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## REPORT

# PLAN FOR SERVICES TRA VIGNE DEVELOPMENT PROJECT

Prepared for MCD-North Stockton, LLC

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## INTRODUCTION

Pursuant to Section 56653 of the California Government Code, the San Joaquin County Local Agency Formation Commission (LAFCO) requires that any application for a change of organization or reorganization be accompanied by a plan for providing services to the area affected by the requested change of boundary. This plan is also required by the City's municipal code SMC 16.216.070(D). In accordance with the cited code sections, the Plan includes the following information:

1. An enumeration and description of the services to be extended to the affected territory.
2. The level and range of those services.
3. An indication of when those services can feasibly be extended to the affected territory.
4. An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.

The proposal being submitted to LAFCO includes the annexation of approximately 341± gross acres of land to the City of Stockton (including existing public rights of way).<sup>2</sup> A number of related land use entitlement applications are being submitted for approval by the City of Stockton to develop the area as residential development with a variety of commercial uses.

The developer will be required to install all City utilities and improvements consistent with approved City Utility Master Plans as shown on its Tentative Subdivision Map.

The Project will be responsible for funding and/or construction of required improvements, subject to credits against the Project's impact fee obligations and potential future reimbursements from other benefitting properties through a City-created special district or benefit fee.

Infrastructure maintenance and public services required by the Project will be funded through a combination of City revenues generated by the Project (e.g., property taxes, sales taxes, and other public revenues) and Project-specific assessments and CFD special taxes for services/maintenance. Other new development in the area is expected to contribute to the funding of shared facilities and infrastructure by payment of Area of Benefit fees and/or participation in private funding agreements for their proportionate share of facilities.

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<sup>2</sup> Notice of Preparation (NOP), July 7, 2017. See Table 1, pg. 3.

The proposal also requires detachment from several existing districts as follows:

- **Waterloo-Morada Fire Protection District** – The detachment will be subject to an agreement to mitigate the District’s loss of current property taxes. Future services will be provided by the City of Stockton.
- **Resource Conservation District (RCD)** – Formed in the early 1980s, the RCD encompasses all of the unincorporated regions of San Joaquin County and includes those areas formerly found within soil conservation districts. The District provides a range of programs oriented around the mission of protecting agricultural soil and related resources. The RCD does not collect property taxes and therefore detachment will not cause a financial impact.
- **Woodbridge Irrigation District (WID)** – The Woodbridge Irrigation District, organized in 1924 under Irrigation District Law, has the authority divert water from the Mokelumne River (Lodi Lake) and provide water service within its geographic boundaries (an area of approximately 63 square miles).<sup>3</sup> Future services will be provided by the City of Stockton. The District’s property tax factor would be shared between the City and County.

The annexation of the property to the City will be subject to a tax share agreement between the City and County.<sup>4</sup> Taxes currently accruing to the County’s General Fund and Road Fund, plus the taxes of detached districts (Waterloo-Morada Fire Protection District and the Woodbridge Irrigation District) will be shared according to the tax share agreement.

The following sections provide a Service Plan including a description of the proposed Project, existing and proposed services to the Project, and a summary of proposed financing of needed services, public facilities and infrastructure documented in further detail in separate reports.

A Fiscal Impact Analysis (FIA) of the proposed project, prepared under separate cover, evaluates the fiscal impacts of the Project on the City of Stockton’s operating budget’s annual costs and revenues, and demonstrates how annual services and maintenance functions will be funded. A Public Facilities Financing Plan (PFFP) describes a strategy for financing infrastructure and public facilities.

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<sup>3</sup> WID website, accessed 9/8/17, [sites.google.com/site/woodbridgeirrigationdistrict//home/about-us](https://sites.google.com/site/woodbridgeirrigationdistrict//home/about-us)

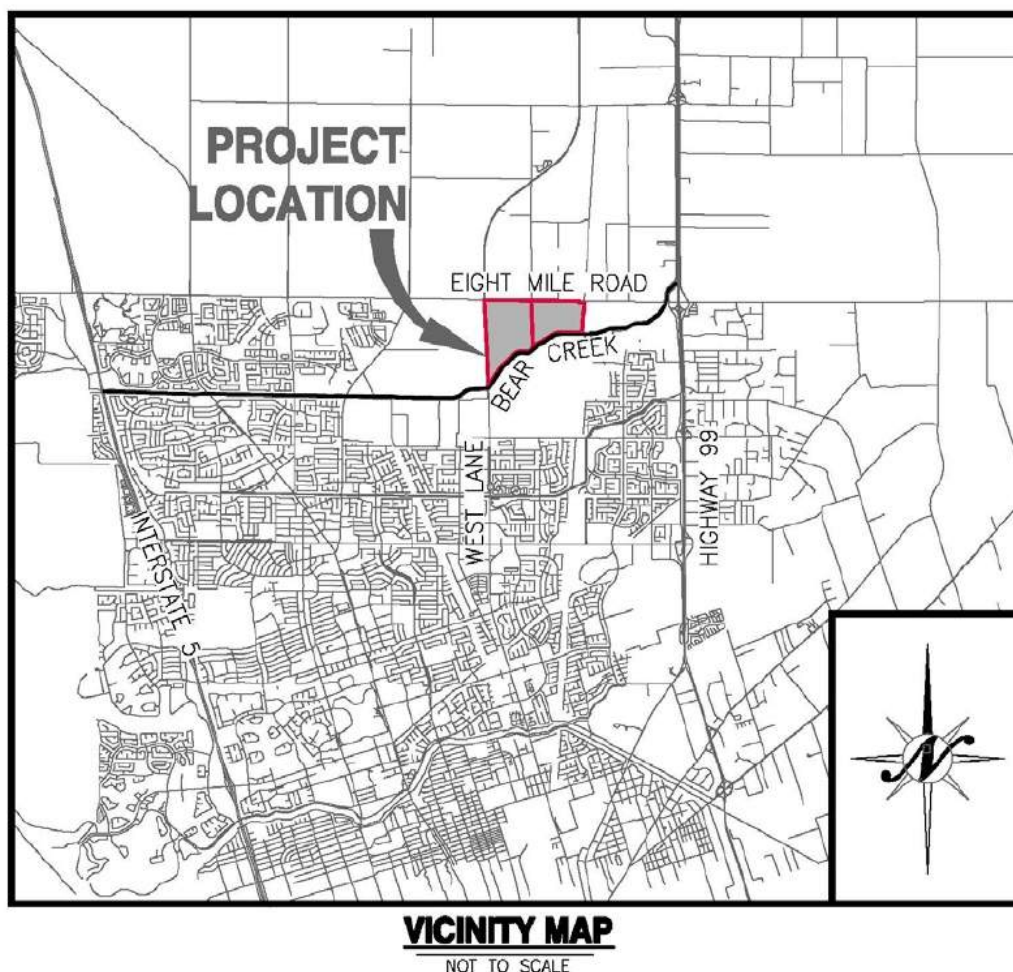
<sup>4</sup> “Agreement for Property Tax Allocation upon Annexation”, Exhibit 1 to Resolution Approving an Agreement for Property Tax Allocation and a Deferred Annexation Agreement for the Airpark 599 Project.

## 1. PROJECT DESCRIPTION

The proposed Project site is located in the northeastern portion of the City of Stockton Metropolitan Area, within the unincorporated area of San Joaquin County as shown in **Figure 1**. The Project area is adjacent to the City of Stockton city limits to the east, within the Stockton Sphere of Influence (SOI) as defined in the 2035 Stockton General Plan, and within the City of Stockton Urban Services Boundary.

The Project site consists largely of active agricultural fields (roughly 253 acres in production) and 15.57 acres of existing industrial uses in the north-central portion of the Project site; uses within these existing industrial lots include Pacific Bell, and Bragg Investment Company.<sup>5</sup>

**Figure 1 Tra Vigne Site Location**



<sup>5</sup> Notice of Preparation (NOP), July 7, 2017. See Project Location and Setting, Existing Site Uses, pg. 3.

## PROPOSED DEVELOPMENT

The Project site's two sub-planning areas are Tra Vigne West and Tra Vigne East. **Figure 2** provides a conceptual site plan illustrating the development of 1,413 residential units (1,073 single-family units and 340 multifamily units), a 14.7-acre school site,<sup>6</sup> a 15-acre existing Industrial area, a 10.5-acre commercial area, 15 acres of park space, and 20 acres of open space mainly along Bear Creek.<sup>7</sup> If the school site is excluded, up to 90 additional units could be built.

## ASSESSED VALUE

**Table 1** summarizes the existing assessed value of parcel within the Project area. Development of the Project will significantly increase the assessed value to nearly \$575 million after construction of all phases.

**Table 1 Existing Assessed Value**

APN	Owner	Acres	Tax Rate Area	FY18-19 Land Value	FY18-19 Improve- ments	Other	Net Taxable	FY18-19 Taxes
120-020-01	MCD South Parcel, LLC	0.75	099-198	\$0	\$0	\$0	\$0	\$2
120-020-02	MCD North Parcel, LLC	80.50	099-406	\$4,415,599			\$4,415,599	\$50,162
120-020-03	Western States Land, LLC	38.34	099-406	\$958,500			\$958,500	\$12,291
120-020-13	Pacific Bell	5.29	099-406	not taxable				
120-020-14	Bragg Investment Compa	10.28	099-406	\$1,987,011	\$1,711,037		\$3,698,048	\$41,069
120-020-15	Woodside Teresi LLC	98.02	099-406	\$2,450,000		\$331,500	\$2,781,500	
120-020-17	MCD South Parcel, LLC	25.53	099-198	\$958,130			\$958,130	\$11,204
120-020-18	MCD South Parcel, LLC	5.68	099-406	\$213,559			\$213,559	\$2,517
120-020-19	MCD South Parcel, LLC	12.66	099-198	\$473,293			\$473,293	\$5,549
120-020-20	MCD South Parcel, LLC	3.52	099-198	\$0			\$0	\$185
120-020-22	MCD South Parcel, LLC	20.21	099-406	\$756,115			\$756,115	\$8,824
120-020-23	MCD South Parcel, LLC	12.97	099-406	\$484,387			\$484,387	\$5,663
122-010-002	UPRR	2.84		not taxable				\$0
122-010-004	UPRR	<u>2.23</u>		not taxable				<u>\$0</u>
<b>Subtotal</b>		318.82		\$12,696,594	\$1,711,037		\$14,739,131	\$137,466
<b>Rights of Way (existing County ROW)</b>		22.35						
<b>Total</b>		341.17	Total Annexation Area					

Source: Parcels from Notice of Preparation (NOP), July 7, 2017, Table 1 (pg. 3); <http://www.sjgov.org/assessor/roll.aspx>

<sup>6</sup> A scenario without a school site would allow an additional 90 low density residential units.

<sup>7</sup> Notice of Preparation (NOP), July 7, 2017. See Project Description, Project Characteristics, pg. 7.

Figure 2 Tra Vigne Conceptual Site Plan



## EXISTING AND PROPOSED SERVICE PROVIDERS

**Table 2** summarizes existing service providers, and future providers following annexation. The following chapter describes service providers in greater detail.

**Table 2 Summary of Existing and Future Service Providers**

Service	Current Provider	Post-Annexation
<b>General Government</b>	County of San Joaquin	City of Stockton
<b>Animal Control</b>	County of San Joaquin	City of Stockton Police Dept./Animal Control
<b>Road Maintenance</b>	County of San Joaquin	City of Stockton Public Works Dept.
<b>Police Protection</b>	County of San Joaquin Sheriff's Dept.	City of Stockton Police Dept.
<b>Fire Protection</b>	Waterloo-Morada Rural Fire Protection District	City of Stockton Fire Dept.
<b>Parks and Recreation</b>	na	City of Stockton
<b>Schools</b>	Lodi Unified School District	No Change
<b>Libraries</b>	County of San Joaquin/ City of Stockton	No Change
<b>Wastewater</b>	na	City of Stockton Municipal Utilities Dept.
<b>Water</b>	Woodbridge Irrigation District	City of Stockton Municipal Utilities Dept.
<b>Storm Water</b>	County of San Joaquin	City of Stockton Municipal Utilities Dept.
<b>Solid Waste</b>	na	City of Stockton/ Private Haulers
<b>Other Utility Services</b>	Various Utility Companies	No Change

5/2/18



## 2. PLAN FOR SERVICES

The Project would be annexed to the City of Stockton and served by City services and public utilities, in addition to private utility providers. The following sections generally describe the services provided, timing of services and method of funding. Detachments from existing agencies are noted.

The Fiscal Impact Analysis prepared for the Project shows that General Fund revenues and other City tax revenues generated by the Project, supplemented by a Community Facilities District special tax for services/maintenance paid by the Project, will fund public services provided by the City. In addition, the Project will participate in existing City maintenance districts to fund the Project's costs for street lighting, parks, open space and drainage maintenance. Funding of facilities and services are further described in **Chapter 3**.

### GENERAL GOVERNMENT

Currently the County provides general government services and management of other public services described in this section to the largely undeveloped area, although the City is responsible for managing the development and approval process. Annexation will shift responsibility for general government services, as well as other urban services, to the City of Stockton. The County will continue to be responsible for public health and welfare and other Countywide services.

### ANIMAL CONTROL

Following annexation, the City will be responsible for animal control services, which are handled by a division of the police department. The City also maintains and staffs an animal shelter.

### ROAD MAINTENANCE

Following annexation and development, the City of Stockton will be responsible for maintenance of roads and related facilities. Responsibilities of the Public Works Department include maintenance, repair and replacement for the following facilities:

- 763 miles of roads
- Over 1,200 miles of sidewalk, pavement striping and markings
- More than 16,000 traffic control signs

Public Works also maintains and pays the electrical power costs for over 19,000 streetlights and 308 traffic signals. State Gas Tax and Measure K maintenance revenues help to fund road maintenance, in addition to the General Fund.

The Parks Section of Public Works manages over 2.0 million square feet of median and streetscape landscape maintenance, alley maintenance, and weed spraying.<sup>8</sup> As described below under Parks and Recreation, it is anticipated that the Project will become a new zone within the City's existing Consolidated Landscape Maintenance Assessment District 96-2 and pay assessments to help fund maintenance of Project facilities.

## POLICE PROTECTION

The City of Stockton's police department will take over responsibility from the County Sheriff for serving the Project. The City is in the process of rebuilding its staffing, and currently reports 485 sworn officers,<sup>9</sup> a ratio slightly above 1.5 sworn officers per 1,000 population.<sup>10</sup> This ratio meets the City's General Plan minimum standard of 1.5 sworn officers per 1,000 residents.<sup>11</sup>

It is important to note that the Citywide standard incorporates demand from commercial and industrial uses as well as residential, although the combined demand is combined into a single "per resident" measure. The Project has a much smaller component of commercial uses relative to Citywide averages, therefore the Citywide standard is not directly applicable to police needs from the Project. Consistent with the methodology in the City's Fiscal Template, the FIA for the Project utilizes a "service population" standard that assigns police services demand to residential uses separately from commercial uses.

Additional police staff will be funded from annual General Fund revenues generated by new residents and commercial activity of the Project supplemented by a Community Facilities District special tax for services/maintenance paid by the Project. In addition to General Fund revenues, the City has adopted additional sales taxes for police and public safety; expenditures by new residents within the City's boundaries will increase these revenues, and expenditures at the Project's commercial center by Project and City residents, and visitors to the City, will further increase taxable sales.

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<sup>8</sup> City of Stockton Adopted Budget FY17-18, pg. F-3.

<sup>9</sup> City of Stockton website, retrieved 5/2/18,  
<http://www.stocktongov.com/government/departments/police/about.html>

<sup>10</sup> According to the Cal. State DOF, Stockton's population was 320,554 on January 1, 2017.

<sup>11</sup> City of Stockton General Plan, Public Facilities and Services Element, PFS-7.2.

The proposed Project would not require the construction of police department facilities.<sup>12</sup> The City will collect Public Facility Fees for Police Station Expansion from new residential and commercial development to help fund new facilities if required in the future.<sup>13</sup>

## FIRE PROTECTION

The Waterloo-Morada Rural Fire District currently provides fire protection to the Project area. Detachment from the District will shift property tax revenues from the District to the City, creating a financial impact upon the District. The Waterloo-Morada Fire District will receive a one-time mitigation payment from the Project Developer equivalent to their current share of the existing site's property tax revenues.<sup>14</sup>

Upon annexation, the City of Stockton Fire Department will serve the Project. The Project is expected to be within the service area of the City's Fire Station #13 at the time of initial development and occupancy of units, meeting City service standards. Should the Developer want to initiate construction of homes prior to the substantial completion of Holman Road Bridge Road Extension it may exercise the provision of the Interim Emergency Services Agreement to fund fire service equipment and staff to assure adequate service.

Additional fire department staff that may be required to serve the Project will be funded from annual General Fund revenues generated by new residents and commercial activity of the Project supplemented by a Community Facilities District special tax for services/maintenance paid by the Project.

Existing Public Facility Fees to be paid by the Project will help fund future capital costs that may be required. The developer may also participate in funding road improvements that may be required to achieve response time standards.

## PARKS AND RECREATION

The Project includes plans for 15.07 acres of park space and 20.36 acres of open space mainly located along Bear Creek.<sup>15</sup> The City collects a parkland facility fee from new residential

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<sup>12</sup> Draft Environmental Impact Report (DEIR) for the Tra Vigne Development Project, Volume II, April 2018,pg. 3.12-7.

<sup>13</sup> See City of Stockton Fee Schedule.

<sup>14</sup> The mitigation agreement has been negotiated and includes a one-time, upfront payment from the Developer to the District.

<sup>15</sup> Notice of Preparation (NOP), July 7, 2017. See Project Description, Project Characteristics, pg. 7.

development that can help to fund improvements to land reserved within the site for new parks.<sup>16</sup>

Maintenance of public parks is the responsibility of the City's Public Works Department (Parks Division). The City utilizes funds from its Consolidated Landscape Maintenance Assessment District 96-2 Fund. Improvements maintained include, but are not limited to, street and median landscaping, fountains, ornamental structures, public lighting (such as street lights and traffic signals), walls, irrigation, parks, and park equipment. Maintenance typically includes mowing, edging, trash collection, irrigation system operation and repairs, and replanting of landscape. All maintenance services are provided by contract with the exception that lighting work is typically performed by City staff with time charged to the District.

It is expected that the City will create a new zone for the Project within the City's existing Consolidated Landscape Maintenance Assessment District 96-2 Fund; assessments paid by the Project would be utilized only within the zone.

The City's Community Services Department provides recreation services and programs to residents. The Project will generate new General Fund revenues, and Measure M sales taxes (0.25%) for library and recreation services, to help fund operating costs for recreation programs, in addition to program fees from participants. These revenues would be supplemented by a Community Facilities District special tax for services/maintenance paid by the Project.

## SCHOOLS

The Project site is located within the service boundaries of the Lodi Unified School District (LUSD). LUSD provides school services for grades K through 12 within the communities of Lodi, North Stockton, and the communities of Acampo, Clements, Lockeford, Victor, and Woodbridge.

The proposed project anticipates the construction of a new school facility.<sup>17</sup> The Project has set aside a 14.7-acre site for a K-8 school to be developed by the LUSD.<sup>18</sup> A new school would be funded through a combination of development impact fees charged by the school district to new residential and commercial development, District voter-approved bond funds,<sup>19</sup> and State

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<sup>16</sup> See City of Stockton Fee Schedule.

<sup>17</sup> *ibid*, DEIR, Volume II, April 2018, pg. 3.12-23.

<sup>18</sup> Draft Environmental Impact Report (DEIR) for the Tra Vigne Development Project, Volume II, April 2018, pg. 3.12-7.

<sup>19</sup> District bond funds include Measure L \$114,000,000 General Obligation Bonds 2006, \$60,000,000 balance remaining as of March 2017, for rehabilitation and new school facilities; and Measure U,

bond funds as available. School district operations are funded through State revenues including locally generated property taxes supplemented by other State revenues.

## LIBRARIES

The public library system in San Joaquin County is operated by the City of Stockton and funded jointly by the City and the County.

The City would charge Public Facilities Fees for library facilities to serve new residential and commercial development in the Project.<sup>20</sup> These fees could help to fund the proposed new regional branch library planned to be located on a City-owned site adjacent to the campus of the Lodi Unified School District's McNair High School. This site has been selected to be the first priority for a new library to be constructed from proceeds of Measure M.

The Project will generate new public tax revenues, including Measure M sales taxes (0.25%) for library and recreation services, to help fund operating costs. The fiscal impact analysis prepared for the Project demonstrates that net new tax revenues to the City from the Project will offset additional service costs, including library services allocated proportionate to new residents, assuming the Project also pays assessments and CFD special taxes proposed by the City.

## WASTEWATER

Following annexation, wastewater flows from the Project will be collected and treated by the City of Stockton Municipal Utilities Department (CSMUD) via an onsite collection system within the Project's roads. Offsite facilities include construction of sewer mains beginning at Street B and West Lane thence south on West Lane to the north edge of the Bear Creek Levee westerly to connect to an existing pump station in Northwest Stockton in System 10, then to the City's Regional Wastewater Control Facility (RWCF) for treatment. The development of the Project "would not exceed the wastewater discharge requirements" for the RWCF under current NPDES orders.<sup>21</sup>

Stockton's General Plan policies require that, prior to the approval of any tentative subdivision map, there be a demonstration that "existing treatment capacity is or will be available and that

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\$281,000,000 General Obligation Bonds approved November 8, 2016 for repair expansion, safety and upgrades.

<sup>20</sup> See City of Stockton Fee Schedule.

<sup>21</sup> *ibid*, DEIR, Volume II, April 2018, pg. 3.14-9.

needed physical improvements for treating wastewater from the Project site will be in place prior to occupancy.”<sup>22</sup>

Onsite and offsite wastewater collection infrastructure will be funded and constructed by the Developer through the use of conventional real estate development funding sources that may include some combination of developer equity, land sales proceeds, and Community Facilities District funds, as well as utility connection and other charges. The Project’s PFFP anticipates that certain facilities constructed by the Developer will be oversized to serve other new development, and will be entitled to reimbursement, for example through an Area of Benefit Fee, and through credits against City Public Facilities Fees and other reimbursements.

New residents, commercial and industrial activities would pay the City’s monthly service charges to fund operations, maintenance and capital replacement.<sup>23</sup>

## WATER

Following annexation, the Project would be provided with potable water by the City of Stockton Municipal Utilities Department (CSMUD), which serves the northern and southern portions of the City. Projected potable water demand of 808.01 acre-feet per year (AFY)<sup>24</sup> can be accommodated within the water supply capacity and projected total demand of CSMUD, according to documents prepared by the City.<sup>25</sup>

Water distribution will be by an underground distribution system installed per City of Stockton standards and its adopted Water Master Plan consistent with the City’s General Plan 2035.

The water system would consist of 24-inch and 12-inch lines along West Lane and Eight Mile Road, and a looped network of 18-, 16- and 12-inch lines located within the Project site, including oversizing to serve other developments. Local service lines, eight inches in diameter or larger would extend along proposed streets to provide water service to all proposed land uses at their street frontage. The proposed project would include the development of a new City

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<sup>22</sup> City of Stockton General Plan, Public Facilities and Services Element, Wastewater Policies, PFS-3.8.

<sup>23</sup> See City of Stockton Fee Schedule.

<sup>24</sup> Projected water demand estimates referenced in the Chapter 3.14 Utilities of the Draft EIR for the Project are based on the *Water Supply Assessment* (Municipal Utilities Department, 2017).

<sup>25</sup> Projected water supply and demand through 2040 according to the City’s most recently adopted *Urban Water Management Plan* (UWMP) adopted by the City Council on July 12, 2016. See also DEIR, pg. 3.14-27.

potable water well to be located at the southwest corner of the site, adjacent to Bear Creek and West Lane; the proposed project intends to dedicate the site for well development. The off-site water pipeline would include extension of a water pipeline from the existing 12-inch water line along Eight Mile Road east 1,200 linear feet (LF) to Lower Sacramento Road and along Eight Mile Road to West Lane. This pipeline would ultimately connect to an existing water main at Marlette Road. The proposed Project would not require the construction of new water treatment facilities or expansion of existing water treatment facilities for water service.<sup>26</sup>

Stockton's General Plan policies require that, prior to the approval of project entitlements, "verification that existing sources are or will be available and that needed physical improvements for treating and delivering water to the Project site will be in place prior to occupancy."<sup>27</sup>

Onsite water infrastructure will be funded and constructed by the Developer through the use of conventional real estate development funding sources that may include some combination of developer equity, land sales proceeds, and Community Facilities District funds, as well as utility connection and other charges. The Project's PFFP anticipates that certain facilities constructed by the Developer will be oversized to serve other new development, and will be entitled to reimbursement, for example through an Area Development Impact Fee, and through credits against City Public Facilities Fees and other reimbursements.

The Developer will also pay infrastructure connection charges according to adopted City fee schedules<sup>28</sup> as well as a one-time Delta Water Supply Project Surface Water Supply Fee<sup>29</sup> and Stockton East Water District fee.<sup>30</sup> New residents, commercial and industrial activities would pay the City's monthly service charges to fund operations, maintenance and capital replacement.

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<sup>26</sup> *ibid*, Draft EIR, pg. 3.14-32.

<sup>27</sup> City of Stockton General Plan, Public Facilities and Services Element, Water Supply and Delivery Policies, PFS-2.13.

<sup>28</sup> See City of Stockton Fee Schedule.

<sup>29</sup> See City of Stockton Fee Schedule

<sup>30</sup> See City of Stockton Fee Schedule

## STORM WATER

Development of the proposed Project would include construction of a new storm drainage system, including a drainage collection system, and two detention basins. It is anticipated that a pump station that would discharge to Bear Creek would be installed at the Tra Vigne West detention basin.<sup>31</sup>

Onsite storm water infrastructure will be funded and constructed by the Developer through the use of conventional real estate development funding sources that may include some combination of developer equity, land sales proceeds, and Community Facilities District funds.

The City will require that a maintenance entity be established to provide for the operation, maintenance, and replacement costs of the detention pond system and other drainage system features of the Project, estimated to cost approximately \$50,000 to \$70,000 annually.<sup>32</sup> The Project's FIA and PFFP anticipate that the Project would fund those costs through assessments that could be charged to a newly created zone for the Project within the Stockton Consolidated Storm Drainage Maintenance Assessment District No. 2005-1. In addition, homeowners will be responsible for paying a storm water monthly fee.<sup>33</sup>

## SOLID WASTE

The City of Stockton Public Works Department (Solid Waste & Recycling Division) provides solid waste hauling service for the City of Stockton. This agency, through its contractors, would serve the proposed Project.

## OTHER UTILITY SERVICES

Other utility services, typically provided by private utility companies, including gas, electric, telephone, and cable, will be constructed in conjunction with Project infrastructure. These utilities will be funded in conjunction with the utility companies through sources that may include some combination of developer equity, land sales proceeds, and Community Facilities District funds. In many cases, for example cable and internet services, the provider will fund the capital costs in expectation of future user revenues.

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<sup>31</sup> *ibid*, Draft EIR, pg. 3.14-50.

<sup>32</sup> West Yost Associates, Technical Memorandum, Operations, Maintenance and Replacement Costs for Detention Basins at Tra Vigne, September 1, 2017.

<sup>33</sup> SMC 13.16.180 Storm water Rate Structure.



### 3. FUNDING OF PUBLIC SERVICES & FACILITIES

The Project will fund the services, infrastructure and public facilities required to serve new residents and commercial activity, as noted in the prior chapter and summarized in this section. In addition to onsite infrastructure, the Project will help fund Citywide infrastructure serving other new development through payment of impact fees, and through increased tax revenues that will help to restore and enhance Citywide services.

#### ANNUAL OPERATIONS AND MAINTENANCE

Maintenance of new infrastructure and expansion of City staff to serve demands of the Project will be funded through a combination of City revenues generated by the Project (e.g., property taxes, sales taxes, and other public revenues) and Project-specific assessments and CFD special taxes for maintenance. The fiscal impact analysis prepared for the Project demonstrates that net new tax revenues to the City from the Project will offset additional service costs, after payment of assessments and special taxes. In certain cases, for example park, landscape and open space maintenance, as well as storm water, it is anticipated that the Project will create a zone within existing City maintenance districts and pay assessments for maintenance of parks and drainage facilities. These options are described in the FIA and PFFP prepared for the Project.

#### PROPERTY TAX

A share of property tax will be shifted from the County's General and Road Fund, library fund, and from the Waterloo-Morada Fire Protection District and Woodbridge Irrigation District to the City, pursuant to a tax share agreement between the City and the County. Property tax revenues, in addition to other City revenues, charges, and additional Project assessments and/or special taxes, will fund maintenance and capital replacement of infrastructure and public facilities, in addition to required public services. The Project's FIA describes property tax revenues in greater detail.

#### OTHER REVENUES

In addition to property taxes, a range of other revenues will be generated by the Project, including sales taxes from expenditures by new residents at existing City businesses, and sales taxes generated by new commercial development within the Project. Other revenues are further described in the Fiscal Impact Analysis prepared for the Project.

Utility operations and enterprises managed by the City charge fees for services that will be paid by new utility customers at the Project; these revenues will help to fund maintenance, operations, and infrastructure capital repair/replacement.

## CAPITAL IMPROVEMENTS

Development funding, supported by the value created by the Project, will be the primary source for funding onsite capital improvements. Specific financing mechanisms, in addition to land sales, may include Community Facilities District special taxes and bonds. These sources and mechanisms are described in the PFFP prepared for the Project. It is likely that the Project will be reimbursed from other new development for facility and infrastructure oversizing built by the Project that will benefit other projects.

## IMPACT FEES

City infrastructure and public facilities, serving the Project as well as other new development and residents, will be funded through impact fees to be paid by Project development. Impact fees are estimated to total approximately \$80 million. As described in the Project's PFFP, the Project developers will qualify for credits against certain City Public Facilities Fees for construction of infrastructure and facilities that are part of City plans in addition to reimbursements from other City sources.

## AREA OF BENEFIT IMPACT FEES

The PFFP also anticipates the creation of Area of Benefit impact fees to provide reimbursement to the Tra Vigne developer for Tra Vigne's initial construction and oversizing of infrastructure that will also benefit other area development.