Memorandum of Understanding

City of Davis, Yolo County, and University of California, Davis

This Memorandum of Understanding ("MOU" or "Agreement") is entered into by and between the City of Davis ("City"), the County of Yolo ("County"), and the Regents of the University of California ("Regents"), by and on behalf of its Davis campus ("University"), and shall be effective as of the date of the date of the last signature below.

RECITALS

Whereas, the County is a political subdivision of the State of California and the City is a municipal corporation;

Whereas, the University is a campus of the University of California authorized as set forth in California Constitution Article IX, Section 9; and

Whereas, the geographical boundary of City is located entirely within County;

Whereas, a portion of University, including University's main campus, is located within County;

Whereas, the geographical boundaries of University are located adjacent to, but outside of, City, with the exception of several parcels of property owned by University that are located within City;
Whereas, the University provides its own services and utilities for its residential and non-residential buildings located on the University’s property outside of the City of Davis;

Whereas, for those properties owned by University and located within the City, the University has entered into one or more agreement(s) pursuant to Government Code 54999 to compensate the City for its portion of public facilities serving these properties, and will continue to do so in the future on a project by project basis;

Whereas, the University, in 2015, began the planning process for the UC Davis Long Range Development Plan (Davis Campus) which involved engagement with various campus and community stakeholders, including, the City and County. In response to this engagement, the University increased the amount of planned on-campus student beds from its initial proposal of 6,200 to 9,050 in its final 2018 Long Range Development Plan (2018 LRDP). The University also prepared plans for two specific on-campus housing projects – West Village Expansion and Orchard Park Redevelopment – that anticipate up to 4,665 beds of on-campus student beds. The 2018 LRDP plan for on-campus student beds exceeds the projected student enrollment increases over the life of the plan. The 2018 LRDP contains no plans for the development of housing or academic facilities off-campus, including in the City and County.

Whereas, the University prepared an environmental impact report (EIR) for the 2018 LRDP on a program level and the West Village Expansion and Orchard
Park redevelopment on a project level pursuant to the California Environmental Quality Act (CEQA) ("2018 LRDP EIR");

Whereas, the City and the County both submitted comments on the Draft 2018 LRDP EIR raising concerns and asserting the need for additional information and analysis. These comment letters were responded to in the Final EIR for the 2018 EIR;

Whereas, on July 19, 2018, the Board of Regents of the University ("Regents") approved the 2018 LRDP and the West Village Expansion project and certified the 2018 LRDP EIR;

Whereas, at the July 18 and July 19, 2018 Regents meeting, the City submitted comments and letters asking for a delay in the action of the 2018 LRDP, the 2018 LRDP EIR and the West Village Expansion to allow time for discussions to address their concerns and indicated that litigation may result if the Regents acted and approved the items;

Whereas, the University, City and County entered into a tolling agreement to extend the statute of limitations for filing a lawsuit to allow the parties to meet in mediation to attempt to resolve the dispute regarding the 2018 LRDP;

Whereas, the Parties participated in mediation, as called for in the tolling agreement, and identified the terms to be included in this MOU to enable a resolution of the dispute regarding the 2018 LRDP and 2018 LRDP EIR;

Whereas, the Parties enter into this MOU to recognize their mutual interests and goals, and to formalize an agreement to strengthen their relationship, address
environmental impacts resulting from the 2018 LRDP, and support mutually beneficial cooperation in the future and, in particular, during the 2018 – 2030 implementation period of the 2018 LRDP;

Whereas, the City, the County, and the University desire to avoid challenges and/or litigation over the 2018 LRDP EIR through good faith negotiations and mutual commitments as set forth herein; and

Whereas, the City, the County, and the University intend for this MOU to be a legally-binding contract.

Accordingly, the City, the County, and the University hereby agree as follows:

I. Statement of Shared Goals and Principles

A. The City and County recognize the significant contributions that the University makes to the community and support the University’s efforts to responsibly plan for its future needs.

B. The University recognizes the benefit it receives from the desirable “college town” feel of the City and other aspects of the local community, and acknowledges the unique challenges the City and County face in being located immediately adjacent to the University.

C. The Parties recognize that the City’s current housing vacancy rate has been critically low for many years, resulting in increased rental costs and stresses in existing neighborhoods. All parties share an interest in constructing additional housing projects for University students built
on campus and in the City, to ease the various pressures that contribute to housing instability.

D. The Parties desire, to the extent feasible, to provide affordable housing for University faculty, students, and staff among the projects that are currently in the development stages both on University property and within the City.

E. The Parties desire to strengthen their relationships, to establish stronger communications, and to regularly meet and share information in an effort to jointly solve mutual challenges that may arise in the future.

II. Agreement for Community Enhancement Benefits

A. Planning

1. Annual Public Meeting. The parties will participate in an annual public Town-Gown Meeting to be held at a mutually agreeable time and location and will be attended by the Chancellor and other appropriate University representatives, the City’s elected officials and other appropriate representatives, and the County’s elected officials and other appropriate representatives.

2. 2x2x2 Meeting. During the first year after the effective date of this MOU, the University, City, and County shall meet on at least two occasions in a “2x2x2” meeting format, open to the
public. The meetings shall be attended by two members of the Davis City Council, two members of the Yolo County Board of Supervisors, and two high-ranking employees of the University (at least one of whom will be Vice Chancellor level or higher). At the conclusion of the first year, the parties will evaluate the effectiveness of meeting in this format, and determine the best manner of moving forward.

3. **Working Group.** The parties will identify appropriate leaders to participate in a joint working group to regularly meet and discuss their mutual opportunities and how to best leverage and partner; challenges and areas of concerns, to identify potential solutions; and to discuss and seek approval for the commitment of any resources of the parties for projects to address the mutual challenges. The working group shall meet no less than four times per year and will make written reports on their work and progress available to the public on a regular basis.

4. **Economic/Fiscal Analysis.** Within one year of the effective date of this MOU, the University will engage outside consultants to conduct an economic and fiscal analysis of the University’s regional and local impacts and benefits, including to local governments. Representatives of City and County will be invited to participate in the scoping portion of the analysis and
the final report shall be shared with City and County. The parties will agree, through the working group or other appropriate mechanism, to obtain periodic updates of the economic analysis from time to time during the life of the 2018 LRDP.

5. **Strategic Partnership Plan.** To be commenced within six months of the effective date of this MOU, the parties will develop and implement a Strategic Partnership Plan, which, at a minimum, will set forth a mechanism for ongoing meetings and collaboration between the parties to enhance their joint interests, including identification of areas where collaboration currently occurs and should be recognized and bolstered, as well as identification of areas for future partnership.

B. **Traffic and Transportation**

1. **Joint Transportation Plan.** The City, the County, and the University agree to continue to work together and with other partners to develop a Joint Transportation Plan for the local area, to include alternative transportation mechanisms such as Transportation Demand Management ("TDM") measures and transit, bikes, and pedestrian improvements. Through the Joint Transportation Plan process, the parties will discuss and attempt to resolve existing and future issues, including through
potential future commitments of resources and mutually-agreeable decisions with respect to the prioritization of projects.

2. **Unitrans.** The University is in the process of commencing a working group to discuss and plan for the future of Unitrans, as directed by the recent audit, with representation from the City. The parties recognize the mutual benefit of the Unitrans service, and seek to work together to identify sustainable solutions for funding and operation of this service for the foreseeable future, including the parties partnering on funding.

3. **Traffic Improvement Projects.** In addition to any measures identified in the 2018 LRDP EIR, the University hereby agrees and commits to providing the identified financial contributions and approvals, to the extent such projects are commenced during the duration of the 2018 LRDP (or after, upon mutual agreement of the parties), subject to applicable laws, which approvals shall not be unreasonably withheld, to the following traffic improvement projects:

   a. **Richards/I-80 Interchange** – University will contribute the total amount of $500,000 payable to the City or its designee for purposes of the traffic and safety improvements that are planned for this site.
b. County Road 98 improvements – For a project design jointly acceptable to the University and the County, the University will contribute not to exceed $500,000 for project construction costs; plus $100,000 to be used for project scoping, analysis, and other administrative or preparatory work. To the extent it is legally able to do so, the University agrees that it will dedicate any right-of-way located on UC Davis-deeded property needed to complete the traffic improvements in this area, the value of which right-of-way shall not be included in the $500,000 contribution for construction costs.

c. Russell Boulevard bike path West of Highway 113 – The University will contribute 50% of the cost of this project, in an amount up to and not to exceed $500,000. In addition, the University will partner with the City to shift the bike path to the south onto University-owned property, if legally and logistically possible, and will provide sufficient right-of-way for the project without charge to the City.

d. Russell Blvd Corridor Plan – University will contribute 50% of the cost of a transportation study for this area, and will share with the City in the cost of construction of a
mutually-agreeable project in this area, with both combined costs not to exceed $500,000;

e. University will contribute up to $200,000 for landscaping and lighting improvements to the Oxford Circle Park and to the bike path leading to Oxford Circle Park within one year of the completion and occupancy of the Emerson Hall project.

f. For each of the projects described above in Sections B.3.a-e, the University shall provide 10% of its total funding commitment for each project during the planning and design phase. The University’s remaining funding commitment for each project will be provided in two equal installments during the construction phase of the project. To the extent a mitigation measure in the LRDP EIR requires an improvement relating to the transportation improvement projects identified in Section II.B.3 of this MOU, then the University’s payment under this MOU shall be credited to the improvement or payment required under the mitigation measure.

g. These projects provide benefits to both the UC Davis community and the residents of the City and County. They are located in close proximity to University’s campus
and are considered to be priorities for purposes of improving the experience, safety, and security of University’s faculty, staff, and students.

h. In addition to the commitments described above, as well as the Joint Transportation Plan and Strategic Partnership Plan and other similar coordinated efforts, and in the event the parties identify projects which provide demonstrable benefits to the University, the University will consider and negotiate in good faith with the parties an appropriate level of financial contribution to each such project. The parties acknowledge that, in the past, the University has committed financial and other resources to projects located off-campus that benefit both the University and the City and/or the County.

i. The specific funding of transportation projects in this MOU is not intended to foreclose other opportunities for University support to other projects that benefit both the University community and the City and County.

C. **Housing.** Through this MOU, the University commits to provide on-campus housing for 100% of the actual student population in excess of the baseline enrollment number of 33,825 students, as defined in the 2018 LRDP EIR (the “LRDP enrollment”). The University’s LRDP
baseline number of beds is 9,818. The University will increase the total number of student housing beds on the UC Davis campus, at minimum, according to the following schedule:

1. By fall 2019, the University shall have no less than 10,500 student housing beds on the Davis campus;

2. By fall 2021, the University shall have no less than 12,500 student housing beds on the Davis campus;

3. By fall 2023, the University shall have no less than 15,000 student housing beds on the Davis campus;

4. In the event the actual number of newly enrolled students, as defined above, surpasses the number in the 2018 LRDP EIR projection starting in the fall of 2023, University will meet and confer with City and County to establish a plan to ensure the commitment to house the additional new students.

D. Housing Guarantee. As evidence of its 100% commitment in paragraph C, the University hereby agrees to make a single payment to the City and County, in a total amount equivalent to $500 per bed, including any beds for which payment was made to the City and County on a prior date, for each bed that is not delivered within six months of each of the above dates. Any such payments will be split between the City and County as follows: 80% to the City and 20% to the County. The parties agree that, in the event that factors that are outside of the University’s control cause
delays for any of the housing projects identified in the July 2018 LRDP Housing Update, including but not by limitation, third party litigation or the University's inability to obtain financing, the deadlines identified above may be amended, as agreed upon in writing by the parties which agreement shall not be unreasonably withheld. City and County shall confer with, at a minimum, ASUCD, GSA, and other community stakeholders with respect to the use of any funds received as a Housing Guarantee.

E. Additional On-Campus Housing Projects. Through the projects identified on the July 2018 LRDP Housing Update as Planned Projects through 2030, totaling 9,050 beds above the 2018 LRDP EIR baseline of 9,818 beds, the University has undertaken to identify and conduct preliminary planning work for projects sufficient to create housing for up to 48% of the total student population projected in the 2018 LRDP on the University campus. The University restates its commitment to providing on-campus housing for a sufficient portion of its student population to ease the various pressures that are currently facing both students and community residents, and to work collaboratively with the City and County to measure and track progress, identify areas for improvement, identify barriers, and remedy issues that arise. For transparency and public accountability purposes, the University will include in every Regents Item for a student housing project, a progress
update on proportion of on-campus housing and progress towards the 48% goal.

F. **Joint Housing Report.** The City, the County, and the University will partner to create and publish an annual Joint Housing Report, to be issued no later than September 1, 2019 and each year thereafter for the duration of the 2018 LRDP. Any costs for external staff or resources needed to prepare the report will be shared equally by the University, the City, and the County.

### III. Other Provisions

A. **Library and School Use Fees For On-Campus Faculty and Staff**

**Housing.** For any projects that commence construction on University property after the effective date of this MOU and are intended to house University faculty and staff, University agrees that the equivalent of the City-wide parcel taxes for schools and library services shall be assessed by the Yolo County Tax Collector, who shall distribute the school parcel tax-equivalent to the Davis Joint Unified School District and the library parcel tax-equivalent to Yolo County.

B. **Elimination of Master Leases in City.** With the completion of the West Village Expansion project, which is scheduled to open starting in the fall of 2021, University shall end any existing master leases for off-campus apartments in the City of Davis. The University agrees that, once any existing apartment master leases have been concluded, it will
not seek to enter into master leases of apartment buildings in the City of Davis so long as the 2018 LRDP is in effect.

C. **Waiver of student housing master lease tax exemptions.** For purposes of entering into this MOU only, and on an exceptional basis, the University will waive its right to seek a property tax exemption for any residential master leases within the City of Davis commencing with the 2019-2020 academic year.

D. **City Programs.** The University appreciates the recent investment by the City to implement a Rental Registration, Education, and Inspection Program. The University will contribute $25,000 per year to City’s Rental Resources Program to support robust rental resources for UC Davis students who reside in the City. The City commits to expanding the program to include energy efficiency standards and incentives. The City further commits to ensuring effective code enforcement.

E. **City and County Support of LRDP Project.** Upon execution of this MOU and throughout the term of this MOU, City and County will support the 2018 LRDP and the West Village Expansion Project. The parties shall agree on a joint press release to be released upon execution of this MOU, in the form attached hereto as Exhibit A.

F. **Support to Third Parties.** Except as otherwise legally required, City and County agree that they shall not provide any material support or
assistance to any third parties bringing any claim, action or appeal, in any administrative or judicial process, relating to the 2018 LRDP, the 2018 LRDP EIR, and projects implemented under the 2018 LRDP.

G. **Term.** MOU shall become effective upon execution of the last of the three parties to it below. This MOU shall remain in effect so long as the 2018 LRDP is in effect or until superseded by a new agreement among the parties.

IV. **Release and Waiver by City and County**

A. Other than as set forth below in Section IV(B), the City and County voluntarily and knowingly waive, release, and discharge forever the University, UC Davis, and each of its Regents, officers, directors, employees, agents, attorneys, and representatives (collectively, “UC”) from any and all claims, charges, complaints, damages, liabilities, actions, causes of action in law or equity, suits, attorneys’ fees, costs, losses, penalties, liens, debts, interest or expenses (collectively, “Claims”) of any nature whatsoever, whether known or unknown, whether suspected or unsuspected, against UC, which arise out of, or relate in any manner to (1) the Regents approval of the 2018 LRDP and the 2018 LRDP EIR, and (2) approval and development of the West Village Expansion Housing Project, including the Regents approval thereof, all of the above being collectively referred to herein as the “LRDP.” The City and County acknowledge and agree that this
Agreement shall operate as a complete bar of any and all Claims of any kind whatsoever regarding the LRDP. Each and all of the aforesaid Claims are hereby fully and finally settled, compromised, and released.

B. Nothing herein shall constitute a waiver by the City or County of any claims or rights that may arise from UC's failure to abide by the requirements of the mitigation measures identified in the LRDP EIR or the terms of this MOU.

C. The City and County represent and warrant to UC, that the City and County (a) have all necessary power and authority to make such release, including any necessary consent or approval from any person; and (b) have not heretofore transferred or attempted to transfer all or any part of any such thing released in any manner whatsoever, including by way of subrogation or operation of law. The City and County further represent and warrant to UC, that the release and waiver by the City and County under this Agreement is executed voluntarily and without duress or undue influence on the part of any other person or entity whatsoever.

D. Waiver of Civil Code Section 1542: The foregoing releases are intended to extend to all such claims, known or unknown, suspected or unsuspected, and each Party expressly waives and relinquishes any rights and benefits that they have or may have under Section 1542 of the Civil Code of the State of California, which provides:
“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS
WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO
EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING
THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST
HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT
WITH THE DEBTOR.”

E. The Parties acknowledge that they have specifically reviewed with
their attorneys the meaning and effect of the release and waiver set
forth in subparagraphs (a) and (b), and the language from Civil Code
Section 1542 quoted in subparagraph (e), and their attorneys have
fully explained the impact of these provisions, and the Parties
knowingly accept the risks associated with these provisions.

F. City and County warrant that they own the right to
release each and all of the Claims released herein, that no other person
or entity has or has had any interest in the claims released herein,
that they have not transferred, sold, assigned or conveyed, or
otherwise disposed of any of the claims released herein.

G. City and County's Reservation of Rights to Oppose UC Projects.
Notwithstanding the foregoing paragraphs IV A-F of this MOU, and in
addition to any rights or obligations as responsible agencies under
CEQA, the City and County retain the right to oppose UC projects
other than those specifically addressed in Section IV(A) above,
including any projects which involve significant and material amendments to the 2018 LRDP that, based on substantial evidence, result in new or substantially more severe environmental impacts than described in the 2018 LRDP EIR, as defined by the CEQA statutes, guidelines, and standards.

H. **Police Power.** Nothing contained in this MOU shall be deemed to limit, restrict, amend, or modify, or to constitute a waiver or release of, any valid and applicable ordinances, resolutions, notices, orders, rules, regulations, or requirements (now or hereafter enacted or adopted or as amended from time to time) of the City or County, including its departments, commissions, agencies, and boards, and the officers thereof, or any of the duties, obligations, rights, or remedies, or the general police powers, rights, privileges, and discretion of the City or County in furtherance of the public health, welfare, and safety of the inhabitants thereof. In the event of any conflict, inconsistency, or contradiction between any terms, conditions, or provisions of this MOU on the one hand, and any of the aforementioned rules and powers of the City or County on the other hand, the provisions of the latter shall prevail and govern in each case.

V. **General Provisions**
A. The parties intend and agree that this MOU, and each and every provision thereof, shall be binding and enforceable upon the parties according to the terms and provisions specified herein.

B. This MOU constitutes the entire agreement between the parties as to the matters referred to herein. Any other terms, promises, provisions, obligations or agreements by or between the parties shall be enforceable only as set forth in any other applicable written agreement.

C. Public Records Act - Upon its execution, this MOU (including all exhibits and attachments) shall be subject to disclosure pursuant to the California Public Records Act.

D. Applicable Laws - This MOU shall be deemed to be executed within the State of California and construed in accordance with and governed by the laws of the State of California. Any action or proceeding arising out of this MOU shall be filed and resolved in a California State court located in Woodland, California. After consultation with the undersigned counsel, each party to this MOU represents and warrants that it authorized and has the capacity to enter into this MOU, and that each signatory to this MOU on its behalf is authorized and has the capacity to sign this MOU on its behalf.

E. Except to the extent other remedies for default under this MOU are otherwise specified herein, the parties' obligations under this MOU
shall be specifically enforceable, and any non-defaulting party may bring an action for specific performance or any other appropriate relief in the Superior Court. This MOU is not intended, nor shall it, create any right or remedy in any third party.

F. This MOU may be executed in multiple counterparts and signatures exchanged by facsimile or electronically, each of which shall be deemed to be an original document, and all of which together shall constitute one and the same document.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the last day and month provided below.

Dated: September 25, 2018

CITY OF DAVIS

Brett Lee, Mayor

Mike Webb, City Manager

Approved as to form:

Whitney McDonald
Richards, Watson & Gershon,
Counsel for City of Davis

Dated: September __, 2018

COUNTY OF YOLO

Oscar Villegas, Chair
Yolo County Board of Supervisors
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Richards, Watson & Gershon,
Counsel for City of Davis

Dated: September 25, 2018

COUNTY OF YOLO

______________________________
Oscar Villegas, Chair
Yolo County Board of Supervisors
Approved as to form:

Philip J. Pogge, County Counsel

Dated: September __, 2018

REGENTS OF UNIVERSITY OF CALIFORNIA

Gary May, Chancellor

Kelly Ratliff, Vice Chancellor

Approved as to form:

Kirsten Stevenson
Senior Campus Counsel
Dated: September __, 2018

REGENTS OF UNIVERSITY OF CALIFORNIA

[Signature]
Gary May, Chancellor

[Signature]
Kelly Ratliff, Vice Chancellor

Approved as to form:

[Signature]
Kirsten Stevenson
Senior Campus Counsel