

## STAFF REPORT

**DATE:** February 3, 2026

**TO:** City Council

**FROM:** Sherri Metzker, Community Development Director  
Dara Dungworth, Principal Planner

**SUBJECT: Village Farms Davis  
Second Reading  
Project Application #23-14  
Pre-Zone/Preliminary Planned Development #01-23 (Z/PPD)  
Development Agreement #01-23 (DA)**

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### **Recommendation**

Staff recommends the City Council conduct the second reading of the Ordinances for the Village Farms Project and vote to approve them:

#### 1) Prezone and Preliminary Planned Development:

AN ORDINANCE AMENDING SECTION 40.01.090 OF CHAPTER 40 OF THE CITY OF DAVIS MUNICIPAL CODE BY PREZONING APPROXIMATELY 497± ACRES (ASSESSOR'S PARCEL NUMBERS (APNs) 035-970-033 AND A PORTION OF 042-110-029) LOCATED NORTHWEST OF THE INTERSECTION OF COVELL BOULEVARD AND POLELINE ROAD, TO PLANNED DEVELOPMENT (PD) #1-23 UPON ANNEXATION TO THE CITY OF DAVIS AS OUTLINED IN SECTION 40.01.110 OF CHAPTER 40 OF THE DAVIS MUNICIPAL CODE (Prezone and Preliminary Planned Development #01-23 – Village Farms Davis)

#### 2) Development Agreement

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DAVIS APPROVING THE DEVELOPMENT AGREEMENT FOR THE VILLAGE FARMS PROJECT (PA #01-23)

### **Fiscal Impact**

All costs associated with the processing and preparation of staff reports, including the environmental impact report are paid by the applicant through fees.

### **Council Goals**

This item relates to Council Goals:

1. Achieving greater fiscal resilience
2. Strengthening Climate Resilience
3. Shoring up the housing continuum
5. Maintaining high quality infrastructure and services

## **Discussion**

At the January 20, 2026 public hearing for the Village Farms Davis project (VF proposal), the City Council voted unanimously to certify the Environmental Impact Report (EIR) prepared for the project and to approve the requested entitlements, including the Resolution approving the General Plan Amendment and the VF Proposal's Baseline Project Features.

The Ordinances for the Prezone/Preliminary Planned Development and the Development Agreement were introduced at the public hearing and require a second reading prior to going into effect 30 days after an affirmative vote.

The Council voted to approve the two Ordinances with certain changes, as summarized below.

### **Prezone/Preliminary Planned Development**

The Planning Commission made certain recommendations when that body voted to recommend approval of the project to the City Council. Of the six recommendations made, two were accepted by the Council:

- Requirement for drought tolerant landscaping without turf in the front yards of single family homes
- Require a solar capacity study to optimize rooftop solar power generation to be provided by the applicant in connection with the tentative map

Language to ensure the project is subject to both of these requirements was added to the General Requirements section of the Preliminary Planned Development as subsections 3 and 4. Attachment 1 provides the final Ordinance.

### **Development Agreement**

The following changes were made to the Exhibits within the Development Agreement:

#### ***Exhibit B – Baseline Project Features***

- Modify Section 1 “Project Goals” to revise the last sentence into two sentences that read: “It will also help Davis Joint Unified School District with student enrollment. The District is facing potential school closures due to a local enrollment gap that currently compels over 1,000 students to commute in from surrounding communities—a shortage projected to worsen significantly over the next decade.”
- Adding language in Section 4 “Affordable Housing” that the 100 deed-restricted affordable housing units are “lower-income,” consistent with Exhibit E – Affordable Housing Project Individualized Plan
- Adding the following language to Section 9 “Bike and Pedestrian Mobility”: “The developer shall prepare a feasibility study for up to two locations for the grade-separated crossing of Covell Blvd. connecting the Oak Tree Plaza Shopping Center.”

*Exhibit E – Affordable Housing Project Individualized Plan*

- Adding language within Section 5. “Affordable Housing Product Mix and Income Targeting” providing that 80 of the ownership units be within the moderate-income category, between 80% and 120% of Area Median Income
- Adding language within Section 7. “Delivery of Affordable Units” Subsection 7.1 “Construction Commencement Milestone” and Subsection 7.2 “City’s Election Rights” that the 100 deed-restricted affordable housing units are “lower-income”
- Revising Section 7.2(b) “City’s Election Rights” to read: “If the City elects to request developer to provide the affordable units and developer assumes this obligation, City shall return...” (underline to indicate added text)

*Exhibit F – Sustainability Commitments*

- Revising language under Purchase of Carbon Offset to read: “...with preference for a City, Valley Clean Energy facility, Yolo County Transportation District, or other joint powers authority in which the City participates.”

*Exhibit G – Transit, Transportation and Circulation*

- Modifying Section 1 “Roadway, Bike, and Pedestrian Improvements” to add a new subsection, Section D, with the following language: “Developer agrees that access from the project to Cannery Loop will provide for emergency vehicles, bicycles and pedestrian traffic only.”

*Exhibit O – Community Benefits*

- Adding language that edible landscaping is encouraged within the Project (new Section C.)

The final Development Agreement is provided as Attachment 2.

**Attachments**

1. Final Prezone/Preliminary Planned Development Ordinance
2. Final Development Agreement Ordinance

## **ORDINANCE NO. XXXX**

### **AN ORDINANCE AMENDING SECTION 40.01.090 OF CHAPTER 40 OF THE CITY OF DAVIS MUNICIPAL CODE BY PREZONING APPROXIMATELY 497± ACRES (ASSESSOR'S PARCEL NUMBERS (APNs) 035-970-033 AND A PORTION OF 042-110-029) LOCATED NORTHWEST OF THE INTERSECTION OF COVELL BOULEVARD AND POLE LINE ROAD, TO PLANNED DEVELOPMENT (PD) #1-23 UPON ANNEXATION TO THE CITY OF DAVIS AS OUTLINED IN SECTION 40.01.110 OF CHAPTER 40 OF THE DAVIS MUNICIPAL CODE (VILLAGE FARMS DAVIS PD #01-23)**

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF DAVIS DOES HEREBY ORDAIN AS FOLLOWS:

#### **SECTION 1. PROPERTY AREA.**

The Property, consists of 2 parcels, generally located northeast of the intersection of Covell Boulevard and Pole Line Road, totaling approximately 497± acres generally described and referenced to as APN Assessor's Parcel Numbers (APNs) 035-970-033 and a portion of 042-110-029 which are shown on Exhibit A and described in Exhibit B.

#### **SECTION 2. ZONING MAP CHANGE.**

Section 40.01.090 (Zoning Map) of Chapter 40 of the City of Davis Municipal Code, as amended, is hereby amended by changing the land use designations of the 2 parcels containing approximately 497± acres, to Planned Development #1-23 (PD #1-23), as shown on Exhibit C.

#### **SECTION 3. PURPOSE OF PRELIMINARY PLANNED DEVELOPMENT AREA.**

The purpose of this preliminary planned development is to:

- A. Create a community-focused neighborhood that provides an inclusive array of homes for families at all stages of life and at a variety of income levels, including deed-restricted affordable housing.
- B. Provide bicycle/pedestrian/transit connections to integrate the neighborhood as a truly multi-modal project.
- C. Provide parks for neighborhood-focused and community-wide recreation.
- D. Provide a land dedication for community facilities such as a fire station or other city needs.
- E. Create a sustainable and climate-ready neighborhood.

#### **SECTION 4. USES.**

The planned development area is comprised of seven distinct Sub Areas. Six districts in the Planned Development substantially correspond with a district in the Davis Zoning Ordinance (Davis Municipal Code, Chapter 40), and one contains permitted uses enumerated in the Davis Right to Farm and Farmland Preservation Ordinance (Davis Municipal Code, Chapter 40A). The permitted, accessory, conditional, and prohibited uses of each district shall be consistent with the identified comparable Zoning District, as amended from time to time, except as provided herein. Specified uses for each Sub

Area within PD #1-23, as depicted on Exhibit C, are provided in Exhibit D.

#### SECTION 5. FINAL PLANNED DEVELOPMENT (FPD)

A Final Planned Development (FPD) approval shall be required prior to the development of the site. The FPD shall be consistent with the provisions of PD #1-23.

The development standards and design guidelines for development within PD #1-23, including setbacks, height limits, and sign regulations, shall be contained in the Final Planned Development (FPD). The Final Planned Development shall include typical development standards for each Sub Area. Final determination of Sub Area boundaries and acreages shall be established by the Planning Commission through the Final Planned Development.

#### SECTION 6. CONFLICTS

For provisions not covered by this ordinance, the provisions of Chapter 40 of the Davis Municipal Code, as amended, shall apply. Where there is a conflict between the provisions of Chapter 40 and this ordinance, the provisions of this ordinance shall apply.

#### SECTION 7. ENVIRONMENTAL IMPACT REPORT MITIGATION MEASURES.

This amendment to the Zoning Chapter of the Municipal Code to the Planned Development District shall be subject to the mitigation measures in the Village Farms Davis Environmental Impact Report (EIR).

#### SECTION 8. SPECIAL CONDITIONS

This preliminary planned development is subject to the following development obligations:

1. Compliance with the Baseline Project Features established in Resolution No. 26-006 approved by the Davis City Council on January 20, 2026.
2. Approval of this Rezoning and Preliminary Planned Development is contingent upon voter approval of the General Plan Amendment #1-23 pursuant to Chapter 41 of the Davis Municipal Code, the "Citizens' Right to Vote on Future Use of Open Space and Agricultural Lands Ordinance."

#### SECTION 9. FINDINGS.

A) The City Council of the City of Davis hereby finds that the criteria for the approval of the preliminary planned development have been fulfilled:

1. The planned development is in conformity with the General Plan.
2. The Village Farms Davis Project Planned Development is in conformity with the intent of the Planned Development District of the Zoning Chapter (Article 40.22).
3. The Village Farms Davis Project Planned Development is consistent with the Zoning Ordinance, as the purpose of the Planned Development District is to allow for diversification in the relationship of various buildings and structures and provide relief from the rigid standards of conventional zoning. The proposed Planned Development is intended to provide an integrated and sustainable neighborhood.
4. The property is suitable for the proposed development.

- B) The City Council further finds that the public necessity and convenience and general welfare requires the adoption of pre-zoning set forth in Section 1.
- C) The City Council further finds that it has reviewed and considered the Village Farms Davis Final Environmental Impact Report (FEIR) and has determined that the document adequately addresses the environmental effects of the zoning/preliminary planned development.

SECTION 10. CONTINGENCIES AND EFFECTIVE DATE.

The ordinance shall become effective only upon approval of General Plan Amendment #1-23 and ratification by the voters pursuant to Chapter 41 of the Davis Municipal Code, the "Citizens' Right to Vote on Future Use of Open Space and Agricultural Lands Ordinance."

INTRODUCED on the 20th day of January, 2026, and PASSED AND ADOPTED by the City Council of the City of Davis on this 3rd day of February, 2026, by the following vote:

AYES:

NOES:

Donna Neville  
Mayor

ATTEST:

Zoe S. Mirabile, CMC  
City Clerk

[illegible]

02-03-26 City Council Meeting

**EXHIBIT B**  
**Prezoning and Preliminary Planned Development for**  
**Village Farms Davis Legal Description**  
**PD #01-23**

Parcel One (APN 035-970-033-000):

Parcel 1 as shown on the record of survey filed February 24, 1965 in Book 9 of Maps and Surveys, Page 99, Yolo County Records.

Excepting therefrom any portion thereof that may lie within the boundaries of that certain parcel of land described in deeds to the County of Yolo, a political subdivision, recorded September 25, 1964 in Book 773 of Official Records, Pages 318 and 321, Yolo County Records.

Also excepting therefrom an undivided 1/2 interest in and to all oil, gas, petroleum, naphtha, other hydrocarbon substances and minerals of any kind and nature, located 500 feet from the surface thereof, without the right of surface entry through the surface 500 feet, as reserved by Vinal E. Benson, et al., by deed recorded October 3, 1977 in Book 1270 of Official Records, Page 167, Yolo County Records.

Also excepting therefrom an undivided 1/2 of all oil, gas, and mineral rights, together with right of surface entry, as conveyed to Pyramid Oil and Mineral Co., an Arizona partnership, recorded October 5, 1981 in Book 1493 of Official Records, Page 736, Yolo County Records.

By deed recorded May 9, 1990 in Book 2120 of Official Records, Page 246, the surface rights conveyed by the last above referred to deed were released to a depth of 500 feet.

Parcel Two (APN 042-110-029-000):

All of the land situated in the State of California and the County of Yolo, being a portion of the Northwest quarter of Section 34, Township 9 North, Range 2 East, M.D.B. & M. Also being a portion of Parcels 3, 4 and 5, of that Certificate of Compliance recorded July 25, 2013 as Instrument No. 2013-0024977, Official Records of Yolo County, being more particularly described as follows:

COMMENCING for reference at the North quarter corner of said Section 34, thence proceeding South 00°41'15" West, 2,391.28 feet along the Easterly line of said Northwest quarter of Section 34 to the TRUE POINT OF BEGINNING; thence along the Easterly line of said Northwest quarter of Section 34 the South 00°41'15" West, 263.08 feet, thence along the Easterly line of Southwest quarter of Section 34 the South 00°44'35" West, 2,655.58 feet to the South quarter corner of said Section 34, thence proceeding North 89°20'50" West, 2,190.16 feet along the Southerly line of said Southwest quarter of Section 34 to the Easterly boundary of the Southern Pacific Railroad property; thence proceeding North 14°02'15" West, 1,757.61 feet along said Easterly property line to the Westerly line of Southwest quarter of Section 34, thence along said Westerly line of the Southwest quarter of Section 34, North 00°40'00" East, 954.21, thence along the Westerly line of Northwest quarter of Section 34, North 00°40'00" East, 261.86 feet, thence South 89°24'00" East, 2,639.93 feet to the TRUE POINT OF BEGINNING.

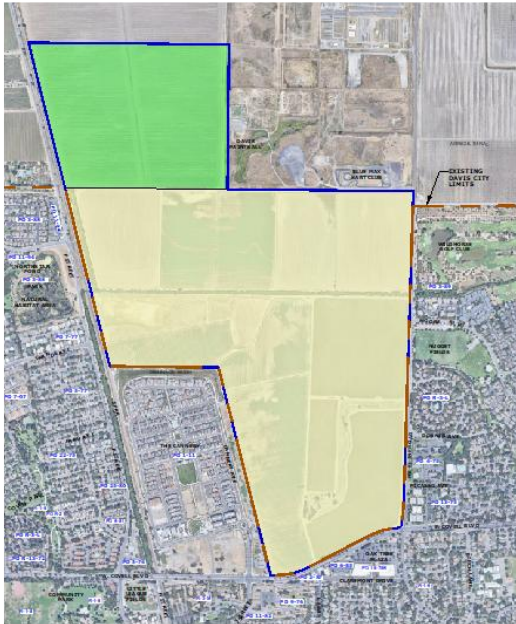
Further described as Parcel 4 on that certain Certificate of Compliance for Covell Village Co. recorded March 28, 2014, Instrument No. 2014-0006533, Official Records.

# EXHIBIT C

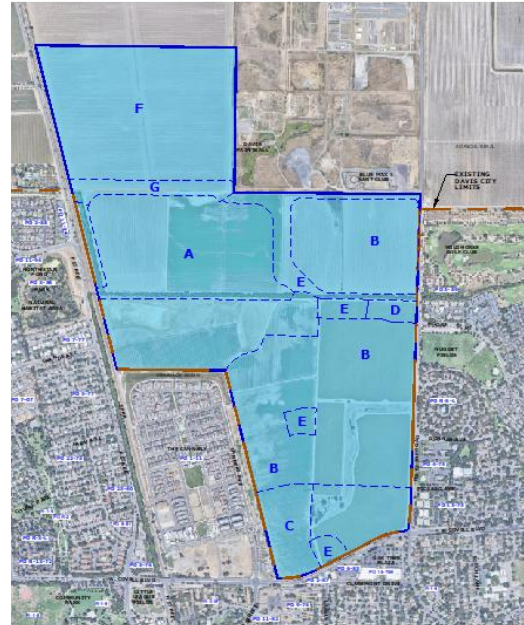
## Prezoning and Preliminary Planned Development for Village Farms Davis and related Property Zoning Map PD #01-23

### NOTES:

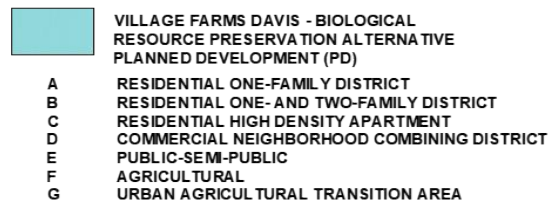
1. SITE AERIAL IMAGERY TAKEN IN APRIL 2022 AND WAS ACQUIRED NOVEMBER 6, 2023 FROM GOOGLE EARTH PRO. COPYRIGHT GOOGLE, 2023.
2. CONCEPTS SHOWN ON THIS EXHIBIT ARE PRELIMINARY IN NATURE AND ARE SUBJECT TO CHANGE BASED ON FINAL DESIGN.



**EXISTING ZONING DESIGNATION**



**PROPOSED PREZONING DESIGNATION**



### PREZONING SUMMARY

EXISTING PREZONING	AREA	PROPOSED PREZONING	AREA
NEW PLANNED DEVELOPMENT	0.0 AC. ±	NEW PLANNED DEVELOPMENT	497.6 AC. ±
SPECIFIC PLAN	382.7 AC. ±	SPECIFIC PLAN	0.0 AC. ±
AGRICULTURAL	114.9 AC. ±	AGRICULTURAL	0.0 AC. ±



## VILLAGE FARMS DAVIS - BIOLOGICAL RESOURCE PRESERVATION ALTERNATIVE PREZONE MAP



0 1,000 2,000  
SCALE: 1" = 2,000'

PROPOSED: FINAL DESIGN SUBJECT TO FINAL DEVELOPMENT AGREEMENT AND CITY COUNCIL APPROVAL

DATE: 10/31/2025

**EXHIBIT D**  
**Preliminary Planned Development for Village Farms Davis**  
**PD #01-23**

**PURPOSE OF PRELIMINARY PLANNED DEVELOPMENT AREA.**

The purpose of this preliminary planned development is to:

- A. Create a community-focused neighborhood that provides an inclusive array of homes for families at all stages of life and at a variety of income levels, including deed-restricted affordable housing.
- B. Provide bicycle/pedestrian/transit connections to integrate the neighborhood as a truly multi-modal project.
- C. Provide parks for neighborhood-focused and community-wide recreation.
- D. Provide a land dedication for community facilities for public or semi-public uses.
- E. Create a sustainable and climate-ready neighborhood.

**USES**

The planned development area is comprised of seven distinct Sub Areas. Six districts in the Planned Development substantially correspond with a district in the Davis Zoning Ordinance (Davis Municipal Code, Chapter 40), and one contains permitted uses enumerated in the Davis Right to Farm and Farmland Preservation Ordinance (Davis Municipal Code, Chapter 40A). The permitted, accessory, conditional, and prohibited uses of each district shall be consistent with the identified comparable Zoning District, as amended from time to time, except as provided herein. Specified uses for each Sub Area within PD #1-23, as depicted on Exhibit C, are provided herein.

**District A – Residential One-Family District**

- 1. Permitted Uses.
  - a. Permitted uses in the R-1 District (Municipal Code Section 40.03.020), as amended from time to time, except as prohibited within section 5 below.
  - b. Single-family uses may include attached or detached units.
- 2. Accessory Uses.
  - a. Accessory uses in the R-1 District (Municipal Code Section 40.03.030), as amended from time to time.
- 3. Conditional Uses.
  - a. Conditional uses in the R-1 District (Municipal Code Section 40.03.040), as amended from time to time, except as prohibited within section 5 below.
- 4. Conditional uses permitted with an administrative use permit (AUP).
  - a. Non-ministerial accessory dwelling units. Accessory dwelling units that are not permitted pursuant to Section 40.26.450 (Ministerial accessory dwelling units and junior accessory dwelling units), as amended from time to time, shall be permitted subject to the granting of an administrative use permit and shall be known as non-ministerial accessory dwelling units. Non-

ministerial accessory dwelling units shall comply with all of the requirements of Section 40.26.460 as amended from time to time.

- b. Guest houses. Guest houses are conditionally allowable accessory structures, subject to the granting of an administrative use permit (AUP). Guest houses shall comply with all of the requirements of Section 40.26.470.

5. Prohibited Uses.

- a. Agriculture, including the raising of animals or fowl for commercial purposes or the sale of retail products.
- b. Hospitals, churches or other religious or eleemosynary institutions.

**District B – Residential One- and Two-Family**

1. Permitted Uses.

- a. Permitted uses in the R-2 District (Municipal Code Section 40.04.020), as amended from time to time.
- b. Single-family uses may include attached or detached units.

2. Accessory Uses.

- a. Accessory uses in the R-2 District (Municipal Code Section 40.04.030), as amended from time to time.

3. Conditional Uses.

- a. Conditional uses in the R-2 District (Municipal Code Section 40.04.040), as amended from time to time.

4. Conditional uses permitted with an administrative use permit (AUP).

- a. Non-ministerial accessory dwelling unit. Accessory dwelling units that are not permitted pursuant to Section 40.26.450 (Ministerial accessory dwelling units and junior accessory dwelling units), as amended from time to time, shall be permitted subject to the granting of an administrative use permit and shall be known as non-ministerial accessory dwelling units. Non-ministerial accessory dwelling units shall comply with all of the requirements of Section 40.26.460.
- b. Guest houses. Guest houses are conditionally allowable accessory structures, subject to the granting of an administrative use permit (AUP). Guest houses shall comply with all of the requirements of Section 40.26.470, as amended from time to time.

5. Prohibited Uses.

- a. Agriculture, including the raising of animals or fowl for commercial purposes or the sale of retail products.
- b. Public and semipublic buildings and uses of a recreational, educational, cultural or public service type, including public utility, but not including corporation yards, storage or repair yards, warehouses and similar uses.
- c. Hospitals, churches or other religious or eleemosynary institutions.

## **District C – Residential High Density Apartment**

1. Permitted Uses.
  - a. Permitted uses in the R-HD District (Municipal Code Section 40.09.020), as amended from time to time.
2. Accessory Uses.
  - a. Accessory uses in the R-HD District (Municipal Code Section 40.09.030), as amended from time to time.
3. Conditional Uses.
  - a. Conditional uses in the R-HD District (Municipal Code Section 40.09.040), as amended from time to time.
4. Prohibited Uses.
  - a. Agriculture, including the raising of animals or fowl for commercial purposes or the sale of retail products.
  - b. Public and semipublic buildings and uses of a recreational, educational, cultural or public service type, including public utility, but not including corporation yards, storage or repair yards, warehouses and similar uses.
  - c. Hospitals, churches or other religious or eleemosynary institutions.

## **District D – Commercial Neighborhood Combining District**

1. Permitted Uses.
  - a. Permitted uses in the Commercial Neighborhood (C-N) Combining District (Municipal Code Section 40.12.020), as amended from time to time.
2. Accessory Uses.
  - a. Accessory uses in the C-N District (Municipal Code Section 40.12.030), as amended from time to time.
3. Conditional Uses.
  - a. Conditional uses in the C-N District (Municipal Code Section 40.12.040), as amended from time to time.
4. Conditional uses permitted with an administrative use permit (AUP).
  - a. Mobile vending uses including temporary, periodic, or mobile service, retail and food vending (including food trucks and food carts) and the operation of a farmers' market or neighborhood market shall be permitted within designated areas and shall be subject to an AUP (or similar administrative permit) pursuant to either the Final Planned Development for the project or to a City-wide Mobile Vending Ordinance, as amended from time to time.
5. Prohibited Uses.
  - a. Auto service station.

## **District E – Public-Semi-Public**

1. Permitted Uses.
  - a. Permitted uses in the Public-Semipublic (P-SP) District (Municipal Code Section 40.20A.020), as amended from time to time.
2. Accessory Uses.
  - a. Accessory uses in the P-SP District (Municipal Code Section 40.20A.030), as amended from time to time.
3. Conditional Uses.
  - a. Conditional uses in the P-SP District (Municipal Code Section 40.20A.040), as amended from time to time.

## **District F – Agricultural**

1. Permitted Uses.
  - a. Permitted uses in the Agricultural (A) District (Municipal Code Section 40.02.020), as amended from time to time, except as prohibited within section 5 below.
2. Accessory Uses.
  - a. Accessory uses in the A District (Municipal Code Section 40.20.030), as amended from time to time, except as prohibited within section 5 below.
4. Conditional Uses.
  - a. Conditional uses in the A District (Municipal Code Section 40.20.040), as amended from time to time, except as prohibited within section 5 below.
5. Prohibited Uses.
  - a. Public parks and recreation areas.
  - b. Private garages, parking areas and stables.
  - c. Private noncommercial recreation areas, uses and facilities including country clubs and golf courses, and swimming pools.
  - d. Poultry farms and hog farms, dairies, veterinary offices and animal hospitals.
  - e. Animal feed and sales yards.
  - f. Agricultural processing plants, fertilizer plants and yards, agricultural products storage plants and yards, forest products, manufacturing and processing plants, manufacture and storage of agricultural chemicals.
  - g. Drive-in theaters, golf driving ranges and other similar commercial recreation facilities, including such facilities in which the principal use is enclosed in a building, such as bowling alleys.
  - h. Cemeteries, crematories, mausoleums, columbariums.
  - i. Commercial mines, quarries and gravel pits.
  - j. Private airports and landing strips.
  - k. Public and semipublic, including public utility buildings, or structures and uses of an administrative, educational, religious, cultural or public service type.

## **District G – Urban Agricultural Transition Area**

### **1. Permitted Uses.**

- a. Permitted uses in the Agricultural Buffer (Municipal Code Section 40A.01.050), as amended from time to time.

## **GENERAL REQUIREMENTS**

1. The development standards for height, lot area, setbacks, parking design, open space, lot coverage and floor area ratio shall be specified as part of the Final Planned Development and shall be in substantial conformation with the Preliminary Planned Development.
2. For provisions not covered by this ordinance, or within the development standards included in the Final Planned Development, the relevant provisions of Chapters 40.02 (A), 40.03 (R-1), 40.04 (R-2), 40.09 (R-HD), 40.12 (C-N), 40.20A (P-SP) and 40A.01 (UATA) of the Davis Municipal Code as amended shall apply. Where there is a conflict between the provisions of said chapters and this ordinance, the provisions of this ordinance shall apply.
3. All front, side, and street sideyard setbacks shall be landscaped prior to approval of a final inspection for all residential properties based upon a landscaping plan approved for said property prior to issuance of a building permit. Said landscaping plans shall not include the use of turf.
4. Prior to approval of any tentative subdivision map approving small lots for residential construction, the applicant shall prepare a solar capacity study to demonstrate that the proposed subdivision optimizes the solar power generation of the units constructed therein.

## **ORDINANCE NO. XXXX**

### **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DAVIS APPROVING THE DEVELOPMENT AGREEMENT FOR THE VILLAGE FARMS PROJECT**

WHEREAS, to strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Government Code Sections 65864 *et seq.* (the "Development Agreement Statute") which authorizes cities to enter into agreements for the development of real property with any person having a legal or equitable interest in such property in order to establish certain development rights in such property; and

WHEREAS, North Davis Land Company, LLC ("Developer"), desires to carry out the development of the Village Farms Project ("Project" or "Village Farms") on the approximately 497-acre property located at the northwest corner of Covell Boulevard and Pole Line Road (APNs 035-970-033 and a portion of 042-110-029) as described in the Development Agreement (the "Property") consistent with the General Plan, as amended by the General Plan Amendment with Baseline Project Features pursuant to Resolution No. 26-006 (the "General Plan Amendment"), the Development Agreement attached hereto as Exhibit A (the "Development Agreement"), and the vested entitlements referenced therein; and

WHEREAS, the City Council of Davis adopted project entitlements for Village Farms, including the General Plan Amendment and a Rezoning and Preliminary Planned Development (collectively, and together with the Development Agreement, the "Project Approvals"); and

WHEREAS, the City Council certified the Environmental Impact Report ("EIR") (SCH. # 2023110006) and the Mitigation Monitoring and Reporting Program adopted therewith on January 20, 2026; and

WHEREAS, the Development Agreement will assure both the City and the Developer that the Project can proceed without disruption caused by a change in City planning and development policies and requirements, which assurance will thereby reduce the actual or perceived risk of planning, financing and proceeding with construction of the Project and promote the achievement of the private and public objectives of the Project; and

WHEREAS, the Planning Commission held a duly noticed public hearing on December 17, 2025, on the Project Approvals, including the Development Agreement, during which public hearing the Planning Commission received comments from the Developer, City staff, and members of the general public and made a recommendation to the City Council on the Project Approvals; and

WHEREAS, the City Council held a duly noticed public hearing on January 20, 2026, on the Project Approvals, including the Development Agreement, during which public hearing the City Council received comments from the Developer, City staff, and members of the general public.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF DAVIS DOES HEREBY ORDAIN AS FOLLOWS:

#### SECTION 1.

This Ordinance incorporates, and by this reference makes a part hereof, the Development Agreement attached hereto as Exhibit A, subject to the provisions of Section 5 hereof.

#### SECTION 2.

This Ordinance is adopted under the authority of Government Code Section 65864 *et seq.*

#### SECTION 3.

The City Council hereby finds and determines, as follows:

- A. The Development Agreement is consistent with the objectives, policies, general land uses and programs specified in the General Plan, as amended by the General Plan Amendment and is compatible with the uses authorized therein, and the regulations prescribed for, the General Plan designations which will apply to the Property;
- B. The Development Agreement is in conformity with public convenience, general welfare and good land use practice;
- C. The Development Agreement will not be detrimental to the public health, safety and general welfare;
- D. The Development Agreement will not adversely affect the orderly development of the Property or the preservation of property values; and
- E. The Development Agreement is consistent with the provisions of Government Code Sections 65864 through 65869.5.

#### SECTION 4.

The foregoing findings and determinations are based upon the following:

- A. The Recitals set forth in this Ordinance, which are deemed true and correct;
- B. Resolution No. 26-005 adopted by the City Council on January 20, 2026 certifying the EIR and the Mitigation Monitoring and Reporting Program, which Resolution and exhibits are incorporated herein by reference as if set forth in full;
- C. The City's General Plan, as amended by the General Plan Amendment adopted by the City Council by Resolution No. 26-006 prior to adoption of this Ordinance;
- D. The Rezoning and Preliminary Planned Development adopted by the City Council by Ordinance No. [REDACTED] prior to adoption of this Ordinance;
- E. All City staff reports (and all other public reports and documents) prepared for the Planning Commission and City Council, relating to the Development Agreement and other actions and entitlements relating to the Property, including the Project Approvals, including all attachments thereto;

- F. All documentary and oral evidence received at public hearings or submitted to the City during the comment period relating to the Development Agreement, and other actions relating to the Property, including the Project Approvals; and
- G. All other matters of common knowledge to the Planning Commission and City Council, including, but not limited to the City's fiscal and financial status; City policies and regulations; reports, projections and correspondence related to development within and surrounding the City; State laws and regulations and publications.

#### SECTION 5.

The City Council hereby approves the Development Agreement, attached hereto as Exhibit A, and subject further to such minor, conforming and clarifying changes consistent with the terms thereof, as may be approved by the City Manager, in consultation with the City Attorney prior to execution thereof, including completion of references and status of planning approvals, and completion and conformity of all exhibits thereto, as approved by the City Council.

#### SECTION 6.

Upon the effective date of this Ordinance, the City Manager and City Clerk are hereby authorized and directed to execute the Development Agreement on behalf of the City of Davis.

#### SECTION 7.

The City Manager is hereby authorized and directed to perform all acts authorized to be performed by the City Manager in the administration of the Development Agreement pursuant to the terms of the Development Agreement.

#### SECTION 8.

If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance.

#### SECTION 9.

This Ordinance shall be in full force and effect thirty (30) days after its passage and adoption.

INTRODUCED on the 20th day of January, 2026, and PASSED AND ADOPTED by the City Council of the City of Davis on this 3rd day of February, 2026, by the following vote:

AYES:

NOES:

Donna Neville  
Mayor

ATTEST:

Zoe S. Mirabile, CMC  
City Clerk

**AGREEMENT BY AND BETWEEN**  
**THE CITY OF DAVIS AND NORTH DAVIS LAND COMPANY, LLC**  
**Relating to the Development of the Property Commonly Known as the**  
**Village Farms Project (“Village Farms”)**

THIS DEVELOPMENT AGREEMENT (“Development Agreement”) is entered into this [REDACTED] day of [REDACTED] 2026, by and between the CITY OF DAVIS, a municipal corporation (herein the "City"), and North Davis Land Company, LLC, a California limited liability company (the “Developer”). This Agreement is made pursuant to the authority of Section 65864 *et seq.* of the Government Code of the State of California. This agreement refers to the City and the Developer collectively as the “Parties” and each singularly as a “Party.”

**RECITALS**

A. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Section 65864, *et seq.* of the *Government Code* which authorizes any city, county or city and county to enter into a development agreement with an applicant for a development project, establishing certain development rights in the property which is the subject of the development project application.

B. Developer owns a legal or equitable interest in certain real property described in Exhibit A attached hereto and incorporated herein by this reference consisting of approximately 497.65 acres of land located in unincorporated Yolo County (herein the "Property"), which Property the Developer seeks to annex into the City of Davis and develop as the “Village Farms Project” (the “Project”). The Project, as proposed, would be a mixed use project including, among other things, market rate and affordable housing; greenbelts parks and open spaces; neighborhood commercial; municipal facilities including roadways, detention basins, a land dedication for public or semi-public uses; and an Urban Agricultural Transition Area. The Project also includes an area

that the Developer will use to borrow soil from for the development area and will subsequently restore to agriculture uses.

C. This Agreement is voluntarily entered into by the Developer in order to implement the General Plan, as amended by the General Plan Amendment, and in consideration of the rights conferred and the procedures specified herein for the development of the Property. This Agreement is voluntarily entered into by the City in the exercise of its legislative discretion in order to implement the General Plan, as amended by the General Plan Amendment, and in consideration of the agreements and undertakings of the Developer hereunder.

D. City has granted or will grant to the Developer the following land use entitlement approvals for the Project (hereinafter “Project Approvals”) which are incorporated and made a part of this Agreement:

(1) General Plan Amendment that changed the land use designation of the Property from unincorporated Yolo County Agriculture to City of Davis Agriculture, Natural Habitat Area, Parks/Recreation, Neighborhood Greenbelt, Urban Agricultural Transition Area, Neighborhood Mixed Use, Public/Semi-Public, Residential-High Density, Residential-Medium Density, Residential-Low Density, # (the “General Plan Amendment”)

(2) Rezoning and Preliminary Planned Development # (the “Zoning Approvals”)

(3) Subsequent Project Approvals approved pursuant to Section 202

E. City has also determined that the Project has complied with the California Environmental Quality Act (“CEQA”) as it has certified the Project’s Environmental Impact Report (SCH. # 2023110006), approved by Resolution No. 26-, and adopted the required Mitigation Monitoring and Reporting Program therewith.

F. This Agreement will eliminate uncertainty in planning for and secure orderly development of the Project, provide the certainty necessary for the Developer to make significant investments in public infrastructure and other improvements, assure the timely and progressive installation of necessary improvements and public services, establish the orderly and measured

build-out of the Project consistent with the desires of the City to support the production of additional housing within the City, and provide significant public benefits to the City that the City would not be entitled to receive without this Agreement.

G. In exchange for the benefits to the City, the Developer desires to receive the assurance that it may proceed with the Project in accordance with the Project Approvals and the rules, regulations and official policies of City as further described in this Agreement, and to secure the benefits afforded to the Developer by Government Code §65864, *et seq.*

IN CONSIDERATION OF THE MUTUAL COVENANTS AND PROMISES OF THE PARTIES, THE CITY AND THE DEVELOPER HEREBY AGREE AS FOLLOWS:

**ARTICLE 1. General Provisions.**

A. [Sec. 100] Definitions.

“Affiliate” means any entity that directly or indirectly, controls, is controlled by, or is under common control with the Developer. “Affiliate” shall also include any entity which is a direct or indirect subsidiary of Developer.

“Agreement” or “Development Agreement” means this Development Agreement between City and Developer pursuant to Government Code Sections 65864 through 65869.5, which was approved by City Council by ordinance, as it may be amended from time to time.

“Assignment and Assumption Agreement” shall have the meaning set forth in Section 4.

“Backbone Infrastructure” shall mean the roads, sewer mains, and water mains serving the Project, as reflected in the Exhibits hereto and as shall be more fully refined at the time of Subsequent Project Approvals.

“CEQA” means the California Environmental Quality Act, as set forth in California Public Resources Code Section 21000, *et seq.*, and its implementing Guidelines set forth in Title 14, Chapter 3 of the California Code of Regulations.

“City” means the City of Davis.

“City Council” means the City Council of the City of Davis.

“City Manager” means the City Manager of the City of Davis.

“Developer” refers to North Davis Land Company, LLC, and its successors and assigns.

“Developer Obligation” refers to an obligation undertaken by Developer in consideration for the benefits of this Agreement and at Developer’s sole cost. Such Developer Obligations shall not be eligible for reimbursement or Fee Credits.

“Development Impact Fee” means a monetary exaction other than a tax or special assessment, whether established for a broad class of projects by legislation of general applicability or imposed on a specific project on an ad hoc basis, that is charged by a local agency to the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project, but does not include fees specified in Government Code Section 66477, fees for processing applications for governmental regulatory actions or approvals, fees collected under development agreements adopted pursuant to Article 2.5 (commencing with Section 65864) of Chapter 4 of the Government Code.

“EIR” or “Village Farms EIR” means the Environmental Impact Report (referred to in Recital E above) prepared for the Project in accordance with CEQA, State Clearinghouse # 2023110006, certified by the City Council on January 20, 2026, as well as the Mitigation Monitoring Report adopted concurrent with the Village Farms EIR, prior to the City Council’s approval of this Development Agreement.

“Effective Date” shall have the meaning set forth in Section 201 of this Agreement.

“Fee Credits” shall apply when the Developer constructs eligible infrastructure or public facilities serving more than the Project in excess of Developer’s fair share contribution. Fee Credits shall be provided to Developer in the form of a reduction of the applicable Development Impact Fee payments that would otherwise be charged as provided in this Agreement and Subsequent Project Approvals.

“Fee Reimbursement Agreement” shall be an agreement entered into pursuant to Government Code Section 66485, et seq., or another valid legal authority for the purposes of providing reimbursement for oversized improvements. .

“Final Map” means a subdivision map approved by the City Council in accordance with Article 36.05 of the Davis Municipal Code and California Government Code 66433 et seq.

“Non-Affiliate” means a third party which is not an Affiliate of the Developer.

“Party” means City or the Developer, and “Parties” refers collectively to City and the Developer.

“Project” means the development and use of the Property in accordance with this Agreement and the Project Approvals.

“Project Approvals” shall mean those entitlements set forth in Recital D herein.

“Property” shall have the meaning set forth in Section 101 of this Agreement.

“Specific Development Obligations” shall have the meaning set forth in Section 201 of this Agreement.

“Subsequent Project Approvals” shall mean any and all discretionary permits and entitlements for the Project that may hereafter be issued by City in accordance with the terms and provisions of this Agreement. Subsequent Project Approvals include, but are not limited to, tentative maps, parcel maps, conditional use permits, and development review approvals. For purposes of this Agreement, the term “Subsequent Project Approvals” does not include actions by governmental or regulatory agencies other than the City.

“Tentative Map” shall have the meaning ascribed to it in Article 36.04 of the Davis Municipal Code.

“Term” shall have the meaning set forth in Section 102 of this Agreement.

B. [Sec. 101] Property Description. The Property is that property described in Exhibit A, which consists of a map showing its location and boundaries and a legal description. The Developer represents that it has a legal or equitable interest in the Property .

C. [Sec. 102] Effective Date, Term, Termination, and Operative Date.

(1) Effective Date and Execution. The effective date of this Agreement shall be the date the Ordinance adopting this Agreement is effective (“Effective Date”). In order to effectuate this Agreement, the Developer shall present a fully executed Agreement to the City within 15 days of the Effective Date, and the Agreement shall be fully executed by the City and recorded within 30 days of the Effective Date, except that the Developer and City Manager may agree to extend this execution timeline. Failure to execute this Agreement within the timeframe described here, subject to any mutually agreed upon extensions, shall result in the Agreement becoming null and void.

(2) Term. The term of this Agreement (the “Term”) shall commence upon the Effective Date and shall extend for a period of five (5) years thereafter regardless of whether the General Plan Amendment associated with the Project receives voter approval. On the date that the County Registrar of Voters has certified the results of the election in which the General Plan Amendment was approved by the voters, the Term shall automatically be extended for an additional 20 years (for a total of 25 years from the Effective Date), unless said Term is terminated, modified or extended by circumstances set forth in this Agreement or by mutual consent of the Parties, subject to the provisions of Section 106 hereof. Following the expiration of said Term, this Agreement shall be deemed terminated and of no further force and effect, subject, however, to the provisions of Section 407 hereof.

(3) Effect of Termination. If this Agreement is terminated by the City Council prior to the end of the Term, the City shall cause a written notice of termination to be recorded with the County Recorder within ten (10) days of final action by the City Council. This Agreement shall be deemed terminated and of no further effect upon entry, after all appeals have been exhausted, of a final judgment or issuance of a final order directing the City to set aside, withdraw or abrogate the City Council’s approval of this Agreement or any material part of the Project Approvals.

(4) Operative Date. The parties acknowledge and agree that the Property is located in unincorporated Yolo County. Accordingly, pursuant to Government Code § 65865(b), this Agreement shall be operative with respect to any portion of the Property upon the annexation of such portion to the City’s municipal boundaries. If any portion of the Property has not been annexed to the City’s municipal boundaries within 10 years of the Effective Date, this Agreement shall become null and void with respect to that portion of the Property.

D. [Sec. 103] Equitable Servitudes and Covenants Running with the Land. Any successors in interest to the City and the Developer shall be subject to the provisions set forth in *Government Code* §§ 65865.4 and 65868.5. All provisions of this Agreement shall be enforceable as equitable servitudes and constitute covenants running with the land. Each covenant to do, or refrain from doing, some act with regard to the development of the Property: (1) is for the benefit

of and is a burden upon the Property; (2) runs with the Property and each portion thereof; and (3) is binding upon each Party and each successor in interest during ownership of the Property or any portion thereof; provided however, nothing herein shall waive or limit the provisions of Section 104, and no successor owner of the Property, any portion of it, or any interest in it shall have any rights except those assigned to the successor by the Developer in writing pursuant to Section 104. In any event, no owner or tenant of a completed residential unit within Project shall have any rights under this Agreement and this Agreement may be amended without the agreement or consent of such homeowner or tenant.

E. [Sec. 104] Right to Assign; Non-Severable Obligations.

(1) Right of Assignment to Affiliates. The Developer shall have the right to sell, encumber, convey, assign or otherwise transfer (collectively “assign”), in whole or in part, its respective rights, interests and obligations under this Agreement to an Affiliate without the prior express written consent of the City. An assignment to an Affiliate shall not be effective until (i) Affiliate acquires the affected interest of the Developer under this Agreement and (ii) the Developer delivers to City a copy of the Assignment and Assumption Agreement pursuant to Section 104(4) herein, by which Affiliate assumes the applicable rights, duties and obligations of the Developer under this Agreement.

(2) Right to Request Assignment to Non-Affiliates. The Developer shall have the right to assign, in whole or in part, its rights, interests and obligations under this Agreement to a Non-Affiliate during the Term of this Agreement only with the written approval of the City. Approval shall not be unreasonably withheld, conditioned, or delayed. An assignment that occurs after the approval of the first Final Map associated with the Project, assigning development rights to a homebuilder assignee, may be approved by signature of the City Manager but the City Manager may, in his or her sole discretion, bring any Assignment action to the City Council.

(a) City’s Review of Request of Assignment to Non-Affiliates. City’s review of a proposed assignment to a Non-Affiliate shall be based upon its consideration of the following factors:

(i) The assignee (or the guarantor(s) of the assignee's performance) has the demonstrated ability, to obtain reasonable financing mechanisms, including debt and/or equity, to meet the obligations proposed to be assigned and to undertake and complete the obligations of this Agreement affected by the assignment; and

(ii) The assignee has adequate experience with development of comparable scope and complexity as the portion of the Project that is the subject of the assignment.

(b) Reasonable Assurances and Financial Information from Non-Affiliate. Any request for City approval of an assignment to a Non-Affiliate shall be in writing and accompanied by a copy of the Assignment and Assumption Agreement required by Section 104(4), below. The City may request the Developer provide commercially reasonable assurances of the proposed assignee's ability to perform the obligations to be assumed, which assurances may include certified financial statements or other information reasonably requested by the City; provided that, any such request for additional information shall be made, if at all, not more than fifteen (15) business days after the City's receipt of the request for approval of the proposed assignment. Any financial information submitted to the City pursuant to this subsection shall constitute confidential trade secret information if the information is maintained as a trade secret by the assignee and if such information is not available through other publicly available sources. The assignee shall mark any material claimed as trade secret at the time it is submitted to the City. If the City receives a public records request for any information marked a "trade secret," the City shall notify the assignee of such request prior to releasing the material in question to the requesting party. If the assignee directs the City not to release the material in question, the assignee shall indemnify the City for any costs incurred by City, including but not limited to staff time and attorney's fees, as a result of any action brought by the requesting party to obtain release of the information and/or to defend any lawsuit brought to obtain such information. Notwithstanding the foregoing, the City shall retain the absolute discretion to release or not release any material in response to a public records request.

(c) Time for City Action on Request for Assignment to Non-Affiliate. The City shall act on a request for a proposed assignment to a Non-Affiliate by approving or disapproving such request within 60 business days of receipt of such request. Failure of City to respond within 60

days of receipt of such request shall be deemed approval of such assignment. For avoidance of doubt, if an assignment is deemed approved, the City's approval of the form of the Assignment and Assumption Agreement shall not be required.

(d) Written Findings for Disapproval of Assignment to Non-Affiliate. If the City wishes to disapprove any proposed assignment to a Non-Affiliate, the City shall set forth in writing and in reasonable detail the grounds for such disapproval. The City may disapprove a request for assignment or ask for revisions to the Assignment and Assumption Agreement if reasonably necessary to ensure the performance of the obligations described in this Agreement.

(3) Effect of Assignment. An assignee shall become a Party to this Agreement only with respect to the interest transferred to it pursuant to the assignment, and only to the extent set forth in the Assignment and Assumption Agreement delivered to the City pursuant to Section 104(1) or approved by the City pursuant to Section 104(2), above. Upon an assignment, the Developer shall be released only from those obligations and liabilities under this Agreement that are specifically assumed by the assignee through an Assignment and Assumption Agreement with respect to the portion of the Property transferred and, in the case of assignment to a Non-Affiliate, specifically approved by City or deemed approved by the passage of time. Any obligations and liabilities of the Developer under this Agreement, including but not limited to the Specific Development Obligations set forth in Section 201 of this Agreement, that are not expressly assumed by an assignee in an Assignment and Assumption Agreement shall remain the responsibility of the Developer following assignment.

(4) Assignment and Assumption Agreement. In order for an assignment to be effective under this Agreement, the Developer must provide to City, as specified in Sections 104(1) and 104(2) above, an executed and acknowledged agreement in a form approved by the City Attorney ("Assignment and Assumption Agreement"). The Assignment and Assumption Agreement shall include provisions regarding (a) the interest or portions of interest in one or more parcels associated with the Project proposed to be assigned by the Developer (b) the obligations of the Developer under this Agreement that the assignee will assume, and (c) the proposed assignee's acknowledgement that such assignee has reviewed and agrees to be bound by all applicable provisions of this Agreement and all applicable City entitlements and approvals. The Assignment

and Assumption Agreement shall also include the name, form of entity and address of the proposed assignee. After being approved by the City, if required, the Assignment and Assumption Agreement shall be recorded in the Official Records of the County of Yolo concurrently with the transfer of the affected interest of the Developer under this Agreement, and a copy thereof shall be delivered to the City within three (3) days after recordation of the Assignment and Assumption Agreement.

(5) Mortgagees. Notwithstanding Section 104(2) above, mortgages, deeds of trust, sales and lease-backs or any other form of conveyance required for any reasonable method of financing are permitted without the City's consent, but only for the purpose of securing loans of funds to be used for financing the acquisition of the Property, the development and construction of improvements on the Property or off-site improvements, or any other necessary or related expenses. The holder of any mortgage, deed of trust or other security arrangement with respect to the Property ("Mortgagee"), or any portion thereof, shall not be considered an assignee of the Developer under this Agreement unless said Mortgagee (i) acquires the affected interest of the Developer encumbered by Mortgagee's mortgage, deed of trust or other security arrangement, and (ii) delivers to City an Assignment and Assumption Agreement assuming, from and after the date such Mortgagee acquires its interest, the applicable rights, duties and obligations of the Developer under this Agreement.

(6) Reorganization of Business Structure. Nothing in this Section shall be deemed to constitute or require City consent to an assignment that consists solely of a reorganization of the Developer's business structure, such as (i) any sale, pledge, assignment or other transfer of all or a portion of the Property to an entity directly controlled by the Developer or its Affiliates and (ii) any change in the Developer's form or structure, such as a transfer from a corporation to a limited liability company or partnership, that does not change the beneficial ownership of the Property; provided, however, in such event, the Developer shall provide to City written notice, together with such backup materials or information reasonably requested by City, within thirty (30) days following the date of such reorganization or City's request for backup information, as applicable.

F. [Sec. 105] Notices. Formal written notices, demands, correspondence and communications between the City and the Developer shall be sufficiently given if dispatched by

certified mail, postage prepaid, to the principal offices of the City and the Developer, as set forth in Article 8 hereof. Such written notices, demands, correspondence and communications may be directed in the same manner to such other persons and addresses as either Party may from time to time designate. The Developer shall give written notice to the City, at least thirty (30) days prior to the close of escrow, of any sale or transfer of any portion of the Property and any assignment of this Agreement, specifying the name or names of the transferee, the transferee's mailing address, the amount and location of the land sold or transferred, and the name and address of a single person or entity to whom any notice relating to this Agreement shall be given, and any other information reasonably necessary for the City to consider approval of an assignment under Section 104 or any other action City is required to take under this Agreement.

G. [Sec. 106] Amendment of Agreement. This Agreement may be amended from time to time by mutual consent of the Parties, in accordance with the provisions of Government Code §§ 65867 and 65868.

(1) Major Amendments. Any amendment to this Development Agreement which substantially affects or relates to (a) the Term of this Development Agreement; (b) permitted uses of the Property; (c) provisions for the reservation or dedication of land; (d) conditions, terms, restrictions or requirements for subsequent discretionary actions; (e) the density or intensity of use of the Property or the maximum height or maximum gross square footage; (f) affordable housing or infrastructure commitments made by Developer; or (g) monetary contributions by Developer, shall be deemed a “Major Amendment” and shall require giving of notice and a public hearing before the Planning Commission and City Council. Any amendment which is not a Major Amendment shall be deemed a Minor Amendment subject to Section 106(2) below. The City Manager or his or her designee shall have the authority to determine if an amendment is a Major Amendment subject to this Section 106(1) or a Minor Amendment subject to Section 106(2) below.

(2) Minor Amendments. The Parties acknowledge that refinement and further implementation of the Project may demonstrate that certain minor changes may be appropriate with respect to the details and performance of the Parties under this Agreement. The Parties desire to retain a certain degree of flexibility with respect to the details of the Project and with respect to those items covered in the general terms of this Agreement. If and when the Parties find that

clarifications, minor changes, or minor adjustments are necessary or appropriate and do not constitute a Major Amendment under Section 106(1), the Parties shall effectuate such clarifications, minor changes or minor adjustments through a written Minor Amendment approved in writing by the Developer and the City Manager. At the discretion of the City Manager, amendments to the performance schedule or timelines in this Agreement that do not impact the Term of the Agreement or the delivery of Backbone Infrastructure may be handled as Minor Amendments. Unless otherwise required by law, no such Minor Amendment shall require prior notice or hearing, nor shall it constitute an amendment to this Agreement; provided however, the City Manager, may, in his or her sole discretion, submit a Minor Amendment to City Council for review and approval.

(3) Amendments to Project Approvals. Amendments to Project Approvals shall not require an amendment to this Agreement except to the extent necessary to assure consistency between such amended Project Approval and the language of this Agreement.

## **ARTICLE 2. Development of the Property.**

### **A. [Sec. 200] Vested Development Rights.**

(1) Vesting Dates. Except as expressly provided in this Agreement, the Developer and the City intend that the Project shall be vested in City laws and standards as follows:

(a) The General Plan Amendment and the Zoning Approvals associated with the Project shall vest upon the effective date of the General Plan Amendment (with an affirmative vote of the electorate pursuant to Chapter 41 of the Davis Municipal Code, the Citizens' Right to Vote on Future Use of Open Space and Agricultural Lands Ordinance) ("General Plan and Zoning Vesting Date"); and

(b) The "rules, regulations, and official policies" (as such terms are used in Government Code § 65866) including, without limitation, those set forth in the City's General Plan and the Davis Municipal Code, governing the design, improvement, and construction standards and specifications, applicable to the development of any and all portions of the Property, shall vest

effective on the date when the application for the first tentative map or vesting tentative map for the Project is deemed complete under Government Code § 65943 (Default Vesting Date).

(2) Application of Non-Conflicting Subsequent Requirements. Except as provided in Section 200(3) and Section 206, to the extent any rules, regulations, ordinances, regulations or official policies (as such terms are used in Government Code § 65866) adopted by the City subsequent to the General Plan and Zoning Vesting Date or the Default Vesting Date purport to be applicable to the Property but are inconsistent with the Project Approvals or the terms and conditions of this Agreement, the Project Approvals and the terms and conditions of this Agreement shall prevail. To the extent that any rules, ordinances, regulations or policies adopted by the City (as such terms are used in in Government Code § 65866) subsequent to the General Plan and Zoning Vesting Date or the Default Vesting Date are applicable to the Property and do not conflict with the Project Approvals or the terms and conditions of this Agreement, such subsequent rules, ordinances, regulations or polices shall be applicable to the Property.

(3) Vesting Exceptions and Qualifications.

(a) State and Federal Law. In the event state or federal laws or regulations enacted after the General Plan and Zoning Vesting Date or the Default Vesting Date prevent or preclude compliance with one or more provisions of this Agreement, this Agreement shall be modified by the parties to the extent necessary to comply with such state or federal laws or regulations or the regulations. To the extent that any actions of federal or state agencies (or actions of regional and local agencies, including the City, to the extent such agencies' actions are required by federal or state agencies) have the effect of preventing, delaying or modifying the Project or development of the Property, neither the Developer nor the City shall in any manner be liable for any such prevention, delay or modification of the Project or development of the Property.

(b). Public Health and Safety. Uniform, city-wide City codes, growth limitation ordinance, other ordinances, resolutions, rules, policies and regulations which are adopted after the General Plan and Zoning Vesting Date or the Default Vesting Date to protect the public health or safety of City residents may be applied uniformly, equitably, and proportionately to Developer and the Project provided any such action by City complies with the terms and provisions of Government Code § 65858.

(c). Uniform Codes Applicable. The provisions of the Uniform California Building Standards Code, as adopted and incorporated by the city, any applicable reach code, and city standard construction specifications, shall be applied in the manner provided in the Davis Municipal Code without regard to the General Plan and Zoning Vesting Date or the Default Vesting Date.

(4) Other Vesting Statutes. The Parties intend that the provisions of this Agreement shall govern and control as to the procedures and the terms and conditions applicable to the development of the Property over any contrary or inconsistent provisions contained in in Government Code § 66498.1 *et seq.* or any other state law now or hereafter enacted purporting to grant or vest development rights based on land use entitlements (herein “Other Vesting Statute”). As used herein, the term “Other Vesting Statute” shall not be deemed to include the terms or provisions of the California Housing Accountability Act, or the Housing Crisis Act of 2019, as those statutes may be amended from time to time. In furtherance of this intent, and as a material inducement to the City to enter into this Agreement, Developer agrees that:

(a) Notwithstanding any provisions to the contrary in any Other Vesting Statute, this Agreement and the conditions and requirements of land use entitlements for the Property obtained while this Agreement is in effect shall govern and control the Developer’s rights to develop the Property; and

(b) The Developer waives, for itself and its successors and assigns, the benefits of any Other Vesting Statute insofar as they may be inconsistent or in conflict with the terms and conditions of this Agreement and land use entitlements for the Property obtained while this Agreement is in effect.

(c) The Developer will not make application for a land use entitlement under any Other Vesting Statute insofar as said application or the granting of the land use entitlement pursuant to said application would be inconsistent or in conflict with the terms and conditions of this Agreement and prior land use entitlements obtained while this Agreement is in effect.

(5) Exercise of Discretion by City. This section shall not be construed to limit the authority or obligation of the City to hold necessary public hearings or to limit discretion of the City

or any of its officers or officials with regard to rules, regulations, ordinances, laws and entitlements of use which require the exercise of discretion by the City or any of its officers or officials, provided that subsequent discretionary actions are (a) based upon substantial evidence in the record (with respect to quasi-adjudicatory actions), (b) not arbitrary or capricious, and (c) consistent with the Project Approvals, this Agreement and Applicable Law.

B. [Sec. 201] Specific Development Obligations. In addition to the conditions of approval contained in the Project Approvals, the Developer and the City have agreed that the development of the Property by the Developer is subject to the obligations described in Exhibits E through O, attached hereto and incorporated herein by reference (the “Specific Development Obligations”). The Specific Development Obligations, together with the other terms and conditions of this Agreement, are consideration for the City entering into this Agreement. Whenever the phrase “Developer commits,” “Developer has committed,” “Developer agrees,” or equivalent is used in Exhibits E through O, it shall be interpreted to indicate a binding obligation with the same legal meaning as “Developer shall.”

C. [Sec. 202] Subsequent Project Approvals.

(1) Good Faith Processing. Subject to Section 200 and the Specific Development Obligations set forth in Section 201, the City agrees that it will accept, in good faith, for processing, review and action, all complete applications for Subsequent Project Approvals and all complete applications for non-discretionary approvals, including but not limited to zoning, special permits, development permits, subdivision maps, grading permits, building permits or other permits or entitlements for the construction, development and use of the Property in accordance with the Zoning Approvals, the General Plan, as amended by the General Plan Amendment and this Agreement. The City shall inform the Developer, upon request, of the necessary submission requirements for each application for a Subsequent Project Approval in advance, and shall review said application and schedule the application for review by the appropriate authority, all in accordance with applicable provisions of California law, including but not limited to Government Code § 65921, *et seq.*

(2) Nature and Vesting of Subsequent Project Approvals. By approving the Project Approvals, City has made a final policy decision that the Project is in the best interests of the public health, safety and general welfare. Accordingly, City shall not use its authority in considering any application for a Subsequent Project Approval or non-discretionary permit or approval to change the policy decisions reflected by the Project Approvals or otherwise to prevent or delay development of the Project as set forth in the Project Approvals. Instead, the Subsequent Project Approvals shall be deemed to be tools to implement those final policy decisions. Any Subsequent Project Approvals and any non-discretionary permits or approvals shall become part of the Project Approvals and thereby vested under this Agreement after all appeal periods have expired or, if an appeal is filed, if the appeal is decided in favor of the approval. Subsequent Project Approvals shall be deemed to include, without limitation, those set forth in Exhibit D, attached hereto and incorporated herein.

D. [Sec. 203] Development Timing. The Developer shall be obligated to comply with the terms and conditions of the Project Approvals and this Development Agreement at those times specified in this Development Agreement. The parties acknowledge that the Developer cannot at this time predict with certainty when or the rate at which the Property would be developed. Such decisions depend upon numerous factors which are not all within the control of the Developer, such as market conditions and demand, interest rates, competition and other factors. Because the California Supreme Court held in *Pardee Construction Co. v. City of Camarillo*, 37 Cal.3d 465 (1984), that the failure of the parties therein to provide for the timing of development resulted in a later adopted initiative restricting the timing of development controlling the parties' agreement, it is the intent of City and the Developer to hereby acknowledge and provide for the right of the Developer to develop the Project in such order and at such rate and times as the Developer deems appropriate within the exercise of its sole and subjective business judgment, subject to the terms, requirements and conditions of the Project Approvals and this Development Agreement. City acknowledges that such a right is consistent with the intent, purpose and understanding of the parties to this Development Agreement, and that without such a right, the Developer's development of the Project would be subject to the uncertainties sought to be avoided by the Development Agreement Statute, (*Government Code* § 65864 *et seq.*), City Council Resolution 1986-77 and this Development Agreement. The Developer will use commercially reasonable efforts, in accordance with its business judgment and taking into consideration market conditions and other economic

factors influencing the Developer's business decisions, to commence or to continue development, and to develop the Project in a regular, progressive and timely manner in accordance with the provisions and conditions of this Development Agreement and Exhibit M. Nothing in this Agreement shall require Developer to construct the Project or to pay Development Impact Fees for any portion of the Project that Developer does not construct.

E. [Sec. 204] Property Acquisition for Off-site Infrastructure. Subject to the provisions of Section 203 above, Developer shall, in a timely manner as determined by City and consistent with the requirements of the Project and any associated conditions of approval, acquire the property rights necessary to construct or otherwise provide the public improvements contemplated by this Agreement and the Project Approvals. In any instance where Developer is required to construct any public improvement, including but not limited to road improvements, bike lanes, or water or sewer infrastructure, to which neither Developer nor City has sufficient title or interest, including an easement or license determined necessary by the City, Developer shall at its sole cost and expense provide or cause to be provided, the real property interests necessary for the construction of such public improvements. In the event Developer is unable, after exercising all reasonable efforts as determined by the City, to acquire the real property interests necessary for the construction of such improvements by the time any final map is filed, and upon the Developer's provision of adequate security for costs the City may reasonably incur, City may in its discretion negotiate the purchase of the necessary real property interests to allow Developer to construct the public improvements as required by this Agreement and, may, if necessary, and subject to the procedures and limitations established by law, use its power of eminent domain to acquire such required real property interests. For the purposes of this Section, "reasonable efforts" shall include proof that the Developer made a written offer to purchase the property interest at fair market value. In the event that the City acquires property pursuant to this section, ~~the~~ Developer and the City shall enter into a reimbursement agreement that shall provide for an initial deposit and the Developer shall pay all costs associated with such acquisition or condemnation proceedings including but not limited to attorneys' fees, expert witness fees, and jury awards of any kind. Upon acquisition of the necessary interest in land, or upon obtaining a right of entry, either by agreement or court order, the Developer shall commence and complete the public improvements. This requirement shall be included, and, if necessary, detailed, in any subdivision improvement agreement entered into between the Developer and the City.

F. [Sec. 205]. Fee Credits and/or Fee Reimbursement Agreements for Dedication of Property or Construction of Infrastructure for "Oversizing". Except as otherwise provided in this Agreement, to the extent the Developer dedicates, funds or constructs public facilities that exceed the size or capacity required to serve the Project, the City shall provide reimbursement or credit to the Developer in an amount equal to the cost incurred by the Developer in providing such proportional benefit (together with statutory interest). The Developer shall be provided with such reimbursement or credit either (1) through a Fee Reimbursement Agreement with the City and agreements with the developers of, or conditions of approval imposed by the City on, properties benefiting from the oversizing requiring the benefiting property to reimburse the Developer its pro rata share of the costs of the oversizing, which reimbursement shall occur prior to the commencement of development on the benefiting property (which conditions or agreements shall specify the Developer as an intended third-party beneficiary); or (2) as credits against impact fees that the Developer would otherwise be required to pay for the type of infrastructure (e.g., sewers, roads) or payments from impact fees paid by other properties developed anywhere in the City for the type of infrastructure. If the mitigation fees paid by other persons or entities, or the credit available from the impact fees to be paid by the Developer in the particular category of infrastructure, are insufficient to repay the Developer in full for the cost of oversizing, the Developer shall have no recourse against the City with respect to the shortfall except to the extent City receives additional applicable mitigation fees or payments thereafter, in which case such received funds shall be reimbursed to the Developer promptly to the extent of the shortfall. Similarly, if the benefiting property fails to reimburse the Developer for oversizing despite the City imposing such obligation on such benefiting property for the benefit of the Developer, the Developer shall have no recourse against the City; however, the Developer will retain all its rights against the benefiting property and its owners, if any. In no case shall the City reimburse the Developer from general funds of the City. Whenever in this Agreement or in future Fee Reimbursement Agreements, the City is making reimbursements to the Developer, the reimbursements shall be made on a semi-annual basis.

H. [Sec. 206]. Fees, Taxes, Assessments, Exactions, Dedications and Public Improvements.

(1). In General. City agrees that Developer shall be obligated to pay only those fees (including Development Impact Fees), taxes (other than ad valorem taxes), assessments, and other exactions, and make those dedications and public improvements, prescribed in this Agreement. City further agrees that (i) the provisions of California's Mitigation Fee Act, Government Code §§ 66000 *et seq.*, shall apply to any and all Development Impact Fees (or any other exactions subject to the provisions of the Mitigation Fee Act) that may be adopted, amended or updated by City during the Term of this Agreement and shall not be excepted from the application of the Mitigation Fee Act by virtue of such fees being imposed pursuant to a Development Agreement and (ii) Developer shall at all times be fully entitled to constitutional due process and takings protections. Development Impact Fees shall be due and payable by the Developer prior to the issuance of a building permit for the building in question unless a later date is agreed upon by the Developer and City. As required by Government Code § 65865(e) for development agreements adopted after January 1, 2004, the City shall comply with the requirements of Government Code § 66006 pertaining to the payment of any applicable fees it receives or cost it recovers.

(2) Development Impact Fees.

(a) Except as otherwise specifically provided in this Section 206(2), Developer shall be required to pay only those Development Impact Fees adopted and in effect on the date that is the later of (i) when the application for the first tentative map or vesting tentative map for the Project is deemed complete under Government Code § 65943; or (ii) January 31, 2028 ("Outside Date"), subject to any escalators in effect on the applicable date. The Developer may, at its sole discretion, participate in any hearings or proceedings regarding the adjustment or adoption of any Development Impact Fee. Nothing in this Agreement shall constitute a waiver by the Developer of its right to challenge such changes in fees in accordance with California or Federal law, including the Mitigation Fee Act (Government Code §§ 66000, *et seq.*); provided, however, that the Outside Date shall be automatically tolled for the length of any such challenge. Developer retains all rights to protest any new or revised Development Impact Fee as set forth in Government Code § 66020.

(b) Notwithstanding the provisions of subsection 206(2)(a), as described in more detail in Exhibit K, City shall undertake to prepare a nexus study and specifically for the Project and other pending projects adjacent to Covell Boulevard in northeast Davis for the purposes of establishing the Project's fair share contribution to transportation improvements in this area and for calculating Fee Credits/reimbursements related to Developer's oversizing of infrastructure. Developer may submit comments and participate in any public process related to the adoption of updated transportation fees. The City shall consider in good faith any Developer comments regarding these fees. Nothing in this Agreement shall constitute a waiver by the Developer of its right to challenge such fees in accordance with California or Federal law, including the Mitigation Fee Act (Government Code §§ 66000, et seq.); however, the Outside Date shall be automatically tolled for the length of any such challenge. Developer retains all rights to protest any new or revised Development Impact Fee (or any other qualifying exaction) as set forth in Government Code § 66020.

(c) Mitigation Measures. Notwithstanding the provisions of subsection 207(2)(a), where a mitigation measure included in the Village Farms EIR associated with the Project provides for different timing of payment of fees, the language of the Village Farms EIR (as it may be amended compliant with law) shall control.

(3) Processing Fees. The City may charge and the Developer shall pay processing fees for land use approvals, building permits, and other similar permits and entitlements which are in force and effect on a citywide basis at the time the application is submitted for those permits, as permitted pursuant to Government Code § 54990.

(4) Other Fees and Charges. Except as mandated by state or federal law, the City shall not impose any new categories of fees or charges that were not in effect on the General Plan and Zoning Vesting Date, or require any additional dedications or public improvements through the exercise of the police power beyond those specified in this Agreement, with the following exceptions:

(a) The City may impose reasonable additional fees, charges, dedication requirements or public improvement requirements as conditions of the City's approval of an amendment to the Project Approvals or this Agreement provided (i) such amendment was requested by the Developer and (ii) such additional fee, charge, or dedication or improvement requirement is intended to address, and is roughly proportionate to, the public cost of the change requested by the Developer; and

(b) The City may apply subsequently adopted monetary exactions to the Project if the exaction is applied uniformly to development either throughout the city or within a defined area of benefit that include includes the Property if the subsequently adopted exaction does not physically prevent development of the Property for the uses and to the density and intensity of development set forth in this Agreement. In the event that the subsequently adopted development exaction fulfills the same purpose as an exaction (including any fee) required by this Agreement or by the Project Approvals, the Developer shall receive a credit against the subsequently adopted development exaction for fees already paid or that will be paid that fulfill the same purpose.

I. [Sec. 207] Wastewater Treatment Capacity. The Developer understands that the City is engaging in efforts to increase capacity in the wastewater treatment facility to serve (1) existing residents and businesses that are already served by the wastewater treatment facility, (2) anticipated residents and businesses through build-out of the City's existing General Plan, and (3) the Project. The City and the Developer acknowledge and agree that expanding the City's capacity for the Project and other new development, such that sewer connections shall be available at such time as they are needed as the Project builds out, is a material element of the consideration provided by the City to the Developer in exchange for the benefits provided to the City under this Agreement. The Parties recognize the availability of sufficient sewer capacity may be affected by regulatory or operational constraints that are not within the City's discretion. To the extent the availability of sewer capacity is within the City's discretion (e.g., whether to extend sewer service to areas *not* currently within the City's service area), the City shall not approve providing such capacity to areas currently outside the City's service area if this approval would prevent or delay the ability of the City to provide sewer connections to the Project as the Project requires such connections. This provision shall not affect the City's ability to provide sewer service within its service boundaries or within the existing City boundaries as they exist on the Effective Date of this Agreement, and as to such connections, the Parties requesting sewer service shall be connected on a first come first

served basis. The Developer shall pay the applicable capacity charge specified in Exhibit L of this Agreement at the time of certificate of occupancy. The Developer acknowledges that capacity charge may increase substantially over time and that the cost to comply with the City's new NPDES permit, as they may be approved from time to time during the Term of this Agreement, may be substantial.

J. [Sec. 208] Completion of Improvements. All public improvements required to be constructed by Developer under this Agreement shall be so constructed as and when described in the exhibits hereto. With respect to public improvements for which no schedule for completion has been specific in such exhibits, the timing of completion of such improvements shall be as required by conditions of approval to the Subsequent Project Approval requiring the construction of such improvement.

### **ARTICLE 3. [Reserved].**

### **ARTICLE 4. Default, Remedies, Termination.**

A. [Sec. 400] General Provisions. Subject to extensions of time by mutual consent in writing, failure or unreasonable delay by either Party to perform any term or provision of this Agreement shall constitute a default. In the event of default or breach of any terms or conditions of this Agreement, the Party alleging such default shall give the other Party written notice of such default, which notice shall specify the nature of the alleged default and manner in which said default may be satisfactorily cured. The party receiving such notice shall have an opportunity to cure such default within a period of sixty (60) days, or if the nature of such default is such that it cannot reasonably be cured during such 60-day period, then such longer period as is appropriate provided the party alleged to be in default commences to cure the alleged default within such 60-day period and thereafter diligently prosecutes such cure to completion (the "Cure Period"). During any such Cure Period, the Party charged shall not be considered in breach of this Agreement.

If any alleged default is material in nature has not been cured during the Cure Period, then the other Party to this Agreement may, at its option:

(1) Terminate this Agreement, in which event neither Party shall have any further rights against or liability to the other with respect to this Agreement or the Property; or

(2) Institute legal or equitable action to cure, correct or remedy any default, including but not limited to an action for specific performance of the terms of this Agreement, including any terms that are monetary in nature; provided, however, that neither party shall be liable to the other for consequential damages exceeding its monetary obligations under this Agreement.

B. [Sec. 401] Developer's Default; Enforcement. In the event of an uncured default by Developer under Section 400 above, in addition to exercising its rights under Sections 400(1) and 400(2), City shall be entitled to delay the issuance of building permits to the defaulting party (but not non-defaulting parties to the Agreement) for residential structures on the Property until such default has been cured.

C. [Sec. 402] Annual Review. The City Manager shall, at least every twelve (12) months during the term of this Agreement, review the extent of good faith substantial compliance by the Developer with the terms and conditions of this Agreement. Such periodic review shall be limited in scope to compliance with the terms and conditions of this Agreement pursuant to Government Code § 65865.1.

The City Manager shall provide thirty (30) days prior written notice of such periodic review to the Developer. Such notice shall require the Developer to demonstrate good faith compliance with the terms and conditions of this Agreement and to provide such other information as may be reasonably requested by the City Manager and deemed by him or her to be required in order to ascertain compliance with this Agreement. Notice of such annual review shall include the statement that any review may result in amendment or termination of this Agreement. The costs of notice and related costs incurred by the City for the annual review conducted by the City pursuant to this Section shall be borne by the Developer.

If, following such review, City Manager is not satisfied that Developer has demonstrated good faith compliance with all the terms and conditions of this Agreement, or for any other reason,

the City Manager may refer the matter along with his or her recommendations to the City Council. Failure of the City to conduct an annual review shall not constitute a waiver by the City of its rights to otherwise enforce the provisions of this Agreement nor shall the Developer have or assert any defense to such enforcement by reason of any such failure to conduct an annual review; provided, however, that nothing in shall relieve City of its obligation to provide notice and an opportunity to cure any alleged default in accordance with this Section.

D. [Sec. 403] Enforced Delay, Extension of Times of Performance. In addition to specific provisions of this Agreement, performance by either Party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, pandemics, acts of God, governmental entities, enactment of conflicting state or federal laws or regulations, new or supplementary environmental regulation, litigation, moratoria or similar bases for excused performance. If written notice of such delay is given to the City within thirty (30) days of the commencement of such delay, an extension of time for such cause shall be granted in writing for the period of the enforced delay, or longer as may be mutually agreed upon.

In the event litigation is initiated by any party other than Developer that challenges any of the Project Approvals or the Village Farms EIR and an injunction or temporary restraining order is not issued, Developer may elect to have the term of this Agreement tolled, i.e., suspended, during the pendency of said litigation, upon written notice to City from Developer. The tolling shall commence upon receipt by the City of written notice from Developer invoking this right to tolling. The tolling shall terminate upon the earliest date on which either a final order is issued upholding the challenged approvals or said litigation is dismissed with prejudice by all plaintiffs. In the event a court enjoins either the City or the Developer from taking actions with regard to the Project as a result of such litigation that would preclude any of them from enjoying the benefits bestowed by this Agreement, then the term of this Agreement shall be automatically tolled during the period of time such injunction or restraining order is in effect

E. [Sec. 404] Limitation of Legal Actions. In no event shall the officers, agents or employees of the City be liable in damages for any breach or violation of this Agreement except as otherwise provided above, it being expressly understood and agreed that the Developer's sole

legal remedy for a breach or violation of this Agreement by the City shall be a legal action in mandamus, specific performance or other injunctive or declaratory relief to enforce the provisions of this Agreement.

F. [Sec. 405] Applicable Law and Attorneys' Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of California. The Developer acknowledges and agrees that the City has approved and entered into this Agreement in the sole exercise of its legislative discretion and that the standard of review of the validity or meaning of this Agreement shall be accorded legislative acts of the City. Should any legal action be brought by a Party for breach of this Agreement or to enforce any provision herein, the prevailing Party of such action shall be entitled to reasonable attorneys' fees, court costs and such other costs as may be fixed by the Court.

G. [Sec. 406] Invalidity of Agreement.

(1) If this Agreement shall be determined by a court to be invalid or unenforceable, this Agreement shall automatically terminate as of the date of final entry of judgment.

(2) If any provision of this Agreement shall be determined by a court to be invalid or unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any law which becomes effective after the date of this Agreement and either Party in good faith determines that such provision is material to its entering into this Agreement, either Party may elect to terminate this Agreement as to all obligations then remaining unperformed in accordance with the procedures set forth in Section 400, subject, however, to the provisions of Section 407 hereof. If neither Party determines the provision to be material, that provision will be stricken and the remainder of the Agreement shall endure.

H. [Sec. 407] Effect of Termination on Developer Obligations. Termination of this Agreement shall not affect the Developer's obligations to comply with the General Plan and the terms and conditions of any and all Project Approvals, nor shall it affect any other covenants of the Developer specified in this Agreement to continue after the termination of this Agreement.

## **ARTICLE 5. Hold Harmless Agreement.**

A. [Sec. 500] Hold Harmless Agreement. The Developer hereby agrees to and shall hold the City, its elective and appointive boards, commissions, officers, agents and employees harmless from any liability for damage or claims for damage for personal injury, including death, as well as from claims for property damage, which may arise from the Developer's or the Developer's contractors, subcontractors, agents or employees operations under this Agreement, whether such operations be by the Developer, or by any of the Developer's contractors, subcontractors, or by any one or more persons directly or indirectly employed by or acting as agent for the Developer or any of the Developer's contractors or subcontractors.

In the event any claim, action, or proceeding is instituted by a third party against the City to challenge or set aside any permit or approval issued by City in accordance with this Agreement, Developer shall defend, indemnify and hold harmless the City, and/or its officers, agents and employees. This obligation includes, but is not limited to, the payment of all costs of defense, any amounts awarded by the Court by way of damages or otherwise, including any attorney fees and court costs. City may elect to participate in such litigation at its sole discretion and at its sole expense. As an alternative to defending any such action, Developer may request that the City rescind the challenged permit or approval. The City will promptly notify Developer of any claim, action, or proceeding, and will cooperate fully in the defense thereof.

B. [Sec. 501] Prevailing Wages. Without limiting the foregoing, the Developer acknowledges the requirements of Labor Code §§ 1720, *et seq.*, and 1770 *et seq.*, as well as Code of Regulations , Title 8, §§ 1600 *et seq.* ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects, as defined. If work on off-site improvements pursuant to this Agreement is being performed by the Developer as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation under the contract in question is \$1,000 or more, the Developer agrees to fully comply with such Prevailing Wage Laws for those off-site improvements to the extent applicable. The Developer understands and agrees that it is the Developer's obligation to determine if Prevailing Wages apply to work done on the Project or any portion of the Project. Upon the Developer's request, the City shall provide a

copy of the then current prevailing rates of per diem wages. The Developer shall make available to interested parties upon request, copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the work subject to Prevailing Wage Laws, and shall post copies at the Developer's principal place of business and at the Property. The Developer shall defend, indemnify and hold the City, its elected officials, officers, employees, and agents free and harmless pursuant to the indemnification provisions of this Agreement from any claim or liability arising out of any failure or alleged failure by the Developer to comply with the Prevailing Wage Laws associated with any "public works" or "maintenance" projects associated with Project development.

**ARTICLE 6. Project as a Private Undertaking.**

A. [Sec. 600] Project as a Private Undertaking. It is specifically understood and agreed by and between the Parties hereto that the development of the Property is a separately undertaken private development. No partnership, joint venture or other association of any kind between the Developer and the City is formed by this Agreement. The only relationship between the City and the Developer is that of a governmental entity regulating the development of private property and the owner of such private property.

**ARTICLE 7. Consistency with General Plan.**

A. [Sec. 700] Consistency with General Plan. The City hereby finds and determines that execution of this Agreement is in the best interest of the public health, safety and general welfare and is consistent with the General Plan, as amended by the General Plan Amendment approved as part of the Project Approvals.

## **ARTICLE 8. Notices.**

### **A. [Sec. 800] Notices.**

Any notice, request, demand, instruction or other communication to be given to either party hereunder shall be in writing and shall be delivered personally, transmitted by facsimile or email, sent by overnight courier, or by registered or certified mail, return receipt requested, to the parties at the addresses below. Notice shall be deemed to have been given and received on the first to occur of: (1) actual receipt at the email address designated above, or (2) two working days following the deposit in the United States Mail of registered or certified mail, sent to the address designated below.

Notice required to be given to the City shall be addressed as follows:

City Manager  
City of Davis  
23 Russell Boulevard  
Davis, CA 95616  
cmoweb@cityofdavis.org

With a copy to:  
Richards, Watson & Gershon  
2300 N Street, Suite 3  
Sacramento, CA 95816  
Attn: Inder Khalsa, ikhalsa@rwglaw.com

Notice required to be given to the Developer shall be addressed as follows:

Doug Buzbee  
3500 Anderson Road  
Davis, CA 95616  
dbuzbee@dbreconsulting.com

Sandy Whitcombe

3500 Anderson Road  
Davis, CA 95616  
swhitcombe@tandemproperties.net

Lydia Delis – Schlosser  
3500 Anderson Road  
Davis, CA 95616  
lydia@villagefarmsdavis.com

With a copy to:

Cox & Castle

Cox, Castle & Nicholson LLP

50 California Street | Suite 3200 | San Francisco, CA 94111

Attn: Clark Morrison, cmorrison@coxcastle.com

Attn: Christian Cebrian, ccebrian@coxcastle.com

Any Party may change the address stated herein by giving notice in writing to the other Party, and thereafter notices shall be addressed and transmitted to the new address.

**ARTICLE 9. Recordation.**

A. [Sec. 900] When fully executed, this Agreement will be recorded in the official records of Yolo County, California. Any amendments to this Agreement shall also be recorded in the official records of Yolo County.

**ARTICLE 10. Estoppel Certificates.**

A. [Sec. 1000] Either Party may, at any time, and from time to time, deliver written notice to the other Party requesting such party to certify in writing that, to the knowledge of the certifying Party, (a) this Development Agreement is in full force and effect and a binding obligation of the Parties, (b) this Development Agreement has not been amended or modified or,

if so amended or modified, identifying the amendments or modifications, and (c) the requesting Party is not in default in the performance of its obligations under this Development Agreement, or if in default, to describe therein the nature and extent of any such defaults. The requesting Party may designate a reasonable form of certificate (including a lender's form) and the Party receiving a request hereunder shall execute and return such certificate or give a written, detailed response explaining why it will not do so within thirty (30) days following the receipt thereof. The City Manager shall be authorized to execute any certificate requested by Developer hereunder. Developer and City acknowledge that a certificate hereunder may be relied upon by tenants, transferees, investors, partners, bond counsel, underwriters, and other mortgages. The request shall clearly indicate that failure of the receiving Party to respond within the thirty (30) day period will lead to a second and final request and failure to respond to the second and final request within fifteen (15) days of receipt thereof shall be deemed approval of the estoppel certificate. Failure of Developer to execute an estoppel certificate shall not be deemed a default, provided that in the event Developer does not respond within the required thirty (30) day period, City may send a second and final request to Developer and failure of Developer to respond within fifteen (15) days from receipt thereof (but only if City's request contains a clear statement that failure of Developer to respond within this fifteen (15) day period shall constitute an approval) shall be deemed approval by Developer of the estoppel certificate and may be relied upon as such by City, tenants, transferees, investors, bond counsel, underwriters and bond holders. Failure of City to execute an estoppel certificate shall not be deemed a default, provided that in the event City fails to respond within the required thirty (30) day period, Developer may send a second and final request to City, with a copy to the City Manager and City Attorney, and failure of City to respond within fifteen (15) days from receipt thereof (but only if Developer's request contains a clear statement that failure of City to respond within this fifteen (15) day period shall constitute an approval) shall be deemed approval by City of the estoppel certificate and may be relied upon as such by Developer, tenants, transferees, investors, partners, bond counsel, underwriters, bond holders and mortgages.

#### **ARTICLE 11. Provisions Relating to Lenders**

##### **A. [Sec. 1100] Lender Rights and Obligations.**

(1) Prior to Lender Possession. No Lender shall have any obligation or duty under this Agreement prior to the time the Lender obtains possession of all or any portion of the Property to construct or complete the construction of improvements, or to guarantee such construction or completion, and shall not be obligated to pay any fees or charges which are liabilities of Developer or Developer's successors-in-interest, but such Lender shall otherwise be bound by all of the terms and conditions of this Agreement which pertain to the Property or such portion thereof in which Lender holds an interest. Nothing in this Section shall be construed to grant to a Lender rights beyond those of the Developer hereunder or to limit any remedy the City has in the event of a breach by the Developer, including termination or refusal to grant Subsequent Project Approvals with respect to the Property.

(2) Lender in Possession. A Lender who comes into possession of the Property, or any portion thereof, pursuant to foreclosure of a mortgage or deed of trust, or a deed in lieu of foreclosure, shall not be obligated to pay any fees or charges which are obligations of Developer and which remain unpaid as of the date such Lender takes possession of the Property or any portion thereof. Provided, however, that a Lender shall not be eligible to apply for or receive Subsequent Project Approvals with respect to the Property, or otherwise be entitled to develop the Property or devote the Property to any uses or to construct any improvements thereon other than the development contemplated or authorized by this Agreement and subject to all of the terms and conditions hereof, including payment of all fees (delinquent, current and accruing in the future) and charges, and assumption of all obligations of the Developer hereunder; provided, further, that no Lender, or successor thereof, shall be entitled to the rights and benefits of the Developer hereunder or entitled to enforce the provisions of this Agreement against City unless and until such Lender or successor in interest qualifies as a recognized assignee of this Agreement and makes payment of all delinquent and current City fees and charges pertaining to the Property.

(3) Notice of Developer's Breach Hereunder. If City receives notice from a Lender requesting a copy of any notice of breach given to Developer hereunder and specifying the address for notice thereof, then City shall deliver to such Lender, concurrently with service thereon to Developer, any notice given to Developer with respect to any claim by City that Developer has committed a breach, and if City makes a determination of non-compliance, City shall likewise

serve notice of such non-compliance on such Lender concurrently with service thereof on Developer.

(4) Lender's Right to Cure. Each Lender shall have the right, but not the obligation, for the same period of time given to the Developer to cure or remedy, on behalf of the Developer, the breach claimed or the areas of non-compliance set forth in the City's notice. Such action shall not entitle a Lender to develop the Property or otherwise partake of any benefits of this Agreement unless such Lender shall assume and perform all obligations of Developer hereunder.

(5) Other Notices by City. A copy of all other notices given by the City to the Developer pursuant to the terms of this Agreement shall also be sent to any Lender who has requested such notices at the address provided to the City pursuant to Section 1100(4) above.

B. [Sec. 1101] Right to Encumber. The City agrees and acknowledges that this Agreement shall not prevent or limit the owner of any interest in the Property, or any portion thereof, at any time or from time to time in any manner, at such owner's sole discretion, from encumbering the Property, the improvements thereon, or any portion thereof with any mortgage, deed of trust, sale and leaseback arrangement or other security device. The City acknowledges that any Lender may require certain interpretations of the agreement and the City agrees, upon request, to meet with the owner(s) of the property and representatives of any Lender to negotiate in good faith any such request for interpretation. The City further agrees that it shall not unreasonably withhold its consent to any interpretation to the extent such interpretation is consistent with the intent and purpose of this Agreement.

## **ARTICLE 12. Entire Agreement.**

A. [Sec. 1200] Entire Agreement. This Agreement is executed in duplicate originals, each of which is deemed to be an original. This Agreement consists of 40 pages and 15 Exhibits (105 pages total) which constitute the entire understanding and agreement of the Parties. Unless specifically stated to the contrary, the reference to an exhibit by designated letter or number shall mean that the exhibit is made a part of this Agreement.

Said exhibits are identified as follows:

- Exhibit A: Legal Description and Project Site Map
- Exhibit B: Baseline Project Features
- Exhibit C: Project Discretionary Approvals
- Exhibit D: Subsequent Project Approvals
- Exhibit E: Affordable Housing Project Individualized Plan
- Exhibit F: Sustainability Commitments
- Exhibit G: Transit, Transportation and Circulation
- Exhibit H: Agricultural Conservation
- Exhibit I: Parks, Greenbelts and Open Space
- Exhibit J: Urban Forest
- Exhibit K: Public Property and Right-of-Way Landscape
- Exhibit L: Impact Fees, Credits and Municipal Financing Mechanisms
- Exhibit M: Phasing Plan Map
- Exhibit N: Wetlands
- Exhibit O: Community Benefits

[Remainder of Page Intentionally Left Blank; Signatures on Next Page]

IN WITNESS WHEREOF, the City and Developer and Landowner have executed this Agreement as of the date set forth above.

“CITY”

CITY OF DAVIS

By: \_\_\_\_\_

Daryel Dunston

City Manager

Attest: \_\_\_\_\_

Zoe Mirabile

City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_

Inder Khalsa

City Attorney

“DEVELOPER”

By: \_\_\_\_\_

By: \_\_\_\_\_

## **EXHIBIT A**

### **LEGAL DESCRIPTION AND PROJECT SITE MAP**

#### **EXHIBIT "A-1"**

##### **PROPERTY DESCRIPTION**

PARCEL - 1 AS SHOWN ON RECORD OF SURVEY FILED IN BOOK 9 OF MAPS  
& SURVEYS AT PAGE 99, YOLO COUNTY RECORDS, CALIFORNIA

SHEET 1 OF 2 SHEETS

#### **PARCEL 1**

**BEGINNING** AT THE SOUTHWEST CORNER OF SAID PARCEL 1, SAID CORNER BEING ON THE NORTHERLY LINE OF E. COVELL BOULEVARD; THENCE THE FOLLOWING THIRTEEN (13) COURSES;

- 1) ALONG THE SOUTHERLY LINE OF SAID PARCEL 1 AND NORTHERLY LINE OF E. COVELL BOULEVARD, SOUTH 89°15'58" EAST, 65.43 FEET;
- 2) THENCE CONTINUING ALONG SAID LINES, ALONG THE ARC OF A 950.0-FOOT RADIUS, NON-TANGENT CURVE TO THE LEFT, CONCAVE TO THE NORTH, THROUGH A CENTRAL ANGLE OF 28°15'48", A DISTANCE OF 468.62 FEET, SAID ARC BEING SUBTENDED BY A CHORD WHICH BEARS NORTH 76°36'08" EAST, 463.89 FEET;
- 3) THENCE CONTINUING ALONG SAID LINES, NORTH 62°26'03" EAST, 954.81 FEET;
- 4) THENCE CONTINUING ALONG SAID LINES, ALONG THE ARC OF A 1050.20-FOOT RADIUS, NON-TANGENT CURVE TO THE RIGHT, CONCAVE TO THE SOUTH, THROUGH A CENTRAL ANGLE OF 22°33'00", A DISTANCE OF 409.23 FEET, SAID ARC BEING SUBTENDED BY A CHORD WHICH BEARS NORTH 74°55'50" EAST, 406.65 FEET;
- 5) THENCE CONTINUING ALONG SAID LINES, NORTH 85°59'07" EAST, 4.10 FEET;
- 6) THENCE ALONG THE ARC OF A 50.00-FOOT RADIUS, NON-TANGENT CURVE TO THE LEFT, CONCAVE TO THE NORTHEAST, THROUGH A CENTRAL ANGLE OF 80°23'40", A DISTANCE OF 70.16 FEET, SAID ARC BEING SUBTENDED BY A CHORD WHICH BEARS NORTH 45°47'17" EAST, 64.54 FEET TO A POINT ON THE WESTERLY LINE OF POLELINE ROAD;
- 7) THENCE ALONG THE EASTERLY LINE OF SAID PARCEL 1, SAID LINE BEING THE WESTERLY LINE OF POLELINE ROAD, NORTH 05°35'27" EAST, 257.73 FEET;
- 8) THENCE CONTINUING ALONG SAID LINES, NORTH 01°46'07" EAST, 4,345.39 FEET;
- 9) THENCE LEAVING SAID LINES, ALONG NORTHERLY LINE OF SAID PARCEL 1, NORTH 86°24'25" WEST, 2,602.66 FEET;
- 10) THENCE CONTINUING ALONG SAID NORTHERLY LINE, NORTH 89°35'13" WEST, 2,199.82 FEET TO A POINT ON THE EASTERLY LINE OF F STREET, SAID POINT ALSO BEING ON THE EXISTING DAVIS CITY LIMIT LINE AND BEING THE NORTHWEST CORNER OF SAID PARCEL 1;
- 11) THENCE ALONG SAID EASTERLY LINE AND DAVIS CITY LIMIT LINE, ALONG THE WESTERLY LINE OF SAID PARCEL 1, SOUTH 14°05'54" EAST, 2,540.50 FEET;
- 12) THENCE LEAVING SAID F STREET LINE AND CONTINUING ALONG SAID CITY LIMIT AND PARCEL 1 LINE, SOUTH 89°15'58" EAST, 1,498.73 FEET;
- 13) THENCE CONTINUING ALONG SAID LINES, SOUTH 14°05'18" EAST, 2,954.82 FEET TO THE **POINT OF BEGINNING**.

SAID EASEMENT CONTAINS 382.77 AC, MORE OR LESS

END OF DESCRIPTION

**EXHIBIT "A-1"**  
**PROPERTY DESCRIPTION**  
A PORTION OF PARCEL 2 AS SHOWN ON CERTIFICATE OF COMPLIANCE  
FOR COVELL VILLAGE CO., INSTRUMENT NO. 2014 O.R. 0006533, YOLO  
COUNTY, CALIFORNIA  
SHEET 2 OF 2 SHEETS

**PORTION OF PARCEL 2**

**BEGINNING** AT THE SOUTHWEST CORNER OF SAID PARCEL 2, SAID POINT ALSO BEING ON THE  
EASTERLY LINE OF F STREET, AND BEING THE NORTHWEST CORNER OF AFORE DESCRIBED PARCEL 1  
PER 9 M&S 99 AND ALSO BEING A CORNER ON THE EXISTING DAVIS CITY LIMIT LINE; THENCE THE  
FOLLOWING FIVE (5) COURSES:

- 1) ALONG THE SOUTHERLY LINE OF SAID PARCEL 2, NORTH 89°35'13" WEST, 2,199.82 FEET;
- 2) THENCE LEAVING SAID SOUTHERLY LINE, NORTH 00°42'14" EAST, 2,000.00 FEET;
- 3) THENCE NORTH 89°24'20" WEST, 2,650.87 FEET;
- 4) THENCE SOUTH 00°11'35" EAST, 234.22 FEET TO A POINT ON THE EASTERLY LINE OF F STREET;
- 5) THENCE ALONG SAID EASTERLY LINE, SOUTH 13°31'14" EAST, 1,820.78 FEET TO THE **POINT OF  
BEGINNING**.

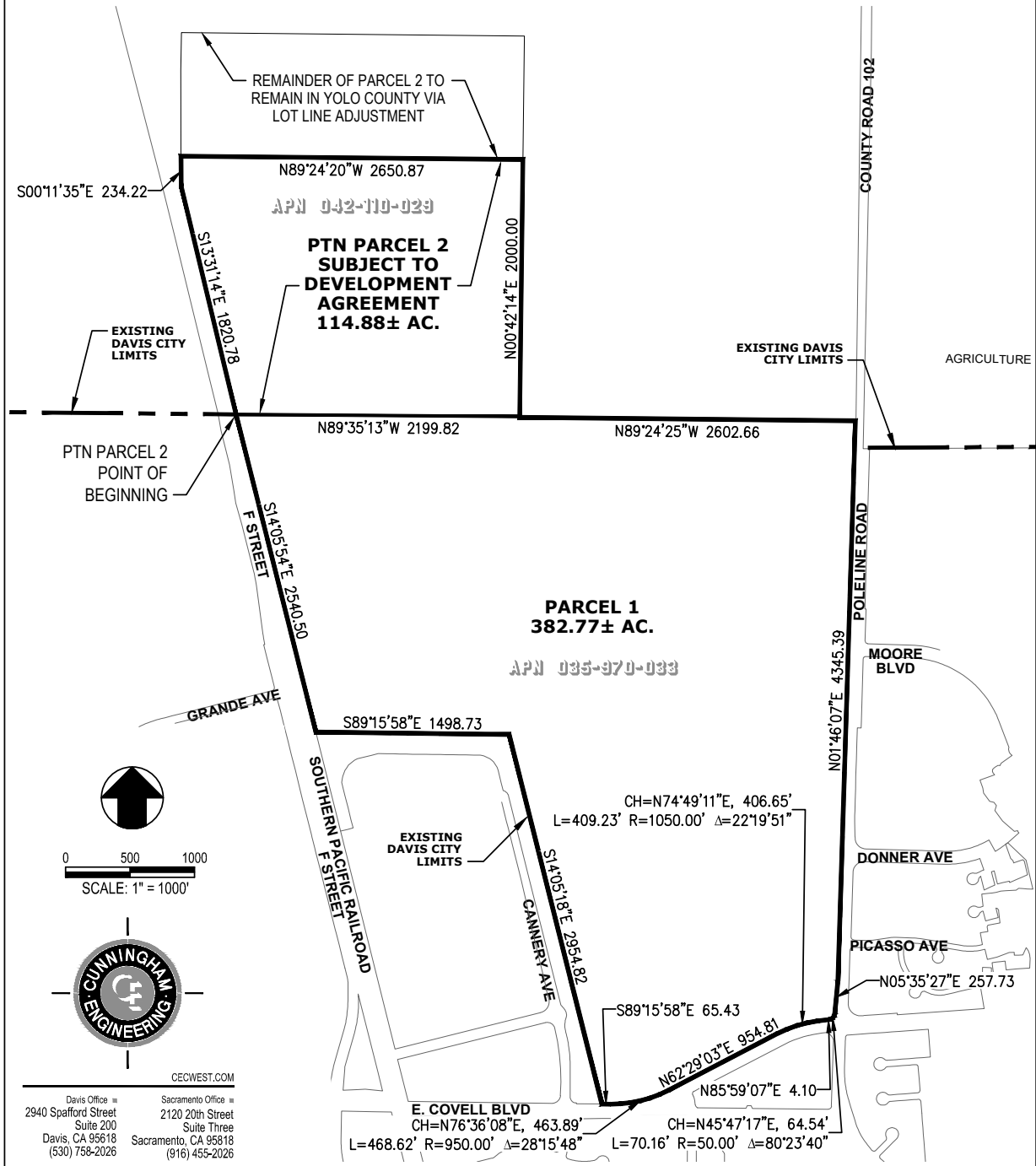
SAID PROPERTY CONTAINS 114.88 AC, MORE OR LESS

END OF DESCRIPTION

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PREPARED BY: CUNNINGHAM ENGINEERING CORP.  
OCTOBER 28, 2025

CITY OF DAVIS COUNTY OF DAVIS STATE OF CALIFORNIA  
CUNNINGHAM ENGINEERING  
OCTOBER 2025 SCALE: 1" = 1000'  
SHEET 1 OF 1 SHEETS



## **EXHIBIT B**

### **BASELINE PROJECT FEATURES**

#### **1. PROJECT GOALS**

The Project will create a diverse residential neighborhood with housing options for residents across a broad range of income levels. The Project allows people to live where they work and learn, serving the Davis workforce, families with children, and first-time homebuyers, while **incorporating sustainable design principles and extensive publicly accessible green spaces.** The project will help Davis meet a significant portion of its State-mandated requirement for development of new housing. It will also help Davis Joint Unified School District with student enrollment. The District is facing potential school closures due to a local enrollment gap that currently compels over 1,000 students to commute in from surrounding communities—a shortage projected to worsen significantly over the next decade.

#### **2. KEY PROJECT COMMITMENTS**

The Project must be developed in a manner consistent with these Baseline Project Features.

#### **3. RESIDENTIAL LAND USES**

The residential portion of the land will be zoned for a maximum of 1,800 residential units and will include Residential High-Density, Residential Medium-Density, and Residential Low-Density zoning designations.

#### **4. AFFORDABLE HOUSING**

Village Farms Davis will provide land and capital toward the construction of up to 360 Deed-Restricted Affordable Housing units, approximately 20% of total residential units. This provision exceeds the City requirement.

The Developer will donate a minimum of \$6 million in phases toward the construction of affordable units.

The project shall guarantee that construction of at least 100 lower-income Deed-Restricted Affordable Housing units is commenced prior to or concurrent with the delivery of the 150<sup>th</sup> market-rate unit in the Residential-Low-Density district, as set forth in the Development Agreement.

## **5. NON-RESIDENTIAL LAND USES**

The Non-Residential land use program for the Project includes:

- A land dedication to DJUSD intended for Pre-K facilities
- A land dedication to DJUSD intended for an educational farm
- A land dedication to the City of Davis for public facilities
- A community park
- A neighborhood park
- Greenbelts, trails and bike paths
- Land dedications for landing sites for the grade-separated bike and pedestrian crossings across F Street and Pole Line Road.
- Publicly accessible open space
- Land for habitat conservation
- Land designated for agricultural uses, which provides a large buffer to the north and completes a natural urban boundary generally aligned with the current neighborhoods to the east and west of the site. Any land use designation changes on this agricultural land would be subject to the Davis Municipal Code, including, as applicable, Chapter 41, known as Measure J/R/D.

## **6. ANNEXATION OF AGRICULTURAL LAND**

The Project includes the annexation of approximately 498 acres of land located in unincorporated Yolo County, which will require a General Plan Amendment that will change the land use designations of these acres from unincorporated Yolo County Agriculture to the land uses described in the sections below. Because these acres would be designated with agriculture and habitat preservation land use types, the annexation of these areas does not constitute a change of use under Chapter 41 of the Davis Municipal Code.

## **7. ENVIRONMENTAL SUSTAINABILITY**

- All residential units will be all-electric and will not include natural gas service
- All single-family homes shall have solar photovoltaic systems
- The project will integrate stormwater quality and low-impact development features to provide treatment and management of stormwater runoff from urban development areas in accordance with current City of Davis requirements
- The project will include comprehensive stormwater detention and storage facilities to mitigate increased runoff from the project development area, with no projected peak increase to existing aggregate downstream stormwater flows
- The Project will plant up to 4,000 new trees within the Project and seek to preserve the majority of existing healthy mature trees on site.

## **8. ROADWAY IMPROVEMENTS**

The Project will construct all Project-related roadway improvements as required by the 2025 Village Farms Davis Local Transportation Analysis and the 2024 Village Farms Davis Transportation Impact Study (TIS). The phasing of these roadway improvements will be determined through Subsequent Project Approvals. Roadway improvements will conform to the City of Davis 2025 Street Standards requirements, as amended from time to time and as adopted at the time of processing the applicable tentative subdivision map.

Key improvements include:

- The construction of traffic and safety improvements along Pole Line Road and Covell Boulevard
- Intersection improvements at project entry locations on Moore Road, Donner Road, Picasso Road, and L Street
- Improvements to Birch Lane Elementary Safe Routes to Schools with safety enhancements for students biking to and from school.
- Village Farms Davis will also contribute fair-share funding toward a series of off-site traffic improvements per the terms of the Development Agreement, including improvements to

Road 102, Covell Boulevard, and traffic light synchronization along Covell Boulevard.

## **9. BIKE AND PEDESTRIAN MOBILITY**

The Project will construct all the bike and pedestrian improvements as required by the TIS. These active transportation enhancements will create a network that integrates with existing Davis infrastructure.

The Project will also implement greenbelt, open space, and recreation connectivity features in accordance with the City's General Plan, 1998 Davis Greenways Plan, and the 2014 Beyond Platinum Bicycle Action Plan, including:

- Construction of a bicycle and pedestrian grade-separated crossing of F Street and the UPRR railroad near Anderson Road at F Street. An overpass in this location is consistent with current railroad policies and guidelines and will proceed subject to the railroad's approval.
- Construction of a bicycle and pedestrian grade-separated crossing of Pole Line Road near Moore Boulevard
- Bike and pedestrian lanes and paths traversing the development to connect the two crossings from F Street to Pole Line Road. This enables bike/ped circulation directly from Northstar to Wildhorse and completes the Davis Bike Loop.
- The Developer shall prepare a feasibility study for up to two locations for the grade-separated crossing of Covell Blvd. connecting the project to the Oak Tree Plaza.

## **10. TRANSIT**

The Project shall prepare and implement a Transportation Demand Management Plan (TDM Plan) to promote a shift away from single-occupancy vehicle use and incentivize a mode shift to bicycling, public transit, private transit, or carpooling. In addition:

- The Project will include infrastructure to accommodate Unitrans and Yolo Bus to ensure convenient access to public transit
- The Project will include publicly accessible car-share spaces
- The Project will provide publicly accessible EV charging stations supporting Davis's climate action goals

## **11. AGRICULTURAL LAND, OPEN SPACE, AND HABITAT**

- The Developer will provide two (2) acres of agricultural conservation easements for every one acre converted from agriculture to urban uses.
- The roughly 47-acre area between the Cannery and existing Channel A will remain undeveloped. This area will generally retain its existing natural state, preserving habitat for special-status species.
- The Project will include a parcel designated for agricultural uses in the northwest portion of the site, north of the developed residential uses.
- The Project will include a publicly accessible approximately 200'-wide Urban Agriculture Transition Area to the north of the residential urban limit.
- The project will preserve and enhance designated open space areas by incorporating native plantings, implementing water-efficient landscaping, and maintaining natural habitat features to support local biodiversity and ensure environmental sustainability in compliance with the City of Davis' open space requirements.

## **12. PARKS AND RECREATION**

The Project will provide at least twenty-three (23) acres of parks and recreation facilities that enhance community wellness and outdoor enjoyment, including:

- A community park designed to connect the surrounding neighborhoods, maintain public views, and preserve the existing cluster of Heritage Oak Trees.
- A neighborhood park centrally located within the community.

The Project will also provide up to approximately forty (40) acres of greenbelts throughout the project with an interconnected network of multi-use trails.

The community park, neighborhood park, and greenbelts will be constructed to serve the Project's new residential population in increments consistent with the City's level of service standards.

### **13. EDUCATIONAL FACILITIES**

The Developer shall offer to dedicate fee title to the Davis Joint Unified School District (DJUSD), without specific use restrictions, the following:

- Approximately 2.4 acres of unimproved land for the conceptual purpose of a new Pre-K Early Learning Center; and
- Approximately 2.8 acres of unimproved land for the conceptual purpose of an educational farm providing an outdoor working classroom for teaching environmental and agricultural values and methods.

While the City is not a party to these agreements, the City can withhold Subsequent Project Approvals if, upon request, the Developer cannot provide evidence that demonstrates reasonable and good faith efforts to transfer the land to DJUSD.

### **14. FINANCING**

The Developer will establish, in partnership with the City, funding mechanisms for the maintenance of parks and open space. Financing may come through a combination of sources which may include, but are not limited to, a Landscape and Lighting District (LLD), Community Facilities District (CFD), owners' association, and/or other mutually agreed-upon funding mechanisms.

### **15. COMPLIANCE WITH THE BASELINE PROJECT FEATURES**

Beyond the Baseline Project Features there are other additional requirements for the Project, including but not limited to, the mitigation measures set forth in the Village Farms EIR, and the Development Agreement that, while important to the Project, are not Baseline Project Features and may be modified with the approval of the City after the appropriate public process. The Development Agreement specifies the extent to which the Developer receives credits or reimbursements for land, public facilities, road improvements and other Developer obligations in accordance with these Baseline Project Features.

In addition, minor refinements to the Project can be anticipated during the Subsequent Project Approvals needed for its development. Such changes, often the result of detailed engineering, geotechnical or other technical factors, or changing conditions, circumstances or other new

information, may be changed without voter approval if they are substantially consistent with the Baseline Project Features and they do not materially alter the character of the project (see Resolution 06-40, Establishing Criteria to Determine What Constitutes a Significant Project Modification or Change Requiring a Subsequent Measure J/R/D Vote).

**EXHIBIT C**

**PROJECT DISCRETIONARY APPROVALS**

General Plan Amendment (Resolution [REDACTED])

Rezoning and Planned Development (Ordinance [REDACTED])

Development Agreement (Ordinance [REDACTED])

**EXHIBIT D**  
**SUBSEQUENT PROJECT APPROVALS**

Following City Council approval of the Project and a successful ballot initiative, the following discretionary approvals and actions by the City are also required to implement the Project:

- Master Tentative Subdivision Map
- Small Lot Tentative Subdivision Map(s)
- Final Planned Development approval(s)
- Site Plan and Architectural Review approval(s), where applicable
- Conditional Use Permit(s), where applicable
- Design Review approval(s), where applicable; and
- Other implementing approvals as described in Section 201 of this Development Agreement
- City Council Approved Tax Sharing Agreement(s)
- Formation of Community Financing Districts, or other financing mechanisms, for maintenance and/or construction of capital facilities
- Application to LAFCo for Annexation

## **EXHIBIT E**

### **AFFORDABLE HOUSING PROJECT INDIVIDUALIZED PLAN**

#### **1. INTRODUCTION**

This Affordable Housing Project Individualized Plan ("Plan") outlines Village Farms Development's ("Developer") approach to providing affordable housing for the proposed development project.

#### **2. PROJECT SUMMARY**

The project consists of the following residential components:

The following Single-Family units comprising of at least 10% Attached units and up to 90% Detached:

- 310 Single-Family units on lots larger than 5,000 square feet (RLD)
- 113 Single-Family units on lots larger than 5,000 square feet (RMD)
- 1017 Single-Family units on lots smaller than 5,000 square feet (RMD)

Multifamily units comprising of:

- 262 Deed Restricted Permanently Affordable Very Low and Low Income Housing units to be constructed on a land dedication site or sites as further described below.
- An additional 18 Deed Restricted Permanently Affordable Very Low and Low and Income Households.
- An additional 80 Deed Restricted Permanently Affordable units for Moderate Income Households.

These programs represent a meaningful commitment to housing affordability and demonstrate our dedication to creating a diverse, inclusive community at Village Farms.

The Village Farms development also intentionally includes a significant number of smaller-sized market-rate lots to promote housing affordability, providing more attainable housing options for a wider range of buyers. This array of housing options is intended to support the housing continuum and create a more inclusive community.

#### **3. AFFORDABLE HOUSING REQUIREMENTS**

The following calculations represent a preliminary estimate based on the current conceptual plan.

As calculated under the Davis Municipal Code, the project would require the following affordable housing units:

#### Ownership Units Affordable Housing Requirements

Ownership Residential Product Type	% of Aff. Units Req. for Product Types	Total # of Project Units for this Product Type	# of Aff. Units Required
Market-rate SFR detached ownership units on lots larger than 5,000 square feet (Per §18.05.050(a)(1)(A))	25%	296 - RLD + 113 - RMD	$(74+28.25) = 102.25$
Market-rate SFR detached ownership units on lots smaller than 5,000 square feet (Per §18.05.050(a)(1)(B))	15%	887 - RMD	133.05
Market-rate SFR attached ownership units (Per §18.05.050(a)(1)(C)) NOTE: Attached Unit Breakdown = 14 in RLD, 14 in RMD over 5k SF lot, and 116 in RMD under 5k SF lot	10%	144 - RMD	14.40
<b>Total Number of Affordable Units Required</b>			<b>249.7</b>

#### Multifamily \*Moderate Income 80-120% AMI

Market-Rate* Rental Residential Product Type	% of Aff. Units Req. for Product Types	Total # of Project Units for this Product Type	# of Aff. Units Required
Rental Housing* (Per §18.05.060) <sup>1</sup>	15%	80*	12

**Total Affordable Housing Requirement: 262 units**

## 4. COMPLIANCE APPROACH

### 4.1 Proposed Land Dedication

With the goal of producing 360 affordable housing units, Developer proposes to dedicate approximately 16 acres of land to the City, which will be developed in partnership with one or more qualified affordable housing developers selected by the City. At the time of

dedication to the City, the sites will be fully improved with infrastructure, frontage improvements (i.e., curb, gutter, walk), paved street access, and utility (i.e., water, gas, sewer, and electric) service connections stubbed to the property lines. The 16 acres of land shall be delivered across a maximum of four parcels with a minimum parcel size of 2.5 acres. The land will be dedicated as provided by the Large Lot Tentative Map, and the infrastructure serving the identified lots will be constructed with the associated Project phase.

#### **4.2 Housing Type Specifications**

The affordable housing to be developed on the land dedication site will be permanently affordable in accordance with the requirements of the Davis Municipal Code. The specific housing types will be determined by the City in consultation with the selected affordable housing developer(s) and will be based on funding opportunities, community needs, and market conditions.

#### **4.3 Contribution Directly to the City's Housing Trust Fund**

In addition to the contributions listed above, Developer will contribute \$6,000,000 directly to the City's Housing Trust Fund. These funds are contributed to the goal of constructing all 360 multifamily units as deed-restricted units. The funds contributed to the Housing Trust Fund shall be used exclusively to support the development of affordable housing on the land dedication sites within the Project unless, at the time that the funds are fully contributed to the City, the City determines that adequate funding has been secured for the construction of the required affordable housing on each land dedication site, in which case the funds may be used for any purpose in conformance with Chapter 18.05 of the Municipal Code.

### **5. AFFORDABLE HOUSING PRODUCT MIX AND INCOME TARGETING**

The affordable housing developed on the land dedication sites will serve:

280 units reserved for very low and low-income households, with the following income targets:

- A minimum of 50% of the units will be affordable to very low-income households ( $\leq 50\%$  of Area Median Income)
- The remaining units will be affordable to low-income households ( $\leq 80\%$  of Area Median Income)

80 ownership units for moderate income households, with the following income targets:

- All units will be affordable to moderate income households between 80% and 120% of Area Median Income

The total number and specific composition of the units developed on the land dedication sites will be determined at the discretion of the City, since the City will own and ultimately convey the land dedication site to the affordable developer(s).

## **6. IMPLEMENTATION TIMELINE**

- A. The specific size and location of the land dedication parcels, as well as the legal mechanism and specific timing of dedication, will be determined at the time the first Large Lot Tentative Map is approved for the Project.
- B. Land dedication parcels may be accepted by the City at such time that ) infrastructure, frontage improvements (i.e., curb, gutter, walk), paved street access, and utility (i.e., water, gas, sewer, and electric) service connections stubbed to the property lines are completed.
- C. A \$2,000,000 contribution to the Housing Trust Fund will be made by Developer to City concurrently with dedication of the first land dedication site. An additional \$1,000,000 contribution to the Housing Trust Fund will be made by Developer to City prior to the first building permit issued for Phase 2 of the development. The remaining \$3,000,000 contribution to the Housing Trust Fund will be made by Developer to City prior to the first building permit issued in Phase 3 as shown on Exhibit M.

## **7. DELIVERY OF AFFORDABLE UNITS**

City and Developer acknowledge that Developer has met or exceeded requirements of the City Affordable Housing Ordinance through the commitments set forth above in this Exhibit E. In addition, Developer and City acknowledge the mutual goal of ensuring timely construction of affordable housing units on the land dedication site(s). The Parties agree to the following mechanisms to ensure the delivery of affordable housing units in a timely manner:

### **7.1 Construction Commencement Milestone**

The Parties agree that no more than 150 building permits for Residential Low-Density units in Phase 3 of the Project shall be issued until such time as construction of at least one hundred (100) lower-income affordable units has commenced on the land dedication site(s). Construction shall be deemed to have commenced upon receipt of a construction financing commitment letter from a qualified lender demonstrating that the construction of the affordable units is or will be fully funded. The letter may be provided by the City, an affordable housing developer, or Developer, subject to review and approval by the City.

### **7.2 City's Election Rights**

In light of the construction commencement milestone set forth in Section 7.1 above, City shall exercise diligent and good faith efforts to commence construction of at least 100 lower-income affordable housing units on the land dedication site(s) to avoid any delay in the issuance of Residential Low Density building permits for Phase 3 of the Project.

Notwithstanding the above, if the City determines that construction of the 100 lower-income units is infeasible for any reason, City may elect to request Developer to construct the units. If City elects to construct such units, the provisions of subsection (a) below shall apply. The City shall make this election, by City Council Resolution, before or concurrent with City Council approval of the residential/small lot Final Map for Phase 2 of the Project.

(a) If City elects to build the affordable units, then it shall retain the dedication site(s) and the \$6,000,000 contributed by Developer, and the foregoing restriction on the issuance of Residential Low Density building permits shall be lifted.

(b) If City elects to request Developer to provide the affordable units, and Developer assumes this obligation, City shall return to Developer the dedication site(s) and any unexpended portion of the \$6,000,000 that has been funded by Developer (including any interest earned on those funds), necessary to construct the units proposed to be constructed by Developer, in which case Developer shall be released from any further obligation to make additional affordable housing trust fund payments.

### **7.3 Developer Construction**

Should City elect to return the dedication site(s) and funds to developer under Section 7.2 above, then the following shall occur:

(a) Developer shall **provide** at least one hundred lower-income affordable housing units less the number of affordable housing units for which construction has been commenced by City.

(b) City shall deliver to Developer, at no cost to Developer, such portion of the land dedication site(s) adequate to construct the number of affordable housing units proposed to be provided by Developer, at a density of at least twenty-three (23) units per acre, up to the entirety of the land dedication site(s). To the extent the City delivers all or a portion of the land dedication site(s) to the Developer, the City agrees Developer will still be in full compliance with the land dedication requirements described in this Exhibit.

(c) Developer may utilize any funds contributed or promised by Developer to the City's Housing Trust Fund that remain unexpended, including any interest actually earned on such funds, to the extent required to construct the number of affordable units proposed to be provided by Developer. City and Developer shall cooperate in good faith to determine the funds required to achieve the goals described in this Exhibit.

(d) The City shall cooperate with Developer in good faith to facilitate the transfer of property and to assist with Developer's provision of affordable housing units;

(e) Developer shall provide affordable housing units in compliance with the income targeting and affordability requirements set forth in Section 5 of this Plan;

(f) Developer's provision of affordable units pursuant to this provision shall be credited against the City's affordable housing unit requirements as set forth in Section 3 above.

(g) City's failure to cooperate with Developer as described in Section 7.3 and this Section would constitute an event of default under this Agreement.

(h) City's sole and exclusive remedy for Developer's failure to provide the affordable housing units shall be to withhold building permits for Residential Low-Density units in Phase 3 for the 151<sup>st</sup> unit and beyond.

#### **7.4 Mutual Cooperation**

The parties acknowledge that the provisions in this Section 7 are intended to ensure delivery of affordable housing and are not intended to discourage the City from actively pursuing development of the land dedication site(s). Both parties commit to working collaboratively to facilitate timely development of affordable housing at Village Farms.

#### **8. REGULATORY AGREEMENT**

Residential units developed on the land dedication site shall be subject to a regulatory agreement entered into by and between the City and the developer of the land dedication site pursuant to Section 18.05.060(a)(2) of the Municipal Code to ensure the continued affordability of the residential units in perpetuity. The regulatory agreement shall be recorded against the land dedication site and shall require compliance with the monitoring requirements for the affordable residential units as set forth in Section 18.05.060(a)(4) of the Municipal Code.

#### **9. CONCLUSION**

Through the dedication of the land sites for the development of affordable housing and contribution of \$6,000,000 directly to the City's Housing Trust Fund, this Plan best ensures construction of the units and will generate an amount of affordability that is greater than the amount that would be generated under the standard affordability requirements for the City.

## **EXHIBIT F**

### **SUSTAINABILITY COMMITMENTS**

In recognition of the City's declaration of a climate emergency (RESOLUTION 19-023), the Developer shall deliver the following Sustainability Commitments. These commitments are a means to address and mitigate identified environmental concerns, including global climate change, and to enhance the long-term sustainability of the Project. The commitments below are in addition to sustainability commitments contained in other exhibits to this Development Agreement.

All code and policy citations in this Exhibit are provided for reference only to illustrate the code provisions, requirements, standards and goals applicable to the Project. The Project will be subject to the code provisions, requirements, standards and goals referenced in this Exhibit as such code provisions, requirements, standards and goals exist as of the Default Vesting Date.

### **SUSTAINABILITY**

#### **Energy Efficiency & Usage**

<b>Goal/Initiative</b>	<b>Description</b>	<b>Compliance</b>
All-Electric Buildings	No natural gas usage; all buildings designed for full electrification.	Davis Municipal Code (§8.01.090, § 8.01.100, § 8.01.110)   CAAP BE.1
Passive Solar Design	Buildings shall be designed to incorporate passive heating and	Davis Municipal

	cooling so as to reduce overall energy needs.	Code §39.09.040
EV Infrastructure	Pre-installed 8-gauge wiring for Level 2 EV charging in residential and multifamily units.	Davis Municipal Code (§ 8.01.090)   CAAP TR.1
Onsite Renewable Energy	Solar PV installed on all habitable buildings.	Davis Municipal Code (§ 8.01.110)   CAAP BE.7
Purchase of Carbon Offset	To the extent Developer is required to purchase Carbon offsets, if such is available at a similar cost as offsets available through other means, then Developer will purchase offsets from a local facility, with preference for a facility administered by the City, Valley Clean Energy, Yolo Transportation District, or other Joint Powers Authority in which the City participates.	
Outdoor Public Lighting	Manage outdoor lighting in public spaces, aiming to minimize light pollution, enhance nighttime visibility, and ensure safety.	Davis Municipal Code (§ 8.17.010)
Utility Connections	If, at such time as the Developer installs its utility infrastructure, a municipal energy utility or municipal utility district is available to serve the	

	project, Developer agrees to dedicate the utility infrastructure associated with the Project to that utility, under terms similar to those that govern the development and dedication of utility infrastructure for an investor-owned utility.	
Reach Code Compliance	Village Farms Davis will meet the City's Reach Code standards, emphasizing energy efficiency and renewable energy integration.	City of Davis Reach Code as they apply to the commitments.

## Recycling and Waste Disposal

<b>Goal/Initiative</b>	<b>Description</b>	<b>Compliance</b>
Recycling & Composting	A comprehensive waste diversion program in partnership with the City's contracted provider, Recology Davis, including organic waste recycling.	SB 1383 Organic Waste Recycling
Construction & Demolition Debris Diversion	Compliance with all City diversion requirements to minimize landfill waste.	Davis Municipal Code (§ 32.04)
Waste Reduction & Recycling Plan	A completed waste reduction and recycling plan will be submitted with building permit applications.	Davis Municipal Code (§ 32.04.070)

## NATURAL RESOURCES

<b>Initiative</b>	<b>Description</b>	<b>Compliance</b>
<b>Air Quality</b>	The project aims to enhance connectivity and promote sustainable transportation opportunities which include: adding bus stops within the development as well as along Covell and Pole Line in coordination with Unitrans and Yolo Bus; adding a bike/pedestrian undercrossing to Nugget Fields; and construction of a bicycle and pedestrian grade-separated crossing of F Street and the UPRR railroad near Anderson Road at F Street. These improvements are designed to encourage walking and biking to and from	Climate Action and Adaptation Plan Transportation & Land Use Actions: TR.3, TR.4, TR.5, TR.6, TR.7, TR.11

	<p>surrounding neighborhoods and Nugget Fields.</p> <p>In addition, the project will support micro-mobility and rideshare options, while incorporating infrastructure to be EV charger-ready—supporting clean air vehicles, bicycles, and scooters. The success of these initiatives will depend on collaboration, approval, and integration with City and County agencies, as well as partnerships with private and quasi-public providers, such as those currently operating in Davis, like Spin and ZipCar, or others.</p>	
<p><b>Drought-Tolerant Landscaping &amp; Green Spaces</b></p>	<p>The project will include water-efficient landscaping, xeriscaping, “climate ready” trees, permeable hardscapes, and smart drip irrigation. In anticipation and adherence to best practices, turf will only be utilized for specifically programmed uses.</p>	<p><b>City of Davis Water Efficient Landscaping Standard, 40.42.090, 40.42.060, 40.42.160)</b></p> <p><b>MWELO</b> (water budgeting, irrigation efficiency)</p>

		<b>Permanent Water Use Restrictions</b> (irrigation timing, runoff prevention, rainfall restrictions) CAAP WW.1 CAPCOA W-5, W-6,
<b>Flooding</b>	Building pads within the project will be graded to provide for finished floor elevations that are elevated above the mapped flood elevations. The project will include new storm drain channels, new detention facilities and improvements to the existing Covell Drain, improving resiliency of the regional drainage system to climate change.	<b>FEMA 60.3 – City of Davis floodplain regulations (8.07.010)</b>
<b>Stormwater Management &amp; Quality</b>	The project will incorporate bioswales, landscape planters, and pervious pavements to reduce runoff, filter pollutants, and manage stormwater flow.	<b>City of Davis Stormwater Standards (40.42.180)</b>  <b>State of California Stormwater Regulations</b>

		CAPCOA W-7
<b>Water Capacity</b>	<p>The SB610 Water Supply Assessment (WSA) indicates that there is adequate water supply and that projected demand remains within the city's available water resources. The project will connect to existing infrastructure, supporting sustainable water usage.</p>	<p><b>December 2023 WSA (Brown &amp; Caldwell) - City of Davis Water Supply Plan</b></p> <p>Village Farms Draft EIR, Appendix S</p>
<b>Wastewater Capacity</b>	<p>The existing 42" sewer main and wastewater treatment plant have sufficient volumetric capacity to accommodate the project with minimal impact.</p> <p>The wastewater treatment plant does not have sufficient treatment system capacity in part due to the reduced water flows, achieved through water conservation efforts, causing a higher concentration of waste.</p> <p>System improvements will be identified in the completed study expected in January 2026.</p>	<p><b>City of Davis WWTP Capacity Analysis Evaluation Interim Findings (Nov 2025)</b></p> <p>Village Farms partially recirculated Draft EIR, Appendix A</p>

## **EXHIBIT G**

### **TRANSIT, TRANSPORTATION AND CIRCULATION**

The Developer acknowledges that the Project must comply with all transportation mitigation measures identified in the Village Farms EIR and Mitigation Monitoring and Reporting Program for the Project.

#### **1. ROADWAY, BIKE AND PEDESTRIAN IMPROVEMENTS**

A. The Developer shall construct all physical improvements to address project-related adverse effects on peak hour traffic operations in the Village Farms Davis Mitigation Monitoring and Reporting and the Village Farms Davis Local Transportation Analysis-FINAL dated March 2025, unless otherwise noted below:

- (1) County Improvements.

The developer shall complete or contribute to the following necessary improvements which fall under the jurisdiction of Yolo County (County):

- (a) County Road 102/County Road 29: install an all-way stop control
- (b) County Road 102/County Road 28H install an all way stop control.

The developer shall work with Yolo County on an improvement agreement or pay the applicable fees. In the event that the Applicant is unable to come to an agreement with the County and the Applicant has made a reasonably good faith effort and provided sufficient documentation to the satisfaction of the Community Development Director and the City Engineer that the developer has done so, then the Community Development Director and City Engineer may waive the improvement requirement.

B. The aforementioned Developer's construction obligations may be subject to modifications that will be incorporated into any improvement agreements associated with Subsequent Project Approvals pursuant to any future traffic-related studies approved by the City.

C. The Developer's construction obligations are subject to fair share allocations and related credits and reimbursements to be determined by the future nexus study described in Exhibit L section 1 except for those fair share allocations specifically quantified in Exhibit L.

D. Developer shall ensure that connection is provided from the Project through the Cannery Loop, for emergency vehicles, bicycle, and pedestrian traffic only.

## **2. ROADWAY, BIKE AND PEDESTRIAN IMPROVEMENTS REQUIRED BY PHASE**

In conjunction with the submittal of any subsequent discretionary action, the Developer may be required to submit a focused traffic impact study to determine which, if any, of the intersection and roadway mitigations and improvements, as included in the Village Farms EIR are required based on the traffic generated by the subject development phase. This requirement depends on the outcome and the applicable substitution of the Anticipated Nexus Study, discussed further in Exhibit L. If required by the City, the focused traffic study shall address the impact of adding the individual phase of development to existing plus other approved/pending development projects. This analysis will be shared with the City to determine which traffic mitigation measures are necessary to accommodate each phase of development. This will also serve to inform the City on mode share and to trigger the need for increased transit services. Each approved phase of development shall be conditioned to construct all physical improvements as identified in the focused traffic study.

### **3. ADDITIONAL MOBILITY IMPROVEMENTS**

To provide safe connection for bicyclists and pedestrians, the Developer shall construct the following physical improvements:

A. Grade-separated multi-use crossing of F Street/railroad with the eastern landing generally aligning with existing Channel A and the western landing in the undeveloped area between F Street and Northstar Pond. The City shall participate with the developer to provide easements and access to the City-owned landing site on the west side of the crossing. This grade-separated crossing shall be completed prior to the end of Phase 3, as shown on Exhibit M.

B. Grade-separated crossing of Pole Line Road connecting to the existing local and regional trails system located at Moore Blvd. The City shall work with the Developer through the design and permitting necessary to relocate existing utilities within Pole Line Road, including the domestic water trunk main located within this roadway. This grade-separated crossing shall be completed prior to the end of Phase 1, as shown on Exhibit M. and in conjunction with mitigation measure 4.13-2(c) included in the Village Farms Final EIR.

### **4. TRANSIT FEATURES AND ENHANCEMENTS**

The Developer shall join Yolo Commute to manage the Transportation Demand Management strategies that are required under Mitigation Measure 4.13-4 in the Village Farms Final EIR.

**EXHIBIT H**  
**AGRICULTURAL CONSERVATION**

**1. RIGHT TO FARM AND FARMLAND PRESERVATION.**

The Project shall be subject to the City’s Right to Farm and Farmland Preservation Ordinance (Municipal Code 40A) which will vest at the General Plan and Zoning Vesting Date, and which commits the Developer to the requirements set forth below.

**2. OVERVIEW.**

The Property encompasses a total of 497.65 acres of land in Davis, California. The Property is divided into several distinct categories as shown on Attachment H-1:

- Approximately 332.22 acres approved for urban development (the “Urban Development Area”);
- Approximately 11.25 acres of Urban Agricultural Transition Area as shown on Attachment H-2 (the “UATA”);
- Approximately 47.08 acres to be established as a permanent open space and wetland preserve as described on Exhibit N (the “Open Space Preserve”); and
- Approximately 107.1 acres north of the UATA that is presently used as Agricultural Land within the meaning of Municipal Code 40A (the “Northern Agricultural Area”).

**3. AGRICULTURAL MITIGATION REQUIREMENTS.**

The Developer shall preserve agricultural land consistent with the requirements of the City of Davis Agricultural Land Mitigation Ordinance, codified in Municipal Code Chapter 40A, Article 40A.03. Agricultural land shall be preserved at a ratio of two acres preserved for every acre of agricultural land changed from an agricultural use to a non-agricultural use as part of the Project (2:1 ratio). As shown on Attachment H-1, 332-acres are proposed to be converted to a non-agricultural use. Accordingly, the Developer is required to provide **664 acres** of agricultural mitigation land in accordance with Chapter 40A. At City’s request, the Developer shall not include agricultural land it owns or controls north of the Property in its ag land mitigation proposal to the City unless that land is north of County Road 29. The Developer will record the required agricultural conservation

easements required by Article 40A.03 prior to issuance of any grading permits.

**4. AREAS EXCLUDED FROM AGRICULTURAL MITIGATION REQUIREMENTS.**

For the reasons described in Section 4 below, the UATA, the Open Space Preserve and the Northern Agricultural Area will not trigger the payment of mitigation fees under Chapter 40A.

**A. UATA:** Davis municipal code requires a minimum one-hundred-fifty-foot agricultural buffer separating urbanized uses from adjacent agricultural operations. Village Farms Davis shall provide a 200’-wide UATA comprised of a 50’ “Agricultural Transition Area” and a 150’ “Agricultural Buffer” which incorporates a storm channel. Per Section 40A.03.035(c) of the Davis Municipal Code, the 11.25-acre UATA qualifies as an agricultural buffer and is therefore exempt from agricultural mitigation requirements. This 11.25-acre site shall be maintained and provided to the City with a topographically similar appearance to the City’s existing North Davis Channel to the west of the Property in order to ensure visual continuity.

**(1) 50’ Agricultural Transition Area**

The Developer shall create the 50’ UATA Agricultural Transition Area parcel with the first final map and retain the ownership of the parcel with a dedication of a public services access and maintenance easement to the City. The Developer shall dedicate this parcel in fee title to the city, through a separate instrument, concurrent with the Phase 3 development of the Project. The City shall accept the improvements and an irrevocable offer of dedication of fee title upon completion of the warranty period of the improvements.

For the 50-foot-wide Agricultural Transition Area, the Developer shall construct the following improvements:

- With the Mass Grading Improvements (Phase 0):

- A 12-foot-wide all-weather access road for maintenance purposes, with an access easement provided to the City, which shall be approved by the City's Public Works Utility and Operations Department.
  - A hydroseed mixture of California native grasses and forbs approved by the City's Open Space Program Manager shall be applied to this section of the ag buffer for habitat.
  - California native plants and groundcovers approved by the City's Open Space Program Manager shall be planted for habitat.
  - A mixture of various tree species approved by the City's Arborist shall be planted for habitat and sufficient trail shade.
  - A temporary drip irrigation system shall be installed.
- Prior to the 200<sup>th</sup> building permit in the adjacent residential development (Phase 3):
    - A twelve-foot-wide concrete multi-purpose trail for bicycle and pedestrian use connecting to the existing trail network.
    - A mixture of various tree species approved by the City's Arborist shall be planted for habitat and sufficient trail shade.

## **(2) 150' Agricultural Buffer**

Developer shall create the 150' UATA Agricultural Buffer parcel with the first final map. The Developer shall dedicate this parcel to the City (through an irrevocable offer of dedication in fee title) with the first final map. The City shall accept the improvements and an irrevocable offer of dedication of fee title upon completion of the warranty period of the improvements.

For the 150' Agricultural Buffer, the Developer shall construct the following improvements:

- A post-and-cable fence shall be constructed to separate this section of the ag buffer from the publicly accessible section.
- A portion of the project's realigned drainage channel shall be constructed in this section of the ag buffer.

- A hydroseed mixture of California native grasses and forbs approved by the City's Open Space Program Manager shall be applied to this section of the ag buffer for habitat.
- California native plants and groundcovers approved by the City's Open Space Program Manager shall be planted for habitat.
- A temporary drip irrigation system shall be installed.

The Developer shall provide the above listed improvements on the UATA parcels prior to acceptance by the City. Developer shall contribute to funding for maintenance through one or a combination of sources such as a Community Facilities District (CFD) and/or other mutually agreed upon funding mechanisms. The UATA and the improvements discussed above are conceptually depicted in Attachment H-2, a plan-view of the UATA, and Attachment H-3, a cross-section of the UATA parcel.

**B. Open Space Preserve:** The Open Space Preserve (also referred to as the Natural Habitat Area or the Preservation Area) contains an identified alkali playa/alkali wetland complex that is under the jurisdiction of state and federal regulatory authorities. The Developer shall cause the Open Space Preserve to be protected by a permanent habitat conservation easement that will guarantee it will not be developed into urban uses in the future. Thus, although these 47 acres will be taken out of agricultural production, they will be permanently protected from development and will be used to protect a rare habitat type. For these reasons, the City has determined that this parcel is exempt from the City's ag land mitigation ordinance. To secure the benefits of this exclusion from agricultural mitigation fees, Developer shall comply with the requirements of Exhibit O to this Development Agreement.

**C. Northern Agricultural Area:**

**(1) Description.**

The 107.1-acre Northern Agricultural Area (or "Ag Parcel") will be annexed into the City of Davis in accordance with a pre-zoning that allows use of the property as agricultural land. The area will remain in private ownership with all costs of maintenance and operation

to be borne by the landowner. The area will consist primarily of an excavated basin area with depths ranging from approximately eight (8) to ten (10) feet below original grade and a flat bottom designed to support agricultural use. Farm access ramps will be constructed to allow vehicular and equipment access into the lowered basin area. The existing farm access road around the perimeter of the basin shall be replaced or improved as part of the Project. A drainage/flood easement shall be dedicated across the excavated portions of this area to the limits of the 200-year flood plain limits, as generally shown on Attachment H-4, at the time and in the manner prescribed by the Large Lot Tentative Map.

As more fully described in the August 20, 2025 report prepared by House Agricultural Consultants (the “House Report”), the average quality of the soils in Northern Agricultural Area is poor and generates variable yields of low-value crops (i.e., wheat) across the site. As described above and in the House Report, material will be “borrowed” from this area to raise the elevation of portions of the Urban Development Area, with topsoils from the area to be stockpiled, remediated (as described below) and ultimately just the topsoils returned to the borrow area. The House Report recommends the preparation and implementation of a detailed soil restoration plan (the “Restoration Plan”) and farm plan (the “Farm Plan”) to assure that the Northern Agricultural Area will be restored to a farmable condition. The House Report includes specific recommendations for inclusion in the Restoration Plan and the Farm Plan and concludes that, if these plans are developed and implemented, the Northern Agriculture Area should support agriculture at a level roughly similar (although not identically) to how it has supported agriculture in its historical condition.

In order to fully implement the recommendations of the House Report and restore the Northern Agriculture Area to agricultural use, Developer shall take the following steps:

- Developer shall retain the services of a qualified agronomist approved by the Community Development Director to prepare the Restoration Plan and the Farm Plan, as well as a Topsoil Management Plan. The purpose of the Topsoil Management Plan is to ensure that the excavated topsoil remain viable for future agricultural use. The Restoration Plan, the Farm Plan, and the Topsoil Management

Plan shall be included with the first mass grading improvement plan set submitted by Developer for City approval.

- Upon the City's approval of the Restoration Plan, the Developer shall enter into a permit-to-enter agreement with City to allow City staff or the City's agents to access the basin area for monitoring and inspections during the topsoil storage process through the conclusion and verification of a Farm Plan (i.e. for a period of time that covers at least the 5-year period following the deposition of the stockpiled topsoil back to the borrow pit, and implementation of the associated Farm Plan).
- After the Top Soil Management Plan and the Restoration Plan have been fully implemented, as evidenced by a written letter to the City by the qualified agronomist who oversaw implementation, Developer shall cause the Ag Parcel to be returned to agricultural use for a period of at least 5 years.
- At the conclusion of a 5-year period following the deposition of the stockpiled topsoil back to the Ag Parcel, and implementation of the associated Farm Plan, Developer shall retain the services of a qualified agricultural consultant to conduct an assessment to verify as to whether the Northern Agricultural Area is operating as viable agricultural land as defined in Chapter 40A. If the agricultural consultant determines that the Northern Agricultural Area is not performing as agricultural land as defined by Chapter 40A, then Developer shall be required to provide additional agricultural mitigation at a 2:1 ratio (approximately 214 acres of mitigation land) in a location subject to approval by the City or pay the required mitigation fees. If the Developer fails to mitigate the loss of agricultural land as required by Chapter 40A within 180 days of the City's determination that the Northern Agriculture Area is not performing as agricultural land as defined by Chapter 40 A, the City may withhold building permits or certificates of occupancy from the Property in addition to pursuing any other legal remedies available.
- If, at the conclusion of the 5-year period, the qualified agricultural consultant confirms that the Ag Parcel is viable agricultural land and supports uses allowed in

Chapter 40A, then Developer shall be released from its obligations outlined in this Development Agreement and the Ag Parcel may continue to be used for purposes consistent with its agricultural zoning designation.

**(2) Basis for Exclusion.**

As described above, the 107-acre Northern Agriculture Area is exempt from the City's agricultural mitigation requirements to the extent that it remains in an agricultural use as defined by Davis Municipal Code Section 40A.03.020. In the event this area is developed into urban uses or can no longer support agricultural use in the future, the Developer will mitigate the loss of agricultural area pursuant to the City's code requirements.

# NOTES:

1. SITE AERIAL IMAGERY TAKEN IN APRIL 2022 AND WAS ACQUIRED NOVEMBER 6, 2023 FROM GOOGLE EARTH PRO. COPYRIGHT GOOGLE, 2023.
2. CONCEPTS SHOWN ON THIS EXHIBIT ARE PRELIMINARY IN NATURE AND ARE SUBJECT TO CHANGE BASED ON FINAL DESIGN.
3. SEE SEPARATE AGRICULTURAL MITIGATION SUMMARY TABLE FOR ADDITIONAL INFORMATION.

## LEGEND

<b>1a</b>	URBAN DEVELOPMENT PORTION OF APN 035-970-003 332.22 AC ±	
<b>1b</b>	NHA PORTION OF APN 035-970-003 47.08 AC ±	
<b>1c</b>	UATA PORTION OF APN 035-970-003 3.47 AC ±	
<b>2a</b>	AGRICULTURAL PORTION OF APN 042-110-029 107.10 AC ±	
<b>2b</b>	UATA PORTION OF APN 042-110-029 7.78 AC ±	
	PROJECT AREA	

ATTACHMENT H-1



## VILLAGE FARMS DAVIS - BIOLOGICAL RESOURCE PRESERVATION ALTERNATIVE AGRICULTURAL MITIGATION PLAN

02-03-26 City Council Meeting

PROPOSED: FINAL DESIGN SUBJECT TO FINAL DEVELOPMENT AGREEMENT AND CITY COUNCIL APPROVAL

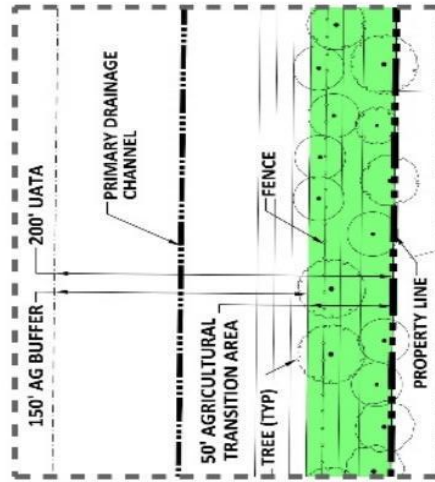
0 800 1600  
SCALE: 1" = 1600'

DATE: 10/15/2025

16' WIDE GRAVEL AGRICULTURE ROAD

AGRICULTURAL LAND

DAVIS PAINT BALL



UPRR RAILROAD  
F STREET

PRIMARY DRAINAGE CHANNEL

150' AG BUFFER

SEE DETAIL-1  
THIS SHEET

NORTH VILLAGE

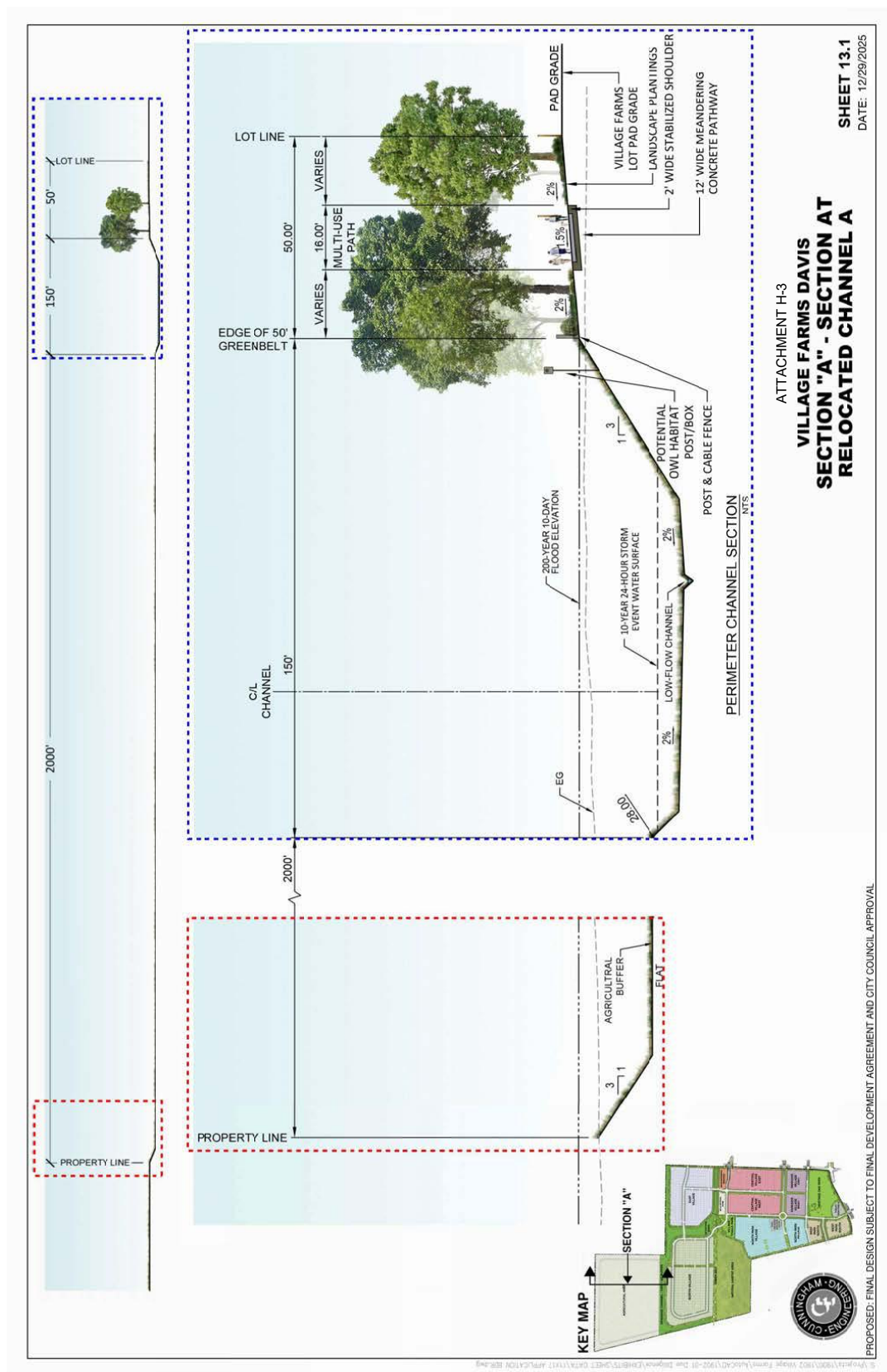
50' AGRICULTURAL  
TRANSITION AREA

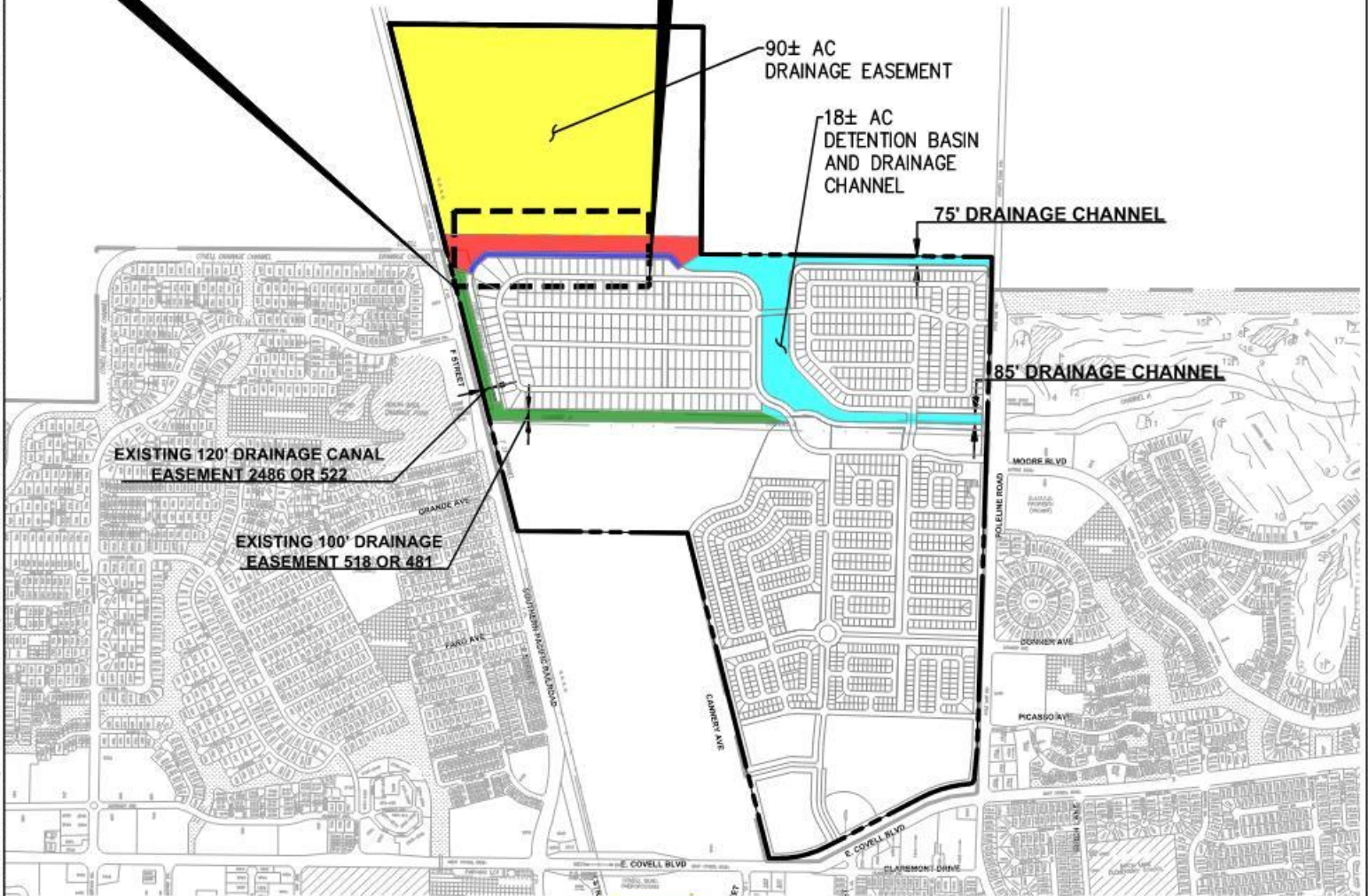
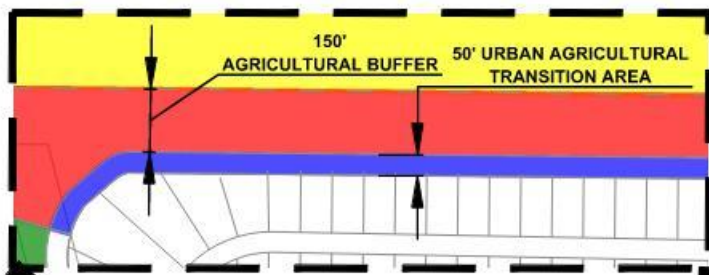
PROPERTY LINE

ATTACHMENT H-2

04E - 88

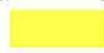


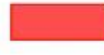







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2. CONCEPTS SHOWN ON THIS EXHIBIT ARE PRELIMINARY IN NATURE AND ARE SUBJECT TO CHANGE BASED ON FINAL DESIGN.
3. FINAL DESIGN TO BE REVIEWED AND APPROVED VIA TENTATIVE SUBDIVISION MAP

-  PRIVATE OWNERSHIP WITH DRAINAGE EASEMENT DEDICATED TO THE CITY OF DAVIS
-  EXISTING CITY OF DAVIS DRAINAGE EASEMENT TO BE DEDICATED IN FEE TITLE TO THE CITY OF DAVIS FOR DRAINAGE PURPOSES
-  PROPOSED DETENTION BASIN & DRAINAGE CHANNEL TO BE DEDICATED IN FEE TITLE TO CITY OF DAVIS FOR DRAINAGE PURPOSES
-  UATA AG BUFFER TO BE DEDICATED TO CITY OF DAVIS IN FEE TITLE FOR DRAINAGE PURPOSE AS ALLOWED BY THE MUNICIPAL CODE.
-  UATA AGRICULTURAL TRANSITION AREA WITH PUBLIC SERVICE EASEMENT DEDICATED WITH FIRST FINAL MAP TO BE DEDICATED IN FEE TITLE TO CITY WITH PHASE 3



## ATTACHMENT H-4 VILLAGE FARMS DAVIS - BIOLOGICAL RESOURCE PRESERVATION ALTERNATIVE DRAINAGE EASEMENTS



0 750 1,500  
SCALE: 1" = 1,500'

02-03-26 City Council Meeting

PROPOSED: FINAL DESIGN SUBJECT TO FINAL DEVELOPMENT AGREEMENT AND CITY COUNCIL APPROVAL

DATE: 12/15/2025

## **EXHIBIT I**

### **PARKS, GREENBELTS, AND OPEN SPACE**

#### **1. INTRODUCTION**

This exhibit outlines the recreational amenities, parks, and greenbelt features that will be developed as part of the Project.

#### **2. TOTAL ACREAGE COMMITMENT**

The Project shall, at a minimum, provide parkland pursuant to Section 36.08.040 of the Davis Municipal Code plus 40+/- acres of neighborhood greenbelts throughout the development. The exact acreage and location of the parks will be considered with the Comprehensive Parks Plan and finalized with the Master Tentative Subdivision Map. The exact acreages and location of the greenbelts will be finalized with the Small Lot Subdivision Map. The parks will be allocated as follows:

- Up to 20 acres for a Community Park
- No less than 3 acres for Neighborhood Park
- Approximately 40 acres for neighborhood greenbelts

#### **3. CONSTRUCTION OF PARK AND GREEN BELT IMPROVEMENTS**

The parks shall be developed with each phase as outlined below:

- A. The southern portion of Neighborhood Park, as shown on Exhibit M, shall be completed prior to the 389<sup>th</sup> building permit.
- B. The western portion of Community Park, as shown on Exhibit M, shall be completed prior to the 780<sup>th</sup> building permit.
- C. The eastern portion of the Community Park, as shown on Exhibit M, shall commence prior to the 1167<sup>th</sup> building permit shall be completed prior to the 1500<sup>th</sup> building permit.

- D. The northern portion of the Neighborhood Park, shown on Exhibit M, shall commence prior to the 1300<sup>th</sup> building permit and shall be completed before the 1500<sup>th</sup> building permit.

In addition to the completion triggers described above, each park phase identified above shall be completed within thirty-six months of commencement of construction.

The greenbelt improvements, excluding the Pole Line Road undercrossing and F Street overcrossing, will be constructed as required by the improvement agreements associated with Subsequent Project Approvals. The internal greenbelt improvements adjacent to public rights-of-way will be built concurrently with the roadway improvements. The greenbelt improvements along the project perimeter or adjacent to open space areas will be constructed as adjacent land uses are developed.

#### **4. DEDICATION OF PARK AND GREEN BELT LAND AND IMPROVEMENTS**

The City shall impose, as a condition of approval on the Master Tentative Subdivision Map, conditions related to the submission of a Comprehensive Parks Plan to the City and the timing and manner of dedication of land to the City of Neighborhood and Community Park parcels. The City shall accept the dedication of the land subject to any conditions described in the Master Tentative Subdivision Map and any improvement agreements associated with Subsequent Project Approvals. Prior to acceptance of each of the parks or phased greenbelt improvements, the Developer shall cooperate with the City to establish a financial mechanism (e.g., landscape and lighting district or a community facilities district), described in further detail in Exhibit L, to fund the ongoing operating, maintenance and repair of the improvements being dedicated. Upon acceptance, the City shall assume responsibility for the operation, maintenance and repair of the dedicated land and improvements.

**5. QUIMBY FEES**

The Project satisfies the parkland dedication requirement under the Davis Municipal Code with a parkland dedication in an amount equal to 23.4 acres of land. Any parkland dedicated and accepted by the City in excess of the 23.4 acres of land may be eligible for credits and reimbursements. See Exhibit P for additional information.

**6. PARKS PROGRAMING**

The Comprehensive Parks Plan will include preliminary engineering drawings, additional implementation information, cost estimates, and proposed park improvements for both parks. The Comprehensive Parks Plan shall be developed in accordance with the City's 2025 Parks Needs Assessment and other City requirements. The Developer's proposed programming will complement existing City recreational offerings; address identified community recreational needs; provide opportunities for inter-generational activities; provide lit play fields; and include features such as, playgrounds, restroom facilities, lawn/green space, picnic areas/seating, barbeque grills, athletic fields, basic shade structures, pathways, general park lighting, etc.

Turf will be utilized only in areas programmed for activities typically associated with turf, for example, on play areas and sports fields in proposed parks consistent with State and City of Davis requirements.

**7. GREENBELT SPECIFICATIONS**

The Developer shall construct the greenbelt improvements in a manner substantially consistent with the typical cross-sections provided in Addendum A to the Project Description for the Biological Resources Preservation Alternative, which are incorporated herein by reference. The Developer shall submit preliminary drawings, detailed cross-sections, and acreage calculations for City feedback for each phase of the Project before submitting any Small Lot Subdivision Map application to the City.

## **EXHIBIT J**

### **URBAN FOREST**

This exhibit applies to City-owned trees within the Project except the Northern Agricultural Area. This exhibit will also apply to the Natural Habitat Area if the City is designated as the permanent owner. For the purposes of this exhibit, “Public Portions” of the Project shall mean the parkway strips, parks, greenbelts, drainage channels, drainage basins and any other areas that are owned and maintained by the City.

#### **1. TREES AND WATER CONSERVATION**

To reduce Project demand on groundwater and potable water the Developer commits to the following measure within the Public Portions of the Project: The tree palette will include a broad spectrum of native and other “climate ready” plants in conformance with the City of Davis’ Climate Ready Tree Lists and other applicable Municipal Codes and landscape standards, as it may be amended from time to time. at the time of the approval of the tentative map(s) for each Phase of the project.

#### **2. TREE COMMITMENTS**

**A.** The Project shall be subject to the requirements of Chapter 37 of the Davis Municipal Code, as it may be amended from time to time, regarding the removal of trees in a discretionary project and mitigation for the loss of private/protected trees.

**B.** The Developer shall commit to providing the City with an arborist report, as defined in Chapter 37 of the Municipal Code, prior to the City issuing a grading permit for any earthwork occurring on the Property. The Developer shall commit to preserving the majority of the existing healthy trees identified in the arborist report.

**C.** The Project will include the planting of up to 4,000 new trees, including native and other “climate ready” trees in conformance with the City of Davis’ Climate Ready Tree Lists and other applicable Municipal Codes and landscape standards, as it may be amended from time to time.

**D.** Trees, solar panels, and/or shade structures shall provide shading of paved pedestrian walkways and off-street Class I bike paths as required by City's Municipal Code, Chapters 8, 37 and 40 and consistent with the Davis Solar Shade Control Act, in effect at the time of the tentative subdivision map and/or building permit issuance.

**E.** The Developer shall hire a qualified arborist and/or landscape architect to design the Public Portions of the Project. The Developer will, during the design process, consult with the City's Urban Forest Manager for guidance on the selection and management of trees within the Public Portions of the Project.

**F.** Project will utilize best practices for tree planting and root establishment, specifically when planting adjacent to hardscape surfaces, consistent with appropriate City standards and Urban Forest Management Plan Implementation Plan goals and action items, in effect at the time of the tentative subdivision map and/or building permit issuance.

### **3. OWNERSHIP AND MAINTENANCE**

All trees within the Public Portions of the Project will be owned and maintained by the City. Developer shall retain ownership and maintenance responsibilities for the Project's trees for two years from the date of installation. Upon the conclusion of this timeframe, the City shall assume ownership and maintenance obligations for the trees within the Public Portions of the Project, provided that the design, maintenance, and care of the trees are consistent with the conditions of approval and that the necessary financial mechanisms for their maintenance and care are in place and collecting funds.

### **4. FUNDING FOR MAINTENANCE**

The Developer shall contribute to formation of landscape maintenance mechanism more fully described in Exhibit L.

## **EXHIBIT K**

### **PUBLIC PROPERTY AND RIGHT-OF-WAY LANDSCAPE**

This exhibit applies to all public property and rights-of-way within the Project except the Parks, Natural Habitat Area and the Northern Agricultural Area. For the purposes of this exhibit, “Public Portions” of the Project shall mean the parkway strips, greenbelts, drainage channels, drainage basins, and any other areas that are owned and maintained by the City, unless otherwise excluded in this exhibit.

#### **1. PUBLIC RIGHT OF WAY LANDSCAPING, WATER CONSERVATION**

To reduce Project demand on groundwater and potable water the Developer commits to the following measures within the Public Portions of the Project:

- The plant palette will include a broad spectrum of native and other “climate ready” plants in conformance with the City of Davis’ Climate Ready Tree Lists and other applicable Municipal Codes and landscape standards.
- Low Impact Development (LID) measures will be implemented throughout the development as required by the City’s National Pollutant Discharge Elimination System (NPDES) permit. LID measures will include volume-based best management practices (BMPs) such as bioretention cells, infiltration gardens and/or pervious pavements and flow-based treatment BMPs such as vegetated swales, stormwater planters and/or mechanical treatment devices as deemed appropriate to adequately treat runoff. All treatment measures will be designed in accordance with the recommendations of the CASQA BMP Handbook and the City of Davis Storm Water Standards, current at the time of the approval of the tentative subdivision maps.

#### **2. OWNERSHIP AND MAINTENANCE**

All landscape improvements, including but not limited to plant materials, mulch,

automatic irrigation systems, etc., within the Public Portions of the Project will be owned and maintained by the City. The Developer shall retain ownership and maintenance responsibilities for the Project's landscape improvements for two years from the date of installation. Upon the conclusion of this timeframe, the City shall assume ownership and maintenance obligations for the landscape improvements within the Public Portions of the Project, provided that the design, maintenance, and care of the landscape improvements are consistent with the conditions of approval and that the necessary financial mechanisms for their maintenance and care are in place and collecting funds.

### **3. FUNDING FOR MAINTENANCE**

The Developer shall contribute to formation of a funding mechanism for landscape maintenance more fully described in Exhibit L through a combination of sources potentially including, but not limited to, a landscape and lighting district, community facilities district, and/or other mutually agreed upon funding mechanisms.

## **EXHIBIT L**

### **IMPACT FEES, FEE CREDITS, AND MUNICIPAL FINANCING MECHANISMS**

#### **1. ANTICIPATED NEXUS AND DEVELOPMENT IMPACT FEE STUDIES**

The Developer's fair share allocation for transportation-related improvements shall be determined primarily by the anticipated focused district-specific nexus and fee study that will be prepared for the Village Farms Project and Willowgrove Project ("Anticipated Nexus Study"), unless otherwise provided in the Agreement. The Developer shall pay the City a one-time sum of one hundred and eleven thousand dollars (\$111,000) within twelve months after the Effective Date to pay for its fair share of the cost of the Anticipated Nexus Study. The City anticipates completing this study before December 31, 2026.

The City further anticipates updating the remainder of its Citywide Development Impact Fee Program prior to January 31, 2028 (the "Outside Date" as defined by this Agreement). The City agrees not to seek any additional financial contribution from the Developer to assist with this effort with any Subsequent Project Approvals, unless otherwise noted in this Agreement.

#### **2. ROADWAY IMPROVEMENTS**

The Developer shall bear the Project's fair share allocation of the cost of the Project's transportation infrastructure improvements, which may be up to 100% for certain improvements, included in the Village Farms Davis Local Transportation Analysis-FINAL transportation study dated March 2025 ("LTA"). If the Anticipated Nexus Study has not been completed by the time the Developer is ready to start construction on any of the improvements contemplated herein, the Developer's fair share allocation shall be as set forth in Attachment L-1 for that improvement.

Notwithstanding the preceding paragraphs, the Developer shall solely bear the cost of the following Project's roadway infrastructure improvements and related activities, as included in the Village Farms EIR. These costs are not eligible for Fee Credits or reimbursement:

A. Mitigation Measure 4.13-2(a)

Prepare and submit a focused traffic study to address the phasing of the Project.

B. Mitigation Measure 4.13-2(b)

Construct pedestrian and bicycle safety intersection modifications at the East Covell Boulevard/Pole Line Road intersection. Additional modifications beyond those outlined in Mitigation Measure 4.13-2(b) for these intersections shall be eligible for fee credits or reimbursement pursuant to a future nexus study or Attachment L-1.

The City expects that the results of the Anticipated Nexus Study, a study that will be concluded after the Effective Date of this Agreement, may provide sufficient information to satisfy the requirement of Mitigation Measure 4.13-2(a). However, if it does not, the obligations described above remain.

In addition, the Developer shall construct all the frontage and road improvements to address Project-related adverse effects on peak hour traffic operations, and all the vehicular improvements to provide access to and from the Project as more fully described as part of the Existing Plus Project Conditions in the LTA. These costs are not eligible for Fee Credits or reimbursement, except to the extent that the City has collected fees or payments for these physical improvements from previous development projects, in which event the City will provide reimbursement based on the Developer's proportionate share, and only to the extent fees have been allocated to the specific improvements constructed.

### **3. DEDICATION REQUIREMENT**

The Developer shall dedicate the necessary land in fee title to the City for all future transportation rights-of-way required to serve the Property and shall not receive Fee Credit or reimbursement for the value of the land being dedicated. The timing of dedication shall be as provided in Subsequent Project Approvals.

### **4. BIKE AND PEDESTRIAN MOBILITY**

Notwithstanding the preceding paragraphs, the Developer shall solely bear the cost of the following Project's bicycle and pedestrian infrastructure improvements and related activities, as included in the Village Farms EIR. These costs are not eligible for Fee Credits or reimbursement, except to the extent the City has collected fees or payments for these improvements from previous development projects and allocated such fees towards said improvements, in which event the City will provide reimbursement based on the Developer's proportionate share and only to the extent fees have been collected and allocated to the specific improvement.

#### **A. Mitigation Measure 4.13(c)**

Install bicycle and pedestrian crossing improvements at the East Covell Boulevard/Birch Lane intersection.

#### **B. Mitigation Measure 4.13-2(d)**

Install bicycle and pedestrian crossing improvements at the East Covell Boulevard/Birch Lane intersection.

#### **C. Mitigation Measure 4.13-2(e)**

Install bicycle and pedestrian crossing improvements at the Cannery Loop elbow crossing.

D. Mitigation Measure 4.13-2(f)

Install bicycle and pedestrian crossing improvements at Oak Tree Plaza driveway intersections with the East Covell Boulevard shared-use path.

E. Mitigation Measure 4.13-2(g)

Install a Class III bike route on Birch Lane between East Covell Boulevard and Pole Line Road.

5. **POLE LINE ROAD UNDERCROSSING**

The Developer shall dedicate fee title for the eastern land and entry improvements, and easements for slope improvements on the Property for the bicycle and pedestrian grade-separated undercrossing of Pole Line Road near Moore Blvd to the City (“Pole Line Road Undercrossing”). The Developer shall not receive Fee Credit or reimbursement for the value of the land and real property rights being dedicated.

The Developer shall bear the full cost of preparing the preliminary design to complete construction drawings and shall not receive Fee Credit or reimbursement for their value. In addition to the City’s standard improvement plan approval process, the Developer shall deliver the preliminary design plans for the City to review and approve these materials when they are at 15%, 30%, and 60% of completion. The Developer shall be responsible for completing project-level environment clearance. The Developer shall reimburse all staff costs of reviewing these materials, and the City shall own the 100% construction drawings upon completion.

The Developer shall construct the Pole Line Road Undercrossing and dedicate it to the City. Developer shall be entitled to receive Fee Credits as applicable or reimbursements for the value of the undercrossing improvements that are above and beyond the Project’s fair share cost as determined by any future nexus fee study to be conducted by the City. If the nexus and fee studies contemplating this improvement have not been completed by

the time the Developer has completed Phase 0 of the Project and is ready to commence construction on Project Phase for which the Pole Line Road Undercrossing is planned, as shown Exhibit M, then the Developer shall execute the City's standard reimbursement agreement, which may be incorporated into any improvement agreements associated with Subsequent Project Approvals. In this scenario and provided that the Developer has submitted an engineering estimate of the improvement's cost and the City has reviewed and approved, at a minimum, the 60% designs for the undercrossing, the City agrees that Developer shall be entitled to receive reimbursement of 80% of the cost of constructing the undercrossing improvement.

## **6. F STREET OVERCROSSING**

The Developer shall dedicate fee title for the eastern land and entry improvements, and an easement for slope improvements for the bicycle and pedestrian grade-separated overcrossing of F Street and the freight railroad line paralleling F Street to the City ("F Street Overcrossing"). The Developer shall not receive Fee Credits or reimbursement for the value of the land and real property rights being dedicated. Any expense incurred to acquire real property rights for the F Street overcrossing shall be included in the total cost of constructing the improvement for the purposes of calculating fee credits and/or reimbursement owed to the Developer.

The Developer shall bear the up-front cost of preparing the preliminary design to complete construction drawings. The City commits to provide Fee Credits or reimbursements for 50% of the value of these materials against roadway or traffic development impact fees due from the Project, provided that the 100% construction drawings are delivered within five (5) years of the Effective Date of this Agreement so that the City may pursue grant funds for the construction of the overcrossing. The precise manner of allocating Fee Credits shall be provided in conditions or improvement agreements associated with Subsequent Project Approvals. In addition to the City's standard improvement plan approval process, the Developer shall deliver the preliminary design plans for the City to review and approve these materials at 15%, 30%, and 60% of

completion. The Developer shall reimburse the City for all staff costs of reviewing these materials. The City shall own the 100% construction drawings upon completion.

Subject to the railroad's approval, the Developer agrees to construct the F Street overcrossing at its cost. Notwithstanding the foregoing, if the City is successful in securing any grant funding for the construction of the overcrossing, the City and Developer may meet in good faith to negotiate for the construction and funding of the overcrossing. To the extent Developer constructs the overcrossing, Developer shall be entitled to receive fee credits or reimbursements for the value of the overcrossing improvements that are above and beyond the Project's fair share cost as determined by any future nexus fee study to be conducted by the City.

If the nexus and fee studies contemplating this improvement have not been completed by the time the Developer is ready to commence construction on Project Phase 3 in which the F Street Overcrossing is planned, as shown Exhibit M, then the Developer shall execute the City's standard Fee Reimbursement Agreement, which may be incorporated into any improvement agreements associated with Subsequent Project Approvals. The parties agree to negotiate and memorialize the Project's exact fair-share cost of the overcrossing improvement at this time, provided that the Developer has submitted an engineering estimate of the improvement's cost and the City has reviewed and approved, at a minimum, the 60% designs for the overcrossing and either Party has received the railroad's consent. The City hereby commits that under these specific circumstances, the Developer will be entitled to seek reimbursement of 80% of the cost of constructing the undercrossing improvement.

## **7. TRANSIT**

The Developer shall propose a financial mechanism (acceptable to the City) to provide future membership and funding in perpetuity to Yolo Commute. The Developer shall solely bear the cost of preparing and implementing this financial mechanism. The Developer shall reimburse all staff costs of reviewing these materials, which shall not be credited against any reimbursement owed to the Developer.

The Developer shall solely bear the cost of developing a Transit Service and Facilities Plan (TSF Plan) as described in Mitigation Measure 4.13-3(b) in the Village Farms EIR. The TSF plan shall be led either by Unitrans and YoloBus, or by the City with Unitrans and YoloBus participating as active project partners. The City shall review and approve the TSF Plan, and the Developer shall reimburse all staff costs associated with its processing, which shall not be credited against any reimbursement owed to the Developer.

To further implement Mitigation Measure 3.13-3(b), the Developer shall establish an appropriate funding mechanism to fund transit service and facilities improvements to adhere to Unitrans and YoloBus policies related to unmet transit needs, transit service warrants, and performance standards prior to commencing construction on Phase 1, 2 or 3 as shown in Exhibit M. The Developer shall cover all costs of preparing and implementing this funding mechanism. The funding mechanism shall provide funding for capital costs and on-going operation of transit services. On-going annual fees would be identified and paid by the Developer or the residents to fund necessary transit service and facility improvements. Fees would be assessed on all future project land uses that generate an increased demand for transit services, including residential, commercial, civic, and recreation land uses. The project's funding contributions allocated through the funding mechanism shall be limited to improvements and/or portions of improvements that are attributable to the project's contributions to deficient transit service and/or operations. The Developer shall reimburse all staff costs of reviewing these materials, which shall not be credited against any reimbursement owed to the Developer.

The Developer shall construct at its sole cost the bus shelter described in the Village Farms EIR Project Description (page 3-15) along the north side of Covell Boulevard west of the intersection of L street, pursuant to applicable City standards and specifications.

## **8. AGRICULTURAL LAND, OPEN SPACE AND HABITAT**

The Developer shall solely bear the cost to construct landscaping and trail improvements, in both the 50-foot-wide and 150-foot-wide portions of the UATA as further described in Exhibit H of this Agreement. The Developer shall dedicate the improvements and fee title of the UATA parcel to the City. The Developer shall not receive credit or reimbursement for the value of the real property rights being dedicated.

The Developer shall solely bear all costs associated with establishing a permanent preserve (the “Preserve”) covering the approximately 47.1-acre alkali playa/alkali wetland area shown on Attachment N-1 of this Agreement. The Preserve will be established through the recordation of a habitat conservation easement, deed restriction, or similar habitat protection mechanism (the “Site Protection Instrument”). Developer shall establish, concurrent with the recordation of the Site Protection Instrument, an appropriate funding mechanism (e.g., Community Facilities District, endowment, or other mechanism determined acceptable by the City), to fund the long-term management of the Preserve, and monitoring of compliance with the requirements of the conservation easement, in perpetuity. The Developer shall solely bear the costs of preparing and implementing this funding mechanism. The Developer shall reimburse all staff costs of reviewing these materials, which shall not be credited against any reimbursement owed to the Developer.

The Developer shall solely bear the cost of preparing and implementing the detailed soil restoration plan, topsoil management plan, and farm plan described further in Exhibit H of this Agreement to assure that the Northern Agricultural Area will be restored to an allowed agricultural use. The Developer shall reimburse all staff costs of reviewing these materials, which shall not be credited against any reimbursement owed to the Developer.

At the conclusion of a 5-year period following the deposition of the stockpiled topsoil back to the borrow pit, and implementation of the associated Farm Plan, the City shall retain the services of a qualified agricultural consultant to conduct an assessment to verify as to whether the Northern Agricultural Area is operating as viable agricultural

land as defined in Chapter 40A. At the City's written request at the conclusion of these 5 years, the Developer shall enter into a reimbursement agreement with the City to cover 100% of the staff and consultant costs associated with this assessment.

The Developer shall solely bear the cost of constructing fencing and any other improvements appurtenant to the Preserve Area. These improvements are not considered oversizing for the purposes of this Agreement. The Developer shall not receive credit or reimbursement for the value of these improvements. If the City is required to accept the land as a requirement of the permitting process, this is not considered an oversizing for the purpose of this Agreement and is therefore not eligible for reimbursement.

#### **9. CITY RIGHT OF ACCESS**

Developer agrees to convey an easement, subject to approval by the City Attorney, to ensure continued City access to each monitoring well within the Project Area for the purpose of installing, constructing, operating, maintaining, improving, repairing, or removing and replacing any equipment or facilities at those sites.

#### **10. PARKS AND RECREATION**

The Developer shall dedicate in fee title parkland that meets or exceeds what is required by Section 36.08.040 of the Davis Municipal Code. These acres are dedicated in lieu of payment of the Project's applicable "park in-lieu" or "Quimby fees," as described in Section 36.08.040(e). The Developer shall not receive credit for reimbursement for the value of the land being dedicated to satisfy the applicable Quimby fees, which is approximately 23 acres. Any land dedicated in excess of the Project's obligation under the Quimby Act may be eligible for Fee Credits or reimbursement pursuant to applicable City ordinances and fee programs.

The Developer shall bear the up-front cost of preparing the comprehensive parks plan and final design for both the Neighborhood-serving and Community-serving parks, further described in Exhibit I of this Agreement. The Developer shall reimburse all staff costs of reviewing these materials, which shall not be credited against any reimbursement owed to

the Developer. The Developer shall receive credit or reimbursement for 50% of the value of these materials from eligible sources, including future impact fees collected.

The Developer shall construct the park improvements at Developer's cost; however, the Developer shall be eligible for Fee Credits or reimbursement for the construction of park improvements for up to 100% of all eligible costs pursuant to applicable City ordinances and fee programs. The manner of allocating Fee Credits or determining reimbursement will be provided in the respective Tentative Map conditions and subdivision improvement agreements applicable to Subsequent Project Approvals.

The Parties agree to negotiate and memorialize the Project's exact fair-share cost of the Parks improvement with Subsequent Project Approvals, provided that the Developer has submitted an engineering estimate for the cost of the park improvements and the City has reviewed and approved the comprehensive parks plan and preliminary design (i.e. 30% construction drawings) for both the Neighborhood-serving and Community-serving parks at the time of Tentative Map application.

## **11. MUNICIPAL FACILITIES**

The Developer shall construct and convey fee title to all detention ponds and channels and shall convey any associated access easement for the ponds to the City. The Developer shall not receive credit or reimbursement for the value of these real property rights being dedicated.

The Developer shall not receive credit or reimbursement for the value of any other municipal utility easement it conveys to the City.

The Developer shall dedicate 2.5 acres to the City for public/semi-public uses (the "PSP Parcel"). The Developer shall receive Fee Credits or reimbursement for the appraised fair market value of the PSP Parcel at the time of the dedication from applicable future nexus or fee studies to be conducted by the City and sections of the City's Municipal Code. The City will prepare the appraisal and submit it to the Developer for review and approval which will not be unreasonably withheld. It will be deemed approved within 30 days of submittal to the Developer unless the Developer notifies the City Manager of a desire to

meet and confer regarding the appraisal. The parties will then identify next steps, which may include retaining another appraiser or entering into an agreement regarding the valuation of the property.

The City's expenses incurred to determine and confirm the appraised fair market value will be deducted from any Fee Credits or reimbursement owed to the Developer, as permitted by City ordinances and fee programs.

## **12. WET UTILITIES**

The Developer shall bear the Project's fair share allocation of the cost of the Project's wet utility infrastructure improvements. The City will complete a study identifying system improvements for wet utilities necessary for the Project and other approved projects. The results of the study will determine fair share apportionment, which may be 100% depending on the necessary improvements or number of approved projects. The study will be completed by January 31, 2028.

## **13. ONGOING MAINTENANCE AND OPERATIONS FINANCING MECHANISMS**

Pursuant to the sequencing and triggers described in any future improvement agreements associated with Subsequent Project Approvals, the Developer shall establish financial mechanisms (e.g., landscape and lighting district, community facilities districts, or other mechanisms determined acceptable by the City) to fund the ongoing operating, maintenance, and repair of all land and improvements being dedicated in fee to the City, unless other mechanisms for these purposes have been identified explicitly in other parts of this Agreement or are otherwise addressed with the payment of enterprise fund rates, such as water, sewer or storm drainage

# Attachment L-1

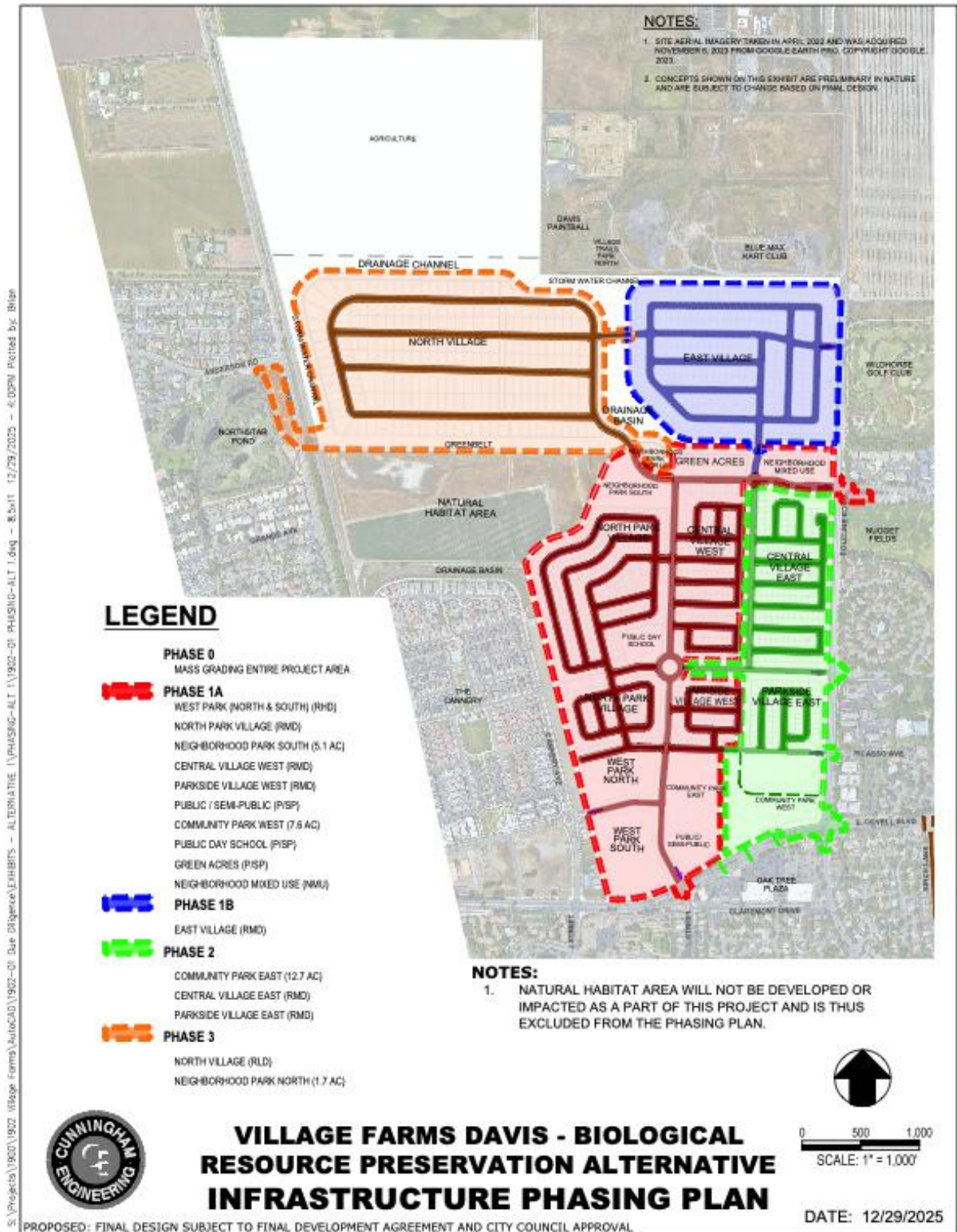
## Village Farms Davis – Infrastructure Cost-Share Projects

Date: 11/19/2025; rev1 11/23/2025; rev2 12/21/2025; rev3 12/23/2025

#	Infrastructure Project	Reasoning/Justification	Share %	Fair Share Calc	Proposed VFD Fair Share	City Share/Prior Contribution
1	F Street Overcrossing	City of Davis Bike Loop/1987 General Plan	City Population vs VFD added Population (4,626/69,000)	6.70%	20%	80%
2	Poleline Undercrossing	City of Davis Bike Loop/1987 General Plan	City Population vs VFD added Population (4,626/69,000)	6.70%	20%	80%
3	Public/Semi-Public Land Dedication		In Kind to costs of ultimate development on site		Appraised valuation of land at time of dedication	
4	Poleline/Covell TS	Covell Corridor Plan	Traffic Count project vs cumulative (VFD = 50.8%)		50%	50%
5	Covell Corridor Signal Optimization	Covell Corridor Plan	Traffic Count project vs cumulative (VFD = 36.2%)		40%	60%
6	Covell Blvd. Frontage Improvements	Covell Corridor Plan	Impact Fees and Community Enhancement Fund Contribution			\$351,300
7	Poleline Road Frontage Improvements	Covell Corridor Plan	Impact Fees and Community Enhancement Fund Contribution			\$426,600
8	Poleline/Picasso TS	Covell Corridor Plan	Traffic Count project vs cumulative (VFD = 80.0%)		80%	20%
9	Poleline/Donner TS	Traffic Study Traffic Impact Allocation	Traffic Count project vs cumulative (VFD = 73.6%)		75%	25%
10	Poleline/Moore RAB	Traffic Study Traffic Impact Allocation	Traffic Count project vs cumulative (VFD = 66.0%)		75%	25%
11	Birch Lane Safe Routes to Schools	Covell Corridor Plan	Impact Fees and Community Enhancement Fund Contribution (VFD = 37.2%)			\$43,200
12	Up Sizing Wet Utilities	Incremental Upsizing	400 LF of 10-in diameter pipe on 2nd St near Cantrill (UPRR) with 12-in diameter		25%	75%
13	Up Sizing Wet Utilities	Incremental Upsizing	600 LF of 10-in diameter pipe on 5th St near Pole Line Rd with 12-16-in diameter		25%	75%
14	Up Sizing Wet Utilities	Incremental Upsizing	600 LF of 8-10-in diameter pipe on Alvarado Ave/Anderson Rd with 12-14-in diameter near W Covell Blvd		25%	75%
15	Up Sizing Wet Utilities	Incremental Upsizing	200 LF of 10-in diameter pipe on Chiles Rd near Well 32 with 12-in diameter		25%	75%

## EXHIBIT M

### PHASING PLAN



## **EXHIBIT N**

### **WETLANDS**

Developer will establish a permanent preserve (the “Preserve”) covering the approximately 47.1-acre alkali playa/alkali wetland area shown on Attachment O-1 (the “Preservation Area”). The Preservation Area will be established through the recordation against the Preservation Area of a conservation easement, deed restriction or similar habitat protection mechanism complying with the requirements of Chapter 4 (commencing with Section 815) of Title 2 of Part 2 of the Civil Code (the “Conservation Easement”).

The Conservation Easement will be recorded in favor of a party qualified to hold conservation easements as set forth in Section 815 *et seq.* of the California Civil Code (the “Easement Holder”) and accompanied by a long-term management plan (the “Management Plan”) that will require the Preservation Area to be managed in a fashion that protects the long-term viability of the alkali playa/wetland complex that the Preservation Area was established to protect. The Conservation Easement will be recorded in the office of the clerk-recorder for Yolo County as and when required by the agency permits described below.

The Easement Holder will be responsible, in perpetuity, for (i) the management of the Preservation Area as set forth in the Management Plan (which management may be contracted out by the Easement Holder to a professional land manager) and (ii) monitoring compliance with the terms of the Conservation Easement. The Easement Holder’s responsibilities will be funded by the Developer through the establishment of an endowment or endowments adequate for that purpose that meet the requirements of, and are held by a third party qualified to hold endowments under, Chapter 4.6 (commencing with Section 65965) of Title 7, Division 1 of the California Government Code. The endowment or endowments will be funded at the time of recordation of the Conservation Easement.

Provided the management of the Preservation Area remains the responsibility of the Easement Holder as described above, the City will accept dedication of fee title to the Preservation Area subject to the terms and conditions of the Conservation Easement, which dedication and acceptance will occur at the time of recordation of the Conservation Easement. The City understands that, because of the environmental sensitivity of the alkali playa/wetland complex, the permitting agencies are unlikely to allow the Preservation Area to be used for active or passive recreational uses.

The Preservation Area may, at the option of Developer, be used as compensatory mitigation for the Project's impacts to sensitive habitat as set forth in permits issued by the Army Corps of Engineers, the U.S. Fish and Wildlife Service, the Central Valley Regional Water Quality Control Board or the California Department of Fish and Wildlife. The precise boundaries of the Preservation Area, the terms of the Conservation Easement and the Management Plan, the structure and amount of the endowments, will be established in consultation with the permitting agencies, the Easement Holder, the endowment holder and, as the prospective holder of fee title to the Preservation Area as described above, the City of Davis.



**EXHIBIT O**  
**COMMUNITY BENEFITS**

This Exhibit memorializes the community benefits provided by the Village Farms Davis BRPA project (“Project”). The Project includes a comprehensive set of public benefit commitments that enhance the long-term sustainability, livability, and fiscal health of the City. The following sections summarize the Project’s community benefits that go beyond what is required by environmental documents or any existing code, standards, or specifications that may be imposed on the Project as of the Effective Date of this Agreement.

**1. SUMMARY OF COMMUNITY BENEFITS**

- A.** DJUSD Land Dedication for a Pre-K Early Learning Center/Educational Farm
- B.** Building Electrification
- C.** Sales Tax Place of Sale
- D.** Excess Storm Water Capacity

**2. DETAILED COMMUNITY BENEFIT COMMITMENTS**

**A. DJUSD Land Dedication for a Pre-K Early Learning Center and for an Educational Farm**

The Developer will dedicate approximately 2.4 acres to the Davis Joint Unified School District (DJUSD) for an Early Childhood Education Center or other school program, as governed by a Memorandum of Understanding (MOU) between Developer and DJUSD. The Developer will also dedicate approximately 2.8 acres to the Davis Joint Unified School District (DJUSD) for the purpose of establishing an Educational Farm, which the MOU also governs. This dedicated land must be suitable for construction and meet the California Department of Education school siting criteria. As specified in the MOU, the Developer is obligated to provide utility connections and initial grading for the parcel. Should this offer of dedication and its related agreements not be accepted by DJUSD within ten (10) years, the underlying land may be developed with urban uses in

accordance with the Project Approvals. While the City of Davis is not a party to these agreements, the City retains the ability to withhold any Subsequent Project Approvals if, upon request, the Developer cannot provide evidence of reasonable and good-faith efforts to transfer the land to DJUSD or comply with their obligations in the MOU.

**B. All- Electric Buildings**

The Developer commits to no use of natural gas for the Project. All buildings will be designated for full electrification. This commitment aligns with the City's adopted Climate Action and Adaptation Plan's goal to transition to high-efficiency, zero-carbon homes and buildings. It implements a voluntary task identified as part of achieving this goal.

**C. Edible Landscaping**

Developer shall encourage the use of edible landscaping on private property within the Project.

**D. Sales Tax Place of Sale**

To the extent permitted by federal, state, and local law and upon approval of the Project, Developer shall designate the Property as the "Place of Sale" for the purposes of designating the retail sales location and calculating the sales tax obligations. A covenant or other instrument acceptable to the City Manager and City Attorney shall be recorded recognizing this commitment.

**E. Excess Stormwater Capacity**

To implement comprehensive stormwater management improvements to contain flows to pre-project levels and provide excess stormwater storage capacity available to address regional needs, the Developer shall dedicate a drainage/flood easement across the excavated portions of this area, as generally shown on Attachment H-4, included below.

**F. Picasso Road Traffic Calming**

The applicant agrees to provide the City with funding up to \$100,000 and implement traffic calming measures on Picasso Road. The exact improvements will be described in Subsequent Project Approvals but shall include a combination of speed tables and speed

humps. These improvements shall be made prior to the construction of the traffic signal at Picasso and Pole Line, which shall also be provided as a condition of approval on the Phase 2 Tentative Map.

**G. Grade-Separated Crossing of Covell Blvd connecting to the Oak Tree Plaza and Local Schools**

The Developer shall prepare a feasibility study for up to two locations for the grade-separated crossing of Covell Blvd. connecting the Oak Tree Plaza and local schools (the “Feasibility Study”). Prior to entering into a contract for the Feasibility Study, the Developer shall provide the scope of work to the City Manager for the City Manager’s review and approval, which shall not be unreasonably withheld. The Developer shall provide the scope of work for the Feasibility Study to the City Manager for review and approval with sufficient review time to allow for the scope of work to be presented to the City Council for discussion. The Feasibility Study is a critical assessment of the practicality and viability of the City's construction of a grade-separated crossing over Covell Blvd. The Feasibility Study’s scope of work, at minimum, shall evaluate the constraints associated with the crossing location, recommend an overcrossing or undercrossing, and provide a planning-level cost estimate for the design and construction of the crossing, including utility relocation and right-of-way acquisition. This Feasibility Study shall be completed prior to the end of Phase 2 as shown in Exhibit M.

**3. IMPLEMENTATION AND MONITORING**

The Project’s community benefits shall be implemented consistent with the phasing plan set forth in Exhibit M to this Agreement. The Developer shall provide periodic reporting to City staff documenting compliance with community benefit obligations, and work cooperatively with the City to monitor implementation.