility
 - Housing supply, affordability, quality and integration
 - Workforce development
 - Employment opportunities for disadvantaged populations
 - Business diversification
 - High-wage industry growth
 - Sustainability (including air, water, and environmental quality; energy efficiency; clean energy, etc.)

- Public health and wellness
- Public safety and emergency response
- Arts and cultural amenities
- Youth and education

6. APPROVAL PROCEDURES

- A. City Staff and Investment Committee Vetting:** Investment applications will be screened by City staff and vetted with the Investment Committee. Investments of Measure U funds will be forwarded to the Measure U Citizens Advisory Committee.
- B. Measure U Advisory Committee Recommendation:** Pursuant to City Resolution 2018-0393, the Measure U Advisory Committee will review, report, and make non-binding recommendations on how to allocate resources to support inclusive community economic development. Such expenditures, not subject to City Council approval, shall be forwarded to the City Manager with a recommendation.

7. INVESTMENT MEASUREMENT AND EVALUATION

Evaluation of performance measures is critical to gauge the effectiveness of the Investments. Each investment agreement must contain a set of performance measures. The City will require tracking and reporting of data during project/program implementation.

8. EVALUATION OF GUIDELINES AND INVESTMENTS

Staff will provide regular updates to the Investment Committee and Measure U Advisory Committee on the status of the City’s Investment portfolio. Each year the City will conduct an annual assessment of the guidelines to identify areas for updating, refinement, and/or adjustments.

9. PROGRAMS AND GUIDELINES

- The Investments will support two programs:
- a. Neighborhood and Community Investments
 - b. Economic Development Investments

Each program will have program guidelines to determine and identify eligible projects and programs. Program guidelines could include an overview of the program fund, additional eligibility requirements, identification of what can and cannot be funded, how much funding is available, how projects and programs are selected, and metric and reporting requirements.