



CITY OF STOCKTON, CALIFORNIA
Community Development Department/Planning Division
345 North El Dorado Street
Stockton, CA 95202

Hearing Date: December 12, 2013

Item Number: 5.02

File Number(s): P10-225

Application Type(s): Environmental Impact Report;
Specific Plan;
General Plan Amendment;
Rezoning;
Eight Mile Road Precise Road Plan
Amendment;
West Lane Precise Road Plan
Amendment;

PLANNING COMMISSION STAFF REPORT

Project Name Bear Creek East Specific Plan

Project Planner: Michael McDowell

Council District: N/A

Application Information

Property Owner (s): MCD South Parcel, LLC
MCD North Parcel, LLC

Pacific Bell Corp.(AT&T); Woodside Teresi, LLC
Central California Financial, LLC, Sacramento & San Joaquin
Drain District, Western States Land, LLC, UPRR

Applicant(s): MCD South Parcel, LLC
MCD North Parcel, LLC

Location: Bounded to the north by Eight Mile Road; west by West Lane; south by Bear
Creek; east by City of Stockton

Address: N/A
Existing General Plan: Low Density Residential
High Density Residential
Commercial and Industrial
Proposed General Plan: Low Density Residential
Medium Density Residential
High Density Residential
Administrative Professional
Industrial
Commercial
Elementary School
Parks and Recreation
Open Space

Master APN: 120-020-02

Existing Zoning: N/A

Proposed Rezoning: Residential, Low Density
Residential, Low-Medium Density
Residential, High-Medium Density
Residential, High Density
Commercial, Office
Commercial, General
Industrial, Limited
Open Space
Public Facilities

Project Area: 317.3 acres

Prop. Dwelling Units: Min.1,557- Max.2,122
Prop. Office: 41,800 square feet
Prop. Retail: 93,200 square feet
Prop. Indust: 95,800 square feet

Surrounding General Plan / Zoning / Land Uses

North:	Village	N/A (County Zoning AG-40)	Agriculture, Industrial
East:	Industrial	IL (Industrial, Limited)	Cannery Park Master
	Low Density Residential	RL (Residential, Low Density)	Development Plan
South:	Low Density Residential	N/A (County Zoning AU-20)	Agriculture
West:	Village	N/A (County Zoning AU-20)	Agriculture

CEQA Determination Environmental Impact Report (State Clearinghouse No. 2005122001)

RECOMMENDATION

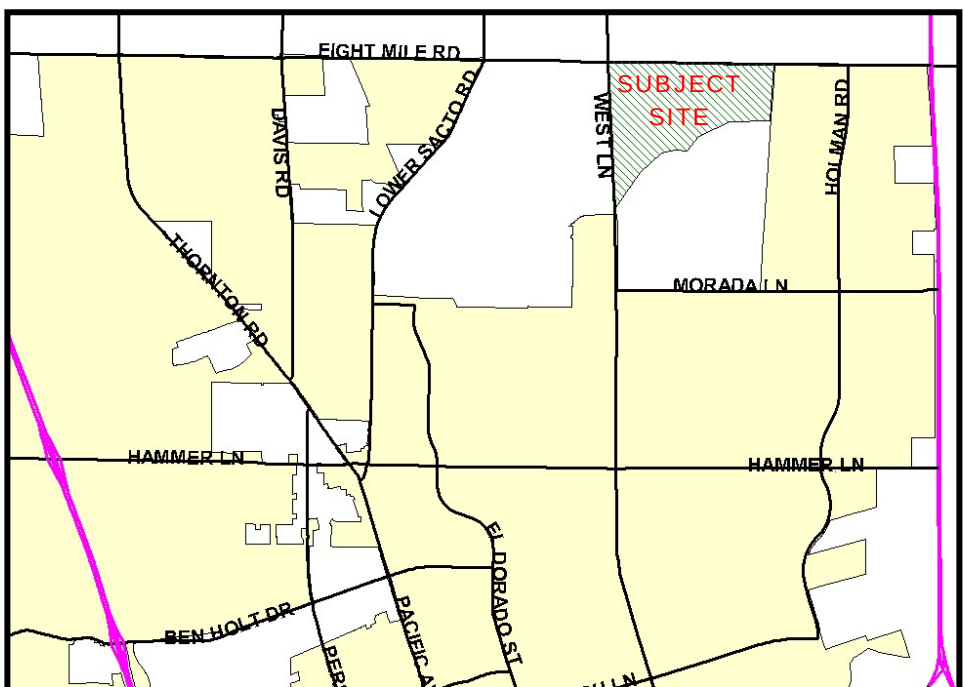
It is recommended that the Planning Commission make a recommendation to the City Council, based on the findings for decision, as follows:

- a. Certify the Final Environmental Impact Report and adopt the Findings of Fact, Statement of Overriding Considerations, Mitigation Monitoring and Reporting Program for the Bear Creek East Specific Plan project, prior to, or in conjunction with, any applicable discretionary approvals for this project;
- b. Approve a General Plan Amendment to reconfigure Low High Density Residential, Commercial, and Industrial designations and add proposed Medium Density Residential, Administrative Professional, Parks and Recreation, Open Space, and an elementary school symbol;
- c. Adopt the Bear Creek East Specific Plan specifying project land use requirements for property located east of east of West Lane, south of Eight Mile Road, west of the Union Pacific Railroad, and north of Bear Creek;
- d. Approve Prezoning to RL, Residential Low Density; RLM, Residential Low-Medium Density; RHM, Residential High-Medium Density; RH, Residential High Density; CO, Commercial, Office; CG, Commercial, General; IL, Industrial, Limited; OS, Open Space; PF, Public Facilities;
- e. Approve an Amendment to the Eight Mile Road Precise Road Plan; and
- f. Approve an Amendment to the West Lane Precise Road Plan.

Project Summary

Planning applications have been filed by MCD North Parcel, LLC and MCD South Parcel, LLC for a proposed Specific Plan entitled "Bear Creek East Specific Plan" for a mixed-use community with a range of housing types and densities, commercial, industrial, and office uses and community amenities, including parks and open recreational space; a General Plan Amendment to change the Land Use and Circulation Map, Amendments to the Eight Mile Road and West Lane Precise Road Plans, Prezoning, Annexation, a Development Agreement and Environmental Impact Report.

Vicinity Map



DISCUSSION

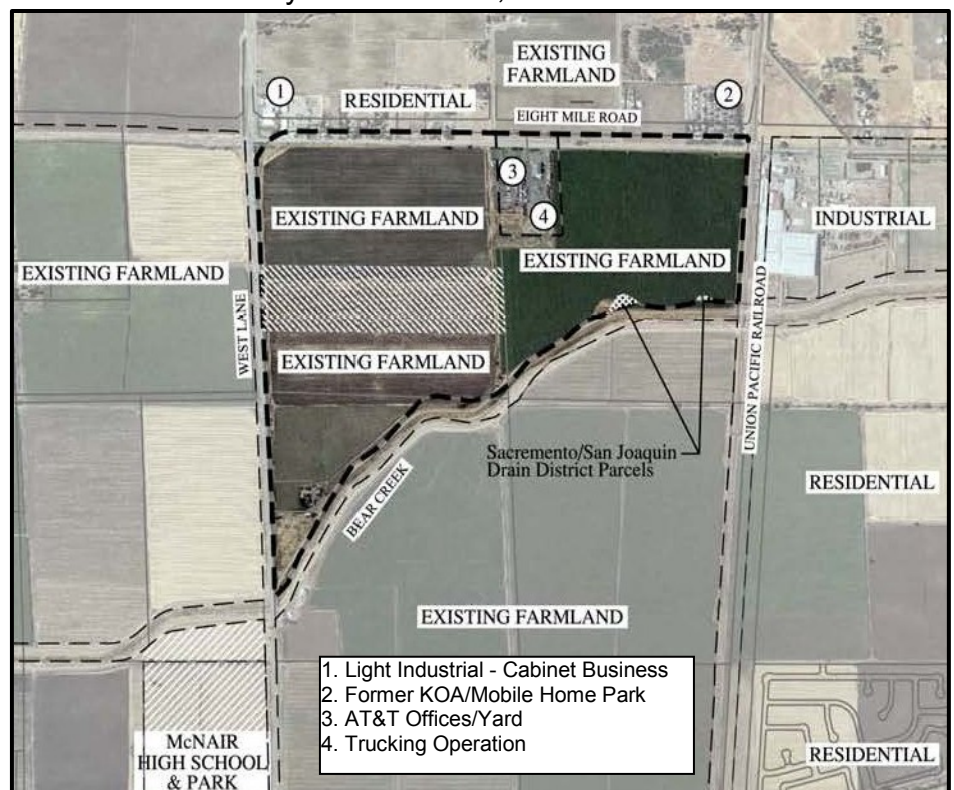
Setting

The Bear Creek East Specific Plan (BCESP) project site consists of 317.3 gross acres that is located within the urban planning area defined in the Stockton General Plan and within the City's sphere of influence on unincorporated territory of San Joaquin County.

The Plan area is bounded to the:

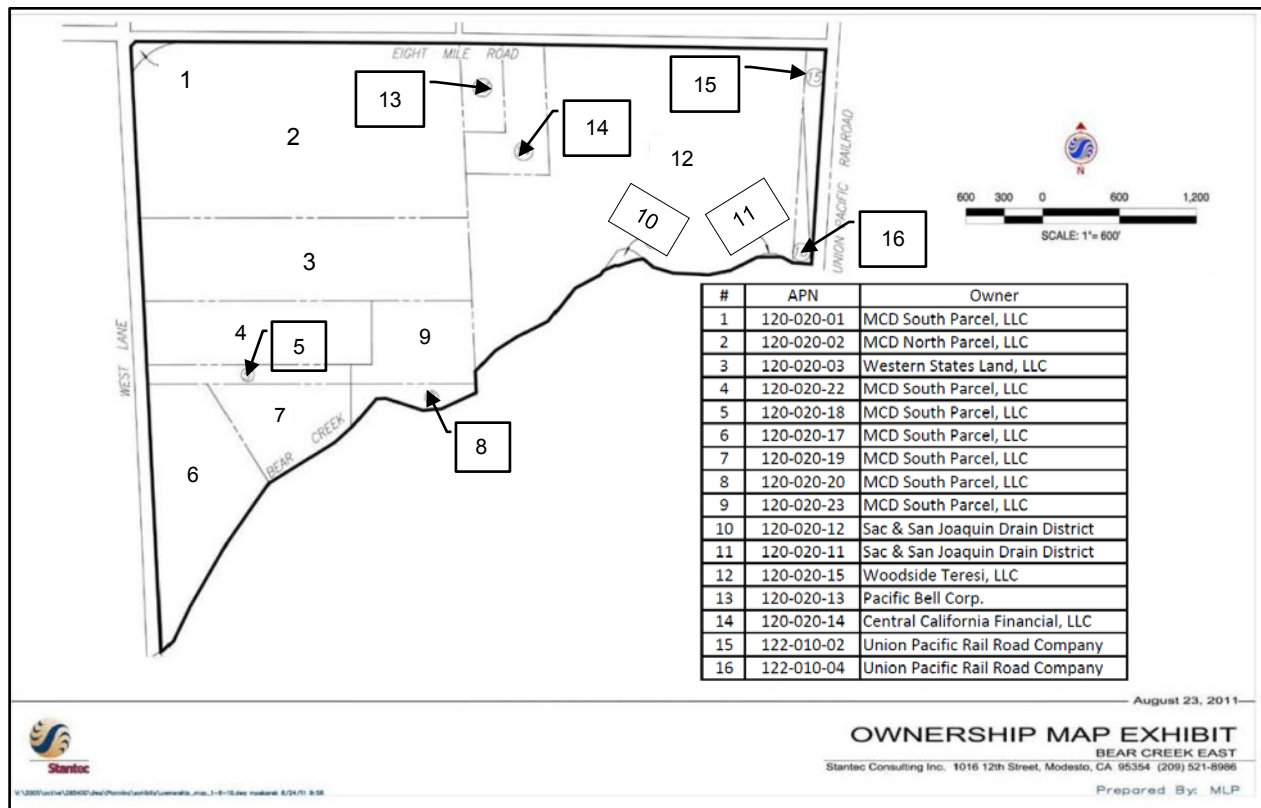
- ❖ north across Eight Mile Road by rural residential, agricultural farm land, and one cabinetry business located in the unincorporated San Joaquin County jurisdiction, designated in the City's General Plan as Village land use;
- ❖ west across West Lane by vacant undeveloped land and agricultural farm land located in the unincorporated San Joaquin County jurisdiction, designated in the City's General Plan as Village land use;
- ❖ south across Bear Creek by agricultural farm land located in the unincorporated San Joaquin County jurisdiction, designated in the City's General Plan as low density residential land use; and
- ❖ east across the Union Pacific Railroad tracks by industrial, office and residential use, zoned Industrial, Limited (IL) and Residential Low Density (RL) within a Master Development Planned area referred to as Cannery Park.

The project site is composed of ten parcels totaling 317.3 gross acres. The majority of this area is agricultural land that has been repeatedly cultivated and replanted. There are two existing light industrial uses within the northerly BCESP area, both of which are located to the east of the future Eight Mile Road and Ham Lane intersection. AT&T operates a maintenance facility that consists of a 20,800 square foot building and surrounding parking on a 5.3 acre site. Immediately east of the AT&T property is a site used by a trucking company located on approximately 10.3 acres and includes a 15,000 square foot building with approximately 1/3 of the site used for truck parking and storage.



Current Ownership and Williamson Act Contracts

The BCESP Site is primarily owned by the project applicants, MCD North Parcel, LLC and MCD South Parcel, LLC. Currently 38.3 acres of agricultural land (one parcel) is under a Williamson Act Contract. The Williamson Act Contract was originally executed in 1973. In April 2004, a notice of non-renewal was recorded and the property owner will likely allow the contract to expire in April 2014.



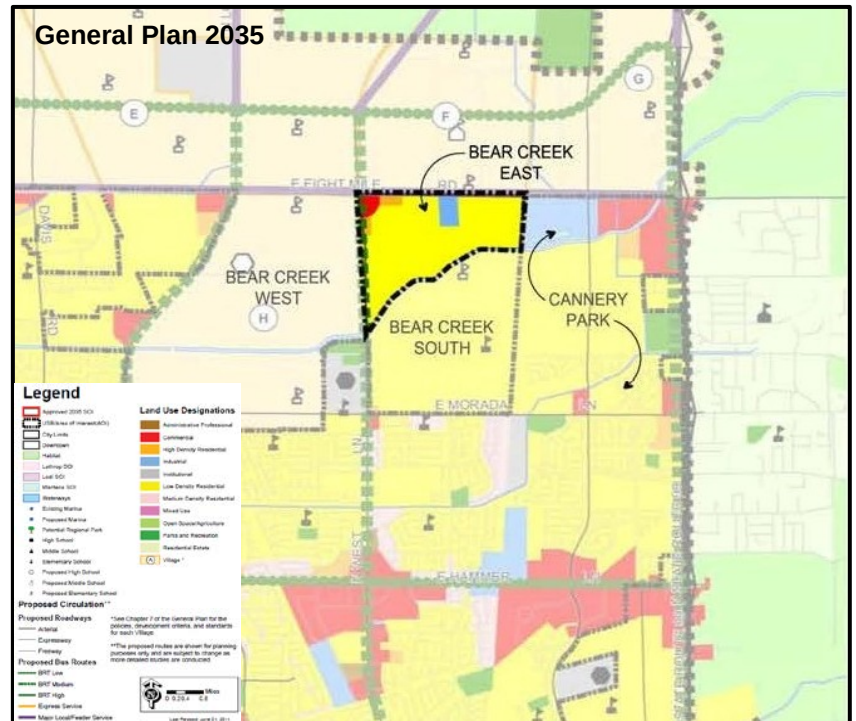
Background

History and Planning Context for the Project

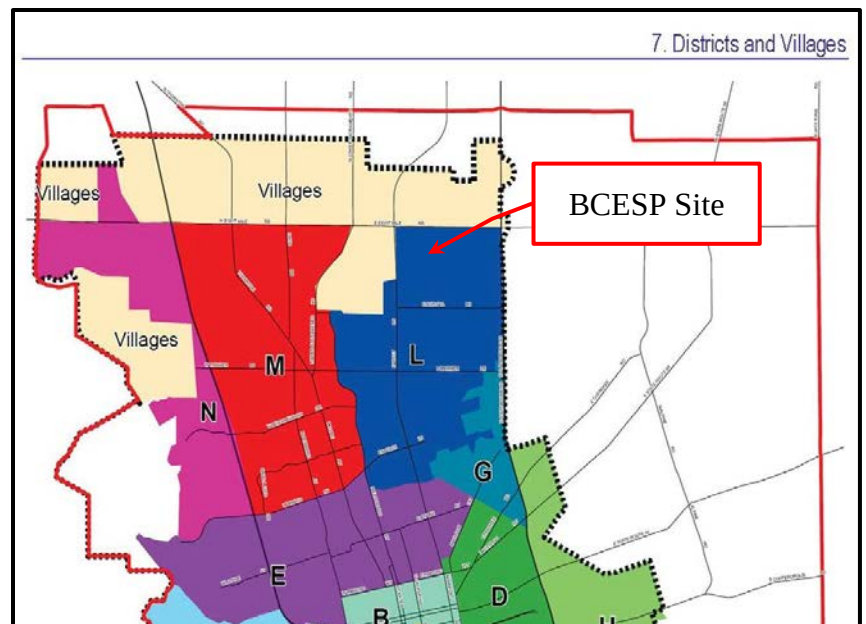
The BCESP project area has been included in the City's future growth area and urban service area boundary since the adoption of the 1990 General Plan. Eight Mile Road was considered the northerly boundary, and east of State Highway Route 99 and west of Interstate 5 were the easterly and westerly boundaries, respectively, for the 1990 General Plan. The BCESP properties were designated primarily as low-medium density residential and industrial land use, along with some limited high density residential and commercial land uses at the northwesterly corner of West Lane and Eight Mile Road. Since the adoption of the 1990 General Plan, much of the northerly land identified as future urban growth has been developed up to Eight Mile Road.

The current adopted General Plan 2035 identifies a similar mix of land use designations for the BCESP properties as those identified in the prior 1990 General Plan. Approximately 283 acres are designated as Low Density Residential, 12 acres as High Density Residential, 6 acres as Commercial, and 16 acres as Industrial land use.

The 2035 General Plan further identifies the BCESP project site as being bounded within a planning district (West Lane District), which extends as far south as the Calaveras River, east to State Highway Route 99, north to Eight Mile Road and west to West Lane, and west of West Lane just south of Morada Lane. Planning “districts” are characterized in the General Plan as neighborhoods and corridors within the developed community. The West Lane District is primarily developed or within some stage of development except in its northerly portion, which includes the BCESP project area, an area referred to as Bear Creek South (planning applications in process) and several other large undeveloped properties collectively referred to as Bear Creek West that have yet to be annexed.



Although the BCESP project site is considered to be within a District in the General Plan 2035 framework, this project also embraces the “Village” planning concept in the General Plan. Village planning areas are a concept that provides for a mix of residential densities and housing types, neighborhood commercial, schools, parks, and public pedestrian trails and recreation uses. The General Plan identifies key features of the Villages which include the establishment of land use flexibility, allowing for the



innovative mix of land uses, having prescribed performance standards to ensure an appropriate mix of land uses and densities, and taking advantage of multi-modal concepts and incorporation of multi-modal transit corridors. The General Plan identifies Village Planning areas to the west and north of the BCESP project site.

In the Districts and Villages Section (7) of the General Plan, Specific Plans are identified as a means to facilitate a focused planning effort for large development areas in which infrastructure, land use relationships, land use intensities, public service needs, and resource protection goals can be carefully examined and planned in a comprehensive manner; The Stockton Development Code (Chapter 16.156) identifies the methods of preparation and content of Specific Plans, which also must adhere to statutory requirements defined by the Government Code (65451), all of which were followed for the preparation of the BCESP. At minimum the Development Code requires the following information:

- A. **Proposed Land Uses.** The distribution, location, extent, and timing and phasing of land uses proposed within the area covered by the specific plan, including open space areas;
- B. **Infrastructure.** The proposed distribution, location, extent, and intensity of major components of public and private drainage, energy, sewage, solid waste disposal, circulation/transportation, water, and other essential facilities proposed to be located within the specific plan area and needed to support the proposed land uses;
- C. **Land Use and Development Standards.** Standards, criteria, and guidelines by which development would proceed, and standards for the conservation, development, and utilization of natural resources, where applicable;
- D. **Implementation Measures.** A program of implementation measures, including regulations, programs, public works projects, and financing measures necessary to carry out the proposed land uses, infrastructure, and development and conservation standards and criteria;
- E. **Relationship to General Plan.** A discussion of the relationship of the specific plan to the objectives, policies, general land uses, and programs of the General Plan; and
- F. **Additional Information.** The specific plan shall contain any additional information determined to be necessary by the Director based on the characteristics of the area to be covered by the specific plan, applicable policies of the General Plan, or any other issue(s) determined by the Director to be significant.

Environmental Determination

The City distributed a Notice of Preparation (NOP) of an Environmental Impact Report (EIR) for the proposed project on November 30, 2005. The NOP was distributed for a 30-day comment period that ended December 30, 2005. Comments on the NOP were considered in the preparation of the EIR.

The Draft Environmental Impact Report (DEIR), State Clearinghouse No. 2005122001, was distributed to various public agencies, citizen groups and interested individuals for a 45-day public review period, from November 1 through December 19, 2011. This project EIR is intended to provide environmental clearance under the California Environmental Quality Act (CEQA) for the BCESP, supporting planning approvals, and implementation of the Plan.

If an application for future development deviates from the BCESP, a mitigated negative declaration, negative declaration, subsequent EIR, supplemental EIR, or an addendum to the project EIR may be required, to the extent that the specific details of the proposal disclose facts or conditions that were not available when this BCESP was adopted or the EIR certified (Sections 15162, 15163 and 15164 of the CEQA Guidelines).

A Final Environmental Impact Report (FEIR) has been prepared (dated May 29, 2013), pursuant to the requirements of CEQA Guidelines Section 15132. In short, the Final EIR incorporates the Draft EIR by reference and provides an overall summary of the Draft EIR, comments received concerning the Draft EIR and responses to substantive comments, Errata to set forth required revisions to Draft EIR, and copies of all transmittals of documents.

CEQA Findings of Fact and Statement of Overriding Considerations, and a Mitigation Monitoring and Reporting Plan for the BCESP have been prepared per the requirements of CEQA Guidelines Sections 15091 and 15093. In summary, mitigation measures are identified in the FEIR to reduce Project impacts to less than significant levels. Several environmental areas remain with significant and unavoidable impacts, including aesthetics, agricultural resources, air quality, noise, traffic which require consideration of Findings for approval of overriding considerations. (See Attachment 1).

Public Notification

In accordance with the Stockton Development Code Section 16.88.030, public hearing notices were mailed to all owners of property within 1,000 feet (required for Specific Plans) of the project site, the property owner, and the applicant. A legal ad was published in the Stockton Record at least 10 days prior to this Public Hearing (See Attachment 2).

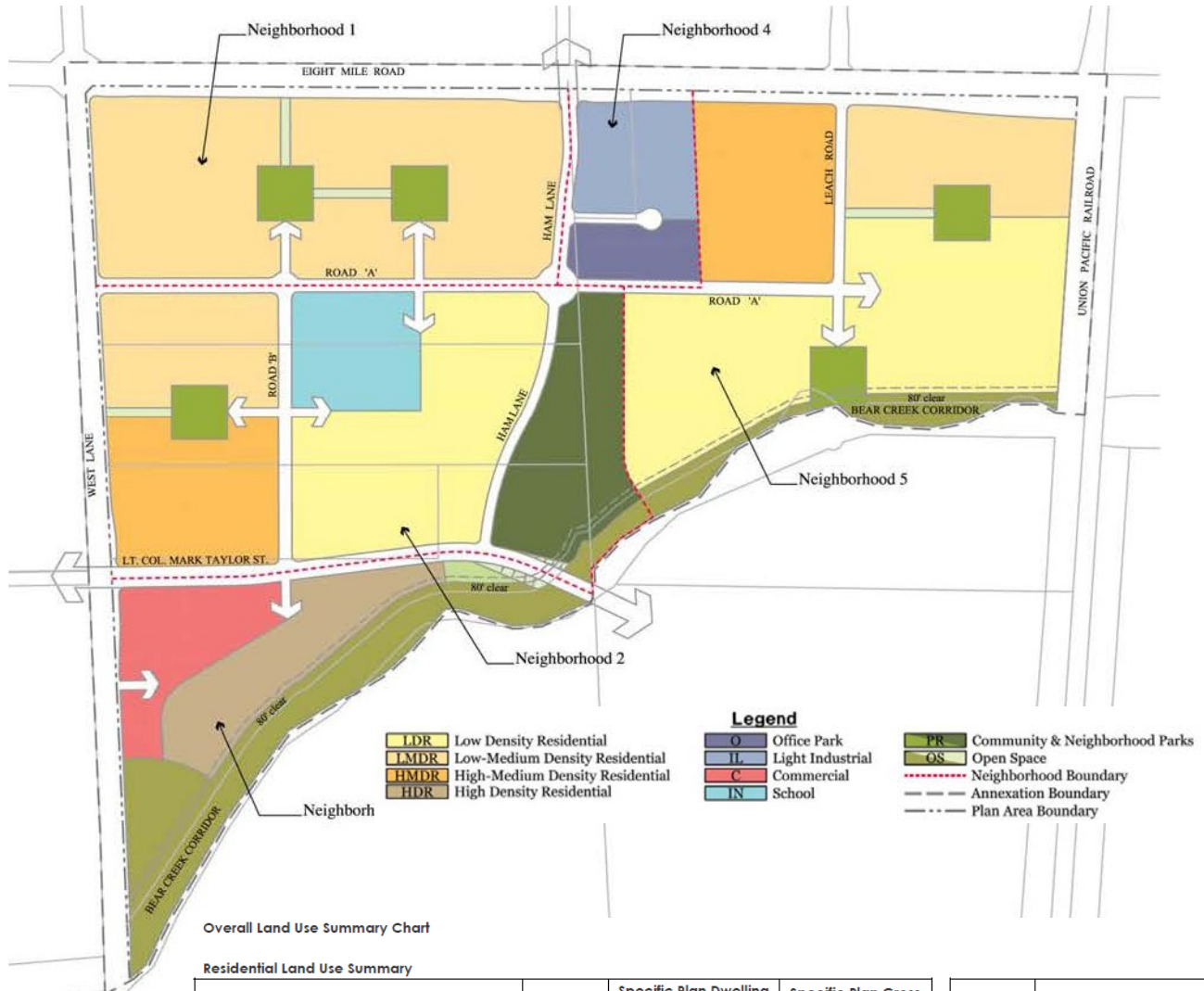
Project Description

The BCESP proposes a mixed-use community, which may have approximately 6,559 total residents, with a range of housing types and densities, and community amenities, including public open space and recreation. The entire BCESP property, which extends into a portion of Bear Creek, totals 317.3 acres. The BCESP provides for development of a minimum of 1,557 to a maximum of 2,122 residential units, which includes 249-304 attached high density multi-family units, 93,200 square feet of retail commercial, 41,800 square feet of office space, and 95,800 square feet of light industrial development. Further the BCESP provides for a 10 acre elementary school site to be developed by the Lodi Unified School District, and approximately 25.1 acres of parks and trails, including the centrally located community park. An additional 29.4 acres would be dedicated to drainage detention, common area landscaping buffer area, a creek corridor and other open space; and 34.1 acres would be dedicated to major roadways within and on the frontage of the BCESP at Eight Mile Road and West Lane (See Attachment 3).

The Land Use and Circulation Plan below shows the land use organization and the major roadway circulation system. The BCESP defines five distinct neighborhoods within the Plan Area, plus the Community Park, each centered around a distinct community feature and containing various combinations of residential, commercial, office, industrial, public facility,

park and open space. The overall land use summary chart below identifies the minimum and maximum dwelling unit ranges for the proposed residential development and the estimated intensity of non-residential development.

Land Use Plan:



Residential

The BCESP requires a variety of housing types with four zoning categories (Low, Low-Medium, High-Medium and High) intended to provide living opportunities for a variety of lifestyles and price ranges including:

- ❖ The Residential, Low-Density (RLD) provides for a range of 4.9 to 6.5 gross dwelling units per acre which allows for a mix of lot types including various lot widths and depths containing more traditional housing sizes. This zoning is located more internal to the project site adjacent to the Community Park, Elementary School and Bear Creek open space corridor.
- ❖ The Low-Medium Density Residential provides for a range of 7.0 to 11.5 gross dwelling units per acre which may be small lot or cluster type homes. This zoning is located on the perimeter of the site for greater proximity to the planned transit corridors on Eight Mile Road and West Lane.
- ❖ High-Medium Density Residential provides for a range of 13.0 to 14.7 gross dwelling units per acre may include attached and detached unit types including but not limited to townhomes, semi-detached patio homes and multi-plex units. This zoning is located on the perimeter of the site for greater proximity to the planned transit corridors on Eight Mile Road and West Lane.
- ❖ High Density Residential provides for a range of 19.0 to 23.2 gross dwelling units per acre and is intended to consist of primarily attached housing types of two to three stories, including multi-family garden apartments and condominiums. This zoning use is strategically located adjacent to the commercial zoning use, open space and planned major transit corridor along West Lane.

Commercial

Commercial, General use would consist of up to 93,200 square feet of retail space with an estimated floor area ratio (FAR) of 0.2 and is expected to serve local and non-local drive by traffic as well as walking and bicycle traffic from the Bear Creek corridor trail system. Typical uses may include neighborhood grocery stores, drug stores, retail stores, and restaurants, providing goods and services for the surrounding community.

Commercial, Office use would consist of up to 41,800 square feet of office space with an estimated FAR of 0.2 and is expected to serve local residents, while creating potential jobs for the residents within the BCESP area as well as the surrounding community. These uses may include banks and financial services, business support services (i.e. cafes, copy centers) among other office uses.

Industrial

Industrial, Limited use could consist of up to 95,800 square feet of industrial building spaces with an estimate FAR of 0.25 and is expected to serve local residents, while creating potential jobs for residents within the BCESP area as well as the surrounding community. These uses may entail research and development, light manufacturing and assembly and professional office. The two existing businesses, AT&T and a trucking facility, presently located within this zoning area would be permitted to continue indefinitely as conforming uses under the Light Industrial designation.

Public Facilities

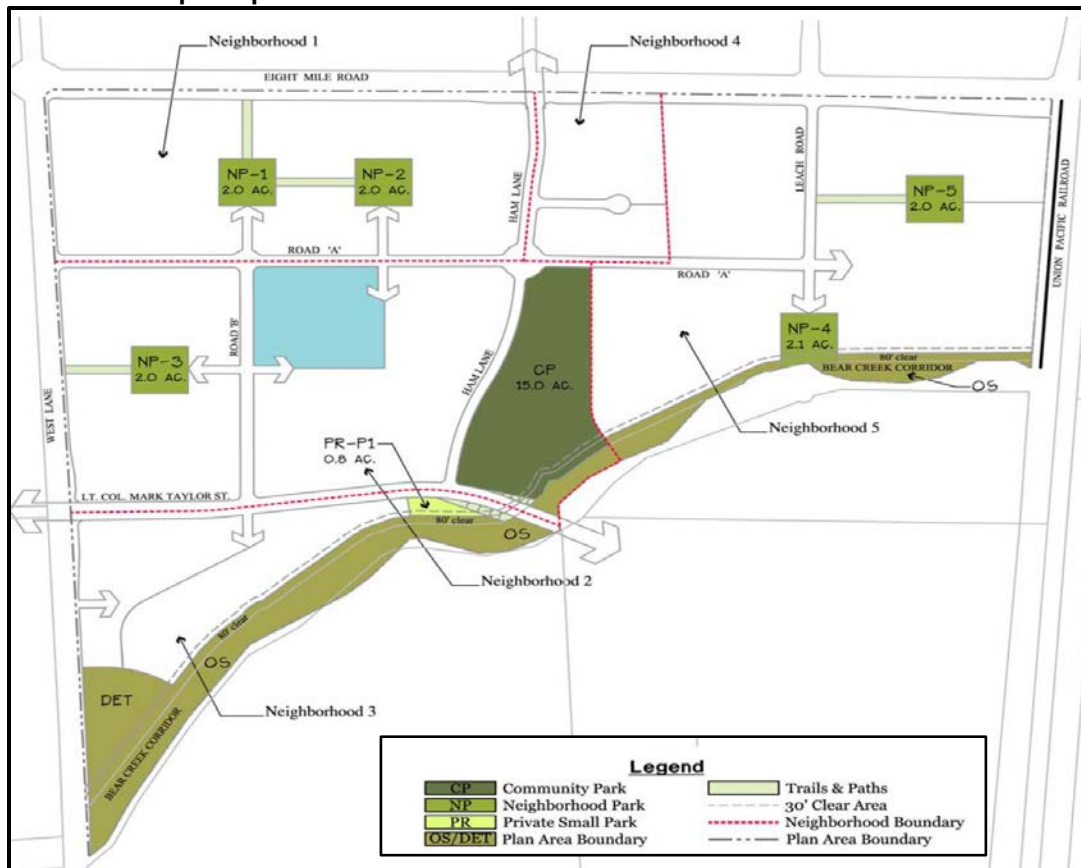
Public Facilities use is being proposed to allow for a future elementary school site in conjunction with the Lodi Unified School District (LUSD). Based on the LUSD generation rates, the BCESP project is expected to produce a maximum of 529 new elementary school students. The proposed school site is centrally located within the site with direct vehicular and pedestrian access to the school from surrounding neighborhoods. The BCESP is expected to produce 185 middle and 359 high school students based on the projected resident population, which would be expected to attend existing schools outside of the Plan Area.

Public Facilities use is also being proposed to designate the planned 15 acre Community Park site, which would be the central public gathering space within the BCESP Area and serve the greater surrounding community. Besides serving as the major urban green space within the project, the Community Park would provide linkage to the Bear Creek open space corridor.

Parks and Open Space

The BCESP envisions a diversity of park sizes and types from the larger Community Park (15 acres) to Neighborhood Parks (between 2 to 4.1 acres) for a combined total of 47.4 acres. The smaller Neighborhood Parks are distributed out within the majority of the neighborhoods. The BCESP proposes an open space system that accommodates an enhanced pedestrian and bicycle corridor along the Bear Creek Corridor, taking advantage of the existing levee system.

Parks and Open Space Plan:



Open Space

The open space system comprises the following landscape levels:

- ◆ **Trails:** The existing Bear Creek Levee system provides an opportunity to provide an enhanced 12' wide open space trail atop the levee for pedestrians and bicyclists and an 8' wide meandering pathway within the green belts that run along the toe of the levee. The Bear Creek Trail would be designed to connect future development areas west and south of the Plan Area.
- ◆ **Connectors:** Open space connectors consisting of off-street paths and linear paseos with passive rest/seating areas within the Plan Area would provide both regional and local links to parks, neighborhoods, services, and amenities.

Parks

Per the City's 2035 General Plan, new development is required to provide five acres of parkland for every 1,000 residents, with 60 percent of this parkland (three acres per 1,000 population) configured into "traditional" parks that are at least five acres in size. For a park to qualify as "parkland" it must be accessible to the general public. The BCESP is expected to have approximately 6,559 residents, resulting in a requirement of 32.8 acres of parkland, comprised of 19.7 acres of traditional parks and 13.1 acres of non-traditional parks.

The BCESP exceeds this total by providing approximately 47.4 acres of parkland, as outlined below. Although the proposed 15 acres of traditional parks does not quite meet the standard of 19.7 acres, the Specific Plan is intended to allow for some flexibility from the Standards to accomplish a balance of desired components in the Project.

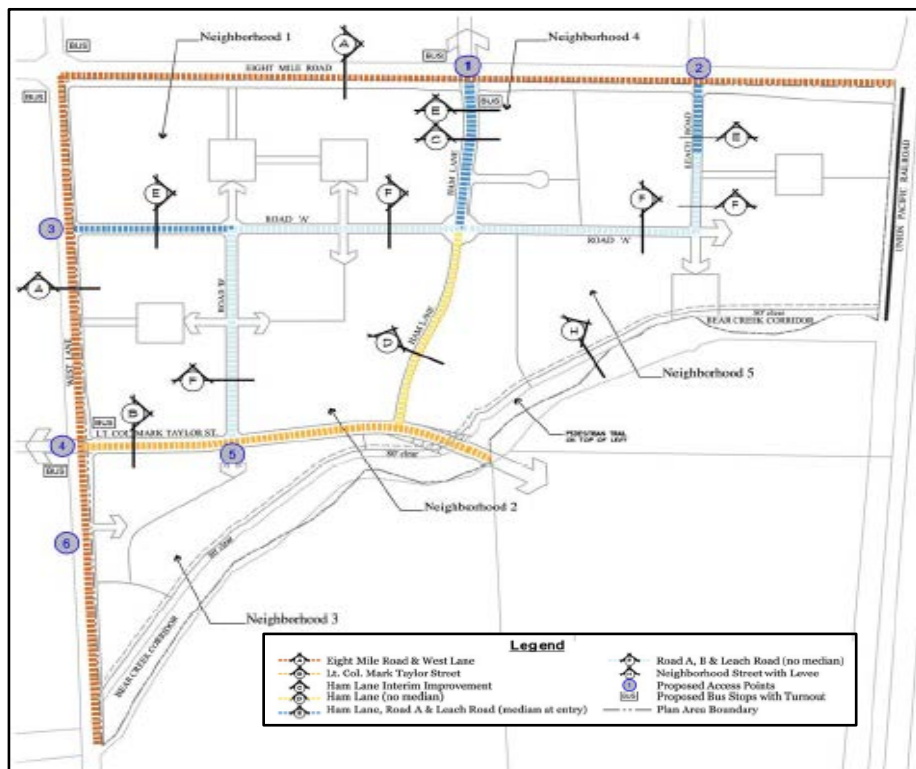
- ❖ **15 acres** of traditional parks, which consists of the Community Park.
- ❖ **10.1 acres** of non-traditional neighborhood parks.
- ❖ **22.3 acres** of other open space, trails and a small pocket park

Circulation

Public street access to the BCESP site would be available from the north from Eight Mile Road, which connects to Interstate 5 and State Route 99. Additionally, the site is accessible from West Lane, which is a major north/south connector within and outside of the City. The BCESP proposes access from five locations along Eight Mile Road and West Lane. Since Precise Road Plans were adopted by Council in the mid 1990's for Eight Mile Road and West Lane, amendments to these Plans are necessary to address the request for new site access and modifications to any previously planned access.

The circulation network within the project primarily consists of a grid type system with spine collector roadways running east/west and north/south. Ham Lane would serve as the primary northern entryway into the Bear Creek Community with full access proposed at Eight Mile Road. Lt. Coronel Mark Taylor Street would serve as the main southerly entryway into the Bear Creek Community with full access proposed at West Lane. Both of these roadways are planned to extend into and serve adjacent development areas surrounding the BCESP Area, and would necessitate a future bridge crossing over Bear Creek.

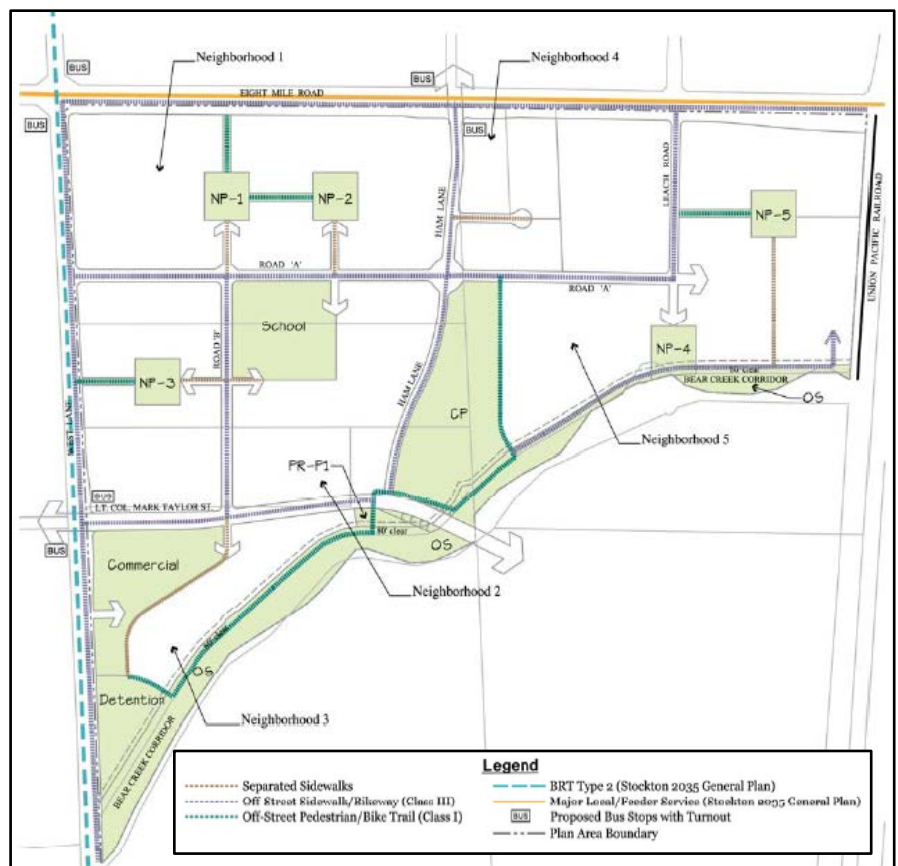
Major Circulation:



Public Transportation

The San Joaquin Regional Transit District (SJRTD) would be the principal public transportation service serving the BCESP site. The General Plan identifies Eight Mile Road and West Lane as planned transit corridors, with West Lane designated as a future bus rapid transit (BRT) corridor and Eight Mile Road designated as a future major feeder corridor. SJRTD does currently operate a BRT line on West Lane from the downtown to south Stockton, however, since the City does not own or operate the public transit system, there is no certainty as to the potential timing of having a functional transit service to the Bear Creek site.

Bicycle, Pedestrian and Bus Transit:



The BCESP provides a plan for bus transit, in conjunction with bicycles and pedestrians that focuses on the potential opportunity for having transit access along West Lane and Eight Mile Road in the future. The circulation pattern in the Plan is designed to facilitate optimum linkages for walkers, cyclists and bus riders to and from all points within the inner and outer Plan Area. Potential bus stop locations are identified and two breaks in the perimeter soundwalls are proposed along Eight Mile Road and West Lane to create opportunities for more direct access to public transit from within the BCESP Area.

Bicycle and Pedestrian Circulation Plan

As discussed under the transit discussion, the BCESP provides a Plan that considers the accommodation of multi-modal transportation provisions including bicycle and pedestrian. For pedestrians and bicyclists, connections to the Bear Creek linear open space/levee path corridor are provided via streets and off-street pedestrian/bicycle paths and through the Community Park. The internal collector streets and adjacent arterial streets provide for 8' wide off-street sidewalk/paths to accommodate bicycle and pedestrian travel. It is expected these planned accommodations would encourage people to use alternate means of travel within the Bear Creek Community, as well as destinations outside of the Plan Area.

Levee Improvements

The existing Bear Creek levee and drainage channel runs along the southern boundary of the BCESP Area. A paved 12' pedestrian/bicycle trail would be constructed atop the north levee bank from West Lane to the eastern side of the Plan Area and connect with a planned levee trail in the adjacent Cannery Park Master Plan Area. In addition to the levee trail, a paved trail along the toe of the levee would be provided.

Public Facilities and Services

Development of the BCESP is estimated to result in a population increase of 6,559 residents in northern Stockton, which would result in increases in demand for police and fire protection services, school and solid waste disposal services as well as the infrastructure for water, sewer and stormwater systems.

The BCESP would be served by the following service providers:

- ◆ Police protection – City of Stockton Police Department
- ◆ Fire protection – City of Stockton Fire Department
- ◆ School – Lodi Unified School District
- ◆ Solid waste – Waste Management
- ◆ Water – City of Stockton Municipal Utilities Department
- ◆ Sanitary sewer – Stockton Municipal Utilities Department
- ◆ Regional Wastewater Control Facility (RWCF)

Public facilities to be constructed as a part of the project, in addition to the levee and roadway improvements described above, would include:

- ◆ a K-5 elementary school
- ◆ a potable water service system

- ◆ nonpotable water system (connection-ready)
- ◆ sanitary sewer system
- ◆ storm drainage system

Police Services

The BCESP site is currently served by the San Joaquin County Sheriff's Department. Upon annexation, the Stockton Police Department would provide the service. The City's General Plan establishes a minimum ratio of 1.5 sworn officers per 1,000 residential services. Based on the BCESP projected population of 6,559 residents, the City would need 9.8 additional sworn officers to meet the demand generated by buildout of the BCESP Project. As a result of the City's economic uncertainty, funding mechanisms in addition to the Public Facilities Fee Program may be needed to address the increased demand on the Police Department. The BCESP identifies the need to coordinate with the City, prior to annexation of the Project site, to evaluate the creation of additional funding mechanisms to supplement any financial gaps in providing necessary services.

Fire Protection Services

The BCESP site is currently served by the Waterloo Morada Rural Fire District. Upon annexation, the Stockton Fire Department would provide the service, which is anticipated from existing fire stations located outside of the Project site. A station located on McNabb Street at Thornton Road adjacent to Bear Creek High School would be the first response team; a station located on Hendrix Drive at Holman Road would be the second response and is based on the assumption that Holman Road would be extended to Eight Mile Road in the near future. Design and permitting for the Holman Road extension is currently underway and is an obligation of the Cannery Park Master Plan Development to the east of the BCESP site. As a result of the City's economic uncertainty, funding mechanisms in addition to the Public Facilities Fee Program, may be needed to address the increased demand on the Fire Department. The BCESP identifies the need to coordinate with the City, prior to annexation of the Project site, to evaluate the creation of additional funding mechanisms to supplement any financial gaps in providing necessary services.

Schools

The Plan Area is located in the Lodi Unified School District (LUSD). Based on the LUSD generation rates, the BCESP project is expected to produce a maximum of 529 new elementary school students. The proposed school site is centrally located within the Bear Creek Project site with direct vehicular and pedestrian access to the school from surrounding neighborhoods. The BCESP is expected to produce 185 middle and 359 high school students based on the projected resident population, which would be expected to attend existing schools outside of the Plan Area.

Water

A Water Supply Assessment (WSA) has been prepared for the BCESP project that addresses potable and non-potable water supplies and demand. The WSA is part of the FEIR.

Potable Water

The estimated average daily potable water demand for full buildout of the Plan Area would be approximately .611 million gallons per day (MGD). The North Stockton Master Water Plan identifies local groundwater wells and treated surface water deliveries for the Stockton-East Water District, which includes the BCESP Area. Based on the Water Supply Assessment it appears sufficient water supplies exist to meet the Project's built-out water demands. The BCESP project would need to dedicate a site for a City potable water well, with a minimum usable area of 20,000 square feet. The site has been located in the south western corner of the project site. This well would supply potable water to the City's distribution system serving north Stockton and the Plan Area. Development of the Plan Area would require a looped system with two points of connections. The first connection would be to an existing 24" trunk line within West Lane and second connection would be west of West Lane in the future Bear Creek West area in which an 18" and 12" main would need to be constructed in line with the future alignments of Lt. Coronel Mark Taylor Street/Marlette Road.

Non-Potable Water

General Plan Policy indicates that new development would be required to install non-potable water infrastructure for irrigation of large landscaped areas where feasible and cost effective. Although the goal of the General Plan identifies the need, no non-potable water master plan or ordinance has been prepared to provide guidance on this matter. The BCESP project would have purple pipe installed and configured to eventually connect to an off-site non-potable water system.

Wastewater

Sanitary sewer services for the BCESP Area would be provided by the City of Stockton, Municipal Utilities Department sewage collection system and the Regional Wastewater Control Facility (RWCF). The BCESP Area is identified in

The estimated total average daily dry weather wastewater flows at full buildout of the proposed BCESP would be approximately 0.851 MGD. Improvements would be needed in order to accommodate the project's wastewater flows, including extension of a single gravity trunk line from the west of the Project site into the BCESP Area.

Stormwater

As currently designed, the BCESP watershed area totals approximately 295 +/- acres. The development of the proposed BCESP Project would result in the generation of additional run-off due to the increase in impervious surfaces within the watershed.

The BCESP public storm drainage and water quality system would function independent of surrounding developments. All on-site storm drainage waters would be collected through drain inlets in the landscaped areas and catch basins along the streets, and would be conveyed via underground main trunk lines to a storm drainage water quality basin located in the southwestern portion of the Project site near Bear Creek.

Solid Waste

Based on the project population of 6,559 residents, the BCESP Project would generate approximately 5,409 tons of solid waste per year, which would be collected by Waste Management. No improvements related to solid waste disposal are required to accommodate the projected demand.

Utilities

Public facilities to be constructed as a part of the project would include electricity, natural gas, telephone/fiber optics and cable television service extensions.

Electricity and Natural Gas

Electricity and natural gas service to the BCESP Area would be provided by PG&E. PG&E has existing electric and gas facilities along West Lane and Eight Mile Road which would be used to serve the project.

Communication

Telephone service to the BCESP Area would be provided by AT&T. Existing facilities would need to be extended to serve the project, which the provider has confirmed can be adequately accommodated.

Cable Television

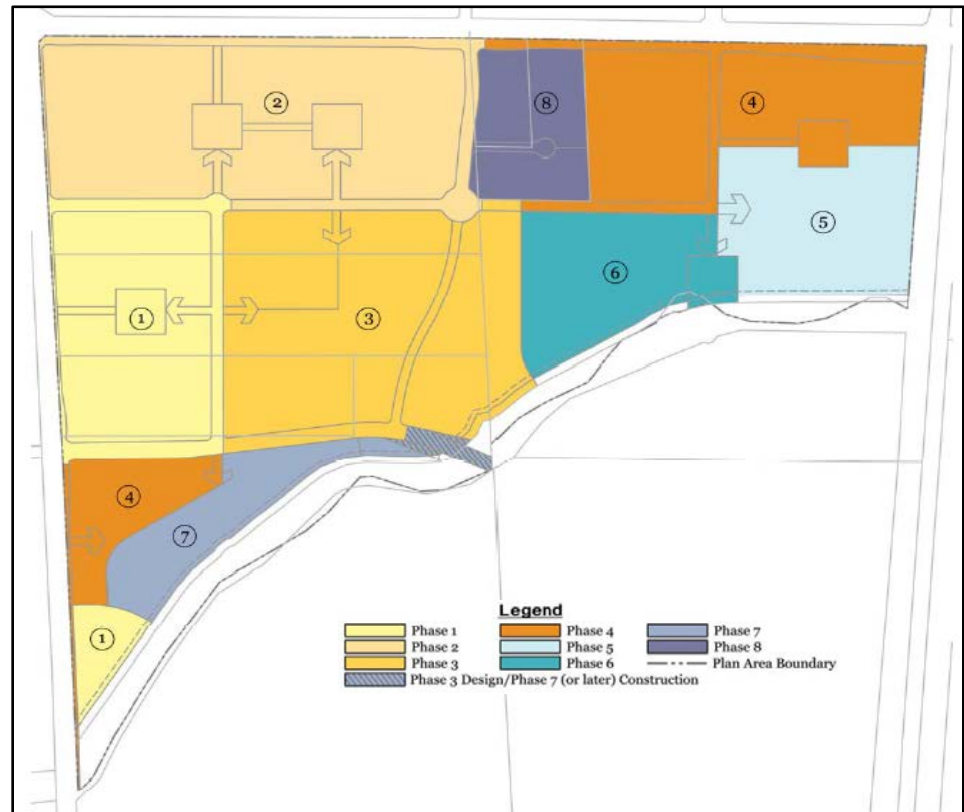
Comcast is the current provider for cable television services in the Stockton area and would provide cable television to the BCESP Area. Existing facilities would need to be extended to serve the project, which the provider has confirmed can be adequately accommodated.

Specific Plan Implementation Program

As required State Law (Government Code 65251) and Stockton Development Code (Chapter 16.156), the proposed Specific Plan provides details in Chapter 12 of a proposed project phasing plan and a program of implementation measures, including policies, public works projects, and financing measures necessary to carry out the proposed land uses, infrastructure, and development. Additionally, this information is supported by two technical reports entitled "Bear Creek East Specific Plan Fiscal Impact Analysis" (Attachment 4) and "Revised Bear Creek East Preliminary Feasibility Analysis" (Attachment 5), both of which are requirements of the City to ensure that each new development project provide sufficient revenue for the service costs it demands and does not reduce the level of services to existing residents and businesses.

Phasing Plan

The development described in the BCESP would be implemented in eight phases over a number of years. The land to be developed in later phases may continue to be farmed while the earlier phases are constructed and occupied. Supporting infrastructure would be developed commensurate with the development.



- ❖ **Phase 1** encompasses approximately 30.6 acres of a portion of Neighborhood 2. Proposed development includes a range of low medium density and high medium density residential units. Infrastructure to be constructed consists of underground utilities, frontage improvements along West Lane, portions of Lt. Coronel Mark Taylor Street and Collector Road A, storm drainage basin (in Neighborhood 3) and in-tract improvements (local streets and utilities).
- ❖ **Phase 2** encompasses approximately 52.9 acres and includes all of Neighborhood 1. Proposed development includes a range of low medium density residential units. Infrastructure to be constructed consists of neighborhood parks and paseos, underground utilities, frontage improvements along West Lane and Eight Mile Road, portions of Ham Lane and Collector Road A, and in-tract improvements.
- ❖ **Phase 3** encompasses approximately 43.0 acres and includes the remainder of Neighborhood 2. Proposed development includes a range of low density residential units. Infrastructure to be constructed consists of underground utilities, portions of Lt. Coronel Mark Taylor Street, Ham Lane and Collector Road A, the Community Park and in-tract improvements.
- ❖ **Phase 4** encompasses approximately 32.8 acres and includes a portion of Neighborhoods 5 and 3. Proposed development includes a range of low medium

density and high medium density residential units and the commercial area. Infrastructure to be constructed consists of underground utilities, frontage improvement along West Lane and Eight Mile Road, portions of Leach Road and Collector Road A, neighborhood park and paseos, and in-tract improvements.

- ❖ **Phase 5** encompasses approximately 44.7 acres and includes another portion of Neighborhood 5. Proposed development includes a range of low density residential units. Infrastructure to be constructed consists of underground utilities and in-tract improvements.
- ❖ **Phase 6** encompasses approximately 42.1 acres and includes remaining portion of Neighborhood 5. Proposed development includes a range of low density residential units and a neighborhood park. Infrastructure to be constructed consists of underground utilities and in-tract improvements.
- ❖ **Phase 7** encompasses approximately 13.9 acres and includes remaining portion of Neighborhood 3 and a pocket park. Proposed development includes a range of high density residential units. Infrastructure to be constructed consists of the bridge portion of Lt. Coronel Mark Taylor Street, underground utilities and in-tract improvements.
- ❖ **Phase 8** encompasses approximately 13.7 acres and includes all of Neighborhood 4. Proposed development includes a range of office and light industrial uses. Infrastructure to be constructed consists of the final improvements of Ham Lane and on-site improvements.

Financing

Fiscal Impact Analysis (FIA)

The FIA technical report addresses the fiscal implications of the Specific Plan development, comparing the annual costs of providing public services against the annual revenues that would be generated by development in order to determine net fiscal impact.

Chapter 5 of the FIA contains conclusions based upon a comparison of total annual General Fund revenues generated and total annual General Fund expenditures anticipated at build-out of the project. At buildout, the General Fund and Measure W Fund are estimated to generate an annual surplus of approximately \$284,000, and the Road Fund is estimated to experience a marginal annual deficit of \$4,000 which represents 1.86 percent of the total Road Fund expenditures and is considered in the report as a breakeven result.

Preliminary Feasibility Analysis (PFA)

The PFA evaluates the ability of the BCESP Project to fund required public facilities and infrastructure, as well as the Project's bonding capacity and cost burden for each land use type. The PFA evaluates the financial feasibility related to the burdens that would be associated with providing infrastructure for project development under two scenarios including Phase 1 development of the project and a long-term look at project buildout. Total Infrastructure cost burdens consist of two components: 1) all backbone infrastructure and

public facility costs; and 2) all applicable development fees. Infrastructure cost burden is measured as a percentage of the final sales price of a property.

Findings from the analysis indicate total infrastructure cost burden for Phase 1 is substantially higher (32 percent) than the normative range of 15 to 20 percent of a home's final sales price. In aggregate, the cost burden for Project buildout infrastructure costs equate to 25 percent of the market value of the proposed Project. The analysis further identifies areas that can be explored to improve the project feasibility, such as the City reducing development impact fees, and Area of Benefit cost sharing for mutual infrastructure improvements amongst neighboring project boundaries. Additionally, a major factor that would increase Project feasibility would be increases in market prices.

Since there are only planning actions being recommended for approval at this time, this fiscal analysis is considered a snap shot at this point in time to gauge the viability of the Project. It is City staff's expectation that when future applications for entitlements, which may consist of a development agreement, annexation request and/or tentative subdivision map, an updated Fiscal Impact Analysis and a Public Facilities Financing Plan will be required to clearly demonstrate that the development project will provide sufficient revenue for the service costs it demands and does not reduce the level of services to existing residents and businesses and will be fiscally neutral and will not harm the City's financial health.

ANALYSIS

The following findings are required for the requested planning applications:

Certification of a Final Environmental Impact Report

It is recommended that the Planning Commission make a recommendation to the City Council to certify the Final Environmental Impact Report and adopt the Findings, Statement of Overriding Considerations, Mitigation Monitoring and Reporting Program for the Bear Creek East Specific Plan prior to, or in conjunction with, any applicable discretionary approvals for this project, based on the following Findings:

1. The Draft EIR and Final EIR have been completed in compliance with the California Environmental Quality Act (CEQA), State CEQA Guidelines, and City Guidelines for the Implementation of CEQA.
2. The Final EIR has been reviewed and considered prior to any related project approvals, reflects the City's independent judgment and has been found to be adequate for said approvals.
3. The anticipated benefits of the proposed project outweigh the unavoidable or unresolved adverse environmental effects, as supported by the Findings, Statement of Overriding Considerations, Mitigation Monitoring and Reporting Program for the Bear Creek East Specific Plan.
4. Based on the significant and/or potentially significant environmental effects identified in the Final Environmental Impact Report for the Bear Creek Specific Plan and pursuant to

Sections 15091 and 15093 of the State CEQA Guidelines, all applicable approvals are based on, and subject to, the adopted findings, mitigation/measures and mitigation monitoring/reporting provisions, as specified in the Findings, Statement of Overriding Considerations, Mitigation Monitoring and Reporting Program for the Bear Creek Specific Plan.

General Plan Amendment

A General Plan Amendment is being requested to amend the General Plan Land Use/Circulation Diagram to match the land use proposed by this Specific Plan (See Attachment 6). The following mandatory findings of fact shall be made to approve a General Plan Amendment:

1. *The proposed amendment ensures and maintains internal consistency with general land uses, objectives, policies, programs, and actions of all elements of the General Plan on balance;*

The proposed General Plan Amendment would modify the General Plan Land Use Diagram to reflect the proposed mix of compatible land use types identified in the BCESP. This Amendment maintains internal consistency with the General Plan as the same mix of land use types as those currently in the General Plan including Low Density Residential, High Density Residential, Industrial, and Commercial remain within the site area. The Specific Plan simply reconfigures these land uses, provides a broader range of residential densities, and further provides for the addition of complimentary land uses including community and neighborhood parks, open space, a school use. General Plan policies (DV-4.1, DV-5.1) support the preparation of a Specific Plan to provide details and standards needed to ensure a comprehensive mixed use proposal is developed. The BCESP meets the minimum and generally exceeds the development intensity standards contained in the General Plan for traditional and Village development.

2. *The proposed amendment will not endanger, jeopardize, or otherwise constitute a hazard to the public convenience, health, interest, safety, or general welfare of persons residing or working in the City; and*

The proposed General Plan Amendment would modify the General Plan Land Use Diagram to reflect the proposed mix of compatible land use types identified in the BCESP. The proposed land uses have been carefully planned through the preparation of the BCESP to ensure there is good compatibility and adequate buffering between the land uses as necessary to ensure the convenience, safety, health and welfare of the future residents living in the Plan Area and in surrounding areas.

To provide some examples, the commercial use was placed adjacent to high density residential uses to create compatible and complimentary uses with opportunity for shared parking and a jobs-to-housing relationship, minimizing the need for vehicle trips. The Community Park is proposed as the central feature in the BCESP Area and intended to serve as a hub for residents of the Bear Creek East Community to congregate and socialize. To create compatibility between residential and non-

residential uses, 8-foot soundwalls are proposed to decrease the potential of light and noise and a minimum 25 foot to 50 foot landscape buffers are proposed to screen future non-residential buildings from surrounding residences.

3. *The proposed amendment complies with the California Environmental Quality Act (CEQA) and the City's CEQA Guidelines.*

An FEIR has been prepared and is intended to provide environmental clearance under the California Environmental Quality Act (CEQA) for the proposed General Plan Amendment associated with the BCESP, supporting planning approvals and implementation of the Plan.

Specific Plan

The following findings are required for consideration of approval of a Specific Plan:

1. *Consistent with the general land uses, objectives, policies, and programs of the General Plan and other adopted goals and policies of the City;*

Planning for the BCESP occurred during the development of the General Plan 2035 and its eventual adoption in 2007. During this timeframe, much consideration of the General Plan policies and objectives that were being formulated and ultimately adopted were utilized in the development of the BCESP. As a result, the BCESP is generally consistent with the General Plan land uses, objectives and goals and policies. Much of this consistency is covered in Chapter 2 of the Specific Plan.

A key example of the Specific Plan's consistency with the General Plan, is the incorporation of the District and Village planning concept. The proposed BCESP is located within the Stockton Planning Area, the Urban Service Area and Future Growth Areas and is eligible for annexation and development. The BCESP provides for urban development consistent with City's overall "District" framework and would be consistent with the General Plan designations for the area as amended by the proposed General Plan Amendment. Although, not designated a "Village", the BCESP also embraces the "Village" concept as described in the General Plan 2035.

General Plan policies (DV-4.1, DV-5.1) support the preparation of Specific Plans and Master Plans, in this case the BCESP, to organize new development areas to create vibrant, mixed use communities that consider pedestrian and transit accessibility and neighborhood identity. The BCESP proposes a comprehensive mix of land uses with varying residential types and densities and neighborhood serving commercial and parks and open space, and employment opportunities with office, industrial and commercial uses as called for in the General Plan (LU-4.3, LU4.8). Land uses are configured to provide compatibility and performance standards are prescribed to ensure the Plan area is developed as intended.

Another key component of the BCESP is the provision for a multi-modal transportation network consistent with General Plan Policies (TC-1.3, TC-2.5, TC-2.11, TC-4.3, TC-5.3). The BCESP provides opportunities for vehicular, transit, bicycle, and pedestrian

travel within the Plan Area and for future extension to surrounding areas. Much consideration was given to strategically locating higher residential densities adjacent to the planned transit corridors along Eight Mile Road and West Lane. Bicycle and pedestrian connections are provided through a network of off-street pathways and atop the levee to reduce vehicle travel within the Plan Area.

2. *In compliance with the provisions of the California Environmental Quality Act (CEQA) and the City's CEQA Guidelines.*

A FEIR has been prepared and is intended to provide environmental clearance under the California Environmental Quality Act (CEQA) for the BCESP, supporting planning approvals, and implementation of the Plan.

Prezoning

Prezoning is being requested to match the land use zoning designations proposed by this Specific Plan. The project site is presently located within the jurisdiction of San Joaquin County, and as such the City does not currently have a zoning established for the Specific Plan Area. The Stockton Development Code requires prezoning (designating the zoning district by amendment to the Official Zoning District Map), for an unincorporated parcel(s) within the City's sphere of influence before annexation to the City. The Development Code further stipulates that if prezoning is approved for a parcel of land located outside the jurisdiction of the City, that approval shall only become effective upon the recordation of the LAFCO certificate of completion annexing the property to the City (See Attachment 7).

As information only, the applicant filed an application for annexation of the BCESP project area into the City of Stockton. In accordance with the provisions of the Development Code, the project's requested annexation application would not be considered or reviewed by the Planning Commission. The application would be considered by the City Council, as to the authorization for filing of an annexation application with the Local Agency Formation Commission (LAFCO), whom is the final decision making body.

All of the following findings of fact shall be made to approve the Prezoning to amend the Official Zoning District Map:

1. *The proposed amendment ensures and maintains internal consistency with general land uses, objectives, policies, programs, and actions of all elements of the General Plan on balance and would not create any inconsistencies with this Development Code;*

The proposed Prezoning would modify the Official Zoning District Map to reflect the proposed mix of compatible land use zoning designations identified in the BCESP. This Amendment maintains internal consistency with the General Plan as the same mix of land use types as those currently in the General Plan including Low Density Residential, High Density Residential, Industrial, and Commercial remain within the site area. The Specific Plan simply reconfigures these land uses, provides a broader range of residential densities, and further provides for the addition of complimentary land uses including community and neighborhood parks, open space, a school use. General Plan policies (DV-4.1, DV-5.1) support the preparation of a Specific Plan to provide details and performance standards needed to ensure a comprehensive mixed use proposal is

developed as intended. The BCESP meets the minimum and generally exceeds the development intensity standards contained in the General Plan for traditional and Village development.

2. *The proposed amendment will not endanger, jeopardize, or otherwise constitute a hazard to the public convenience, health, interest, safety, or general welfare of persons residing or working in the City;*

The proposed Prezoning would amend the Official Zoning District Map to reflect the proposed mix of land use zoning designations identified in the BCESP. The proposed land use zoning has been carefully planned through the preparation of the BCESP to ensure there is good compatibility and adequate buffering between the land uses as necessary to ensure the convenience, safety, health and welfare of the future population living and working in the Plan Area and in surrounding areas. It is not anticipated this amendment would endanger, jeopardize, or constitute a hazard to the public convenience, health, safety or general welfare of the persons residing or working in the City.

To provide some examples, the commercial land use was placed adjacent to the higher density residential uses to create compatible and complimentary uses with opportunity for shared parking and a jobs-to-housing relationship, minimizing the need for vehicle trips. The Community Park is proposed as the central feature in the BCESP Area and intended to serve as a hub for residents of the Bear Creek East Community to congregate and socialize. To create compatibility between residential and non-residential uses, 8-foot soundwalls are proposed to decrease the potential negative effects of light and noise and landscape buffers ranging between 25 foot to 50 foot are proposed to screen future non-residential buildings from surrounding residences.

3. *The proposed amendment complies with the California Environmental Quality Act (CEQA) and the City's CEQA Guidelines; and*

An FEIR has been prepared and is intended to provide environmental clearance under the California Environmental Quality Act (CEQA) for the proposed Prezoning associated with the BCESP, supporting planning approvals, and implementation of the Plan.

4. *The site(s) would be physically suitable (including access, provision of utilities, compatibility with adjoining land uses, and absence of physical constraints) for the requested zoning designation(s) and anticipated land use development(s).*

The proposed Specific Plan demonstrates that the proposed land uses are suitable for the site and compatible with the adjoining land uses, which are planned for similar village and mixed use development. Site access and circulation for multiple transportation modes, and the provision of utilities have been thoughtfully planned with the Specific Plan Project and consideration was given to future extension of this infrastructure into adjoining properties as future development occurs.

Separate amendments are being requested to the Eight Mile Road Precise Road Plan and West Lane Precise Road Plan to modify previously planned roadway access and establish newly proposed roadway access related to the proposed Bear Creek East Specific Plan (see Attachments 8 and 9). All of the following findings of fact shall be made to approve a precise road plan amendment:

1. *Consistent with the general land uses, objectives policies, and programs of the General Plan and other adopted goals and policies of the City; and*

Eight Mile Precise Road Plan Amendment

The BCESP project is proposing amendment to the Eight Mile Road Precise Road Plan to change a currently identified westerly full access intersection at Leach Road and Eight Mile Road to a right-in/right-out only intersection; and to remove a planned 40 foot wide access east of West Lane and west of Ham Lane, because the BCESP does not require utilization of this access.

The Eight Mile Road Precise Road Plan was originally adopted in 1995 for the purpose of defining the ultimate right of way needs for the corridor between State Highway Route 99 and to the west of Interstate 5 and specifying intersection access. Since its adoption, the Precise Road Plan has been amended on occasion in conjunction with development, typically to add new vehicular access. In this case, the BCESP project is proposing to minimize access from that identified in the Precise Road Plan. General Plan Policy (TC-2.7) supports the minimization of the number of intersection along arterial streets to provide for efficient traffic flows. Traffic analysis was prepared to evaluate the potential effects of the requested Plan Amendment. Based on a review of the analysis, staff determined that Eight Mile Road and intersections in the Eight Mile Road corridor would remain operating at an acceptable level of service (LOS) D or better which conforms to General Plan policy (TC-2.1).

West Lane Precise Road Plan Amendment

The BCESP project is also proposing Amendment to the West Lane Precise Road Plan to add a new right-in/right-out only access approximately 1,000 feet south of Eight Mile Road to accommodate a connection of a planned east/west collector street within the project; and to add a new right-in/right-out only access approximately 1,000 feet north of Bear Creek to serve the planned commercial land use area within the BCESP project. The proposed amendment also identifies the connection of an east/west arterial roadway, Lt. Coronel Mark Taylor Street, which is already constructed to the east of the BCESP project within the Cannery Park Master Development Plan Project. This east/west arterial street is identified in the General Plan circulation element, and is planned to extend further west of the BCESP project to Lower Sacramento Road. The BCESP project provided an opportunity to more specifically plan the alignment of this arterial roadway, especially the water crossing of Bear Creek, which supports General Plan Policy (TC-2.7) to provide for the continuous flow of through traffic and area access.

The West Lane Precise Road Plan was originally adopted in 1994 for the purpose of defining the ultimate right of way needs for the corridor between Harding Way and Eight Mile Road and specifying intersection access. Since its adoption, the Precise Road Plan has been amended on occasions in conjunction with development. Traffic analysis was prepared to evaluate the potential effects of the requested amendment. Based on a review of the analysis, staff determined that West and intersections in the corridor would remain operating at an acceptable level of service (LOS) D or better which conforms to General Plan policy (TC-2.1).

2. *In compliance with the provisions of the California Environmental Quality Act (CEQA) and the City's CEQA Guidelines.*

An FEIR has been prepared and is intended to provide environmental clearance under the California Environmental Quality Act (CEQA) for the proposed Precise Road Plan amendments associated with the BCESP, supporting planning approvals, and implementation of the Plan.

Development Agreement

An application for a development agreement was requested by the applicant to accompany the planning approvals and vest development rights for the BCESP. Per the Stockton Development Code Section 16.128.040, "a development agreement is a legal, written contract between the City and any person(s), including owner(s), developer(s), and/or successor(s)-in-interest, having a legal or equitable interest in a specific piece of real property. It specifies the terms for the development of the piece of real property and grants rights to the owner(s), developer(s), and/or successor(s)-in-interest to develop the real property under the agreed terms." Development agreements are adopted by ordinance and shall contain the findings of fact and facts supporting them. Typical terms of past approved development agreements for major development projects of this nature have been for a 25 year duration.

Although a development agreement makes sense, for the City and the Project Applicant, as a means to implement and govern the development of the Specific Plan site area, it is Staff's recommendation that it would not be prudent or fiscally responsible for the City to enter into a binding agreement at this point in time. This is based on the multitude of financial uncertainties that the City currently faces, including bankruptcy/plan of adjustment, public safety/Marshall Plan, recently approved sales tax/funding plan and a pending new City/County property tax sharing agreement, among others. The City is presently working diligently to address these serious financial uncertainties, however, resolution is not likely to occur for at least another year or two.

City Staff and the Applicant have mutually agreed that it would be in the best interest for both parties to pull the Development Agreement from the current actions being requested for consideration, and present the Development Agreement to the City approving bodies separately at a later point in time when greater certainty has been established, which may be in the next year or two.

PUBLIC INVOLVEMENT

During the course of preparation of the Specific Plan, City Staff and the Applicant held a series of three public workshops in a neighborhood near the Plan Area to include the public in the planning process. The first public workshop was held on October 11, 2004 and was designed to gain an understanding of the site and various constraint and considerations surrounding the preparation of a Specific Plan. The second public workshop was held on January 24, 2005 and focused on examining several alternative schemes for development of the Plan Area. The third and final public workshop was held on December 6, 2005 for the purpose of providing details and specificity on the preferred Specific Plan. The meeting was also used for a scoping session in which the environmental issues were introduced and discussed. The public draft EIR was distributed to various public agencies, citizen groups and interested individuals for comment on the proposed Project and its potential effects on the environment for a 45-day review period, from November 1 through December 19, 2011.

Following the City posting of a Public Hearing Notice for the July 11, 2013 hearing originally scheduled for the project, the City received two comment letters (Attachment 10). Specifically, a letter was received from the California Department of Transportation (Caltrans) that offers clarification on the State Highway Route 99 interchange access at Eight Mile Road and Morada Lane as it relates STAA trucks and lack of state funding for any design and construction of modifications; A jointly prepared letter was received from the Sierra Club (Delta-Sierra Group Mother Lode Chapter) and Campaign for Common Ground opposing the Bear Creek East Specific Plan and Environmental Impact Report for a multitude of reasons. Responses have been prepared by City Staff to address both letters (Attachment 11). Additionally, the project applicant prepared their own independent response letter to specifically address the issues raised in the Sierra Club and Campaign for Common Ground Letter (Attachment 12).

CONCLUSION AND RECOMMENDATION

Based upon the information contained in the staff report, affirmative findings can be made in the affirmative, therefore, staff recommends that the Planning Commission make a recommendation to the City Council to: a) certify the Final Environmental Impact Report and adopt the Findings of Fact, Statement of Overriding Considerations, Mitigation Monitoring and Reporting Program for the Bear Creek East Specific Plan project, prior to, or in conjunction with, any applicable discretionary approvals for this project; b) approve the requested General Plan Amendment; c) approve the requested Bear Creek East Specific Plan; d) approve the requested the requested Rezoning; e) approve an amendment to the Eight Mile Road Precise Road Plan; and f) approve an amendment to the West Lane Precise Road Plan.

ATTACHMENTS

1. a).FEIR, b).DEIR, c) Appendix to DEIR d). Findings of Fact, Statement of Overriding Considerations, Mitigation Monitoring and Reporting Program
2. Public Notice
3. Bear Creek East Specific Plan
4. Fiscal Impact Analysis
5. Preliminary Feasibility Analysis
6. General Plan Amendment
7. Rezoning
8. Eight Mile Road Precise Road Plan Amendment
9. West Lane Precise Road Plan Amendment
10. Comments Received
11. Staff Response to Comments
12. Applicant Response to Sierra Club and Campaign for Common Ground Letter

c: Applicant

FINAL ENVIRONMENTAL IMPACT REPORT

FOR

BEAR CREEK EAST SPECIFIC PLAN

South of Eight Mile Road Between West Lane and UPRR
Stockton, CA

Universal File P10-225
State Clearinghouse No: 2005122001

May 29, 2013

ORIGINAL HARD COPY DOCUMENT IS ON FILE IN
THE CITY CLERK'S OFFICE FOR REVIEWING

Prepared for:

CITY OF STOCKTON
Community Development Department
Planning Division
345 N. El Dorado Street
Stockton, CA 95202
(209) 937-8266

DRAFT ENVIRONMENTAL IMPACT REPORT

FOR

BEAR CREEK EAST SPECIFIC PLAN South of Eight Mile Road Between West Lane and UPRR Stockton, CA

Universal File P10-225

October 28, 2011

ORIGINAL HARD COPY DOCUMENT IS ON FILE IN
THE CITY CLERK'S OFFICE FOR REVIEWING

Prepared for:

CITY OF STOCKTON
Community Development Department
Planning Division
345 N. El Dorado Street
Stockton, CA 95202
(209) 937-8266

APPENDIX TO DRAFT ENVIRONMENTAL IMPACT REPORT

FOR

BEAR CREEK EAST SPECIFIC PLAN

South of Eight Mile Road Between West Lane and UPRR
Stockton, CA

Universal File P10-225

October 28, 2011

ORIGINAL HARD COPY DOCUMENT IS ON FILE IN
THE CITY CLERK'S OFFICE FOR REVIEWING

Prepared for:

CITY OF STOCKTON
Community Development Department
Planning Division
345 N. El Dorado Street
Stockton, CA 95202
(209) 937-8266

FINDINGS OF FACT AND MITIGATION MONITORING/REPORTING PROGRAM

FOR

BEAR CREEK EAST SPECIFIC PLAN

South of Eight Mile Road Between West Lane and UPRR
Stockton, CA

Universal File P10-225
State Clearinghouse No: 2005122001

May 29, 2013

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Prepared for:

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345 N. El Dorado Street
Stockton, CA 95202
(209) 937-8266

**CITY OF STOCKTON
PLANNING COMMISSION
NOTICE OF PUBLIC HEARING**

DATE/TIME OF MEETING: **DECEMBER 12, 2013** at 6:00 P.M. or as soon thereafter as the matter can be heard

PLACE OF MEETING: Council Chambers, Second Floor, City Hall, 425 North El Dorado Street, Stockton

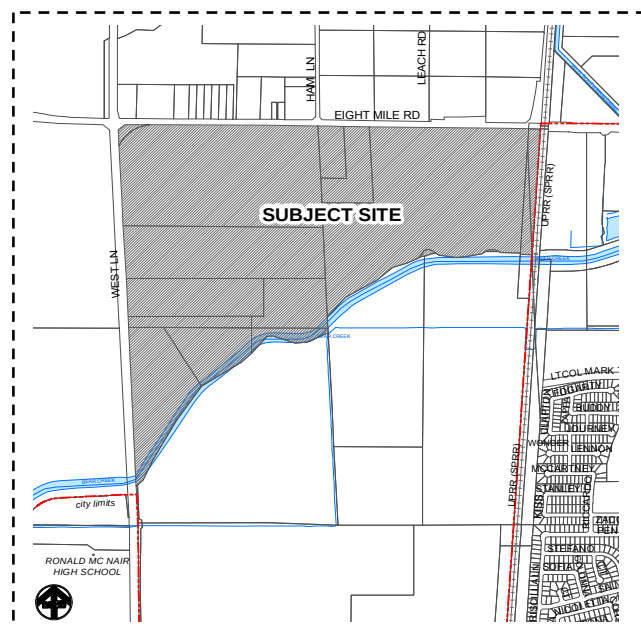
FILE NUMBER(S): P10-225

SUBJECT: Public hearing regarding the requests of MCD South Parcel, LLC and MCD North Parcel, LLC. for the Bear Creek East Specific Plan Project, including:

- a) Certify a Final Environmental Impact Report;
- b) Amend the General Plan to reconfigure Low and High Density Residential, Commercial and Industrial designations and add proposed Medium Density Residential, Administrative Professional, Parks and Recreation, Open Space and an elementary school symbol;
- c) Adopt the Specific Plan for property located east of West Lane, south of Eight Mile Road, west of the Union Pacific Railroad, and north of Bear Creek.
- d) Rezoning to RL, Residential Low Density; RLM, Residential Low-Medium Density; RHM, Residential High-Medium Density; RH, Residential High Density; CO, Commercial, Office; CG, Commercial, General; IL, Industrial, Limited; OS, Open Space; PF, Public Facilities;
- e) Amend the Eight Mile Road Precise Road Plan;
- f) Amend the West Lane Precise Road Plan; and
- g) Review proposed Development Agreement to facilitate and define the development phasing and financial responsibility of the Bear Creek East Specific Plan Project;

Further information may be obtained by contacting: Planning Manager, Mike McDowell at (209) 937-8690
michael.mcdowell@stocktongov.com

Visit the City of Stockton website at
www.stocktongov.com/bearcreekeast

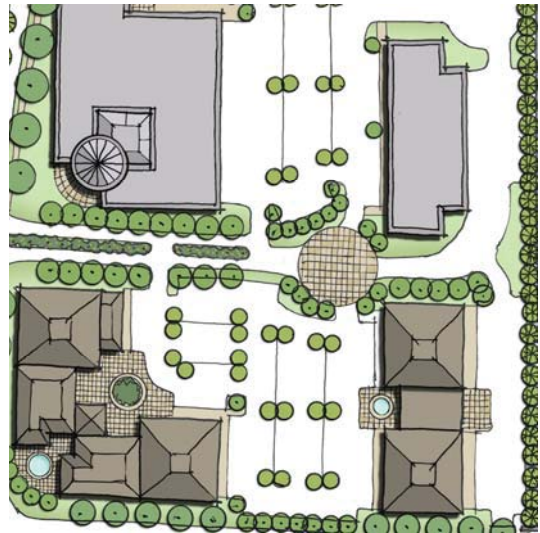


Proceedings before the City Planning Commission are conducted in English. The City does not furnish interpreters. If one is needed, it shall be the responsibility of the person needing one. Anyone wishing to be heard on the issue may appear before the Planning Commission at the time of the Public Hearing. It deserves to be noted that the legal requirement of Public Notice does not guarantee notice to all persons residing in or otherwise using property in the general vicinity of the property in question. Accordingly, each recipient of this notice is respectfully requested to bring this notice promptly to the attention of others whom the recipient feels would be interested in or affected by this proposal in order that all persons may be given an opportunity to be heard on the issue. If you challenge the proposed action in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this notice, or in written correspondence delivered to the Planning Commission at, or prior to, the Public Hearing. **DATE OF MAILING: NOVEMBER 27, 2013**

ORIGINAL HARD COPY DOCUMENT IS ON FILE IN
THE CITY CLERK'S OFFICE FOR REVIEWING

BEAR CREEK EAST Specific Plan

Specific Plan File Number: P10-225



City of Stockton

Stockton, California

May 2013

Report

Bear Creek East Specific Plan Fiscal Impact Analysis

The Economics of Land Use



Prepared for:

MCD North Stockton, LLC

Prepared by:

Economic & Planning Systems, Inc.

August 2012

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Table of Contents

1.	EXECUTIVE SUMMARY	1
	Introduction	1
	Budget Considerations and Analytical Context	1
	Key Findings	2
	Report Overview	4
2.	PROJECT ASSUMPTIONS AND ANALYTICAL OVERVIEW	5
	Project Overview.....	5
	Citywide Services Focus.....	5
	Budget Considerations and Analytical Context	5
	Data Sources and Assumptions.....	8
	General Project and Land Use Assumptions	9
3.	REVENUE-ESTIMATING METHODOLOGY.....	12
	Revenue-Estimating Procedures by Revenue Source.....	12
4.	EXPENDITURE-ESTIMATING METHODOLOGY	15
	Expenditure-Estimating Procedures by Department Function	15
5.	ANNUAL FISCAL RESULTS	18
	Net Fiscal Impact at Buildout.....	18
	Revenues at Buildout.....	18
	Expenditures at Buildout.....	18
	Funding and Mitigation of Potential Fiscal Deficits.....	19

Appendices:

Appendix A: General Assumptions

Appendix B: City General Fund Revenue Analysis

Appendix C: City General Fund Expenditure Analysis

Appendix D: Revenue Support

List of Tables

Table 1	Estimated General Fund and Street Fund Fiscal Impacts	3
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List of Maps

Map 1	Land Use and Circulation Plan.....	6
Map 2	2035 General Plan Land Use/Circulation Diagram.....	7

1. EXECUTIVE SUMMARY

Introduction

Economic & Planning Systems, Inc. (EPS) was requested by MCD North Stockton, LLC, and their consultant team to prepare a Fiscal Impact Analysis (FIA or Analysis) of the Bear Creek East Specific Plan (Project). This report and the attached tables describe the methodology, assumptions, and results of the Analysis, which incorporates revisions in response to comments provided by NBS and City staff (July 18, 2012). The Project is located in the unincorporated area of San Joaquin County (County) near the City of Stockton (City)'s northern boundary. The Project proposes to be annexed into the City.

The Project is undergoing development review by the City to receive entitlements for the Specific Plan, pre-zoning, and annexation. During this stage of the planning process, the City requires completion of a Preliminary Feasibility Analysis (PFA) and FIA. The PFA analyzes the backbone infrastructure and public facilities costs required by the Project, as well as the Project's bonding capacity and cost burden for each land use type. The PFA is contained in a separate companion report.

The FIA estimates the demand the Project will place on municipal services, given established or normative service levels, the capacity of the City to provide services, and the related increased costs to the City's General Fund that may be created. The FIA also estimates the municipal revenues that will be generated to the City's General Fund to offset increased service costs.¹ The City's goals are to ensure that each new development project provide sufficient revenue for the services costs it demands and does not reduce the level of services to existing residents and businesses.

Budget Considerations and Analytical Context

This Analysis is being undertaken at a time of significant economic and financial uncertainty. The Great Recession has resulted in a significant reduction in local government revenues, including those of the City, caused by reduced economic activity, real estate sales, and retail sales, among other factors. At the same time, the State of California (State)'s fiscal difficulties have led to continuing realignments of State services and local funding. As a result, there have been and continue to be cuts in service levels at all levels of government to balance budgets. For the City, these cuts have, in some cases, reduced City service levels well below ideal levels. While it is expected that economic conditions will improve in coming years, the structural effects of the persistent economic weakness are less clear, as is the outcome of the State budget.

It should be noted that the fiscal results (annual surpluses or deficits) are simply indicators of fiscal performance; they do not mean the City will automatically have surplus revenues or deficits because the City must have a balanced budget each year. Persistent shortfalls shown in a fiscal analysis may indicate the need to reduce service levels or obtain additional revenues; persistent surpluses will provide the City with resources to reduce liabilities such as deferred maintenance, improve service levels, or build up reserves.

¹ The impacts of one-time cost recovery charges are not included in this Analysis.

Key Findings

Key findings of the Analysis are summarized below. All results are expressed in constant 2011 dollars:

1. **The Project is estimated to generate a positive fiscal impact at buildout in the General Fund, Measure W Fund, and Road Funds.** Fiscal analyses of new development projects provide a generalized indication of the cost/revenue balance of a proposed project. The Project's annual fiscal impact on the General Fund, Measure W Fund, and Road Funds is summarized below. **Table 1** provides a detailed summary of annual revenues and expenditures at buildout.
 - **General Fund and Measure W Fund**—Estimated annual surplus of \$280,000 at buildout. Measure W is a quarter-cent citywide sales tax that is split 50/50 to help fund police and fire operations. Because Measure W provides supplemental funding for General Fund services, the General Fund and Measure W results are combined.
 - **Road Funds**—Estimated annual deficit of \$4,000 at buildout. Because this deficit represents 1.86 percent of total Road Funds expenditures, it is considered a breakeven result. The City's Road Funds include the Gas Tax Fund and Measure K Funds, which are both used to fund road maintenance costs.
2. **The Project's major sources of revenue are property tax in lieu of vehicle license fee, utility users' tax, and sales tax.** These three sources represent respectively 22.0 percent, 21.5 percent, and 20.3 percent of total General Fund revenues.
3. **The Project's major sources of expenditures are Police and Fire.** These sources represent respectively 55 percent and 26 percent of total General Fund expenditures.
4. **Current market pricing in the Stockton area is lower than that required to support the cost of new development.** In addition, pricing during the previous market peak was unsustainably high. As a result, market comparables from recent and current pricing are not adequate comparables. As an alternative method to derive market values, EPS gathered and analyzed market comparables of historical home sales prices in the region. Sales prices during 2003 were used as "normalized" values reflecting market equilibrium conditions. In 2003, the relationship between home pricing and income was within historical trends, with average home prices representing approximately 4 to 6 times the average household income.
5. **The City and County Master Tax Sharing Agreement limits the amount of property tax revenue that the City would receive from the Project.** Implementation of the Project will require annexation of the Project area into the City from the unincorporated County. Property tax revenue sharing in the Analysis is based on the County's and City's Agreement for Property Tax Allocation Upon Annexation (Agreement), dated March 22, 2005. The Agreement expires in July 2012. Based on the current Agreement, the City would receive 20 percent of the 1-percent Post-ERAF² increment allocated to the County General Fund and Waterloo-Morada Rural Fire District, while the remaining 80 percent would be retained by the County. Future changes in the City/County tax sharing allocation would affect the results of this Analysis.

² ERAF = Educational Revenue Augmentation Fund. ERAF is a State reallocation of property tax revenues from cities, counties, and special districts before K-12 school agencies.

Table 1
Bear Creek East Fiscal Impact Analysis
Estimated General Fund & Street Fund Fiscal Impacts (2011\$) [1]

Item	Annual Impact at Buildout
General Fund Revenues	
Property Taxes	\$330,000
Property Tax In-Lieu of VLF	\$590,000
Property Tax In-Lieu of Sales Tax	\$180,000
Sales Taxes	\$540,000
Prop. 172 Sales Tax	\$24,000
Document Transfer Tax	\$27,000
Franchise Tax	\$220,000
Hotel / Motel Tax	\$30,000
Business License Tax	\$160,000
Utility Users Tax	\$570,000
Subtotal General Fund Revenues	\$2,671,000
Measure W Revenues	\$168,000
Total General Fund & Measure W Revenue	\$2,839,000
General Fund Expenditures	
Police	\$1,404,000
Fire	\$655,000
Public Works	\$57,000
Parks & Street Trees [2]	\$0
Economic Development	\$9,000
Peacekeeper Program	\$6,000
City Administration	\$104,000
Program Support to Other Funds	\$152,000
Subtotal General Fund Expenditures	\$2,387,000
Measure W Expenditures	\$168,000
Total General Fund & Measure W Expenditures	\$2,555,000
General Fund & Measure W Operating Surplus/(Deficit)	\$284,000
Road Funds	
Road Funds Revenue	\$211,000
Road Funds Expenditures	\$215,000
Road Fund Operating Surplus/(Deficit)	(\$4,000)
Combined General Fund, Measure W, and Road Fund Surplus/(Deficit)	\$280,000

"summary"

Source: EPS.

[1] Rounded to nearest \$1,000.

[2] Consistent with City policy and CEQA mitigation, the Project will participate in a Special Assessment district to fund parks & street tree annual costs.

Report Overview

The data, assumptions, and detailed calculations underlying the Analysis are provided in these four appendices attached to this report:

- **Appendix A** contains the land use plan and detailed valuation assumptions, including population and employment factors.
- **Appendix B** contains detailed revenue estimates and revenue-estimating assumptions.
- **Appendix C** contains detailed expenditure estimates and expenditure-estimating procedures.
- **Appendix D** contains property tax allocation assumptions, including estimated project valuation and household income assumptions.

2. PROJECT ASSUMPTIONS AND ANALYTICAL OVERVIEW

This section details the underlying assumptions used to estimate the fiscal impact of the Project on the City. It describes assumptions concerning municipal service delivery, land use development, and market values. **Chapters 3 and 4** detail the methodology used to forecast the Project's revenues and expenditures at buildout.

Project Overview

The Project is located in northern San Joaquin Valley in the County, adjacent to the City at its northern limits. The Plan Area is within the City Planning Area and its Urban Services Boundary. The site is designated for urban development and is located in an unincorporated area of the County along Eight Mile Road and West Lane.

The Project is a mixed use, master-planned community, consisting of a range from 1,557 to 2,122 units on 312.3 gross acres, which includes between 249 and 304 attached high-density multifamily units. In addition, neighborhood commercial, office, light industrial uses, parks, open space trail networks, and an elementary school are part of the proposed plan. Features of the plan include a network of interconnected backbone streets, entries with enhanced medians, and a traditional neighborhood structure: a major community park linked to retail shops and neighborhood parks by a network of pedestrian and bike connections, as well as the Bear Creek greenbelt corridor.

Map 1 identifies the Project's site plan, while **Map 2** shows the Project's location relative to the City's 2035 General Plan area.

Citywide Services Focus

This Analysis examines the Project's ability to generate adequate revenues to cover the City's costs of providing public services to the Project. The services analyzed in this Analysis comprise General Fund, Measure W Fund, and Road Funds services (e.g., police, fire, road maintenance). Thus, the Analysis does not include privately funded services, such as community center operations, which could be provided by a Homeowners' Association.

This Analysis also does not address activities budgeted in other Governmental Funds or Proprietary Funds, nor does it include an evaluation of capital facilities or funding of capital facilities needed to serve new development.

Budget Considerations and Analytical Context

The Great Recession has caused a significant reduction in local government revenues, including those of the City, resulting from reduced economic activity, real estate sales, retail sales, etc. At the same time, the State's fiscal difficulties have led to continuing realignments of State services and local funding. As a result, there have been significant cuts in service levels to balance their



- | | |
|-------------|---------------------------------|
| LDR | Low Density Residential |
| LMDR | Low-Medium Density Residential |
| HMDR | High-Medium Density Residential |
| HDR | High Density Residential |

Legend

- | | |
|-----------|------------------|
| O | Office Park |
| IL | Light Industrial |
| C | Commercial |
| IN | School |

- | | |
|-----------|--------------------------------|
| PR | Community & Neighborhood Parks |
| OS | Open Space |
| --- | Neighborhood Boundary |
| --- | Annexation Boundary |
| --- | Plan Area Boundary |

Map 1: Land Use and Circulation Plan

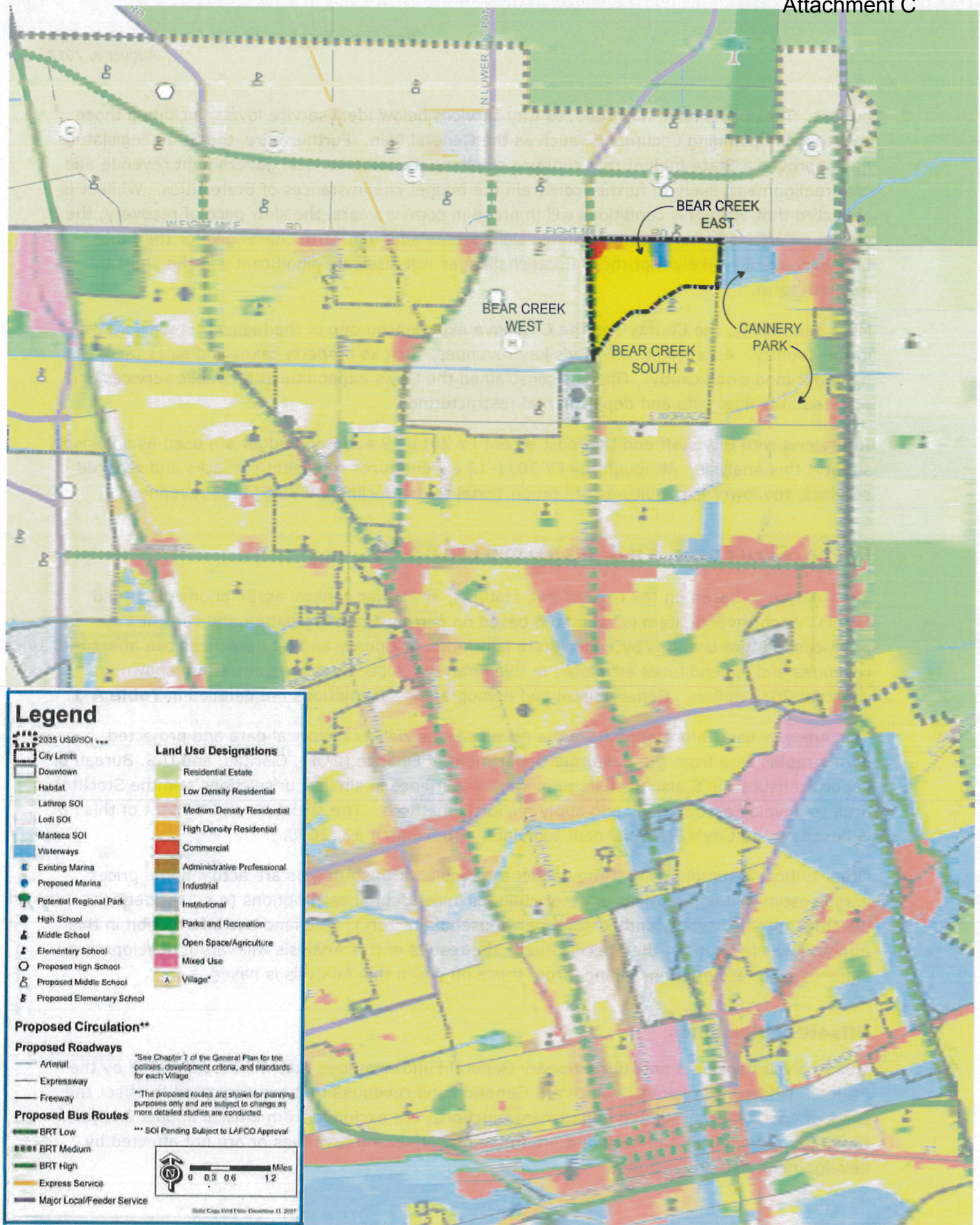
Date: April 2011

Bear Creek East Specific Plan
Stockton, California

6 NOT TO SCALE



WOOD RODGERS
DEVELOPING INNOVATIVE DESIGN SOLUTIONS



Map 2: 2035 General Plan Land Use/Circulation Diagram

Date: August 2011

Bear Creek East Specific Plan
Stockton, California

NOT TO SCALE



WOOD RODGERS
DEVELOPING INNOVATIVE DESIGN SOLUTIONS

budget. These cuts have now reduced City services below ideal service levels, including those expressed in planning documents, such as the General Plan. Furthermore, the State Legislature has approved a State budget that contains substantial additional local government revenue and cost realignment, likely to further constrain the budget circumstances of State cities. While it is expected that economic conditions will improve in coming years, the slow pace of recovery, the structural effects of persistent economic weaknesses and long-term challenges for the State budget make it unlikely that these fiscal challenges will dissipate significantly in the short to medium term.

More specifically, the County and the City have experienced one of the highest foreclosure rates in the country. As a result, the City's key revenues, such as property taxes and sales taxes, have declined significantly. This has constrained the City's expenditures on public services and resulted in budget cuts and departmental restructuring.

Interviews with City staff and the most recent FY 2011-12 adopted budget are used as a basis to support this Analysis. Although the FY 2011-12 expenditures represent cutbacks and reduced services, the lower expenditures are proportional to the decline in FY 2011-12 revenues.

Data Sources and Assumptions

The Analysis is based on tax regulations, statutes, and other general assumptions discussed herein. Each revenue item is estimated based on current State legislation and current City practices. Future changes by either State legislation or County and City practices can affect the revenues and expenditures estimated in this Analysis. All costs and revenues are shown in constant 2011 dollars. General fiscal and demographic assumptions are detailed in **Table A-1**.

This Analysis uses information from the developer, as well as historical data and projected demographic data from the California Department of Finance (DOF), Claritas, and U.S. Bureau of Labor Statistics. EPS also used its prior work experience in similar jurisdictions and the Stockton area to develop assumptions and apply technical methods. The structure and content of this FIA is based on the City's FIA document template, dated March 12, 2008.

Other critical assumptions that may affect the results of this Analysis are actual home prices versus estimated home prices or other changes in residential assumptions (e.g., residential densities, product types, and persons-per-household factors). The land use information in this Analysis was taken from the Specific Plan. The results of this Analysis will vary if development plans or other assumptions change from those on which this Analysis is based.

Offsetting Revenues

This Analysis considers only discretionary General Fund revenues that will be generated by the Project. Offsetting revenues, which are General Fund revenues that are dedicated to offset the costs of specific General Fund department functions, are excluded from a fiscal impact analysis. In addition, departmental costs that are funded by offsetting revenues or are not affected by development also are excluded.

The City does not currently track individual offsetting revenues at the department level. Thus, this Analysis estimated the offsetting revenues by department based on these:

- The City's FY 2011-12 total General Fund Program Revenues.³
- Aggregate offsetting Program Revenues shown by department.
- Interviews with City DOF staff.

The estimated matching costs by department were netted out of both total revenues and costs. Calculations used to exclude offsetting revenues from the Analysis are shown in **Table B-1**. Calculations used to exclude dedicated costs are shown in **Tables C-1**.

General Project and Land Use Assumptions

This section documents land use and other development-related assumptions used in this Analysis.

Buildout Focus

EPS has modeled the fiscal impact of the Project based on the impact of proposed residential and commercial land uses at buildout. **Chapter 5**, which discusses the FIA results, qualitatively evaluates fiscal issues concerning the initial phases of development. The Project is in the preliminary stages of the entitlement process. In addition, development of the Project is anticipated to be several years away. The timing and pace of development is unknown at this time and will be determined by future real estate conditions.

Annexation

Implementation of the Project will require annexation of the Project area into the City from the unincorporated County. Property tax revenue sharing in the Analysis is based on the County's and City's Agreement for Property Tax Allocation Upon Annexation (Agreement), dated March 22, 2005. The Agreement expired in July 2012. Changes to the property tax allocations specified in the Agreement would affect the Project's fiscal results.

Residential Development

The Project includes four categories of residential land uses:

- Low Density Residential (LDR), with a density range of 4.9 to 6.5 units per acre.
- Low-Medium Density Residential (LMDR), with a density range of 7.0 to 11.5 units per acre.
- High-Medium Density Residential (HMDR), with a density range of 13.0 to 14.7 units per acre.
- High Density Residential (HDR), with a density range of 19.0 to 23.2 units per acre.

³ Program Revenues include fire contracts, code enforcement, charges for services, fines and forfeitures, revenues from other agencies, licenses and permits, and miscellaneous other revenues.

The Specific Plan provides a detailed description of the product types that could be included in each category. The Project's higher density units will likely be a mix of owner- and renter-occupied housing. Because the proportion of owner- and renter-occupied units will be determined by future market conditions, this Analysis is based on the assumption that HDR will be 50-percent rental and 50-percent owner-occupied. All other product types are assumed to be 100-percent owner-occupied.

Density Range

The Specific Plan proposes a range in density for the Project's residential units. The upper density limit is assumed for the Project's HMDR and HDR units, as it is likely that these product types will be more widely developed in the Project. For all other residential product types, the midpoint of the development range for units is used. **Table A-2** summarizes the Project's land use plan at buildout.

Nonresidential Development

Nonresidential land use information is based on land use information provided by the Project proponent. Floor Area Ratios (FARs) for the Project are based on the proposed square footage and estimated acreage for each parcel. The commercial product type is assumed to be 100-percent neighborhood-serving.

Market Prices and Real Growth Assumptions

Current economic conditions are weak and uncertain as the United States and California slowly recover from the Great Recession. The housing market downturn, ensuing job losses and pay cuts, and the associated collapse of housing prices and increases in foreclosures combined have had profound effects on local economies, growth, and related fiscal conditions in California cities and counties. Like other communities throughout California, the City has seen increases in foreclosures and significant declines in its median home values. The market is still on the road to recovery, held back by the level and uncertainty of household incomes, very conservative lending practices, and ongoing foreclosures.

Current market pricing in the Stockton area is lower than that required to support the cost of new development. In addition, pricing during the previous market peak was unsustainably high. As a result, market comparables from recent and current pricing are not adequate comparables. As an alternative method to derive market values, EPS gathered and analyzed market comparables of historical home sales prices in the region. Sales prices during 2003 were used as "normalized" values reflecting market equilibrium conditions.

In 2003, the relation between home pricing and income was within historical trends, with average home prices representing approximately 4 to 6 times the average household income. (During the market peak, home prices represented 8 to 9 times the average household income.) The normalized values also represent the minimum values required by the Project's developers for development to occur.

The Project's residential and nonresidential market prices are used to estimate revenue for property tax, property tax in lieu of vehicle license fee (PTIL VLF), and real property transfer tax. To be conservative in forecasting these revenues, the estimated assessed values for Project land

uses are assumed to remain static in 2011-dollar values; real growth in assessed value is not estimated. The estimated assessed value of the Project's residential and nonresidential land uses is presented in **Table D-2**.

Residential Market Values

The estimated assessed valuation of residential development is based on prices of comparable residential projects in the region shown in The Gregory Group's New Home database during the fourth quarter of 2003. Estimated assessed values for the total Project are calculated in **Table D-2**.

Price points for HDR rental units were reduced to approximately 15 percent of market-rate prices to reflect reduced values for rental housing. **Table A-3** identifies estimated home values for each residential product type, as well as estimated assessed values per square foot for nonresidential land uses.

Nonresidential Market Values

Valuation of the Project's nonresidential land uses is based on 2003 sales prices of comparable projects on which EPS had worked.

Residential and Employee Estimates

Population projections are calculated based on an average persons-per-household factor of 3.11 for all residential units, which was taken from the 2007 Stockton General Plan 2035 and is consistent with the Specific Plan. EPS estimated individual factors for each of the Project's residential product types based on the average persons per household.

Different residences will appeal to different households depending on their type, size, pricing, and amenities. The number of persons in each unit will vary with density as low-density, single-family homes tend to appeal more to households with children than higher density units. Average household size for the low-density and low-medium detached units is assumed to be 3.35 persons, while medium-density units are assumed to consist of, on average, 3.25 persons. High-density units are assumed to consist of an average of 2.8 persons per household. These assumptions yield a population total of 5,966.

In addition, commercial space will support new employment with an estimated density of one employee per 350 square feet. Office park and industrial space are assumed to have reduced employee density with 500 and 1,000 square feet per employee, respectively. These ratios reflect standard space requirements for retail and office jobs and result in approximately 446 employees. The employee density factors are consistent with the 2010 County GPU Fiscal Impact Analysis. Calculations are shown in **Table A-3**.

3. REVENUE-ESTIMATING METHODOLOGY

This chapter describes the methodology used to forecast the Project's revenues at buildout. EPS used either a marginal-revenue case-study approach or an average-revenue approach to estimate Project-related revenues. The marginal-revenue case-study approach simulates actual revenue generation resulting from new development. The case-study approach for estimating sales and use tax revenues, for instance, forecasts market demand and taxable spending from the Project's new residents, as well as taxable sales generated by the Project's on-site retail. Case studies used in this Analysis are discussed in greater detail later in this section.

The average-revenue approach uses the City's FY 2011-12 budgeted revenue amounts on a citywide per capita or per-persons-served basis to forecast revenues derived from estimated residents of the Project.⁴

Revenue-Estimating Procedures by Revenue Source

The General Fund revenue sources analyzed in the Analysis and corresponding estimating procedures used to forecast Project revenues is shown in **Table B-1**. A summary table showing revenue-estimating procedures by revenue source is located below.

Item	Estimating Procedure
Property Taxes	Marginal Revenue
Property Tax In-Lieu of VLF	Marginal Revenue
Property Tax In-Lieu of Sales Tax	Average Revenue
Sales Taxes	Average Revenue
Prop. 172 Sales Tax	Average Revenue
Document Transfer Tax	Marginal Revenue
Franchise Tax	Average Revenue
Hotel / Motel Tax	Average Revenue
Business License Tax	Average Revenue
Utility Users Tax	Average Revenue
Licenses & Permits	[1]
Revenues from Other Agencies	[1]
Motor Vehicle in Lieu	[1]
Charges for Services	[1]
Fire Contracts	[1]
Code Enforcement	[1]
Fines & Forfeitures	[1]
Misc. Other Revenues	[1]
Transfers In	[1]

[1] Excluded from the Analysis. See Table B-1 for details.

⁴ A *per capita* basis of estimating revenues assumes that only residents have a fiscal impact on City revenues. A *per-persons-served* basis of estimating revenues is used to take into account businesses (and their employees) having a fiscal impact on many City revenues but at a lower level than residential development's impact.

Property Tax

Estimated annual property tax revenue resulting from development in the Project is presented in **Table B-3**. The Project falls into two Tax Rate Areas (TRAs): 099-178 and 099-378.

The property taxes the City will receive from the Project are derived from the total assessed value of the Project and the average share of the 1-percent ad valorem property tax allocated to taxing entities in each TRA, as shown in **Table D-1**.

Property Tax Sharing

Property tax revenue sharing in the Analysis is based on the County's and City's Agreement, dated March 22, 2005. The Agreement expires in July 2012. The following taxing entities identified in the Project's TRAs will become subject to tax sharing between the City and County upon annexation:

- County General Fund.
- Waterloo-Morada Rural Fire.

Fire protection is provided to the Project by the Waterloo-Morada Rural Fire District, but upon annexation, the City's Fire Department will provide this service to the Project site.

PTIL VLF

This Analysis uses a formula provided by the California State Controller's Office to forecast PTIL VLF, which is calculated by taking the percentage increase of the City's assessed value resulting from the Project and applying that percentage share to the City's current State allocation of PTIL VLF. This calculation is shown in **Table B-3**.

Document Transfer Tax

Document transfer tax is based on the assessed value of the Project's land uses and the anticipated turnover of residential properties over time. This Analysis is based on the assumption that the Project's owner-occupied residential property will turn over 10 percent per year (or once every 10 years) and rental housing and nonresidential property will turn over 5 percent per year (or once every 20 years). Document transfer tax revenue projections are identified in **Table B-4**.

Sales and Use Tax and Proposition 172 (Public Safety Sales Tax)

For these revenue sources, projections are based on the City's per capita revenue in the FY 2011-12 City Budget. The Project will generate taxable sales from two sources: (1) taxable spending in the City by new residents in the Project; and (2) taxable sales generated at the Project's onsite retail from nonresidents. This method is considered to be a conservative estimate of taxable sales, as it is likely that the Project will generate sales tax revenues that exceed the City's average.

Motor Vehicle in-Lieu Fee

The City allocation of Motor Vehicle in Lieu was eliminated in FY 2011-12 by Senate Bill 89. As a result, this revenue source is excluded from the Analysis.

Excluded General Fund Revenues

Revenue sources that are *not* expected to increase as a result of development are excluded from this Analysis. These sources of revenue are not affected by development because they are either one-time revenue sources not guaranteed to be available in the future or there is no direct relation between increased employment growth and increased revenue. Excluded revenues include Revenues from Other Agencies, Other Revenues,⁵ and Transfers In.

Measure W

Measure W is a quarter-cent citywide sales tax that is split 50/50 to help fund police and fire operations. Measure W revenues are estimated based on the City's average per capita revenue in the FY 2011-12 City Budget. In FY 2011-12, annual expenditures exceeded annual Measure K funding. A portion of the Measure W funding balance was used to offset the net shortfall.

Road Funds

The City has two funds for road maintenance: the Gas Tax Fund and Measure K Fund. Gas Tax revenues accrue to the City to support Project-related impacts on on-site and off-site road maintenance activities. Measure K revenues are generated from the County's half-cent sales tax for transportation improvements, which is partially allocated to the City. Gas Tax and Measure K revenues are projected on an average revenue basis, as shown in **Table B-1**. In FY 2011-12, annual expenditures exceeded annual Gas Tax funding. A transfer in from Measure K and a portion of the Gas Tax funding balance were used to offset the net shortfall.

⁵ Represents Miscellaneous Other Revenues, Interest Income, and Interfund Reimbursements.

4. EXPENDITURE-ESTIMATING METHODOLOGY

This chapter describes the methodology used to forecast the Project's expenditures at buildout. EPS estimated General Fund expenditures by using an average-cost approach for all Project-related expenditures except Parks and Street Trees. The average-cost method is based on the assumption that the marginal cost of City services to new Project residents and employees would equal the City's existing average-cost structure. While the average-cost approach is a common modeling framework for County fiscal impact analyses, it is conservative in that it includes certain fixed costs that are not likely to be affected by growth. For example, it is unlikely that budget items such as "County Counsel" or "Personnel" would increase at all, let alone in a linear 1:1 fashion as a result of new development.

The cost to maintain parks and street trees is a marginal-cost analysis based on City maintenance costs and the Project's public park and open space acreage. This cost is not included in the current General Fund expenditures; it is assumed that the Project will participate in a special financing district to fund these Project costs consistent with City policy and CEQA mitigations; therefore they will not be a General Fund responsibility. The financial implications to project feasibility of increased assessments for these costs and any other required maintenance costs are described in the PFA.

Expenditure-Estimating Procedures by Department Function

A listing of General Fund, Measure W Fund, and Road Funds expenditures and the estimating procedures used to forecast future expenditures from the Project are shown on **Table C-1**. Expenditure estimates are based on the City's FY 2011-12 budget and supplemental information from City staff.

All General Fund expenditures that are affected by residents and employees are projected using a per-person-served average cost multiplier. These expenditures include the department functions listed below:

- Police
- Fire
- Public Works
- Economic Development
- Peacekeeper Program
- City Administration
- Program Support to Other Funds

The Analysis includes an adjustment to City Administration costs that accounts for department efficiencies on an average-cost basis. This adjustment is described below.

City Administration/General Government Adjustment

When an average cost methodology is employed, it is common practice in the industry to apply an efficiency factor for certain departments/functions to recognize that new development is not anticipated to have a linear 1:1 cost impact on a jurisdiction. In this Analysis, an efficiency factor of 50 percent was applied to the General Government expenditure multipliers. This factor

is based on the assumption that economies of scale are realized in General Government department functions that lessen the incremental costs of serving new growth (i.e., employees and persons served). Thus, to account for departmental efficiencies, General Government costs are estimated at a reduced rate instead of being directly proportional to growth.

Parks and Street Trees

The Project is anticipated to contain 10.1 acres of neighborhood parks and 15.0 acres of community park space. It will also include 5.84 acres of open space area in the Bear Creek Corridor.⁶ Parks and open space will be maintained by the City as part of the Parks and Street Trees activity in the Public Works Department. As noted above, these costs will be funded by Project assessments and will not be a General Fund responsibility.

The City provided EPS with estimated costs per acre for active parks. Open space maintenance costs are taken from the California Department of Real Estate Operating Cost Manual for Homeowner Associations and based on open space area with moderate slopes and low maintenance ground cover. Annual Park and Street Trees costs at buildout are estimated in **Table C-3**. These costs are included in the PFA to indicate tax burdens and remaining infrastructure bonding capacity.

The Project will also contain a private small park and open space paseos. Because these facilities will be maintained privately, they are excluded from the FIA.

Excluded General Fund Expenditures

The following expenditure categories were excluded from Project expenditure calculations: arts commission, labor litigation, debt service, and contingency. These categories were excluded because they are not considered to be affected by Project development or are assumed to have negligible impacts.

Measure W

In FY 2011-12, annual expenditures exceeded annual Measure W funding. A portion of the Measure W funding balance was used to offset the net shortfall. To model this expenditure item, this Analysis assumed that ongoing Measure W expenditures will be equal to the Measure W sales tax revenues generated in each fiscal year. This assumption is based on the expectation that the City will adjust Measure W services to balance annual costs with annual revenues. Measure W expenditures are estimated by setting annual costs equal to annual revenues, as shown in **Table C-2**.

⁶ The Bear Creek Corridor consists of 21.8 acres. The Corridor will primarily consist of the creek itself and be maintained by the local flood control agency. As stated in Policy 8.4 of the Specific Plan, an 80-foot clear open space corridor from the levee toe shall be provided along the Bear Creek corridor. 50-feet of the 80-foot clear shall be designated open space. The 50-foot clear is 5.84 acres according to an analysis prepared by Wood Rogers.

Road Funds

Gas Tax and Measure K expenditures are projected on an average-cost basis, as shown in **Table C-1**. In FY 2011-12, annual expenditures exceeded annual Gas Tax funding. A transfer in from Measure K and a portion of the Gas Tax funding balance were used to offset the net shortfall.

5. ANNUAL FISCAL RESULTS

This section identifies the Project's annual fiscal impact at buildout on the General Fund, Measure W Fund, and Road Funds. **Table 1** provides a detailed list of the Project's estimated General Fund, Measure W Fund, and Road Funds revenue and expenditure projections. Highlights from the results are noted below.

Fiscal analyses of new development projects provide a generalized indication of the cost/revenue balance of a proposed project. A project is considered to have a neutral to moderately positive/negative fiscal impact if the fiscal results are within ± 10 percent of the total annual cost.

Net Fiscal Impact at Buildout

At buildout, the General Fund and Measure W Fund are estimated to generate an annual surplus of \$284,000. Because Measure W provides supplemental funding for General Fund services, the General Fund and Measure W Fund results are combined.

The Road Funds (Gas Tax and Measure K Funds) are estimated to produce an annual deficit of \$4,000 at buildout. Since this deficit represents 1.86 percent of total Road Funds expenditures, it is considered a breakeven result.

Revenues at Buildout

- Total annual General Fund revenues at buildout are estimated at \$2.8 million. Utility taxes comprise 21.5 percent of total General Fund revenue, while property tax-based revenues⁷ comprise 41.0 percent of total fiscal revenues at buildout. **Table B-2** shows the percentage breakdown of the Project's total fiscal revenues by each revenue source.
- The Project is anticipated to generate \$168,000 in Measure W Fund revenue annually at buildout.
- The Road Funds are anticipated to generate \$211,000 in revenue annually at buildout from Project development.

Expenditures at Buildout

- Total annual General Fund expenditures at buildout are estimated at \$2.4 million. The largest expenditure item is Police, which comprises 55 percent of total costs at buildout. Fire protection expenditures represent 26 percent of total costs at buildout. **Table C-2** shows the percentage breakdown of the Project's total fiscal expenditures by each budget function.
- The Project is anticipated to generate \$168,000 in Measure W Fund expenditures annually at buildout.

⁷ Includes property taxes, PTIL VLF, and property tax in lieu of sales tax.

- The Road Funds are anticipated to generate annual road operations expenditures of \$215,000 at buildout from Project development.

Funding and Mitigation of Potential Fiscal Deficits

The results of this Analysis estimate that development of the Project would generate a fiscally positive impact on the City's General Fund, Measure W Fund, and Road Funds. While the Analysis concludes that the BCESP is fiscally feasible, as assumptions evolve for the Project, it is possible that specific fiscal issues could occur. Therefore, it is important to consider potential mitigation options, for example, as noted for parks and tree maintenance. Project-specific mitigation measures that the City could consider are listed below.

- **Landscaping and Lighting Districts**—Local governments may impose assessments on benefiting property to fund construction and maintenance of street landscaping, lighting, traffic signals, and sidewalk repair, among other improvements. Landscaping and Lighting District formation requires a majority vote of the benefiting landowners.

By statutory definition, the funds generated by the special taxes and assessments imposed under each of the above mechanisms must benefit the properties assessed and may not be used to fund services outside the special district/Project area.

- **Community Facilities District for Services (Services CFD)**—If funding mitigation is necessary, the City could form a new Services CFD to fund road maintenance services over the Project area and establish special tax rates at levels that would fully or partially mitigate any negative impacts. Alternatively, the City could annex the Project into an existing CFD and establish either a new zone with separate special tax rates or the same special tax rates of the existing CFD.

By statutory definition, the funds generated by special taxes and assessments must benefit the properties assessed and may not be used to fund services outside the special district/Project area.

- **Development Impact Fee/Maintenance Annuity Fund**—Some local governments have opted to collect a one-time fee at the issuance of a building permit to mitigate the negative impacts of new development. The fee is structured so it funds city services for a specified period of time. The fee serves as an annuity that, when invested, is estimated to fund city services for a set period of time, say 25 years. Interest rates and the costs of services will be the true determination of the period for which the fee funds services. The City could establish the fee as an "extraction" under a Development Agreement to protect it from challenge and eliminate the requirement to establish a nexus between the amount of the fee and the benefit received for the properties subject to the fee.



APPENDICES:

- Appendix A: General Assumptions
- Appendix B: City General Fund Revenue Analysis
- Appendix C: City General Fund Expenditure Analysis
- Appendix D: Revenue Support

APPENDIX A:
General Assumptions



Table A-1	General Assumptions	A-1
Table A-2	Land Use Summary	A-2
Table A-3	Land Use Assumptions	A-3

Table A-1
Bear Creek East Fiscal Impact Analysis
General Assumptions

Item	Assumption
General Assumptions	
Base Fiscal Year [1]	FY 2011-12
Property Turnover Rate (% per year) [2]	
Residential - Owner Occupied	10.0%
Residential - Renter Occupied	5.0%
Commercial	5.0%
General Demographic Characteristics	
City of Stockton Population (DOF) [3]	292,515
City of Stockton Employees [4]	104,171
City of Stockton Persons Served [5]	344,601

"gen_assumps"

Source: California Department of Finance, Claritas, and EPS.

- [1] Revenues and expenditures are in 2011 dollars.
- [2] Property turnover rate based on EPS experience.
- [3] Taken from the City of Stockton FY 2011-12 Annual Budget. Based on population estimates from the Department of Finance.
- [4] From Claritas' Workplace and Employment Summary Report.
- [5] Persons served is defined as total population plus half of total employees.

Table A-2
Bear Creek East Fiscal Impact Analysis
Land Use Summary

Land Use	Density	Buildout		
		Acreage	Dwelling Units [1]	Commercial Bldg. Sq. Ft.
Residential Land Uses [1]				
LDR	<u>Units/ Acre</u>	72.7	413	-
LMDR		76.6	709	-
HMDR		31.9	468	-
HDR - Owner Occupied [2]		6.6	152	-
HDR - Renter Occupied [2]		6.6	152	-
Subtotal Residential		194.3	1,894	-
Nonresidential Land Uses				
Commercial	<u>FAR [3]</u>	10.7	-	93,200
Office Park	0.20	4.8	-	41,800
Light Industrial	0.25	8.9	-	95,800
Subtotal Nonresidential Land Uses		24.4	-	230,800
Parks/Open Space				
Private Small Park	-	0.8	-	-
Neighborhood Park	-	10.1	-	-
Community Park	-	15.0	-	-
Paseo	-	1.8	-	-
Bear Creek Corridor	-	21.8	-	-
Subtotal Parks/Open Space		49.5	-	-
Public/Quasi Public				
Elementary School	-	10.0	-	-
Major Roads	-	34.1	-	-
Subtotal Public/Quasi Public		44.1	-	-
Subtotal OS and Public Uses	-	93.6	-	-
Total All Land Uses		312.3	1,894	230,800
"land uses"				

"Land Uses"

Source: Bear Creek East Specific Plan and EPS.

[1] The Specific Plan provides a unit range for each product type based on the City's density ranges. For purposes of this analysis, the upper end of the range is used for HMDR and HDR. For all other land uses, the mid-point of the range is used.

[2] Assumed to be 50 percent owner-occupied and 50 percent renter-occupied.

[3] Floor Area Ratio (FAR) based on acreage and estimated square footage provided by Project proponent.

Table A-3
Bear Creek East Fiscal Impact Analysis
Land Use Assumptions

Land Use	Est. Avg. 2003 Normalized Market Values [1]	Annual Turnover Rate	Dwelling Units/ Bldg Sq. Ft.	Persons per Dwelling Unit [2]	Buildout Service Population
Residential Land Uses			<u>Units</u>	<u>Persons/ HH</u>	<u>Residents</u>
LDR	\$310,000	10%	413	3.35	1,384
LMDR	\$260,000	10%	709	3.35	2,375
HMDR	\$225,000	10%	468	3.25	1,521
HDR - Owner Occupied	\$200,000	10%	152	2.80	426
HDR - Renter Occupied	\$170,000	5%	152	2.80	426
Subtotal Residential			1,894		6,132
<i>Average [2]</i>				3.11	
Nonresidential Land Uses			<u>Bldg Sq. Ft.</u>	<u>Sq. Ft./ Employee</u>	<u>Employees</u>
Commercial [3]	\$300	5%	93,200	350	266
Office Park	\$275	5%	41,800	500	84
Light Industrial	\$150	5%	95,800	1,000	96
Subtotal Nonresidential Land Uses			230,800		446
Persons Served [4]					6,355

lu_assumps

Source: San Joaquin County General Plan, Gregory Group and EPS.

[1] Based on 2003 sales prices to reflect normalized market values. Residential values taken from the Gregory Group database. Nonresidential development values taken from comparable projects on which EPS has worked.

[2] Residential persons per household factors based on the average City of Stockton General Plan persons per household factor of 3.11.

[3] Nonresidential square feet per employee factors based on the 2010 San Joaquin County GPU Fiscal Impact Analysis.

[4] Assumed to be 100% neighborhood-serving retail.

[4] Total persons served is sum of total residents plus 50% of employees.

APPENDIX B:

City General Fund Revenue Analysis



Table B-1	Revenue-Estimating Procedures	B-1
Table B-2	Estimated Annual Revenues	B-2
Table B-3	Estimated Annual Property Tax Revenues	B-3
Table B-4	Document Transfer Tax Revenues.....	B-4

Table B-1
Bear Creek East Fiscal Impact Analysis
Revenue-Estimating Procedures (2011\$)

Item	Estimating Procedure	Case Study Reference	Annual Budget Revenues	Offsetting Revenues [1]	Net Annual Revenues	Service Population	Revenue Multiplier
General Fund							
Property Taxes	Case Study	Table B-3	\$28,230,000	\$0	\$28,230,000	N/A	-
Property Tax In-Lieu of VLF	Case Study	Table B-3	\$18,615,775	\$0	\$18,615,775	N/A	-
Property Tax In-Lieu of Sales Tax	Per Capita	-	\$8,614,000	\$0	\$8,614,000	292,515	\$29.45
Sales Taxes	Per Capita	-	\$25,877,000	\$0	\$25,877,000	292,515	\$88.46
Prop. 172 Sales Tax	Per Capita	-	\$1,159,000	\$0	\$1,159,000	292,515	\$3.96
Document Transfer Tax	Case Study	Table B-4	\$640,000	\$0	\$640,000	N/A	-
Franchise Tax	Persons Served	-	\$11,756,238	\$0	\$11,756,238	344,601	\$34.12
Hotel / Motel Tax	Persons Served	-	\$1,800,000	\$0	\$1,800,000	344,601	\$5.22
Business License Tax	Persons Served	-	\$8,669,432	\$0	\$8,669,432	344,601	\$25.16
Utility Users Tax	Persons Served	-	\$31,141,736	\$0	\$31,141,736	344,601	\$90.37
Licenses & Permits	[3]	-	\$432,500	\$432,500	\$0	N/A	-
Revenues from Other Agencies	[3,4]	-	\$839,600	\$0	\$839,600	N/A	-
Motor Vehicle in Lieu	[5]	-	\$1,047,400	\$0	\$1,047,400	N/A	-
Charges for Services	[3]	-	\$2,366,377	\$2,061,671	\$304,706	N/A	-
Fire Contracts	[3]	-	\$3,990,981	\$3,990,981	\$0	N/A	-
Code Enforcement	[3]	-	\$4,038,100	\$4,038,100	\$0	N/A	-
Fines & Forfeitures	[3]	-	\$2,054,100	\$2,054,100	\$0	N/A	-
Other Revenues [2]	[4]	-	\$9,714,559	\$787,625	\$8,926,934	N/A	-
Transfers In	[4]	-	\$774,515	\$774,515	\$0	N/A	-
Total General Fund Operating Revenues			\$161,761,313	\$14,139,492	\$147,621,821		
Measure W							
Police	Per Capita	-	\$4,012,200	\$0	\$4,012,200	292,515	\$13.72
Fire	Per Capita	-	\$4,012,200	\$0	\$4,012,200	292,515	\$13.72
Total Measure W Revenues			\$8,024,400	\$0	\$8,024,400		
Road Funds							
Gas Tax Fund	Persons Served	-	\$7,803,252	\$0	\$7,803,252	344,601	\$22.64
Measure K	Persons Served	-	\$3,642,995	\$0	\$3,642,995	344,601	\$10.57
Total Road Funds			\$11,446,247	\$0	\$11,446,247		\$33.22

"rev_est_procedures"

Source: City of Stockton 2011-12 Annual Budget; and EPS.

- [1] This analysis assumes that all or part of these revenues are fully dedicated to specific General Fund departmental costs, therefore they are netted out of both total revenues and total costs. Offsetting revenue amounts based on interviews with City Department of Finance staff.
- [2] Includes Miscellaneous Other Revenues, Interest Income, and Interfund Reimbursements
- [3] This analysis assumes that all or part of these revenues are fully dedicated to specific General Fund departmental costs (Offsetting Revenues). Since these revenues are budget neutral and are not discretionary, they are not included in estimating discretionary Project revenues.
- [4] Not expected to be affected by the Project and therefore no revenue multipliers are estimated in this analysis.
- [5] The city allocation of Motor Vehicle in Lieu was eliminated in FY 11-12 by SB89. As a result, it is excluded from the analysis.

Table B-2
Bear Creek East Fiscal Impact Analysis
Estimated Annual Revenues (2011\$)

Revenues [1]	Annual Revenue at Buildout	% of General Fund Total at Buildout
General Fund Revenues		
Property Taxes	\$327,572	12.3%
Property Tax In-Lieu of VLF	\$586,832	22.0%
Property Tax In-Lieu of Sales Tax	\$180,587	6.8%
Sales Taxes	\$542,437	20.3%
Prop. 172 Sales Tax	\$24,283	0.9%
Document Transfer Tax	\$26,835	1.0%
Franchise Tax	\$216,827	8.1%
Hotel / Motel Tax	\$33,172	1.2%
Business License Tax	\$159,888	6.0%
Utility Users Tax	\$574,287	21.5%
Subtotal General Fund Revenues	\$2,672,720	100.0%
Measure W		
Police	\$84,131	
Fire	\$84,131	
Subtotal Measure W Revenue	\$168,262	
Road Funds Revenue	\$211,108	

[1] Includes only net revenues affected by development. See Table B-1 for estimating assumptions.

Table B-3
Bear Creek East Fiscal Impact Analysis
Estimated Annual Property Tax Revenues (2011\$)

Item	Assumptions	Formula	Annual Revenue at Buildout
1-Percent Property Tax			
Buildout Assessed Value (2011\$) [1]		a	\$527,735,000
Property Tax Revenue (1% of Assessed Value)	1.0%	$b = a * 1.00\%$	\$5,277,350
Estimated Property Tax Allocation [2]			
City of Stockton (Post-ERAF)	6.2%	$c = b * 6.2\%$	\$327,572
San Joaquin County (Post-ERAF)	24.8%	$d = b * 24.8\%$	\$1,310,288
Other Agencies/ERAF	69.0%	$e = b * 69.0\%$	\$3,639,490
Property Tax In-Lieu of Motor Vehicle In-Lieu Fee Revenue (VLF)			
Total Citywide Assessed Value [3]		f	\$16,741,073,222
Total Assessed Value of Project		$g = a$	\$527,735,000
Total Assessed Value		$h = f + g$	\$17,268,808,222
Percent Change in AV		$i = (h - f) / f$	3.2%
Property Tax In-Lieu of VLF	\$18,615,775	$j = i * \$18,615,775$	\$586,832

Source: City of Stockton 2011-12 Annual Budget; San Joaquin County Auditor-Controller's Office; and EPS.
 "prop_tax"

[1] For assumptions and calculation of assessed value, see Table D-2.

[2] For assumptions and calculation of the estimated property tax allocation, refer to Table D-1.

[3] Total FY 2011-12 secured and unsecured assessed value for the City of Stockton. Provided by San Joaquin County.

Table B-4
Bear Creek East Fiscal Impact Analysis
Document Transfer Tax Revenues (2011\$) [1]

Description	Assumption/ Reference	Formula	Annual Revenue at Buildout
Rate per \$1,000 of Assessed Value [2]	\$0.55		
Assumed Annual Turnover Rates			
Residential - Owner Occupied	10%		
Residential - Renter Occupied	5%		
Nonresidential	5%		
Residential Land Uses - Owner Occupied			
Total Estimated Assessed Value	Table D-2	a	\$448,070,000
Turnover of Property		$b = a * 10\%$	\$44,807,000
Estimated Document Transfer Tax		$c = \$0.55/1000 * b$	\$24,644
Residential Land Uses - Renter Occupied			
Total Estimated Assessed Value	Table D-2	d	\$25,840,000
Turnover of Property		$e = d * 5\%$	\$1,292,000
Estimated Document Transfer Tax		$f = \$0.55/1000 * e$	\$711
Nonresidential Land Uses			
Total Estimated Assessed Value	Table D-2	g	\$53,825,000
Turnover of Property		$h = g * 5\%$	\$2,691,250
Estimated Document Transfer Tax		$i = \$0.55/1000 * h$	\$1,480
Total		$j = c + f + i$	\$26,835

"transfer_tax"

Source: City of Stockton; and EPS.

[1] Formula for Transfer Tax = Assessed Value/1000 * Rate per \$1,000 of Assessed Value * Turnover rate.

[2] Assessed value for residential and commercial land uses calculated in Table D-2.

APPENDIX C:
City General Fund
Expenditure Analysis



Table C-1	Expenditure-Estimating Procedures.....	C-1
Table C-2	Estimated Annual Expenditures	C-2
Table C-3	Estimated Park and Street Trees Annual Costs at Buildout ...	C-3

Table C-1
Bear Creek East Fiscal Impact Analysis
Expenditure-Estimating Procedures (2011\$)

Item	Estimating Procedure	Annual General Fund Expenditures	Offsetting Revenues [1]	Net City Cost	Service Population	Avg. Cost Per Person Served	Adjustment Factor [2]	Expenditure Multiplier
General Fund Expenditures								
Police	per person served	\$84,862,036	\$8,750,906	\$76,111,130	344,601	\$220.87	1.00	\$220.87
Fire	per person served	\$39,812,835	\$4,315,706	\$35,497,129	344,601	\$103.01	1.00	\$103.01
Public Works	[3] per person served	\$3,242,303	\$138,187	\$3,104,116	344,601	\$9.01	1.00	\$9.01
Parks & Street Trees	[3] case study	\$3,838,687	\$0	\$3,838,687	NA	NA	1.00	NA
Economic Development	per person served	\$485,199	\$7,200	\$477,999	344,601	\$1.39	1.00	\$1.39
Peacekeeper Program	per person served	\$328,354	\$0	\$328,354	344,601	\$0.95	1.00	\$0.95
Arts Commission	NA	\$36,737	\$0	\$36,737	NA	NA	0.50	NA
City Administration								
Charter Offices	[4] per person served	\$3,337,236	\$26,353	\$3,310,883	344,601	\$9.61	0.50	\$4.80
Administrative Services	per person served	\$3,201,627	\$36,625	\$3,165,002	344,601	\$9.18	0.50	\$4.59
Human Resources	per person served	\$1,272,332	\$0	\$1,272,332	344,601	\$3.69	0.50	\$1.85
Tax Collection & Election	per person served	\$2,310,000	\$0	\$2,310,000	344,601	\$6.70	0.50	\$3.35
Other Administration	per person served	\$1,363,178	\$90,000	\$1,273,178	344,601	\$3.69	0.50	\$1.85
Total City Administration						\$32.88		\$16.44
Labor Litigation	NA	\$1,500,000	\$0	\$1,500,000	NA	NA	1.00	NA
Program Support to Other Funds								
Less Support Unrelated to Devel.	[5] per capita	\$12,033,321						
Net Program Support	per capita	\$6,985,022	\$0	\$6,985,022	292,515	\$23.88	1.00	\$23.88
Debt Service	NA	\$2,137,468	\$774,515	\$1,362,953	NA	NA	1.00	NA
Contingency	NA	\$2,000,000	\$0	\$2,000,000	NA	NA	1.00	NA
Subtotal General Fund Expenditures		\$173,794,634	\$14,139,492	\$142,573,522		\$391.99		\$375.55
Measure W								
Police		\$3,964,777	\$0	\$3,964,777				
Fire		\$4,322,943	\$0	\$4,322,943				
Subtotal Measure W	[6]	\$8,287,720	\$0	\$8,287,720	NA	NA	-	NA
Road Funds								
Gas Tax Fund	per person served	\$9,632,256	\$0	\$9,632,256	344,601	\$27.95	1.00	\$27.95
Measure K	per person served	\$2,051,247	\$0	\$2,051,247	344,601	\$5.95	1.00	\$5.95
Total Road Funds		\$11,683,503	\$0	\$11,683,503		\$33.90		\$33.90

exp_est_procedures

Source: City of Stockton FY 2011-12 Annual Budget; City of Stockton Finance Dept.; and EPS.

- [1] Represents General Fund departmental revenues identified for specific General Fund department functions in the City's fiscal budget.
 [2] This Analysis applies an efficiency factor of 50 percent to the general government expenditure multipliers. This factor assumes that economies of scale are realized within General Government department functions that lessen the incremental costs of serving new growth (residents and persons served).
 [3] Parks and Street Trees is a Public Works department activity. For purposes of this analysis, this activity is analyzed separately in Table C-3.
 [4] Includes City Council, City Manager, City Attorney, and City Auditor.
 [5] Includes program support for Entertainment Venues, Redevelopment, Downtown Marina, Capital Improvement, and Grant Match, as these are not related to development.
 [6] In this Analysis, Measure W expenditures are assumed to equal costs. It is assumed that service level adjustments will be made to balance costs with available revenues.

Table C-2
Bear Creek East Fiscal Impact Analysis
Estimated Annual Expenditures (2011\$)

Expenditures	Annual Expenditures at Buildout	% of General Fund Total at Buildout
General Fund Expenditures		
Police	\$1,403,580	58.8%
Fire	\$654,609	27.4%
Public Works	\$57,244	2.4%
Parks & Street Trees [1]	-	0.0%
Economic Development	\$8,815	0.4%
Peacekeeper Program	\$6,055	0.3%
City Administration	\$104,482	4.4%
Program Support to Other Funds	\$151,749	6.4%
Total General Fund Expenditures	\$2,386,533	100.0%
Measure W	\$168,262	
Road Funds Expenditures	\$215,458	
Future Special Assessment District [1]	\$267,650	

"expenditures"

Source: EPS.

[4] Consistent with City policy and CEQA mitigation, the Project will participate in a Special Assessment district to fund Parks & Street Tree annual costs.

Table C-3
Bear Creek East Fiscal Impact Analysis
Estimated Park and Street Trees Annual Costs at Buildout (2011\$)

Item	Acres [1]	Cost/Acre [2]	Total at Buildout [4]
Parks/Open Space			
Neighborhood Park	10.1	\$9,500	\$95,950
Community Park	15.0	\$9,500	\$142,500
Bear Creek Corridor [3]	5.84	\$5,000	\$29,200
Subtotal Parks/Open Space	30.94		\$267,650

"parks"

Source: State of California, City of Stockton, Wood Rogers, and EPS.

- [1] Does not include the private small park or paseo, as both of these will be privately maintained.
- [2] Neighborhood and community park costs provided by the City. Open space cost maintenance taken from the California Department of Real Estate Operating Cost Manual for Homeowner Associations, 2000. Costs escalated based on the Engineering News Record Construction Cost Index, San Francisco Bay Area.
- [3] The Bear Creek Corridor consists of 21.8 acres; however, the majority of this area will contain the creek itself and be maintained by the local flood control agency. As stated in Policy 8.4 of the Specific Plan, an 80-foot clear open space corridor from the levee toe shall be provided along the Bear Creek corridor. Of the 80-foot clear, 50 feet shall be designated open space. The total acreage of the 50-foot clear is 5.84 acres, according to an analysis prepared by Wood Rodgers.
- [4] Consistent with City policy and CEQA mitigation, the Project will participate in a Special Assessment district.

APPENDIX D:
Revenue Support



Table D-1	Preliminary Property Tax Allocations on Annexation	D-1
Table D-2	Estimated Annual Assessed Valuation.....	D-2

Table D-1
Bear Creek East Fiscal Impact Analysis
Preliminary Property Tax Allocations on Annexation

Fund/ Agency	Tax Rate Areas		Average Post-ERAF Tax Increment [1]	Post Annexation Property Tax Allocation [2]	
	099-178	099-378		City 20.0%	County 80.0%
COUNTY GENERAL FUND	21.16040%	21.13710%	21.14875%	4.22975%	16.91900%
WATERLOO-MORADA RURAL FIRE [3]	9.88810%	9.88570%	9.88690%	1.97738%	7.90952%
ROAD DISTRICT NO 4	4.01270%	3.99290%	4.00280%		
COUNTY LIBRARY	1.71130%	1.71080%	1.71105%		
LODI UNIFIED SCHOOLS	27.04580%	27.03960%	27.04270%		
SAN JOAQUIN DELTA COM COLLEGE	3.80740%	3.80630%	3.80685%		
COUNTY SCHOOL SERVICE	1.40240%	1.42030%	1.41135%		
SAN JOAQUIN CNTY FLOOD CONTROL	0.16700%	0.16690%	0.16695%		
SJ CNTY FLOOD CNTRL-ZN NO 9	0.34370%	0.34360%	0.34365%		
SJ CO MOSQUITO ABATE	0.74940%	0.74920%	0.74930%		
WOODBIDGE IRRIGATION	1.70270%	1.70230%	1.70250%		
EDUCATIONAL REVENUE AUGMENTATION FUND	28.00910%	28.04530%	28.02720%		
TOTAL	100.00000%	100.00000%	100.00000%		
Percentage of Gross Property Tax	100.00000%	100.00000%	100.00000%	6.2071%	24.8285%

Source: San Joaquin County and EPS.

- [1] Represents the average percentage allocation of the 1% ad valorem property tax for the Tax Rate Areas in the project.
 [2] Assumes a 20.0% and 80.0% split of the County General Fund and Fire District allocation to City and County, respectively. Allocation based on the City of Stockton and San Joaquin County Agreement for Property Tax Allocation Upon Annexation, dated March 22, 2005.
 [3] Fire protection services for the project site are currently provided by the Waterloo-Morada Rural Fire District, but upon annexation the Stockton Fire Department will provide this service to the residents of the Project.

"city_annex_share"

Table D-2
 Bear Creek East Fiscal Impact Analysis
 Estimated Annual Assessed Valuation (2011\$)

Land Use	Units/Sq. Ft. at Buildout	Estimated Market Value per Unit [1]	Estimated Assessed Valuation at Buildout
Residential Land Uses [1]			
<i>Per Unit</i>			
Owner-Occupied			
LDR	413	\$310,000	\$128,030,000
LMDR	709	\$260,000	\$184,340,000
HMDR	468	\$225,000	\$105,300,000
HDR - Owner Occupied	152	\$200,000	\$30,400,000
Subtotal, Owner-Occupied	1,742		\$448,070,000
Renter-Occupied			
HDR - Renter Occupied	152	\$170,000	\$25,840,000
Subtotal Residential Uses	1,894		\$473,910,000
<i>Per Sq. Ft.</i>			
Nonresidential Land Uses			
Commercial	93,200	\$300	\$27,960,000
Office Park	41,800	\$275	\$11,495,000
Light Industrial	95,800	\$150	\$14,370,000
Subtotal Nonresidential Land Uses	230,800		\$53,825,000
Total Developable Land Uses			\$527,735,000

"av"

Source: EPS.

[1] See Table A-3 for detail on estimated values.

MEMORANDUM

To: Jenny Liaw, City of Stockton

cc: John D'Arcy and Trevor Smith

From: Walter Kieser and Richard Berkson

Subject: Revised Bear Creek East Preliminary Feasibility Analysis;
EPS#21507

Date: August 29, 2012

The Economics of Land Use



Economic & Planning Systems, Inc. (EPS) was requested by MCD North Stockton, LLC, and their consultant team to prepare a Preliminary Feasibility Analysis (PFA or Analysis) of the Bear Creek East Specific Plan (BCESP or Project). BCESP is located in the unincorporated area of San Joaquin County (County), near the City of Stockton (City)'s northern boundary. The Project proposes to be annexed into the City.

The Project is undergoing development review by the City to receive entitlements for the Specific Plan, pre-zoning, and annexation. The developer is seeking these entitlements to be better prepared to react to improved market conditions in the future. Development of the Project will not occur until market conditions improve. During this stage of the planning process, the City requires completion of a PFA and Fiscal Impact Analysis.

Report Status and Context

This memorandum presents the revised results of the PFA and describes major outstanding issues related to the Project's feasibility. The revisions are in response to comments provided by NBS and City staff (July 18, 2012). We would be happy to respond to any additional issues or concerns that the City may have.

Summary of Approach and Findings

The PFA identifies and allocates the estimated cost of Phase 1 and buildout infrastructure to new development in the Project area. The resulting allocations indicate the financial feasibility of the BCESP and

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provide the basis for financing mechanisms (e.g., a Mello-Roos Community Facilities District [CFD] or Area of Benefit [AOB] Fees) and agreements to help fund infrastructure and public facilities and to reimburse developers who pay more than their proportionate share.

EPS has prepared a cost allocation model and used financial feasibility metrics to estimate Project feasibility. The results of the PFA estimate the Project's total cost burden, capacity for land-secured financing, and estimated financial feasibility.

The PFA accounts for all current City and other agency development impact fees at non-deferred levels, City fee program reimbursements, and preliminary AOB cost sharing from the Bear Creek East and Bear Creek West Specific Plans. The attached tables and **Appendix A** provide the full PFA table set, showing assumptions, data inputs, detailed financing calculations, and results.

Summary of Findings

Table 1 provides a summary of feasibility measures for Phase 1, the Remaining Phases, and at buildout. These measures identify BCESP's gross and net infrastructure burden and total taxes/assessments as a percentage of the estimated home price. Major findings based on the results of the Analysis are listed below:

- 1. Development impact fees represent the greatest share of the Project's total one-time burden.** The Project's City and other public agency fees at total buildout are \$84.8 million, which represents 63 percent of the Project's total one-time burden of \$134.6 million at buildout (see **Table 1**). During Phase 1, City and other public agency fees represent 58 percent of the total one-time burden.
- 2. The Project is estimated to generate \$4.2 million in bond financing in Phase 1 and \$26.4 million at buildout.** CFD bond financing is estimated in **Table 13**. During Phase 1, several options are available for Project-based financing. BCESP's developers could issue bonds to finance Phase 1 infrastructure, or collect and invest Phase 1 annual special tax revenues until a later phase in the Project, at which point the collected CFD special tax revenues and interest earnings could be used to write down a future bond issuance.
- 3. Additional special taxes/assessments for services will limit infrastructure bonding capacity.** The results of the Project's Fiscal Impact Analysis indicate that BCESP will have a slightly positive impact on the City's General Fund and fiscally neutral on the Road Fund annually at buildout. Thus, a special tax/assessment for services is not estimated for the Project. However, in accord with City policy and CEQA mitigations, the Project will establish a Landscape and Lighting Maintenance District (LLMD) or annex to an existing district to fund park and street tree maintenance. It is important to note that any special taxes/assessments for services, including citywide or area-specific CFDs and assessment districts, reduce bonding capacity for infrastructure.
- 4. Current market pricing in the Stockton area is lower than that required to support the cost of new development.** In addition, pricing during the previous market peak was unsustainably high. As a result, market comparables from recent and current pricing are not adequate comparables. As an alternative method to derive market values, EPS gathered and analyzed market comparables of historical home sales prices in the region. Sales prices during 2003 were used as "normalized" values, reflecting market equilibrium conditions. In

2003, the relation between home pricing and income was within historical trends, with average home prices representing approximately 4 to 6 times the average household income. (During the market peak, average home prices represented 8 to 9 times the average household income.) The normalized values also represent the minimum values required by the Project's developers for development to occur, notwithstanding the potential additional burdens of infrastructure and fees. **Table 3** shows the normalized 2003 price points used in the Analysis.

5. Even with normalized 2003 pricing, the Project's residential infrastructure burden during Phase 1 and at buildout is infeasible. However, the Project's buildout nonresidential infrastructure burden may be feasible depending on price increases and potential fee revisions. The total infrastructure cost burden consists of two components:

- All backbone infrastructure and public facility costs (e.g., developer funding plus any non-overlapping bond debt related to special taxes and assessments for infrastructure).
- All applicable development fees (e.g., development impact fees or school mitigation fees).

BCESP's infrastructure cost burden is measured as a percentage of the final sales price of a property (e.g., residential unit or nonresidential building square feet). Typically, infrastructure burdens comprise up to a maximum of 15 to 20 percent of a home's final total sales price.¹

In aggregate, Phase 1 infrastructure costs equate to 32 percent of the market value of the proposed Project. Residential infrastructure cost burdens are 30 percent and 33 percent, respectively, for Low Medium Density Residential (LMDR) and High Medium Density Residential (HMDR) (see **Table 10**). These are the only product types proposed for development during Phase 1.

In aggregate, the buildout infrastructure costs equate to 25 percent of the market value of the proposed Project. Residential infrastructure cost burdens range from 24 percent to 32 percent. Nonresidential infrastructure cost burdens are lower, ranging from 13 percent to 17 percent (see **Table 10**). It may be possible to shift some of the residential infrastructure burden to nonresidential development. The extent of this shift would be limited, though, as the Project's nonresidential uses are marginally feasible, and increasing their burden could delay or compromise development of the Project's planned retail, office, and industrial uses.

¹ Based on pro forma analyses of dozens of Specific Plans in California over the past two decades, the infrastructure cost burden feasibility performance test yields the following general conclusions:

- Burdens below 15 percent are generally considered financially feasible.
- Burdens between 15 and 20 percent may be feasible, depending on the specific circumstances of the project.
- Burdens above 20 percent suggest a project may not be financially feasible unless measures can be taken to reduce the cost burden.

Improvements in prices will improve project feasibility; **Table 1** in **Appendix B** illustrates the potential increases above “normalized” prices required to fund infrastructure and fees not exceeding 20 percent of the increased price. A variety of options are available to the City to improve the Project’s infrastructure cost burden in lieu of, or in addition to, price increases in order to improve project feasibility. The following section identifies major issues affecting the Project’s feasibility and recommendations to promote the Project’s development.

Feasibility Issues and Recommendations

The Analysis identified several issues compromising feasibility of BCESP. This section describes these issues and provides recommendations for the City to improve Project feasibility:

1. The City should extend the fee reduction program to the Project and re-evaluate all existing fees at current levels.

As mentioned, BCESP’s City and other public agency fees at total buildout (\$84.8 million) are 63 percent of the Project’s total one-time burden of \$134.6 million, shown in **Table 1**. These fee levels are largely driving the PFA’s infeasible results.

The City previously adopted a fee reduction program for certain public facilities (listed below), which reduced fees by 50 percent for nonresidential projects citywide until December 31, 2012:

- City Office Space
- Community Recreation Center
- Fire Stations (only for nonresidential development)
- Libraries
- Police Stations (only for nonresidential development)
- Street Improvements

The City’s fee reduction applied to projects developed within the existing city limits, as of October 14, 2008, until December 31, 2012. As an annexation project that will be developed after the sunset of this program, BCESP is not eligible for these fee reductions. Given the significant level of development impact fees estimated, the selected reductions to the City’s selected fees would not be sufficient to prevent fees from compromising feasibility. Indeed, if the City’s current fee deferral program were extended to the Project, BCESP’s development impact fees at total buildout would still represent 59 percent of the Project’s total one-time burden. Thus, a comprehensive review of all City development impact fees is necessary. **Table A-5** identifies all City and other public agency fees included in the PFA on a per-unit and per-square-foot basis.

2. The City should consider eliminating or deferring the City’s CFD reserve requirement to promote the financial feasibility of new development.

The City’s PFA guidelines require that \$500 per unit in special taxes/assessments be reserved for “critical or regional infrastructure.” This represents a significant share of the total 1.8 percent in ad valorem taxes/assessments allowed by the City’s policy. Specifically, the City CFD reserve represents 9 percent of the total 1.8 percent for Low Density Residential and 16 percent of the 1.8 percent for High Density Residential rental units.

This City requirement limits the bonding capacity of the Project and adds financing constraints in an already challenged financial market.

3. The City should permit AOB cost sharing for selected road-related improvements based on the results of the Project's traffic model.

As stated in the Specific Plan document, the City will prepare and adopt an ordinance establishing the Bear Creek East AOB Fee District. Several infrastructure items have been preliminarily identified as eligible for cost sharing in an AOB. These have been reflected in the PFA model and are as follows:

- **New Bridge (Lt. Colonel Mark Taylor).** The Bear Creek South Specific Plan is anticipated to share 50 percent of the total cost.
- **Potable Water Pipeline.** The Bear Creek West Specific Plan is anticipated to share 50 percent of the total cost.
- **Sanitary Sewer.** The Bear Creek West Specific Plan is anticipated to share 30 percent of the total cost.

The Project's backbone infrastructure costs include additional improvements that benefit other AOB projects. These improvements have not been included in the AOB because they have not been identified by the City as eligible AOB improvements. These specific infrastructure items are described below:

- **Lt. Colonel Mark Taylor Road.** A substantial portion of traffic on this road will be due to other projects in the AOB. The Project's traffic study could be used to identify a specific portion for cost-sharing in the AOB.
- **Traffic Signals.** The following signals will receive a significant share of traffic from Bear Creek South and Bear Creek West:
 - West Lane and Lt. Colonel Mark Taylor Road
 - Eight Mile Road and Ham Lane
 - Lt. Colonel Mark Taylor Road and Road B

The total cost of the Lt. Colonel Mark Taylor Road and traffic signals represents nearly 13 percent of the Project's net infrastructure costs at buildout (total infrastructure and facility costs, less fee reimbursements and preliminary AOB funding).

Table 1
Summary of Feasibility Measures
Bear Creek East Financing Plan, EPS #21507

Scenario 1:
No Deferral

Category	City PFA Guideline Policy	Table Reference	Phase 1	Buildout Total (Includes Phase 1)
Project Market Value		Table 4	\$82,005,000	\$527,735,000
Infrastructure Burden (1)				
Gross One-Time Burden (Total BCE Infrastructure and Public Facilities Costs)	5	Table 2	\$11,141,952	\$49,886,643
<i>Less Available CFD Financing</i>	6	Table 13	(\$4,187,000)	(\$26,386,000)
Net One-Time Burden (3)	7	Table 2	\$6,954,952	\$23,500,643
Existing City and Other Public Agency Development Fees (4)	8	Table 9	\$15,112,919	\$84,756,359
Total One-Time Burden (Gross One-Time Burden and Existing Fees)			\$26,254,872	\$134,643,003
Total Net One-Time Burden (Net One-Time Burden and Existing Fees)			\$22,067,872	\$108,257,003
Burden Analysis				
Gross One Time Burden and Existing Fees as a % of Total Market Value	5 & 8	Table 10	32.0%	25.5%
Net One Time Burden as a % of Total Market Value (3)	9B		26.9%	20.5%
2% Test		Table 11	n/a	1.79%

(1) Gross one-time burden to fund project specific infrastructure costs. See Tables 4, 5, and A-1 through A-4 for details on costs and allocation.

(2) Excludes infrastructure costs funded by an Area of Benefit (AOB).

(3) This measure is included to satisfy the City's policies and requirements for preparation of a PFA. EPS does not agree that this is an appropriate measure of development feasibility. The "net" measure implies that use of a CFD will reduce the ultimate infrastructure burden experienced by a Project. One could argue that the portion of infrastructure costs that is covered by land-secured financing does contribute to the Project's total burden, as reductions in land value are associated with land-secured financing. For example, in a competitive market, a parcel with a CFD or other type of land secured financing district would have a different value (i.e., lower value) than another parcel that did not contain any form of land-secured financing.

(4) Reflects fees net of City and school fee program reimbursements. See Table 9 for details on fee calculation.

Table 2
Summary of Infrastructure Burden
Bear Creek East Financing Plan, EPS #21507

Item	Table Reference	Phase 1	Buildout Total (Includes Phase 1)
Infrastructure Burden			
Total Infrastructure and Public Facilities Costs	Tables 5 & 6	\$11,504,000	\$53,420,000
<i>Less: Area of Benefit Funding</i>	Tables 7 & 8	(\$362,048)	(\$3,533,357)
Total BCE Infrastructure Burden		\$11,141,952	\$49,886,643

Table 3
Land Use Assumptions
Bear Creek East Financing Plan, EPS #21507

Land Use	Est. Average Market Value (1)	Annual Turnover Rate	Unit Size/ FAR	Buildout Dwelling Units/ Bldg Sq. Ft.	Persons per Dwelling Unit (2)	Buildout Total (Includes Phase 1) Service Population
Residential Land Uses	<u>Per Unit</u>		<u>Sq. Ft.</u>	<u>Units</u>	<u>Persons/ HH</u>	<u>Residents</u>
LDR	\$310,000	10%	2,200	413	3.35	1,384
LMDR	\$260,000	10%	1,600	709	3.35	2,375
HMDR	\$225,000	10%	1,225	468	3.25	1,521
HDR - Owner Occupied	\$200,000	10%	1,075	152	2.80	426
HDR - Renter Occupied	\$170,000	5%	925	152	2.80	426
Subtotal Residential				1,894		6,132
Nonresidential Land Uses	<u>Per Sq. Ft.</u>		<u>FAR (3)</u>	<u>Bldg Sq. Ft.</u>	<u>Sq. Ft. / Employee</u>	<u>Employees</u>
Commercial (4)	\$300	5%	0.20	93,200	350	266
Office Park	\$275	5%	0.20	41,800	500	84
Light Industrial	\$150	5%	0.25	95,800	1,000	96
Subtotal Nonresidential				230,800		446

(1) Based on the following data sources:

- Interviews with developers and the Project proponent.
- Current market data for new sales in Stockton using Gregory Group 4th Quarter 2010 and 1st Quarter 2011 data.
- Price points used in the 2010 San Joaquin County General Plan Update Fiscal Impact Analysis prepared by EPS.

(2) Residential persons per household factors based on the average City of Stockton General Plan persons per household factor of 3.11.

(3) Floor Area Ratio (FAR) based on EPS experience with similar projects.

(4) Assumed to be 100% neighborhood-serving retail.

Source: 2010 San Joaquin County General Plan Update Fiscal Impact Analysis and EPS.

Table 4
Detailed Project Description and Assumptions
Bear Creek East Financing Plan, EPS #21507

Land Use	# of Units or Sq. Ft.	Net Acres	Units/Acre or Sq. Ft./Acre	Total Value
Phase 1				
Residential Land Uses (1)				
LDR	-	-	-	-
LMDR	116	12.5	9	\$ 30,030,000
HMDR	231	15.7	15	\$ 51,975,000
HDR - Owner Occupied (2)	-	-	-	-
HDR - Renter Occupied (2)	-	-	-	-
Subtotal Residential	347	28.2		\$ 82,005,000
Nonresidential Land Uses				
Commercial	-	-	-	-
Office	-	-	-	-
Light Industrial	-	-	-	-
Subtotal Nonresidential Land Uses	-	-		-
Parks/Open Space				
Private Small Park	-	-	-	n/a
Neighborhood Park	-	2.0	-	n/a
Community Park	-	-	-	n/a
Paseo	-	0.4	-	n/a
Bear Creek Corridor	-	-	-	n/a
Subtotal Parks/Open Space	-	2.4	-	n/a
Public/Quasi Public				
Educational	-	-	-	n/a
Roadway	-	7.4	-	n/a
Subtotal Public/Quasi Public	-	7.4	-	n/a
Total Phase 1 Land Uses		38.0		\$ 82,005,000

Table 4
Detailed Project Description and Assumptions
Bear Creek East Financing Plan, EPS #21507

Land Use	# of Units or Sq. Ft.	Net Acres	Units/Acre or Sq. Ft./Acre	Total Value
<u>Remaining Phases</u>				
Residential Land Uses (1)				
LDR	413	72.7	6	\$ 128,030,000
LMDR	594	64.1	0	\$ 154,310,000
HMDR	237	16.2	(0)	\$ 53,325,000
HDR - Owner Occupied (2)	152	6.6	23	\$ 30,400,000
HDR - Renter Occupied (2)	152	6.6	23	\$ 25,840,000
Subtotal Residential	1,548	166.1		\$ 391,905,000
Nonresidential Land Uses				
Commercial	93,200	10.7	8,710	\$ 27,960,000
Office	41,800	4.8	8,708	\$ 11,495,000
Light Industrial	95,800	8.9	10,764	\$ 14,370,000
Subtotal Nonresidential Land Uses	230,800	24.4		\$ 53,825,000
Parks/Open Space				
Private Small Park	-	0.8	-	n/a
Neighborhood Park	-	8.1	-	n/a
Community Park	-	15.0	-	n/a
Paseo	-	1.4	-	n/a
Bear Creek Corridor	-	21.8	-	n/a
Subtotal Parks/Open Space	-	47.1	-	n/a
Public/Quasi Public				
Educational	-	10.0	-	n/a
Roadway	-	26.7	-	n/a
Subtotal Public/Quasi Public	-	36.7	-	n/a
Total Remaining Phases Land Uses		274.3		\$ 445,730,000

Table 4
Detailed Project Description and Assumptions
Bear Creek East Financing Plan, EPS #21507

Land Use	# of Units or Sq. Ft.	Net Acres	Units/Acre or Sq. Ft./Acre	Total Value
<u>Buildout Total - Includes Phase 1</u>				
Residential Land Uses (1)				
LDR	413	72.7	6	\$ 128,030,000
LMDR	709	76.6	9	\$ 184,340,000
HMDR	468	31.9	15	\$ 105,300,000
HDR - Owner Occupied (2)	152	6.6	23	\$ 30,400,000
HDR - Renter Occupied (2)	152	6.6	23	\$ 25,840,000
Subtotal Residential	1,894	194.3		\$ 473,910,000
Nonresidential Land Uses				
Commercial	93,200	10.7	8,710	\$ 27,960,000
Office	41,800	4.8	8,708	\$ 11,495,000
Light Industrial	95,800	8.9	10,764	\$ 14,370,000
Subtotal Nonresidential Land Uses	230,800	24.4		\$ 53,825,000
Parks/Open Space				
Private Small Park	-	0.8	-	n/a
Neighborhood Park	-	10.1	-	n/a
Community Park	-	15.0	-	n/a
Paseo	-	1.8	-	n/a
Bear Creek Corridor	-	21.8	-	n/a
Subtotal Parks/Open Space	-	49.5	-	n/a
Public/Quasi Public				
Educational	-	10.0	-	n/a
Roadway	-	34.1	-	n/a
Subtotal Public/Quasi Public	-	44.1	-	n/a
Total Buildout Land Uses		312.3		\$ 527,735,000

(1) The Specific Plan provides a unit range for each product type based on the City's density ranges. For purposes of this analysis, the mid-point of the range is used.

(2) Assumed to be 50 percent owner-occupied and 50 percent renter-occupied.

Table 5
Estimated Backbone Infrastructure and Public Facility Costs - PHASE 1
Bear Creek East Financing Plan, EPS #21507

Item	Total (1) (2)	
Mobility		
Roads (3)		
East-West Collector Street (Road A)		\$1,255,000
North-South Collector Street (Road B)		\$1,548,000
Lt. Col. Mark Taylor Street		\$1,245,000
West Lane		\$3,404,000
Subtotal, Roads		\$7,452,000
Traffic Signals		\$439,000
Subtotal, Mobility		\$7,891,000
Parks		
	Cost per Acre	
Parks (2 Acres)	\$271,400	\$543,000
Paseos (.4 Acres)	\$135,700	\$54,000
Land Acquisition (2 Acres)	\$60,000	\$120,000
Subtotal, Parks		\$717,000
Utilities		
Storm Drain Basin and Pump Station		
66" Trunkline from Lt. Col. Mark Taylor		\$285,000
Water Quality Basin		\$286,000
Pump Station, Including Discharge Lines		\$238,000
Subtotal, Storm Drain Basin and Pump Station		\$809,000
Sewerlines (4)		\$236,000
Waterlines (4)		
Potable Water		\$569,000
Non-potable Water		\$145,000
Subtotal, Water		\$714,000
Off-Site Sanitary Sewer Pipeline		
Pipelines		\$627,000
Manholes		\$68,000
Subtotal, Off-Site Sanitary Sewer Pipeline		\$695,000
Off-Site Potable Water Pipeline		
Pipelines		\$386,000
Valves		\$53,000
Connect to Existing		\$3,000
Subtotal, Off-Site Potable Water Pipeline		\$442,000
Subtotal, Utilities		\$2,896,000
TOTAL PHASE 1 COSTS		\$11,504,000

- (1) Costs are rounded and represent order of magnitude estimates for conceptual planning purposes.
- (2) All costs taken from the Engineer's Opinion of Probable Costs for Infrastructure Summary, prepared by Stantec Consulting and dated 1/4/2012. The engineer's opinion is based on preliminary layout sketches only. Changes or increases required by governing agencies or utility companies may occur prior to construction. Stantec Consulting Services, Inc. assumes no liability for changes or increases required by governing agencies. Unit prices used to prepare the estimates are based on a review of recent bids on similar projects. No warrant is expressed or implied as to the accuracy of said prices as applied to this project. This engineer's opinion does not include any credits and/or reimbursements for which this project may be eligible. A portion of these costs will be shared with the adjacent developments. However, this estimate includes the full cost of these improvements.
- (3) Costs exclude cost items for waterlines (potable and non-potable water) and sewerlines. See note (4)
- (4) Sewerline and waterline costs taken from engineer's cost estimates for roads.

Source: Engineer's Opinion of Probable Costs for Infrastructure Summary, prepared by Stantec Consulting, January 4, 2012; and Economic & Planning Systems.

Table 6
Estimated Backbone Infrastructure and Public Facility Costs at BUILDOUT (Includes Phase 1)
Bear Creek East Financing Plan, EPS #21507

Item	Total (1) (2)	
Mobility		
Roads (3)		
East-West Collector Street (Road A)		\$4,047,000
North-South Collector Street (Road B)		\$1,548,000
Lt. Col. Mark Taylor Street		\$3,038,000
Leach Road		\$1,088,000
Ham Lane		\$2,228,000
Eight Mile Road		\$6,887,000
West Lane		\$6,905,000
Subtotal, Roads		\$25,741,000
Bridges		
New Bridge (Lt. Col. Mark Taylor)		\$6,343,000
Widening of Existing West Lane Bridge		\$2,293,000
Subtotal, Bridges		\$8,636,000
Traffic Signals		\$1,289,000
Levee Bike Path		\$541,000
Subtotal, Mobility		\$36,207,000
Parks		
	<i>Cost per Acre</i>	
Parks (26.4 Acres)	\$271,400	\$7,165,000
Paseos (2.2 Acres)	\$135,700	\$299,000
Levee Setback Open Space (7.3 Acres)	\$67,850	\$495,000
Land Acquisition (26.4 Acres)	\$60,000	\$1,584,000
Subtotal, Parks		\$9,543,000
Utilities		
Storm Drain Basin and Pump Station		
66" Trunkline from Lt. Col. Mark Taylor		\$285,000
Water Quality Basin		\$286,000
Pump Station, Including Discharge Lines		\$2,698,000
Subtotal, Storm Drain Basin and Pump Station		\$3,269,000
Sewerlines (4)		\$831,000
Waterlines (4)		
Potable Water		\$2,038,000
Non-potable Water		\$395,000
Subtotal, Water		\$2,433,000
Off-Site Sanitary Sewer Pipeline		
Pipelines		\$627,000
Manholes		\$68,000
Subtotal, Off-Site Sanitary Sewer Pipeline		\$695,000
Off-Site Potable Water Pipeline		
Pipelines		\$386,000
Valves		\$53,000
Connect to Existing		\$3,000
Subtotal, Off-Site Potable Water Pipeline		\$442,000
Subtotal, Utilities		\$7,670,000
TOTAL BUILDOUT COSTS (Excludes Schools)		\$53,420,000

- (1) Costs represent order of magnitude estimates for conceptual planning purposes. Detailed cost estimates containing unit counts and quantities provided in Appendix C.
- (2) All costs taken from the Engineer's Opinion of Probable Costs for Infrastructure Summary, prepared by Stantec Consulting and dated 1/4/12. The engineer's opinion is based on preliminary layout sketches only. Changes or increases required by governing agencies or utility companies may occur prior to construction. Stantec Consulting Services, Inc. assumes no liability for changes or increases required by governing agencies. Unit prices used to prepare the estimates are based on a review of recent bids on similar projects. No warrant is expressed or implied as to the accuracy of said prices as applied to this project. This engineer's opinion does not include any credits and/or reimbursements for which this project may be eligible. A portion of these costs will be shared with the adjacent developments. However, this estimate includes the full cost of these improvements.
- (3) Costs exclude cost items for potable and non-potable waterlines and sewerlines. See note (4).
- (4) Sewerline and waterline costs taken from engineer's cost estimates for roads.

Source: Engineer's Opinion of Probable Costs for Infrastructure Summary, prepared by Stantec Consulting, January 4, 2012; and Economic & Planning Systems.

Table 7
Sources and Uses of Funding - PHASE 1
Bear Creek East Financing Plan, EPS #21507

Scenario 1:
No Deferral

Item	Total Funding Needed (1) (2)	Proposed Funding Sources					
		BCE Funding		City Fee Programs (4)	School District Fee Program (5)	Other (6)	AOB (7)
		Private	CFD (3)				
Mobility							
Roads (8)							
East-West Collector Street (Road A)	\$1,255,000	\$1,255,000	\$0	\$0	\$0	\$0	\$0
North-South Collector Street (Road B)	\$1,548,000	\$1,548,000	\$0	\$0	\$0	\$0	\$0
Lt. Col. Mark Taylor Street	\$1,245,000	\$1,245,000	\$0	\$0	\$0	\$0	\$0
West Lane	\$3,404,000	\$2,214,820	\$0	\$1,189,180	\$0	\$0	\$0
Subtotal, Roads	\$7,452,000	\$6,262,820	\$0	\$1,189,180	\$0	\$0	\$0
Traffic Signals	\$439,000	\$439,000	\$0	\$0			
Subtotal, Mobility	\$7,891,000	\$6,701,820	\$0	\$1,189,180	\$0	\$0	\$0
Parks							
Parks (2 Acres)	\$543,000	\$0	\$0	\$543,000	\$0	\$0	\$0
Paseos (.4 Acres)	\$54,000	\$54,000	\$0	\$0	\$0	\$0	\$0
Land Acquisition (2 Acres)	\$120,000	\$0	\$0	\$120,000	\$0	\$0	\$0
Subtotal, Parks	\$717,000	\$54,000	\$0	\$663,000	\$0	\$0	\$0
Utilities							
Storm Drain Basin and Pump Station							
66" Trunkline from Lt. Col. Mark Taylor	\$285,000	\$285,000	\$0	\$0	\$0	\$0	\$0
Water Quality Basin	\$286,000	\$286,000	\$0	\$0	\$0	\$0	\$0
Pump Station, Including Discharge Lines	\$238,000	\$238,000	\$0	\$0	\$0	\$0	\$0
Subtotal, Storm Drain Basin and Pump Station	\$809,000	\$809,000	\$0	\$0	\$0	\$0	\$0
Sewerlines	\$236,000	\$236,000	\$0	\$0	\$0	\$0	\$0
Off-Site Sanitary Sewer Pipeline (9)	\$695,000	\$492,129	\$0	\$0	\$0	\$0	\$202,872
Waterlines (Potable & Non-potable Water)	\$714,000	\$714,000	\$0	\$0	\$0	\$0	\$0
Off-Site Potable Water Pipeline	\$442,000	\$34,018	\$0	\$248,806	\$0	\$0	\$159,176
Subtotal, Utilities	\$2,896,000	\$2,285,146	\$0	\$248,806	\$0	\$0	\$362,048
Schools (10)	\$0	\$0	\$0	\$0	\$1,389,292	TBD	\$0
TOTAL PHASE 1	\$11,504,000	\$9,040,967	\$0	\$2,100,986	\$1,389,292	\$0	\$362,048

- (1) Costs represent order of magnitude estimates for conceptual planning purposes.
- (2) All costs taken from the Engineer's Opinion of Probable Costs for Infrastructure Summary.
- (3) During Phase 1, several options are available for project-based financing. The Project developers could issue approximately \$4.7 million in CFD bond financing, or collect and invest CFD special tax revenues until a later phase, at which point the collected revenues could be used to write down a future bond issuance.
- (4) Certain facilities may be funded, reimbursed, or credited through City development impact fees in accordance with Stockton Municipal Code. See Table A-6 for additional detail.
- (5) Existing School District Fee Program.
- (6) Other financing could include state funding for school facilities. In addition, other financing may be available/required depending upon final capital improvement programs.
- (7) Certain infrastructure that may qualify for AOB funding. The improvements that will be included in the AOB are preliminary and detailed in Table A-6.
- (8) Road costs include utility improvement costs such as on-site water. Road reimbursements from the City fee programs include on-site water oversizing, as calculated in Table A-6.
- (9) Sewer oversizing may be reimbursable through the establishment of an Area-of-Benefit District (AOB). Reimbursable portion from BCWSP would be based on percentage of sewer flows.
- (10) No school facilities required in Phase 1. Represents revenue generated for later phases.

Source: EPS and Engineer's Opinion of Probable Costs for Infrastructure Summary, prepared by Stantec Consulting.

Table 8
Sources and Uses of Funding at BUILDOUT Total (Includes Phase 1)
Bear Creek East Financing Plan, EPS #21507

Scenario 1:
No Deferral

Item	Total Funding Needed	Proposed Funding Sources						
		BCE Funding			City Fee Programs	School	Other	AOB
		Private	CFD	Total		District Fee Program		
	(1) (2)		(3)		(4)	(5)	(6)	(7)
Mobility								
Roads (8)								
East-West Collector Street (Road A)	\$4,047,000	\$0	\$4,047,000	\$4,047,000	\$0	\$0	\$0	\$0
North-South Collector Street (Road B)	\$1,548,000	\$0	\$1,548,000	\$1,548,000	\$0	\$0	\$0	\$0
Lt. Col. Mark Taylor Street	\$3,038,000	\$0	\$3,038,000	\$3,038,000	\$0	\$0	\$0	\$0
Leach Road	\$1,088,000	\$0	\$1,088,000	\$1,088,000	\$0	\$0	\$0	\$0
Ham Lane	\$2,228,000	\$0	\$2,228,000	\$2,228,000	\$0	\$0	\$0	\$0
Eight Mile Road	\$6,887,000	\$0	\$3,910,658	\$3,910,658	\$2,976,342	\$0	\$0	\$0
West Lane	\$6,905,000	\$0	\$3,803,312	\$3,803,312	\$3,101,688	\$0	\$0	\$0
Subtotal, Roads	\$25,741,000	\$0	\$19,662,970	\$19,662,970	\$6,078,030	\$0	\$0	\$0
Bridges								
New Bridge (Lt. Col. Mark Taylor)	\$6,343,000		\$3,171,691	\$3,171,691	\$0	\$0	\$0	\$3,171,309
Widening of Existing West Lane Bridge	\$2,293,000	\$0	\$0	\$0	\$2,293,000	\$0	\$0	\$0
Subtotal, Bridges	\$8,636,000	\$0	\$3,171,691	\$3,171,691	\$2,293,000	\$0	\$0	\$3,171,309
Traffic Signals	\$1,289,000	\$0	\$1,017,600	\$1,017,600	\$271,400	\$0	\$0	\$0
Levee Bike Path	\$541,000	\$0	\$541,000	\$541,000	\$0	\$0	\$0	\$0
Subtotal, Mobility	\$36,207,000	\$0	\$24,393,261	\$24,393,261	\$8,642,430	\$0	\$0	\$3,171,309
Parks								
Parks (26.4 Acres)	\$7,165,000	\$2,195,732	\$0	\$2,195,732	\$4,969,268	\$0	\$0	\$0
Paseos (2.2 Acres)	\$299,000	\$299,000	\$0	\$299,000	\$0	\$0	\$0	\$0
Levee Setback Open Space (7.3 Acres)	\$495,000	\$495,000	\$0	\$495,000	\$0	\$0	\$0	\$0
Land Acquisition (26.4 Acres)	\$1,584,000	\$1,584,000	\$0	\$1,584,000	\$0	\$0	\$0	\$0
Subtotal, Parks	\$9,543,000	\$4,573,732	\$0	\$4,573,732	\$4,969,268	\$0	\$0	\$0
Utilities								
Storm Drain Basin and Pump Station								
66" Trunkline from Lt. Col. Mark Taylor	\$285,000	\$285,000	\$0	\$285,000	\$0	\$0	\$0	\$0
Water Quality Basin	\$286,000	\$286,000	\$0	\$286,000	\$0	\$0	\$0	\$0
Pump Station, Including Discharge Lines	\$2,698,000	\$705,261	\$1,992,739	\$2,698,000	\$0	\$0	\$0	\$0
Subtotal, Storm Drain Basin and Pump Station	\$3,269,000	\$1,276,261	\$1,992,739	\$3,269,000	\$0	\$0	\$0	\$0
Sewerlines	\$831,000	\$831,000	\$0	\$831,000	\$0	\$0	\$0	\$0
Off-Site Sanitary Sewer Pipeline (9)	\$695,000	\$492,129	\$0	\$492,129	\$0	\$0	\$0	\$202,872
Waterlines (Potable & Non-potable Water)	\$2,433,000	\$2,020,701	\$0	\$2,020,701	\$412,299	\$0	\$0	\$0
Off-Site Potable Water Pipeline	\$442,000	\$0	\$0	\$0	\$282,824	\$0	\$0	\$159,176
Subtotal, Utilities	\$7,670,000	\$4,620,090	\$1,992,739	\$6,612,829	\$695,123	\$0	\$0	\$362,048
Schools	\$8,781,767	\$0	\$0	\$0	\$0	\$8,781,767	TBD	\$0
TOTAL BUILDOUT	\$62,201,767	\$9,193,822	\$26,386,000	\$35,579,822	\$14,306,821	\$8,781,767	\$0	\$3,533,357

- (1) Costs represent order of magnitude estimates for conceptual planning purposes.
- (2) All costs taken from the Engineer's Opinion of Probable Costs for Infrastructure Summary, prepared by Stantec and dated 1/4/12.
- (3) Developer may propose the use of Mello-Roos CFD or Assessment District for certain public facilities.
- (4) Certain facilities may be funded, reimbursed, or credited through City development impact fees in accordance with Stockton Municipal Code. See Table A-7 for additional detail.
- (5) Existing School District Fee Program.
- (6) Other financing could include state funding for school facilities. In addition, other financing may be available/required depending upon final capital improvement programs.
- (7) Certain infrastructure that may qualify for AOB funding. The improvements that will be included in the AOB are preliminary and detailed in Table A-7.
- (8) Road costs exclude utility improvement costs such as on-site water. Road reimbursements from the City fee programs include on-site water oversizing, as calculated in Table A-7.
- (9) Sewer oversizing may be reimbursable through the establishment of an Area-of-Benefit District (AOB). Reimbursable portion from BCWSP would be based on percentage of sewer flows.

Source: Engineer's Opinion of Probable Costs for Infrastructure Summary, prepared by Stantec Consulting; and EPS.

Table 9
Development Fee by Land Use
Bear Creek East Financing Plan, EPS #21507

Scenario 1:
No Deferral

Item (1)	Total Costs	Eligibility	Fee Credits		Net Costs	For-Sale Residential				Rental HDR	Nonresidential			
			Act. Amt.	Amount		LDR	LMDR	HMDR	HDR		Commercial	Office	Industrial	
PHASE 1														
Processing Fees	\$ 1,369,453	No	\$ -	\$ -	\$ 1,369,453	\$ -	\$ 469,062	\$ 900,392	\$ -	\$ -	\$ -	\$ -	\$ -	
Existing City and Other Fees														
Public Facilities Fee														
City Office Space (calculated per unit/1,000 sq. ft.)	\$ 161,816	No	\$ -	\$ -	\$ 161,816	\$ -	\$ 53,939	\$ 107,877	\$ -	\$ -	\$ -	\$ -	\$ -	
Fire Stations (calculated per unit/1,000 sq. ft.)	\$ 270,617	Und.	\$ -	\$ -	\$ 270,617	\$ -	\$ 90,206	\$ 180,411	\$ -	\$ -	\$ -	\$ -	\$ -	
Libraries (calculated per unit/1,000 sq. ft.)	\$ 312,543	No	\$ -	\$ -	\$ 312,543	\$ -	\$ 104,181	\$ 208,362	\$ -	\$ -	\$ -	\$ -	\$ -	
Police Station Expansion (calculated per unit/1,000 sq. ft.)	\$ 204,782	No	\$ -	\$ -	\$ 204,782	\$ -	\$ 68,261	\$ 136,521	\$ -	\$ -	\$ -	\$ -	\$ -	
Community Recreation Center (calculated per unit/1,000 sq. ft.)	\$ 166,667	No	\$ -	\$ -	\$ 166,667	\$ -	\$ 55,556	\$ 111,111	\$ -	\$ -	\$ -	\$ -	\$ -	
Street Improvements (calculated per unit/1,000 sq. ft.) (3)	\$ 4,582,809	Yes	\$ 1,189,180	\$ 1,189,180	\$ 3,393,629	\$ -	\$ 1,527,603	\$ 3,055,206	\$ -	\$ -	\$ -	\$ -	\$ -	
Parkland (calculated per unit)	\$ 969,507	Yes	\$ 663,000	\$ 663,000	\$ 306,507	\$ -	\$ 323,169	\$ 646,338	\$ -	\$ -	\$ -	\$ -	\$ -	
Air Quality (calculated per unit/1,000 sq. ft.)	\$ 64,796	No	\$ -	\$ -	\$ 64,796	\$ -	\$ 21,599	\$ 43,197	\$ -	\$ -	\$ -	\$ -	\$ -	
Agricultural Land Mitigation (calculated per acre of net parcel area)	\$ 404,726	No	\$ -	\$ -	\$ 404,726	\$ -	\$ 179,400	\$ 225,326	\$ -	\$ -	\$ -	\$ -	\$ -	
Street Name Signs (calculated per signs) (4)	\$ 15,960	No	\$ -	\$ -	\$ 15,960	\$ -	\$ 7,980	\$ 7,980	\$ -	\$ -	\$ -	\$ -	\$ -	
Street Trees (calculated per tree)														
Tree w/ root barrier	\$ 67,568	Und.	\$ -	\$ -	\$ 67,568	\$ -	\$ 22,523	\$ 45,045	\$ -	\$ -	\$ -	\$ -	\$ -	
Tree w/o root barrier	\$ -	Und.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Street Light Fee (calculated per linear foot)	\$ 786,171	No	\$ -	\$ -	\$ 786,171	\$ -	\$ 348,480	\$ 437,691	\$ -					
Traffic Signal Impact Fees (calculated per unit/1,000 sq. ft.)	\$ 38,115	Yes	\$ -	\$ -	\$ 38,115	\$ -	\$ 12,705	\$ 25,410	\$ -	\$ -	\$ -	\$ -	\$ -	
Habitat/Open Space Conservation														
Multi-Purpose Open Space (calculated per acre of net parcel area)	\$ 186,994	Und.	\$ -	\$ -	\$ 186,994	\$ -	\$ 82,888	\$ 104,107	\$ -	\$ -	\$ -	\$ -	\$ -	
Surface Water (calculated per unit/ 1,000 sq. ft.)	\$ 1,272,348	No	\$ -	\$ -	\$ 1,272,348	\$ -	\$ 424,116	\$ 848,232	\$ -	\$ -	\$ -	\$ -	\$ -	
Administrative Fee (2.5% of fee totals)	\$ 332,690	No	\$ -	\$ -	\$ 332,690	\$ -	\$ 116,291	\$ 216,398	\$ -	\$ -	\$ -	\$ -	\$ -	
Flood Control Equalization Fee	\$ 100,572	No	\$ -	\$ -	\$ 100,572	\$ -	\$ 33,524	\$ 67,048	\$ -	\$ -	\$ -	\$ -	\$ -	
Public Works Residential Construction	\$ 11,573	No	\$ -	\$ -	\$ 11,573	\$ -	\$ 3,858	\$ 7,715	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Agency Fees														
School Fee (calculated 1,000 sq. ft.)	\$ 1,389,292	Yes	\$ 1,389,292	\$ 1,389,292	\$ -	\$ -	\$ 548,856	\$ 840,436	\$ -	\$ -	\$ -	\$ -	\$ -	
Regional Transportation Impact Fee (calculated per unit/ 1,000 SF)	\$ 1,035,023	No	\$ -	\$ -	\$ 1,035,023	\$ -	\$ 345,008	\$ 690,015	\$ -	\$ -	\$ -	\$ -	\$ -	
County Facilities (calculated per unit/ 1,000 SF)	\$ 591,476	No	\$ -	\$ -	\$ 591,476	\$ -	\$ 197,159	\$ 394,317	\$ -	\$ -	\$ -	\$ -	\$ -	
Administrative Fee (2.5% of fee totals)	\$ 105,553	No	\$ -	\$ -	\$ 105,553	\$ -	\$ 38,186	\$ 67,367	\$ -	\$ -	\$ -	\$ -	\$ -	
Sewer & Water Connect. Fees														
Water Connection Charges	\$ 2,247,053	Yes	\$ 248,806	\$ 248,806	\$ 1,998,247	\$ -	\$ 749,018	\$ 1,498,035	\$ -	\$ -	\$ -	\$ -	\$ -	
Sewer Connection Charges	\$ 1,836,450	No	\$ -	\$ -	\$ 1,836,450	\$ -	\$ 612,150	\$ 1,224,300	\$ -	\$ -	\$ -	\$ -	\$ -	
Administrative Fee (3.5% of fee totals)	\$ 78,647	No	\$ -	\$ -	\$ 78,647	\$ -	\$ 26,216	\$ 52,431	\$ -	\$ -	\$ -	\$ -	\$ -	
SUBTOTAL DEVELOPMENT FEE														
Percent Share of Total Fee	\$ 18,603,197		\$ 3,490,278	\$ 3,490,278	\$ 15,112,919	\$ -	\$ 6,461,928	\$ 12,141,269	\$ -	\$ -	\$ -	\$ -	\$ -	
Credit by Land Use						\$ -	\$ (1,212,368)	\$ (2,277,909)	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL DEVELOPMENT FEE														
Number of Units or Square Feet	\$ 15,112,919					\$ -	\$ 5,249,560	\$ 9,863,359	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Development Fee per unit or Sq. Ft. (Gross)						0	116	231	0	0	0	0	0	
Total Development Fee per unit or Sq. Ft. (Net, after reimbursement)						\$ -	\$ 55,947	\$ 52,560	\$ -	\$ -	\$ 0.00	\$ 0.00	\$ -	
						\$ -	\$ 45,451	\$ 42,699	\$ -	\$ -	\$ 0.00	\$ 0.00	\$ -	

Table 9
Development Fee by Land Use
Bear Creek East Financing Plan, EPS #21507

Scenario 1:
No Deferral

Item (1)	Total Costs	Eligibility	Fee Credits		Net Costs	For-Sale Residential				Rental	Nonresidential		
			Act. Amt.	Amount		LDR	LMDR	HMDR	HDR	HDR	Commercial	Office	Industrial
BUILDOUT TOTAL (Includes Phase 1)													
Processing Fees	\$ 7,873,102	No	\$ -	\$ -	\$ 7,873,102	\$ 1,846,296	\$ 2,879,348	\$ 1,824,170	\$ 350,032	\$ 304,885	\$ 310,824	\$ 142,680	\$ 214,866
Existing City and Other Fees													
Public Facilities Fee													
City Office Space (calculated per unit/1,000 sq. ft.)	\$ 874,131	No	\$ -	\$ -	\$ 874,131	\$ 192,871	\$ 331,103	\$ 218,556	\$ 59,432	\$ 59,432	\$ 4,194	\$ 3,658	\$ 4,886
Fire Stations (calculated per unit/1,000 sq. ft.)	\$ 1,473,445	Und.	\$ -	\$ -	\$ 1,473,445	\$ 322,553	\$ 553,729	\$ 365,508	\$ 100,016	\$ 100,016	\$ 11,370	\$ 9,907	\$ 10,346
Libraries (calculated per unit/1,000 sq. ft.)	\$ 1,693,194	No	\$ -	\$ -	\$ 1,693,194	\$ 372,526	\$ 639,518	\$ 422,136	\$ 115,672	\$ 115,672	\$ 9,040	\$ 7,900	\$ 10,730
Police Station Expansion (calculated per unit/1,000 sq. ft.)	\$ 1,121,961	No	\$ -	\$ -	\$ 1,121,961	\$ 244,083	\$ 419,019	\$ 276,588	\$ 75,544	\$ 75,544	\$ 10,066	\$ 9,238	\$ 11,879
Community Recreation Center (calculated per unit/1,000 sq. ft.)	\$ 893,676	No	\$ -	\$ -	\$ 893,676	\$ 198,653	\$ 341,029	\$ 225,108	\$ 61,560	\$ 61,560	\$ 1,887	\$ 1,651	\$ 2,227
Street Improvements (calculated per unit/1,000 sq. ft.) (3)	\$ 24,450,920	Yes	\$ 8,371,030	\$ 8,371,030	\$ 16,079,890	\$ 5,462,338	\$ 9,377,234	\$ 6,189,768	\$ 1,467,712	\$ 1,467,712	\$ 296,096	\$ 100,822	\$ 89,238
Parkland (calculated per unit)	\$ 4,969,268	Yes	\$ 4,969,268	\$ 4,969,268	\$ -	\$ 1,155,574	\$ 1,983,782	\$ 1,309,464	\$ 260,224	\$ 260,224	\$ -	\$ -	\$ -
Air Quality (calculated per unit/1,000 sq. ft.)	\$ 470,944	No	\$ -	\$ -	\$ 470,944	\$ 77,231	\$ 132,583	\$ 87,516	\$ 28,424	\$ 28,424	\$ 64,215	\$ 13,752	\$ 38,799
Agricultural Land Mitigation (calculated per acre of net parcel area)	\$ 3,045,136	No	\$ -	\$ -	\$ 3,045,136	\$ 1,043,390	\$ 1,099,363	\$ 457,829	\$ 84,109	\$ 84,109	\$ 125,811	\$ 57,130	\$ 93,397
Street Name Signs (calculated per signs) (4)	\$ 95,760	No	\$ -	\$ -	\$ 95,760	\$ 13,300	\$ 26,600	\$ 26,600	\$ 7,980	\$ 7,980	\$ 7,980	\$ 2,660	\$ 2,660
Street Trees (calculated per tree)													
Tree w/ root barrier	\$ 414,336	Und.	\$ -	\$ -	\$ 414,336	\$ 80,535	\$ 138,255	\$ 91,260	\$ 29,640	\$ 29,640	\$ 18,174	\$ 8,151	\$ 18,681
Tree w/o root barrier	\$ -	Und.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Street Light Fee (calculated per linear foot)	\$ 6,097,006	No	\$ -	\$ -	\$ 6,097,006	\$ 2,026,760	\$ 2,135,485	\$ 889,321	\$ 182,604	\$ 182,604	\$ 298,299	\$ 133,816	\$ 248,118
Traffic Signal Impact Fees (calculated per unit/1,000 sq. ft.)	\$ 304,328	Yes	\$ 271,400	\$ 271,400	\$ 32,928	\$ 45,430	\$ 45,430	\$ 45,430	\$ 38,822	\$ 27,465	\$ 80,711	\$ 18,174	\$ 2,866
Habitat/Open Space Conservation													
Multi-Purpose Open Space (calculated per acre of net parcel area)	\$ 1,450,200	Und.	\$ -	\$ -	\$ 1,450,200	\$ 482,074	\$ 507,935	\$ 211,529	\$ 43,433	\$ 43,433	\$ 70,952	\$ 31,829	\$ 59,016
Surface Water (calculated per unit/ 1,000 sq. ft.)	\$ 7,085,715	No	\$ -	\$ -	\$ 7,085,715	\$ 1,516,536	\$ 2,603,448	\$ 1,718,496	\$ 558,144	\$ 558,144	\$ 70,211	\$ 31,517	\$ 29,219
Administrative Fee (2.5% of fee totals)	\$ 1,905,401	No	\$ -	\$ -	\$ 1,905,401	\$ 463,185	\$ 711,708	\$ 438,729	\$ 108,966	\$ 108,569	\$ 37,415	\$ 15,057	\$ 21,772
Flood Control Equalization Fee	\$ 549,734	No	\$ -	\$ -	\$ 549,734	\$ 119,873	\$ 205,787	\$ 135,837	\$ 44,118	\$ 44,118	\$ -	\$ -	\$ -
Public Works Residential Construction	\$ 53,692	No	\$ -	\$ -	\$ 53,692	\$ 13,794	\$ 23,681	\$ 15,631	\$ 293	\$ 293	\$ -	\$ -	\$ -
Other Agency Fees													
School Fee (calculated 1,000 sq. ft.)	\$ 8,781,767	Yes	\$ 8,781,767	\$ 8,781,767	\$ -	\$ 2,698,542	\$ 3,369,168	\$ 1,702,701	\$ 485,298	\$ 417,582	\$ 43,804	\$ 19,646	\$ 45,026
Regional Transportation Impact Fee (calculated per unit/ 1,000 SF)	\$ 5,554,129	No	\$ -	\$ -	\$ 5,554,129	\$ 1,233,664	\$ 2,117,840	\$ 1,397,953	\$ 272,422	\$ 272,422	\$ 110,908	\$ 62,700	\$ 86,220
County Facilities (calculated per unit/ 1,000 SF)	\$ 3,218,438	No	\$ -	\$ -	\$ 3,218,438	\$ 704,991	\$ 1,210,263	\$ 798,876	\$ 222,224	\$ 222,224	\$ 27,028	\$ 14,630	\$ 18,202
Administrative Fee (2.5% of fee totals)	\$ 614,402	No	\$ -	\$ -	\$ 614,402	\$ 162,302	\$ 234,404	\$ 136,484	\$ 34,298	\$ 31,928	\$ 6,361	\$ 3,394	\$ 5,231
Sewer & Water Connect. Fees													
Water Connection Charges	\$ 13,779,328	Yes	\$ 412,299	\$ 412,299	\$ 13,367,029	\$ 2,678,305	\$ 4,597,865	\$ 3,034,980	\$ 985,720	\$ 985,720	\$ 604,402	\$ 271,073	\$ 621,263
Sewer Connection Charges	\$ 10,234,454	Yes	\$ 282,824	\$ 282,824	\$ 9,951,630	\$ 2,188,900	\$ 3,757,700	\$ 2,480,400	\$ 805,600	\$ 805,600	\$ 49,396	\$ 129,933	\$ 16,925
Administrative Fee (3.5% of fee totals)	\$ 840,482	No	\$ -	\$ -	\$ 840,482	\$ 170,352	\$ 292,445	\$ 193,038	\$ 62,696	\$ 62,696	\$ 22,883	\$ 14,035	\$ 22,337
SUBTOTAL DEVELOPMENT FEE													
	\$ 107,844,948		\$ 23,088,588	\$ 23,088,588	\$ 84,756,359	\$ 25,514,058	\$ 39,734,722	\$ 24,693,908	\$ 6,484,982	\$ 6,357,994	\$ 2,282,027	\$ 1,103,353	\$ 1,673,903
Percent Share of Total Fee													
						24%	37%	23%	6%	6%	2%	1%	2%
Reimbursement by Land Use													
						\$ (5,462,320)	\$ (8,506,830)	\$ (5,286,733)	\$ (1,388,374)	\$ (1,361,187)	\$ (488,561)	\$ (236,217)	\$ (358,367)
TOTAL DEVELOPMENT FEE													
	\$ 84,756,359					\$ 20,051,738	\$ 31,227,892	\$ 19,407,175	\$ 5,096,608	\$ 4,996,807	\$ 1,793,467	\$ 867,135	\$ 1,315,536
Number of Units or Square Feet													
						413	709	468	152	152	93,200	41,800	95,800
Total Development Fee per unit or Sq. Ft. (Gross)													
						\$ 61,777	\$ 56,043	\$ 52,765	\$ 42,664	\$ 41,829	\$ 24.49	\$ 26.40	\$ 17.47
Total Development Fee per unit or Sq. Ft. (Net, after credit/reimbursement)													
						\$ 48,551	\$ 44,045	\$ 41,468	\$ 33,530	\$ 32,874	\$ 19.24	\$ 20.74	\$ 13.73

(1) See Table A-5 for development fee assumption.

(2) Fee Credits are estimated based on information provided by Stantec, September 2011. Fee credits represent the cost of improvements that are in excess of the projects requirements.

(3) Includes credits for three items: West Lane road construction, widening Eight Mile Road construction; West Land/Eight Mile Road traffic signals; and West Lane bridges.

(4) Number of signs estimated at between 10 and 100 per land use.

Table 10
Infrastructure Cost Allocation by Land Use
Bear Creek East Financing Plan, EPS #21507

Scenario 1:
No Deferral

Item	BCE Share of Costs (1)	Allocation Factor Utilized	For-Sale Residential				Rental HDR	Nonresidential		
			LDR	LMDR	HMDR	HDR		Commercial	Office	Industrial
PHASE 1										
<u>Infrastructure Costs (Total)</u>										
Mobility	\$6,701,820	Trips	-	\$2,233,940	\$4,467,880	-	-	-	-	-
Sewerlines (2)	\$236,000	Sewer/Water DUEs	-	\$80,264	\$155,736	-	-	-	-	-
Offsite Sewer	\$492,129	Sewer/Water DUEs	-	\$167,374	\$324,755	-	-	-	-	-
Waterlines (2)	\$714,000	Sewer/Water DUEs	-	\$242,832	\$471,168	-	-	-	-	-
Offsite Water	\$34,018	Sewer/Water DUEs	-	\$11,570	\$22,448	-	-	-	-	-
Drainage	\$809,000	Storm Drainage DUEs	-	\$328,150	\$480,850	-	-	-	-	-
Parks	\$54,000	Pop	-	\$18,364	\$35,636	-	-	-	-	-
Subtotal	\$9,040,967		-	\$3,082,494	\$5,958,473	-	-	-	-	-
<u>Infrastructure Costs (per Unit/Sq. Ft.)</u>										
Mobility	\$6,701,820	Trips	-	\$19,341	\$19,341	-	-	-	-	-
Sewerlines (2)	\$236,000	Sewer/Water DUEs	-	\$695	\$674	-	-	-	-	-
Offsite Sewer	\$492,129	Sewer/Water DUEs	-	\$1,449	\$1,406	-	-	-	-	-
Waterlines (2)	\$714,000	Sewer/Water DUEs	-	\$2,102	\$2,040	-	-	-	-	-
Offsite Water	\$34,018	Sewer/Water DUEs	-	\$100	\$97	-	-	-	-	-
Drainage	\$809,000	Storm Drainage DUEs	-	\$2,841	\$2,082	-	-	-	-	-
Parks	\$54,000	Pop	-	\$159	\$154	-	-	-	-	-
Subtotal	\$9,040,967		-	\$26,688	\$25,794	-	-	-	-	-
<u>Project Expenditure</u>										
Infrastructure Costs (Total)	\$9,040,967		-	\$3,082,494	\$5,958,473	-	-	-	-	-
Existing Development Fees (Total) (3)	\$17,213,905		-	\$5,913,072	\$11,300,833	-	-	-	-	-
Total Project Expenditure	\$26,254,872		-	\$8,995,566	\$17,259,306	-	-	-	-	-
Project Market Value	\$82,005,000		-	\$30,030,000	\$51,975,000	-	-	-	-	-
Infra. Costs as % of Value	11.0%		0.0%	10.3%	11.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Dev. Fees as % of Value	21.0%		0.0%	19.7%	21.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Total One Time Burden as % of Value (4)	32.0%		0.0%	30.0%	33.2%	0.0%	0.0%	0.0%	0.0%	0.0%

Table 10
Infrastructure Cost Allocation by Land Use
Bear Creek East Financing Plan, EPS #21507

Scenario 1:
No Deferral

Item	BCE Share of Costs (1)	Allocation Factor Utilized	For-Sale Residential				Rental HDR	Nonresidential		
			LDR	LMDR	HMDR	HDR		Commercial	Office	Industrial
<u>BUILDOUT TOTAL (Includes Phase 1)</u>										
<u>Infrastructure Costs (Total)</u>										
Mobility	\$24,393,261	Trips	\$5,976,222	\$7,694,567	\$5,079,065	\$1,649,611	\$1,649,611	\$1,348,629	\$302,429	\$693,126
Sewerlines (2)	\$831,000	Sewer/Water DUEs	\$176,648	\$303,253	\$194,197	\$54,340	\$54,340	\$22,109	\$7,933	\$18,180
Offsite Sewer	\$492,129	Sewer/Water DUEs	\$104,613	\$179,590	\$115,006	\$32,181	\$32,181	\$13,093	\$4,698	\$10,767
Waterlines (2)	\$2,020,701	Sewer/Water DUEs	\$429,547	\$737,406	\$472,220	\$132,135	\$132,135	\$53,761	\$19,289	\$44,209
Offsite Water	-	Sewer/Water DUEs	-	-	-	-	-	-	-	-
Drainage	\$3,269,000	Storm Drainage DUEs	\$764,367	\$1,208,057	\$586,943	\$137,733	\$137,733	\$264,705	\$59,373	\$110,088
Parks	\$4,573,732	Pop	\$1,032,297	\$1,771,463	\$1,134,482	\$317,745	\$317,745	-	-	-
Subtotal	\$35,579,822		\$8,483,694	\$11,894,337	\$7,581,915	\$2,323,744	\$2,323,744	\$1,702,297	\$393,722	\$876,369
<u>Infrastructure Costs (per Unit/Sq. Ft.)</u>										
Mobility	\$24,393,261	Trips	\$14,470	\$10,853	\$10,853	\$10,853	\$10,853	\$14.47	\$7.24	\$7.24
Sewerlines (2)	\$831,000	Sewer/Water DUEs	\$428	\$428	\$415	\$357	\$357	\$0.24	\$0.19	\$0.19
Offsite Sewer	\$492,129	Sewer/Water DUEs	\$253	\$253	\$246	\$212	\$212	\$0.14	\$0.11	\$0.11
Waterlines (2)	\$2,020,701	Sewer/Water DUEs	\$1,040	\$1,040	\$1,009	\$869	\$869	\$0.58	\$0.46	\$0.46
Offsite Water	-	Sewer/Water DUEs	-	-	-	-	-	-	-	-
Drainage	\$3,269,000	Storm Drainage DUEs	\$1,851	\$1,704	\$1,254	\$906	\$906	\$2.84	\$1.42	\$1.15
Parks	\$4,573,732	Pop	\$2,500	\$2,499	\$2,424	\$2,090	\$2,090	-	-	-
Subtotal	\$35,579,822		\$20,542	\$16,776	\$16,201	\$15,288	\$15,288	\$18.26	\$9.42	\$9.15
<u>Project Expenditure</u>										
Infrastructure Costs (Total)	\$35,579,822		\$8,483,694	\$11,894,337	\$7,581,915	\$2,323,744	\$2,323,744	\$1,702,297	\$393,722	\$876,369
Existing Development Fees (Total) (3)	\$99,063,181		\$22,815,516	\$36,365,554	\$22,991,207	\$5,999,684	\$5,940,412	\$2,238,223	\$1,083,707	\$1,628,877
Total Project Expenditure	\$134,643,002		\$31,299,210	\$48,259,891	\$30,573,123	\$8,323,428	\$8,264,156	\$3,940,520	\$1,477,428	\$2,505,246
Project Market Value	\$527,735,000		\$128,030,000	\$184,340,000	\$105,300,000	\$30,400,000	\$25,840,000	\$27,960,000	\$11,495,000	\$14,370,000
Infra. Costs as % of Value	6.7%		6.6%	6.5%	7.2%	7.6%	9.0%	6.1%	3.4%	6.1%
Dev. Fees as % of Value	18.8%		17.8%	19.7%	21.8%	19.7%	23.0%	8.0%	9.4%	11.3%
Total One Time Burden as % of Value (4)	25.5%		24.4%	26.2%	29.0%	27.4%	32.0%	14.1%	12.9%	17.4%

(1) Includes the total BCE cost to fund the project, which includes private funding and CFD funding. See Table 7 for additional detail for Phase 1 and Table 8 for buildout.

(2) Water and sewer costs are part of engineer's cost estimates for onsite roads. They are shown separately here for cost allocation purposes.

(3) See Table 9 for breakdown of existing development fees; total shown here is net of the school fee.

(4) As a guideline, a target range for total infrastructure burden is 15-20 percent of the home sales price. Feasibility Range, based on numerous feasibility analyses conducted by EPS over the last two decades, is described as follows:

Below 15%: Generally financially feasible

15% - 20%: Questionable feasibility, may depend on other factors such as advance funding requirements and absorption

Above 20%: May be financially infeasible unless other components of the project pro forma are particularly advantageous.

Table 11
Test of 2% Sales Price - Residential Units
Bear Creek East Financing Plan, EPS #21507

Item	LDR	LMDR	HMDR	HDR	HDR - Rental	Total All Units
Assumptions						
Unit Square Feet	2,200	1,600	1,225	1,075	925	
Number of Units	413	709	468	152	152	1,894
Finished Unit Selling Price						
	\$310,000	\$260,000	\$225,000	\$200,000	\$170,000	\$473,910,000
Taxes and Assessments						
General Property Tax (1)	\$3,030	\$2,530	\$2,180	\$1,930	\$1,630	\$4,606,520
Estimated Existing Special Annual Taxes / Assessments (2)	\$100	\$100	\$100	\$75	\$75	\$181,800
Estimated BCE Services Tax/Assessments (3)	\$150	\$150	\$150	\$125	\$125	\$276,500
Estimated BCE Special Tax / Assessment for Infrastructure	\$1,769	\$1,374	\$1,098	\$950	\$713	\$2,471,403
City CFD Taxing Capacity Reserve (4)	\$500	\$500	\$500	\$500	\$500	\$947,000
Total Annual Taxes and Assessments	\$5,549	\$4,654	\$4,028	\$3,580	\$3,043	\$8,483,223
Taxes & Assessments as % of Sales Price						
	1.79%	1.79%	1.79%	1.79%	1.79%	1.79%

(1) Includes homeowners property tax exemption of \$7,000.

(2) Estimated by the County Assessor's Office based on the amount of annual special taxes and assessments levied on homes located near the project.

(3) The project is estimated to have a fiscally neutral/breakeven impact, as shown in EPS's Bear Creek East Fiscal Impact Analysis, therefore no Services Tax required for fiscal mitigation. However, consistent with City policy and EIR mitigation measures, it's assumed that there will be assessments to pay for maintenance of all new parks, street trees, and common landscaped areas.

The parks and street trees general fund cost in the FIA have been reduced by approximately the same amount.

(4) The City of Stockton Preliminary Feasibility Analysis (PFA) guideline states that all projects should reserve \$500 per residential unit in CFD taxing capacity for "critical or regional infrastructure."

(5) The City of Stockton total annual burden guideline is 1.8%.

Source: EPS.

Table 12
Estimated Annual Maximum Special Taxes
Bear Creek East Financing Plan, EPS #21507

Land Use	Unit/Acre	Prelim. Max. Special Tax Rate (1)	Maximum Special Tax	
			Amounts	% of Total
<i>Formula</i>	<i>A</i>	<i>B</i>	<i>C = A * B</i>	<i>D = C / Total Max Tax</i>
<u>PHASE 1</u>				
Residential	<u>units</u>	<u>per unit</u>		
LDR	0	\$1,769	\$0	0%
LMDR	116	\$1,374	\$158,697	38%
HMDR	231	\$1,098	\$253,638	62%
HDR - Owner Occupied	0	\$950	\$0	0%
HDR - Renter Occupied	0	\$713	\$0	0%
Subtotal	347		\$412,335	100%
Nonresidential	<u>acres</u>	<u>per acre</u>		
Commercial	0.0	\$5,500	\$0	0%
Office	0.0	\$5,500	\$0	0%
Light Industrial	0.0	\$5,500	\$0	0%
Subtotal	0.0		\$0	0%
Total Phase 1			\$412,335	100%
<u>BUILDOUT TOTAL (Includes Phase 1)</u>				
Residential	<u>units</u>	<u>per unit</u>		
LDR	413	\$1,769	\$730,597	28%
LMDR	709	\$1,374	\$974,166	37%
HMDR	468	\$1,098	\$513,864	20%
HDR - Owner Occupied	152	\$950	\$144,400	6%
HDR - Renter Occupied	152	\$713	\$108,376	4%
Subtotal	1,894		\$2,471,403	95%
Nonresidential	<u>acres</u>	<u>per acre</u>		
Commercial	10.7	\$5,500	\$58,850	2%
Office	4.8	\$5,500	\$26,400	1%
Light Industrial	8.9	\$5,500	\$48,950	2%
Subtotal	24.4		\$134,200	5%
Total Buildout			\$2,605,603	100%

(1) Estimated by EPS.

Table 13
Estimated Bond Sizing
Bear Creek East Financing Plan, EPS #21507

Item	Assumptions	Estimated Bond Size	
		Phase 1	Buildout Total (Includes Phase 1)
Assumptions (1)			
Interest Rate		7.00%	7.00%
Term		30 years	30 years
Annual Tax Escalation		2.00%	2.00%
Maximum Special Taxes Available for Debt Service			
Estimated Annual Maximum Special Taxes		\$412,335	\$2,605,603
Less Estimated Administration Costs	4%	(\$16,000)	(\$104,000)
Less Delinquency Coverage	10%	(\$41,000)	(\$261,000)
Adjustment for Rounding		(\$335)	\$397
Estimated Maximum Special Taxes Available for Gross Debt Service (Rounded)		\$355,000	\$2,241,000
Bond Size			
Total Bond Size		\$4,405,000	\$27,809,000
Adjustment for Rounding		(\$5,000)	(\$9,000)
Total Bond Size (Rounded)		\$4,400,000	\$27,800,000
Increase for Annual Tax Escalation (2)	20%	\$880,000	\$5,560,000
Total Bond Size (Rounded)		\$5,300,000	\$33,400,000
Estimated Bond Proceeds			
Rounded Bond Size		\$5,300,000	\$33,400,000
Less Capitalized Interest (3)	12 months	(\$371,000)	(\$2,338,000)
Less Bond Reserve Fund	10%	(\$530,000)	(\$3,340,000)
Less Issuance Cost	4%	(\$212,000)	(\$1,336,000)
Estimated Bond Proceeds		\$4,187,000	\$26,386,000
Per Unit			
		\$12,100	\$13,900

- (1) Estimated bond sizing based on conservative assumptions. The interest rate will be determined at the time of bond sale; the bond term could 25 to 30 years or more. This analysis assumes 30 years.
- (2) Assumes special taxes are escalated 2.0% annually for 30 years, which increases total Bond Size by approximately 20%.
- (3) Dependent upon developer and city preference on the length of time for capitalized interest.



APPENDIX A

Table A-1	Infrastructure Cost Allocation Assumptions— 333 Phase 1
Table A-2	Infrastructure Cost Allocation Assumptions— Buildout Total
Table A-3	Detailed Calculation for Sewer and Water System and Storm Drainage DUE—Phase 1
Table A-4	Detailed Calculation for Sewer and Water System and Storm Drainage DUE—Buildout Total
Table A-5	Development Fee Assumptions
Table A-6	Allocation of Fee Credits and AOB Cost Sharing— Phase 1
Table A-7	Allocation of Fee Credits and AOB Cost Sharing— Buildout Total

Table A-1
Infrastructure Cost Allocation Assumptions - Phase 1
Bear Creek East Financing Plan, EPS #21507

Allocation Methodology (1)	Totals	For-Sale Residential				Rental HDR	Nonresidential		
		LDR	LMDR	HMDR	HDR		Commercial	Office	Industrial
Future Developed Acres									
Total Developed Acres (Net)	28.2	0.0	12.5	15.7	0.0	0.0	0.0	0.0	0.0
% Distribution	100.0%	0.0%	44.3%	55.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Dwelling Units and Square Feet									
Dwelling Units	347	0	116	231	0	0	-	-	-
% Distribution	100.0%	0.0%	33.3%	66.7%	0.0%	0.0%	-	-	-
Commercial Square Footage	0	-	-	-	-	-	0	0	0
% Distribution	0.0%	-	-	-	-	-	0.0%	0.0%	0.0%
Square Feet per DU		2,200	1,600	1,225	1,075	925	n/a	n/a	n/a
Sewer/Water DUEs									
DUEs per Unit or per 1,000 Sq Ft of Space		1.00	1.00	0.97	0.84	0.84	0.18	0.14	0.14
Total DUEs	340	0	116	224	0	0	0	0	0
% Distribution	100%	0.0%	34.0%	66.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Storm Drainage DUEs									
DUEs per unit or per acre		1.09	1.00	0.73	0.53	0.53	14.52	7.26	7.26
Total DUEs	285	0	116	169	0	0	0	0	0
% Distribution	100.0%	0.0%	40.6%	59.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Trip Generation									
PM Peak Hour Trip DUEs (2)		2.00	1.50	1.50	1.50	1.50	2.00	1.00	1.00
New PM Trips	520	0	173	347	0	0	0	0	0
% Distribution	100.0%	0.0%	33.3%	66.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Demographic Characteristics									
Persons per household		3.35	3.35	3.25	2.80	2.80	-	-	-
New Population	1,138	0	387	751	0	0	-	-	-
% Distribution	100.0%	0.0%	34.0%	66.0%	0.0%	0.0%	-	-	-
Employment: Sq. Ft. per employee		-	-	-	-	-	350	500	1,000
New Employees	0	-	-	-	-	-	0	0	0
% Distribution	0.0%	-	-	-	-	-	0.0%	0.0%	0.0%
Daytime Population (3)									
New Daytime Population	1,138	0	387	751	0	0	0	0	0
% Distribution	100.0%	0.0%	34.0%	66.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Pop+Employment									
	1,138	0	387	751	0	0	0	0	0
	100.0%	0.0%	34.0%	66.0%	0.0%	0.0%	0.0%	0.0%	0.0%

(1) The 'Allocation Factor' column in Table 7 indicates which of these factors have been applied to allocate each particular category of costs.

(2) Trip generation factors for all categories are based on data provided by the Institute of Transportation Engineers (ITE). Trip generation factors for neighborhood shopping uses assume that all neighborhood shopping trips are actually 'pass-by' traffic and are accounted for in the residential trips. All trips allocated to Retail are based on employee trips.

(3) Daytime population is defined as population plus half of the employment. This is intended to reflect lower impacts on service costs by employees than by residents.

Source: Economic & Planning Systems, Inc.

Table A-2
Infrastructure Cost Allocation Assumptions - Buildout Total (Includes Phase 1)
Bear Creek East Financing Plan, EPS #21507

Allocation Methodology (1)	Totals	For-Sale Residential				Rental HDR	Nonresidential		
		LDR	LMDR	HMDR	HDR		Commercial	Office	Industrial
Future Developed Acres									
Total Developed Acres (Net)	218.7	72.7	76.6	31.9	6.6	6.6	10.7	4.8	8.9
% Distribution	100.0%	33.2%	35.0%	14.6%	3.0%	3.0%	4.9%	2.2%	4.1%
Dwelling Units and Square Feet									
Dwelling Units	1,894	413	709	468	152	152	-	-	-
% Distribution	100.0%	21.8%	37.4%	24.7%	8.0%	8.0%	-	-	-
Commercial Square Footage	230,800	-	-	-	-	-	93,200	41,800	95,800
% Distribution	100.0%	-	-	-	-	-	40.4%	18.1%	41.5%
Square Feet per DU		2,200	1,600	1,225	1,075	925	n/a	n/a	n/a
Sewer/Water DUEs									
DUEs per Unit or per 1,000 Sq Ft of Space		1.00	1.00	0.97	0.84	0.84	0.18	0.14	0.14
Total DUEs	1,943	413	709	454	127	127	52	19	43
% Distribution	100%	21.3%	36.5%	23.4%	6.5%	6.5%	2.7%	1.0%	2.2%
Storm Drainage DUEs									
DUEs per unit or per acre		1.09	1.00	0.74	0.53	0.53	14.52	7.26	7.26
Total DUEs	1,919	449	709	344	81	81	155	35	65
% Distribution	100.0%	23.4%	37.0%	18.0%	4.2%	4.2%	8.1%	1.8%	3.4%
Trip Generation									
PM Peak Hour Trip DUEs (2)		2.00	1.50	1.50	1.50	1.50	2.00	1.00	1.00
New PM Trips	3,372	826	1,064	702	228	228	186	42	96
% Distribution	100.0%	24.5%	31.5%	20.8%	6.8%	6.8%	5.5%	1.2%	2.8%
Demographic Characteristics									
Persons per household		3.35	3.35	3.25	2.80	2.80	-	-	-
New Population	6,132	1,384	2,375	1,521	426	426	-	-	-
% Distribution	100.0%	22.6%	38.7%	24.8%	6.9%	6.9%	-	-	-
Employment: Sq. Ft. per employee		-	-	-	-	-	350	500	1,000
New Employees	446	-	-	-	-	-	266	84	96
% Distribution	100.0%	-	-	-	-	-	59.7%	18.8%	21.5%
Daytime Population (3)									
New Daytime Population	6,355	1,384	2,375	1,521	426	426	133	42	48
% Distribution	100.0%	21.8%	37.4%	23.9%	6.7%	6.7%	2.1%	0.7%	0.8%
Pop+Employment									
	6,578	1,384	2,375	1,521	426	426	266	84	96
	100.0%	21.0%	36.1%	23.1%	6.5%	6.5%	4.0%	1.3%	1.5%

(1) The 'Allocation Factor' column in Table 7 indicates which of these factors have been applied to allocate each particular category of costs.

(2) Trip generation factors for all categories are based on data provided by the Institute of Transportation Engineers (ITE). Trip generation factors for neighborhood shopping uses assume that all neighborhood shopping trips are actually 'pass-by' traffic" and are accounted for in the residential trips. All trips allocated to Retail are based on employee trips.

(3) Daytime population is defined as population plus half of the employment. This is intended to reflect lower impacts on service costs by employees than by residents.

Source: Economic & Planning Systems, Inc.

Table A-3
Detailed Calculation for Sewer and Water System and Storm Drainage DUE - Phase 1
Bear Creek East Financing Plan, EPS #21507

Dwelling Unit Equivalents	Totals	For-Sale Residential				Rental HDR	Nonresidential		
		LDR	LMDR	HMDR	HDR		Commercial	Office	Industrial
<u>Sewer & Water System</u>									
Population Assumptions	na	3.35	3.35	3.25	2.80	2.80	-	-	-
Gallons/Day/Unit (1)	na	322	322	313	269	269	-	-	-
Dwelling Units	346.5	0	116	231	0	0	-	-	-
Total Gallons	109,444	0	37,222	72,222	0	0	-	-	-
Percent by Unit	na	0.000%	0.294%	0.286%	0.000%	0.000%	-	-	-
Sewer & Water DUEs per Unit		0.00	1.00	0.97	0.00	0.00	-	-	-
Gallons/Day/Sq. Ft. (1)		-	-	-	-	-	0.18	0.14	0.14
Total Square Footage		-	-	-	-	-	0	0	0
Total Gallons		-	-	-	-	-	0	0	0
Sewer & Water DUEs (2)	339.6	0.0	115.5	224.1	0.0	0.0	0.0	0.0	0.0
Percentage Distribution	100.0%	0.0%	34.0%	66.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Storm Drainage</u>									
Average Units Per Acre		0.0	9.2	14.7	0.0	0.0	-	-	-
Runoff Factors (3)		0.40	0.60	0.70	0.80	0.80	0.80	0.40	0.40
Average Lot Size (4)		0	4,007	2,516	0	0	-	-	-
Dwelling Units/Acreage		0	116	231	0	0	0.0	0.0	0.0
Total Runoff Area (sq. ft.)	684,611	0	277,695	406,916	0	0	0	0	0
Percent by Unit or sq. ft.	0.0	0.000%	0.351%	0.257%	0.000%	0.000%	0.000%	0.000%	0.000%
Storm Drainage DUEs per Unit or per acre		0.00	1.00	0.73	0.00	0.00	0.00	0.00	0.00
Total Storm Drainage DUEs	284.7	0	116	169	0	0	0	0	0
Percentage Distribution	100%	0.0%	40.6%	59.4%	0.0%	0.0%	0.0%	0.0%	0.0%

(1) Assumes average dry weather flow per capita: 96.2

Assumes 2,180 gallons/acre/day, and .35 FAR for industrial and office and .28 for retail.

(2) The medium density unit is assumed to be 1.0 dwelling unit equivalent, for each DUE factor, as follows:

Sewer & Water DUEs	322	per unit
Storm Drainage	2,404	per unit

(3) For low and medium density, runoff factors are from prior EPS study. For high density, Stantec provided the estimate. Runoff factors refer to the amount or percentage of impervious surfaces for each land use.

(4) Average lot size is based on density assumptions shown above and 15 percent of each acre, on average, is dedicated to infrastructure and roadway.

Source: Economic & Planning Systems, Inc.

Table A-4

Detailed Calculation for Sewer and Water System and Storm Drainage DUE - Buildout Total (Includes Phase 1)
Bear Creek East Financing Plan, EPS #21507

Dwelling Unit Equivalents	Totals	For-Sale Residential				Rental HDR	Nonresidential		
		LDR	LMDR	HMDR	HDR		Commercial	Office	Industrial
<u>Sewer & Water System</u>									
Population Assumptions	na	3.35	3.35	3.25	2.80	2.80	-	-	-
Gallons/Day/Unit (1)	na	322	322	313	269	269	-	-	-
Dwelling Units	1,894.0	413	709	468	152	152	-	-	-
Total Gallons	589,793	133,098	228,489	146,320	40,943	40,943	-	-	-
Percent by Unit	na	0.055%	0.055%	0.053%	0.046%	0.046%	-	-	-
Sewer & Water DUEs per Unit		1.00	1.00	0.97	0.84	0.84	-	-	-
Gallons/Day/Sq. Ft. (1)		-	-	-	-	-	0.18	0.14	0.14
Total Square Footage		-	-	-	-	-	93,200	41,800	95,800
Total Gallons		-	-	-	-	-	16,658	5,977	13,698
Sewer & Water DUEs (2)	1,942.9	413.0	709.0	454.0	127.0	127.0	51.7	18.5	42.5
Percentage Distribution	100.0%	21.3%	36.5%	23.4%	6.5%	6.5%	2.7%	1.0%	2.2%
<u>Storm Drainage</u>									
Average Units Per Acre		5.7	9.3	14.7	23.2	23.2	-	-	-
Runoff Factors (3)		0.40	0.60	0.70	0.80	0.80	0.80	0.40	0.40
Average Lot Size (4)		6,518	4,000	2,524	1,596	1,596	-	-	-
Dwelling Units/Acreage		413	709	468	152	152	10.7	4.8	8.9
Total Runoff Area (sq. ft.)	4,604,837	1,076,716	1,701,715	826,791	194,016	194,016	372,874	83,635	155,074
Percent by Unit or sq. ft.	0.0	0.057%	0.052%	0.038%	0.028%	0.028%	0.757%	0.378%	0.378%
Storm Drainage DUEs per Unit or per acre		1.09	1.00	0.74	0.53	0.53	14.52	7.26	7.26
Total Storm Drainage DUEs	1,918.6	449	709	344	81	81	155	35	65
Percentage Distribution	100%	23.4%	37.0%	18.0%	4.2%	4.2%	8.1%	1.8%	3.4%

(1) Assumes average dry weather flow per capita: 96.2

Assumes 2,180 gallons/acre/day, and .35 FAR for industrial and office and .28 for retail.

(2) The medium density unit is assumed to be 1.0 dwelling unit equivalent, for each DUE factor, as follows:

Sewer & Water DUEs	322	per unit
Storm Drainage	2,400	per unit

(3) For low and medium density, runoff factors are from prior EPS study. For high density, Stantec provided the estimate. Runoff factors refer to the amount or percentage of impervious surfaces for each land use.

(4) Average lot size is based on density assumptions shown above and 15 percent of each acre, on average, is dedicated to infrastructure and roadway.

Source: Economic & Planning Systems, Inc.

Table A-5
Development Fee Assumptions
Bear Creek East Financing Plan, EPS #21507

Scenario 1:
No Deferral

Item	Allocation Factor Utilized	Subject to City Fee Deferral (1)	For-Sale Residential				Rental	Nonresidential		
			LDR	LMDR	HMDR	HDR	HDR	Commercial	Office	Industrial
<u>Processing Fees (per unit/1,000 sq. ft.)</u>										
Building Permit	Fee Rates		\$1,649.15	\$1,515.40	\$1,461.90	\$604.33	\$526.33	\$909.02	\$947.77	\$615.66
Plan Check	Fee Rates		\$824.54	\$757.70	\$730.95	\$435.11	\$378.95	\$654.49	\$682.40	\$443.28
Planning	Fee Rates		\$675.00	\$600.00	\$570.00	\$450.00	\$390.00	\$675.00	\$675.00	\$450.00
Strong Motion Instrumentation Program (SMIP)	Fee Rates		\$22.50	\$20.00	\$19.00	\$15.00	\$13.00	\$47.25	\$47.25	\$31.50
Technology	Fee Rates		\$185.53	\$170.48	\$164.46	\$77.96	\$67.90	\$117.26	\$122.26	\$79.42
Capital Preservation	Fee Rates		\$225.00	\$200.00	\$190.00	\$150.00	\$130.00	\$225.00	\$225.00	\$150.00
Development Code Maintenance	Fee Rates		\$225.00	\$200.00	\$190.00	\$150.00	\$130.00	\$225.00	\$225.00	\$150.00
Development Oversight Commission	Fee Rates		\$225.00	\$200.00	\$190.00	\$150.00	\$130.00	\$225.00	\$225.00	\$150.00
Climate Action Plan Implementation	Fee Rates		\$225.00	\$200.00	\$190.00	\$150.00	\$130.00	\$225.00	\$225.00	\$150.00
Permit Issuance	Fee Rates		\$39.00	\$39.00	\$39.00	\$39.00	\$39.00	\$0.42	\$0.93	\$0.41
Other (2)	Fee Rates		\$174.73	\$158.56	\$152.49	\$81.44	\$70.65	\$31.58	\$37.79	\$22.60
Subtotal Processing Fees	Fee Rates		\$4,470.45	\$4,061.14	\$3,897.80	\$2,302.84	\$2,005.82	\$3,335.03	\$3,413.40	\$2,242.86
<u>Existing City and Other Fees</u>										
<u>Public Facilities Fee (06/30/2011)</u>										
City Office Space (per unit/1,000 sq. ft.)	Fee Rates	X	\$467.00	\$467.00	\$467.00	\$391.00	\$391.00	\$45.00	\$87.50	\$51.00
Fire Stations (per unit/1,000 sq. ft.)	Fee Rates	X	\$781.00	\$781.00	\$781.00	\$658.00	\$658.00	\$122.00	\$237.00	\$108.00
Libraries (per unit/1,000 sq. ft.)	Fee Rates	X	\$902.00	\$902.00	\$902.00	\$761.00	\$761.00	\$97.00	\$189.00	\$112.00
Police Station Expansion (per unit/1,000 sq. ft.)	Fee Rates	X	\$591.00	\$591.00	\$591.00	\$497.00	\$497.00	\$108.00	\$221.00	\$124.00
Community Recreation Center (per unit/1,000 sq. ft.)	Fee Rates	X	\$481.00	\$481.00	\$481.00	\$405.00	\$405.00	\$20.25	\$39.50	\$23.25
Street Improvements (per unit/1,000 sq. ft.)	Fee Rates	X	\$13,226.00	\$13,226.00	\$13,226.00	\$9,656.00	\$9,656.00	\$3,177.00	\$2,412.00	\$931.50
Parkland (per unit)	Fee Rates		\$2,798.00	\$2,798.00	\$2,798.00	\$1,712.00	\$1,712.00	\$0.00	\$0.00	\$0.00
Air Quality (per unit/1,000 sq. ft.)	Fee Rates		\$187.00	\$187.00	\$187.00	\$187.00	\$187.00	\$689.00	\$329.00	\$405.00
Agricultural Land Mitigation (per acre of net parcel area)	Fee Rates		\$14,352.00	\$14,352.00	\$14,352.00	\$12,841.00	\$12,841.00	\$11,758.00	\$11,902.00	\$10,494.00
Street Name Signs (per signs)	Fee Rates		\$266.00	\$266.00	\$266.00	\$266.00	\$266.00	\$266.00	\$266.00	\$266.00
Street Trees (per tree)										
Tree w/ root barrier	Fee Rates		\$195.00	\$195.00	\$195.00	\$195.00	\$195.00	\$195.00	\$195.00	\$195.00
Tree w/o root barrier	Fee Rates		\$140.00	\$140.00	\$140.00	\$140.00	\$140.00	\$140.00	\$140.00	\$140.00
Street Light Fee (per linear foot)	Fee Rates		\$32.00	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00
Traffic Signal Impact Fees (per unit/1,000 sq. ft.) (3)	Fee Rates		\$110.00	\$110.00	\$110.00	\$94.00	\$66.50	\$866.00	\$195.00	\$30.75
Habitat/Open Space Conservation										
Multi-Purpose Open Space (per acre of net parcel area)	Fee Rates		\$6,631.00	\$6,631.00	\$6,631.00	\$6,631.00	\$6,631.00	\$6,631.00	\$6,631.00	\$6,631.00
Surface Water (per unit/per 1,000 SF)	Fee Rates		\$3,672.00	\$3,672.00	\$3,672.00	\$3,672.00	\$3,672.00	\$753.33	\$754.00	\$305.00
Administrative Fee (% of public facility fees above)	Fee Rates		3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Flood Control Equalization Fee	Fee Rates		\$290.25	\$290.25	\$290.25	\$290.25	\$290.25	\$0.00	\$0.00	\$0.00
Public Works Residential Construction	Fee Rates		\$33.40	\$33.40	\$33.40	\$1.93	\$1.93	\$0.00	\$0.00	\$0.00
<u>Other Agency Fees (06/30/2011, unless otherwise stated)</u>										
School Fee (1,000 sq. ft.)	Fee Rates		\$2,970.00	\$2,970.00	\$2,970.00	\$2,970.00	\$2,970.00	\$470.00	\$470.00	\$470.00
Regional Transportation Impact Fee (per unit/ 1,000 SF)	Fee Rates		\$2,987.08	\$2,987.08	\$2,987.08	\$1,792.25	\$1,792.25	\$1,190.00	\$1,500.00	\$900.00
County Facilities (per unit, Per 1,000 SF)	Fee Rates		\$1,707.00	\$1,707.00	\$1,707.00	\$1,462.00	\$1,462.00	\$290.00	\$350.00	\$190.00
Administrative Fee (% of fees above)	Fee Rates		3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
<u>Sewer & Water Connect. Fees (06/30/2011)</u>										
Water Connection Charges (per unit/1,000 sq. ft.) (4)	Fee Rates		\$6,485.00	\$6,485.00	\$6,485.00	\$6,485.00	\$6,485.00	\$6,485.00	\$6,485.00	\$6,485.00
Sewer Connection Charges (per unit/1,000 sq. ft.) (5)	Fee Rates		\$5,300.00	\$5,300.00	\$5,300.00	\$5,300.00	\$5,300.00	\$530.00	\$3,108.45	\$176.67
Administrative Fee (% of all public facility fees)	Fee Rates		3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

(1) Represents fees included in the City's fee deferral based on resolutions No. 91-0118-, 94-0410, 95-0302, 02-0656, 03-0105, 04-0333, 05-0240, 06-0277, 07-0194, and 08-0294 as shown on the City's Public Facilities Fee Calculation Work Sheet dated June 30, 2011. Applies to projects developed within the existing city limits, as of October 14, 2008, until December 31, 2012.

(2) Includes permit tracking fee, land update fee, microfilm fee, green building fee, community rating system administrative fee, and housing element preparation and monitoring fee.

(3) Assume retail as shopping center with 50,000-99,999 square feet, office as general office with less than 100,000, and industrial as mini/self-storage.

(4) Assume 3/4 inch connection for commercial. Includes the Delta Water Supply Project fee.

(5) The commercial sewer fee is estimated by using the City of Stockton's online sewer fee estimator.

Table A-6
Allocation of Fee Credits and AOB Cost Sharing- PHASE 1
Bear Creek East Financing Plan, EPS #21507

Item	Total Funding Needed	Fee Credits (1)				AOB	
		W. Lane	Parks	Water	Total	Bear Creek South	Bear Creek West
				(2)		(3)	(3)
Mobility							
Roads (6)							
East-West Collector Street (Road A)	\$1,255,000	\$0	\$0	\$0	\$0	\$0	\$0
North-South Collector Street (Road B)	\$1,548,000	\$0	\$0	\$0	\$0	\$0	\$0
Lt. Col. Mark Taylor Street	\$1,245,000	\$0	\$0	\$0	\$0	\$0	\$0
West Lane	\$3,404,000	\$1,189,180	\$0	\$0	\$1,189,180	\$0	\$0
Subtotal, Roads	\$7,452,000	\$1,189,180	\$0	\$0	\$1,189,180	\$0	\$0
Traffic Signals	\$439,000	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal, Mobility	\$7,891,000	\$1,189,180	\$0	\$0	\$1,189,180	\$0	\$0
Parks							
Parks (2 Acres)	\$543,000	\$0	\$543,000	\$0	\$543,000	\$0	\$0
Paseos (.4 Acres)	\$54,000	\$0	\$0	\$0	\$0	\$0	\$0
Land Acquisition (2 Acres)	\$120,000	\$0	\$120,000	\$0	\$120,000	\$0	\$0
Subtotal, Parks	\$717,000	\$0	\$663,000	\$0	\$663,000	\$0	\$0
Utilities							
Storm Drain Basin and Pump Station							
66" Trunkline from Lt. Col. Mark Taylor	\$285,000	\$0	\$0	\$0	\$0	\$0	\$0
Water Quality Basin	\$286,000	\$0	\$0	\$0	\$0	\$0	\$0
Pump Station, Including Discharge Lines	\$238,000	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal, Storm Drain Basin and Pump Station	\$809,000	\$0	\$0	\$0	\$0	\$0	\$0
Sewerlines	\$236,000	\$0	\$0	\$0	\$0	\$0	\$0
Off-Site Sanitary Sewer Pipeline	\$695,000	\$0	\$0	\$0	\$0	\$0	\$202,872
Waterlines (Potable & Non-potable Water)	\$714,000	\$0	\$0	\$0	\$0	\$0	\$0
Off-Site Potable Water Pipeline	\$442,000	\$0	\$0	\$248,806	\$248,806	\$0	\$159,176
Subtotal, Utilities	\$2,896,000	\$0	\$0	\$248,806	\$248,806	\$0	\$362,048
TOTAL PHASE 1	\$11,504,000	\$1,189,180	\$663,000	\$248,806	\$2,100,986	\$0	\$362,048

(1) Fee Credits are estimated based on information provided by Stantec, September 2011. Fee credits represent the cost of improvements that are in excess of the projects requirements.

(2) Total water reimbursement provided by Stantec. Apportionment of reimbursement between on-site waterlines and off-site potable water estimated by EPS.

(3) Represents the reimbursement to Bear Creek East for other projects in the Area of Benefit (AOB). The water reimbursement from the Bear Creek West is for 50% of the cost of a 12" waterline. The sewer reimbursement is for oversizing and based on percentage of sewer flows.

Source: Stantec and EPS.

Table A-7
Allocation of Fee Credits and AOB Cost Sharing - BUILDOUT Total (Includes Phase 1)
Bear Creek East Financing Plan, EPS #21507

Item	Total Funding Needed		Fee Credits (1)							AOB	
			Bridge	W. Lane	8 Mile	Signals	Parks	Water	Total	Bear Creek South	Bear Creek West
								(2)		(3)	(3)
Mobility											
Roads (7)											
East-West Collector Street (Road A)	\$4,047,000	16%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
North-South Collector Street (Road B)	\$1,548,000	6%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lt. Col. Mark Taylor Street	\$3,038,000	12%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Leach Road	\$1,088,000	4%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ham Lane	\$2,228,000	9%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Eight Mile Road	\$6,887,000	27%	\$0	\$0	\$2,976,342	\$0	\$0	\$0	\$2,976,342	\$0	\$0
West Lane	\$6,905,000	27%	\$0	\$3,101,688	\$0	\$0	\$0	\$0	\$3,101,688	\$0	\$0
Subtotal, Roads	\$25,741,000	100%	\$0	\$3,101,688	\$2,976,342	\$0	\$0	\$0	\$6,078,030	\$0	\$0
Bridges											
New Bridge (Lt. Col. Mark Taylor)	\$6,343,000	73%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,171,309	\$0
Widening of Existing West Lane Bridge	\$2,293,000	27%	\$2,293,000	\$0	\$0	\$0	\$0	\$0	\$2,293,000	\$0	\$0
Subtotal, Bridges	\$8,636,000	100%	\$2,293,000	\$0	\$0	\$0	\$0	\$0	\$2,293,000	\$3,171,309	\$0
Traffic Signals	\$1,289,000	100%	\$0	\$0	\$0	\$271,400	\$0	\$0	\$271,400	\$0	\$0
Levee Bike Path	\$541,000	100%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal, Mobility	\$36,207,000		\$2,293,000	\$3,101,688	\$2,976,342	\$271,400	\$0	\$0	\$8,642,430	\$3,171,309	\$0
Parks											
Parks (26.4 Acres)	\$7,165,000	75%	\$0	\$0	\$0	\$0	\$4,969,268	\$0	\$4,969,268	\$0	\$0
Paseos (2.2 Acres)	\$299,000	3%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Levee Setback Open Space (7.3 Acres)	\$495,000	5%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Land Acquisition (26.4 Acres)	\$1,584,000	17%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal, Parks	\$9,543,000	100%	\$0	\$0	\$0	\$0	\$4,969,268	\$0	\$4,969,268	\$0	\$0
Utilities											
Storm Drainage											
66" Trunkline from Lt. Col. Mark Taylor	\$285,000	9%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Quality Basin	\$286,000	9%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pump Station, Including Discharge Lines	\$2,698,000	83%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal, Storm Drainage	\$3,269,000	100%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sewerlines	\$831,000	54%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Off-Site Sanitary Sewer Pipeline	\$695,000	46%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$202,872
Waterlines (Potable & Non-potable Water)	\$2,433,000	85%	\$0	\$0	\$0	\$0	\$0	\$412,299	\$412,299	\$0	\$0
Off-Site Potable Water Pipeline	\$442,000	15%	\$0	\$0	\$0	\$0	\$0	\$282,824	\$282,824	\$0	\$159,176
Subtotal, Utilities	\$7,670,000		\$0	\$0	\$0	\$0	\$0	\$695,123	\$695,123	\$0	\$362,048
Schools	\$8,781,767	100%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL BUILDOUT	\$62,201,767		\$2,293,000	\$3,101,688	\$2,976,342	\$271,400	\$4,969,268	\$695,123	\$14,306,821	\$3,171,309	\$362,048

(1) Fee Credits are estimated based on information provided by Stantec, September 2011. Fee credits represent the cost of improvements that are in excess of the projects requirements.

(2) Total water reimbursement provided by Stantec. Apportionment of reimbursement between on-site waterlines and off-site potable water estimated by EPS.

(3) Represents the reimbursement to Bear Creek East for other projects in the Area of Benefit (AOB). Assumes that 50% of the cost of the Lt Col Mark Taylor bridge will be reimbursed from the Bear Creek South.

The water reimbursement from the Bear Creek West is for 50% of the cost of a 12" waterline. The sewer reimbursement is for oversizing and based on percentage of sewer flows.

(4) Does not include costs of forming an assessment district.

Source: Stantec and EPS.

APPENDIX B

Table 1 Estimate of Minimum Housing Market Prices Required
to Attain a 20 Percent Cost Burden Ratio



Table 1

Estimate of Minimum Housing Market Prices Required to Attain a 20 Percent Cost Burden Ratio
Bear Creek East Financing Plan, EPS #21507

PROJECT PHASE/ Item Description	For-Sale Residential				Rental	Total Residential
	LDR	LMDR	HMDR	HDR	HDR	
PHASE 1						
Dwelling Units	-	116	231	-	-	347
Cost Burden	per unit					
Infrastructure Costs	-	\$26,688	\$25,794	-	-	\$26,092
Impact Fees	-	\$51,195	\$48,921	-	-	\$49,679
Total Cost Burden	-	\$77,884	\$74,716	-	-	\$75,772
Normalized Market Values [1]	-	\$260,000	\$225,000	-	-	\$236,667
Cost Burden as % of Market Value	-	30%	33%	-	-	32%
Required Increase in Housing Prices [2]	-	49.8%	66.0%	-	-	60.1%
Minimum Required Housing Price [3]	-	\$389,418	\$373,578	-	-	\$378,858
Target Cost Burden Ratio	-	20%	20%	-	-	20%
BUILDOUT						
Dwelling Units	413	709	468	152	152	1,894
Cost Burden	per unit					
Infrastructure Costs	\$20,542	\$16,776	\$16,201	\$15,288	\$15,288	\$17,216
Impact Fees	\$55,243	\$51,291	\$49,127	\$39,472	\$39,082	\$49,690
Total Cost Burden	\$75,785	\$68,068	\$65,327	\$54,759	\$54,369	\$66,906
Normalized Market Values [1]	\$310,000	\$260,000	\$225,000	\$200,000	\$170,000	\$236,667
Cost Burden as % of Market Value	24%	26%	29%	27%	32%	28%
Required Increase in Housing Prices [2]	22.2%	30.9%	45.2%	36.9%	59.9%	41.4%
Minimum Required Housing Price [3]	\$378,925	\$340,338	\$326,636	\$273,797	\$271,847	\$334,530
Target Cost Burden Ratio	20%	20%	20%	20%	20%	20%

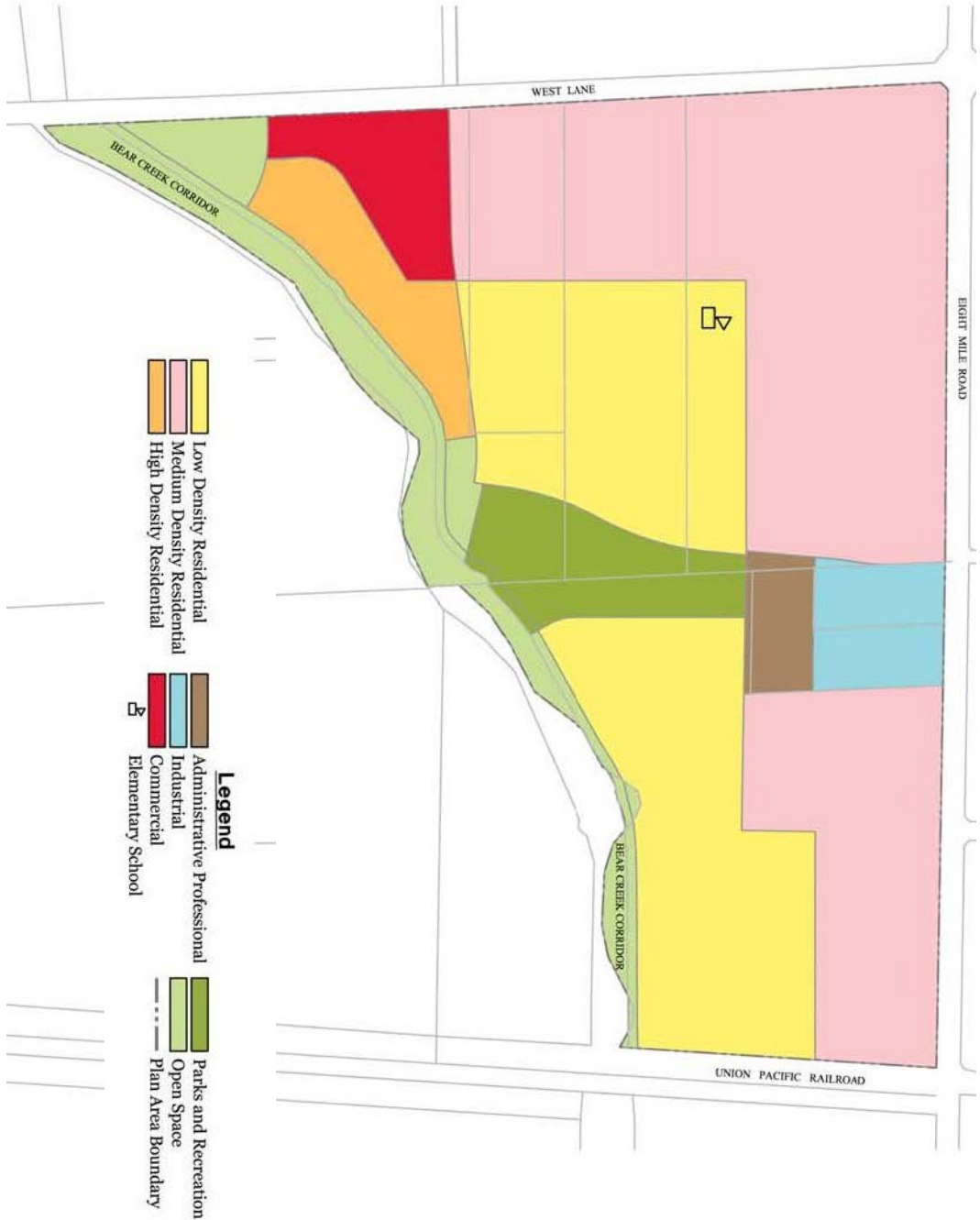
[1] Housing prices assumed in the Preliminary Feasibility Analysis.

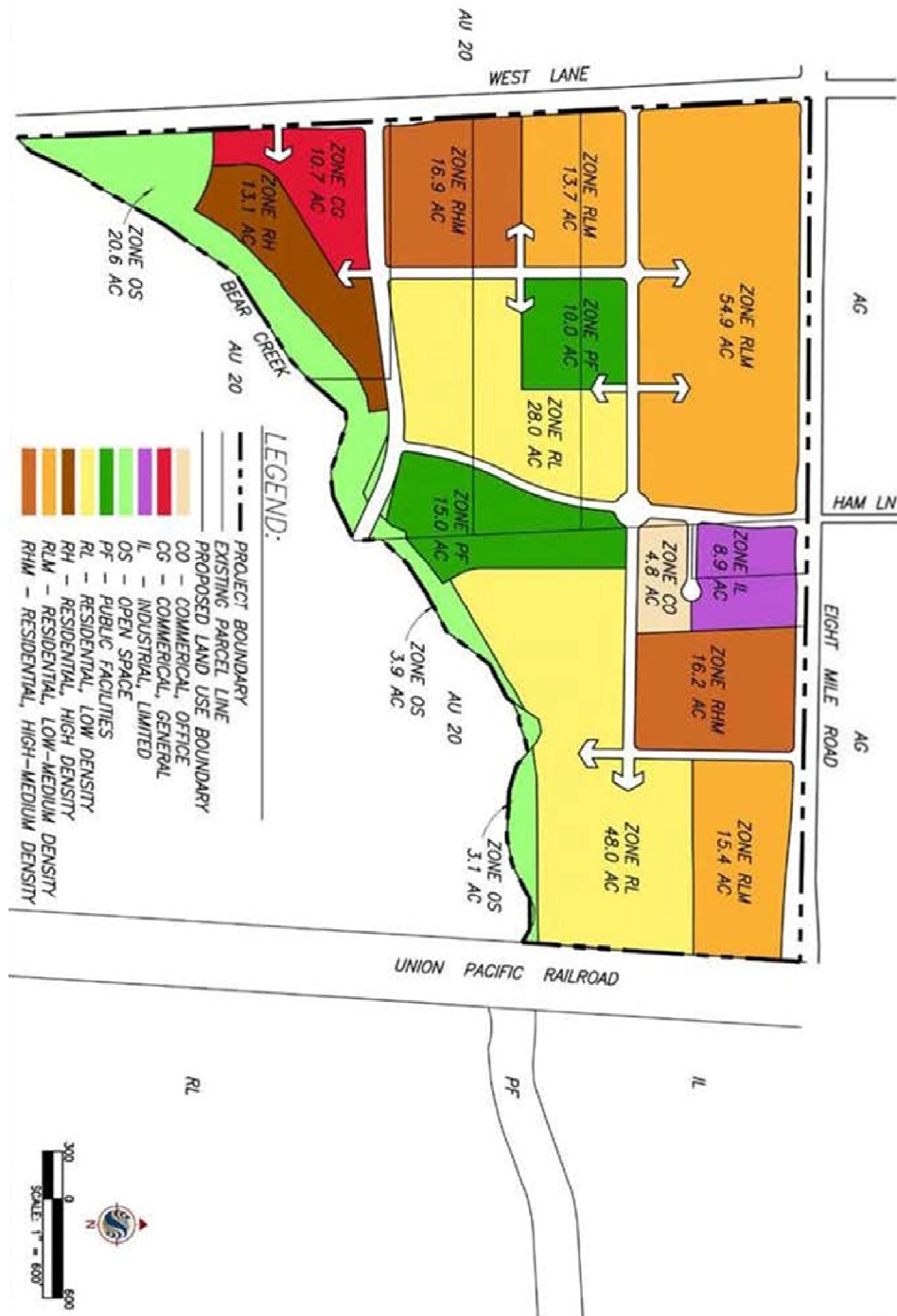
[2] Minimum price increase required to lower the cost burden ratio to 20%, assuming no changes to infrastructure costs and development impact fees.

[3] Minimum price required to attain a 20% cost burden ratio. A reduction in development impact fees and/or infrastructure costs would lower the minimum price required to attain the 20% cost burden threshold.

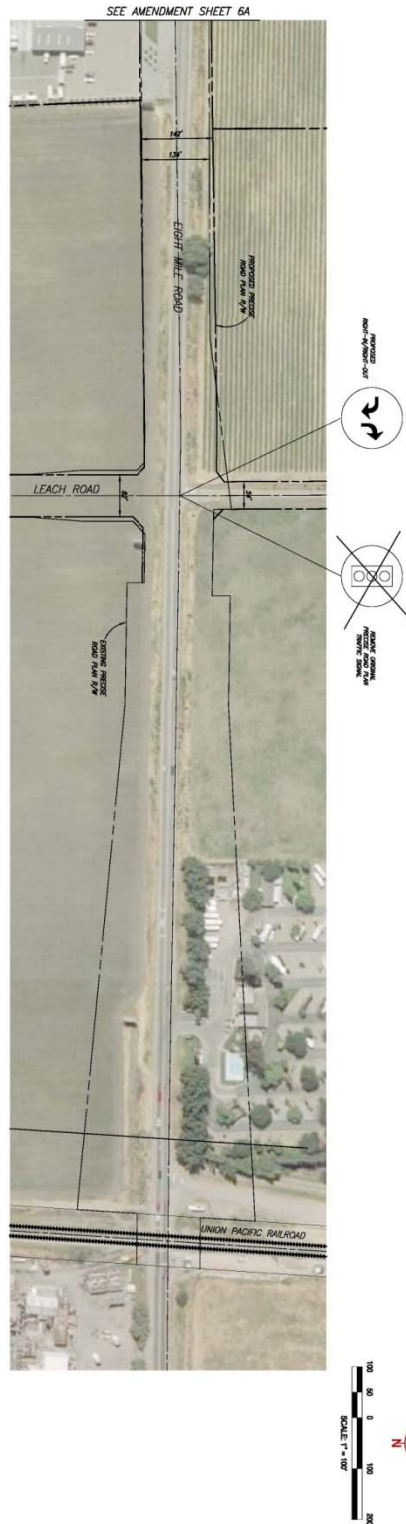
Source: Economic & Planning Systems.

Bear Creek East Specific Plan Proposed General Plan Amendment





Bear Creek East Specific Plan Proposed Pre-Zoning







2012-9-29 15:01 By: nyskank

AMENDMENT TO:
EIGHT MILE ROAD PRECISE ROAD PLAN
APPROVED BY CITY OF ETOCOCHUS
RESOLUTION NO.: _____
DATE: _____

Bear Creek East Specific Plan Eight Mile Road Precise Road Plan Amendment







CROSS SECTION 142' R/W
WEST LANE
SCALE: NTS

[illegible]

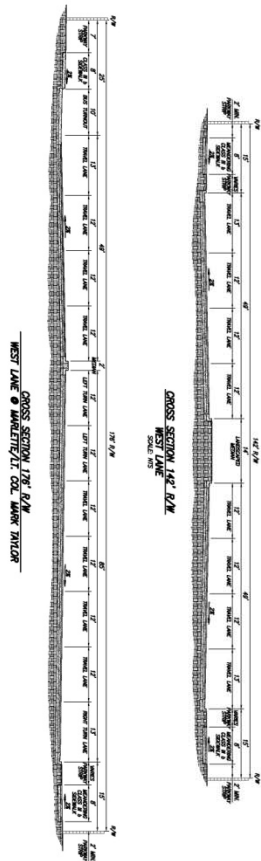
REVISIONS			
SYMBOL	DATE	DESCRIPTION	APPROVED

AMENDMENT TO:
WEST LANE PRECISE ROAD PLAN



Stantec Consulting Inc.
1016 12th Street
Modesto, CA U.S.A.
95354
Tel. 209.521.8986
Fax. 209.521.9045
www.stantec.com



[illegible]

AMENDMENT TO: WEST LAKE PRECISE ROAD PLAN CITY OF BERKELEY, CALIFORNIA		SHEET NO. 1c
SCALE: AS SHOWN PREPARED BY: AUP CHECKED BY: AUP DESIGNED BY: AUP RECORD DATE: - PROJECT NAME: -	APPROVED BY CITY OF BERKELEY: DATE: _____ RESOLUTION NO.: _____	JOB NO. PREPARED FOR: 000

REVISIONS			
ORIG.	DATE	DESCRIPTION	APPROVED

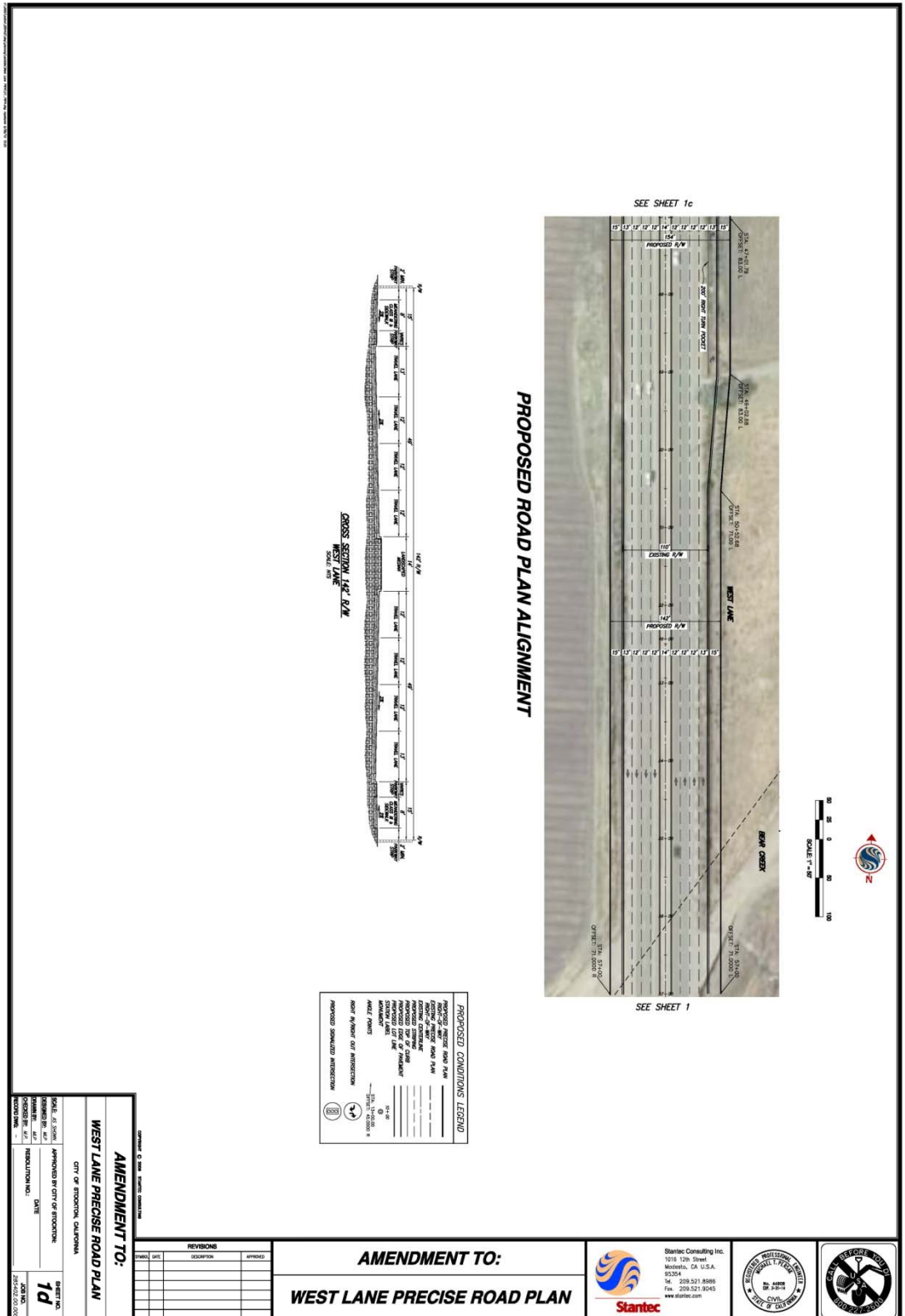
AMENDMENT TO:

WEST LANE PRECISE ROAD PLAN



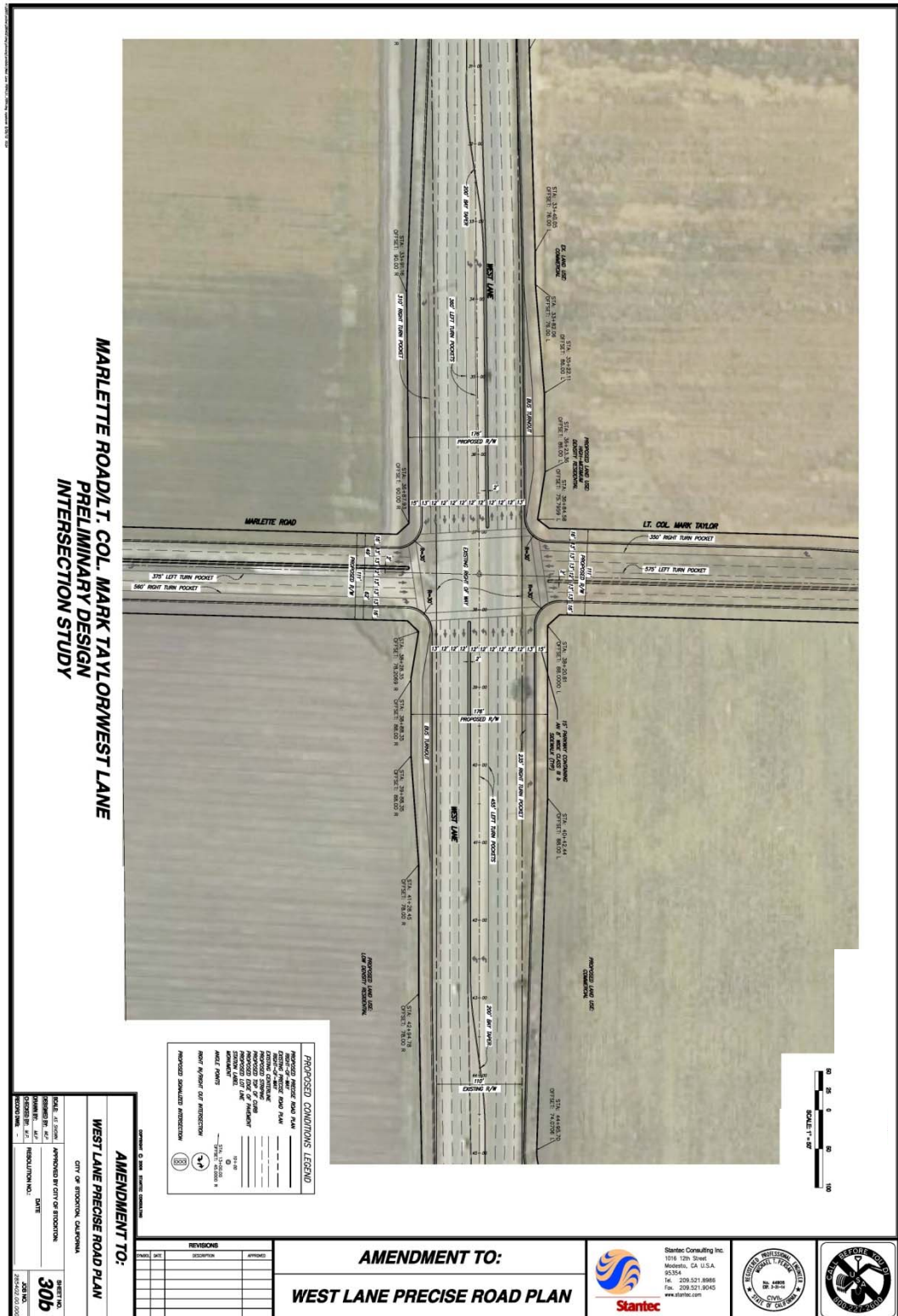
Stantec Consulting Inc.
1016 12th Street
Modesto, CA U.S.A.
95354
Tel. 209.521.8986
Fax. 209.521.9045
www.stantec.com







Bear Creek East Specific Plan West Lane Precise Road Plan Amendment



PUBLIC COMMENTS RECEIVED

- 10a Caltrans Letter
- 10b Sierra Club/Campaign for Common Ground Letter

DEPARTMENT OF TRANSPORTATION

P.O. BOX 2048 STOCKTON, CA 95201
1976 E. DR. MARTIN LUTHER KING JR. BLVD. 95205
TTY: California Relay Service (800) 735-2929
PHONE (209) 941-1921
FAX (209) 948-7194

Attachment 10a



*Flex your power!
Be energy efficient!*

July 10, 2013

10-SJ-99 PM 25.28
Bear Creek East Specific Plan (P10-255)
Final Environmental Impact Report
SCH #2005122001

Michael McDowell, Director
City of Stockton
Community Development Dept.
345 N. El Dorado St.
Stockton, CA 95202

Dear Mr. McDowell:

The California Department of Transportation (Department) appreciates the opportunity to comment on the Final Environmental Impact Report (FEIR) for the **Bear Creek East Specific Plan**. The project, located south of Eight Mile Road between West Lane and Union Pacific Railroad in Stockton, to develop a maximum of 2,122 single and multi-family residential units, including retails/commercial, light industrial development, school, parks and open spaces.

Upon review of the FEIR project, the Department has the following comments:

According to Table 15 of the Traffic Impact Study and Table 2-2 of the FEIR, Bear Creek East project will mitigate traffic impacts by signalizing the SR 99 East Frontage Road & SR 99 Northbound Ramps (Eight Mile Road) intersection to be signalized.

It is important to note that this project will generate truck traffic while the FEIR does not stipulate if any of the trucks will be STAA length it should be noted that the interchanges of SR99 at Morada Lane and SR99 and Eight Mile Road are not STAA approved for STAA trucks and will require improvements for vehicles STAA truck use. Currently there are no funding sources identified for the final design and construction of these projects. Therefore should the project require STAA truck access from either of these interchanges the project would be required to fund and construct the improvements needed by opening day of the commercial or industrial portions of the project that would utilize STAA trucks.

We look forward to working cooperatively with you during the encroachment permit process for the improvements this project will require and at that time any remaining questions and concerns will be addressed.

Sincerely,

TOM DUMAS, CHIEF
OFFICE OF METROPOLITAN PLANNING

c Scott Morgan, State Clearinghouse



Delta-Sierra Group
Mother Lode Chapter
P.O. Box 9258, Stockton CA 95208



July 10, 2013

Chairman Steve Lopez and members
Stockton Planning Commission
Stockton, CA

Re: Bear Creek East Specific Plan

Chairman Lopez and Commission members:

The following are comments from the Delta –Sierra Group of the Sierra Club and Campaign for Common Ground. Both of our groups are community based organizations that promote smart growth and agricultural preservation in San Joaquin County. We have been intimately involved in the Stockton General Plan, the Climate Action Plan, and related land use issues for more than ten years.

We strongly oppose the plans for the Bear Creek East Specific Plan as premature and unwarranted at this time, given the City's real estate market and the fact that so much housing has already been approved by the City but not yet built.

We urge this Commission to demand more information and analysis from staff before the Commission takes a vote to recommend approval (or denial) of this project to the City Council.

We also demand that the City re-circulate the Environmental Impact Report (EIR) as required under Section 15088.5(a) of the California Environmental Quality Act (CEQA) Guidelines. The Draft EIR was originally circulated two years ago and then went dormant. The CEQA Guidelines and statutes require a lead agency to re-circulate an EIR when "significant new information" is added to an EIR after public notice is given for its review, which in this case was November, 2011.

An updated Specific Plan for the project (Bear Creek East Specific Plan, May, 2013, Attachment 2 to the 7-11-13 Planning Commission staff report) has been prepared and constitutes new information to the project description and to the EIR. The land use maps for the project appear to be different in the 2011 EIR, compared to the Final EIR and Specific Plan in 2013. In addition, as noted below, at least one section of the EIR (transportation) is seriously out of date and much new information on local and regional traffic and circulation levels, projected future volumes, and transportation improvements planned by Caltrans and SJCOG has been published since the transportation analysis was completed for the EIR (2007) and must be added to the EIR in response to the Caltrans comment letter.

Key Issues and Questions

Among the several key issues that are unresolved for this huge subdivision project are the following: the fiscal impacts of the project on the City budget; transportation impacts and consistency with Caltrans and SJCOG plans; and consistency with the draft Climate Action Plan and the Settlement Agreement.

We have posed a number of critical questions about the project that we would hope, and expect, the Commission to request answers for from staff, before any vote or decision is made. These specific questions are outlined in bold below.

We suspect that these answers and further discussion will warrant a continuance of this matter to the next Commission meeting. The Commission should not be rushed into rubberstamping this Specific Plan since it would set a poor precedent for upcoming projects and would send an unfortunately strong message that the City is just doing business as usual, instead of beginning a new age of smart growth planning and transparent processing of development applications.

The Big Picture

This is the first big test of how the City (including our new Community Development Director and the new City Council) will deal with very large residential subdivisions, since the crash of the real estate market in 2007 and the signing of the Settlement Agreement in 2008. It's important that we get it right in terms of transparent processing and applying high development standards for this project, since it will set a precedent for other large development projects.

Foreclosures, Already Approved Specific Plans, and Undeveloped Subdivision Lots

There is a question of whether this project should even be considered at this time since there are so many foreclosed homes, and approved but not yet constructed subdivisions in Stockton. Conservative estimates put the number of approved and not yet constructed Specific Plans and residential projects at over 25,000 units, and another 4,000-5,000 homes are still in foreclosure.

Question #1: Why should the City approve another large residential subdivision when there are already so many approved but not yet constructed housing projects? The Commission should request that the staff verify how many housing units have already been approved, plus add in estimated foreclosures, and report back to the Commission at the next meeting.

During the final development boom leading up to the adoption of the updated 2035 General Plan in December, 2007, and just afterwards, the previous City Councils approved Specific Plans and development plans for over 25,000 housing units. None of these projects have proceeded to construction. The approved projects include the Mariposa Lakes Specific Plan (10,200 housing units, developer: Kamilos/Verner); the Sanctuary Specific Plan (7,300 units, developer: Grupe); the Delta Cove Specific Plan (1,654 units, developer: Spanos); the Cannery Park project (1,000 units, adjacent and east of the Bear Creek East site, developer: Arnaiz); the Tidewater Crossing project (2,492 units, near the Airport, developer: Arnaiz); the Crystal Bay project (1,343 units, developer: Spanos); and the Orogone Ranch project (1,500 units). All of these approved projects are documented on the City's Web site at

<http://www.stocktongov.com/files/MajorProjectsMap.pdf>

and at

<http://www.stocktongov.com/government/departments/communityDevelop/cdPlanEnv.html>.

(See attached map.)

Big Unanswered Question: Will the Project Cost the City Money?

There is a HUGE issue that all of the staff materials submitted to the Commission fail to answer:

Question #2: How much will this large new subdivision cost the City in service and utility costs (police, fire, sewer, water, library, courts, etc.). Where is the fiscal analysis that answers the question of whether this project will be a money-maker for the City or a further deficit on the already strained City budget?

This issue is a no brainer. How can this Commission recommend to the Council approval of a large development project without knowing whether the project will cost the City more money in services than it will return in tax and other revenues?

This vitally important question for this subdivision must be answered now, not later. The Commission must request that staff prepare a fiscal analysis of the project's impacts on City services and budget for the next Commission meeting.

Is This Project Just More of the Same Old Sprawl?

Question #3: What about the design of this subdivision qualifies it as smart growth as opposed to more dumb sprawl?

The Bear Creek East Specific Plan is 315 acres, with a planned 2,110 housing units, and only approximately 300 of the units are multiple family. All of the other units are planned to be single family homes on medium-sized to very small lots. Thus, almost 90% of the project is proposed to be more single family homes. At first glance, this is your typical large single family subdivision at the edge of the city that will perpetuate more leap frog development and more endless sprawl onto farmlands. The developers have raised the densities and tried to put lipstick on the pig but it still stinks. In our judgement, this is not smart growth, but more dumb sprawl.

Transportation Analysis is Stale and Needs to be Updated

Question #4: Why hasn't the City staff required the applicant to update the transportation analysis from the original analysis based on 2005 traffic conditions and the 2007 General Plan future traffic projections? Has Caltrans been noticed of this Final EIR?

The EIR for this project was first circulated in 2011. The City staff has now resurrected this old two-year old EIR and prepared a Final EIR (response to comments) document based on the original analysis in the Draft EIR. Some of the EIR remains relevant today two years later, but some critical sections of the document badly need updating.

The transportation analysis is particularly outdated and must be updated to be legally adequate under the California Environmental Quality Act. The new information that must be added to make the transportation analysis adequate constitutes "significant new information" which must be recirculated for members of the public and Caltrans to respond.

We hope the Commission members will read the comment letter that Caltrans submitted in December, 2011 and the response from City and the consultant (see Comment Letter 9, pages 3-29 thru 3-43 in the Final EIR, Attachment 1(a) to the staff report). The 2011 Caltrans staff comments strongly request that the City update the traffic analysis with more recent methodology and provide details to Caltrans staff to review. The City response is provocative and basically refuses to update the transportation analysis that derives from the 2005 General Plan traffic projections. This is unacceptable.

The transportation analysis in the Final EIR is clearly out of date and inadequate and the City will face a risk of litigation if the City proceeds without updating it.

Consistency with CAP and Settlement Agreement

Question #5: Is the project consistent with the draft Climate Action Plan and the 2008 Settlement Agreement between the City, the Attorney General's Office, and the Sierra Club?

The EIR contains a Greenhouse Gas Reduction Analysis (Appendix J of the EIR). The analysis claims that the project is consistent with all aspects of the Settlement Agreement, even though the project does nothing to contribute fair share contributions to transit connections or to foster infill development.

We vehemently disagree that this or any other major development projects that are considered in the near future can claim to comply with the Settlement Agreement, since some of the most important components of the legal agreement have yet to be proposed or implemented by the City. (The Settlement Agreement is attached to this letter.)

The City has not done absolutely nothing in the last two years to advance the Climate Action Plan, and the required General Plan Amendments described in the Settlement Agreement. For this EIR or any upcoming EIR to claim that development projects are consistent with or comply with the terms of the Settlement Agreement is an absolute lie and we will challenge any such claim in public hearings and in court.

At least two sections of the Settlement Agreement are very relevant to this project:

Section 5. c. Any housing or other development projects that are (1) subject to an SP [Specific Plan] or MDP, or (2) projects of significance, shall provide financial and/or other support for transit use. The imposition of fees shall be sufficient to cover the development's fair share of the transit system and to fairly contribute to the achievement of the overall VMT goals of the Climate Action Plan, in accordance with the transit gap study and the Mitigation Fee Act (Government Code section 66000, *et seq.*), and taking into account the location and type of development.

Additional measures to support transit use may include dedication of land for transit corridors, dedication of land for transit stops, or fees to support commute service to distant employment centers the development is expected to serve, such as the East Bay. Nothing in this Agreement precludes the City and a landowner/applicant from entering in an agreement for additional funding for BRT.

Our response: The City, this project and the EIR have done nothing to prove compliance with this requirement. The applicant has not agreed to contribute any fair share contributions to transit improvements. The applicant has agreed to provide bus stops, which are not significant contributions.

The other two relevant sections of the Settlement Agreement require a series of General Plan Amendments (GPAs) to be considered by the City Council. Drafts of these GPAs have not yet been provided to the public by the City staff, although drafts have been prepared by City Consultants. The GPAs that are required and are long overdue are described this way in the Settlement Agreement:

Section 6. To ensure that the City's development does not undermine the policies that support infill and downtown development, within 12 months of the Effective Date, the City staff shall submit for City Council adoption policies or programs in its General Plan that:

- a. Require at least 4400 units of Stockton's new housing growth to be located in Greater Downtown Stockton (defined as land generally bordered by Harding Way, Charter Way (MLK), Pershing Avenue, and Wilson Way), with the goal of approving 3,000 of these units by 2020.
- b. Require at least an additional 14,000 of Stockton's new housing units to be located within the City limits as they exist on the Effective Date ("existing City limits").
- c. Provide incentives to promote infill development in Greater Downtown Stockton, including but not limited to the following for proposed infill developments: reduced impact fees, including any fees referenced in paragraph 7 below; lower permit fees; less restrictive height limits; less restrictive setback requirements; less restrictive parking requirements; subsidies; and a streamlined permitting process.
- d. Provide incentives for infill development within the existing City limits but outside Greater Downtown Stockton and excluding projects of significance. These incentives may be less aggressive than those referenced in paragraph 6.c., above.

Section 7. Within 12 months of the Effective Date, the City staff shall submit for City Council adoption amendments to the General Plan to ensure that development at the City's outskirts does not grow in a manner that is out of balance with development of infill. These proposed amendments shall include, but not be limited to, measures limiting the granting of entitlements for development projects outside the existing City limits and which are (1) subject to an SP or MDP, or (2) projects of significance, until certain criteria are met. These criteria shall include, at a minimum:

- a. minimum levels of transportation efficiency, transit availability (including BRT) and Level of Service, as defined by the San Joaquin Council of Government regulations, City service capacity, water availability, and other urban services performance measures;
- b. firm, effective milestones that will assure that specified levels of infill development, jobs-housing balance goals, and GHG and VMT reduction goals, once established, are met before new entitlements can be granted;
- c. impact fees on new development, or alternative financing mechanisms identified in a project's Fiscal Impact Analysis and/or Public Facilities Financing Plan..."

These General Plan Amendments have been delayed repeatedly by the City staff, because they address a very complicated and political issue. We are tired of waiting.

In the absence of City action to comply with these parts of the Settlement Agreement, to claim that this or any other project is consistent with this part of the Settlement Agreement is not true since the GPAs have not even been issued for public review by the City yet.

Campaign for Common Ground has drafted a series of General Plan Amendments that we believe will bring the City into compliance with the Settlement Agreement. There are attached. We submitted these GPAs to the Planning Commission and City Council last year and asked to have then considered at future meetings and we have heard nothing back from City staff.

We have run out of patience.

We will continue to vigorously oppose any major development projects until the City staff and Council have demonstrated a commitment to finish and adopt the Climate Action Plan and comply with all portions of the Settlement Agreement. We demand that the Planning Commission and Council agendaize the CCG proposed GPAs for public discussion, or we will be forced to consider other alternatives.

Thank you for considering our comments on this issue.

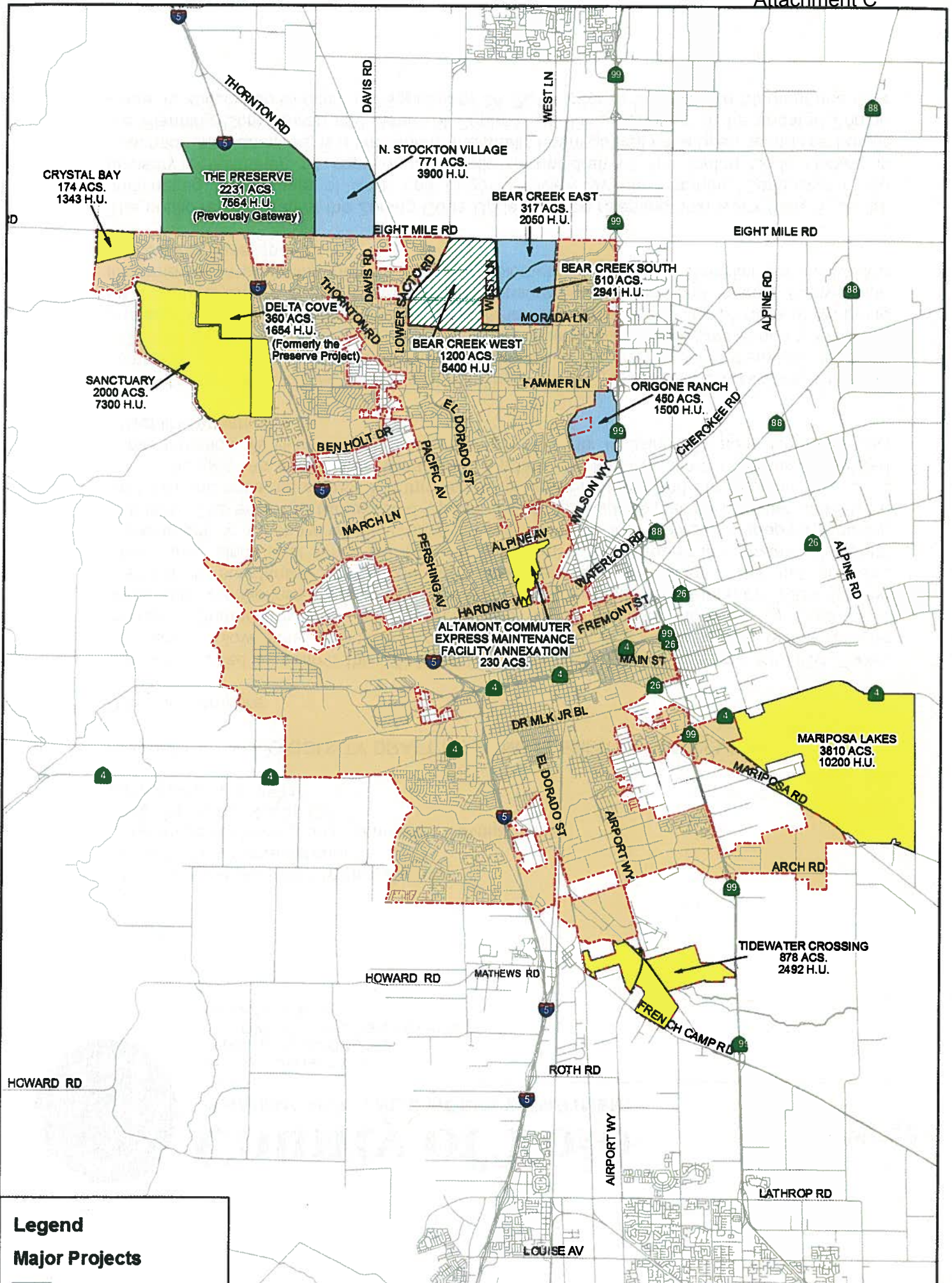
Very truly yours,

Eric Parfrey, Co-Chair
Campaign for Common Ground
parfrey@sbcglobal.net
(209) 462-4808
(530) 666-8043

Nancy Ballot, Executive Committee
Delta-Sierra Group, Sierra Club
vote4ballot@yahoo.com

encl: Approved housing projects map
Settlement Agreement
CCG Proposed General Plan Amendments

cc: Stockton City Council
Rachel Hopper, Shute, Mihaly, and Weinberger
Lisa Trankley, Susan Durbin, Dept. of Justice, State Attorney Generals Office



MEMORANDUM OF AGREEMENT

This Memorandum of Agreement ("Agreement") is entered into by and between the City of Stockton ("City"), Edmund G. Brown Jr., Attorney General of California, on behalf of the People of the State of California ("Attorney General"), and the Sierra Club, and it is dated and effective as of the date that the last Party signs ("Effective Date"). The City, the Attorney General, and the Sierra Club are referred to as the "Parties."

RECITALS

On December 11, 2007, the City approved the 2035 General Plan, Infrastructure Studies Project, Bicycle Master Plan, Final Environmental Impact Report ("EIR"), and Statement of Overriding Considerations. The General Plan provides direction to the City when making land use and public service decisions. All specific plans, subdivisions, public works projects, and zoning decisions must be consistent with the City's General Plan. As adopted in final form, the General Plan includes Policy HS-4.20, which requires the City to "adopt new policies, in the form of a new ordinance, resolution, or other type of policy document, that will require new development to reduce its greenhouse gas emissions to the extent feasible in a manner consistent with state legislative policy as set forth in Assembly Bill (AB) 32 (Health & Saf. Code, § 38500 et seq.) and with specific mitigation strategies developed by the California Air Resources Board (CARB) pursuant to AB 32[.]" The policy lists the following "potential mitigation strategies," among others, for the City to consider:

- (a) Increased density or intensity of land use, as a means of reducing per capita vehicle miles traveled by increasing pedestrian activities, bicycle usage, and public or private transit usage; and
- (b) Increased energy conservation through means such as those described in Appendix F of the State Guidelines for the California Environmental Quality Act.

The 2035 General Plan also includes other Policies and goals calling for infill development, increased transit, smart growth, affordable housing, and downtown revitalization.

In December 2006, in accordance with the requirements of the California Environmental Quality Act ("CEQA"), the City prepared and circulated a Draft EIR. Comments were received on the EIR; the City prepared responses to these comments and certified the EIR in December 2007.

On January 10, 2008, the Sierra Club filed a Petition for Writ of Mandate in San Joaquin County Superior Court (Case No. CV 034405, hereinafter "Sierra Club Action"), alleging that the City had violated CEQA in its approval of the 2035 General Plan. In this case, the Sierra Club asked the Court, among other things, to issue a writ directing the City to vacate its approval of the 2035 General Plan and its certification of the EIR, and to award petitioners' attorney's fees and costs.

The Attorney General also raised concerns about the adequacy of the EIR under CEQA, including but not limited to the EIR's failure to incorporate enforceable measures to mitigate the greenhouse gas ("GHG") emission impacts that would result from the General Plan.

The City contends that the General Plan and EIR adequately address the need for local governments to reduce greenhouse gas ("GHG") emissions in accordance with Assembly Bill 32, and associated issues of climate change.

Because the outcome of the Parties' dispute is uncertain, and to allow the Stockton General Plan to go forward while still addressing the concerns of the Attorney General and the Sierra Club, the Parties have agreed to resolve their dispute by agreement, without the need for judicial resolution.

The parties want to ensure that the General Plan and the City's implementing actions address GHG reduction in a meaningful and constructive manner. The parties recognize that development on the urban fringe of the City must be carefully balanced with accompanying infill development to be consistent with the state mandate of reducing GHG emissions, since unbalanced development will cause increased driving and increased motor vehicle GHG emissions. Therefore, the parties want to promote balanced development, including adequate infill development, downtown vitalization, affordable housing, and public transportation. In addition, the parties want to ensure that development on the urban fringe is as revenue-neutral to the City as to infrastructure development and the provision of services as possible.

In light of all the above considerations, the Parties agree as follows, recognizing that any legislative actions contemplated by the Agreement require public input and, in some instances, environmental review prior to City Council actions, which shall reflect such input and environmental information, pursuant to State law:

AGREEMENT

Climate Action Plan

1. Within 24 months of the signing of this Agreement, and in furtherance of General Plan Policy HS-4.20 and other General Plan policies and goals, the City agrees that its staff shall prepare and submit for City Council adoption, a Climate Action Plan, either as a separate element of the General Plan or as a component of an existing General Plan element. The Climate Action Plan, whose adoption will be subject to normal requirements for compliance with CEQA and other controlling state law, shall include, at least, the measures set forth in paragraphs 3 through 8, below.

2. The City shall establish a volunteer Climate Action Plan advisory committee to assist the staff in its preparation and implementation of the Plan and other policies or documents to be adopted pursuant to this Agreement. This committee shall monitor the City's compliance with this Agreement, help identify funding sources to implement this Agreement, review in a timely manner all draft plans and policy statements developed in accordance with this Agreement (including studies prepared pursuant to Paragraph 9, below), and make recommendations to the Planning Commission and City Council regarding its review. The committee shall be comprised of one representative from each of the following interests: (1) environmental, (2) non-profit community organization, (3) labor, (4) business, and (5) developer. The committee members shall be selected by the City Council within 120 days of the Effective Date, and shall serve a one-year term, with no term limits. Vacancies shall be filled in accordance with applicable City policies. The City shall use its best efforts to facilitate the committee's work using available staff resources.

3. The Climate Action Plan shall include the following measures relating to GHG inventories and GHG reduction strategies:

a. Inventories from all public and private sources in the City:

- (1) Inventory of current GHG emissions as of the Effective Date;
- (2) Estimated inventory of 1990 GHG emissions;
- (3) Estimated inventory of 2020 GHG emissions.

The parties recognize that techniques for estimating the 1990 and 2020 inventories are imperfect; the City agrees to use its best efforts, consistent with methodologies developed by ICLEI and the California Air Resources

Board, to produce the most accurate and reliable inventories it can without disproportionate or unreasonable staff commitments or expenditures.

- b. Specific targets for reductions of the current and projected 2020 GHG emissions inventory from those sources of emissions reasonably attributable to the City's discretionary land use decisions and the City's internal government operations. Targets shall be set in accordance with reduction targets in AB 32, other state laws, or applicable local or regional enactments addressing GHG emissions, and with Air Resources Board regulations and strategies adopted to carry out AB 32, if any, including any local or regional targets for GHG reductions adopted pursuant to AB 32 or other state laws. The City may establish goals beyond 2020, consistent with the laws referenced in this paragraph and based on current science.
- c. A goal to reduce per capita vehicle miles traveled ("VMT") attributable to activities in Stockton (i.e., not solely due to through trips that neither originate nor end in Stockton) such that the rate of growth of VMT during the General Plan's time frame does not exceed the rate of population growth during that time frame. In addition, the City shall adopt and carry out a method for monitoring VMT growth, and shall report that information to the City Council at least annually. Policies regarding VMT control and monitoring that the City shall consider for adoption in the General Plan are attached to this Agreement in Exhibit A.
- d. Specific and general tools and strategies to reduce the current and projected 2020 GHG inventories and to meet the Plan's targets for GHG reductions by 2020, including but not limited to the measures set out in paragraphs 4 through 8, below.

4. The City agrees to take the following actions with respect to a green building program:

- a. Within 12 months of the Effective Date, the City staff shall submit for City Council adoption ordinance(s) that require:

- (1) All new housing units to obtain Build It Green certification, based on then-current Build It Green standards, or to comply with a green building program that the City after consultation with the Attorney General, determines is of comparable effectiveness;
 - (2) All new non-residential buildings that exceed 5000 square feet and all new municipal buildings that exceed 5000 square feet to be certified to LEED Silver standards at a minimum, based on the then-current LEED standards, or to comply with a green building program that the City, after consultation with the Attorney General, determines is of comparable effectiveness;
 - (3) If housing units or non-residential buildings certify to standards other than, but of comparable effectiveness to, Build It Green or LEED Silver, respectively, such housing units or buildings shall demonstrate, using an outside inspector or verifier certified under the California Energy Commission Home Energy Rating System (HERS), or a comparably certified verifier, that they comply with the applicable standards.
 - (4) The ordinances proposed for adoption pursuant to paragraphs (1) through (3) above may include an appropriate implementation schedule, which, among other things, may provide that LEED Silver requirements (or standards of comparable effectiveness) for non-residential buildings will be implemented first for buildings that exceed 20,000 square feet, and later for non-residential buildings that are less than 20,000 and more than 5,000 square feet.
 - (5) Nothing in this section shall affect the City's obligation to comply with applicable provisions of state law, including the California Green Building Standards Code (Part 11 of Title 24 of the California Code of Regulations), which, at section 101.7, provides, among other things, that "local government entities retain their discretion to exceed the standards established by [the California Green Building Standards Code]."
- b. Within 18 months of the Effective Date, the City staff shall submit for City Council adoption ordinance(s) that will require the reduction of the GHG emissions of existing housing units on any occasion when a permit to make substantial modifications to an existing housing unit is issued by the City.
 - c. The City shall explore the possibility of creating a local assessment district or other financing mechanism to fund voluntary actions by owners of

commercial and residential buildings to undertake energy efficiency measures, install solar rooftop panels, install "cool" (highly reflective) roofs, and take other measures to reduce GHG emissions.

- d. The City shall also explore the possibility of requiring GHG-reducing retrofits on existing sources of GHG emissions as potential mitigation measures in CEQA processes.
- e. From time to time, but at least every five years, the City shall review its green building requirements for residential, municipal and commercial buildings, and update them to ensure that they achieve performance objectives consistent with those achieved by the top (best-performing) 25% of city green building measures in the state.

5. Within 12 months of the Effective Date, the City staff shall submit for City Council adoption a transit program, based upon a transit gap study. The transit gap study shall include measures to support transit services and operations, including any ordinances or general plan amendments needed to implement the transit program. These measures shall include, but not be limited to, the measures set forth in paragraphs 5.b. through 5.d. In addition, the City shall consider for adoption as part of the transit program the policy and implementation measures regarding the development of Bus Rapid Transit ("BRT") that are attached to this Agreement in Exhibit B.

- a. The transit gap study, which may be coordinated with studies conducted by local and regional transportation agencies, shall analyze, among other things, strategies for increasing transit usage in the City, and shall identify funding sources for BRT and other transit, in order to reduce per capita VMT throughout the City. The study shall be commenced within 120 days of the Effective Date.
- b. Any housing or other development projects that are (1) subject to a specific plan or master development plan, as those terms are defined in §§ 16-540 and 16-560 of the Stockton Municipal Code as of the Effective Date (hereafter "SP" or "MDP"), or (2) projects of statewide, regional, or areawide significance, as defined by the CEQA Guidelines (hereafter "projects of significance"), shall be configured, and shall include necessary street design standards, to allow the entire development to be internally accessible by vehicles, transit, bicycles, and pedestrians, and to allow access to adjacent neighborhoods and developments by all such modes of transportation.

- c. Any housing or other development projects that are (1) subject to an SP or MDP, or (2) projects of significance, shall provide financial and/or other support for transit use. The imposition of fees shall be sufficient to cover the development's fair share of the transit system and to fairly contribute to the achievement of the overall VMT goals of the Climate Action Plan, in accordance with the transit gap study and the Mitigation Fee Act (Government Code section 66000, *et seq.*), and taking into account the location and type of development. Additional measures to support transit use may include dedication of land for transit corridors, dedication of land for transit stops, or fees to support commute service to distant employment centers the development is expected to serve, such as the East Bay. Nothing in this Agreement precludes the City and a landowner/applicant from entering in an agreement for additional funding for BRT.
- d. Any housing or other development projects that are (1) subject to an SP or MDP or (2) projects of significance, must be of sufficient density overall to support the feasible operation of transit, such density to be determined by the City in consultation with San Joaquin Regional Transit District officials.

6. To ensure that the City's development does not undermine the policies that support infill and downtown development, within 12 months of the Effective Date, the City staff shall submit for City Council adoption policies or programs in its General Plan that:

- a. Require at least 4400 units of Stockton's new housing growth to be located in Greater Downtown Stockton (defined as land generally bordered by Harding Way, Charter Way (MLK), Pershing Avenue, and Wilson Way), with the goal of approving 3,000 of these units by 2020.
- b. Require at least an additional 14,000 of Stockton's new housing units to be located within the City limits as they exist on the Effective Date ("existing City limits").
- c. Provide incentives to promote infill development in Greater Downtown Stockton, including but not limited to the following for proposed infill developments: reduced impact fees, including any fees referenced in paragraph 7 below; lower permit fees; less restrictive height limits; less restrictive setback requirements; less restrictive parking requirements; subsidies; and a streamlined permitting process.

- d. Provide incentives for infill development within the existing City limits but outside Greater Downtown Stockton and excluding projects of significance. These incentives may be less aggressive than those referenced in paragraph 6.c., above.

7. Within 12 months of the Effective Date, the City staff shall submit for City Council adoption amendments to the General Plan to ensure that development at the City's outskirts, particularly residential, village or mixed use development, does not grow in a manner that is out of balance with development of infill. These proposed amendments shall include, but not be limited to, measures limiting the granting of entitlements for development projects outside the existing City limits and which are (1) subject to an SP or MDP, or (2) projects of significance, until certain criteria are met. These criteria shall include, at a minimum:

- a. Minimum levels of transportation efficiency, transit availability (including BRT) and Level of Service, as defined by the San Joaquin Council of Government regulations, City service capacity, water availability, and other urban services performance measures;
- b. Firm, effective milestones that will assure that specified levels of infill development, jobs-housing balance goals, and GHG and VMT reduction goals, once established, are met before new entitlements can be granted;
- c. Impact fees on new development, or alternative financing mechanisms identified in a project's Fiscal Impact Analysis and/or Public Facilities Financing Plan, that will ensure that the levels and milestones referenced in paragraphs 7.a. and 7.b., above, are met. Any such fees:

(1) shall be structured, in accordance with controlling law, to ensure that all development outside the infill areas within existing City limits is revenue-neutral to the City (which may necessitate higher fees for development outside this area, depending upon the costs of extending infrastructure);

(2) may be in addition to mitigation measures required under CEQA;

(3) shall be based upon a Fiscal Impact Analysis and a Public Facilities Financing Plan.

- d. The City shall explore the feasibility of enhancing the financial viability of infill development in Greater Downtown Stockton, through the use of such mechanisms as an infill mitigation bank.

8. The City shall regularly monitor the above strategies and measures to ensure that they are effectively reducing GHG emissions. In addition to the City staff reporting on VMT annually, as provided in paragraph 3.c., the City staff or the advisory committee shall report annually to the City Council on the City's progress in implementing the strategies and measures of this Agreement. If it appears that the strategies and measures will not result in the City meeting its GHG reduction targets, the City shall, in consultation with the Attorney General and Sierra Club, make appropriate modifications and, if necessary, adopt additional measures to meet its targets.

Early Climate Protection Actions

9. To more fully carry out those provisions of the General Plan, including the policy commitments embodied in those General Plan Policies, such as General Plan Policy HS-4.20, intended to reduce greenhouse gas emissions through reducing commuting distances, supporting transit, increasing the use of alternative vehicle fuels, increasing efficient use of energy, and minimizing air pollution, and to avoid compromising the effectiveness of the measures in Paragraphs 4 through 8, above, until such time as the City formally adopts the Climate Action Plan, before granting approvals for development projects (1) subject to an SP or MDP, or (2) considered projects of significance, and any corresponding development agreements, the City shall take the steps set forth in subsections (a) through (d) below:

(a) City staff shall:

- (1) formulate proposed measures necessary for the project to meet any applicable GHG reduction targets;
- (2) assess the project's VMT and formulate proposed measures that would reduce the project's VMT;
- (3) assess the transit, especially BRT, needs of the project and identify the project's proposed fair share of the cost of meeting such needs;
- (4) assess whether project densities support transit, and, if not, identify proposed increases in project density that would support transit service, including BRT service;

- (5) assess the project's estimated energy consumption, and identify proposed measures to ensure that the project conserves energy and uses energy efficiently;
 - (6) formulate proposed measures to ensure that the project is consistent with a balance of growth between land within Greater Downtown Stockton and existing City limits, and land outside the existing City limits;
 - (7) formulate proposed measures to ensure that City services and infrastructure are in place or will be in place prior to the issuance of new entitlements for the project or will be available at the time of development; and
 - (8) formulate proposed measures to ensure that the project is configured to allow the entire development to be internally accessible by all modes of transportation.
- (b) The City Council shall review and consider the studies and recommendations of City staff required by paragraph 9(a) and conduct at least one public hearing thereon prior to approval of the proposed project (though this hearing may be folded into the hearing on the merits of the project itself).
 - (c) The City Council shall consider the feasibility of imposing conditions of approval, including mitigation measures pursuant to CEQA, based on the studies and recommendations of City staff prepared pursuant to paragraph 9(a) for each covered development project.
 - (d) The City Council shall consider including in any development approvals, or development agreements, that the City grants or enters into during the time the City is developing the Climate Action Plan, a requirement that all such approvals and development agreements shall be subject to ordinances and enactments adopted after the effective date of any approvals of such projects or corresponding development agreements, where such ordinances and enactments are part of the Climate Action Plan.
 - (e) The City shall complete the process described in paragraphs (a) through (d) (hereinafter, "Climate Impact Study Process") prior to the first discretionary approval for a development project. Notwithstanding the foregoing, however, for projects for which a draft environmental impact report has circulated as of the Effective Date, the applicant may request that the City

either (i) conduct the Climate Impact Study Process or (ii) complete its consideration of the Climate Action Plan prior to the adoption of the final discretionary approval leading to the project's first phase of construction. In such cases, the applicant making the request shall agree that nothing in the discretionary approvals issued prior to the final discretionary approval (i) precludes the City from imposing on the project conditions of approvals or other measures that may result from the Climate Impact Study Process, or (ii) insulates the project from a decision, if any, by the City to apply any ordinances and/ or enactments that may comprise the Climate Action Plan ultimately adopted by the City.

Attorney General Commitments

10. The Attorney General enters into this Agreement in his independent capacity and not on behalf of any other state agency, commission, or board. In return for the above commitments made by the City, the Attorney General agrees:

- a. To refrain from initiating, joining, or filing any brief in any legal challenge to the General Plan adopted on December 11, 2007;
- b. To consult with the City and attempt in good faith to reach an agreement as to any future development project whose CEQA compliance the Attorney General considers inadequate. In making this commitment, the Attorney General does not surrender his right and duties under the California Constitution and the Government Code to enforce CEQA as to any proposed development project, nor his duty to represent any state agency as to any project;
- c. To make a good faith effort to assist the City in obtaining funding for the development of the Climate Action Plan.

Sierra Club Commitments

11. The Sierra Club agrees to dismiss the Sierra Club Action with prejudice within ten (10) days of the Effective Date. Notwithstanding the foregoing agreement to dismiss the Sierra Club Action, the City and Sierra Club agree that, in the event the City should use the EIR for the 2035 General Plan in connection with any other project approval, the Sierra Club has not waived its right (a) to comment upon the adequacy of that EIR, or (b)

to file any action challenging the City's approval of any other project based on its use and/or certification of the EIR.

General Terms and Conditions

12. This Agreement represents the entire agreement of the Parties, and supercedes any prior written or oral representations or agreements of the Parties relating to the subject matter of this Agreement.

13. No modification of this Agreement will be effective unless it is set forth in writing and signed by an authorized representative of each Party.

14. Each Party warrants that it has the authority to execute this Agreement. Each Party warrants that it has given all necessary notices and has obtained all necessary consents to permit it to enter into and execute this Agreement.

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

16. This Agreement may be executed in counterparts, each of which shall be deemed an original. This Agreement will be binding upon the receipt of original, facsimile, or electronically communicated signatures.

17. This Agreement has been jointly drafted, and the general rule that it be construed against the drafting party is not applicable.

18. If a court should find any term, covenant, or condition of this Agreement to be invalid or unenforceable, the remainder of the Agreement shall remain in full force and effect.

19. The City agrees to indemnify and defend the Sierra Club, its officers and agents (collectively, "Club") from any claim, action or proceeding ("Proceeding") brought against the Club, whether as defendant/respondent, real party in interest, or in any other capacity, to challenge or set aside this Agreement. This indemnification shall include (a) any damages, fees, or costs awarded against the Club, and (b) any costs of suit, attorneys' fees or expenses incurred in connection with the Proceeding, whether incurred by the Club, the City or the parties bringing such Proceeding. If the Proceeding is brought against both the Club and the City, the Club agrees that it may be defended by counsel for the City, provided that the City selects counsel that is acceptable to the Club; the Club may not unreasonably withhold its approval of such mutual defense counsel.

20. The City shall pay Sierra Club's attorney's fees and costs in the amount of \$157,000 to the law firm of Shute, Mihaly & Weinberger LLP as follows: \$50,000 within 15 days of dismissal of the Sierra Club Action, and (b) the balance on or before January 30, 2009.

21. Any notice given under this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (a) by personal delivery when delivered personally; (b) by overnight courier upon written verification of receipt; or (c) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent as set forth below, or as either party may specify in writing:

City of Stockton:
Richard E. Nosky, City Attorney
425 N. El Dorado Street, 2nd Floor
Stockton, CA 95202

Attorney General's Office
Lisa Trankley
Susan Durbin
Deputy Attorneys General
1300 I Street, P.O. Box 944255
Sacramento, CA 94255-2550

Sierra Club:
Aaron Isherwood
Environmental Law Program
85 Second Street, 2nd Floor
San Francisco, CA 94105

Rachel Hooper
Amy Bricker
Shute, Mihaly & Weinberger
396 Hayes Street
San Francisco, CA 94102

22. Nothing in this Agreement shall be construed as requiring the City to relinquish or delegate its land use authority or police power.

(SIGNATURES ON FOLLOWING PAGE)

In witness whereof, this Agreement is executed by the following:

PEOPLE OF THE STATE OF CALIFORNIA
BY AND THROUGH ATTORNEY GENERAL
EDMUND G. BROWN JR.

Lisa Frankley

DATED: 10/14/08

ATTEST:

[Signature]
KATHERINE GONG MEISSNER
City Clerk of the City of Stockton



CITY OF STOCKTON,
a municipal corporation

[Signature]
J. GORDON PALMER, JR.
City Manager

APPROVED AS TO FORM:

[Signature]
RICHARD E. NOSKY, JR.
City Attorney

DATED 9/25/08

DATED 9-9-08

THE SIERRA CLUB

BARBARA WILLIAMS, CHAIR
MOTHER LODGE CHAPTER

DATED _____

In witness whereof, this Agreement is executed by the following:

PEOPLE OF THE STATE OF CALIFORNIA
BY AND THROUGH ATTORNEY GENERAL
EDMUND G. BROWN JR.

DATED: _____

ATTEST:

CITY OF STOCKTON,
a municipal corporation

KATHERINE GONG MEISSNER
City Clerk of the City of Stockton

J. GORDON PALMER, JR.
City Manager

APPROVED AS TO FORM:

DATED _____

RICHARD E. NOSKY, JR.
City Attorney

DATED _____

THE SIERRA CLUB


BARBARA WILLIAMS, CHAIR
MOTHER LODGE CHAPTER

DATED 10/11/08

EXHIBIT A

Policy Re: VMT Monitoring Program

The City's policy is to monitor key City-maintained roadways to estimate Vehicle Miles Traveled (VMT) by single-occupant automobile per capita on an annual basis, to be submitted as an annual report to the City Council. The estimate of citywide VMT should be developed in cooperation with the San Joaquin Council of Governments ("SJCOG"), by augmenting local City data with VMT estimates from SJCOG and Caltrans for the regional Congestion Management Plan network. The estimated change in annual VMT should be used to measure the effectiveness of jobs/housing balance, greenhouse gas emission reduction, and transit plans and programs.

Implementation Program

In order to develop an annual estimate of citywide VMT, the City should augment local City data with VMT estimates from SJCOG and Caltrans for regional facilities, or adopt other methodologies to estimate citywide VMT that are approved in concept by the two agencies. For purposes of calculating annual changes in VMT, the annual estimate of VMT should subtract out the estimates of regional truck and other through traffic on the major freeways (I-5, SR 4, SR 99).

Policy Re: Reduce Growth in VMT

The City's policy is to achieve the following fundamental goals to regulate vehicle emissions and reduce greenhouse gas emissions, improve jobs/housing balance, and increase transit usage over the duration of this General Plan: Reduce the projected increase in VMT by single-occupant automobile per capita to an annual rate over the planning period that is equal to or less than the population increase (this goal is also required for the City to receive funding through the Measure K/Congestion Management Plan program).

Implementation Program

In order to keep annual increases in VMT to a rate equal to or less than population increases, the following trip reduction programs should be considered by the City: increased transit service (Bus Rapid Transit) funded through new development fees; planning all future housing development to be in the closest possible proximity to existing and planned employment centers; provision of affordable housing; creation of higher density, mixed use and walkable communities and development of bicycle and pedestrian trails; and other proven programs.

Implementation Program

If the City goal of reducing the projected increase in VMT to an amount equal to or less than the population increase, and increase transit usage, is not met for two or more years during each five-year cycle of VMT monitoring, the City should consider adoption of the following programs, among others:

Adopt more vigorous economic development programs with funding for staff; and
Slow the rate of approvals of building permits for housing developments.

EXHIBIT B**Policy Re: Bus Rapid Transit**

The City's policy is to vigorously support efforts to develop Bus Rapid Transit (BRT) within and beyond Stockton as a major priority of its General Plan, in order to increase overall transit usage over time. Based on an updated transit study, the City should plan for and provide BRT service running along key north-south routes as a first priority: Pacific Avenue; El Dorado Street; West Lane/Airport Way; Pershing Avenue. BRT service along key east-west corridors should also be provided. Transit use goals should be approved and monitored by the City over the planning period.

Implementation Program

In order to fund the initial capital and operating costs for BRT along major north-south arterials, the City should consider adoption of a comprehensive new development BRT fee program that requires new growth to significantly fund BRT, following a study consistent with the requirements of State law. The new development BRT fee program should ensure that "greenfield" projects approved at the fringe of the City pay a fee that represents the full cost of providing BRT service to the new housing; infill development may be granted a reduced BRT fee based on the reduced distance of service provided to the inner city areas.

Implementation Program

In order to augment the new development funding of the initial capital and operating costs for BRT, the City should strongly advocate for Measure K funding and should seriously consider placing an initiative on the ballot to receive voter approval for additional funding from existing residents and businesses.

Implementation Program

The City should establish transit use goals that set specific targets (e.g., transit mode split percentage of total trips and bus headways) that represent an increase in public transportation ridership and level of service over current levels by 2012 and then another increase by 2018.

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CITY OF STOCKTON

OFFICE OF THE CITY MANAGER

City Hall • 425 N. El Dorado Street • Stockton, CA 95202-1997 • 209/937-8212 • Fax 209/937-7149
www.stocktongov.com

October 7, 2008

Alliance for Responsible Planning
6507 Pacific Avenue
Box 339
Stockton, CA 95207

SETTLEMENT AGREEMENT WITH ATTORNEY GENERAL AND SIERRA CLUB

As you are aware, on September 9, 2008, the City of Stockton approved a Memorandum of Agreement with the Sierra Club and the California Attorney General's Office resolving litigation over the City's 2035 General Plan. The Alliance for Responsible Planning and other interested parties have raised questions about the parties' interpretation of the Agreement and the public process that the City plans to follow in carrying out the Agreement. To help answer these questions, below we clarify our interpretation of the Agreement and also elaborate on the public process that the City will follow in implementing the provisions of the Agreement. We understand that the other parties to the Agreement concur in these views. Note that many of the statements below reiterate points that were made in the City's Resolution adopted in connection with its approval of the Agreement and in statements made by the parties during the August 26, 2008, and September 9, 2008, City Council hearings about the Agreement:

1. The parties understand and acknowledge the importance of public involvement in the process of developing the General Plan, and encourage the continued significant involvement of the public in the development of greenhouse gas reduction policies. The City intends to provide for public involvement in the development of the programs, policies, General Plan amendments and ordinances proposed by the Agreement. The City also will provide reasonable notification to the public of all Advisory Committee, Planning Commission and City Council meetings involving consideration of the issues provided for by the Agreement. It is the City's expectation to expand the composition of the Climate Action Advisory Committee to include a total of two representatives from each of the following interests: (1) environmental, (2) non-profit community organization, (3) labor, (4) business, and (5)



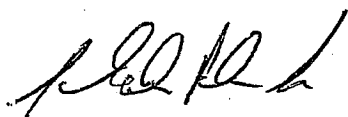
Alliance for Responsible Planning
October 7, 2008
Page 2 of 3

developer. The City will fully comply with CEQA in connection with the development of the programs, policies, General Plan amendments and ordinances proposed by the Agreement.

2. The parties understand and acknowledge that the public review process and compliance with CEQA may require additional time beyond designated time periods to ensure the full involvement of the public in the consideration of the Climate Action Plan, green building program and transit study and to ensure full compliance with CEQA.
3. The parties understand and acknowledge that the adoption of the programs, policies, General Plan amendments and ordinances proposed by the Agreement are discretionary legislative acts and the City is not required by the terms of the Agreement to adopt any particular program, policy, General Plan amendment or ordinance. In addition, nothing in the Agreement shall limit or restrict the right of the City to modify, alter, or rescind any particular program, policy, General Plan amendment or ordinance following the adoption of such program, policy, General Plan amendment or ordinance. Although the Agreement requires City staff to present to the City Council certain programs, policies, General Plan Amendments and ordinances for its consideration, nothing in the Agreement limits or restricts City staff from providing to the City Council additional, alternative recommendations for such programs, policies, General Plan amendments and ordinances based on staff professional judgment, public input and CEQA review.
4. The parties understand and acknowledge that if there is an instance in which the terms of the written Agreement are unclear, the Resolution adopted by the City Council on September 9, 2008, and the statements made by the Attorney General's office, the Sierra Club and our City Attorney and the City's outside counsel at the August 26 and September 9, 2008, City Council hearings provide a legislative history pursuant to which the Agreement should be interpreted.
5. The parties understand and acknowledge that:
 - (i) upon consideration of a Climate Action Plan (CAP) by the Council, the City's obligations under Agreement paragraphs 3 through 7 will be discharged,
 - (ii) upon adoption of a CAP, the City's obligations under Agreement paragraph 9 will be discharged, and
 - (iii) upon inclusion of a program in the CAP to regularly monitor and, if appropriate, modify the City's strategies and measures to meet the Greenhouse Gas reduction targets that may be adopted in the

Alliance for Responsible Planning
October 7, 2008
Page 3 of 3

CAP, the City's obligations under paragraph 8 will be discharged. Nothing in this paragraph 5 is intended to contradict our clarification in paragraph 3, above, that the City retains full legislative discretion with respect to any policies, programs and ordinance it may adopt as part of a CAP.



J. GORDON PALMER, JR.
CITY MANAGER

JGP:REN:cn

cc: Edward J. Chavez
Richard E. Nosky, Jr.
George Muhlsten (Via e-mail)
Cliff Rechtschaffen (Via e-mail)
Rachel Hooper (Via e-mail)

EDMUND G. BROWN JR.
Attorney General

State of California
DEPARTMENT OF JUSTICE



1515 CLAY STREET
P.O. BOX 70550
OAKLAND, CA 94612-0550
Public: 510-622-2260
Telephone: 510-622-2260
Facsimile: 510-622-2270
E-Mail: Cliff.Rechtschaffen@doj.ca.gov

October 7, 2008

Alliance for Responsible Planning
6507 Pacific Avenue
Box 339
Stockton, CA 95207

RE: Stockton General Plan Settlement
Clarification Letters

Dear Alliance Members:

The Attorney General's Office has read the letter from Stockton City Manager Gordon Palmer to the Alliance for Responsible Planning (copy attached). We concur in the City's interpretation and understanding of the Memorandum of Agreement as set forth in the letter.

If you have questions, please contact the undersigned.

Sincerely,

A handwritten signature in cursive script, appearing to read "Cliff Rechtschaffen".

CLIFF RECHTSCHAFFEN
Special Assistant Attorney General

For EDMUND G. BROWN JR.
Attorney General

SHUTE, MIHALY & WEINBERGER LLP
ATTORNEYS AT LAW

E. CLEMENT SHUTE, JR.*
MARK I. WEINBERGER (1948-2005)
FRAN M. LAYTON
RACHEL B. HOOPER
ELLEN J. GARBER
TAMARA S. GALANTER
ANDREW W. SCHWARTZ
ELLISON FOLK
RICHARD S. TAYLOR
WILLIAM J. WHITE
ROBERT S. PERLMUTTER
OSA L. WOLFF
MATTHEW D. ZINN
CATHERINE C. ENGBERG
AMY J. BRICKER
GABRIEL M.B. ROSS
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KEVIN P. BUNDY
*SENIOR COUNSEL

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AMANDA R. GARCIA
JEANNETTE M. MACMILLAN
ISAAC N. BOWERS
HEATHER M. MINNER
ERIN S. CHALMERS

LAUREL L. IMPETT, AICP
CARMEN J. BORG, AICP
URBAN PLANNERS

October 7, 2008

Via U.S. Mail

Alliance for Responsible Planning
6507 Pacific Avenue
Box 339
Stockton, CA 95207

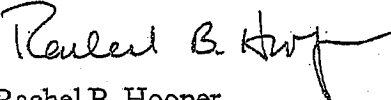
Re: Stockton General Plan Settlement
Clarification Letters

Dear Alliance:

On behalf of the Sierra Club, we have read the letter from Stockton City Manager Gordon Palmer to the Alliance for Responsible Planning (copy attached). The Sierra Club concurs in the City's interpretation and understanding of the Memorandum of Agreement as set forth in the letter.

SHUTE, MIHALY, & WEINBERGER LLP

Yours very truly,


Rachel B. Hooper

Enclosure

\\Smw\vol1_data\SIERRA\GPLIT\Sierra Club letter of concurrence.doc

Alliance for Responsible Planning

8507 Pacific Avenue
Box 338
Stockton, CA 95207

October 7, 2008

Honorable Mayor Ed Chavez and City Councilmembers
425 N. El Dorado St, 2nd Floor
Stockton, CA 95202

Honorable Mayor and Councilmembers:

We are pleased to receive a copy of a letter from Gordon Palmer, City Manager, outlining a series of clarifications regarding the Memorandum of Agreement entered into by the City with the Attorney General and the Sierra Club. The letter from Mr. Palmer sets forth important clarifications to the Agreement which have been concurred in by the Attorney General and the Sierra Club.

These clarifications provide clear assurances to the Alliance and the public as to a number of critical issues that have been of concern to the Alliance. In particular, the letter makes very clear the importance of significant public involvement in the consideration of a Climate Action Plan. We strongly support the possible expansion of the number of members of the proposed Advisory Committee and look forward to participating in that process.

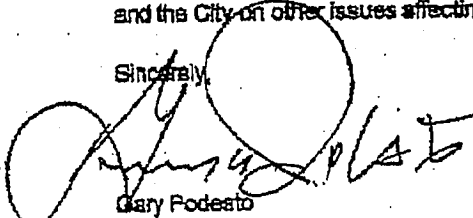
In addition, the Alliance agrees that alternative recommendations can be presented to the City Council based on public input and the California Environmental Quality Act. This helps to ensure the credibility of the public process. Lastly, the letter underscores the clear understanding of the parties to the Agreement that the adoption of a Climate Action Plan is in the legislative discretion of the City.

In light of the discussions undertaken in good faith among the parties and the Alliance, the statements made in Mr. Palmer's letter, and the concurrence of the Attorney General and the Sierra Club to the letter from the City Manager, we have decided to withdraw our effort to seek a referendum of the Agreement pursuant to the authorization contained in Section 9604 of the Elections Code. These statements by the City and the other parties address the core issues we have heard from the community. In accordance with section 9604, we will provide written notice to the City Clerk of the withdrawal of the referendum. In addition, we will not be pursuing a legal challenge to the adoption of the Agreement by the City nor will we promote or fund any individuals or entities challenging the adoption of the Agreement or promoting a referendum of the Agreement. We, of course, reserve our rights to challenge the implementation of the Agreement.

We are proud of the 25,000 Stocktonians who participated in this process. We thank the City Manager, the City Attorney, the Attorney General and the Sierra Club for providing these clarifications. It is sincerely appreciated...

We look forward to working with the City and the community in undertaking development of a Climate Action Plan. In addition, the Alliance looks forward to continuing to work with the community and the City on other issues affecting the City's future.

Sincerely,



Gary Podesta



October 7, 2008

Honorable Mayor Ed Chavez and Councilmembers
425 N. El Dorado St., 2nd Floor
Stockton, CA 95202

Honorable Mayor and Councilmembers:

We have had a chance to review the letter from the City Manager dated October 7, 2008 and letters from the Attorney General and the Sierra Club. These letters provide a number of critical clarifications with respect to the Memorandum of Agreement approved by the City on September 9, 2008.

In particular:

- o All parties have recognized the need for significant community involvement in the consideration of a Climate Action Plan. The A. G. Spanos Companies strongly supports the City's stated expectation to expand the number of members of the proposed Advisory Committee, and we look forward to participating in that process.
- o Second, all parties have it clear that alternative recommendations can be presented to the City Council based on public input and the California Environmental Quality Act. This helps to ensure the credibility of the public process.
- o Finally, all parties to the Agreement acknowledge that the adoption of a Climate Action Plan is in the legislative discretion of the City.

In light of these statements by Mr. Palmer and the concurrence of the other parties regarding a significant public process and assurances regarding the independent discretion of the City in developing and considering a Climate Action Plan, we will not be pursuing a legal challenge to the adoption of the Agreement by the City and will not fund or support any efforts by any other individuals or entities to file a legal challenge to the adoption of the Agreement or to seek a referendum with regard to the adoption of the Agreement. We, of course, reserve our rights to challenge the implementation of the Agreement.

We look forward to working with the community and the City in developing a Climate Action Plan. We are prepared to work with the City and the Alliance to develop a comprehensive public outreach program to ensure the community's significant involvement in the process.

Sincerely,



David Nelson

A.G. Spanos Companies



October 18, 2012

Mayor Ann Johnston and Councilmembers
Stockton City Council
425 N. El Dorado Street
Stockton, CA 95202

Re: Proposed General Plan Amendments to Comply with Settlement Agreement

Dear Mayor Johnston and Councilmembers:

We request that the following letter and attachments be referred to the Planning Commission for their review and deliberation.

As you know, Campaign for Common Ground is a non-profit, community based organization that promotes smart growth and agricultural preservation. Our members are working actively with the City to complete the Climate Action Plan and other related studies and ordinances to comply with the terms of the Settlement Agreement signed in 2008 by the City, the Sierra Club, and the State Attorney General's office, related to the Stockton General Plan.

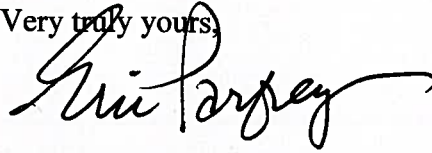
A key component of the Settlement Agreement is the adoption of a series of amendments to the General Plan that, among other goals, "ensure that development at the City's outskirts, particularly residential, village or mixed use development, does not grow in a manner that is out of balance with development of infill" (see the relevant text excerpted from Section 6 and 7 of the Agreement on the following pages).

We have drafted the attached Proposed General Plan Amendments (GPAs) to assist the City in complying with these sections of the Settlement Agreement. We understand that the City's consultant has also prepared a draft of proposed GPAs which is still under review by City staff. Submission of our draft GPAs is intended to help keep this effort on course. Note that our draft of GPAs is not intended to satisfy all the requirements of Sections 6 and 7 of the Settlement Agreement. This is just our initial effort to contribute to the wide range of programs and amendments that should be considered by the City and consultant.

Again, we would request that these draft GPAs be referred to the Planning Commission for their review and deliberation.

Thank you for your attention to this request.

Very truly yours,

A handwritten signature in black ink, appearing to read "Eric Parfrey", written in a cursive style.

Eric Parfrey, Chair
Campaign for Common Ground
parfrey@sbcglobal.net
(530) 666-8043 days
(209) 462-4808 home

cc: Randy Hatch, Chair, and members of the Stockton Planning Commission
Steve Chase, Community Development Director
Bob Deis, City Manager

Excerpt from the Settlement Agreement:

6. To ensure that the City's development does not undermine the policies that support infill and downtown development, within 12 months of the Effective Date, the City staff shall submit for City Council adoption policies or programs in its General Plan that:

- a. Require at least 4400 units of Stockton's new housing growth to be located in Greater Downtown Stockton (defined as land generally bordered by Harding Way, Charter Way (MLK), Pershing Avenue, and Wilson Way), with the goal of approving 3,000 of these units by 2020.
- b. Require at least an additional 14,000 of Stockton's new housing units to be located within the City limits as they exist on the Effective Date ("existing City limits").
- c. Provide incentives to promote infill development in Greater Downtown Stockton, including but not limited to the following for proposed infill developments: reduced impact fees, including any fees referenced in paragraph 7 below; lower permit fees; less restrictive height limits; less restrictive setback requirements; less restrictive parking requirements; subsidies; and a streamlined permitting process.
- d. Provide incentives for infill development within the existing City limits but outside Greater Downtown Stockton and excluding projects of significance. These incentives may be less aggressive than those referenced in paragraph 6.c., above.

7. Within 12 months of the Effective Date, the City staff shall submit for City Council adoption amendments to the General Plan to ensure that development at the City's outskirts, particularly residential, village or mixed use development, does not grow in a manner that is out of balance with development of infill. These proposed amendments shall include, but not be limited to, measures limiting the granting of entitlements for development projects outside the existing City limits and which are (1) subject to an SP or MDP, or (2) projects of significance, until certain criteria are met. These criteria shall include, at a minimum:

- a. Minimum levels of transportation efficiency, transit availability (including BRT) and Level of Service, as defined by the San Joaquin Council of Government regulations, City service capacity, water availability, and other urban services performance measures;
- b. Firm, effective milestones that will assure that specified levels of infill development, jobs-housing balance goals, and GHG and VMT reduction goals, once established, are met before new entitlements can be granted;
- c. Impact fees on new development, or alternative financing mechanisms identified in a project's Fiscal Impact Analysis and/or Public Facilities Financing Plan, that will ensure that the levels and milestones referenced in paragraphs 7.a. and 7.b., above, are met. Any such fees:
 - (1) shall be structured, in accordance with controlling law, to ensure that all development outside the infill areas within existing City limits is revenue-neutral to the City (which may necessitate higher fees for development outside this area, depending upon the costs of extending infrastructure);
 - (2) may be in addition to mitigation measures required under CEQA;
 - (3) shall be based upon a Fiscal Impact Analysis and a Public Facilities Financing Plan.
- d. The City shall explore the feasibility of enhancing the financial viability of infill development in Greater Downtown Stockton, through the use of such mechanisms as an infill mitigation bank.

CCG Proposed Amendments to the Stockton General Plan

Draft 10-18-12

The purpose of these General Plan Amendments (GPAs) is to implement the Settlement Agreement which requires the City to amend the GP to encourage infill development and discourage greenfield development on agricultural land on the fringe of the City, among other goals.

1. Add the following new GP policy and implementation measures:

Policy LU-1.X: Policies and programs shall be adopted to ensure that the City does not grow in a manner that is out of balance with development of infill. [language from the Settlement Agreement]

Implementation: The City shall adopt a Climate Action Plan to meet the goals of greenhouse gas reduction, infill and “smart” development, and compliance with the terms of the Settlement Agreement.

Implementation: The City shall strive to meet the following downtown and infill development goals set by the Settlement Agreement: approval of at least 4,400 housing units in greater downtown Stockton during the planning period, and approval of at least another 14,000 units within the existing City limits.

Implementation: The City shall fund a “nexus” study to determine an appropriate level of development fee that would apply to new homes constructed outside the existing City limits, in order to provide economic support for infill growth in the downtown and in existing neighborhoods. The City Council shall consider adoption of the development fee recommended by the nexus study no later than December, 2013.

2. Add the following new GP policy and implementation measure:

Policy LU-1.X: The City shall petition the Local Agency Formation Commission (LAFCO) to annex land into the City limits only when a study indicates that there is less than a ten year supply of residential land available for infill development within the existing City limits, applicable General Plan policies can be met, and all required services and infrastructure can be provided by the City efficiently and cost-effectively.

Implementation: Amend the Development Code to ensure that the City files annexation requests to the Local Agency Formation Commission (LAFCO) only upon finding that a less than 10-year supply of residential land is available for growth.

[See proposed Development Code Amendment, attached]

3. Add the following new GP policy and implementation measures:

Policy LU-1.X: *The City shall consider revisions of General Plan policies and changes to the land use map on a regular basis to retain consistency with the official growth projections adopted by the San Joaquin Council of Governments. Amendments to the General Plan land use map shall be considered concurrently with any revisions of the General Plan growth projections, to adjust the amount of vacant land necessary to accommodate the projected amount of residential growth.*

Implementation: Due to the collapse of the residential real estate market during the “Great Recession” of 2007-2010 and other changes in demographic factors, the original General Plan population projections for the planning period (2007 to 2035) shall be revised to reflect the new lower projections that have been published by the San Joaquin Council of Governments.

[See attached table that compares existing GP and revised SJCOG growth projections]

Implementation: Following the adoption of amendments of General Plan policies and changes to the land use map due to updating of growth projections, the City shall petition the Local Agency Formation Commission (LAFCO) to amend the adopted 10- and 20-year Spheres of Influence for the City, as necessary, to reflect the General Plan amendments and revised growth projections.

4. Add the following new GP policy and implementation measure:

Policy LU-1.X: *Any amendments to the General Plan land use map to decrease the amount of land designated for future growth, due to adoption of decreased population projections during the planning period, shall be based upon the following criteria:*

- *quality of the agriculture soils and contribution to an agricultural buffer around the City (lands that have the best prime soils and the best locations to create an agricultural buffer shall be favored for redesignation);*
- *location in relationship to existing City infrastructure (lands that are located farthest from the nearest existing water, sewer, transit, and other services are favored for redesignation);*
- *location in relationship with existing City (lands that are located farthest from the City’s existing job centers are favored for redesignation);*
- *flooding and other dangers (lands that are adjacent to levees and are subject to flooding or other dangers are favored for redesignation); and*

- *achievement of General Plan goals, especially goals to reduce the City's projected greenhouse gas emissions due to future growth and to comply with the City's Climate Action Plan.*

Implementation: The City shall consider redesignation of some of the "Village" lands outside the existing City limits from future planned residential growth back to an agricultural designation, to accommodate lowered population projections and to strengthen the agricultural buffer around the City.

The lands that should be considered for redesignation include approximately 2,000 acres south of Weston Ranch (Villages L and M), the Mariposa Lakes project (approximately 3,800 acres southeast of Highway 99), and other Villages planned on outlying agricultural lands.

Proposed Amendments to the Development Code (amendments noted in **bold underline**)

16-216 Boundary Changes

16.216.060 Criteria.

Any annexation to the City shall meet the following criteria:

A. Before consideration for annexation:

1. The proposed annexation site shall:
 - a. Be located within, or will be within, an urban service area boundary;
 - b. Conform to the existing General Plan diagram and General Plan policies or concurrently have an application pending for a General Plan amendment; and
 - c. Be prezoned, or the applicant shall have applied for prezoning.
2. The owner(s)/applicant(s) shall:
 - a. Have signed the City's annexation memorandum of understanding (MOU);
 - b. Have a specific project identified and have related discretionary applications filed (in the form of a tentative map, development agreement, or similar approval); and
 - c. Diligently pursue the project and provide annual status reports to the Director.

B. The proposed annexation site:

1. Cannot create any unincorporated islands within the City;
2. Cannot encroach into the "Primary Zone" of the San Joaquin/Sacramento Delta as identified on the "Delta Protection Act of 1992 Map of Zones," unless it meets the requirements of State law for the "Primary Zone"; and
3. Shall not be under Williamson Act contract at the time of annexation or a notice of nonrenewal shall have been filed and recorded before the application for annexation is filed.

C. The City shall not file an annexation request with LAFCO unless there is less than a 10 year supply of land available for residential development as calculated according to 16-216.070(C).

16.216.070 Annexation process.

If the City initiates the annexation proceedings with LAFCO, the following process shall be followed in order to secure annexation to the City:

A. Submittal. Annexation requests shall be submitted to the Director with the appropriate documentation required in the annexation packet, including a petition

signed by the property owner(s), a signed annexation memorandum of understanding (MOU), and applicable fees;

B. Concurrent Applications. Where possible, annexation requests shall be processed concurrently with project applications;

C. Ten Year Supply. The City shall not file an annexation request with LAFCO unless there is less than a 10 year supply of land available for residential development calculated as:

- 1. The numerical estimate of acres of vacant or underutilized land designated and available for residential development within the existing City limits, divided by the amount of land developed with residential uses expressed as an annual average based on the previous ten year period; or**
- 2. The estimate in acres of vacant or underutilized residential growth areas multiplied by the density of planned growth in units per gross acre, divided by the average annual number of building permits issued for new housing units over the previous ten years.**

D. Prezoning. The property subject to the annexation shall be prezoned before the annexation;

E. City Services Plan and Cost/Benefit Analysis. A City services plan and a cost/benefit analysis shall be prepared by staff or an independent contractor;

F. Agricultural Conversion Statement. If applicable, an agricultural conversion statement, including a vacant residential land inventory and build-out rate, shall be prepared by staff or an independent contractor;

G. Environmental Consideration. The annexation request shall be subject to the requirements of CEQA.

H. Development Review Committee (DRC). The DRC shall:

1. Evaluate:
 - a. The City services plan and the cost/benefit analysis, and
 - b. The annexation proposal; and
2. Forward a written recommendation to the City Manager;

I. Council. The Council shall determine whether the City should file the annexation request with LAFCO.

1. **Council Resolution.** To file the annexation request, the Council shall approve a resolution authorizing the filing of an annexation.
2. **Findings.** The Council, in adopting the resolution to file the annexation, shall make all of the following findings of fact:
 - a. The unincorporated property is within, or will be within, the urban services area of the City;
 - b. The City has less than a ten year supply of residential land available for development calculated in compliance with 16.216.070.C;**

- ~~bc.~~ The property has been rezoned with City of Stockton zoning designations;
- ~~ed.~~ The proposal is contiguous to existing City limits;
- ~~de.~~ The proposal does not split lines of assessment or ownership;
- ~~ef.~~ The proposal does not create islands or areas in which it would be difficult to provide City services; and
- ~~fg.~~ The proposal is consistent with the land uses, objectives, policies, and programs of the General Plan; any applicable specific plan, precise road plan, or master development Plan; and other adopted goals and policies of the City.

J. Submittal to LAFCO. Upon Council approval to file, the Director shall file the annexation proposal with LAFCO, including the justification of proposal, the Council's resolution, the City services plan, environmental documents, legal description, and map.

K. Public Hearings. Public hearings before LAFCO shall be conducted in compliance with State law (Government Code Sections 57000 et seq.).

L. Notifications. After an annexation is ordered, notifications of the annexation shall be sent to all affected property owners and appropriate departments and agencies. (Prior code § 16-720.070)

Comparison of Stockton Population Projections Between 2007 General Plan and San Joaquin Council of Governments

	Projected <u>2035 Pop</u>	Growth Projected <u>(2010 -- 2035)</u>
Stockton General Plan (2007)		
Population	580,000	+ 290,000 people
Housing Needed		+ 93,500 units*
SJCOG (2009)		
Population	416,400	+ 126,400 people
Housing Needed		+ 40,800 units*

Decrease in Projected Housing Needed: -- 52,700 units (- 56%)

*Assumes 3.1 persons per household

MEMORANDUM

December 5, 2013

TO: Planning Commission

FROM: Michael McDowell, Planning Manager
Community Development Department

STAFF RESPONSE TO PUBLIC COMMENTS RECEIVED FROM CALTRANS AND SIERRA CLUB/CAMPAIGN FOR COMMON GROUND REGARDING THE BEAR CREEK EAST SPECIFIC PLAN PROJECT

Following distribution of the Final EIR to commenting agencies for the Bear Creek East Specific Plan Project and public notice for the originally scheduled July 2013 public hearing, the City received two comment letters (See Attachment 10 of Staff Report) from: 1) Caltrans and 2) Sierra Club/Campaign for Common Ground. The following are Staff responses to generally address the issues raised:

1) Response to Caltrans Comment Letter (Dated July 7, 2013)

Funding for STAA traffic improvements at Morada Lane and Eight Mile Road interchanges at State Highway Route 99

Caltrans was a commenting agency on the Draft Environmental Impact Report (DEIR) and as such was provided the Final Environmental Impact Report (FEIR) for review, which contained responses to their comments raised. Caltrans responded to the FEIR in a letter dated July 10, 2013 (See Attachment 10a of Staff Report), which informs the City on the lack of STAA truck access at the interchanges of Morada Lane and Eight Mile Road at State Highway Route 99 and lack of funding for STAA access improvements, should the Project need STAA truck access. STAA stands for the Federal Surface Transportation Assistance Act of 1982 which allows on a federally designated system of highways and on access routes that are signed by Caltrans or local authorities, truck tractor and trailer combinations that exceed the California legal combination lengths. At this point in time, it is too premature to know if future tenants in the Bear Creek East Specific Plan Project will need STAA truck access.

2) Response to Sierra Club/Campaign for Common Ground Comment Letter (Dated July 7, 2013)

Recirculation of the Environmental Impact Report

Since the initial public notice of availability of the draft EIR in November 2011, there has been no significant new information added to the EIR. It is staff's opinion that the proposed Environmental Impact Report (EIR) for the Bear Creek East Specific Plan is technically sound, complies with the California Environmental Quality Act Guidelines and does not require recirculation as requested by the commenter under Section 15088.5(a).

Fiscal Impacts on the City Budget

The Bear Creek East Specific Plan contains a public facilities financing plan in compliance with State Government Code (Section 65450) for Specific Plans. Additionally, a Fiscal Impact Analysis and Preliminary Fiscal Feasibility Analysis were prepared by the applicant in compliance with the City's Development Code (Chapter 16.156 Specific Plans). Based upon the conclusions of the Fiscal Impact Analysis, at project buildout a moderate annual surplus in General Fund and Measure W fund will result. Based on the conclusions of the Preliminary Fiscal Feasibility Analysis, the project does not appear to be feasible at the present time due to the Project cost burden to the Developer to construct the project.

Both, Planning Staff and the Applicant, recognize the City and economy in general are still in a state of recovery. For these reasons, Staff is only recommending approval of planning actions at this time, as it is prudent and appropriate to plan future growth areas identified in the General Plan as supported by policies of the General Plan. The Fiscal analysis provides a snap shot at this time to gauge the viability of the project. Future applications for entitlements, which may include a development agreement, annexation request and/or tentative subdivision map, must be accompanied by an updated Fiscal Impact Analysis and a Public Facilities Financing Plan that clearly demonstrates the development project will provide sufficient revenue for the service costs it demands and does not reduce the level of services to existing residents and businesses.

Consistency with Caltrans and SJCOG Plans

City Staff is actively participating on the San Joaquin Council of Government's Advisory Committee, along with Caltrans, for the preparation of an update to the Regional Transportation Plan and Sustainable Communities Strategy. This effort has resulted in several land use growth alternatives, all of which reflect varying levels of outward growth occurring, specifically within the Bear Creek East Project site area south of Eight Mile Road. Further, since the Bear Creek East Specific Plan embraces the "Village"

planning concept in the General Plan, it contains many of the Sustainable Community Strategies being considered, such as a mixture of land use opportunities, varying residential densities that will enable different housing options, and increased densities purposely located adjacent to planned transit corridors on West Lane and Eight Mile Road. Staff will continue to be engaged in the regional planning process as the Regional Transportation Plan and Sustainable Communities Strategy moves forward.

Specific Questions Raised

Question #1: Why should the City approve another large residential subdivision when there are already so many approved but not yet built housing projects? The Commission should request that the staff verify how many housing units have already been approved, plus add in estimated foreclosures, and report back to the Commission at the next meeting.

It is Planning Staff's opinion that it is prudent and appropriate to conduct a higher level of land use planning from that contained in the General Plan, for areas within the City's Sphere of Influence. Chapter 7 of the General Plan identifies Specific Plans (and Master Development Plans) as the means of planning to ensure future growth occurs in a systematic and well thought out manner. The Bear Creek East Specific Plan and related planning applications being recommended for the Planning Commission's consideration and ultimately the City Council's decision are solely "planning" actions and do not "entitle" development. The City retains total control of the documents, including the right to repeal or modify.

Staff concurs with the commenter, that it would not be prudent or fiscally responsible to recommend approval of entitlements, such as the binding Development Agreement originally requested, at this point in time. Although applications have not been requested for annexation or tentative subdivision maps, these entitlements are considered to be premature as well. This is based on the multitude of financial uncertainties that the City continues to face, including the ongoing plan of adjustment (bankruptcy), recently approved sales tax measure/funding plan (public safety) and a pending new City/County property tax sharing agreement, among others. The City is working diligently to address these serious financial uncertainties, however, resolution is not likely to occur for at least another year or two. Additionally, Staff is in agreement with the commenter that the current housing market supply and remaining foreclosures do not warrant additional entitled housing units at this present time.

Question # 2: How much will the large new subdivision cost the City in service and utility costs (police, fire, sewer, water, library, courts, etc.). Where is the fiscal analysis that answers the question of whether this project will be a money-maker for the City or a further deficit on the already strained City budget?

As required by State Law (Government Code 65251) and Stockton Development Code (Chapter 16.156), the Specific Plan provides details in Chapter 12 of a proposed project phasing plan and a program of implementation measures, including policies, public works projects, and financing measures necessary to carry out the proposed land uses, infrastructure, and development. Additionally, this information is supported by two technical reports, consisting of a Fiscal Impact Analysis and a Preliminary Feasibility Analysis, both of which are requirements of the City to ensure that each new development project provides sufficient revenue for the service costs it demands and does not reduce the level of services to existing residents and businesses.

Since there are only planning actions being recommended for approval, the fiscal analysis is considered a snap shot at this point in time to gauge the viability of the project. Future applications for entitlements, which may consist of a development agreement, annexation request and/or tentative subdivision map must be accompanied by an updated Fiscal Impact Analysis and a Public Facilities Financing Plan that clearly demonstrates the development project will provide sufficient revenue for the service costs it demands and does not reduce the level of services to existing residents and businesses.

Question #3: What about the design of the subdivision qualifies it as smart growth as opposed to more dumb sprawl?

Although the Bear Creek East Specific Plan Project site is considered to be within a planning "District" area (West Lane District) in the General Plan 2035 framework, this project embraces the "Village" planning concept in the General Plan. In summary, the proposed Specific Plan provides for a mix of residential densities and housing types, neighborhood commercial and employment opportunities, a school, park and open space with public pedestrian trails and recreation uses. Further, the Specific Plan provides for land use flexibility and prescribed performance standards to ensure an appropriate mix of land uses and densities will occur. Additionally, higher land use densities have been strategically located along West Lane and Eight Mile Road taking advantage of planned multi-modal transit corridors identified in the General Plan and supported by General Plan policies. These planning strategies are intended to provide for a more sustainable growth opportunity and are supportive of the Regional Sustainable Communities Strategy effort currently under preparation.

Question #4: Why hasn't the City required the applicant to update the transportation analysis from the original analysis based on 2005 traffic conditions and the 2007 General Plan future traffic projections? Has Caltrans been noticed on this Final EIR?

City Staff is confident the traffic analysis prepared for the EIR is adequate for the BCESP Project. Although traffic counts were collected initially in the years 2005 and 2007, supplemental traffic count data collected by the San Joaquin Council of Governments in the project area and by the City on Capital Improvement Projects confirm that on average traffic volumes have either sustained and/or decreased since 2007. Staff has accredited these decreases in traffic to the effects of the downturned economy. For these reasons, newer traffic counts were not required.

The traffic conditions for the 2007 adopted General Plan were developed with the City's traffic forecast model which relies on growth rates and can be determined from traffic counts collected in the 2005 base year, therefore, the traffic analysis is considered valid.

Caltrans was a commenting agency on the Draft Environmental Impact Report (DEIR) and as such was provided the Final Environmental Impact Report (FEIR) for review, which contained responses to their comments raised at that time. Caltrans responded to the FEIR in a letter dated July 10, 2013 (See Attachment 10a of Staff Report), which informs the City about the lack of STAA access at the interchanges of Morada Lane and Eight Mile Road at State Highway Route 99 and lack of funding for STAA access improvements, should the Project need STAA truck access. Caltrans did not object or raise any concerns with regards to the adequacy of the traffic analysis prepared for the Bear Creek East EIR.

Question #5: Is the project consistent with the draft Climate Action Plan and the 2008 Settlement Agreement between the City, the Attorney General's Office, and the Sierra Club?

Since the City Council has not considered or taken any action on the Climate Action Plan (CAP), this document is considered draft and unenforceable at this point in time. In 2009, the City Council adopted an interim greenhouse gas reduction target of 28.7% from estimated 2020 values, so that environmental review analysis could be completed for projects undergoing the review process. A notice of preparation of an EIR for the Bear Creek East Specific Plan project was published in November 2005, as such, this Project was considered to be already "undergoing the review process". The Bear Creek East Specific Plan's compliance with the interim greenhouse gas reduction target is addressed in the Specific Plan Section 13.3.9 Global Climate Change and more specifically in the proposed EIR Chapters 9.5 and Section 18.7 Global Climate Change.

The City, Sierra Club and Attorney General's Office entered into a Settlement Agreement in October 2008 in order to allow the General Plan to go forward while

addressing “GHG reduction in a meaningful and constructive manner”. Section 9 of the Settlement Agreement describes Early Climate Protection Actions which are requirements that are applicable to specific plans and large development projects until the City adopts the CAP. The EIR Chapter 9.5 Global Climate Change specifically addresses the Project’s compliance with the Settlement Agreement Early Climate Protection Actions.

Bear Creek East Specific Plan

Technical Response to the Delta Sierra Group and Campaign for Common Ground Letter Dated July 10, 2013 to the City of Stockton Planning Commission



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November 14th, 2013

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November 14, 2013

Steve Lopez, Chairman
Planning Commission
City of Stockton
345 N. El Dorado Street
Stockton, CA. 95202

RE: Response to Letter Dated July 10, 2013 by the Delta-Sierra Group and Campaign for Common Ground Regarding the Bear Creek East Specific Plan Project

Mr. Lopez:

On behalf of our client, MCD North Parcel LLC. (d.b.a. MCD North Stockton), Hakeem, Ellis and Marengo (HEM) would like to respond to the letter addressed to Chairman Steve Lopez of the City of Stockton Planning Commission, by the Delta-Sierra Group and Campaign for Common Ground (DSG/CFCG) on July 10th, 2013. HEM believes that this project's overall design and mix of land use, benefits the Bear Creek East Specific Plan (BCESP) area and the City of Stockton in general.

The attached Bear Creek East - Technical Response (Technical Response) is prepared in response to the July 10, 2013 communication to the Planning Commission by Sierra Club, Delta Sierra Group, and Campaign for Common Ground. The demand to recirculate the Environmental Impact Report is not supported by the fact that there is no new or significant information that requires such an action. The Technical Response addresses both cited issues of traffic analysis and the BCESP. Economic & Planning Systems, Inc. (Walter Keser and Richard Berkson) prepared the Fiscal Impact Analysis and the Preliminary Feasibility Analysis. The analysis represented a "snapshot" in time.

Chairman Lopez

Page 2

November 14, 2013

In the analysis', the writers concluded that "BCESP will have a slightly positive impact on the City's General Fund and fiscally neutral on the Road Fund annually at build out." Update of the analysis at the time of subdivision approval is recognized in the BCESP..

The BCESP is located in the West Lane District of the 2035 General Plan. This district is specifically defined as a village which the BCESP proposes to embrace by incorporating many SMART Growth Principles. The physical location of this site defines it as an infill project south of Eight Mile Road.

Given access to the existing infrastructure, the Bear Creek East Project can be implemented in the near term (2015-2016), concurrently providing enhancement of infrastructure to adjacent projects and the north Stockton Community. Timing for the ultimate start of development will be dictated by the market place. Our local market place continues to improve and is projected to find stability in 2015-2016 in terms of new home construction.

The Bear Creek East Project is a balanced mixed use project with service commercial, elementary, jobs and recreation and open space. Housing components provide a broad range of increased density, incorporated in well-designed residential neighborhoods linked by open space, including pedestrian and bicycle networks. The plan brings to reality the village concept promoted by SMART Growth Principles.

Mitigations for arterial and collector streets are provided in the Transportation Plan, with the project bearing the responsibility for construction of the improvements. Additional mitigations are required through both City and Regional Transportation Mitigation Fees. Transit improvements are designed into the project, as well as pedestrian and bicycle paths to meet the neighborhood needs.

Bear Creek East has identified and incorporated Green House Gas emission reduction effects into the BCESP. The proponents further agree to incorporate the finally adopted component of the pending Climate Action Plan.

Chairman Lopez

Page 3

November 14, 2013

The City Council and Senior Management staff recognized the need to reconsider the City's General Plan, associated Capital Improvements Plan, and Fee Schedule in its adopted Budget for FY 2013-2014. A comprehensive General Plan review, coupled with an Economic Development Strategy, may take two to three years for adoption. It is critical that the City encourage well planned projects to proceed with individual review to begin a rebuilding of the Stockton economy and its ability to meet public service needs.

The BCESP complies with all requirements set forth by the City of Stockton Community Development Department. As the project applicant, MCD North Stockton encourages the City of Stockton Planning Commission to recommend Stockton City Council approval of the following:

1. Certify the FEIR and adopt the Findings of Fact, Statement of Overriding Considerations, Mitigation Monitoring and Reporting Program for the BCESP project, prior to, or in conjunction with , an applicable discretionary approval for this project;
2. Approve a General Plan Amendment to reconfigure Low High Density Residential, Commercial and Industrial designations and add proposed Medium Density Residential, Administrative Professional, Parks and Recreation, Open Space and elementary school symbol;
3. Adopt the BCESP specifying project land use requirements for property located east of West Lane, South of Eight Mile Road, West of the Union Pacific Railroad and north of Bear Creek;
4. Approve Prezoning to RL, Residential Low Density; RLM, Residential Low-Medium Density; RHM, Residential High-Medium Density; RH, Residential High Density; CO, Commercial Office; IL, Industrial, Limited, OS, Open Space; PF, Public Facilities;
5. Approve an Amendment to the Eight Mile Precise Road Plan; and

Chairman Lopez

Page 4

November 14, 2013

6. Approve an Amendment to the West Lane Precise Road Plan.

Presented in the Technical Response are concise and factual responses to the letter submitted by the DSG/CFCG. Should you have any questions or require any additional information, please feel free to contact me at mhakeem@hemlaw.com or (209) 474-2800.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Hakeem". The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael Hakeem

Attorney at Law

Table of Contents

1. Recirculation of the Environmental Impact Report.....	1
2. Fiscal Impacts Analysis (<i>City Budget, Service Capacity and Fiscal Assurances</i>) ...	3
3. SMART Growth Principles	6
4. Entitled Residential Projects	19
5. Bear Creek East Specific Plan.....	25
6. Transportation Plan.....	28
7. Climate Action Plan	34
8. General Plan Amendments	36
Figure 1 – Specific Plan Gross and Net Density Range	9
Figure 2 – Non-Residential Gross Acres	10
Figure 3- Low Density Residential Concept.....	12
Figure 4 – Low Density Residential Elevation Perspective.....	12
Figure 5- Low-Medium Density Plan Concept	13
Figure 6- Low-Medium Density Residential Elevation Perspective.....	13
Figure 7 - High-Medium Density Detached Plan Concepts	14
Figure 8- High-Medium Density Attached Plan Concepts.....	14
Figure 9- High-Medium Density Attached Elevation Perspectives	15
Figure 10 - High Density Plan Concept.....	15
Figure 11 - High Density Elevation Perspective	16
Figure 12 - Minimum Unit Percentage by Type.....	27
Exhibit A – Land Use and Circulation Plan	8
Exhibit B – Bicycle, Pedestrian and Bus Transit Plan.....	11
Exhibit C – Heritage Oak Tree Preservation.....	18
Exhibit D – Residential Development summary.....	22

1. Recirculation of the Environmental Impact Report

In addressing the suggestion of recirculation of the Environmental Impact Report (EIR), there is no new or significant information that would require such action. Responses to the concerns raised appear in two specific documents, the Bear Creek East Specific Plan (BCESP) and the Transportation Impact Study (TIS).

It is suggested by the commenter that the BCESP included “substantial modifications to the degree of constituting new information to the project description and to the EIR necessitating a recirculation.” The commenter’s basic concern about residential densities appears to be their misreading of Exhibit A, Land Use Map. Residential land use mix and density configurations have not changed since the 2011 circulation of the EIR. Minor textual changes in the document basically further define the mitigation requirement for public safety services. Other changes in Appendix C of the BCESP merely update the probable costs for infrastructure components required to implement the project, reducing the costs from \$61.4 million to an estimated cost of \$53.4 million, a reduction of \$8 million or 14.5%. Section 5 of this Technical Response provides more detail.

Recirculation of the TIS and the EIR would only be required when significant new information is added. Title 14 of the California Code of Regulations Section 15088.5(a) states:

(a) A lead agency is required to recirculate an EIR when **significant new information is added** *[emphasis added]* to the EIR after public notice is given of the availability of the draft EIR for public review under Section 15087 but before certification. As used in this section, the term “information” can include changes in the project or environmental setting as well as additional data or other information. New information added to an EIR is not “significant” unless the EIR is changed in a way that deprives the public of a meaningful opportunity to comment upon a substantial adverse environmental effect of the project or a feasible way to mitigate or avoid such an effect (including a feasible project alternative) that the project’s proponents have declined to implement. “Significant

new information" requiring recirculation include, for example, a disclosure showing that:

- (1) A **new significant environmental impact** *[emphasis added]* would result from the project or from a new mitigation measure proposed to be implemented.
- (2) A **substantial increase in the severity of an environmental impact** *[emphasis added]* would result unless mitigation measures are adopted that reduce the impact to a level of insignificance.
- (3) A feasible project alternative or mitigation measure considerably different from others previously analyzed would clearly lessen the environmental impacts of the project, but the project's proponents decline to adopt it.
- (4) The draft EIR was so fundamentally and basically inadequate and conclusory in nature that meaningful public review and comment were precluded.

Furthermore, Title 14 of the California Code of Regulations (CCR) Section 15088.5(b) states:

- (b) Recirculation is not required where the new information added to the EIR merely clarifies or amplifies or makes insignificant modifications in an adequate EIR.

Section 6, of this Technical Response, includes a detailed discussion related to the California Department of Transportation (CalTrans) letter received by the City of Stockton, background on the updating of the TIS, timing of the Notice of Preparation (NOP) and the project's regional area approach. The rational conclusion reached in Section 6 is that the EIR document is fundamentally sound and adequate, and thus a recommendation from the City of Stockton Planning

Commission for certification of the EIR can be forwarded to the Stockton City Council.

2. Fiscal Impacts Analysis (*City Budget, Service Capacity and Fiscal Assurances*)

The Fiscal Impact Analysis and Financial Plan are a snapshot in time. The Impact Analysis and Financial Plan will be influenced by changes in property values, increased sales taxes (increase in state tax rate i.e. 0.75 percent increase on ballot November 5, 2013) and home sales. These market driven forces have resulted in an increase of overall property values of 2.4 percent. New home sales have increased in value by 26 percent between 2012 and 2013.

The analysis in the Fiscal Impact Report and the Financial Plan reflect the mitigations identified in the BCESP. These mitigation measures are deferred and subject to change prior to final conditions at the time of a vesting tentative subdivision map. These requirements will be further defined in the Development Agreement to be considered by the Stockton City Council prior to the initiation of annexation.

The Bear Creek East (BCE) EIR identified extensive potential impacts on Municipal Services including Potable Water, Wastewater Management, Storm Drainage Management, Public Safety and Protection and Fire and Emergency Services. These potentially significant impacts on City Public Services must be effectively mitigated in order to be consistent with the City of Stockton development standards and defined service levels. Specific required mitigations are included in the Mitigation and Monitoring Plan and further defined in the BCESP which is before the Planning Commission.

The financial impact of meeting these obligations was included in the Financial Plan and Fiscal Analysis. It is anticipated that a Community Facilities District, for Police and Fire Services, will be required and funded through a service fee and collected on the property tax roll. As we have seen in the past year, as the housing market recovers, home values will generate tax revenues that in conjunction with facility and services maintenance districts will meet the projected revenue to sustain the required service.

Service Levels utilized in the EIR and Financial Plan were those articulated in the 2035 General Plan.

Section 7.0 Public Facilities, Services & Utilities

- Goal: To provide an efficient system of public facilities that accommodates the need of the residents of the Plan Area.
- Policy 7.1: Provide public services and facilities to the Community without burdening the City's existing public services and infrastructure.
- Policy 7.2: Provide a logical link in the orderly phased extension of sewer, water and storm water systems to the northeast region of Stockton.

Section 7.2 Potable Water

- "Sufficient water supplies exist to meet the Projects' build out water demands as well as all existing and reasonably foreseeable water demands."
- Project will dedicate a site for a City potable water well in the southwest corner of the site.
- Pay all applicable water connection fees.
- Construct all required water system improvements to City Standards.
- Provide an offsite oversized line ranging from 12-inch to 18-inch diameter to the West to be reimbursed by others or establishment of an "Area of Benefit" to create a mechanism to receive reimbursement from others as they develop
- Provide interconnection to adjacent development at three points.

Section 7.4 Wastewater

- All wastewater facilities for BCE will be developed in accordance with City of Stockton standards.
- On and off site improvements will complete a gravity flow trunk line from East to West (15-inch to 27-inch in diameter). Oversized and offsite facilities will be reimbursed by others or establishment of an

“Area of Benefit” to create a mechanism to receive reimbursement from others as they develop.

Section 7.5 Storm Drainage

- Development to pay Storm Drainage Public Facility fees.
- All facilities constructed shall be consistent with the Storm Water Quality Control Criteria.
- All Project storm water to be contained within the project through a system of buffer strips, swales, storm water quality basins and City approved units which treat and capture first flush run off. All on-site storm water will be captured by drain inlets to a collection trunk and conveyed to a basin prior to discharge to Bear Creek Flood Control Channel.

Section 7.8 Public Safety and Protection

Subsection 7.8.1 Police

- Pay Public Facility fees toward construction of new police facilities related to capital costs of police protection services expansion.
- Document the City’s current service levels associated with public safety and protection services.
- Review the City’s financial position with regard to the bankruptcy filed in 2012 and adoption of the Pendency Plan.
- Coordinate with the City regarding a funding mechanism to supplement any financial gap to maintain 1.5 sworn officers per 1000 population. Build out of the project area alone will require 9.8 additional sworn officers.

Subsection 7.8.2 Fire and Emergency Services

- Pay Public Facility Fee toward construction of new fire stations and related capital costs of fire protection services expansion.
- Document the City’s current service levels associated with fire protection and emergency services.
- Review the City’s financial position with regard to the bankruptcy filed in 2012 and adoption of the Pendency Plan.

- Coordinate with the City regarding the creation of a funding mechanism to supplement financial gaps in providing necessary services.
- Hold harmless from Property tax loss the Waterloo-Morada Rural Fire District upon annexation. This is consistent with the requirements of the San Joaquin Local Agency Formation Commission.

3. SMART Growth Principles

Greenfield Development

The BCE project is within the defined boundaries of the City of Stockton's 1990 and 2035 General Plans, lying South of Eight Mile Road. Development of the project site continues to close the remaining open sites on the South side of Eight Mile Road and is contiguous to the Cannery Park Project to the East, which is currently being developed. Two remaining areas, to the South and West of BCE, known as Bear Creek South (BCS) and Bear Creek West (BCW), have initiated the planning process. BCS has a Master Development Plan and EIR drafted but not yet circulated. BCW at one time had an active application but currently the project is inactive.

The BCE project is essentially an infill project which will facilitate the completion of both potable water distribution mains and sanitary sewer trunk lines providing for completion of elements within the City of Stockton's Utility Master Plans. The project will complete portions of the arterial streets of West Lane and Eight Mile Road, consistent with the proposed amendments to the Precise Roadway Plans. It further provides for a collector street linking Cannery Park via the construction of Lt. Col. Mark Taylor Street. Construction of this collector street requires a bridge crossing at the Bear Creek Flood Control Channel.

The Smart Growth Principles used within Bear Creek East

1. Mixed Land Uses

The BCESP is located in the West Lane District of the 2035 General Plan. This district is specifically defined as a village which the BCESP proposes to embrace by incorporating many SMART Growth Principles.

2035 General Plan's "Districts and Villages" Objectives:

- Connect each district and village to the City's overall circulation and open space systems to contribute to the design of the entire city.
- Create a mix of housing and supporting uses in every district and village.
- Provide a scale and pattern that is conducive to walking and using transit.
- Connect districts and villages and their neighborhoods through future parkways and civic corridors.
- Provide commercial and institutional services that support the local population.
- Maintain a cohesive City development pattern that focuses new urban development in a "Village" pattern, while encouraging existing neighborhood revitalization and maximize infill development.
- Make new parks and open space an integral part of new development using Quimby Act maximum park standards for new development and through the establishments of open space buffers along the northern and eastern boundaries of the City.

The BCESP incorporates these objectives as shown in Exhibit A, Land Use and Circulation Plan. Figure 4.1 from the BCESP illustrates the incorporation of the Village Objectives identified in the 2035 General Plan.

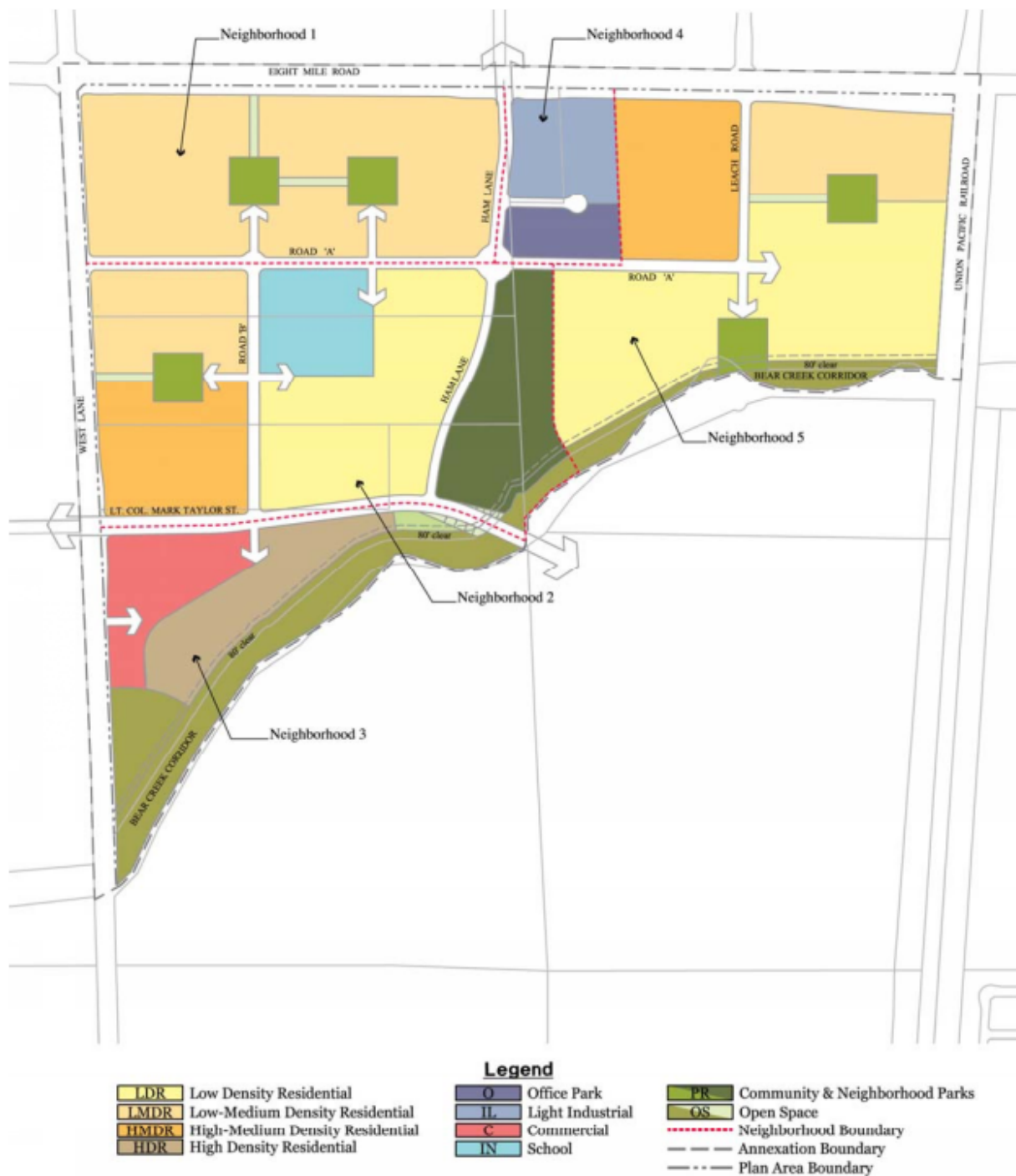


Figure 4.1: Land Use and Circulation Plan

Date: April 2011

Bear Creek East Specific Plan
Stockton, California

NOT TO SCALE



Exhibit A – Land Use and Circulation Plan

2. Well Designed Compact Neighborhoods

The proposed BCESP provides for an overall density range of 8.0 to 10.9 units per gross acre or 10.9 to 14.9 units per net acre of residential development. The intent of the Village Concept carried out in this plan allows for the ability to live, work and play within the project boundary. The combination of streets, bikeways and pedestrian access efficiently ties all the land use elements together.

Land Use		Specific Plan Gross Density Range (du/ac)		Specific Plan Net		
				Net Acres	Density	Range
Low Density Residential	LDR	4.9	6.5	50.9	7.0	9.2
Low-Medium Density Residential	LMDR	7.0	11.5	57.5	9.3	15.3
High-Medium Density Residential	HMDR	13.0	14.7	23.9	17.3	19.6
High-Density Residential	HDR	19.0	23.2	10.5	23.8	29.0
Subtotal		8.0	10.9	142.7	10.9	14.9

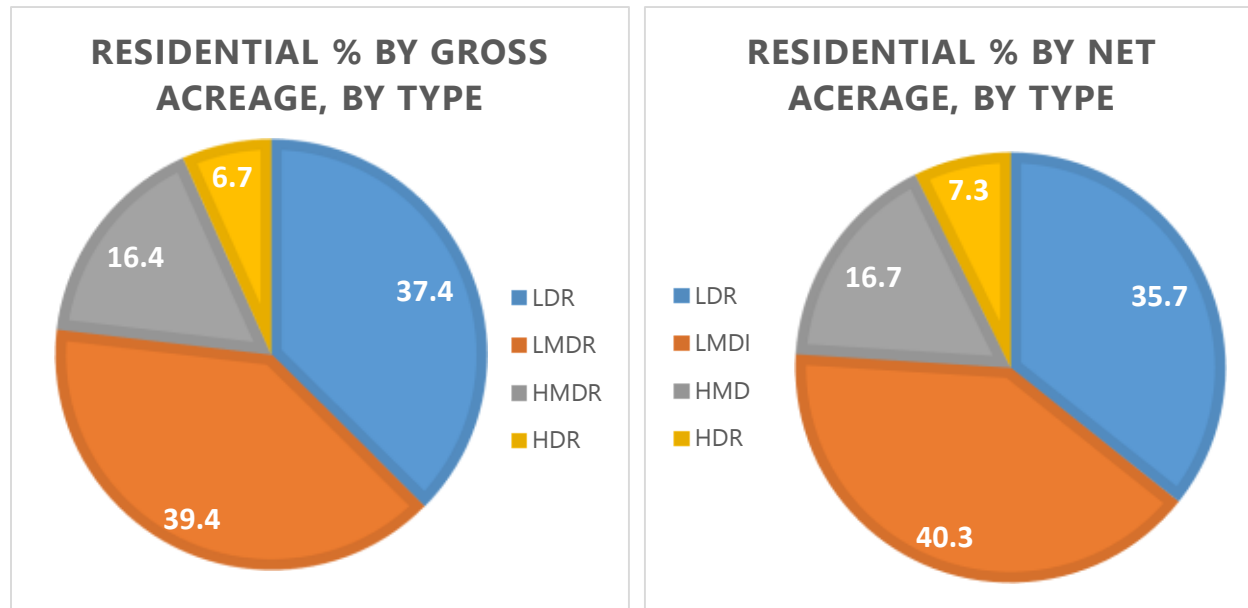


Figure 1 – Specific Plan Gross and Net Density Range

Non-Residential Gross Acres	Non-Residential Estimated Square Footage (sq. ft.)	
Commercial	10.7	93,200
Office	4.8	41,800
Industrial	8.9	95,800
Parks	25.1	
Open Space	29.4	
Major Road	34.1	
Elementary School	10.0	
Subtotal	123.0	230,800

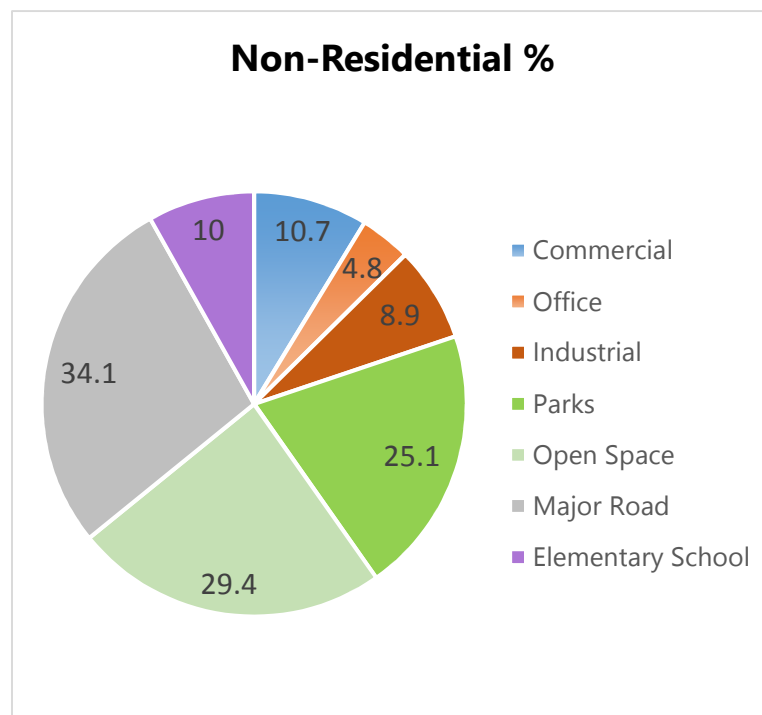


Figure 2 – Non-Residential Gross Acres

3. Provide a Variety of Transportation Choices

The BCESP provides perimeter transit access with the regional provider. These bus routes include local routes and the planned expansion of the Bus Rapid Transit (BRT) system. The Plan further identifies a network of off street bikeways, trails and sidewalks that link up residential, non-residential and the extensive parks and open space system.

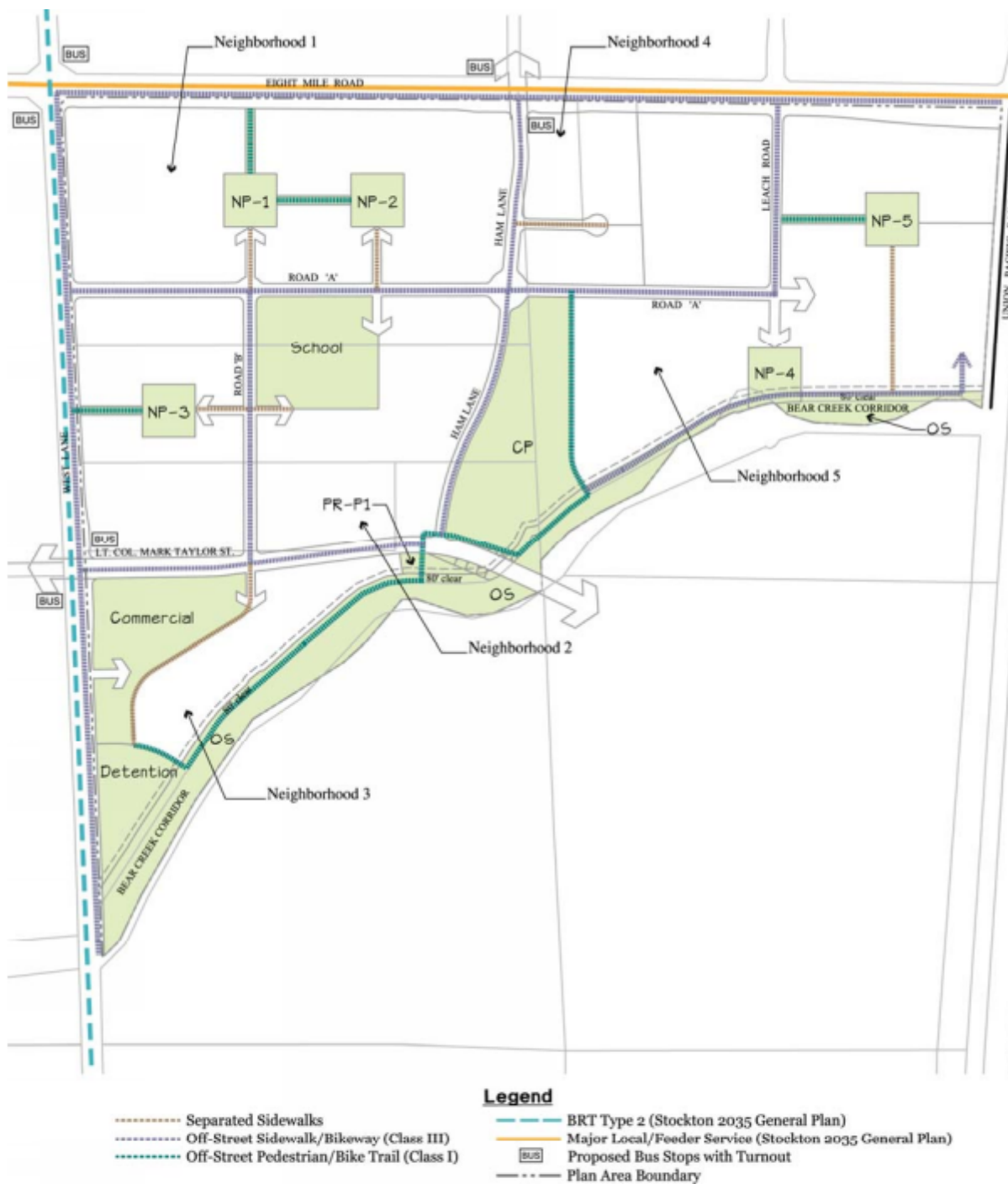


Figure 6.6: Bicycle, Pedestrian and Bus Transit Plan		Date: October 2011	
Bear Creek East Specific Plan Stockton, California	NOT TO SCALE	N	WOOD RODGERS DESIGNING INNOVATIVE DESIGN SOLUTIONS

Exhibit B – Bicycle, Pedestrian and Bus Transit Plan

4. Create Diverse Housing Choices

The Specific Plan presents a variety of residential land uses representing density from 6.5 per gross acre to 23.2 per gross acre. This range will provide for single family detached, cluster type housing and multi-family attached product. The project design has integrated the residential land use types to take advantage of parks, open space, commercial uses and transportation (both motorized and non-motorized) services.

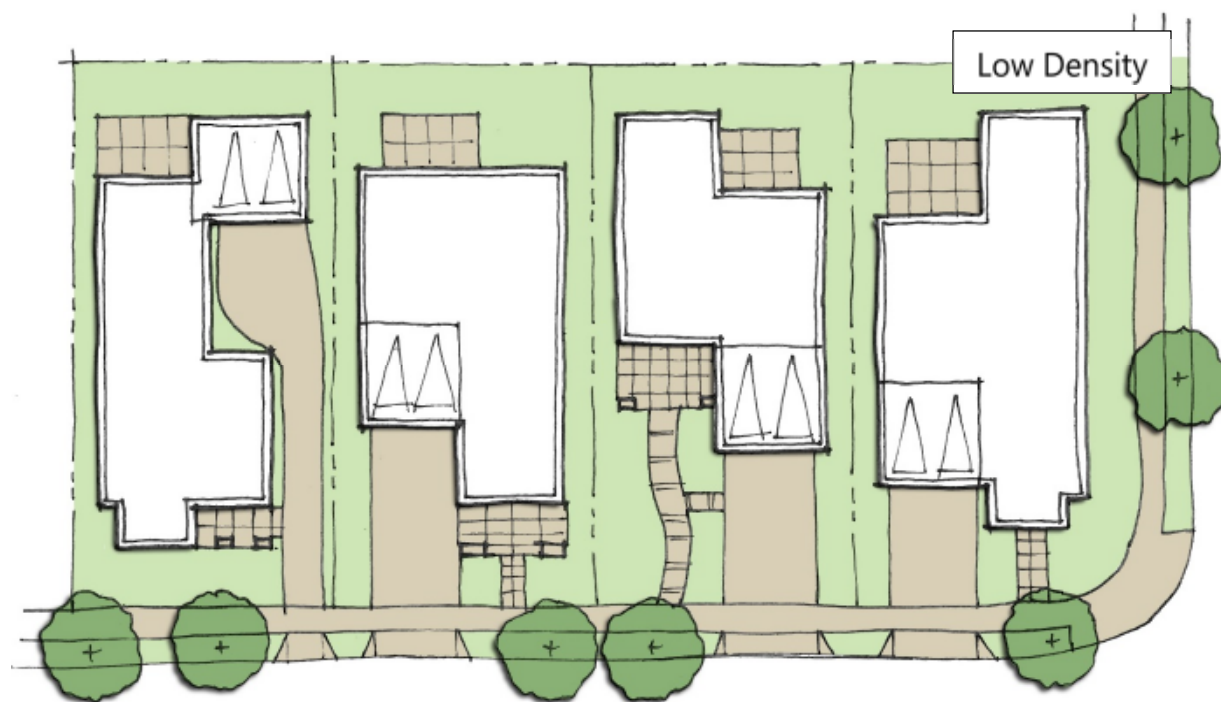


Figure 3- Low Density Residential Concept



Figure 4 – Low Density Residential Elevation Perspective

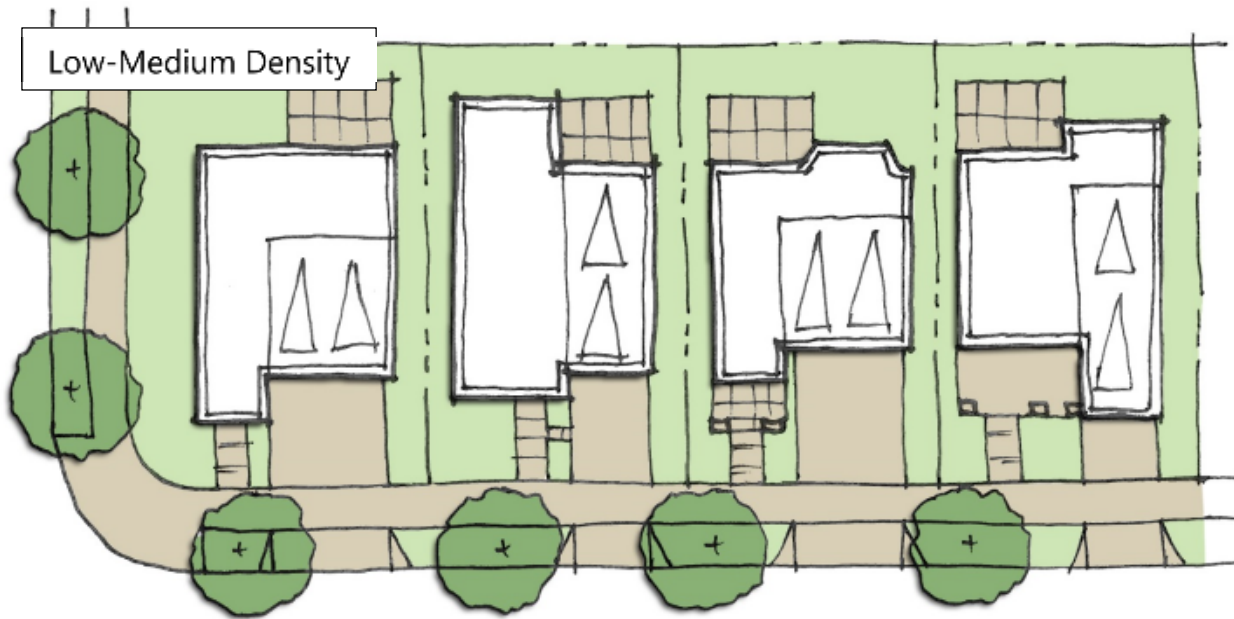


Figure 5- Low-Medium Density Plan Concept



Figure 6- Low-Medium Density Residential Elevation Perspective



Figure 7 - High-Medium Density Detached Plan Concepts



Figure 8- High-Medium Density Attached Plan Concepts



Figure 9- High-Medium Density Attached Elevation Perspectives



Figure 10 - High Density Plan Concept



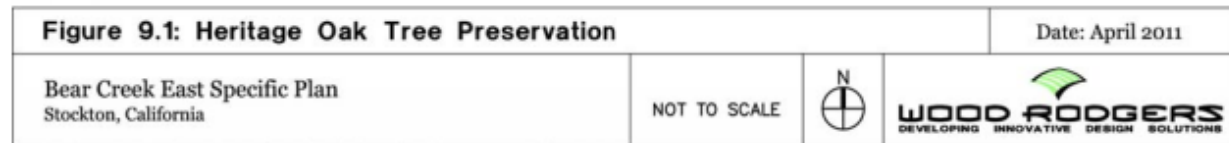
Figure 11 - High Density Elevation Perspective

5. Encourage Growth in Existing Communities

The BCE project at full development will complete and enhance essential infrastructure South of Eight Mile Road. The project is bordered on three sides by existing or pending projects. These infrastructure elements include potable water distribution networks, a wastewater collection trunk line system and storm water management all consistent with adopted Utility Master Plans. Transportation infrastructure will be enhanced through improvements on West Lane and Eight Mile Road including completion of collector streets to and from both planned and existing streets to the East and West. A vehicular and pedestrian grade separation has recently been completed on Eight Mile Road over the Union Pacific Railroad. This structure is partially located on the northeast corner of the Bear Creek East Specific Plan area. It was constructed to match the ultimate width of Eight Mile Road at buildout. It should be noted that this overpass was one of three total railroad crossing improvements installed in north Stockton, two of which were located on Eight Mile Road and one just south of Eight Mile Road.

6. Preserve Open Spaces, Natural Beauty and Environmentally Sensitive Areas

Although the project is converting agricultural land and will impact the existing open space provided by that use, the project boundaries are contiguous to existing development. To minimize the loss of open space, the project incorporates the creation of a community park, five neighborhood parks and open space along the Bear Creek Corridor that will provide 47.4 acres of parks and open space which is consistent with the City of Stockton adopted standards. The project will further participate, through mitigation fees, in the San Joaquin Multispecies Habitat Conservation and Open Space Plan.



November 14, 2013Page 18

7. Protect and Enhance Agricultural Lands

The Applicant will pay into the City of Stockton's Agricultural Land Mitigation Fee Program based on the adopted fees at the time of development. This program provides funding to the Central Valley Farm Land Trust to acquire agricultural lands in fee or easement for retention of Agriculture and Open Space in the San Joaquin Valley.

8. Utilize Smarter and Cheaper Infrastructure and Green Building

The BCE project is committed to development consistent with the City's pending Climate Action Plan and adopted California Green Building Standards. The Environmental Mitigations and the Specific Plan, confirms the project commitment and obligations.

9. Foster a Unique Neighborhood Identity

The BCE project will create a unique village design throughout the project through Architectural Design Standards, streetscape design and its comprehensive development of parks, trails, greenbelt, and open space. Consistent design themes will be carried out from the entry monument to the public area design features as outlined in the Specific Plan.

10. Nurture Engaged Citizens

Three focal points of the Plan will encourage the creation of community through public interaction will be the elementary school, community park and commercial uses. These places will bring events and citizens together. The creation of a Homeowners Association will further encourage participation within the Plan and create a broader ownership and pride in the public area of the community.

4. Entitled Residential Projects

1. Status by Project

Question #1 by the Delta Sierra Group asks:

“Why should the City approve another large residential subdivision when there are already so many approved but not yet constructed housing projects?”

The commenter listed several projects as “approved” in their letter. Projects referenced by the commenter are as follows:

- Mariposa Lakes Specific Plan (10,200 housing units)
- Sanctuary Specific Plan (7,300 housing units)
- Delta Cove Specific Plan (1,654 housing units)
- Cannery Park Project (1,000 housing units)
- Tidewater Crossing Project (2,492 housing units)
- Crystal Bay Project (1,343 housing units)
- Origone Ranch Project (1,500 housing units)

Note that the Origone Ranch Project should not be identified as an “approved” project. Neither the Origone Ranch Specific Plan, nor the Environmental Impact Report have been circulated, and the project has not been considered by the Planning Commission or City Council.

The following analysis reviews approved projects, where either a vesting Tentative Map and/or Development Agreement has been approved by the City of Stockton. It further compares the number of approved lots as a percentage to the population of other cities in the Central Valley.

A. Residential Market

As a general statement, projects must be viewed and evaluated with the big picture in mind and that would be the overall size of Stockton and the location of Stockton in the Central Valley region; and how these physical elements influence the market for new housing. Stockton is a large city of 295,000 people and is centrally located to other populations and job centers (i.e., Sacramento, Tracy, Modesto, etc...). Secondly, when discussing the projects and their viability, one must consider unique constraints associated with the individual properties. Examples may include, but are not limited to, cost to complete; land ownership issues;

market variations in the project location; regional and national economic conditions.

B. Applications Approved

For the purposes of this review, only single family dwelling unit (SFDU) lots are discussed. In the City of Stockton's Residential Development summary table (Exhibit D) there are 28,177 approved lots, from that number 4,503 building permits have been issued leaving a balance of 23,674 SFDU lots. Of these approved lots, several factors reduce this number in terms of lots BCE would be competing against in the near term market. The primary factors would be the project's "market" location and offsite infrastructure development costs. Of these 23,674 approved lots, 8,958 lots are part of the Mariposa Lakes project. This project is located in a different market area southeast of Stockton. In addition to the different market location, the Mariposa lakes project requires significant upfront costs related to infrastructure improvements required to serve this area and is currently not annexed into the City. A considerable effort will be required to re-engage land owners and builders. The same argument regarding market location could be made regarding the 2,101 lots associated with Tidewater Crossing, located south of the Stockton Metropolitan Airport. These two projects reduce the number of approved lots by 11,059 competing with BCE for market share in the northern portion of the City leaving remaining lots of 12,615.

CITY OF STOCKTON
RESIDENTIAL DEVELOPMENT



Map #	Residential Subdivision Project Name	Tentative Map #	TM Acres SP	TM Acres UP	Map Units SF Lots	MF Units	SF Bldg Permits Issued	MF Bldg Permits Issued	SF Lots Remaining	MF Units Remaining	% Project Completion
1	Starview	TU1-26	13		122		32		31		54%
2	Miss Gifford's Most Serene East Area Garden Plot	TU2-26	53		259		31		262		27%
3	Woodlane	TU3-24	3		59		0		56		0%
4	Little John Creek	TU1-26	15		853		833		20		94%
5	North Shadler* Projects: Edison County Club, Waterford Estates West and East, Beck Ranch, Beck Estates, Ramsey Street, Winchell Park, Macdonalds, Deddallens, Northbrook	TU1-26, TU2-26, TU3-26, TU4-26, TU11-26, TU12-26, TU13-26, TU14-26, TU15-26, TU16-26, TU17-26, TU18-26, TU19-26, TU20-26, TU21-26, TU22-26, TU23-26, TU24-26, TU25-26, TU26-26, TU27-26, TU28-26, TU29-26, TU30-26, TU31-26, TU32-26, TU33-26, TU34-26, TU35-26, TU36-26, TU37-26, TU38-26, TU39-26, TU40-26, TU41-26, TU42-26, TU43-26, TU44-26, TU45-26, TU46-26, TU47-26, TU48-26, TU49-26, TU50-26, TU51-26, TU52-26, TU53-26, TU54-26, TU55-26, TU56-26, TU57-26, TU58-26, TU59-26, TU60-26, TU61-26, TU62-26, TU63-26, TU64-26, TU65-26, TU66-26, TU67-26, TU68-26, TU69-26, TU70-26, TU71-26, TU72-26, TU73-26, TU74-26, TU75-26, TU76-26, TU77-26, TU78-26, TU79-26, TU80-26, TU81-26, TU82-26, TU83-26, TU84-26, TU85-26, TU86-26, TU87-26, TU88-26, TU89-26, TU90-26, TU91-26, TU92-26, TU93-26, TU94-26, TU95-26, TU96-26, TU97-26, TU98-26, TU99-26, TU100-26	363		2,455		1,836		566		77%
6	Seaweed Island II	TU2-26, TU27-26	53		249		192		62		87%
7	Mariposa I & II	TU3-26, TU4-26	82		289		171		212		49%
8	Mariposa Estates (Barnet)	TU11-26, TU12-26, TU13-26, TU14-26, TU15-26, TU16-26, TU17-26, TU18-26, TU19-26, TU20-26, TU21-26, TU22-26, TU23-26, TU24-26, TU25-26, TU26-26, TU27-26, TU28-26, TU29-26, TU30-26, TU31-26, TU32-26, TU33-26, TU34-26, TU35-26, TU36-26, TU37-26, TU38-26, TU39-26, TU40-26, TU41-26, TU42-26, TU43-26, TU44-26, TU45-26, TU46-26, TU47-26, TU48-26, TU49-26, TU50-26, TU51-26, TU52-26, TU53-26, TU54-26, TU55-26, TU56-26, TU57-26, TU58-26, TU59-26, TU60-26, TU61-26, TU62-26, TU63-26, TU64-26, TU65-26, TU66-26, TU67-26, TU68-26, TU69-26, TU70-26, TU71-26, TU72-26, TU73-26, TU74-26, TU75-26, TU76-26, TU77-26, TU78-26, TU79-26, TU80-26, TU81-26, TU82-26, TU83-26, TU84-26, TU85-26, TU86-26, TU87-26, TU88-26, TU89-26, TU90-26, TU91-26, TU92-26, TU93-26, TU94-26, TU95-26, TU96-26, TU97-26, TU98-26, TU99-26, TU100-26	25		73		0		73		0%
9	Woodland & Riverside West	TU14-26 & TU15-26	183		583		531		4		12%
10	Cometone II*	TU2-26	23		193		4		189		2%
11	Simcoo Estates	TU2-26	5		28		8		20		29%
12	Shore Springs Road Springs	TU28-26 & TU19-26	53		233		271		34		89%
13	Edwards Park	TU2-26	233	12	591	270	23	0	358	212	42%
14	Westlake Villas (SPN)	TU11-26	682		2,530		322		2,308		12%
15	Malibu Manor	TU2-26	4		16		6		10		38%
16	Crusading Oaks	TU2-26	15		125		43		62		41%
17	Crystal Bay	TU11-26	153	13	591	332	0	0	351	353	0%
18	Forest Estates	TU11-26	3		18		5		13		28%
19	Old Oak Estates	TU3-26	14		82		7		56		19%
20	Eastman Estates II	TU3-26	13		77		29		48		38%
21	Tuesday Cove	TU4-26	4		42		0		14		0%
22	Talman's Crossing	NP20-26	253	10	2,121	252	0	0	2,101	264	0%
23	**Rapidist Lakes	NP1-26	1,453	57	8,553	1,556	0	0	3,336	1,556	0%
24	Sierra Vista	NP21-26, NP22-26, NP23-26, NP24-26, NP25-26, NP26-26, NP27-26, NP28-26, NP29-26, NP30-26, NP31-26, NP32-26, NP33-26, NP34-26, NP35-26, NP36-26, NP37-26, NP38-26, NP39-26, NP40-26, NP41-26, NP42-26, NP43-26, NP44-26, NP45-26, NP46-26, NP47-26, NP48-26, NP49-26, NP50-26, NP51-26, NP52-26, NP53-26, NP54-26, NP55-26, NP56-26, NP57-26, NP58-26, NP59-26, NP60-26, NP61-26, NP62-26, NP63-26, NP64-26, NP65-26, NP66-26, NP67-26, NP68-26, NP69-26, NP70-26, NP71-26, NP72-26, NP73-26, NP74-26, NP75-26, NP76-26, NP77-26, NP78-26, NP79-26, NP80-26, NP81-26, NP82-26, NP83-26, NP84-26, NP85-26, NP86-26, NP87-26, NP88-26, NP89-26, NP90-26, NP91-26, NP92-26, NP93-26, NP94-26, NP95-26, NP96-26, NP97-26, NP98-26, NP99-26, NP100-26	1,023	57	5,452	1,523	0	0	5,452	1,518	0%
25	Delta Cove (Allen Tract)	NP1-26, NP12-26, and NP103-26	342	13	1,152	331	0	0	1,154	351	0%
SINGLE FAMILY LOTS TOTAL:			5,454	193	26,177	4,421	4,533	308	23,574	4,421	16%
MULTIFAMILY LOTS TOTAL:											7%

*Multi-Family Projects (MF) are four attached units or more
TM Acres refers to the gross acreage taken in the approved Tentative Map
= The project area has not been amended to the City

"Lots Remaining" are the lots without building permits issued in that project
Based on Tentative Map of 15 parcels or more
*Model Homes, **Single Family Home

Updated: 06/10/2013

Exhibit D – Residential Development summary

C. Applications Received

There are another potential 10,401 lots that are part of other planning applications currently being considered by the City of Stockton. This number includes 2,050 lots assigned to the Bear Creek East Project. If all 10,401 are approved, Bear Creek East will be competing with 8,351 lots (10,401 – 2,050). It should be noted that of the 8,351 lots, 3,900 lots are associated with lots north of Eight Mile Road. If Stockton is to grow in a systematic manner, projects south of Eight Mile Road would perform more efficiently in the delivery of City services as infrastructure has been extended to these areas.

D. Existing Developed Lots

Several projects throughout the City of Stockton that have been approved and partially developed, yet have remaining lots available for future development. Based on the City of Stockton's Residential Subdivision Map and Residential Development table dated September 17, 2013 (See Table in Exhibit D), there are 5,050 single family lots remaining within the approved subdivisions having completed infrastructure and ready to be constructed. These units have been accounted for and included in the discussion above, "B. Applications Approved".

In total, if BCE was approved, it's approximately 2,050 lots would be competing with a total of 12,615 approved lots and 8,351 proposed lots within the City. To put the number of approved and proposed lots in perspective, the table below includes a review of other municipalities in the region, comparing their municipal population to the number of available lots.

City	Population	Approved and Received Applications, Plus Existing Developed Lots	Percentage of Approved and Received Applications to Population
Bakersfield	354,480	34,496	10.3%
Manteca	69,813	12,258	17.5%
Lathrop	17,469	20,258	115.9%
<i>Stockton (BCE Opinion – Realistic Approved and Proposed Lots Competing for Market Share)</i>	295,707	20,961	7.1%
<i>Stockton (All Approved and Proposed Lots)</i>	295,707	32,020	10.8%

As depicted above, it is the opinion of the Applicant that there is NOT an overabundance of approved lots that we would be competing with for a share of the market in a municipality the size of Stockton. If anything, it could be argued that the City of Stockton is short on realistic lots. The City should let the market dictate "how many are enough." Simple supply and demand forces will dictate pricing and absorption. Bakersfield, Lathrop and Manteca are seeing true signs of recovery and builders are returning to those markets, despite the high number of lots in some of those markets. Already in the last six months, market factors have noticeably reduced the number of lots available lots in Manteca, Lathrop and Bakersfield.

2. Status of Foreclosures

According to PropertyRadar.com. Stockton foreclosure trends are as follows:

- Notice of Default Filings (First step in the foreclosure process): 141 filings in July of 2013 – Down 53% as compared to July 2012 (302 filings).
- Pre-foreclosure Inventories (Number of properties that have had a Notice of Default filed against the property, but have not yet been scheduled for sale): 613 properties in July of 2013 – Down 53% as compared to July 2012 (1,316 properties).
- Scheduled for Sale Inventories (Number of properties that have had a Notice of Trustee Sale filed against the property, but have not yet been sold or had the sale cancelled): 276 properties in July of 2013 – Down 72% as compared to July 2012 (1,002 properties).
- Bank Owned (REO) (Number of properties that have been sold Back to the Bank at the trustee Sale, and which the bank has not yet resold to another party): 604 properties in July of 2013 – Down 33% as compared to July 2012 (907 properties).

The total number of defaults and foreclosures in July 2013 was 1,634 units, 754 in the initial stage and 880 for sale or bank owned. These properties may or may not compete in the same market place as the BCE project. They are dispersed throughout the City of Stockton and their condition and market demand may not be comparable to the BCE. At a minimum, this data is strong evidence that the great recession has ended and we are well into a period of recovery.

5. Bear Creek East Specific Plan

The issue raised was whether the BCESP had been substantially modified to the degree of constituting new information to the project description and to the EIR, thereby necessitating a recirculation of both the BCESP and the EIR. A similar issue was raised in relationship to the Traffic Analysis and has been addressed in Section 6 of this Technical Response.

In specific response to the Land Use Plan, Exhibit A, there were no significant changes in the plan from the October 2011 date to the Specific Plan before the Planning Commission dated May 2013.

Percentage of Multi-Family vs. Single Family Dwelling Units:

The commenter is in error when they state, "...only approximately 300 of the units are multiple family. All of the other units are planned to be single family homes on medium-sized to very small lots. Thus, almost 90% of the project is proposed to be single-family homes." The BCESP adds a whole new land use category of High-Medium Density Residential (HMDR) that covers 31.9 acres of the site. HMDR uses must conform to a minimum density of 13.0 gross dwelling units per acre. To achieve this density, the majority of product in this land use category will be an attached product. A large variety of housing and lot dimensions may be used and is encouraged within this land use, including but not limited to, townhomes, semi-detached patio homes, multi-plex attached units, "green courts" and "auto court" cluster units, and others.

If we consider the HMDR uses as all attached product, the project has the potential to have 664 of the 1,557 minimum unit count being attached product (43% being attached and 57% being detached product). To imply the plan avoids the flexibility of pushing the ability to have attached product and the plan having only 90% single family units (detached) is wrong and misleading. The BCESP clearly articulates the project goals and objectives of providing a variety of housing types and it can be deduced that the project will not promote the same old way of developing in the City of Stockton, thereby avoiding same typical urban sprawl seen in the past.

Land Use		Gross Acres	Minimum Units
Low Density Residential	LDR	72.7	357
Low-Medium Density Residential	LMDR	76.6	536
High-Medium Density Residential	HMDR	31.9	415
High-Density Residential	HDR	13.1	249
Subtotal		194.3	1557

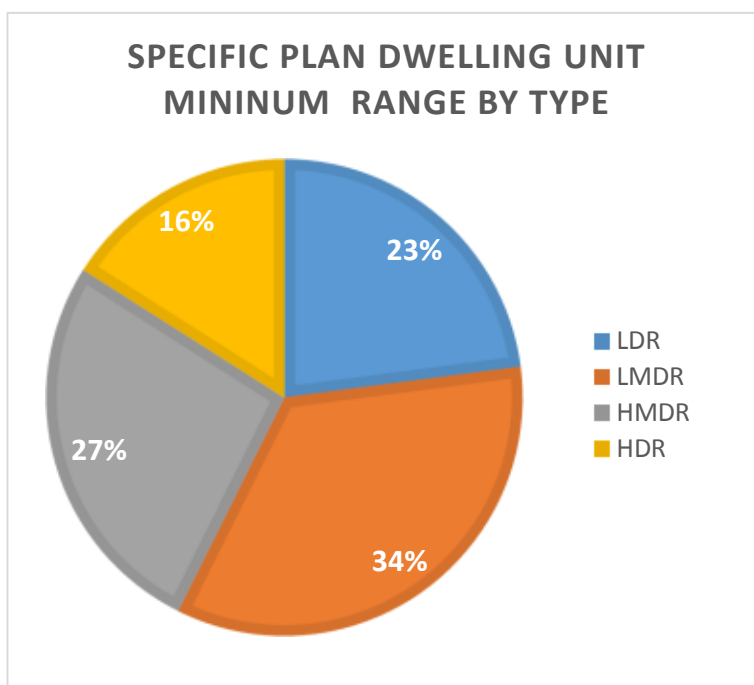


Figure 12 - Minimum Unit Percentage by Type

There are a series of text changes in the May 2013 Specific Plan that enhance the requested project mitigation. These are:

- Section 7.8 Safety Enhanced Modifications – The revised language broadened the mitigation measure required by the project.
- Section 2.1.3.1 Requirement for subsequent Entitlement review at the time of consideration of a subdivision or Vesting Tentative Map. The analysis will entail a fiscal update to determine additional mitigation which may be required for Project implementation. The objective is to

establish fiscal neutrality in relationship to providing Municipal Services.

- 12 – 22 & 23 Areas of Benefit – The language provides technical clarifications in the application of Area of Benefit to recover costs benefitting others but paid for by the project.
- Appendix C Probable Infrastructure Costs – These estimates established the infrastructure costs used in the Fiscal Analysis. In the updated value the majority of cost estimates were reduced in this schedule. The Project development will assume the responsibility for the actual cost at time of construction.

There is no substantial change in BCESP before the Planning Commission that would require recirculation of the Environmental Impact Report.

6. Transportation Plan

Question number four raised by the Delta Sierra Group and Campaign for Common Ground (DSG/CFCG) inquired as to why City staff had not required the applicant to update the transportation analysis and whether or not CalTrans had been notified of the Final Environmental Impact Report (FEIR). The letter then expands on the questions, asking detailed questions regarding the transportation analysis.

1. Current Final Environmental Impact Report is legally accurate.

The DSG/CFCG letter states that the transportation analysis is “outdated and must be updated to be legally accurate under the California Environmental Quality Act.” The Applicant asserts that the transportation analysis is more than adequate for the Project. Third party peer review and coordination with City staff insured a comprehensive and complete analysis was conducted. Traffic counts performed in 2005 were used for the initial traffic studies, however, at the direction of City Staff, new traffic counts were conducted in 2007 and used in the BCE TIS. In 2009, the San Joaquin Council of Governments (SJCOG) conducted traffic counts in the study area. Comparing the data SJCOG collected in 2009

versus the data collected in 2007, showed that the 2007 traffic volumes averaged higher than the traffic volumes collected in 2009. Furthermore, since the release of the BCE TIS, CalTrans has updated the Average Daily Trips (ADTs) for both Interstate 5 and State Route (SR) 99. The table below shows that over the past six (6) years, traffic volumes on Interstate 5 have only increased 2.1% with the volumes on SR 99 **decreasing** by 12.5%.

Year	Interstate 5	State Route 99
2005	94,000	80,000
2007	95,000	79,000
2009	96,000	64,000
2011	96,000	70,000
Δ 2005-2011	+2.1%	-12.5%

As noted in Section 1, per Title 14 CCR 15088.5(a) recirculation of the EIR would only be required if significant new information was added. Title 14 CCR 15088.5(b) specifically states that "Recirculation is not required where the new information added to the EIR merely clarifies or amplifies or makes insignificant modifications in an adequate EIR."

After analyzing the data provided by SJCOG and CalTrans, it is clear that the transportation analysis as presented in the BCE TIS is adequate. Overall the traffic volumes have been reduced, therefore no new environmental impacts occur. Furthermore, there is no substantial increase in the severity of an environmental impact. Project Alternatives and Mitigation Measures are not considerably different. In fact, the reduced traffic volumes could lead to certain mitigation measures being eliminated or at least reduced. The Applicant does not propose to revisit any of the mitigation measures, but rather continue with the FEIR as presented. Finally, the Draft Environmental Impact Report (DEIR) was adequate and fundamentally sound, the FEIR responds adequately to all of the public comments.

Application of the new traffic counts would most likely reduce any mitigation measures rather than increase them. Since a new TIS would not amplify or significantly modify the current EIR by introducing a new significant impact, nor cause any additional mitigation measures, recirculation would not be required.

2. Final Environmental Impact Report Response to CalTrans

The CalTrans letter submitted on December 16, 2011 by Tom Dumas, Chief of the Office of Metropolitan Planning to Jenny Liaw, Planner for the City of Stockton, can be summarized into the following five (5) categories:

1. Group A – TIS data needs to be updated
 - a. CalTrans comment #2, #3, #5, #6, #7, #8, #16, #25 partial, and #26
2. Group B – General Plan Related
 - a. CalTrans comment #4, #9, #12, #13, #15
3. Group C – Timing of the NOP
 - a. CalTrans comment #1, #10, #14, #21 partial
4. Group D – Regional Project Approach
 - a. CalTrans comment #11
5. Group E – Comment Does Not Contain An Action or the Information Requested Is Provided
 - a. #17, #18, #19, #20, #21 partial, #22, #23, #24, and #25 partial

Group A – TIS data needs to be updated

This one issue dominates CalTrans' comments throughout its letter. As stated previous in Section 6 of this letter, updating the TIS data will likely result in lowering of mitigation measures due to reduced trip counts in the area. The City of Stockton and the Applicant consider using the higher traffic count data from 2007 to be more conservative than revising the traffic counts to the 2010 data. Additionally, Title 14 of the California Code of Regulations, Division 6, Chapter 3, Article 9, Part 15125.a (14 CCR § 15125.a - *CEQA Guidelines*), requires that the "EIR must include a description of the physical environmental conditions in the vicinity of the project, **as they exist at the time the notice of preparation is published** [*emphasis added*]..."

CalTrans inquires further as to why the TIS for the BCE project referenced locally collected traffic count data instead of the nationwide average rates presented in the Institute for Transportation Engineers (ITE) Trip Generation document. Text from section 14 CCR § 15125.a – CEQA Guidelines states “[k]nowledge of the regional setting is critical to the assessment of environmental impacts.” The City of Stockton and the Applicant believe that applying locally collected traffic count data is more consistent with the requirements of CEQA than applying national figures.

Caltrans also inquires as to why the BCE TIS uses a certain version of the Trip Generation document for the BCW and BCS projects. The version of the Trip Generation document used in traffic impact studies of the BCW and BCS projects was used in the BCE TIS to maintain consistency with the previously-prepared Bear Creek West and Bear Creek South Traffic Impact Studies.

Mitigation requirements required for State Route (SR) 99/Morada and SR 99/Eight Mile are fully disclosed in the EIR and the TIS for this project. Both interchanges had unavoidable near-term impacts, but proposed long-term improvements to mitigate traffic congestion. Realistically, improvements to either interchange would take years to develop, engineer and construct. Since the improvements are infeasible in the near-term, the EIR and the TIS do not analyze reconstruction of the interchange in the near-term Existing Plus Approved Project (EPAP) scenario.

Group B – General Plan related

The BCE project requires a General Plan Amendment, thereby confirming that particular aspects of the BCE project are not included in the 2035 General Plan. However, as it relates to traffic generation for the project area, the 2035 General Plan does contain primarily low-density residential units, some high-density residential units and some commercial units. The City of Stockton’s General Plan Traffic Model takes these densities into consideration when estimating the Travel Demands for SR 99/Morada and SR 99/Eight Mile Road interchanges. Moreover, the BCE project has identified mitigation measures associated with these interchanges. Traffic studies conducted for this project used City of Stockton

General Plan Road Segments Level of Service Thresholds to stay consistent with the traffic analysis used in the 2035 General Plan.

CalTrans requested the year of project build-out in order to assess potential impacts to the SR 99/Morada and SR 99/Eight Mile interchanges. The EIR and the TIS address these intersections in the overall context of the 2035 General Plan including the EPAP, since a finite build-out year cannot be forecasted.

Group C – Timing of the NOP:

The NOP was circulated on November 30, 2005. At the time of circulation, the Highway Capacity Manual (HCM) 2000 was the adopted standard and no significant revisions have been made to the HCM 2010 version to warrant a revised FEIR. Pursuant to 14 CCR § 15125.a, the EIR must include the environmental conditions at the time of the NOP, therefore updating to the HCM 2010 is not a prerequisite for an approved EIR. Even if the CEQA Guidelines are ignored, comparing the HCM 2000 and HCM 2010, yields very little revisions that would affect the highway capacity modeling for this project.

When the NOP was circulated in late 2005, the “Traffix” software package was the standard software used to produce traffic models. CalTrans did not require the Synchro/Simtraffic standard until the December 16, 2011 letter, well after the NOP period. The City of Stockton uses the Traffix software package to produce its local TIS models so the current BCE TIS is consistent with the City of Stockton’s calculation method.

Ramp merge/diverge analyses and the addition of the SR 99/Hammer Lane interchange as a potential impact was noted only in the December 16, 2011 letter from Caltrans. This is well after the NOP had been circulated in 2005 and therefore no ramp merge/diverge analyses were performed nor was the interchange analyzed as part of the EIR.

Group D – Regional Project Approach

The TIS for the BCE project includes trip generation data for both the Bear Creek West and Bear Creek South projects. This was applied in order to provide a realistic regional impact for all three projects. Neither Bear Creek West nor Bear Creek South are included in the action before the City of Stockton Planning Commission. As a result, the BCE EIR must and does only include the traffic impacts associated with the BCE project.

Group E – Comment Does Not Contain an Action or the Information Requested is Provided

Figures in the TIS study included trip distributions for all project land uses, not just the elementary schools. Of course some of the proposed land uses will generate truck traffic, however the truck traffic trips generated from the BCE project would not exceed the overall mix of the land uses in the surrounding area. CalTrans request to have the truck turning path radii at the SR 99/Morada and SR 99/Eight Mile interchanges is not warranted, particularly because the traffic impact study already identifies reconstruction of these interchanges as a needed improvement.

This project will result in an increased demand for Park-and-Ride facilities. Impact TRANS4: BCESP Effects on Park-and-Ride Facilities identifies the areas and corridors that would generate the demand for the additional nineteen (19) park-and-ride spaces. The action before the Planning Commission does not include Tentative Subdivision Maps, therefore exact locations of the park-and-ride spaces cannot be provided at this time. It should be noted that the City of Stockton also collects a mitigation fee on residential subdivision projects which is intended to contribute to financing future park-and-ride facilities located near the California highway system.

Signal Warrant Worksheets and Vehicle Queuing Studies are all provided in Technical Appendices. It is unclear why CalTrans is not referencing the appropriate documents.

In their most recent letter CalTrans is requesting information on mitigation measures associated with previously approved projects. Unfortunately, the EIR for the BCE project does not contain this information. CEQA requirements dictate that the EIR document clearly identify mitigations measures only for the BCE project.

CalTrans states that six interstate or highway intersections require mitigations. The Applicant disagrees that the Interstate 5 /Eight Mile Road Northbound ramps require mitigation. The level of service at this intersection does not degrade enough to warrant any mitigation. As for the other five intersections, the EIR document contains mitigation measures to address the near-term and long-term solutions. Furthermore, the Regional Transportation Impact Fee (RTIF), collected at the time of permit issuance, would be applied to fund any interchange improvements to SR 99.

In the later part of the December 16, 2011 letter, CalTrans is misunderstanding some of the data shown on various figures. Many of the figures represented in the TIS are based on the defined mitigation measures detailed in the EIR. Caltrans is applying its proposed revisions to various figures on the EIR, thereby making the figures appear incorrect to the reviewer.

The EIR document is fundamentally sound and adequate and should be approved by the City of Stockton Planning Commission. Furthermore, CalTrans comments in the December 16, 2011 letter have been adequately addressed in the EIR document.

7. Climate Action Plan

In the development of the BCESP, EIR and the Mitigation Monitoring Program there is repetitive attention to the issues of Global Climate Change (G.C.C.) and the State Regulatory (Assembly Bill (AB) 32 and Senate Bill (SB) 375) requirements. That recognition was further extended to the obligation to implement the Climate Action Plan once adopted by the Stockton City Council. These obligations are contained in the referenced document (GHG [Greenhouse Gas] 3.1 Mitigation Measures) of the BCESP.

Findings of Fact and Mitigation Monitoring/Reporting Program for BCESP

9.6 Global Climate Change

G.C.C.3. Consistency with Applicable GHG Plans and Policies

The BCESP conforms to the existing programs and standards of plans at the state and local level. The City's Climate Action Plan is not in place and standards that would permit implementation of some of the Early Climate Protection Action have not been established.

Finding: Changes or other actions have been required in, or incorporated into the project, which avoid or substantially lessen, the significant environmental effects as identified in the Final EIR.

GHG 3.1 Mitigation Measure

"The [Owner Developer Successors of Interest] (ODS) shall commit to implement all applicable programs and policies in the Climate Action Plan adopted by the City of Stockton and conform to applicable standards established by the adopted Climate Action Plan. If any provisions of the Climate Action Plan conflict with the greenhouse gas reduction measures in the BCESP, the more stringent measure or provision in reducing greenhouse gas emissions shall be implemented by the ODS and the BCESP shall be amended as necessary."

The BCESP affirms the designed Greenhouse Gas Reduction features already incorporated in the planning process for the project. The feature incorporated will result in the reduction of greenhouse emissions to levels below "conventional" or "business as usual" developments. (Policy 9.6)

It is understood that all Greenhouse Gas emission reduction programs adopted by State, Regional or City of Stockton will be incorporated through the certification of the Environmental Impact Report, adoption of the Mitigation Monitoring Report and the approval of the BCESP.

Further, should changes in Federal, State, Regional and Local Green House Gas emissions reduction be enacted they may necessitate changes in the adopted BCESP to establish compliance, prior to action on a vesting tentative map.

8. General Plan Amendments

The City of Stockton is the central component to a regional economy which is linked to the San Francisco Bay Area, the Northern San Joaquin Valley and Southern Sacramento County. It is in this sub-region that is the economic engine that drives the demand for job generation and housing.

The strength of this sub-region is its diverse economic base, agriculture, food processing, manufacturing, goods movement and regional banking and medical services. This sub-region of 1.4 million population provides a housing and logistics link to the Bay Area. As has been identified in the San Joaquin Council of Governments commuter studies show there is an active workforce interaction not only to the Bay Area but between the cities of all three counties making up this sub-region.

The City of Stockton's position within the sub-region will be dependent on its rate of recovery from the recession, business closures, relocations, and the City's bankruptcy necessitating a clearly articulated strategy for Economic Recovery.

The private sector, taking into consideration market forces, must lead in its reinvestment in the Stockton Metropolitan area but its success will be in conjunction with the level of the commitment to an Economic Development Strategy for commercial, industrial and residential development.

The City of Stockton's adopted 2035 General Plan was based on housing and employment trends of the late 1990's and early 2000's. The influence of San Francisco Bay Area growth, driven by technology expansion and scarcity of affordable housing drove the housing boom and dramatic rise in long distance commuters.

The General Plan did not foresee the global recession, off-shoring of technology manufacturing, financial and housing markets collapses. The results of these external factors, along with the City of Stockton fiscal collapse and its resultant bankruptcy, necessitates a comprehensive “overhaul of the General Plan and its eleven elements plus the associated Capital Improvement Plan and Fee Schedule,” identified in the budget message FY 2013 – 2014.

Additionally, external influences from Federal, State and Regional Agencies are exerting pressures from existing and proposed regulations. A few examples are the Bay-Delta Conservation Plan and accompanying state regulations, SB5 Flood Plain Mapping, SB 375 Regional Sustainable Transportation Plan and the implications of the County General Plan update process.

Other impacting factors relate to the Merced to Sacramento Corridor High Speed Rail and its bridging strategy for conventional rail expansion in the next decade. This component will have significant influence on the concept and development of a Transit Oriented District in Downtown Stockton.

These factors in total necessitate, not a piecemeal amendment, but a comprehensive revamping of the General Plan to provide an economically viable and sustainable foundation for the City of Stockton. If this need for comprehensive review is valid, there remains an underlying need to meet current and future housing demand and to stimulate job development in service, retail and industrial development. The General Plan Revision, Economic Development Strategy and Downtown Strategic Plan must be done concurrently with strong investment by the private sector.

In the face of a Bankruptcy Workout Plan it is essential to encourage private sector investment to sustain the Stockton Area economy and re-establish the City of Stockton revenues to meet essential service demands. It is important then to review individual projects that address both prior and present General Plan Policies and the consistency with such policies and established fiscal neutrality for the City of Stockton.

BCE presents in total this principle given the comprehensive review, impact analysis identification of required mitigations and assumption of financial responsibility to meet and sustain the fiscal neutrality in relationship to the City of Stockton.