

ADMINISTRATIVE REVIEW DRAFT  
ANNEXATION REPORT  
HAMMER LANE DEVELOPMENT  
ANNEXATION FILE NO. \_\_\_\_\_

July 27, 2020

## **1.0 INTRODUCTION AND PROJECT INFORMATION**

This report provides background information and analysis in support of the proposed Hammer Lane Annexation to the City of Stockton. The report addresses annexation compliance with applicable San Joaquin Local Agency Formation Commission (LAFCo) rules and regulations, describes the plan for provision of City services to the annexation area, analyzes the fiscal effects of the annexation and documents the availability of adequate potable water supply to the project. The contents of this document are as follows:

- 1.0 Introduction and Project Information
- 2.0 Consistency of Proposed Annexation with LAFCo Policy
- 3.0 City Services Plan for Proposed Annexation Area
- 4.0 Fiscal Effects of Proposed Annexation
- 5.0 Availability of Adequate Water Supply

The Hammer Lane Annexation project proposes annexation of three parcels totaling approximately eight acres into the City of Stockton, along with approximately 710 linear feet of adjacent Hammer Lane right-of-way. The proposed annexation area, hereinafter referred to as the “subject site,” is located at the southeastern corner of the intersection of Hammer Lane and Maranatha Drive, adjacent to the northeastern Stockton city limits (Figures 1 through 4). The subject site consists of Assessor’s Parcel Numbers (APNs) 130-030-06, 130-030-07, and 130-030-13.

The subject site is currently within the jurisdiction of San Joaquin County. APNs 130-030-06 and 130-030-07 currently have a County General Plan designation of Low Density Residential and zoning of AU-20 (Agriculture-Urban Reserve; 20-acre minimum parcel size). APN 130-030-13 currently has a County General Plan designation of General Commercial and zoning of C-G (General Commercial). The subject site lies within the City of Stockton's Sphere of Influence and 10-year planning horizon, as set forth in the City’s interim Municipal Service Review. The subject site is designated Commercial in the City of Stockton General Plan.

The City has received and is processing an application for annexation, pre-zoning, a Land Development Permit, and design review for development of the subject site. The City is also currently conducting an environmental review of the project in accordance with the California Environmental Quality Act. Should the application be approved, these approvals will take effect upon annexation of the subject site to the City. These approvals would

permit proposed commercial development of the subject site. The proposed development currently consists of a hotel, a quick-serve restaurant, a sit-down restaurant, a fueling station with a convenience store, and a carwash, along with associated utility services and site improvements (Figures 5 and 6). As part of the annexation, the City proposes to pre-zone the subject site to General Commercial (C-G) to permit the proposed commercial development. The pre-zoning would take effect upon annexation of the subject site to the City. Proposed pre-zoning and development are consistent with the City's existing Commercial designation under its General Plan.

## **2.0 CONSISTENCY OF PROPOSED ANNEXATION WITH LAFCO POLICY REQUIREMENTS**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code Section 56000 *et seq.*) provides LAFCo with its authority, procedures, and functions. The Act gives LAFCo power to “approve or disapprove with or without amendment, wholly, partially or conditionally,” proposals concerning the formation of cities and special districts, annexation or detachment of territory to cities and special districts, and other changes in jurisdiction or organization of local government agencies.

Criteria for project consistency with the Cortese-Knox-Hertzberg Act are identified in California Government Code Section 56337 and are shown below. The following sections of this report provide information in support of each of these findings for the proposed annexation, as summarized below.

- 1) Lands within the annexation area are planned for urban uses in the Stockton General Plan.

*As documented in Section 1.0 and shown on Figures 1, 2 and 7, the subject site is designated “Commercial” in the City of Stockton General Plan and is adjacent to the Stockton city limits.*

- 2) The project is located within the City of Stockton Sphere of Influence and 10-year development timeframe.

*As documented in Section 1.0 and shown on Figure 9, the subject site is within the City's Sphere of Influence and 10-year planning horizon.*

- 3) The project proposes an orderly and logical boundary for annexation and is contiguous to the City limits.

*As noted above, the project is in a developing commercial area and is designated for commercial development. As shown on Figure 8, the proposed annexation would permit a logical extension of existing ongoing commercial development along the Hammer Lane corridor.*

- 4) The project creates a logical extension of the City boundaries and can be served by existing infrastructure.

*As discussed in Section 1.0 and the above findings, the subject site is adjacent to the City boundary and represents a logical extension of those boundaries along the developing Hammer Lane corridor. All required City services and utilities are available to the subject site as described in Sections 3.0 and 5.0 and as shown on Figure 10.*

### **3.0 CITY SERVICES PLAN**

Pursuant to California Government Code Section 56653, the San Joaquin LAFCo requires that any application for a change of organization or reorganization be accompanied by a plan for providing services. The plan must include the following information:

- (a) An enumeration and description of the services to be extended to the affected territory.
- (b) The level and range of those services.
- (c) An indication of when those services can feasibly be extended to the affected territory.
- (d) An indication of any improvements 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.
- (e) Information with respect to how those services will be financed.

The following City Services Plan meets the above requirements (a) through (d) with respect to annexation of the subject site. The subject site would require extension of existing City services, including public safety and utilities. Overall, existing public services, with improvements proposed as part of the project and illustrated on Figure 10, would be adequate to serve the subject site and planned commercial development. The proposed level and range of services to be provided are described in more detail below. The design and construction of required infrastructure improvements, both on- and off-site, will be the responsibility of the project developers, as required by project conditions of approval and subject to engineering approval by the City. Information with respect to how those services will be financed is provided in Section 4.0. Section 4.0 will meet requirement (e) above.

The City of Stockton provides a full range of municipal services. These municipal services include public safety (police, fire, paramedics, building), sanitation (solid waste disposal, sanitary wastewater, and stormwater utility), potable water utility, community development, library, parks and recreation, and general administrative services. Public safety and general services will be extended to the subject site upon annexation. Utility services will be provided upon completion and connection of required on-site and off-site improvements.

### 3.1 Domestic Water Service

Water systems in the City of Stockton metropolitan area use a combination of treated surface water and pumped groundwater from City wells. Stockton water purveyors include the City of Stockton Municipal Utilities Department (COSMUD), California Water Service Company, and San Joaquin County maintenance districts. Should the annexation be approved, water service to the subject site would be provided by the COSMUD. The City provides water to service areas in North Stockton and South Stockton. The subject site is in the North Stockton service area.

Sources of water provided by the City of Stockton include purchases from the Stockton East Water District (SEWD) and the Woodbridge Irrigation District, groundwater wells, and surface water from the Sacramento-San Joaquin Delta through the City's Delta Water Supply Project (DWSP). Water from SEWD is treated at its water treatment plant east of Stockton. Prior to operation of the DWSP in 2012, the City's planned delivery and allocation of SEWD treated water was 17,500 acre-feet per year (ac-ft/yr) - 37.6 percent of SEWD's total supplies. The City currently plans to use only 6,000 ac-ft/yr from SEWD. Under an agreement with the Woodbridge Irrigation District, the City purchases 6,500 ac-ft/yr of water for municipal and industrial use. This water will augment the DWSP supply.

The DWSP provides the majority of the potable water supply for the City's service areas. It draws water from the San Joaquin River and treats it at a plant in north Stockton. The DWSP currently treats an average of 15 million gallons per day (mgd). The projected 2035 capacity of the DWSP is 90 mgd, with an annual production of approximately 50,000 ac-ft/yr. The City's supply from the San Joaquin River is curtailed annually from February through June of each year due to restrictions imposed by the U.S. Fish and Wildlife Service and the California Department of Fish and Wildlife.

The DWSP has the objective of reducing groundwater overdraft and of protecting the underlying groundwater basin from further saltwater intrusion and water quality degradation. Extensive groundwater pumping in the past has caused movement of the saline waters eastward from under the Delta. With the DWSP now online, the City uses less groundwater in wet and average years, but it increases groundwater use in dry years to make up for reductions in surface water deliveries. The City has determined that the sustainable groundwater yield is 0.75 ac-ft/acre/yr, equivalent to a groundwater yield of approximately 50,000 ac-ft/yr. Based on available monitoring data, extraction rates appear to be below the maximum sustainable yield of the groundwater basin.

The South Stockton water system pumps from groundwater wells and receives surface water from the SEWD Water Treatment Plant, supplied in large part by the DWTP. There are 23 groundwater wells in service in the North Stockton service area, with pump design flows ranging from 550 to 2,800 gallons per minute (gpm). Groundwater is used conjunctively with the City's surface water supplies.

The North Stockton water system distributes water from the DWSP, SEWD, and groundwater wells. The entire system is one pressure zone with the lowest ground surface elevation (5 feet above mean sea level) on the western side of the system and the highest elevation (35 feet above mean sea level) on the eastern side of the system. Additionally,



there are two 3-million-gallon storage tanks near 14-Mile Slough and two 3.43-million-gallon storage tanks in northwest Stockton. These tanks deliver water through 18-, 24-, and 30-inch diameter mains. Additionally, a 48-inch diameter pipeline connects the system to the SEWD. The remainder of the distribution system consists primarily of mains of 12 inches in diameter or less.

The subject site is currently within the service area for the Stockton potable water system, and connection to the system will be available upon annexation. An existing 24-inch diameter City water transmission main and a parallel 12-inch diameter service line are located beneath Hammer Lane at the project site and extending further east. Approved development west of the project site will lead to the installation of a new 12-inch diameter service line from the existing 12-inch diameter line in Hammer Lane approximately 250 feet west to Maranatha Drive, then south along Maranatha Drive. The developer(s) will comply with plumbing, metering, and other water conservation measures in effect in the City of Stockton, including the policies in the City's 2015 Urban Water Management Plan (UWMP).

For this analysis, it is assumed that five water meters would be installed – one for each of the four commercial center buildings and one for the hotel. The existing water connection fee charged by COSMUD for non-residential development varies from approximately \$2,218 to \$28,359 per water meter, depending on the size of the meter. For this analysis, a water meter size of 1.5 inches is assumed, the connection fee for which is approximately \$9,644. In addition, a DWSP surface water fee is applied, ranging from approximately \$5,223 to \$278,544 per water meter, again depending on meter size. For a 1.5-inch water meter, the DWSP fee would be approximately \$21,206. Based on these assumptions, the total water connection fees for the proposed development would be \$48,220, and the total DWSP fees would be \$106,030. Water fees are payable upon issuance of a building permit. In addition, the City bills the property owner for water service on a monthly basis.

### **3.2 Wastewater**

The subject site is not connected to a wastewater collection and treatment system; individual wastewater disposal systems serve the buildings currently on the site. Should the annexation be approved, the subject site would be served by the City's wastewater system.

The Stockton Regional Wastewater Control Facility (RWCF) provides primary, secondary, and tertiary treatment of municipal wastewater gathered from the city as a whole. The RWCF has a designed flow capacity of 55 mgd and average daily flow rate of 31.7 mgd. Treated effluent from the RWCF is dechlorinated and discharged to the San Joaquin River. The RWCF operations are regulated by its National Pollutant Discharge Elimination System (NPDES) Permit.

The City's wastewater collection system is divided into 14 designated subareas or "systems." The subject site is in the City's Wastewater Collection System No. 9. Pump stations are located throughout the city and are integral to the wastewater collection system. Most of the pump stations discharge to pressure lines that convey flow directly to the RWCF or to an available gravity sewer.

Installation of the System 9 collection system will be completed in conjunction with anticipated future development of the Origone Ranch lands to the south of the project site. Until completion of the Origone Ranch sewer connection, the project site will be connected to an existing 12-inch diameter sewer line located in Hammer Lane near the northwest corner of the site. Improvements to Maranatha Drive along the site frontage will include construction of a portion of the System 9 collection system, an eight-inch diameter line, which will be unused in the near term. Future development of the Origone Ranch lands will include the extension of sewer lines from the project site further south along the future alignment of Maranatha Drive to the existing System 9 pump station adjacent to SR 99. When this linkage is available, project development will be required to disconnect from the Hammer Lane line and connect to the new line in Maranatha Drive, which will provide permanent service to the site. These and other project-related utility improvements are described in detail in the City's will-serve letter for the commercial center development.

The subject site is within the North of Calaveras Sanitary Connection fee area. The existing sewer connection fee in that area is \$3,634 per single-family residential unit equivalent. For this project, the sewer connection fees for all proposed development, based on a residential unit equivalency of approximately 47 units, would be approximately \$65,063 (see Exhibit 7 for how estimate was derived). Sanitary sewer connection fees are payable upon issuance of a building permit. In addition, the City bills the property owner for wastewater services on a monthly basis.

### **3.3 Storm Drainage**

The City of Stockton is situated just east of the Sacramento–San Joaquin Delta, a low-lying region of sloughs and channels connecting local waterways with the Suisun and San Francisco Bays. The city and surrounding areas depend on creeks, rivers, and sloughs to collect and convey storm runoff to the San Joaquin River and the Delta. The primary watercourses include the San Joaquin River, Bear Creek, Mosher Slough, Five Mile Slough, Fourteen Mile Slough, Calaveras River and Stockton Diverting Canal, Smith Canal, and French Camp and Walker Sloughs.

The project site is within the Calaveras River watershed. Sixteen storm drain pump stations discharge into the Calaveras River and the Stockton Diverting Canal. Of these, nine are considered major facilities pumping runoff from storm drains 36 to 72 inches in diameter. Most flow in the Calaveras River comes from the Diverting Canal, which discharges into the river upstream of the Union Pacific Railroad. Within the city, the Diverting Canal contains the predicted 100-year discharge of 15,000 cubic feet per second. Flood flows are contained within the channel banks along the Calaveras River and the Diverting Canal. The SJAFCA Locally Constructed Flood Control Project included levee modifications and some limited floodwall construction to ensure that 100-year flows would be contained. This work also extended into Mormon Slough upstream of the Diverting Canal.

The Stormwater Utility Division of COSMUD operates and maintains 620 miles of storm drains, 72 pump stations, and over 100 discharge pipes that collect and route runoff from the streets and gutters to local rivers, creeks, and sloughs. An existing 42-inch diameter storm drain line is located beneath Hammer Lane. Master-planned storm drainage service for the project site and vicinity will be developed in conjunction with future development

of the Origone Ranch project area. New facilities will include a new storm drainage collection and pump station system discharging to the Calaveras River.

Stormwater discharges from the Stockton urbanized area contain substantial urban runoff pollution. Five Mile Slough, Mosher Slough, the Stockton Deep Water Channel, and the San Joaquin River are listed as “water quality impaired”. The City of Stockton provides local management of the federal and state programs for implementation of the Clean Water Act’s NPDES program. Stormwater quality is governed by CVRWQCB Order No. R5-2016-0040, NPDES No. CAS0085324. The regulations of the City’s Grading and Erosion Control Ordinance and the Storm Water Management and Discharge Control Ordinance establish local oversight of the state general permit system and effective control of storm water quality impacts. The design of drainage facilities is regulated by the City. The City Department of Public Works Standard Specifications Section 71, Sanitary Sewers and Storm Sewers, and Section 79, Storm Water Basins, cover much of the design criteria for these facilities.

The City’s General Plan commits the City to maintaining the existing storm drain and flood management facilities. It includes policies that ensure and require that stormwater drainage planning be addressed in conjunction with new development, including requirements for inclusion of Best Management Practices (BMPs) that reduce stormwater runoff pollution. Any costs associated with new facilities must be met or offset by the project, including costs of storm water BMP maintenance.

### **3.4 Solid Waste Disposal**

City ordinance provides for mandatory collection of municipal refuse, which would apply to development on the subject site. The City’s franchise haulers provide solid waste collection in Stockton. The waste provider bills the property owner for collection service on a monthly basis, based on the size of collection container utilized. Waste such as construction and demolition debris and manufacturer waste may only be collected and hauled with a valid City-issued Industrial Waste Collector Permit. There are currently two waste haulers permitted to collect and transport commercial waste within the City of Stockton limits: Republic Services and Waste Management. Solid waste is disposed at existing County-owned and private landfill facilities. There is no shortage of landfill space available to the City.

Recent information regarding individual jurisdiction diversion of solid waste from landfills is no longer available. The most recent information from 2006 indicates that about 33% of the City of Stockton’s solid waste is landfilled while the remainder is handled by one or more of the City’s waste diversion (recycling) programs. In order to increase construction and demolition debris recycling, the City of Stockton adopted a Construction and Demolition Debris Ordinance in 2008; the ordinance requires construction and demolition contractors to divert from the landfill 50% of all waste generated, by weight, and to document these reductions in written reports filed with the City. Upon annexation of the subject site, construction associated with future development will be subject to this ordinance.

### **3.5 Natural Gas, Electric, Telephone, and CATV Services**

Pacific Gas and Electric Company (PG&E) currently provides both natural gas and electricity services to the subject site and vicinity. Local telephone service is provided by AT&T, and cable television service is provided by Comcast. These systems are obligated to extend service to the subject site upon request. Developer/utility company cost-sharing agreements will be executed as required.

### **3.6 Police Protection**

Law enforcement services to the subject site currently are provided by the San Joaquin County Sheriff's Department. Should the subject site be annexed, law enforcement will be the responsibility of the Stockton Police Department. The Police Department serves the area within City limits, currently covering more than 65 square miles. As of September 2017, the Police Department consisted of 485 sworn officers, 41 police telecommunicators, and 186 civilian staff. The staffing level is determined each year by the Stockton City Council and is subject to change as the Council, City Manager, and Chief of Police determine the needs of the city.

The service area is organized into six Community Policing Districts, one of which (Valley Oak) is adjacent to the subject site. It is the Police Department's policy to respond to all emergency calls within three to five minutes. Currently, there are no adopted service levels for the Police Department; however, it is understood that a higher level of service may be required as population increases. The project would receive law enforcement service during construction as well as upon completion of development.

Capital costs of Police Department expansion are accounted for by the City's Public Facility Fee (PFF) program. The City of Stockton has adopted a PFF for police facilities payable upon issuance of a building permit. For retail/medium density land uses, the fee is \$54 per 1,000 square feet. For guest rooms, the fee is \$99.50 per room. Based on these factors, an estimated \$14,920 in PFFs for police facilities would be generated. Additionally, in November 2014, Stockton's voters approved Measure A, which instituted a three-quarter cent (0.75%) sales tax to provide funding for law enforcement, crime prevention services, and other essential City services.

### **3.7 Fire Protection**

Fire protection services for the subject site are currently provided by the Waterloo-Morada Fire District. The Fire District's existing service boundary is approximately 36 square miles and is located to the east of Stockton, south of Live Oak Road, west of Beecher Road, and north of State Route 26. Included within the service area are the communities of Morada and Waterloo. The majority of the land within the Fire District is designated for agriculture and for rural residential and industrial uses.

Should annexation occur, the subject site will be detached from the Waterloo-Morada Fire District, and fire protection services will be provided by the Stockton Fire Department. The Fire Department provides fire protection, fire prevention, paramedic emergency medical, and other related services to all areas of the City of Stockton, as well as on a contract basis to the Lincoln, Eastside, Boggs Tract, and Country Club Fire Districts. The Fire

Department currently serves an area of about 86 square miles and has about 181 total personnel. Other services provided include fire hydrant maintenance, training, fire dispatch, hazardous materials intervention, and weed abatement services.

The Fire Department has twelve stations located throughout the greater Stockton metropolitan area. The closest station to the subject site is Station 13, located at 3606 Hendrix Drive, approximately 1.8 miles north of the subject site. The station is equipped with one engine one emergency medical service rescue vehicle and is staffed by three firefighters, two of whom are also paramedics. The response time to the site from Station 13 would be between three and four minutes. The second responder would be Station 11, located at 1211 East Swain Road, approximately 1.9 miles southwest of the subject site. This station has a single engine company with three firefighters. The response time to the site from this station would be from five to seven minutes.

To provide adequate fire protection services, future development will coordinate with the Fire Department during planning and design phases to ensure site access, response time, sprinkler requirements, water system design, and hydrant placement are acceptable. Improvements to the City of Stockton water system will also be constructed in conformance with the Uniform Fire Code fire flow standards, and hydrants will be placed in accordance with Fire Department standards. Also, the Stockton Fire Department participates in the California Disaster and Civil Defense Master Mutual Aid Agreement (MMAA). This agreement allows the City to share resources with all fire department agencies in San Joaquin County and request assistance from the County fire districts when additional services are required. The City currently provides most of the fire services within and around the City limits, since some of the County fire districts have reduced staffing, supply shortages, or operations on a temporary basis. The existing mutual aid agreement allows the City and County agencies to share resources when needed.

As with police facilities, capital costs of fire station expansion are accounted for by the City's PFF program. The City of Stockton has adopted a PFF for fire stations payable upon issuance of a building permit. For retail/medium density land uses, the fee is \$61 per 1,000 square feet. For guest rooms, the fee is \$44.50 per room. Based on these factors, an estimated \$7,281 in PFFs for fire stations would be generated by future development.

### **3.8 Schools**

The subject site is within the boundaries of the Stockton Unified School District (SUSD). The nearest public school to the project site is Cesar Chavez High School, located at 2929 Windflower Lane, less than one-half mile to the southwest. SUSD experiences overcrowding in their schools; however, SUSD coordinates with residential developers to ensure that sufficient capacity would exist within the school system to accommodate residential-related student generation.

The City will designate the subject site for commercial development; no residential development that would house families with school-age children would occur. Nevertheless, to assist in meeting school construction costs, the SUSD would collect developer fees from future development on the subject site in accordance with State law, based on a non-residential development rate of \$0.61 per square foot. Based upon total

square footage of proposed development, an estimated \$59,767 in school impact fees would be generated. Project development will contribute to these fees in conjunction with building permit issuance.

### **3.9 Parks and Recreational Facilities**

The City of Stockton provides park and recreational services. Panella Park is the nearest City park, approximately 1.1 miles southwest of the project site. Panella Park is equipped with picnic tables, playgrounds, sports fields, and restrooms. The Stockton General Plan establishes policies and standards for the size and siting of parklands.

PFFs for parklands are assessed only on new residential development; commercial development as proposed is exempt from parkland fees. However, commercial center development would be subject to the payment of a PFF for community recreation centers. For retail/medium density land uses, this fee would be \$20.25 per 1,000 square feet. An estimated \$334 in PFFs for community recreation centers would be generated. Proposed hotel development is exempt from this fee. As with other PFFs, these fees would be payable upon issuance of a building permit.

### **3.10 Libraries**

The public library system is operated jointly by the City of Stockton and San Joaquin County. The nearest library to the project site is the Arnold Rue Branch Library, a “micro” library in the Arnold Rue Community Center on Lorraine Avenue in northeastern Stockton. A new library is planned for construction in northeast Stockton adjacent to the Ronald McNair High School campus, approximately two miles northwest of the subject site.

Capital costs of library expansion are accounted for by the City’s PFF program. The City has adopted a PFF for libraries payable upon issuance of a building permit. For retail/medium density land uses, the fee is \$61 per 1,000 square feet. For guest rooms, the fee is \$44.50 per room. An estimated \$12,855 in PFFs for libraries would be generated by future development on the subject site.

### **3.11 Maintenance of Public Facilities/Other Governmental Services**

The existing roadways of Hammer Lane, including the portion to be annexed by this project, and Maranatha Drive will be maintained by the City of Stockton. No new public roadways would be constructed in conjunction with annexation and development of the subject site. Future development will involve street improvements along frontages of Maranatha Drive and SR 99 Frontage Road, including curb, gutter, and sidewalk, all of which would be designed and constructed according to City standards. The Hammer Lane frontage already has these improvements, although they would be altered to accommodate driveways to the proposed development.

With increased vehicular traffic resulting from the development of the subject site, the need for road maintenance will increase. Future development will be responsible for payment of adopted PFFs for street improvements and traffic signals to fund intersection and roadway segment improvements identified in the City's Street Improvement Plan. For retail/medium density land uses, street improvement fees are \$3,177 per 1,000 square feet; traffic signal

fees vary by proposed land use. For guest rooms, street improvement fees are \$5,157 per room, and traffic signal fees are \$122 per room. Estimated street improvement fees from proposed development would be approximately \$779,609, and traffic signal fees would be approximately \$159,496. The City requires that these fees be paid prior to building permit issuance.

A Regional Transportation Impact Fee (RTIF) also will be required of future development on the subject site. The RTIF's objectives are to generate funding from new development projects that impact the Regional Transportation Network and to integrate these funds with federal, state, and other local funding to make transportation improvements identified in the RTIF Program. Proposed improvements in the RTIF Program that are in the vicinity of the project site include the SR-99/Eight Mile Road interchange, the SR-99/Morada Lane interchange, and bus rapid transit projects on March Lane and West Lane. The RTIF is \$1,016 per 1,000 square feet for retail land uses and \$1,760 per 1,000 square feet for hotel uses. Based on proposed development, the RTIF would be \$160,895.

Measure K was passed by voters in 1990 and extended for another 30 years by voter approval in 2006. This measure instituted a 1/2-cent sales tax dedicated to transportation improvement projects in San Joaquin County. Measure K provides funding for a system of improved highways and local streets, new passenger rail service, regional and interregional bus routes, park-and-ride lots, new bicycle facilities, and railroad crossings. San Joaquin County and cities within the County share thirty-five percent (35%) of the sales tax revenue for local street repair and for roadway safety programs. The local share of Measure K funds is distributed by formula based primarily on the City's proportionate share of the overall County population. Since the proposed annexation and development is not expected to change the City's population, there would be no substantial change in Measure K revenue for the City.

#### **4.0 FINANCING OF CITY SERVICES AND FISCAL EFFECTS**

California Government Code Section 56653 requires that the services plan for a subject site include information on how the extension of these services would be financed. For the purposes of this analysis, services extensions are classified as 1) public road improvements and utility services such as water, wastewater, storm water, electrical, gas, and communication systems that require construction of new pipelines, power lines, pump stations or other physical facilities needed to extend urban services to the subject site, and 2) general City services, such as police and fire protection, which generally speaking would be provided without major improvements to capital facilities. These concerns are addressed below in Sections 4.1 and 4.2, respectively.

##### **4.1 Financing of Roads and Utility Improvements**

Improvements needed to extend public road and utility services to the site would be constructed in conjunction with the development of proposed commercial structures, access, parking, and other on-site improvements. These improvements would include off-site improvements to the frontages of Maranatha Drive and SR 99 Frontage Road, along with required extensions of water and wastewater mains and electrical, gas, and communication lines.

As prescribed in the project conditions of approval, the project will be responsible for design and construction of required improvements to City roads and utility systems in accordance with adopted City standards. Unless improvements are deferred per a specific agreement with the City, they will be constructed prior to occupancy of the project site. The costs of extending electrical, gas and communication facilities will be borne by the project and the responsible franchise utility as prescribed in adopted rules and regulations. Costs of operating public infrastructure for the benefit of the project will be met through existing monthly service fee systems established by the City and franchise utilities.

Long-term capital improvement needs associated with new development, including the proposed project, are met through the City's adopted PFFs, which provide for expansion of City offices, libraries, community recreation centers, fire and police stations, street improvements, park land, surface water resource development improvement, air quality, and related administrative costs as these needs are identified. Similarly, the City has also adopted development fees for sanitary sewer and water connections, traffic signals, and street trees, along with various local benefit district fees. PFF and connection fee payments are required when building permits are issued, in accordance with the City's adopted fee schedule, which is annually updated to keep pace with infrastructure and public facility costs. As a result, the City operates from year to year with a fee structure that reasonably anticipates and collects fees sufficient to meet capital improvement needs associated with new development.

Estimated PFFs and connection fees for proposed commercial development of the subject site are summarized in Table 1 below. For more information on how the estimates were developed, please see the attached Exhibit 7.

Along with the PFFs and connection fees, the City also collects development-related fees for the following:

- Agricultural Land Mitigation Program (not applicable to this project)
- Air quality
- County facilities
- Habitat/Open Space for San Joaquin Council of Governments (SJCOG)
- Surface water for SEWD (\$0.283 per square feet of retail/0.30)
- Related administrative costs

Table 2 summarizes the estimated development-related fees for proposed commercial development of the subject site. These also include development impact fees collected by other agencies, such as the Stockton Unified School District and SJCOG. Exhibit 7 provides more information on how the fee estimates were developed.



**TABLE 1**  
**ESTIMATED PUBLIC FACILITY AND CONNECTION FEES**

<b>FEE CATEGORY</b>	<b>ESTIMATED PROJECT FEES</b>
<b>City of Stockton Fees</b>	
Community Recreation Center	\$334
City Office Space	\$7,280
Fire Stations	\$7,281
Libraries	\$12,855
Parkland	\$0
Police Stations	\$14,920
Street Improvement	\$779,609
Sewer Connection	\$65,063
Water Connection	\$48,220
Delta Water Supply	\$106,030
Regional Transportation	\$160,895
Traffic Signal	\$65,132
<b>TOTAL CITY CAPITAL FEES</b>	<b>\$1,267,619</b>

**TABLE 2**  
**ESTIMATED OTHER DEVELOPMENT-RELATED FEES**

<b>FEE</b>	<b>ESTIMATED PROJECT FEES</b>
Agricultural Land Mitigation	\$0
Air Quality	\$28,284
County Facilities	\$59,242
Surface Water	\$151,716
Administration	\$34,409
School Impact Fees (SUSD)	\$59,767
Habitat/Open Space (SJCOG)	\$51,296
<b>TOTAL OTHER FEES</b>	<b>\$384,714</b>

## 4.2 Financing of General Services

The anticipated revenues to the City of Stockton, which would be the main provider of services, are presented here. As noted above, the design, engineering, and construction of these services and associated infrastructure improvements will be financed by developers of the subject site, subject to approval by the City. This section also analyzes financial impacts on the Waterloo-Morada Fire District, which currently provides fire protection services to the subject site and from which the subject site would be detached upon annexation to the City.

### 4.2.1 Estimated Change in Annual Revenue for City of Stockton

As a Charter City, the City of Stockton benefits from the same revenue sources as general law cities, as well as a utility user tax. The City receives a portion of the property tax collected within the City limits and payments from electrical distribution, cable television, and solid waste collection franchises. As discussed in Section 4.1, the City operates its public utilities (i.e., water and sanitary sewer) as enterprise functions, and it engages in public recreation activities on a quasi-enterprise basis, subsidized by its General Fund (e.g., golf courses, ice arena, civic auditorium).

The major sources of revenue that will be generated by the proposed future development for the City of Stockton General Fund are summarized in Table 3 below. Revenue estimates were generated primarily on a person-served basis, which accounts for project-related population and employee growth. Please see the attached Exhibits 1-6 for more information regarding the derivation of Table 3 figures. More detailed information regarding specific sources of revenues is provided below.

**TABLE 3**  
**ESTIMATED RECURRING CITY OF STOCKTON GENERAL REVENUES**  
**RESULTING FROM ANNEXATION AND BUILDOUT OF THE SUBJECT SITE**

<b>CATEGORY</b>	<b>AMOUNT</b>
<b>Property Taxes</b>	
Secured Property Tax	\$38,950
Unsecured Property Tax	\$3,895
Property Transfer Tax	\$1,128
Property Tax in-Lieu of Motor Vehicle Fees	\$47,150
<b>Sales and Transient Occupancy Taxes</b>	
Direct Sales Tax	\$750,000
Transient Occupancy Tax	\$504,000
<b>Other Revenue Sources</b>	
Utility Users Tax	\$7,254

Franchises	\$2,830
Business Licenses	\$13,387
Document Transfer	\$229
Motor Vehicle Licenses	\$0
Investment Proceeds	\$672
Fire Contracts	\$918
Code Enforcement	\$749
Charges for Services	\$434
Fines & Forfeitures	\$74
Revenues from Other Agencies	\$525
Licenses & Permits	\$97
Sale of Fixed Assets	\$62
Miscellaneous Other Revenues	\$0
Indirect Cost Allocations	\$1,115
Refunds & Reimbursements	\$305
Rents/Leases/Concessions	\$748
Loan Repayment	\$105
<b>TOTAL</b>	<b>\$1,374,627</b>

### Property Tax

Property tax rates are set at 1% of assessed property value. The potential property tax revenues resulting from the project were based on information provided by the project applicant and the current City/County Revenue Sharing Agreement for annexations. As shown in Exhibit 3, the annual property tax assessed on the project site would be \$41,000,000.

Approximately 52.5% of every property tax dollar from the subject site is allocated among the Stockton Unified School District, San Joaquin Delta Community College, and the State's educational fund. This leaves an "available share" of property tax revenue of approximately 47.5% of the overall property tax revenue, which is divided between the County, the Waterloo-Morada Rural Fire District, and other County agencies. This division of the property tax is the basis for estimating the property tax the City will receive upon annexation and development of the subject site (see Exhibit 3).

### *Secured Property Tax*

Based upon information from the San Joaquin County Auditor-Controller's Office, upon annexation, approximately 9.5% of total property tax revenue from the subject site would go to the City. Based on this information, the City's share of the total secured property tax amount after annexation and development would be \$38,950. Current property taxes paid on the subject site are approximately \$8,686.

#### *Unsecured Property Taxes*

Unsecured property taxes are derived from property that is not real estate such as business equipment, boats, aircraft, and possessory interests. For this analysis, it is assumed that the unsecured property tax is 10% of the secured property tax and that the amount of unsecured property tax the City would receive after annexation and development of the subject site would be \$3,895.

#### *Other Property Taxes*

Property transfer taxes are taxes charged as a percentage of the value of property that has a transfer of title. It is estimated that the amount of property transfer tax the City would receive after annexation of the subject site would be \$1,128. Exhibit 3 provides details on the property transfer tax estimate.

In 2004, the State Legislature and the Governor agreed to a swap of city and county vehicle license fee revenue for an additional share of property tax revenue to be provided to the local governments. This Property Tax in-Lieu of Motor Vehicle Fees is a substantial source of revenue based on property taxes. It is estimated that the amount of property tax in-lieu of motor vehicle fees associated with the subject site would be \$47,150. See Exhibit 3 for development of this estimate.

#### Sales Tax

The current sales tax rate in the City of Stockton is 9.00%, with the City receiving 2.25% of taxable sales: 1.25% of which is a result of measures approved by City voters (Measure A – 0.75%, Measure W (police and fire) – 0.25%, Measure M (library and recreation) – 0.25%). Taxable sales activity would be generated mainly by the proposed commercial land uses on the project site; it is anticipated that the hotel would generate only limited sales tax from its activities. The project applicant for the commercial center estimates that total sales tax that would be generated by the center would be approximately \$3,000,000 per year. Based on the City share of sales tax revenue, the estimated sales tax revenue received by the City would be approximately \$750,000 per year.

#### Transient Occupancy Tax

A transient occupancy tax is charged to occupants of hotels, motels, and other lodgings. The City imposes an 8.00% transient occupancy tax rate. The applicant for the proposed hotel estimates that approximately \$6,300,000 in revenue would be generated by hotel use. Based on the tax rate, the estimated transient occupancy tax revenue received by the City would be approximately \$504,000 per year.

#### Utility User Tax

A utility user tax is levied against utility charges for all non-public users of gas, electric, water, telephone, and cable television services. This tax is 6% of a customer's monthly bill. As noted in Table 3 above, future development on the subject site would generate an estimated \$7,254 annually in utility user tax revenues. See Exhibits 1 and 5 for how the estimate of utility user tax was developed.

#### Franchise Tax

Franchise taxes are levied upon the providers of natural gas, electric, refuse removal and cable television service. The franchise tax, which is 2% for most utilities and 3% for cable TV, is levied upon the provider rather than the customer and is charged against all utility revenues. The anticipated future development on the subject site would generate approximately \$2,830 in franchise tax revenues annually (see Exhibits 1 and 5).

#### Business License Tax

The City of Stockton assesses a business registration fee and a license tax on any person engaged in or carrying on any profession, trade, calling, occupation, or business in the City. Beyond a registration fee of \$24, businesses are assessed at varying rates based typically on their gross receipts; gross receipts information for the annexation area is unknown. Future development on the subject site is estimated to yield an annual revenue of \$13,387 (see Exhibits 1 and 5).

#### Other Revenue Sources

The City has a variety of other revenue sources, which are listed in the City's budget. These include document transfer fees, licenses and permits, fines and forfeitures, rents/leases/concessions, sales of fixed assets, investment proceeds, and revenues from fire service contracts and from other agencies, among others. Exhibits 1 and 5 list these other sources. Not all these revenue sources would be associated with annexation and development of the subject site. However, to simplify the analysis, revenues from each of these sources have been estimated based upon the service population anticipated to be on the subject site at full development. Estimated revenues from these other sources would be \$6,033.

#### **4.2.2 Estimated Change in Annual Expenditures for City of Stockton**

An Addendum to the Stockton General Plan EIR, prepared specifically for the proposed annexation and development, concluded that project impacts on the City's water, wastewater, and storm drainage systems would be less than significant. The City's wastewater system has adequate capacity to accommodate additional wastewater from the project, and existing sewer lines in the area can carry the anticipated flow. Supplies for the City's water system are sufficient to satisfy potential project demand, and no new supplies would need to be obtained. The project developer would provide the necessary water and sewer connections to the City's systems, along with storm drainage facilities to accommodate runoff in accordance with City standards. The City would not need to provide new or expanded facilities for the project. Expenses to provide these City utilities to the project site are expected to be minimal, and these expenses would be covered by monthly utility billing to the project activities.

The Addendum also concluded that project impacts on services provided by the City, primarily fire and police protection, would be less than significant. While the project would place an additional demand for service on the City's fire and police departments, no new or expanded facilities would be required to accommodate this demand. Regardless, proposed development will be required to pay PFFs to the City for fire and police facilities. Expenses to provide City fire and police services to the annexation area are also expected to be minimal.

It is expected that the annexation of a 710-foot segment of Hammer Lane would increase ongoing road maintenance costs of the City. A rough approximation of the increased maintenance cost associated with this segment can be obtained by dividing the total miles currently maintained by the City of Stockton into total street maintenance cost, then applying the results to the segments to be annexed. According to the FY 2019/20 budget for the City of Stockton, the City maintains 763 miles of streets at a cost of \$6,911,421. Based on these figures, the additional cost to maintain the annexed segment of Hammer Lane would be approximately \$1,218 annually.

An approximation of maximum potential increases in City services costs associated with the project was calculated by dividing total general fund expenditures by the City service population, and then multiplying that factor by the increase in service population on the subject site. The per-unit cost factor would be \$592.78. The expected increase in service population would be 80 (see Exhibit 2). Therefore, potential service costs to the City would be approximately \$47,422. See Exhibit 8 for a development of the expenditure estimate for the subject site. The increased cost to maintain the annexed segment of Hammer Lane would be part of this estimate.

#### **4.2.3 Overall Impact of Project on City Budget**

As indicated in Table 3, proposed future development of the subject site is expected to generate approximately \$1,374,627 in annual revenues to the City, which include property taxes, sales taxes, and transient occupancy taxes. With estimated annual expenditures of \$47,422, the City would have adequate annual revenues to provide services to the subject site. In addition, as indicated in Table 1, proposed future development would generate \$1,267,619 in one-time capital facility fees to the City to cover expenses associated with new or expanded public facilities and services. Additional fees would be paid to SUSD and SJCOG.

In summary, the City would be expected to expect to receive substantial revenues from proposed development of the subject site, while the expenses incurred in providing City services to the subject site would be less than the anticipated revenues. Thus, at the project level, the City would likely operate at a budget surplus.

### **3.4 Property Tax Impact to the Waterloo-Morada Rural Fire District**

Based on information provided by the San Joaquin County Auditor-Controller's Office, the Waterloo-Morada Rural Fire District currently receives approximately 20 percent of the general one-percent property tax levy from the subject site. This currently generates approximately \$1,749 of property tax revenue for the Fire District, based on current

valuation of the property. Upon annexation and development of the subject site, the assessed valuation of the site would increase substantially. However, as a part of the annexation process, the subject site would be detached from the Fire District, and the Fire District would no longer receive tax revenue from the site.

LAFCo policy dictates that adverse fiscal impacts resulting from such detachments from special districts or annexations that fail to provide adequate mitigation of the adverse impact on the district will not be approved would apply to this proposed detachment. It is expected that the City and the Fire District will reach an agreement that will reduce adverse revenue impacts on the Fire District resulting from the proposed annexation. LAFCo may determine an appropriate temporary mitigation, if any, and impose that temporary mitigation to the extent it is within its powers.

#### **4.0 AVAILABILITY OF ADEQUATE WATER SUPPLY**

California Government Code Section 56668(l) requires an assessment of the timely availability of water supplies for an annexation area. The UWMP for the City of Stockton's water system assessed the reliability of its water supply for its service area, which includes the subject site. The UWMP includes a description of the water supply sources, projected water use, and a comparison of water supply water demands during normal, single-dry, and multiple-dry years. The definitions of the three water year scenarios, as described by the State Department of Water Resources, are provided below.

1. Average year is a year, or an averaged range of years in the historical sequence that most closely represents median water supply availability to the agency. Normal and average are used interchangeably within the Department of Water Resources guidebook.
2. Single dry year is the year with the lowest water supply availability to the agency.
3. Multiple dry year is the lowest average water supply availability to the agency for a consecutive multiple-year period (three years or more) for a watershed since 1903.

As part of the UWMP, a Water Supply Reliability Assessment was conducted to determine the reliability of the City's water supply for all three water year scenarios from 2020 to 2040. This Water Supply Reliability Assessment is currently the most up-to-date and reliable source of information regarding the City's long-term water supplies and their reliability. Under the normal water year scenario, water supply would exceed demand by 34,546 to 50,351 acre-feet per year. Under the single dry water year scenario, supply would exceed demand by 30,546 to 44,351 acre-feet per year. Under the third year of a multiple dry year scenario, supply would exceed demand by the same amounts as in the single dry year scenario.

The UWMP indicated that commercial activities used 2,553 acre-feet of water per year in 2015. In that same year, there were 2,567 connections to the City's water system. While water usage can vary greatly among commercial activities, for this analysis it is assumed

that commercial water usage on the project site would be the average per commercial connection – approximately 0.99 acre-feet per year per connection.

As noted in Section 3.1, five connections are assumed. Based on this assumption, water demand from proposed development on the subject site would be approximately 4.95 acre-feet per year. When compared with the difference in water supply and demand described above, the City would have sufficient water supply for proposed future development on the subject site, even in multiple dry years. Water can be readily provided from existing sources, without the need to acquire additional supplies or water rights.

It should be noted that the UWMP demand figures used in this analysis do not consider the amount of water that may be saved by active and passive water conservation programs implemented by the City. The COSMUD has met, and expects to continue to meet, annual water demands within its service area during differing hydrologic periods with surface water, groundwater, water conservation, and other potential water supplies such as non-potable supplies from local communities, raw surface water from local irrigation districts, and water from active groundwater storage projects.



EXHIBITS 1-6

ESTIMATED PROJECT REVENUE SOURCES

EXHIBIT 1  
CITY OF STOCKTON – PROPOSED HAMMER LANE ANNEXATION  
CITY OF STOCKTON GENERAL FUND REVENUE SUMMARY

**I. CITY DEMOGRAPHIC DATA**

2019 Estimated City Population [1]	316,410
2019 Estimated City Employees [2]	119,524
2019 Persons Served Population [3]	388,124

**II. CITY REVENUE SOURCES**

General Fund Revenue Type	City Budget [4]	Recurring or Non-Recurring	Multiplier Type	Multiplier
Property Tax	\$35,857,327	Recurring	AV/square foot	NA
Utility Users Tax	35,017,000	Recurring	Persons Served	\$90.22
Sales and Use Tax	82,776,936	Recurring	NA	NA
Franchises	13,663,000	Recurring	Persons Served	\$35.20
Business Licenses	11,941,000	Recurring	Per Employee	\$99.90
Document Transfer	1,105,000	Recurring	Persons Served	\$2.85
Hotel/Motel Tax	3,400,000	Non-Recurring	NA	NA
In-Lieu of Motor Vehicle Fees	24,577,718	Recurring	AV Proportion	NA
Motor Vehicle License	155,000	Recurring	Per Capita	\$0.49
Investment Proceeds	3,245,909	Recurring	Persons Served	\$8.36
Fire Contracts	4,432,189	Recurring	Persons Served	\$11.42
Code Enforcement	3,617,190	Recurring	Persons Served	\$9.32
Charges for Services	2,096,603	Recurring	Persons Served	\$5.40
Fines & Forfeitures	358,862	Recurring	Persons Served	\$0.92
Revenues from Other Agencies	2,534,591	Recurring	Persons Served	\$6.53
Licenses & Permits	469,827	Recurring	Persons Served	\$1.21
Sale of Fixed Assets	300,000	Recurring	Persons Served	\$0.77
Districts/Area of Benefit Contribution	0	Non-Recurring	Persons Served	NA
Misc. Other Revenues	(47,595)	Recurring	Persons Served	\$0
Indirect Cost Allocation	5,382,463	Recurring	Persons Served	\$13.87
Refunds & Reimbursements	1,470,896	Recurring	Persons Served	\$3.79
Rents/Leases/Concessions	3,609,741	Recurring	Persons Served	\$9.30
Loan Repayment	505,756	Recurring	Persons Served	\$1.30
<b>TOTALS</b>	<b>\$236,469,413</b>	--	--	--

**NOTES:**

[1] California Department of Finance, E-5 City/County Population and Housing Estimates, 1-1-2019.

[2] *San Joaquin County Forecast Summary*, Center for Business and Policy Research, Eberhardt School of Business, University of the Pacific, July 7, 2016. 2019 figure interpolated from 2015 and 2020 figures.

[3] Assumes City population plus 60% of employees.

[4] Source: City of Stockton Fiscal Year 2019/20 Budget

AV – Assessed Valuation

NA – Not applicable

EXHIBIT 2  
CITY OF STOCKTON – PROPOSED HAMMER LANE ANNEXATION  
LAND USE AND DEMOGRAPHICS SUMMARY

**I. RESIDENTIAL LAND USES**

Residential Land Uses	Number of Units	Persons per Household [1]	Residential Population
Residential	0	3.39	0

**II. NON-RESIDENTIAL LAND USES**

Non-Residential Land Uses	Square Feet	Sq. Ft. per Employee [2]	Number of Employees
Commercial	11,822	383	62
Hotel	81,484	1,124	72
		<b>TOTAL</b>	134

**III. PROJECT DEMOGRAPHICS**

Residential Population	0
Direct Employees	134
Persons Served Population [3]	80

**NOTES:**

[1] Source: California Department of Finance, E-5 City/County Population and Housing Estimates, 1-1-2019.

[2] Source: U.S. Green Building Council, Building Area Per Employee by Business Type.

[3] Assumes residential population plus 60% of employees (see Exhibit 1).

\* *All figures subject to rounding.*

EXHIBIT 3  
CITY OF STOCKTON – PROPOSED HAMMER LANE ANNEXATION  
PROPERTY TAX REVENUE

**I. GENERAL PROPERTY TAX ASSUMPTIONS**

**Pre-Annexation** - 1% General Property Tax Breakdown [1]

<b>Public Agency</b>	<b>Property Tax Breakdown</b>
County General Fund and other local agencies	27.4%
Waterloo-Morada Rural Fire District	20.1%
School districts and other agencies	52.5%
<b>TOTAL</b>	<b>100.0%</b>

Property Tax Allocation **Upon Annexation** [1]

<b>Public Agency</b>	<b>% Retained by City of Stockton</b>
County General Fund	38.0%
City of Stockton	9.5%
School districts and other agencies	52.5%
<b>TOTAL</b>	<b>100.0%</b>

**II. SECURED PROPERTY TAX ANALYSIS**

<b>Nonresidential Land Use Type</b>	<b>Estimated Assessed Valuation[2]</b>	<b>Total Secured Property Tax</b>
Commercial	\$20,000,000	\$19,000
Hotel	\$21,000,000	\$19,950
<b>TOTAL</b>	<b>\$41,000,000</b>	<b>\$38,950</b>

**III. UNSECURED PROPERTY TAX ANALYSIS**

<b>Nonresidential Land Use Type</b>	<b>Unsecured Tax (as % of Secured Tax)</b>	<b>Total Secured Property Tax</b>	<b>Total Unsecured Property Tax</b>
Commercial	10.00%	\$12,000	\$1,900
Hotel	10.00%	\$12,600	\$1,995
<b>TOTAL</b>		<b>\$24,600</b>	<b>\$3,895</b>

**IV. PROPERTY TAX TRANSFER ANALYSIS**

<b>Nonresidential Land Use Type</b>	<b>Property Turnover Rate [3]</b>	<b>Property Transfer Tax to City [4]</b>	<b>Total Property Transfer Tax</b>
Commercial	5.00%	0.055%	\$550
Hotel	5.00%	0.055%	\$578
<b>TOTAL</b>			<b>\$1,128</b>

**V. PROPERTY TAX IN-LIEU OF MOTOR VEHICLE FEE (MVF) ANALYSIS**

<b>Nonresidential Land Use Type</b>	<b>Total Assessed Valuation</b>	<b>Property Tax In-Lieu of MVF per \$1,000 Assessed Value [5]</b>	<b>Total Property Tax In-Lieu of MVF</b>
Commercial	\$20,000,000	\$1.15	\$23,000
Hotel	\$21,000,000	\$1.15	\$24,150
<b>TOTAL</b>	<b>\$41,000,000</b>		<b>\$47,150</b>

**NOTES:**

[1] Source: San Joaquin County Auditor-Controller Office.

[2] Source: Project applicants.

[3] Based on typical OTA baseline assumptions.

[4] Source: California Revenue and Taxation Code Section 11911-11929.

[5] Based on City of Stockton Assessed Valuation and In-Lieu of MVF revenue items in City of Stockton Fiscal Year 2019/20 Budget. See Exhibit 1 for In-Lieu of MVF.

*\* All figures subject to rounding.*

EXHIBIT 4  
CITY OF STOCKTON – HAMMER LANE DEVELOPMENT  
(PROPOSED ANNEXATION)  
SALES AND TRANSIENT OCCUPANCY TAX REVENUE ANALYSIS

**I. DIRECT SALES TAX ANALYSIS**

<b>Nonresidential Land Use Type</b>	<b>Estimated Total Sales Tax [1]</b>	<b>City Share of Sales Tax</b>	<b>Total Sales Tax Revenue</b>
Commercial	\$3,000,000	2.25%	\$750,000

**II. TRANSIENT OCCUPANCY TAX ANALYSIS**

<b>Nonresidential Land Use Type</b>	<b>Estimated Hotel Revenue[1]</b>	<b>Transient Occupancy Tax Rate</b>	<b>Total Transient Occupancy Tax Revenue</b>
Hotel	\$6,300,000	8.00%	\$504,000

**NOTES:**

[1] Source: Project applicants.

EXHIBIT 5  
CITY OF STOCKTON – HAMMER LANE DEVELOPMENT  
(PROPOSED ANNEXATION)  
MULTIPLE REVENUE ANALYSIS

General Fund Revenue Type	Revenue Projection Basis [1]	Multiplier Factor [2]	Estimated Project Revenue
Utility Users Tax	Persons Served	\$90.22	\$7,254
Franchises	Persons Served	35.20	\$2,830
Business Licenses	Per Employee	99.90	\$13,387
Document Transfer	Persons Served	2.85	\$229
Motor Vehicle License	Per Capita	0.49	\$0
Investment Proceeds	Persons Served	8.36	\$672
Fire Contracts	Persons Served	11.42	\$918
Code Enforcement	Persons Served	9.32	\$749
Charges for Services	Persons Served	5.40	\$434
Fines & Forfeitures	Persons Served	0.92	\$74
Revenues from Other Agencies	Persons Served	6.53	\$525
Licenses & Permits	Persons Served	1.21	\$97
Sale of Fixed Assets	Persons Served	0.77	\$62
Miscellaneous Other Revenues	Persons Served	0	\$0
Indirect Cost Allocation	Persons Served	13.87	\$1,115
Refunds & Reimbursements	Persons Served	3.79	\$305
Rents/Leases/Concessions	Persons Served	9.30	\$748
Loan Repayment	Persons Served	1.30	\$105
<b>TOTAL</b>	<b>--</b>	<b>--</b>	<b>\$29,503</b>

**NOTES:**

[1] See Exhibit 2.

[2] See Exhibit 1.

*\* All figures subject to rounding.*



EXHIBIT 6  
CITY OF STOCKTON – PROPOSED HAMMER LANE ANNEXATION  
PROJECTED RECURRING GENERAL FUND REVENUE

CATEGORY	AMOUNT	PERCENT OF TOTAL
<b>Property Taxes [1]</b>		
Secured Property Tax	\$38,950	2.83%
Unsecured Property Tax	\$3,895	0.28%
Property Transfer Tax	\$1,128	0.08%
Property Tax in-Lieu of Motor Vehicle Fees	\$47,150	3.43%
<b>Sales and Transient Occupancy Taxes [2]</b>		
Direct Sales Tax	\$750,000	55.19%
Transient Occupancy Tax	\$504,000	37.09%
<b>Other Revenue Sources [3]</b>		
Utility Users Tax	\$7,254	0.53%
Franchises	\$2,830	0.21%
Business Licenses	\$13,387	0.99%
Document Transfer	\$229	0.02%
Motor Vehicle Licenses	\$0	0.00%
Investment Proceeds	\$672	0.05%
Fire Contracts	\$918	0.07%
Code Enforcement	\$749	0.06%
Charges for Services	\$434	0.03%
Fines & Forfeitures	\$74	0.01%
Revenues from Other Agencies	\$525	0.04%
Licenses & Permits	\$97	0.01%
Sale of Fixed Assets	\$62	0.01%
Miscellaneous Other Revenues	\$0	0.00%
Indirect Cost Allocations	\$1,115	0.08%
Refunds & Reimbursements	\$305	0.02%
Rents/Leases/Concessions	\$748	0.06%
Loan Repayment	\$105	0.01%
<b>TOTAL</b>	<b>\$1,374,626</b>	<b>100.00%</b>

**NOTES:**

[1] See Exhibit 3.

[2] See Exhibit 4.

[3] See Exhibit 5.

\* All figures subject to rounding.

EXHIBIT 7

PUBLIC FACILITY AND IMPACT FEE SUMMARY

EXHIBIT 7  
CITY OF STOCKTON – PROPOSED HAMMER LANE ANNEXATION  
PUBLIC FACILITY AND IMPACT FEE SUMMARY

**I. Fees from Commercial Center Development**

FEE CATEGORY	FEE RATE	ESTIMATED PROJECT FEES
<b>City of Stockton Fees [1]</b>		
Agricultural Land Mitigation	Not applicable	\$0
Air Quality	\$689/1,000 sq. ft.	\$11,364
City Office Space	\$22.50/1,000 sq. ft.	\$371
Community Recreation Center	\$20.25/1,000 sq. ft.	\$334
County Facilities	\$430/1,000 sq. ft.	\$7,092
Fire Stations	\$61/1,000 sq. ft.	\$1,006
Libraries	\$48.50/1,000 sq. ft.	\$800
Parkland	Exempt	\$0
Police Stations	\$54/1,000 sq. ft.	\$891
Street Improvement	\$3,177/1,000 sq. ft.	\$52,401
Surface Water	\$0.283/(sq. ft./0.3)	\$7,780
Administration (2.5% of total fees above)	--	\$2,051
<b>SUBTOTAL</b>		<b>\$84,091</b>
Sewer Connection	\$3,634/SFU equivalent [2]	\$59,939
Water Connection	1.5-inch meter	\$38,576
Delta Water Supply	1.5-inch meter	\$84,824
Administration (3.5% of total fees above)	--	\$6,417
<b>SUBTOTAL</b>		<b>\$189,756</b>
Regional Transportation	\$1,060/1,000 sq. ft.	\$17,484
Traffic Signal	Factors vary per land use	\$47,930
<b>SUBTOTAL</b>		<b>\$65,413</b>
<b>TOTAL</b>		<b>\$339,260</b>

**NOTES:**

[1] Source: City of Stockton FY 2019-20 Fee Schedule.

[2] For retail land uses, single-family unit (SFU) equivalent is square footage times 0.03 gallons per day divided by 300.

\* *All figures subject to rounding.*

**II. Fees from Hotel Development**

<b>FEE CATEGORY</b>	<b>FEE RATE</b>	<b>ESTIMATED PROJECT FEES</b>
<b>City of Stockton Fees [1]</b>		
Agricultural Land Mitigation	Not applicable	\$0
Air Quality	\$120/room	\$16,920
City Office Space	\$49/room	\$6,909
Community Recreation Center	Exempt	\$0
County Facilities	\$640/1,000 sq. ft.	\$52,150
Fire Stations	\$44.50/room	\$6,275
Libraries	\$85.50/room	\$12,056
Parkland	Exempt	\$0
Police Stations	\$99.50/room	\$14,030
Street Improvement	\$5,157/room	\$727,208
Surface Water	\$1,076/room	\$151,716
Administration (2.5% of total fees above)	--	\$24,682
<b>SUBTOTAL</b>		<b>\$1,011,943</b>
Sewer Connection	\$3,634/SFU equivalent [2]	\$5,124
Water Connection	1.5-inch meter	\$9,644
Delta Water Supply	1.5-inch meter	\$21,206
Administration (3.5% of total fees above)	--	\$1,259
<b>SUBTOTAL</b>		<b>\$37,233</b>
Regional Transportation	\$1,760/1,000 sq. ft.	\$143,412
Traffic Signal	\$122/room	\$17,202
<b>SUBTOTAL</b>		<b>\$160,614</b>
<b>TOTAL</b>		<b>\$1,209,790</b>

**NOTES:**

[1] Source: City of Stockton FY 2019-20 Fee Schedule.

[2] For hotel/motel land uses, single-family unit (SFU) equivalent is number of rooms times 100 gallons/day divided by 300.

*\* All figures subject to rounding.***III. Total City Impact Fees and Fees by Other Agencies**

<b>TOTAL CITY PUBLIC FACILITY AND IMPACT FEES (Commercial and Hotel)</b>		<b>\$1,549,050</b>
<b>Fees by Other Agencies</b>		
School Impact Fees (SUSD)	\$0.61/square foot	\$59,767
Habitat/Open Space (SJCOG)	\$6,412/gross acre	\$51,296

*\* All figures subject to rounding.*

EXHIBIT 8  
ESTIMATED PROJECT EXPENDITURES

**I. CITY EXPENDITURES**

<b>Program Appropriations</b>	<b>City Budget [1]</b>
Police	\$129,061,956
Fire	45,767,332
Administration	17,739,576
Public Works	15,008,881
Community Services	8,080,000
Other Programs	5,868,315
Economic Development	4,962,670
Debt Service	3,582,175
<b>TOTAL</b>	<b>\$230,070,905</b>

**II. PROJECT EXPENDITURE ANALYSIS**

2019 City of Stockton Persons Served Population [2]: 388,124

City Expenditures per Person Served: \$592.78

Persons Served Population on Subject Site [3]: 80

**Total Subject Site Expenditures: \$47,422**

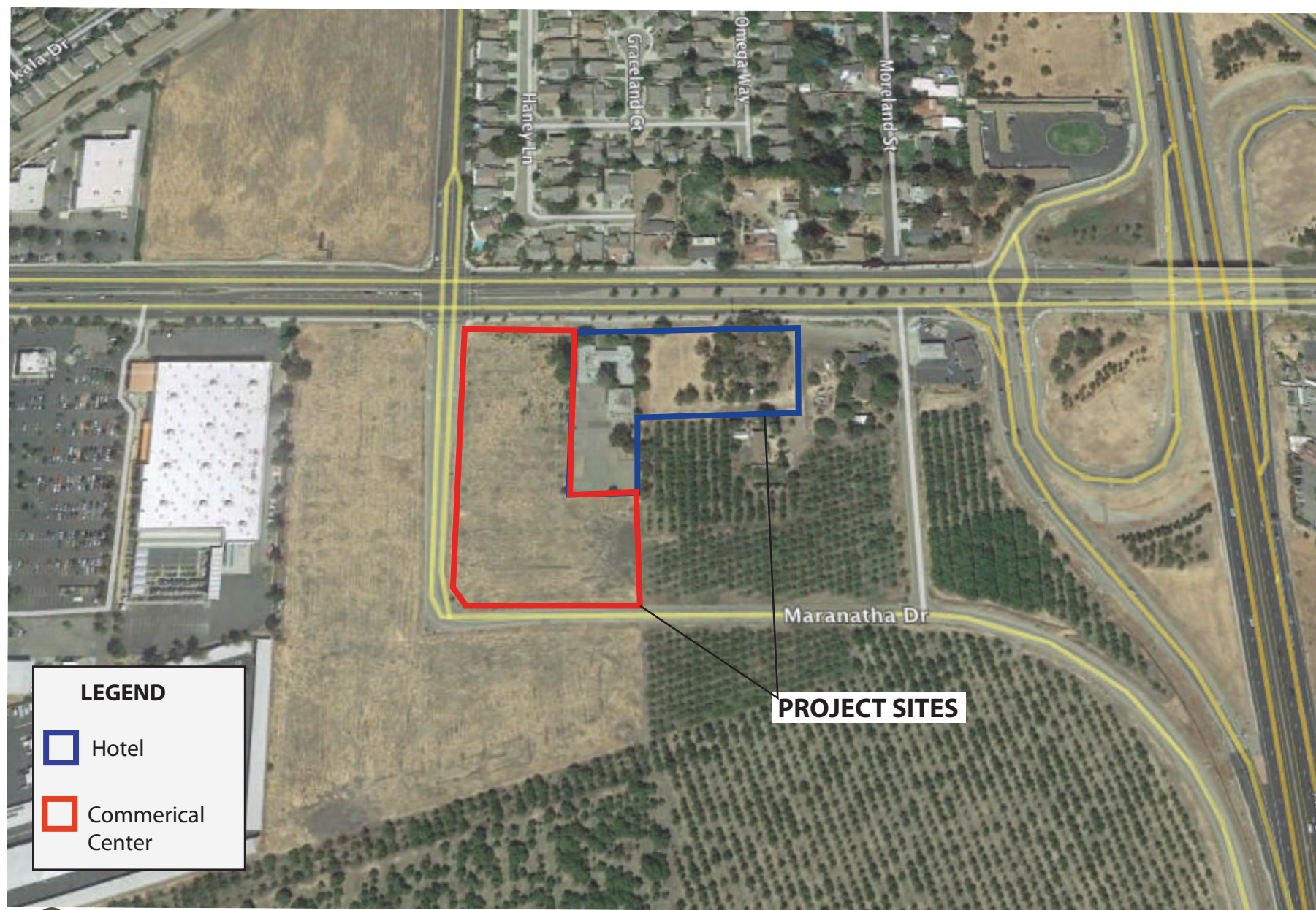
**NOTES:**

[1] Source: City of Stockton Fiscal Year 2019/20 Budget

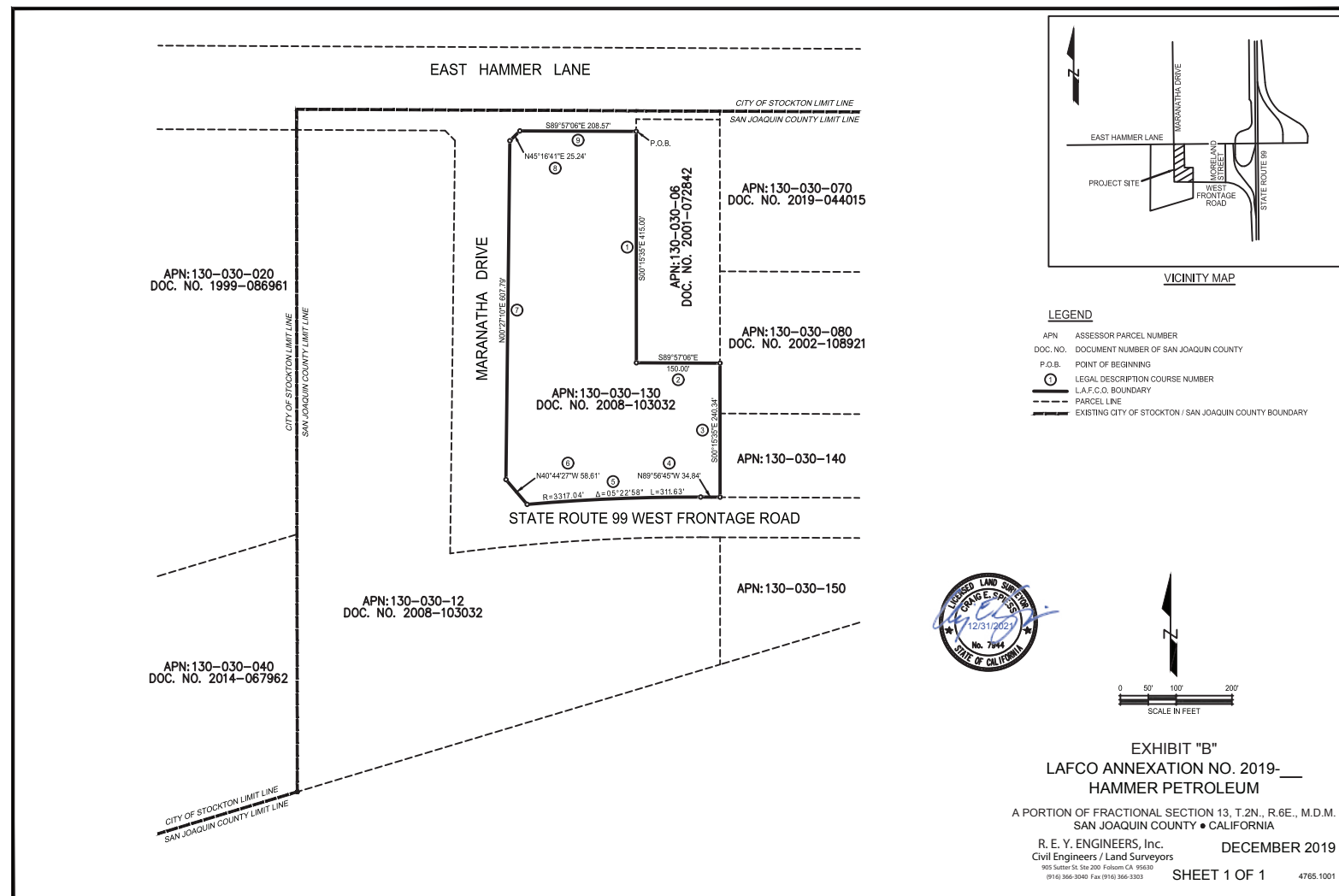
[2] See Exhibit 1.

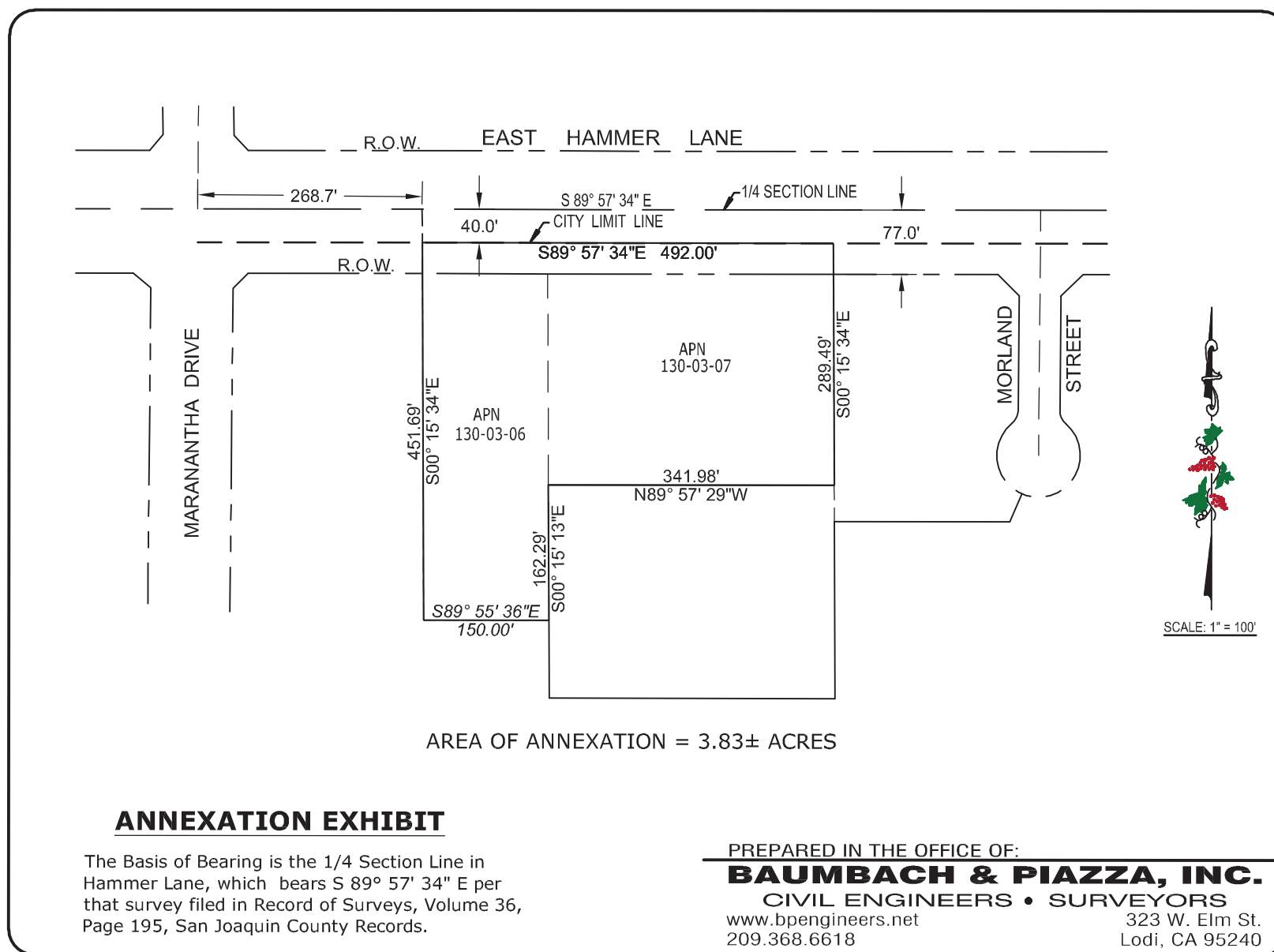
[3] See Exhibit 2.



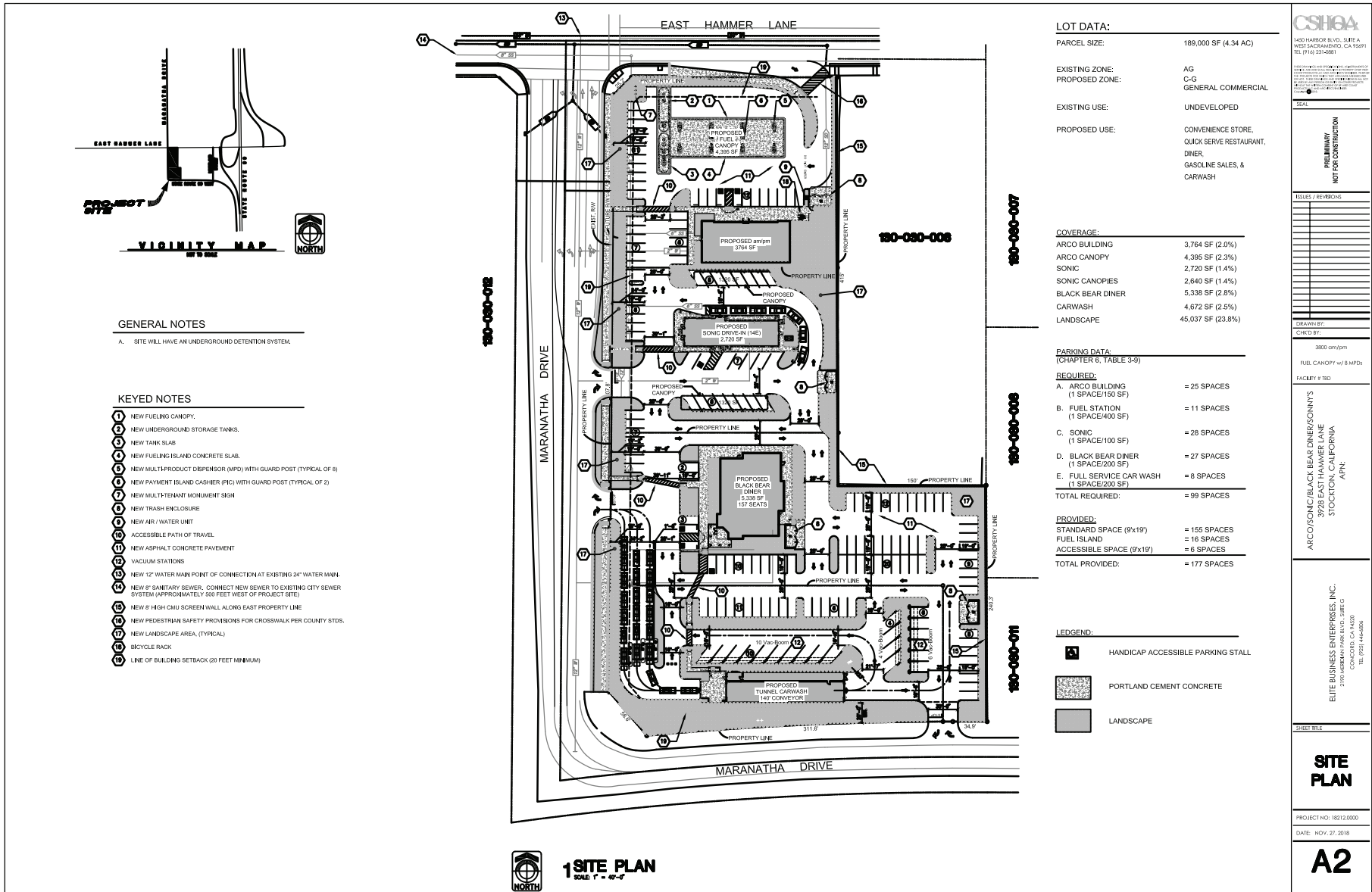


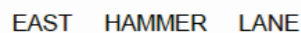






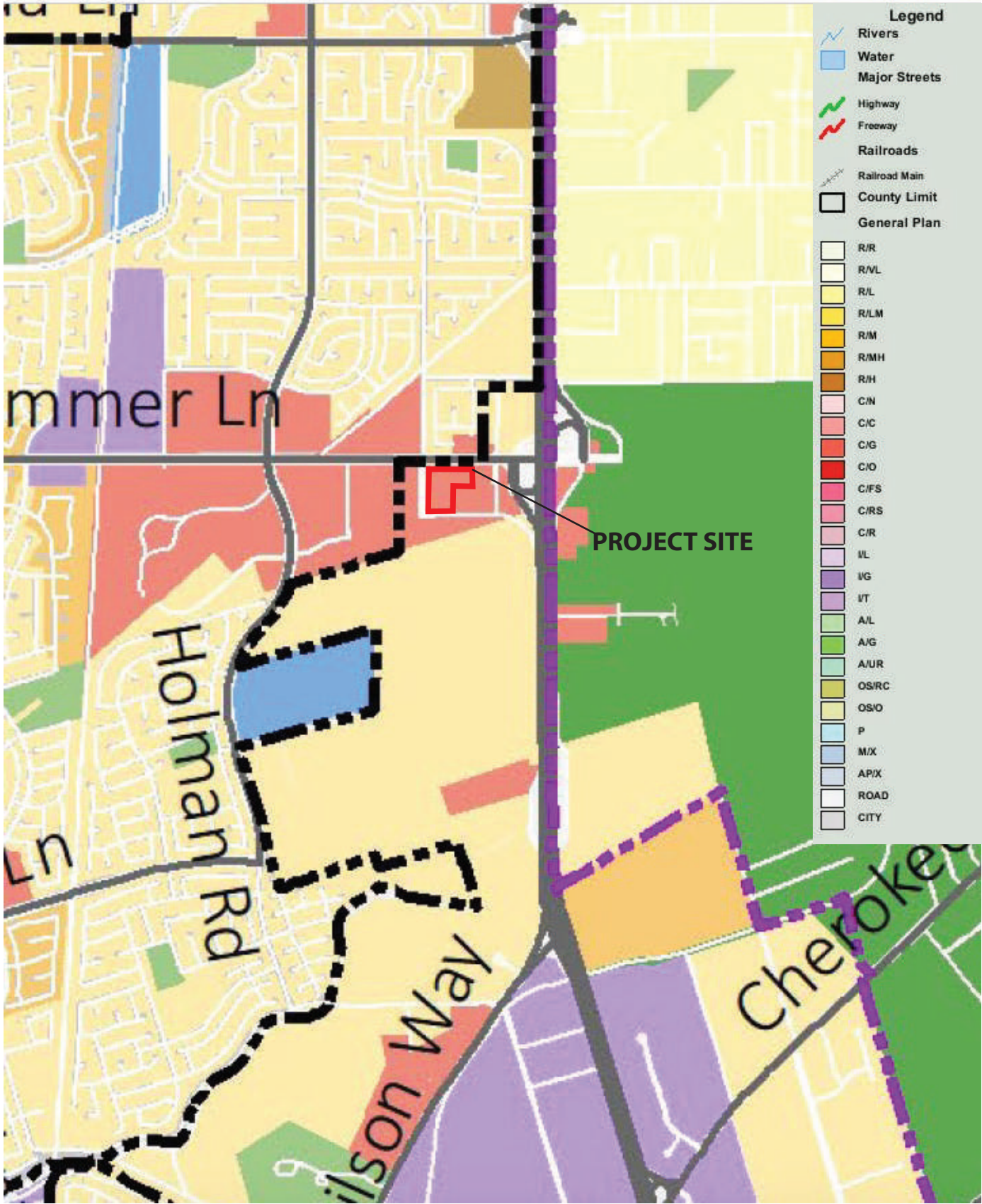
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BaseCamp Environmental

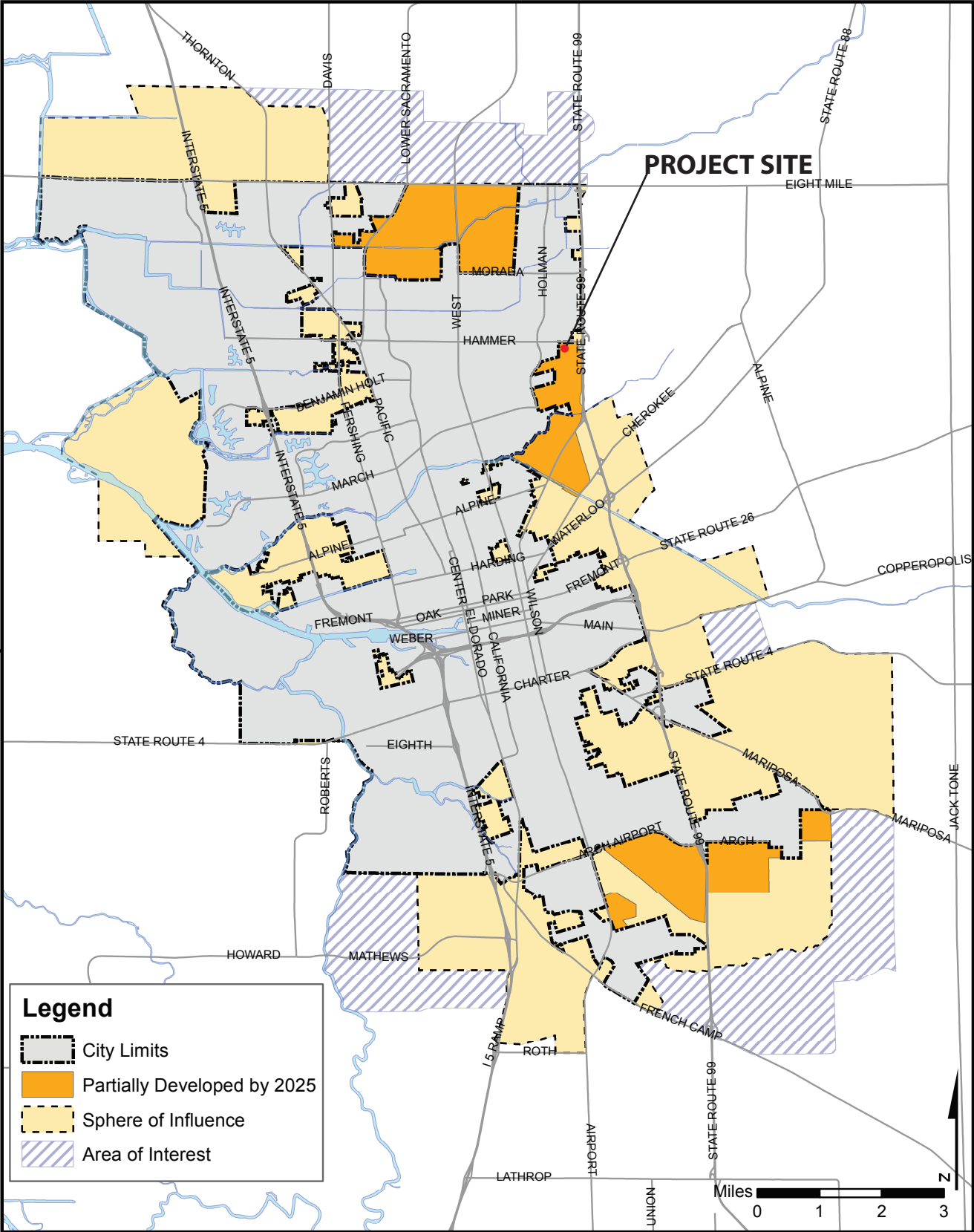












SOURCE: City of Stockton

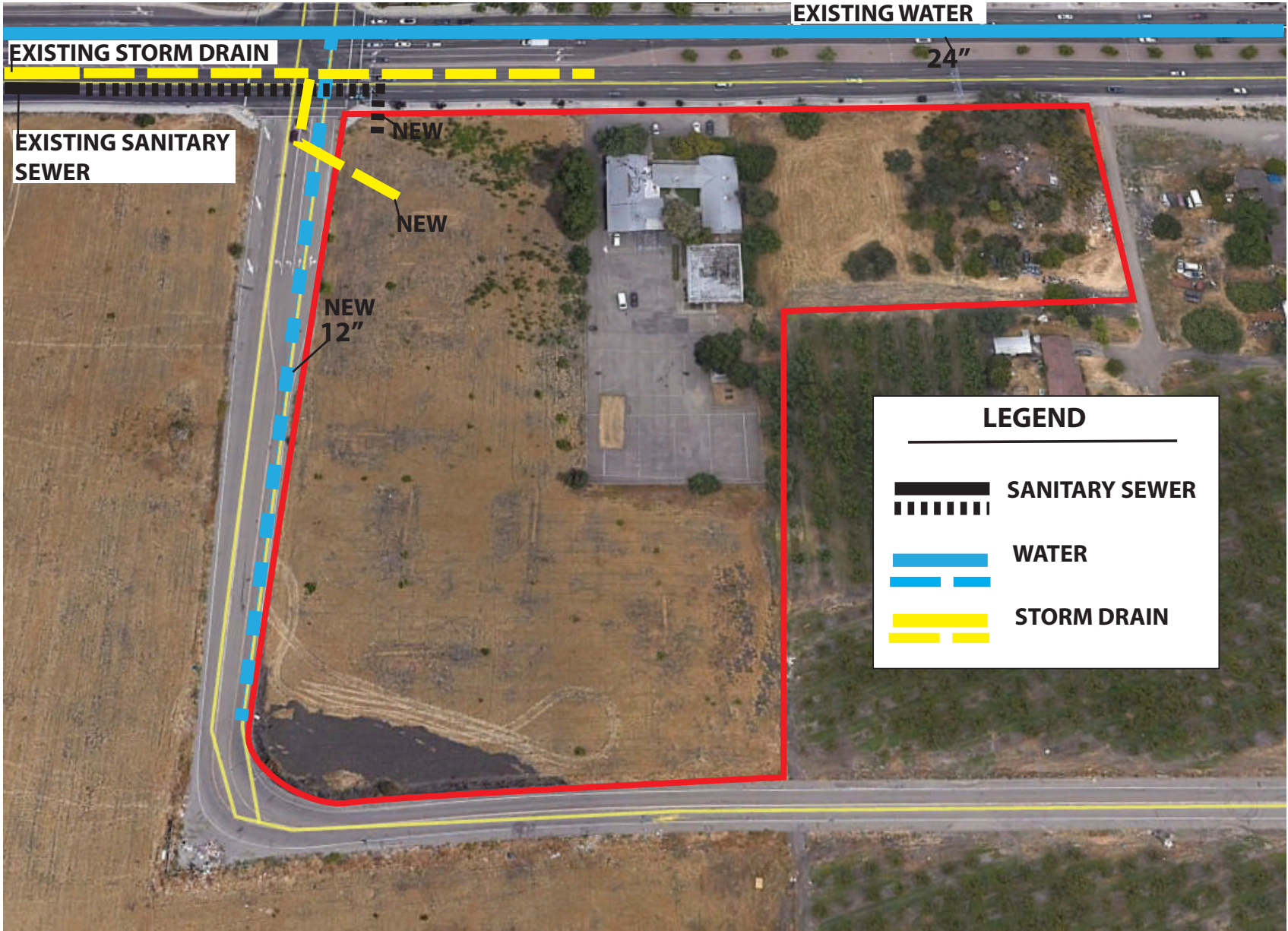


Figure 10  
UTILITY MAP