City of Stockton

Meeting Agenda - Final
City Council/Successor Agency to the Redevelopment Agency/Public Financing Authority/Parking Authority Concurrent

Kevin J. Lincoln II (At Large) Mayor/Chair
Christina Fugazi (District 5) Vice Mayor/Vice Chair
Sol Jobrack (District 1)
Daniel R. Wright (District 2)
Paul Canepa (District 3)
Susan Lenz (District 4)
Kimberly Warmsley (District 6)

Tuesday, December 6, 2022
4:00 PM
Council Chamber, City Hall, 425 N. El Dorado Street, Stockton CA

Closed Session 4:00 PM :: Regular Session 5:30 PM

Councilmember Dan Wright and Councilmember Kimberly Warmsley will participate in the meeting via teleconference from the following location:

Canopy by Hilton Washington DC the Wharf
975 7th Street SW, Business Center
Washington DC, 20024

1. CLOSED SESSION CALL TO ORDER/ROLL CALL

2. ADDITIONS TO CLOSED SESSION AGENDA

3. ANNOUNCEMENT OF CLOSED SESSION

3.1 22-1151 CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Number of Cases: Two

Name of Case: Ralph Lee White v. City Council of Stockton, et al. (San Joaquin County Superior Court Case No. STK-CV-UOCT-2018-4379)

Name of Case: Kurt Wilson v. City Council of Stockton, et al. (San Joaquin County Superior Court Case No. STK-CV-UVM-2019-12404)

This Closed Session is authorized pursuant to section 54956.9(d) (1) of the Government Code.
3.2 22-1153  CONFERENCE WITH LABOR NEGOTIATOR

**Recommended Action:**
Agency Designated Representative: City Manager Harry Black

Employee Organizations: Unrepresented Units, Stockton City Employees' Association, Operating Engineer's Local 3, Mid-Management/Supervisory Level Unit, Unrepresented Management/Confidential, Law Department, Stockton Police Management Association, Stockton Firefighters Local 456, International Association of Firefighters, Stockton Fire Management, Stockton Police Officers' Association (SPOA)

This Closed Session is authorized pursuant to section 54957.6(a) of the Government Code.

**Department:** City Attorney

3.3 22-1155  PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

**Recommended Action:**
City Manager

This Closed Session is authorized pursuant to Government Code section 54957.

**Department:** City Attorney

3.4 22-1157  PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

**Recommended Action:**
City Attorney

This Closed Session is authorized pursuant to Government Code section 54957.

**Department:** City Attorney

3.5 22-1159  PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

**Recommended Action:**
City Clerk

This Closed Session is authorized pursuant to Government Code section 54957.

**Department:** City Attorney

3.6 22-1162  CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION

Number of Cases: One

Based on existing facts and circumstances, there is significant exposure to litigation pursuant to Government Code section 54956.9(d)(2).

**Department:** City Attorney
4. CLOSED SESSION PUBLIC COMMENT*

5. RECESS TO CLOSED SESSION

6. REGULAR SESSION CALL TO ORDER/ROLL CALL

7. INVOCATION/PLEDGE TO FLAG

8. REPORT OF ACTION TAKEN IN CLOSED SESSION

9. ADDITIONS TO REGULAR SESSION AGENDA***

10. RECOGNITIONS, ANNOUNCEMENTS, OR REPORTS

10.1 22-1167 PROCLAMATION: ARBOR DAY

   Department: Office of the Mayor

11. PUBLIC COMMENTS* – MATTERS NOT ON THE AGENDA

12. CONSENT AGENDA

12.1 22-0967 2022 CONFLICT OF INTEREST CODE AMENDMENT

   Recommended Action: RECOMMENDATION

   It is recommended that City Council adopt a resolution to amend the City's Conflict of Interest Code by adding and deleting certain designated positions.

   Department: City Clerk

   Attachments: Attachment A - 2022 Conflict of Interest Code - Redlined
                 Proposed Resolution - 2022 Conflict of Interest Code
                 2022 Conflict of Interest Code

12.2 22-1178 APPROVAL OF CITY COUNCIL MINUTES

   Recommended Action: RECOMMENDATION

   Approve the minutes from the City Council meetings of September 27, 2022 and October 18, 2022

   Department: City Clerk

   Attachments: Attachment A – 2022-09-27 Minutes
                 Attachment B – 2022-10-18 Minutes
12.3 22-1048 APPROVE A MOTION ACCEPTING THE 2022 ANNUAL PROGRESS REPORT TO CONFIRM 200-YEAR URBAN LEVEL OF FLOOD PROTECTION FINDING FOR RECLAMATION DISTRICT 2042 AREA

**Recommended Action:** RECOMMENDATION

Staff recommends that City Council:

1. Approve a motion accepting the 2022 Annual Progress Report to confirm the 200-year urban level of flood protection adequate progress finding for the Reclamation District 2042 boundary area; and

2. Authorize the City Manager, or designee, to take necessary and appropriate actions to carry out the purpose and the intent of this motion.

**Department:** Community Development  
**Attachments:** Attachment A - RD 2042 Map  
Attachment B - SB 5 Overview  
Attachment C - 200-Year Floodplain Map  
Attachment D - Annual Progress Report 2022

12.4 22-1090 RESOLUTION APPOINNTING AISHA ABERCROMBIE, MAURICE SPILLER AND IRIE WOODS TO THE STOCKTON ARTS COMMISSION

**Recommended Action:** RECOMMENDATION

It is recommended that the City Council adopt a resolution to:

1. Appoint Aisha Abercrombie, Maurice Spiller, and Irie Woods to the Stockton Arts Commission with term to commence immediately upon approval.

2. Authorize the City Manager to take whatever actions are appropriate and necessary to carry out the purpose and intent of this Resolution.

**Department:** Community Services  
**Attachments:** Attachment A - SAC Candidate Applications (redacted)  
Proposed Resolution - SAC Appointments 2022

12.5 22-0990 AUTHORIZE AN AGREEMENT WITH THE MIRACLE MILE IMPROVEMENT DISTRICT TO MANAGE THE MIRACLE MILE COMMUNITY IMPROVEMENT DISTRICT
12.6 22-0996 ADOPT A RESOLUTION APPROVING AN AMENDMENT WITH VISIT STOCKTON TO SUPPORT YEARS TWO AND THREE OF FLAVOR FEST EVENT PROGRAMMING

**Recommended Action:** RECOMMENDATION

It is recommended that the City Council adopt a resolution:

1. Authorize the City Manager, or designee, to execute an amendment to the Visit Stockton contract (attached as Exhibit 1 to the Resolution); and

2. Authorize the City Manager, or designee, to take appropriate and necessary actions to carry the purpose and intent of the Resolution.

**Department:** Economic Development

**Attachments:**
- Attachment A - Current Contract
- Attachment B - Flavor Fest Details and Impact Report
- Proposed Resolution - Visit Stockton
- Exhibit 1 - First Amendment Visit Stockton Contract

12.7 22-1013 AUTHORIZE FIRST AMENDMENTS WITH GILL HOSPITALITY, INC., AND SETHI HOLDINGS, LP, FOR TWO PUBLIC FACILITIES FEES

**Recommended Action:** RECOMMENDATION

It is recommended that the City Council adopt a resolution:

1. Authorize the City Manager, or designee, to execute an amendment to the Visit Stockton contract (attached as Exhibit 1 to the Resolution); and

2. Authorize the City Manager, or designee, to take appropriate and necessary actions to carry the purpose and intent of the Resolution.

**Department:** Economic Development

**Attachments:**
- Attachment A - Current Contract
- Attachment B - Flavor Fest Details and Impact Report
- Proposed Resolution - Visit Stockton
- Exhibit 1 - First Amendment Visit Stockton Contract
DEFERRED PAYMENT AGREEMENTS

**Recommended Action:**

RECOMMENDATION

It is recommended that the City Council adopt a resolution:

1. Authorizing the First Amendments to the Deferred Payment Agreements with Gill Hospitality, Inc. and Sethi Holdings, LP, associated with Building Permits 20-08543 and 21-00268, to defer the initial payments of eligible Public Facilities Fees for the property located at 3651 Arch Road until the following year; and

2. Authorizing the City Manager, or designee, to take appropriate and necessary actions to carry out the purpose and intent of the resolution.

**Department:**

Economic Development

**Attachments:**

- Attachment A - Resolution No. 91-0119
- Attachment B - Deferred Payment Agreement BP20-08543
- Attachment C - Deferred Payment Agreement BP21-00268
- Proposed Resolution - Deferred Payment Amendment
- Exhibit 1 - Proposed Amendment for BP20-08543
- Exhibit 2 - Proposed Deferred Payment Amendment BP21-00268

12.8 22-1034 APPROVE BY MOTION REALLOCATION OF $800,000 IN AMERICAN RESCUE PLAN ACT (ARPA) FUNDS FROM THE BUSINESS ATTRACTION AND EXPANSION INCENTIVES CATEGORY TO THE BUSINESS FAÇADE & OUTDOOR DINING CATEGORY AND TO ENTER INTO AN AGREEMENT WITH THE DOWNTOWN STOCKTON ALLIANCE TO ADMINISTER THE ARPA BUSINESS FAÇADE IMPROVEMENT PROGRAM
Recommended Action: RECOMMENDATION

It is recommended that the City Council approve by motion the authorization to:

1. Reallocate $800,000 in American Rescue Plan Act (ARPA) funds from the Business Attraction and Expansion Incentives category to the Business Fa\-\ade & Outdoor Dining category;

2. Approve and authorize the City Manager, or designee, to execute an agreement based on the scope of work attached (Attachment A), with the Downtown Stockton Alliance in the amount of $2,042,500, including $204,250 for administrative costs, to manage and administer the ARPA Business Fa\-\ade Improvement Program;

3. Approve findings pursuant to Stockton Municipal Code section 3.68.070 in support of an exception to the competitive bidding process; and

4. Authorize the City Manager, or designee, to take appropriate and necessary actions to carry out the purpose and intent of this motion.

Department: Economic Development
Attachments: Attachment A - Draft Scope of Work

13. ADMINISTRATIVE MATTERS

14. UNFINISHED BUSINESS

15. NEW BUSINESS

15.1 22-1095 APPROVE A MOTION TO END THE PROCLAMATION OF THE EXISTENCE OF A LOCAL EMERGENCY ENDING THE COVID-19 STATE OF EMERGENCY EFFECTIVE FEBRUARY 28, 2023

Recommended Action: RECOMMENDATION

Approve a motion to end the Proclamation of the Existence of a Local Emergency, dated March 12, 2020, ending the COVID-19 State of Emergency in the City of Stockton, effective February 28, 2023.

Department: City Manager
Attachments: Attachment A - Proclamation_Existence Local Emergency
Attachment B - Resolution Ratifying Emergency Proclamation

15.2 22-1145 ADOPT A RESOLUTION TO APPROVE SUBGRANTEES FOR THE CALIFORNIANSFORALL YOUTH WORKFORCE PROGRAM
RECOMMENDED ACTION

It is recommended that the City Council adopt a resolution to:

1. Authorize the City Manager to execute agreements with four (4) subgrantees totaling $2,592,405 to implement youth workforce programs with the CaliforniansForAll Youth Workforce Program grant funds.

2. Authorize the City Manager to use the CaliforniansForAll Youth Workforce Program grant funds to create a City Summer Jobs Youth Pilot Program.

It is also recommended that the City Manager be authorized to take any appropriate and necessary actions to carry out the purpose and intent of the resolution.

Department: City Manager
Attachments: Proposed Resolution - CA4All Subgrantees
15.2 - PPT - CA4All Youth Workforce Grant

15.3 22-1035
RECOMMENDATION FROM THE MEASURE A ADVISORY COMMITTEE TO THE COUNCIL FOR FUNDING OF AN INDEPENDENT AUDITOR ON THE USES OF MEASURE A PROCEEDS

Recommended Action: RECOMMENDATION

It is recommended that the City Council consider a recommendation from the Measure A Citizens' Advisory Committee (Committee) regarding an additional audit of the financial statements of Measure A funds.

Department: Administrative Services
Attachments: Attachment A - 10-03-2022 Measure A Minutes
Attachment B - Measure A Ordinance 2013-07-09-1601
Attachment C - Reso 2013-10-08-1505 Citizen Committee Charter
Attachment D - 10-06-2015 Council Staff Report
PPT - 15.3 - Measure A - Financial Audits Recommendation

16. HEARINGS**

16.1 22-0963
ADOPT A RESOLUTION APPROVING THE SAN JOAQUIN MULTI-SPECIES HABITAT CONSERVATION AND OPEN SPACE PLAN 2023 DEVELOPMENT FEE SCHEDULE
**Recommended Action:**

RECOMMENDATION

It is recommended that the City Council adopt a resolution approving the San Joaquin Multi-Species Habitat Conservation and Open Space Plan 2023 development fee schedule.

It is further recommended that the City Manager be authorized to take appropriate and necessary actions to carry out the purpose and intent of the resolution.

**Department:**
Community Development

**Attachments:**
- Attachment A - SJMSCP Reports
- Attachment B - Habitat Fee Areas
- Attachment C - Regional Preserve Areas
- Proposed Resolution - Recommending Approval
- PPT - 16.1 - Habitat Fee Hearing

**16.2 22-1063**

ADOPT A RESOLUTION CERTIFYING AN ENVIRONMENTAL IMPACT REPORT, ADOPT AN ORDINANCE FOR PRE-ZONING, ADOPT A DEVELOPMENT AGREEMENT, ADOPT A RESOLUTION AUTHORIZING ANNEXATION REQUESTS FOR A PROPOSED INDUSTRIAL DEVELOPMENT AT 5110, 5150, 5268, 5280, AND 5290 MARIPOSA ROAD, 4500 EAST CLARK ROAD, AND 4600 AND 4610 MARFARGOA DRIVE (APNS 179-220-10; -11; -12; -13; -16; -17; -18; -19; -24) (P20-0805), AND APPROVE RELATED SETTLEMENT DOCUMENTS
Recommended Action: RECOMMENDATION

It is recommended that the City Council:

1. Adopt a Resolution certifying the Mariposa Industrial Park Environmental Impact Report (SCH #2020120283), including a Statement of Overriding Considerations, and adopt a Mitigation Monitoring and Reporting Program; and

2. Adopt an Ordinance for the Pre-zoning of APNs 179-220-10; -11; -12; -13; -16; -17; -18-; 19; and -24 to Industrial, Limited (IL); and

3. Adopt an Ordinance for a Development Agreement; and

4. Adopt a resolution approving a Settlement Agreement with the Sierra Club; and approving a Memorandum of Understanding with the State of California Department of Justice; and

5. Adopt a Resolution authorizing the filing of an annexation application with the San Joaquin Local Agency Formation Commission; and

6. Authorize the City Manager to take appropriate and necessary actions to carry out the purpose and intent of the resolutions, ordinance, Settlement Agreement, and Memorandum of Understanding.

Department: Community Development
17. CITY MANAGER'S UPDATE

18. COUNCIL COMMENTS

19. ADJOURNMENT

INFORMATIONAL ITEMS

1. **22-1118** STRONG COMMUNITIES ADVISORY COMMITTEE ANNUAL REPORT OF REVENUES AND EXPENDITURES FOR FISCAL YEAR 2020-21

   **Recommended Action:** RECOMMENDATION

   This item is an informational item submitting the Strong Communities Advisory Committee Annual Report for Fiscal Year 2020-21 to the City Council.
Department: Administrative Services
Attachments: Attachment A - Strong Communities Annual Report FY 2020_21

2. **22-1181**

COUNCIL COMMITTEE/BOARD AND COMMISSION MINUTES

**Recommended Action:** RECOMMENDATION

Information item only. No action required.

**Department:** City Clerk

**Attachments:** Audit 2022-06-13
CWC 2022-06-09
CWC 2022-07-14
Measure W 2022-05-26
Planning Commission 2022-05-12

CERTIFICATE OF POSTING

I declare, under penalty of perjury, that I am employed by the City of Stockton and that I caused this agenda to be posted in the City Hall notice case on November 30, 2022, in compliance with the Brown Act.

Eliza R. Garza, CMC
City Clerk

Allison Lambertson
Digitally signed by Allison Lambertson
Date: 2022.11.30 17:14:38 -08'00'

By: ________________________________
Deputy
PUBLIC COMMENTS
*Citizens may comment on any subject within the jurisdiction of the City Council/Successor Agency to the Redevelopment Agency/Public Finance Authority/Parking Authority, including items on the Agenda. Each speaker is limited to three minutes. Speakers must submit "Request to Speak" cards to the City Clerk, and be prepared to speak when called. No speaker cards will be received after the close of the Citizen's Comments portion of the meeting.

**Speakers should hold comments on items listed as a Hearing until the Hearing is opened.

The City of Stockton invites public comments in multiple forms. You provide your comments by using one of these methods:

1. e-Comment - follow the e-comment link on the City’s agenda page stockton.granicusideas.com/meetings
2. Email - you may email your comments to city.clerk@stocktonca.gov
3. Voicemail - you can leave a voice message by dialing (209) 937-8459.
4. In-Person Comments - a) Speakers must submit "request to speak cards" to the Clerk prior to the Public Comment portion of the agenda. No speaker cards will be accepted after the close of Public Comment. Please redirect any inquiries to City.Clerk@stocktonca.gov. b) Address only issues over which the meeting body has jurisdiction. c) Each speaker will be limited to one 3-minute comment opportunity. Donating time is not authorized. d) Your time will be displayed on the speaker podium for convenience.

*All written and voicemail public comments received by the Clerk's Office 90 minutes prior to the meeting start time will be forwarded to the meeting body members as correspondence and attached the minutes. All comments received after that time will be forwarded as correspondence the following business day.

***Additions to the Agenda - Government Code Section 54954.2(b)(2), allows members of the City Council present at the meeting to take immediate action, with either a two-thirds or unanimous vote, to place an item on the agenda that action must be taken and that the item came to the attention of the City subsequent to the agenda being posted.

All proceedings before this meeting body are conducted in English. The City of Stockton does not furnish language interpreters and, if one is needed, it shall be the responsibility of the person needing one.

In accordance with the Americans With Disabilities Act and California Law, it is the policy of the City of Stockton to offer its public programs, services and meetings in a manner that is readily accessible to everyone, including those with disabilities. If you are a person with a disability and require a copy of a public hearing notice, or an agenda and/or agenda packet in an appropriate alternative format; or if you require other accommodation, please contact the Office of the City Clerk located at 425 North El Dorado Street, Stockton, California 95202 during normal business hours or by calling (209) 937-8458, at least 5 days in advance of the hearing/meeting. Advance notification within this guideline will enable the City/Agency to make reasonable arrangements to ensure accessibility.

Materials related to an item on this agenda submitted to City Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office at 425 North El Dorado Street, Stockton, California 95202, during normal business hours. Such documents are also available on the City's website at www.stocktongov.com subject to staff's ability to post the documents before the meeting.

CHALLENGING CITY DECISIONS: The time limit within which to commence any lawsuit or legal challenge to any quasi-adjudicative decision made by the City is governed by Section 1094.6 of the Code of Civil Procedure, unless a shorter limitation period is specified by any other provision. Under Section 1094.6, any lawsuit or legal challenge to any quasi-adjudicative decision made by the City must be filed no later than the 90th day following the date on
which such decision becomes final. Any lawsuit or legal challenge, which is not filed within that 90-day period, will be barred. If a person wishes to challenge the nature of the above section in court, they may be limited to raising only those issues they or someone else raised at the meeting described in this notice, or in written correspondence delivered to the City of Stockton, at or prior to the meeting. In addition, judicial challenge may be limited or barred where the interested party has not sought and exhausted all available administrative remedies.
**2022 CONFLICT OF INTEREST CODE AMENDMENT**

**RECOMMENDATION**

It is recommended that City Council adopt a resolution to amend the City’s Conflict of Interest Code by adding and deleting certain designated positions.

**Summary**

This is the Biennial Review and amendment to the City’s Conflict of Interest Code as required by the Fair Political Practices Commission. In July 2022, all Departments were notified of the review and were requested to submit any changes to their department’s designated positions as reflected in the Conflict of Interest Code. The amendments to the Conflict of Interest Code were made as indicated in Attachment A as strike-out text and red text. The Disclosure Categories and department amendments have been reviewed and approved by the City Attorney.

**DISCUSSION**

**Background**

The Political Reform Act (Cal. Gov. Code § 87100, et seq.) (“the Act”) requires every city to adopt a Conflict of Interest Code that identifies designated officials and employees in the agency who must file a financial disclosure statement. This section of the Act was established to ensure that:

“No public official at any level of state or local government shall make, participate in making, or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest” (Cal. Gov. Code § 87100).

Government Code Section 87200 of the Act requires certain public officials, including City Mayors and Councilmembers, City Managers, City Attorneys, City Treasurers, and Planning Commissioners to file an annual statement fully disclosing economic interests. The Act specifically excludes designation of positions in conflict of interest codes that are covered under section 87200, and therefore, those positions are not included in this review. Statements completed by officials holding these positions are filed with the Fair Political Practices Commission (FPPC) through the City Clerk.

Government Code section 91013 authorizes the City Clerk, as the Filing Official for the City of Stockton, to impose a late filing penalty in the form of a fine of $10 per day for each day a statement is late up to a maximum fine of $100.
Present Situation

The Act requires agencies to amend their code "...when change is necessitated by changed circumstances, including the creation of new positions which must be designated..." (Cal. Gov. Code § 87306). The Council is required to approve by resolution its current Conflict of Interest Code with modifications recommended by staff as noted in Attachment A. Newly designated positions are written in red text. Previously designated positions recommended for deletion are lined through.

FINANCIAL SUMMARY

There is no financial impact to the City as a result of these amendments.

Attachment A - 2022 Conflict of Interest Code Redlined
### ADMINISTRATIVE SERVICES DEPARTMENT

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### COMMUNITY DEVELOPMENT DEPARTMENT

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## COMMUNITY DEVELOPMENT DEPARTMENT (continued)

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<td>Senior Building Inspector</td>
<td>5</td>
</tr>
<tr>
<td>Senior Civil Engineer</td>
<td>4</td>
</tr>
<tr>
<td>Senior Community Development Technician</td>
<td>4</td>
</tr>
<tr>
<td>Senior Engineering Technician</td>
<td>4</td>
</tr>
<tr>
<td>Senior Plan Checker</td>
<td>4</td>
</tr>
<tr>
<td>Senior Planner</td>
<td>4</td>
</tr>
<tr>
<td>Supervising Combination Inspector</td>
<td>4</td>
</tr>
<tr>
<td>Supervising Plan Check/Structural Engineer</td>
<td>4</td>
</tr>
</tbody>
</table>

## COMMUNITY SERVICES DEPARTMENT

<table>
<thead>
<tr>
<th>Designated Position</th>
<th>Disclosure Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Analyst I/II</td>
<td>5</td>
</tr>
<tr>
<td>Director of Community Services</td>
<td>1</td>
</tr>
<tr>
<td>Deputy Director of Community Services-City Librarian</td>
<td>1</td>
</tr>
<tr>
<td>Deputy Director of Community Services/Recreation</td>
<td>1</td>
</tr>
<tr>
<td>Executive Assistant</td>
<td>5</td>
</tr>
<tr>
<td>Library Manager</td>
<td>5</td>
</tr>
<tr>
<td>Program Manager III</td>
<td>5</td>
</tr>
<tr>
<td>Recreation Superintendent</td>
<td>5</td>
</tr>
<tr>
<td>Recreation Supervisor</td>
<td>5</td>
</tr>
<tr>
<td>Senior Administrative Analyst</td>
<td>5</td>
</tr>
</tbody>
</table>
## ECONOMIC DEVELOPMENT DEPARTMENT

<table>
<thead>
<tr>
<th>Designated Position</th>
<th>Disclosure Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Analyst I/II</td>
<td>4</td>
</tr>
<tr>
<td><strong>Assistant Economic Development Director</strong></td>
<td>1</td>
</tr>
<tr>
<td>Economic Development Analyst</td>
<td>4</td>
</tr>
<tr>
<td>Economic Development Deputy Director</td>
<td>1</td>
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<tr>
<td>Economic Development Director</td>
<td>1</td>
</tr>
<tr>
<td>Grants Analyst</td>
<td>4</td>
</tr>
<tr>
<td>Housing Deputy Director</td>
<td>1</td>
</tr>
<tr>
<td><strong>Parking and Venues Manager</strong></td>
<td>4</td>
</tr>
<tr>
<td>Program Manager I/II - Administration</td>
<td>4</td>
</tr>
<tr>
<td>Program Manager III – Parking Authority and Venues</td>
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</tr>
<tr>
<td>Real Property Agent I/II</td>
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</tr>
<tr>
<td>Project Manager I/II/III – Housing and Asset Management</td>
<td>4</td>
</tr>
<tr>
<td>Senior Administrative Analyst</td>
<td>4</td>
</tr>
<tr>
<td>Senior Economic Development Analyst</td>
<td>4</td>
</tr>
<tr>
<td>Senior Housing Rehabilitation Counselor</td>
<td>4</td>
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<tr>
<td>Senior Real Property Agent</td>
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<tr>
<td>Supervising Real Property Agent</td>
<td>4</td>
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<tr>
<td>Consultants</td>
<td>Consultants</td>
</tr>
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</table>

## FIRE DEPARTMENT

<table>
<thead>
<tr>
<th>Designated Position</th>
<th>Disclosure Category</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assistant Fire Marshall</strong></td>
<td>5</td>
</tr>
<tr>
<td>Captain/Fire Inspector</td>
<td>5</td>
</tr>
<tr>
<td>Deputy Fire Chief I/II</td>
<td>5</td>
</tr>
<tr>
<td>Deputy Fire Marshal</td>
<td>5</td>
</tr>
<tr>
<td>Division Chief</td>
<td>5</td>
</tr>
<tr>
<td><strong>ECD Captain</strong></td>
<td>5</td>
</tr>
<tr>
<td><strong>Emergency Manager</strong></td>
<td>5</td>
</tr>
<tr>
<td>EMS Captain/Division of Training</td>
<td>5</td>
</tr>
<tr>
<td>Fire Battalion Chief</td>
<td>5</td>
</tr>
<tr>
<td>Fire Chief</td>
<td>1</td>
</tr>
<tr>
<td>Fire Marshall (Fire and Prevention)</td>
<td>5</td>
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<tr>
<td><strong>Firefighter Engineer</strong></td>
<td>5</td>
</tr>
</tbody>
</table>
## FIRE DEPARTMENT (continued)

<table>
<thead>
<tr>
<th>Designated Position</th>
<th>Disclosure Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fire Protection Specialist</td>
<td>5</td>
</tr>
<tr>
<td>Plan Checker I/II</td>
<td>5</td>
</tr>
<tr>
<td>Program Manager I/II/III</td>
<td>5</td>
</tr>
<tr>
<td>Project Manager I/II/III</td>
<td>5</td>
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<tr>
<td>Supervising Fire Prevention Inspector</td>
<td>5</td>
</tr>
<tr>
<td>Suppression Captain/Division of Training</td>
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</tbody>
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## HUMAN RESOURCES DEPARTMENT

<table>
<thead>
<tr>
<th>Designated Position</th>
<th>Disclosure Category</th>
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</thead>
<tbody>
<tr>
<td>Assistant Director of Human Resources</td>
<td>1</td>
</tr>
<tr>
<td>Deputy Director of Human Resources</td>
<td>1</td>
</tr>
<tr>
<td>Director of Human Resources</td>
<td>1</td>
</tr>
<tr>
<td>Human Resources Manager/ Safety Officer</td>
<td>1</td>
</tr>
<tr>
<td>Liability Claims Investigator I/II</td>
<td>1</td>
</tr>
<tr>
<td>Program Manager III</td>
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</tr>
<tr>
<td>Senior Risk Analyst</td>
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<tr>
<td>Consultants</td>
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## INFORMATION TECHNOLOGY DEPARTMENT

<table>
<thead>
<tr>
<th>Designated Position</th>
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<tbody>
<tr>
<td>Deputy Information Technology Director</td>
<td>1</td>
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<tr>
<td>Director of Information Technology</td>
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</tr>
<tr>
<td>Information Technology Supervisor</td>
<td>5</td>
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<tr>
<td>Information Technology Officer</td>
<td>5</td>
</tr>
<tr>
<td>Network Support Analyst II</td>
<td>5</td>
</tr>
<tr>
<td>Program Manager I/II/III</td>
<td>5</td>
</tr>
<tr>
<td>Project Manager II</td>
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<tr>
<td>Senior Systems Analyst</td>
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<tr>
<td>Consultants</td>
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### MAYOR

<table>
<thead>
<tr>
<th>Designated Position</th>
<th>Disclosure Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Assistant to the Mayor</td>
<td>1</td>
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<tr>
<td>Mayor’s Senior Policy Advisor</td>
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</tr>
<tr>
<td>Public Information Officer II</td>
<td>1</td>
</tr>
<tr>
<td>Program Manager III</td>
<td>1</td>
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<td>Consultants</td>
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### MUNICIPAL UTILITIES DEPARTMENT

<table>
<thead>
<tr>
<th>Designated Position</th>
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</thead>
<tbody>
<tr>
<td>Assistant Director of Municipal Utilities</td>
<td>5</td>
</tr>
<tr>
<td>Assistant Engineer</td>
<td>5</td>
</tr>
<tr>
<td>Associate Civil Engineer</td>
<td>5</td>
</tr>
<tr>
<td>Chief Plant Operator – Wastewater</td>
<td>5</td>
</tr>
<tr>
<td>Chief Plant Operator – Water</td>
<td>5</td>
</tr>
<tr>
<td>Chief Water Systems Operator</td>
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</tr>
<tr>
<td>Deputy MUD Director/Maintenance &amp; Collection Systems</td>
<td>5</td>
</tr>
<tr>
<td>Deputy MUD Director/Wastewater</td>
<td>5</td>
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<tr>
<td>Deputy MUD Director/Water Resources</td>
<td>5</td>
</tr>
<tr>
<td>Director of Municipal Utilities</td>
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</tr>
<tr>
<td>Engineering Services Manager Municipal Utilities</td>
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<tr>
<td>Environmental Control Officer</td>
<td>5</td>
</tr>
<tr>
<td>MUD Financial Officer</td>
<td>5</td>
</tr>
<tr>
<td>Principal Civil Engineer</td>
<td>5</td>
</tr>
<tr>
<td>Program Manager I/II/III</td>
<td>5</td>
</tr>
<tr>
<td>Public Works Inspector</td>
<td>5</td>
</tr>
<tr>
<td>Senior Civil Engineer</td>
<td>5</td>
</tr>
<tr>
<td>Senior Environmental Control Officer</td>
<td>5</td>
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<tr>
<td>Technical Services Supervisor</td>
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### OFFICE OF VIOLENCE PREVENTION

<table>
<thead>
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<th>Designated Position</th>
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<tbody>
<tr>
<td>Office of Violence Prevention Director</td>
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<tr>
<td>Office of Violence Prevention Manager</td>
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<tr>
<td>Consultants</td>
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</table>
### POLICE DEPARTMENT

<table>
<thead>
<tr>
<th>Designated Position</th>
<th>Disclosure Category</th>
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</thead>
<tbody>
<tr>
<td>Chief of Police</td>
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<tr>
<td>Deputy Chief of Police I/II</td>
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<tr>
<td>Police Captain</td>
<td>5</td>
</tr>
<tr>
<td>Police Fiscal Affairs/Planning Manager</td>
<td>5</td>
</tr>
<tr>
<td>Police Services Manager</td>
<td>5</td>
</tr>
<tr>
<td>Program Manager I/II/III</td>
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### PUBLIC WORKS DEPARTMENT

<table>
<thead>
<tr>
<th>Designated Position</th>
<th>Disclosure Category</th>
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</thead>
<tbody>
<tr>
<td>Administrative Analyst</td>
<td>5</td>
</tr>
<tr>
<td>Assessment District Program Coordinator</td>
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<tr>
<td>Assistant City Traffic Engineer</td>
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</tr>
<tr>
<td>Assistant Civil Engineer</td>
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<tr>
<td>Assistant Engineer</td>
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<tr>
<td>Assistant Solid Waste Manager</td>
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</tr>
<tr>
<td>Associate Civil Engineer</td>
<td>5</td>
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<tr>
<td>Associate Engineer</td>
<td>5</td>
</tr>
<tr>
<td>Associate Traffic Engineer</td>
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<tr>
<td>City Traffic Engineer</td>
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</tr>
<tr>
<td><strong>Construction Services Manager</strong></td>
<td><strong>5</strong></td>
</tr>
<tr>
<td>Deputy Public Works Director/City Engineer</td>
<td>5</td>
</tr>
<tr>
<td>Deputy Public Works Director</td>
<td>5</td>
</tr>
<tr>
<td>Engineering Services Manager</td>
<td>5</td>
</tr>
<tr>
<td>Engineering Technician I/II</td>
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<tr>
<td>Facilities Manager</td>
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<tr>
<td>Fleet Manager</td>
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</tr>
<tr>
<td>Junior Engineer</td>
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</tr>
<tr>
<td>Parks Facility Planner/Landscape Architect</td>
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<tr>
<td>Parks Manager</td>
<td>5</td>
</tr>
<tr>
<td>Parks Supervisor</td>
<td>5</td>
</tr>
<tr>
<td>Principal Administrative Analyst</td>
<td>5</td>
</tr>
<tr>
<td>Program Manager I/II/III</td>
<td>5</td>
</tr>
<tr>
<td>Project Manager I/II/III</td>
<td>5</td>
</tr>
<tr>
<td>Designated Position</td>
<td>Disclosure Category</td>
</tr>
<tr>
<td>---------------------------------------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>Public Works Director</td>
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<tr>
<td>Public Works Inspector</td>
<td>4</td>
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<tr>
<td>Public Works Safety/Training Officer</td>
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</tr>
<tr>
<td>Public Works Supervisor</td>
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<tr>
<td>Public Works Supervisor/Electrical</td>
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</tr>
<tr>
<td>Senior Administrative Analyst</td>
<td>5</td>
</tr>
<tr>
<td>Senior Civil Engineer</td>
<td>5</td>
</tr>
<tr>
<td>Senior Engineering Technician</td>
<td>5</td>
</tr>
<tr>
<td>Supervising Public Works Inspector</td>
<td>4</td>
</tr>
<tr>
<td>Senior Public Works Supervisor Electrical (Traffic)</td>
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<tr>
<td>Senior Public Works Supervisor/Streets</td>
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</tr>
<tr>
<td>Solid Waste Manager</td>
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</tr>
<tr>
<td>Supervising Mechanic</td>
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<tr>
<td>Consultants</td>
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</table>
## CITY OF STOCKTON CONFLICT OF INTEREST CODE

### APPENDIX B: DESIGNATED BOARDS, COMMISSIONS, COMMITTEES

### BOARDS, COMMISSIONS, COMMITTEES

<table>
<thead>
<tr>
<th>Name</th>
<th>Designated Position</th>
<th>Disclosure Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts Commission</td>
<td>All Commissioners</td>
<td>1</td>
</tr>
<tr>
<td>Building Board of Appeals</td>
<td>All Commissioners</td>
<td>1</td>
</tr>
<tr>
<td>Central Parking District Advisory Board</td>
<td>All Commissioners</td>
<td>2</td>
</tr>
<tr>
<td>City Council Salary Setting Commission</td>
<td>All Commissioners</td>
<td>1</td>
</tr>
<tr>
<td>Civil Service Commission</td>
<td>All Commissioners</td>
<td>1</td>
</tr>
<tr>
<td>Climate Action Plan Advisory Committee</td>
<td>All Commissioners</td>
<td>1</td>
</tr>
<tr>
<td>Community Development Committee</td>
<td>All Commissioners</td>
<td>1</td>
</tr>
<tr>
<td>Handicapped Access Board of Appeals</td>
<td>All Commissioners</td>
<td>1</td>
</tr>
<tr>
<td>Measure A Citizens’ Advisory Committee</td>
<td>All Commissioners</td>
<td>4</td>
</tr>
<tr>
<td>Measure W Oversight Committee</td>
<td>All Commissioners</td>
<td>4</td>
</tr>
<tr>
<td>Parks and Recreation Commission</td>
<td>All Commissioners</td>
<td>1</td>
</tr>
<tr>
<td>Public Financing Authority</td>
<td>Chairperson, Executive Director, Treasurer, Legal Advisor</td>
<td>All Category 4</td>
</tr>
<tr>
<td>Public Financing Authority</td>
<td>Consultants</td>
<td>Consultants</td>
</tr>
<tr>
<td><strong>Redistricting Advisory Commission</strong></td>
<td>All Commissioners</td>
<td>5</td>
</tr>
<tr>
<td>Strong Communities Advisory Committee</td>
<td>All Commissioners</td>
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</tr>
<tr>
<td>Water Advisory Group</td>
<td>All Commissioners</td>
<td>1</td>
</tr>
</tbody>
</table>
CITY OF STOCKTON CONFLICT OF INTEREST CODE
APPENDIX C: DISCLOSURE CATEGORIES

DISCLOSURE CATEGORY 1

An investment, income or real property interest is reportable if it may be affected materially by any decision made or participated in by the designated employee by virtue of the employee’s position.

a. Investments and business positions in any business entity located in, doing business or planning to do business in the City of Stockton. (See FPPC Form 700 Schedules A-1 and A-2 Instructions)

b. Income, including loans, gifts, and travel payments from all sources, regardless of the jurisdiction. (See FPPC Form 700 Schedules C and D Instructions)

c. Financial interests in real property (See FPPC Form 700 Schedule B Instructions):
   1) within the boundaries of the City of Stockton, or
   2) within a two-mile radius of any property owned or used by the City of Stockton; or
   3) subject to the jurisdiction of the City of Stockton.

d. Income, including loans, gifts, and travel payments from all sources, regardless of the jurisdiction. (See FPPC Form 700 Schedules C, D and E Instructions).
DISCLOSURE CATEGORY 2 - CENTRAL PARKING DISTRICT

An investment, income or real property interest is reportable if it may be affected materially by any decision made or participated in by the designated employee by virtue of the employee’s position.

a. Investments and business positions in any business entity located in, doing business or planning to do business in the Central Parking District. (See FPPC Form 700 Schedules A-1 and A-2 Instructions)

b. Income, including loans, gifts, and travel payments from sources, within the Central Parking District. (See FPPC Form 700 Schedules D and E Instructions)

c. Financial interests in real property (See FPPC Form 700 Schedule B Instructions):
   1) within the boundaries of the Central Parking District, or
   2) within a two-mile radius of any property owned or used by the Central Parking District; or
   3) subject to the jurisdiction of the Central Parking District.

DISCLOSURE CATEGORY 3

An investment, income or real property interest is reportable if it may be affected materially by any decision made or participated in by the designated employee by virtue of the employee’s position.

a. All investments within the boundaries of the City of Stockton or within a two-mile radius of the City of Stockton (See FPPC Form 700 Schedules A-1 and A-2 Instructions);
b. All investments in business entities which, within the last two years, have contracted, or in the future may contract with the City of Stockton to provide services, supplies, materials, machinery or equipment (See FPPC Form 700 Schedules A-1 and A-2 Instructions);

c. All investments in business entities in the construction or building industry within the City of Stockton (See FPPC Form 700 Schedules A-1 and A-2 Instructions);

d. All interests in real property within the City of Stockton (See FPPC Form 700 Schedule B Instructions);

e. All sources of personal income (See FPPC Form 700 Schedule C Instructions);

f. The name of each business entity not specified above in which he or she is a director, officer, partner, trustee, employee, or is holding any position of management. (See FPPC Form 700 Schedule A-2 Instructions)

g. Income, including loans, gifts, and travel payments from all sources, regardless of the jurisdiction. (See FPPC Form 700 Schedules C, D and E Instructions).

**DISCLOSURE CATEGORY 4**

An investment, income or real property interest is reportable if it may be affected materially by any decision made or participated in by the designated employee by virtue of the employee’s position.

a. All investments, income or real property interest (See FPPC Form 700 Schedules A-1 and A-2 Instructions):
   1) within the boundaries of the City of Stockton;
2) within a two-mile radius of the City of Stockton;
3) in business entities which, within the last two years, have contracted, or in the future may contract with the City of Stockton to provide services, supplies, materials, machinery or equipment;
4) in business entities in the construction or building industry within the City of Stockton;
5) from business entities engaged in building construction or design including contractors and subcontractors located or doing business in the City of Stockton;

b. The name of each business entity not specified above in which he or she is a director, officer, partner, trustee, employee, or is holding any position of management (See FPPC Form 700 Schedule A-2 Instructions);

c. Investments in or income from persons or business entities engaged in the acquisition or disposal of real property within the City of Stockton (See FPPC Form 700 Schedule B Instructions);

d. Income, including loans, gifts, and travel payments from all sources, regardless of the jurisdiction. (See FPPC Form 700 Schedules C, D and E Instructions).

**DISCLOSURE CATEGORY 5**

a. Investments and business positions in any business entity that manufacture or sell supplies, books, machinery or equipment of the type utilized by the City of Stockton (See FPPC Form 700 Schedules A-1 and A-2 Instructions);

b. Investments in or income from business entities that are contractors or subcontractors and are, or have been, within the previous two year period, doing business in the City of Stockton (See FPPC Form 700 Schedules A-1 and A-2 Instructions);
c. Income, including loans, gifts, and travel payments from sources that:
   1) manufacture, sell, or provide goods, equipment, vehicles, machinery or services, including training or consulting services;
   2) provide leased facilities to the City of Stockton;
   3) are subject to the regulatory, permit, or licensing authority of, or have an application for a license or permit pending before the City of Stockton; and
   4) engage in land development, construction or the acquisition or sale of real property.
   (See FPPC Form 700 Schedules C, D and E)

**DISCLOSURE CATEGORY: CONSULTANTS**

Consultants (the individual representing the firm) shall be included in the listing of designated employees and shall disclose pursuant to Disclosure Category 1, subject to the following limitation: The City Manager may determine, in writing, that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and, thus, is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant's duties, and based upon that description, a statement of the extent of disclosure requirements. The City Manager's determination is a public record, and shall be retained for public inspection in the same manner and location as this conflict of interest code.

DATE: ____________________

TO: CITY CLERK, CITY OF STOCKTON

FROM: __________________________  DEPARTMENT: ______________________

SUBJECT: CONFLICT OF INTEREST DISCLOSURE CATEGORIES FOR NEW CONSULTANT POSITION
The following Consultant, _________________________ was hired on ___/___/____
and will be performing the following duties:

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________.

The following Disclosure Categories apply to this position:

___ Category 1                      ___ Category 4
___ Category 2                      ___ Category 5
___ Category 3

______________________________  __________________
Chair/Director/Department Head    Date
RESOLUTION AMENDING THE CITY OF STOCKTON’S 2022 CONFLICT OF INTEREST CODE BY ADDING AND DELETING CERTAIN POSITIONS

Title 2, California Code of Regulations, section 18000, et seq., requires the periodic review of Conflict of Interest Codes as adopted by the City of Stockton; and

Amendments to the Political Reform Act, Government Code section 81000, et seq., require conforming amendments to Conflict of Interest Codes adopted and promulgated pursuant to its provisions; and

The Fair Political Practices Commission has adopted section 18730 of Title 2, California Code of Regulations, a model Conflict of Interest Code, which may be incorporated by reference and amended to conform to amendments of the Political Reform Act after public notice and hearings conducted by the Fair Political Practices Commission, pursuant to Government Code section 11370, et seq.; and

Incorporation by reference of the model Conflict of Interest Code and its subsequent amendments will save this body time and money by minimizing the actions required of this body to maintain conformity with the Political Reform Act; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. All previously adopted resolutions approving or amending the City’s Conflict of Interest Codes are hereby rescinded.

2. The model Conflict of Interest Code, Title 2, California Code of Regulations section 18730 and its subsequent amendments are hereby adopted by reference together with Appendices A – C, attached and incorporated by this reference, designating officials and employees and disclosures, all of which constitute the Conflict of Interest Codes for the following departments and agencies:

A. PUBLIC OFFICIALS

(1) Mayor and City Councilmembers
(2) Planning Commissioners
(3) City Manager
(4) City Attorney
(5) Director of Administrative Services/City Treasurer
The officials named in section 2A of this resolution are not part of the City’s Conflict of Interest Code and are required to file a statement of economic interests in accordance with Government Code section 87200.

B. DESIGNATED FILERS

1. A designated employee is anyone within the City of Stockton who is an officer, employee, member, or consultant who is designated in the Code because the position entails the making or participation in the making of decisions which may foreseeably have a material effect on any financial interest (Gov. Code, § 82019), and who shall file statements of economic interest pursuant to subsection (b)(5) of section 18730 of Title 2, California Code of Regulations, the model Conflict of Interest Code.

2. Government Code section 91013 authorizes the City Clerk, as the Filing Official for the City of Stockton, to impose a late filing penalty upon late filers, in the form of a fine of $10 per day for each day a statement is late up to a maximum of $100.

APPENDIX A – DEPARTMENTS AND OFFICES OF THE CITY OF STOCKTON:

(1) Administrative Services
(2) City Attorney
(3) City Auditor
(4) City Clerk
(5) City Manager
(6) Community Development
(7) Community Services
(8) Economic Development
(9) Fire
(10) Information Technology
(11) Human Resources
(12) Mayor
(13) Municipal Utilities
(14) Office of Violence Prevention
(15) Police
(16) Public Works

APPENDIX B – BOARDS AND COMMISSIONS OF THE CITY OF STOCKTON

(1) Arts Commission
(2) Building Board of Appeals
(3) Central Parking District Advisory Board
(4) City Council Salary Setting Commission
(5) Civil Service Commission
(6) Climate Action Plan Advisory Committee
(7) Community Development Committee
(8) Council Water Advisory Group
(9) Development Oversight Commission
(10) Handicapped Access Board of Appeals
(11) Measure A Citizens’ Advisory Committee
(12) Measure W Oversight Committee
(13) Parks and Recreation Commission
(14) Public Arts Advisory Committee
(15) Public Financing Authority
(16) Redistricting Advisory Commission
(17) Strong Communities Advisory Committee
(18) Successor Agency of the Stockton Redevelopment Agency

APPENDIX C – DISCLOSURE CATEGORIES

(1) Disclosure Category 1
(2) Disclosure Category 2
(3) Disclosure Category 3
(4) Disclosure Category 4
(5) Disclosure Category 5
(6) Disclosure Category 6 – Consultants

PASSED, APPROVED, and ADOPTED ____December 6, 2022____.

KEVIN J. LINCOLN II
Mayor of the City of Stockton

ATTEST:

ELIZA R. GARZA, CMC
City Clerk of the City of Stockton
## ADMINISTRATIVE SERVICES DEPARTMENT

<table>
<thead>
<tr>
<th>Designated Position</th>
<th>Disclosure Category</th>
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<tbody>
<tr>
<td>Accounting Manager</td>
<td>5</td>
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<tr>
<td>Assistant Chief Financial Officer</td>
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<tr>
<td>Budget Analyst I/II</td>
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<tr>
<td>Budget Officer</td>
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<tr>
<td>Grants Analyst</td>
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</tr>
<tr>
<td>Materials Supervisor</td>
<td>5</td>
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<tr>
<td>Procurement Specialist I/II</td>
<td>3</td>
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<tr>
<td>Procurement Manager</td>
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<tr>
<td>Program Manager I/II</td>
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<td>Program Manager III</td>
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<tr>
<td>Reprographics Supervisor</td>
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<tr>
<td>Revenue Officer</td>
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<tr>
<td>Senior Budget Analyst (Confidential)</td>
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<tr>
<td>Senior Procurement Specialist</td>
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<tr>
<td>Supervising Procurement Specialist</td>
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## CITY ATTORNEY

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<thead>
<tr>
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<tbody>
<tr>
<td>Assistant City Attorney</td>
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<td>Deputy City Attorney</td>
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## CITY AUDITOR

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<td>Senior Administrative Analyst</td>
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<tr>
<td>Senior Deputy City Auditor</td>
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CITY CLERK

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<td>Senior Deputy City Clerk</td>
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<td>Supervising Deputy City Clerk/Operations</td>
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CITY MANAGER

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<td>Community Relations Officer</td>
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<td>Deputy City Manager</td>
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<tr>
<td>Director of Performance and Data Analytics</td>
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<td>Program Manager III</td>
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<tr>
<td>Senior Administrative Analyst</td>
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COMMUNITY DEVELOPMENT DEPARTMENT

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<td>Administrative Analyst I/II</td>
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<td>Assistant Planner</td>
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<tr>
<td>Associate Civil Engineer</td>
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<tr>
<td>Associate Engineer</td>
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<tr>
<td>Associate Planner</td>
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<tr>
<td>Combination Inspector I/II</td>
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<tr>
<td>Community Development Technician</td>
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<tr>
<td>Deputy Building Official</td>
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<td>Deputy Director/Building</td>
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<tr>
<td>Deputy Director/Planning and Engineering Services</td>
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<tr>
<td>Director of Community Development</td>
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<tr>
<td>Engineering Technician I/II</td>
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<tr>
<td>Junior Engineer</td>
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<tr>
<td>Plan Check Engineer</td>
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<tr>
<td>Plan Checker I/II</td>
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### COMMUNITY DEVELOPMENT DEPARTMENT (continued)

<table>
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<th>Designated Position</th>
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<td>Principal Civil Engineer</td>
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<td>Program Manager I/II</td>
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<tr>
<td>Revenue Assistant I/II</td>
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<tr>
<td>Senior Building Inspector</td>
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<tr>
<td>Senior Civil Engineer</td>
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<tr>
<td>Senior Community Development Technician</td>
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<tr>
<td>Senior Engineering Technician</td>
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<tr>
<td>Senior Plan Checker</td>
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<tr>
<td>Senior Planner</td>
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<tr>
<td>Supervising Combination Inspector</td>
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<td>Supervising Plan Check/Structural Engineer</td>
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### COMMUNITY SERVICES DEPARTMENT

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<td>Administrative Analyst I/II</td>
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<tr>
<td>Director of Community Services</td>
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<tr>
<td>Deputy Director of Community Services-City Librarian</td>
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<tr>
<td>Deputy Director of Community Services/Recreation</td>
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<td>Library Manager</td>
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<td>Recreation Superintendent</td>
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### ECONOMIC DEVELOPMENT DEPARTMENT

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<td>Economic Development Analyst</td>
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<td>Economic Development Deputy Director</td>
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## ECONOMIC DEVELOPMENT DEPARTMENT (continued)

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<td>Housing Deputy Director</td>
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<tr>
<td>Parking and Venues Manager</td>
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<tr>
<td>Program Manager I/II - Administration</td>
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<tr>
<td>Program Manager III – Parking Authority and Venues</td>
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<tr>
<td>Real Property Agent I/II</td>
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<tr>
<td>Project Manager I/II/III – Housing and Asset Management</td>
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<tr>
<td>Senior Administrative Analyst</td>
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<tr>
<td>Senior Economic Development Analyst</td>
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<tr>
<td>Senior Housing Rehabilitation Counselor</td>
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<tr>
<td>Senior Real Property Agent</td>
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<tr>
<td>Supervising Real Property Agent</td>
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## FIRE DEPARTMENT

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<tr>
<td>Deputy Fire Chief I/II</td>
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<tr>
<td>Deputy Fire Marshal</td>
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<tr>
<td>Division Chief</td>
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<tr>
<td>ECD Captain</td>
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<tr>
<td>Emergency Manager</td>
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<tr>
<td>EMS Captain/Division of Training</td>
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<tr>
<td>Fire Battalion Chief</td>
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<td>Fire Chief</td>
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<tr>
<td>Fire Marshall (Fire and Prevention)</td>
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<td>Fire Prevention Inspector I/II</td>
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<td>Plan Checker I/II</td>
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<tr>
<td>Program Manager I/II/III</td>
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<tr>
<td>Project Manager I/II/III</td>
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<tr>
<td>Supervising Fire Prevention Inspector</td>
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**HUMAN RESOURCES DEPARTMENT**

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<td>Director of Human Resources</td>
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<tr>
<td>Human Resources Manager/ Safety Officer</td>
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<td>Liability Claims Investigator I/II</td>
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<td>Program Manager III</td>
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<td>Senior Risk Analyst</td>
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**INFORMATION TECHNOLOGY DEPARTMENT**

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<td>Information Technology Supervisor</td>
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<td>Information Technology Officer</td>
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<tr>
<td>Network Support Analyst II</td>
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<tr>
<td>Program Manager I/II/III</td>
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<tr>
<td>Project Manager II</td>
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<td>Senior Systems Analyst</td>
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**MAYOR**

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<tbody>
<tr>
<td>Executive Assistant to the Mayor</td>
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<tr>
<td>Mayor’s Senior Policy Advisor</td>
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</tr>
<tr>
<td>Public Information Officer II</td>
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<td>Program Manager III</td>
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### MUNICIPAL UTILITIES DEPARTMENT

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<tr>
<td>Assistant Engineer</td>
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<tr>
<td>Associate Civil Engineer</td>
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<tr>
<td>Chief Plant Operator – Wastewater</td>
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</tr>
<tr>
<td>Chief Plant Operator – Water</td>
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<tr>
<td>Chief Water Systems Operator</td>
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</tr>
<tr>
<td>Deputy MUD Director/Maintenance &amp; Collection Systems</td>
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<tr>
<td>Deputy MUD Director/Wastewater</td>
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<tr>
<td>Deputy MUD Director/Water Resources</td>
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<tr>
<td>Director of Municipal Utilities</td>
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<tr>
<td>Engineering Services Manager Municipal Utilities</td>
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</tr>
<tr>
<td>Environmental Control Officer</td>
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<tr>
<td>MUD Financial Officer</td>
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<tr>
<td>Principal Civil Engineer</td>
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<tr>
<td>Program Manager I/II/III</td>
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<tr>
<td>Public Works Inspector</td>
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<tr>
<td>Senior Civil Engineer</td>
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<td>Senior Environmental Control Officer</td>
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<td>Technical Services Supervisor</td>
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### OFFICE OF VIOLENCE PREVENTION

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<td>Office of Violence Prevention Manager</td>
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### POLICE DEPARTMENT

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<tr>
<td>Deputy Chief of Police I/II</td>
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<tr>
<td>Police Captain</td>
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<tr>
<td>Police Fiscal Affairs/Planning Manager</td>
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<tr>
<td>Police Services Manager</td>
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<tr>
<td>Program Manager I/II/III</td>
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## PUBLIC WORKS DEPARTMENT

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<tr>
<td>Assessment District Program Coordinator</td>
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<tr>
<td>Assistant City Traffic Engineer</td>
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<td>Assistant Civil Engineer</td>
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<td>Assistant Engineer</td>
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<tr>
<td>Assistant Solid Waste Manager</td>
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<td>Associate Civil Engineer</td>
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<td>City Traffic Engineer</td>
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<tr>
<td>Construction Services Manager</td>
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<td>Deputy Public Works Director/City Engineer</td>
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<td>Engineering Services Manager</td>
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<td>Fleet Manager</td>
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<td>Junior Engineer</td>
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<tr>
<td>Parks Facility Planner/Landscape Architect</td>
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<td>Parks Manager</td>
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<td>Principal Administrative Analyst</td>
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<tr>
<td>Program Manager I/II/III</td>
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<tr>
<td>Project Manager I/II/III</td>
<td>5</td>
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<tr>
<td>Public Works Director</td>
<td>1</td>
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<tr>
<td>Public Works Inspector</td>
<td>4</td>
</tr>
<tr>
<td>Public Works Safety/Training Officer</td>
<td>5</td>
</tr>
<tr>
<td>Public Works Supervisor</td>
<td>5</td>
</tr>
<tr>
<td>Public Works Supervisor/Electrical</td>
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</tr>
<tr>
<td>Senior Administrative Analyst</td>
<td>5</td>
</tr>
<tr>
<td>Senior Civil Engineer</td>
<td>5</td>
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<tr>
<td>Senior Engineering Technician</td>
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<tr>
<td>Supervising Public Works Inspector</td>
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<td>Designated Position</td>
<td>Disclosure Category</td>
</tr>
<tr>
<td>----------------------------------------------------------</td>
<td>---------------------</td>
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<tr>
<td>Senior Public Works Supervisor Electrical (Traffic)</td>
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<tr>
<td>Senior Public Works Supervisor/Streets</td>
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<tr>
<td>Solid Waste Manager</td>
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<tr>
<td>Supervising Mechanic</td>
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<tr>
<td>Consultants</td>
<td>Consultants</td>
</tr>
</tbody>
</table>
### CITY OF STOCKTON CONFLICT OF INTEREST CODE

#### APPENDIX B: DESIGNATED BOARDS, COMMISSIONS, COMMITTEES

#### BOARDS, COMMISSIONS, COMMITTEES

<table>
<thead>
<tr>
<th>Name</th>
<th>Designated Position</th>
<th>Disclosure Category</th>
</tr>
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<tbody>
<tr>
<td>Arts Commission</td>
<td>All Commissioners</td>
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<tr>
<td>Building Board of Appeals</td>
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</tr>
<tr>
<td>Central Parking District Advisory Board</td>
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<tr>
<td>City Council Salary Setting Commission</td>
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<td>Civil Service Commission</td>
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<td>Climate Action Plan Advisory Committee</td>
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<td>Community Development Committee</td>
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<td>Handicapped Access Board of Appeals</td>
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<td>Measure A Citizens’ Advisory Committee</td>
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<td>Measure W Oversight Committee</td>
<td>All Commissioners</td>
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<tr>
<td>Parks and Recreation Commission</td>
<td>All Commissioners</td>
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<tr>
<td>Public Financing Authority</td>
<td>Chairperson, Executive Director, Treasurer, Legal Advisor</td>
<td>All Category 4</td>
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<td>Redistricting Advisory Commission</td>
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<td>Strong Communities Advisory Committee</td>
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<td>Water Advisory Group</td>
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</tbody>
</table>
CITY OF STOCKTON CONFLICT OF INTEREST CODE
APPENDIX C: DISCLOSURE CATEGORIES

DISCLOSURE CATEGORY 1

An investment, income or real property interest is reportable if it may be affected materially by any decision made or participated in by the designated employee by virtue of the employee’s position.

a. Investments and business positions in any business entity located in, doing business or planning to do business in the City of Stockton. (See FPPC Form 700 Schedules A-1 and A-2 Instructions)

b. Income, including loans, gifts, and travel payments from all sources, regardless of the jurisdiction. (See FPPC Form 700 Schedules C and D Instructions)

c. Financial interests in real property (See FPPC Form 700 Schedule B Instructions):
   1) within the boundaries of the City of Stockton, or
   2) within a two-mile radius of any property owned or used by the City of Stockton; or
   3) subject to the jurisdiction of the City of Stockton.

d. Income, including loans, gifts, and travel payments from all sources, regardless of the jurisdiction. (See FPPC Form 700 Schedules C, D and E Instructions).
DISCLOSURE CATEGORY 2 - CENTRAL PARKING DISTRICT

An investment, income or real property interest is reportable if it may be affected materially by any decision made or participated in by the designated employee by virtue of the employee’s position.

a. Investments and business positions in any business entity located in, doing business or planning to do business in the Central Parking District. (See FPPC Form 700 Schedules A-1 and A-2 Instructions)

b. Income, including loans, gifts, and travel payments from sources, within the Central Parking District. (See FPPC Form 700 Schedules D and E Instructions)

c. Financial interests in real property (See FPPC Form 700 Schedule B Instructions):
   1) within the boundaries of the Central Parking District, or
   2) within a two-mile radius of any property owned or used by the Central Parking District; or
   3) subject to the jurisdiction of the Central Parking District.

DISCLOSURE CATEGORY 3

An investment, income or real property interest is reportable if it may be affected materially by any decision made or participated in by the designated employee by virtue of the employee’s position.

a. All investments within the boundaries of the City of Stockton or within a two-mile radius of the City of Stockton (See FPPC Form 700 Schedules A-1 and A-2 Instructions);
b. All investments in business entities which, within the last two years, have contracted, or in the future may contract with the City of Stockton to provide services, supplies, materials, machinery or equipment (See FPPC Form 700 Schedules A-1 and A-2 Instructions);

c. All investments in business entities in the construction or building industry within the City of Stockton (See FPPC Form 700 Schedules A-1 and A-2 Instructions);

d. All interests in real property within the City of Stockton (See FPPC Form 700 Schedule B Instructions);

e. All sources of personal income (See FPPC Form 700 Schedule C Instructions);

f. The name of each business entity not specified above in which he or she is a director, officer, partner, trustee, employee, or is holding any position of management.  (See FPPC Form 700 Schedule A-2 Instructions)

g. Income, including loans, gifts, and travel payments from all sources, regardless of the jurisdiction. (See FPPC Form 700 Schedules C, D and E Instructions).

**DISCLOSURE CATEGORY 4**

An investment, income or real property interest is reportable if it may be affected materially by any decision made or participated in by the designated employee by virtue of the employee’s position.

a. All investments, income or real property interest (See FPPC Form 700 Schedules A-1 and A-2 Instructions):
   1) within the boundaries of the City of Stockton;
2) within a two-mile radius of the City of Stockton;
3) in business entities which, within the last two years, have contracted, or in the future may contract with the City of Stockton to provide services, supplies, materials, machinery or equipment;
4) in business entities in the construction or building industry within the City of Stockton;
5) from business entities engaged in building construction or design including contractors and subcontractors located or doing business in the City of Stockton;

b. The name of each business entity not specified above in which he or she is a director, officer, partner, trustee, employee, or is holding any position of management (See FPPC Form 700 Schedule A-2 Instructions);

c. Investments in or income from persons or business entities engaged in the acquisition or disposal of real property within the City of Stockton (See FPPC Form 700 Schedule B Instructions);

d. Income, including loans, gifts, and travel payments from all sources, regardless of the jurisdiction. (See FPPC Form 700 Schedules C, D and E Instructions).

DISCLOSURE CATEGORY 5

a. Investments and business positions in any business entity that manufacture or sell supplies, books, machinery or equipment of the type utilized by the City of Stockton (See FPPC Form 700 Schedules A-1 and A-2 Instructions);

b. Investments in or income from business entities that are contractors or subcontractors and are, or have been, within the previous two year period, doing business in the City of Stockton (See FPPC Form 700 Schedules A-1 and A-2 Instructions);
c. Income, including loans, gifts, and travel payments from sources that:
   1) manufacture, sell, or provide goods, equipment, vehicles, machinery or services, including training or consulting services;
   2) provide leased facilities to the City of Stockton;
   3) are subject to the regulatory, permit, or licensing authority of, or have an application for a license or permit pending before the City of Stockton; and
   4) engage in land development, construction or the acquisition or sale of real property.
(See FPPC Form 700 Schedules C, D and E)

DISCLOSURE CATEGORY: CONSULTANTS

Consultants (the individual representing the firm) shall be included in the listing of designated employees and shall disclose pursuant to Disclosure Category 1, subject to the following limitation: The City Manager may determine, in writing, that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and, thus, is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant's duties, and based upon that description, a statement of the extent of disclosure requirements. The City Manager's determination is a public record, and shall be retained for public inspection in the same manner and location as this conflict of interest code.

DATE: ____________________

TO: CITY CLERK, CITY OF STOCKTON

FROM: __________________________ DEPARTMENT: ______________________

SUBJECT: CONFLICT OF INTEREST DISCLOSURE CATEGORIES FOR NEW CONSULTANT POSITION
The following Consultant, _________________________ was hired on ____/____/_____ and will be performing the following duties:

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________.

The following Disclosure Categories apply to this position:

___ Category 1                     ___ Category 4
___ Category 2                     ___ Category 5
___ Category 3

_______________________________________                           __________________
Chair/Director/Department Head                                  Date
City of Stockton

Legislation Text

File #: 22-1178, Version: 1

APPROVAL OF CITY COUNCIL MINUTES

RECOMMENDATION

Approve the minutes from the City Council meetings of September 27, 2022 and October 18, 2022

Attachment A - 2022-09-27 Minutes
Attachment B - 2022-10-18 Minutes
MINUTES
CITY COUNCIL/SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY/PUBLIC FINANCING AUTHORITY/PARKING AUTHORITY CONCURRENT MEETING OF SEPTEMBER 27, 2022

Council Chamber, City Hall 425 N. El Dorado St. Stockton, CA

1. CLOSED SESSION CALL TO ORDER/ROLL CALL-4:01 PM

   Roll Call
   Present:
   Christina Fugazi
   Sol Jobrack
   Kevin J Lincoln II
   Kimberly Warmsley
   Absent:
   Paul Canepa, Susan Lenz, and Daniel Wright.

   Note: Councilmember Wright arrived to Closed Session at 4:05 PM

2. ADDITIONS TO CLOSED SESSION AGENDA

   None

3. ANNOUNCEMENT OF CLOSED SESSION

3.1 22-0840 CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

   Number of Cases: Four
   Name of Case: Police Officer David LaBarr, (Workers’ Compensation Appeals Board Case No. ADJ unassigned) Name of Case: Fire Captain Kevin Walsh, (Workers’ Compensation Appeals Board Case No. ADJ 13581872) Name of Case: James Weaver, Jr., et al. v. City of Stockton, et al. (Eastern District of California, Case No. 2:20-CV-00990-JAM-JDP) Name of Case: Kurt Wilson v. City Council of Stockton, et al. (San Joaquin County Superior Court Case No. STK-CV-UVM-2019-12404) This Closed Session is authorized pursuant to section 54956.9(d)(1) of the Government Code.

   Legislation Text

3.2 22-0841 CONFERENCE WITH LABOR NEGOTIATOR

   Employee Organizations: Unrepresented Units, Stockton City Employees’ Association, Operating Engineer’s Local 3, Mid-Management/Supervisory Level Unit, Unrepresented Management/Confidential, Law Department, Stockton Police Management Association, Stockton Firefighters Local 456 International Association of Firefighters, Stockton Fire Management, Stockton Police Officers’ Association (SPOA) This Closed Session is authorized pursuant to section 54957.6(a) of the Government Code.

   Legislation Text
3.3 22-0842 PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

This Closed Session is authorized pursuant to Government Code section 54957.

Legislation Text

3.4 22-0843 PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

This Closed Session is authorized pursuant to Government Code section 54957.

Legislation Text

3.5 22-0844 PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

This Closed Session is authorized pursuant to Government Code section 54957.

Legislation Text

3.6 22-0845 CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION
Number of Cases: One
Based on existing facts and circumstances, there is significant exposure to litigation pursuant to Government Code section 54956.9(d)(2).

Legislation Text

4. CLOSED SESSION PUBLIC COMMENT

None

5. RECESS TO CLOSED SESSION

The Council recessed to Closed Session at 4:01 PM. The Council returned from Closed Session and reconvened at 4:42 PM

6. REGULAR SESSION CALL TO ORDER/ROLL CALL - 5:32 PM

Roll Call
Present:
Paul Canepa
Christina Fugazi
Sol Jobrack
Kevin J Lincoln II
Kimberly Warmsley
Daniel Wright
Absent:
Susan Lenz.

7. INVOCATION/PLEDGE TO FLAG

The Invocation was provided by Leslie Harron of Stockton Prayer Strategy Group and the Pledge of Allegiance was led by Councilmember Warmsley

8. REPORT OF ACTION TAKEN IN CLOSED SESSION
Lori Asuncion, City Attorney reported in the matter of James Weaver v. the City of Stockton, United States District Court, Eastern District 2:20-CV-0090-JAM-EFB. City Council has voted unanimously to settle this matter in the amount of $300,000 and an agreement not to contest Plaintiff’s petition pursuant to Penal Code Section 851.8 concerning the arrest record regarding this incident. There are no other items to report.

9. ADDITIONS TO REGULAR SESSION AGENDA

None

10. RECOGNITIONS, ANNOUNCEMENTS, OR REPORTS

10.1 22-0909 PROCLAMATION: NATIONAL FORENSIC SCIENCE WEEK - SEPTEMBER 18-24, 2022

Legislation Text

Recipient: Stanley McFadden, Police Chief

Chief McFadden, Police Chief - thanked the employees

11. PUBLIC COMMENTS - MATTERS NOT ON THE AGENDA

Brenda Jones - Vice Chair Xavier Mountain position on the Planning Commission

Patricia Barrett - street sweeper; motorcycle club funeral

Mark Stebbins - City Hall security; Van Buskirk Golf Course

Zoila Moreno - Fourth of July Parade; big box ordinance; Western Ranch Community

Council Correspondence - Public Comments

12. CONSENT AGENDA

Approve the consent agenda with a single vote, save item 12.2 which was considered separately

Moved by: Daniel Wright, seconded by Paul Canepa.

Vote: Motion carried 6-0

Yes: Paul Canepa, Christina Fugazi, Sol Jobrack, Kevin J Lincoln II, Kimberly Warmsley, and Daniel Wright.

Absent: Susan Lenz.

12.1 22-0860 ACCEPT THE SINGLE AUDIT AND INDEPENDENT AUDITORS' REPORTS AND THE REPORT ON INTERNAL CONTROLS FOR THE YEAR ENDED JUNE 30, 2021

Motion 2022-09-27-1201 accepting the single audit and independent auditors'
12.2 22-0752 APPROVE AN ORDINANCE ADDING TITLE 8, CHAPTER 8.100, TO THE STOCKTON MUNICIPAL CODE RELATING TO PROTECTION OF CRITICAL INFRASTRUCTURE AND WILDFIRE RISK AREAS

Legislation Text

Attachment A - 2021 Stockton Single Audit FINAL

Approved Resolution 2022-09-27-1202

Approve Ordinance 2022-09-27-1202 authorizing the City Council approves an ordinance adding Title 8, Chapter 8.100, to the Stockton Municipal Code relating to protection of critical infrastructure and wildfire risk areas.

Moved by: Paul Canepa, seconded by Christina Fugazi.

Vote: Motion carried 6-0

Yes: Paul Canepa, Christina Fugazi, Sol Jobrack, Kevin J Lincoln II, Kimberly Warmsley, and Daniel Wright.

Absent: Susan Lenz.

12.3 22-0684 RESOLUTION TO ADOPT THE SUMMARY VACATION OF A PORTION OF RIGHT-OF-WAY AT "E" STREET

Resolution 2022-09-27-1203:

1) Approving the summary vacation of a portion of the public right-of-way at "E" Street.

2) Authorizing the reservation of a public utility easement.

3) Authorizing the filing of a Notice of Exemption No. 25-22 under the California Environmental Quality Act for the vacation of a portion of public right-of-way at "E" Street; and

4) Authorizing the City Manager, or designee, to take all the necessary and appropriate actions to carry out the purpose and intent of this resolution.

Legislation Text

Attachment A - Vicinity map - E Street abandonment

Attachment B - Aerial map - E Street abandonment

Proposed Resolution - E Street abandonment

Exhibit 1 - Legal Description - E Street Abandonment

Exhibit 2 - Plat - E Street abandonment
12.4 22-0921 ADOPT A RESOLUTION AMENDING THE 2022 AFFORDABLE HOUSING LOAN PROGRAM ALLOCATION

Resolution 2022-09-27-1204:

1. Amending Resolution 2022-07-26-1505 2022 Affordable Housing Loan Program Allocation removing the ten percent cap of City funding available for pre-development expenditures that affected the following four projects:

a. $600,000 to Visionary Home Builders for the 72-unit Casa de Mariposa project;

b. $2,227,632 to Delta Community Developers Corp. (Housing Authority of the County of San Joaquin) for the 51-unit Park Center Apartments project;

c. $2,242,609 to Service First of Northern California for the 105-unit Fontana Towers project; and

d. $816,821 to the Central Valley Low Income Housing Corp. and Stocktonians Taking Action to Neutralize Drugs (STAND) for the 30-unit Shared Housing Infill Project for the Homeless.

2. Authorizing the City Manager, or designee, to take actions that are necessary and appropriate to carry out the purpose and intent of this resolution, including the execution of loan documents and the reallocation of funding sources.

Legislation Text
Attachment A - Approved Resolution 2022-07-26-1505
Proposed Resolution - Amended 2022 Housing Allocations
Exhibit 1 - Funding Recommendations
Approved Resolution 2022-09-27-1204

12.5 22-0802 APPROVE CONTRACT WITH SCOTTS PPE RECON FOR ON-CALL CLEANING, INSPECTION, AND REPAIR SERVICES FOR FIRE DEPARTMENT PERSONAL PROTECTIVE EQUIPMENT AND EXTRACTORS.

Motion 2022-09-27-1205:

1. Approving a three (3) year contract with Scotts PPE Recon for on-call cleaning, inspection, and repair services for fire department personal protective equipment and extractors.

2. Approving findings pursuant to Stockton Municipal Code section 3.68.070 in support of an exception to the competitive bidding process.

3. Authorizing the City Manager to execute a contract in the amount of $148,500 with Scotts PPE Recon for on-call cleaning, inspection, and repair services for fire department personal protective equipment and extractors.
4. Authorizing the City Manager the option to execute two (2) additional one-year contract extensions with an annual not-to-exceed of $49,500 each.

5. Authorizing the City Manager to take appropriate and necessary actions to carry out the purpose and intent of this motion.

Legislation Text
Attachment A - Agreement - Scotts PPE Recon

12.6 22-0803 ADOPT A RESOLUTION ACKNOWLEDGING THE FIRE DEPARTMENT’S 2021 ANNUAL INSPECTION STATISTICS FROM EDUCATIONAL GROUP E AND RESIDENTIAL GROUP R OCCUPANCIES


Legislation Text
Attachment A - 13146.2, 13146.3, & 13146.4

Proposed Resolution - Annual Inspections 2021

Exhibit 1 - 2021 Inspections

Approved Resolution 2022-09-27-1206


Resolution 2022-09-27-1207:

1. Authorizing the approval of the Stockton Police Officers’ Association (SPOA) Memorandum of Understanding (MOU) effective July 1, 2022 through June 30, 2025.

2. Authorizing approval to amend changes to the approved Memoranda of Understanding between the City of Stockton and the Stockton Police Management Association (SPMA), Stockton Firefighters' Local 456 Fire Unit, and Stockton Firefighters' Local 456 Fire Management Unit. The changes consist of increasing the market adjustments effective July 1, 2023, and July 1, 2024, by 1% each year for members in these bargaining units.

3. Authorizing the City Manager and the Employee Relations Officer to take all appropriate and necessary actions to carry out the purpose and intent of the resolution, including implementation and funding of the successor SPOA MOU and amendments to the SPMA, Fire, and Fire Management Unit MOUs.

Legislation Text
12.8 22-0785 AWARD A CONSTRUCTION CONTRACT TO TNT INDUSTRIAL CONTRACTORS, INC. FOR THE REGIONAL WASTEWATER CONTROL FACILITY BIOSCRUBBER REPAIRS

Resolution 2022-09-27-1208:

1. Approving the filing of Notice of Exemption No. NOE11-22 under the California Environmental Quality Act (CEQA) for the Regional Wastewater Control Facility (RWCF) Bioscrubber Repairs, Project No. UW21011 (Exhibit 1 to the Resolution).

2. Approving the project Plans and Specifications for the RWCF Bioscrubber Repairs, Project No. UW21011 (Exhibit 2 to the Resolution).

3. Awarding a $623,135 Construction Contract to TNT Industrial Contractors, Inc. of Sacramento, CA, for the RWCF Bioscrubber Repairs, Project No. UW21011 (Exhibit 3 to the Resolution).

Authorizing the City Manager to take appropriate and necessary actions to carry out the purpose and intent of this resolution.

Legislation Text

Proposed Resolution

Exhibit 1 - Notice of Exemption

Exhibit 2 - Plans & Specifications

Exhibit 3 - Construction Contract

Approved Resolution 2022-09-27-1208

12.9 22-0789 AWARD A CONSTRUCTION CONTRACT TO POWER ENGINEERING CONSTRUCTION CO. FOR THE RWCF DIGESTER GAS PIPELINE EXPANSION JOINTS REPLACEMENT AND TRANSFER FUNDS FROM EXISTING CAPITAL PROJECTS

Resolution 2022-09-27-1209:
1. Approving the filing of Notice of Exemption No. NOE13-22 under the California Environmental Quality Act (CEQA) for the RWCF Digester Gas Pipeline Expansion Joints Replacement, Project No. UW21013 (Exhibit 1 to the Resolution).

2. Approving the project plans and specifications for the RWCF Digester Gas Pipeline Expansion Joints Replacement, Project No. UW21013 (Exhibit 3 to the Resolution).

3. Awarding a $144,665.00 Construction Contract to Power Engineering Construction Co. of Alameda, CA for the RWCF Digester Gas Pipeline Expansion Joints Replacement, Project No. UW21013 (Exhibit 2 to the Resolution).

4. Transferring funds in the amount of $98,000 from existing capital projects UW21012 ($53,000) and UW20014 ($45,000) to the RWCF Digester Gas Pipeline Expansion Joints Replacement (Project No. UW21013),

Authorizing the City Manager to take all necessary and appropriate actions to carry out the purpose and intent of this resolution.

Legislation Text
Proposed Resolution
Exhibit 1 - NOE
Exhibit 2 - Contract
Exhibit 3 - Plans
Approved Resolution 2022-09-27-1209

12.10 22-0888 ADOPT A RESOLUTION AUTHORIZING THE PURCHASE OF MEMBRANE FILTERS FROM FILMTEC CORPORATION FOR THE DELTA WATER TREATMENT PLANT

Resolution 2022-09-27-1210:

1. Approving findings pursuant to Stockton Municipal Code Section 3.68.070 for an exception to the competitive bidding process.

2. Authorizing a purchase agreement with FilmTec Corporation for membrane filters in the amount of $456,219.26.

Authorizing the City Manager to take appropriate and necessary actions to carry out the purpose and intent of this resolution.

Legislation Text
Proposed Resolution
Exhibit 1 - Quote
Approved Resolution 2022-09-27-1210

12.11 22-0819 APPROVE RESOLUTION ACCEPTING A DRIVING UNDER THE INFLUENCE SELECTIVE TRAFFIC ENFORCEMENT PROGRAM GRANT
AWARD FROM THE STATE OF CALIFORNIA OFFICE OF TRAFFIC SAFETY IN THE AMOUNT OF $493,723

Resolution 2022-09-27-1211:

1. Authorizing the City Manager, or designee, to accept a Driving Under the Influence Selective Traffic Enforcement Program grant award from the State of California Office of Traffic Safety in the amount of $493,723;

2. Authorizing the City Manager, or designee, to execute Grant Agreement PT23181 and all related documents to carry out the purpose and intent of the grant award;

3. Amending the Fiscal Year 2022-23 Annual Budget to increase the Police Grants & Special Programs revenue and expenditure appropriation by $493,723; and

4. Authorizing the City Manager, or designee, to take appropriate and necessary actions to carry out the purpose and intent of this resolution.

Legislation Text

Proposed Resolution - Grant Agreement PT23181
Exhibit 1 - Grant Agreement PT23181
Approved Resolution 2022-09-27-1211

12.12 22-0820 APPROVE RESOLUTION ACCEPTING GRANT FUNDING FOR THE BYRNE DISCRETIONARY COMMUNITY PROJECT FUNDING GRANT IN THE AMOUNT OF $1,000,000 FOR THE SAFER STREETS AND SAFER COMMUNITIES PROGRAM

Resolution 2022-09-27-1212:

1. Authorizing the City Manager, or designee, to accept a Byrne Discretionary Community Project Funding Grant award allocation from the United States Department of Justice, Office of Justice Programs, and Bureau of Justice Assistance in the amount of $1,000,000; and

2. Authorizing the City Manager, or designee, to execute all grant award documents as required by the Bureau of Justice Assistance and accept applicable terms and conditions; and

3. Amending the Fiscal Year 2022-23 Annual Budget to increase the Police Grants & Special Programs revenue and expenditure appropriation by $1,000,000; and

4. Authorizing the City Manager, or designee, to take appropriate and necessary actions to carry out the purpose and intent of this resolution.

Legislation Text

Proposed Resolution - BDC
Exhibit 1 - BDC
Approved Resolution 2022-09-27-1212
13. **ADMINISTRATIVE MATTERS**

None

14. **UNFINISHED BUSINESS**

None

15. **NEW BUSINESS**

15.1 **22-0766 APPROVE MOTION TO AUTHORIZE AN AGREEMENT WITH COMMUNITY PARTNERSHIP FOR FAMILIES OF SAN JOAQUIN**

*Legislation Text*

*Attachment A - CPFSJ 2022 Contract*

**Approve Motion 2022-09-27-1501:**

1. Executing an agreement with the Community Partnership for Families of San Joaquin in the amount of $450,000 to provide Community Programs and Services for residents of Stockton.

2. Approving findings pursuant to Stockton Municipal Code section 3.68.070 to justify and support an exception to the competitive bidding process.

Authorizing the City Manager to take appropriate and necessary actions to carry out the purpose and intent of this motion.

**Moved by:** Paul Canepa, seconded by Sol Jobrack.

**Vote:** Motion carried 6-0

**Yes:** Paul Canepa, Christina Fugazi, Sol Jobrack, Kevin J Lincoln II, Kimberly Warmsley, and Daniel Wright.

**Absent:** Susan Lenz.

15.2 **22-0737 APPROVE A RESOLUTION TO AUTHORIZE EXECUTION OF A MEMORANDUM OF UNDERSTANDING BETWEEN CITY OF STOCKTON AND SAN JOAQUIN COUNCIL OF GOVERNMENTS FOR THE SUSTAINABLE TRANSPORTATION EQUITY PROJECT (STEP)**

*Legislation Text*

*Proposed Resolution*

*Approved Resolution 2022-09-27-1502*

**PPT-15.2-MOU**

**Approve Resolution 2022-09-27-1502:** Authorizing the City Manager to execute a memorandum of understanding (MOU) between the City of Stockton and the San Joaquin Council of Governments for the Sustainable Transportation Equity Project (STEP) to take appropriate and necessary actions to carry out the purpose and intent of this resolution.
Moved by: Paul Canepa, seconded by Christina Fugazi.

Vote: Motion carried 6-0

Yes: Paul Canepa, Christina Fugazi, Sol Jobrack, Kevin J Lincoln II, Kimberly Warmsley, and Daniel Wright.
Absent: Susan Lenz.

15.3 22-0889 DISCUSSION OF PLANNING COMMISSIONER MEMBERSHIP

This item was informational only. No action was taken.

Legislation Text

The following persons spoke to the item: Mark Stebbins, Xavier Mountain, and Ralph White

16. HEARINGS

16.1 22-0787 PUBLIC HEARING TO ADOPT A RESOLUTION ACCEPTING THE 2022 REPORT ON WATER QUALITY PUBLIC HEALTH GOALS

Legislation Text

Proposed Resolution

Exhibit 1 - Report of Water Quality

PPT - 16.1 - 2022 Public Health Goals

Approved Resolution 2022-09-27-1601

Approve Resolution 2022-09-27-1601 Authorizing the City Council to conduct a Public Hearing accepting and responding to public comment on the 2022 Report on Water Quality Public Health Goals. At the conclusion of the Public Hearing, the City Council is adopting a resolution to accept the 2022 Report on Water Quality Public Health Goals (Exhibit 1 to the Resolution).

Authorizing the City Manager to take the necessary and appropriate actions to carry out the purpose and intent of this resolution.

Moved by: Daniel Wright, seconded by Christina Fugazi.

Vote: Motion carried 6-0

Yes: Paul Canepa, Christina Fugazi, Sol Jobrack, Kevin J Lincoln II, Kimberly Warmsley, and Daniel Wright.
Absent: Susan Lenz.

16.2 22-0547 APPEAL OF THE PLANNING COMMISSION DENIAL OF A COMMISSION USE PERMIT AND DESIGN REVIEW TO ESTABLISH A RETAIL STOREFRONT CANNABIS BUSINESS AND AN ADMINISTRATIVE USE PERMIT TO ESTABLISH A RETAIL NON-STOREFRONT (DELIVERY ONLY) CANNABIS BUSINESS, IN AN EXISTING 4,375 SQUARE FOOT COMMERCIAL BUILDING AT 2521 WEST LANE (APPLICATION NO. P21-0602)
Resolution 2022-09-27-1602

1. Reversing the Planning Commission's denial of a Commission Use Permit to allow the establishment of a proposed retailer storefront cannabis business, in accordance with the findings and subject to conditions in the proposed Resolution; and

2. Reversing the Planning Commission's denial of an Administrative Use Permit to allow a retail non-storefront (delivery only) cannabis business, in accordance with the findings and subject to conditions in the proposed Resolution; and

3. Reversing the Planning Commission's denial of Design Review for architectural modifications to an existing building, in accordance with the findings and subject to conditions in the proposed Resolution.

Legislation Text

Attachment A - Location Map, General Plan and Zoning Designation
Attachment B - Communication from Aspire Schools
Attachment C - Existing Commercial Cannabis Business Locations
Attachment D - Project Plans
Attachment E - Applicant Appeal
Proposed Resolution - Recommending Approval
Exhibit 1
PPT - 16.2 - 2521 West Lane

Note: This agenda item was continued to the 10/18/2022 City Council meeting

17. CITY MANAGER'S UPDATE

None

18. COUNCIL COMMENTS

Councilmember Warmsley - volunteerism within the city; Van Buskirk Golf Course listening session, October 1, 2022 at Weston Ranch library; reflectors in streets; Weston Ranch Community; food insecurity listening session, October 3, 2022 at City Hall

Vice Mayor Fugazi - big box ordinance; thanked Public Works and Ask Stockton; single use plastics; animal shelter and services; congratulations to the Police Department; vehicle smog

Councilmember Wright - attended San Joaquin Regional Policy Council Annual Valley Voice Advocacy trip, San Joaquin projects

Councilmember Canepa - nonprofit events in Stockton; Culvert and Alexandria project; red light cameras
Mayor Lincoln - opioid town hall, October 3, 2022 at San Joaquin County Office of Education; food insecurity listening session, October 3, 2022 at City Hall; thanked Councilmember Warmsley and Councilmember Wright

19. ADJOURNMENT - 7:35 PM

ELIZA R. GARZA, CMC
STOCKTON CITY CLERK
MINUTES
CITY COUNCIL/SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY/PUBLIC
FINANCING AUTHORITY/PARKING AUTHORITY CONCURRENT
MEETING OF OCTOBER 18, 2022

Council Chamber - City Hall, 425 N. El Dorado Street, Stockton, California

1. CLOSED SESSION CALL TO ORDER/Roll CALL - 4:00 PM

Roll Call
Present:
Christina Fugazi
Sol Jobrack
Susan Lenz
Kevin J Lincoln II
Kimberly Warmsley
Absent:
Paul Canepa, and Daniel Wright.

Note: Councilmember Canepa arrived to Closed Session at 4:02 PM

2. ADDITIONS TO CLOSED SESSION AGENDA

None

3. ANNOUNCEMENT OF CLOSED SESSION

3.1 22-0948 CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Number of Cases: Four Name of Case: Police Officer Jimmy Inn, (Workers’ Compensation Appeals Board Case No. ADJ unassigned) Name of Case: Police Officer Jay Scofield, (Workers’ Compensation Appeals Board Case No. ADJ9381878) Name of Case: Kurt Wilson v. City Council of Stockton, et al. (San Joaquin County Superior Court Case No. STK-CV-UVM-2019-12404) Name of Case: Ralph Lee White v. City Council of Stockton, et al. (San Joaquin County Superior Court Case No. STK-CV-UOCT-2018-4379) This Closed Session is authorized pursuant to section 54956.9(d)(1) of the Government Code.

Legislation Text

3.2 22-0949 CONFERENCE WITH LABOR NEGOTIATOR

Legislation Text

3.3 22-0950 PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

Legislation Text

3.4 22-0951 PUBLIC EMPLOYEE PERFORMANCE EVALUATION:
3.5 22-0952 PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

3.6 22-0953 CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION
Number of Cases: One Based on existing facts and circumstances, there is significant exposure to litigation pursuant to Government Code section 54956.9(d)(2).

4. CLOSED SESSION PUBLIC COMMENT
None

5. RECESS TO CLOSED SESSION

6. REGULAR SESSION CALL TO ORDER/ROLL CALL - 5:30 PM
Roll Call
Present:
  Paul Canepa
  Christina Fugazi
  Sol Jobrack
  Susan Lenz
  Kevin J Lincoln II
  Kimberly Warmsley
  Daniel Wright

7. INVOCATION/PLEDGE TO FLAG
The Invocation was provided by Pastor Pamela Houston, God’s Church City of David and the Pledge of Allegiance was led by Councilmember Wright.

8. REPORT OF ACTION TAKEN IN CLOSED SESSION
Lori Asuncion, City Attorney reported that there was no reportable action taken this evening.

9. ADDITIONS TO REGULAR SESSION AGENDA
None

10. RECOGNITIONS, ANNOUNCEMENTS, OR REPORTS
None

11. PUBLIC COMMENTS - MATTERS NOT ON THE AGENDA
Cynthia Gail Boyd - lack of transparency, public safety
Nancy Ballot - animal shelter, neutering cats

Ewa Dozier - Trap, Neuter and Release program

Mason Yanowitz - congratulated Mayor Lincoln; Trap, Neuter and Release program

Tam Troung - animal control center; cat rescue groups, Trap, Neuter and Release program

Staci - animal shelter, collaboration with cat rescue groups and concerned citizens

Michele Padilla- thanked enforcement staff; North Stockton intersections

Vincent Sayles - community health

Mark Stebbins - Trinity Presbyterian Church 80th anniversary October 30, 2022; McKinley Park funds, Van Buskirk Golf Course

Tiffany Masterson - Child Protective Services

12. CONSENT AGENDA

Approve the Consent Agenda with a single vote, save for items 12.2 and 12.3 which were considered separately.

Moved by: Daniel Wright, seconded by Sol Jobrack.

Vote: Motion carried 7-0

Yes: Paul Canepa, Christina Fugazi, Sol Jobrack, Susan Lenz, Kevin J Lincoln II, Kimberly Warmsley, and Daniel Wright.

12.2 22-0988 ORDINANCE AMENDING TITLE 5, CHAPTER 5.90, SECTIONS 5.90.060, 5.90.070, 5.90.150, 5.90.160, AND 5.90.250, AND TITLE 10, CHAPTER 10.12, SECTION 10.12.220 OF THE STOCKTON MUNICIPAL CODE RELATING TO THE REGULATION OF PEDICABS

RECOMMENDATION It is recommended that the City Council approves an ordinance amending Title 5, Chapter 5.9, Sections 5.90.060, 5.90.070, 5.90.150, 5.90.160, and 5.90.250, and Title 10, Chapter 10.12, Section 10.12.220 of the Stockton Municipal Code relating to the regulation of pedicabs.

Legislation Text
Attachment A - Pedicab Ordinance Update (Redline)
Proposed Ordinance - Pedicab Ordinance Update

The following persons spoke to the item: Elizabeth Wong Fontana, and Mark Stebbins

Note: This item was tabled pending additional information requested from Staff by Council and will be presented at a future meeting date.
12.1 22-1004 APPROVAL OF CITY COUNCIL MINUTES

Motion 2022-10-18-1201 approving the minutes from the City Council meeting of September 13, 2022

12.3 22-0989 APPROVE AN ORDINANCE AMENDING TITLE 5, CHAPTER 5.72 OF THE STOCKTON MUNICIPAL CODE, RELATING TO MOTORIZED FOOD WAGONS

The following person spoke to the item: Cynthia Gail Body, and Mark Stebbins

Note: Councilmember Canepa recused himself due to opening of Brick and Motor Carniceria and left the chamber at 6:15 PM

Approve Ordinance 2022-10-18-1203 amending Title 5, Chapter 5.72 of the Stockton Municipal Code relating to Motorized Food Trucks.

Moved by: Daniel Wright, seconded by Sol Jobrack.

Vote: Motion carried 6-0

Yes: Christina Fugazi, Sol Jobrack, Susan Lenz, Kevin J Lincoln II, Kimberly Warmsley, and Daniel Wright.
Recuse: Paul Canepa.

12.4 22-0581 ADOPT A RESOLUTION TO AUTHORIZE ACCEPTANCE OF $1 MILLION U.S. SMALL BUSINESS ADMINISTRATION 2022 CONGRESSIONAL COMMUNITY PROJECTS GRANT

Resolution 2022-10-18-1204:

1. Authorizing the City Manager, or designee, to accept and appropriate grant funds for the U.S. Small Business Administration 2022 Congressional Community Projects grant for the Resurgent Stockton Project in the amount of $1,000,000 and execute all related documents;

2. Authorizing the City Manager, after a Request for Proposals process, to expend Resurgent Stockton Project funds in an amount greater than the Stockton Municipal Code section 3.68.060 expenditure limit; and

3. Authorizing the City Manager, or designee, to take all actions necessary and appropriate to carry out the intent of the resolution.
amount to $206,789,950.31.

4. Authorizing the City Manager to reappropriate funds in the amount of $5,185,225 from the existing RWCF New Outfall Project UW20023 to the RWCF Modifications Project UW16022.

5. Authorizing the City Manager to execute CCO-008 to Amendment No. 2, Phase 2B, to the Progressive Design-Build Contract.

6. Authorizing the City Manager to execute payments not to exceed a total of $150,000 for the cost of direct mitigation of impacts from the Outfall Relocation Project.

Authorizing the City Manager to take appropriate and necessary actions to carry out the intent of the resolution.

Moved by: Daniel Wright, seconded by Paul Canepa.

Vote: Motion carried 7-0

Yes: Paul Canepa, Christina Fugazi, Sol Jobrack, Susan Lenz, Kevin J Lincoln II, Kimberly Warmsley, and Daniel Wright.

16. HEARINGS

16.1 22-1010 APPROVE THE SJAFCA MOSSDALE TRACT AREA REGIONAL FLOOD PROTECTION DEVELOPMENT NEXUS STUDY UPDATE, IMPACT FEE UPDATE, AND COLLECTION AGREEMENT AMENDMENT

Legislation Text

Proposed Resolution

Exhibit 1 - Nexus Study

Exhibit 2 - Collection Agreement

Exhibit 3 - Updated Fee Schedule

PPT - 16.1 - Mossdale Tract Area

Approved Resolution 2022-10-18-1601

Approve Resolution 2022-10-18-1601:

1. Adopting the updated nexus study for the Mossdale Tract Area Regional Urban Level of Flood Protection Development Impact Fee.

2. Authorizing the City Manager to execute an amendment to the existing collection agreement for the Mossdale Tract Area Regional Urban Level of Flood Protection Development Impact Fee between San Joaquin Area Flood Control Agency and its member agencies, including the City of Stockton.

3. Authorizing an amendment to the FY 2022-23 Fee Schedule to update the Mossdale Tract Area Regional Flood Protection Development Impact Fee (Mossdale Tract Regional Flood Impact Fee) for residential, commercial, and industrial; which includes an existing administration fee.
Authorizing the City Manager to take appropriate and necessary actions to carry out the purpose and intent of this Resolution.

Moved by: Daniel Wright, seconded by Sol Jobrack.

Vote: Motion carried 7-0

Yes: Paul Canepa, Christina Fugazi, Sol Jobrack, Susan Lenz, Kevin J Lincoln II, Kimberly Warmsley, and Daniel Wright.

16.2 22-0999 APPEAL OF THE PLANNING COMMISSION DENIAL OF A COMMISSION USE PERMIT AND DESIGN REVIEW TO ESTABLISH A RETAIL STOREFRONT CANNABIS BUSINESS AND AN ADMINISTRATIVE USE PERMIT TO ESTABLISH A RETAIL NON-STOREFRONT (DELIVERY ONLY) CANNABIS BUSINESS, IN AN EXISTING 4,375 SQUARE FOOT COMMERCIAL BUILDING AT 2521 WEST LANE (APPLICATION NO. P21-0602)

Legislation Text
Attachment A - Location Map, General Plan and Zoning Designation
Attachment B - Communication from Aspire Schools
Attachment C - Existing Commercial Cannabis Business Locations
Attachment D - Project Plans
Attachment E - Applicant Appeal
Proposed Resolution
Exhibit 1
Approved Resolution 2022-10-18-1602
PPT - 16.2 - 2521 West Lane

Approve Resolution 2022-10-18-1602:

1. Reversing the Planning Commission’s denial of a Commission Use Permit to allow the establishment of a proposed retailer storefront cannabis business, in accordance with the findings and subject to conditions in the proposed Resolution; and

2. Reversing the Planning Commission’s denial of an Administrative Use Permit to allow a retail non-storefront (delivery only) cannabis business, in accordance with the findings and subject to conditions in the proposed Resolution; and

3. Reversing the Planning Commission’s denial of Design Review for architectural modifications to an existing building, in accordance with the findings and subject to conditions in the proposed Resolution.

Moved by: Christina Fugazi, seconded by Susan Lenz.

Vote: Motion carried 7-0

Yes: Paul Canepa, Christina Fugazi, Sol Jobrack, Susan Lenz, Kevin J Lincoln II,
17. CITY MANAGER’S UPDATE

None

18. COUNCIL COMMENTS

Councilmember Wright - thanked Police and Fire Department

Councilmember Fugazi - thanked Public Safety and Fire Department; Serial Killer in Stockton; animal shelter; thanked Public Works and Police Department; El Dorado Market 50th anniversary

Councilmember Warmsley - thanked Public Safety, Fire Department, and Police Department; wire copper theft; Carolyn West Corridor; catalytic converters; illegal dumping; Domestic Violence Awareness month, Breast Cancer Awareness month; job openings at Caltrans; Van Buskirk Golf Course and McKinley Park designs

Councilmember Lenz - Stockton Police Department; Stockton Unified School District Trunk or Treat October 27, 2022 at Fremont Square Park; thanked City Manager, Public Work, Police Department, and Fire Department; cat population

Councilmember Canepa - Culvert project; attended White Cane Awareness Day with Councilmember Wright; thanked the Police Department; moment of silence for those who passed

Councilmember Jobrack - marketing project; Breast Cancer Awareness month; Music Day in the Park at Dentoni Park coming up

Mayor Lincoln - thanked the Stockton Police Department and the community; healing in the community; candlelight vigil City Hall steps, October 19, 2022 5:30 PM; moment of silence for victims of homicide in the City of Stockton

19. ADJOURNMENT - 9:08 PM

______________________________
ELIZA R. GARZA, CMC
STOCKTON CITY CLERK
12.5 22-0900 REJECT BIDS FOR THE 2020-21 SANITARY SEWER MAINTENANCE HOLE REHABILITATION PROJECT

Motion 2022-10-18-1205 rejecting all bids received for the 2020-21 Sanitary Sewer Maintenance Hole Rehabilitation, Project No. UW20011, pursuant to Stockton Municipal Code section 3.68.160(B).

Authorizing the City Manager to take appropriate and necessary actions to carry out the purpose and intent of this motion.

13. ADMINISTRATIVE MATTERS

None

14. UNFINISHED BUSINESS

None

15. NEW BUSINESS

15.1 22-0754 APPROVE BY MOTION TO ENTER INTO A CONTRACT WITH JP MARKETING TO DEVELOP AND EXECUTE A MARKETING CAMPAIGN AND BRAND STRATEGY FOR THE CITY OF STOCKTON

Approve Motion 2022-10-18-1501:

1. Approving and authorizing the City Manager, or designee, to execute a contract with the JP Marketing in an amount up to $375,000 for the purpose of executing a marketing campaign and develop a brand strategy

2. Approving findings pursuant to Stockton Municipal Code section 3.68.070 in support of an exception to the competitive bidding process

3. Authorizing the City Manager, or designee, to take appropriate and necessary actions to carry out the purpose and intent of this motion.
Moved by: Susan Lenz, seconded by Paul Canepa.

Vote: Motion carried 7-0

Yes: Paul Canepa, Christina Fugazi, Sol Jobrack, Susan Lenz, Kevin J Lincoln II, Kimberly Warmsley, and Daniel Wright.

15.2 22-0937 ADOPT THE 2022 WASTEWATER MASTER PLAN UPDATE FOR THE MUNICIPAL UTILITIES DEPARTMENT

Legislation Text

Proposed Resolution

Exhibit 1 - Final WWMPU

Exhibit 2 - Appendices

Approved Resolution 2022-10-18-1502

PPT - 15.2 - Wastewater Master Plan

Approve Resolution 2022-10-28-1502 adopting the 2022 Wastewater Master Plan Update prepared in concurrence with the Envision Stockton 2040 General Plan Update.

Moved by: Christina Fugazi, seconded by Daniel Wright.

Vote: Motion carried 7-0

Yes: Paul Canepa, Christina Fugazi, Sol Jobrack, Susan Lenz, Kevin J Lincoln II, Kimberly Warmsley, and Daniel Wright.

15.3 22-0827 ADOPT RESOLUTION CERTIFYING THE SUPPLEMENT TO THE REGIONAL WASTEWATER CONTROL FACILITY MODIFICATIONS PROJECT ENVIRONMENTAL IMPACT REPORT, ADOPTING FINDINGS OF FACT, ADOPTING MITIGATION MONITORING AND REPORTING PROGRAM AND AUTHORIZING THE CITY MANAGER TO EXECUTE A LEASE AGREEMENT WITH THE CALIFORNIA STATE LANDS COMMISSION

Legislation Text

Proposed Resolution

Exhibit 1 - Draft SEIR

Exhibit 2 - Final SEIR

Exhibit 3 - SEIR Findings of Fact

Exhibit 4 - SEIR MMRP

Approved Resolution 2022-10-18-1503

PPT - 15.3 - SEIR

Approve Resolution 2022-10-18-1503:

1. Certifying that the Supplement to the Regional Wastewater Control Facility
Modifications Project Environmental Impact Report for the Outfall Relocation Project (Supplemental EIR) has been completed in compliance with the California Environmental Quality Act and finding the Supplemental EIR adequately addressing the environmental issues of the Outfall Relocation Project component of the Regional Wastewater Control Facility Modifications Project.

2. Approving the Supplemental EIR, including that it identifies no significant and unavoidable impacts, adopting the Findings of Fact, and adopting the Mitigation Monitoring and Reporting Program.

3. Adopting findings that the Supplemental EIR reflects the independent judgment of the City Council, as lead agency.

4. Authorizing the City Manager to execute a lease agreement with the California State Lands Commission for the placement of outfall components within the San Joaquin River.

Authorizing the City Manager to take appropriate and necessary actions to carry out the intent of the resolution.

Moved by: Sol Jobrack, seconded by Daniel Wright.

Vote: Motion carried 7-0

Yes: Paul Canepa, Christina Fugazi, Sol Jobrack, Susan Lenz, Kevin J Lincoln II, Kimberly Warmsley, and Daniel Wright.

15.4 22-0821 ADOPT RESOLUTION AUTHORIZING A CONTRACT CHANGE ORDER FOR THE OUTFALL RELOCATION PROJECT COMPONENT OF THE RWCF MODIFICATIONS PROJECT, AUTHORIZE THE CITY MANAGER TO APPROVE AND EXECUTE PAYMENTS FOR DIRECT MITIGATION COST IMPACTS, AND AUTHORIZE THE CITY MANAGER TO REAPPROPRIATE FUNDS

Legislation Text

Proposed Resolution

Exhibit 1 - CCO 8

Approved Resolution 2022-10-18-1504

PPT - 15.4 - RWCF Modifications Project CCO 8

Approve Resolution 2022-10-18-1504:

1. Approving findings pursuant to Stockton Municipal Code section 3.68.070 in support of an exception to the competitive bidding process.

2. Authorizing Contract Change Order (CCO)-008 to Phase 2B of the Progressive Design-Build Contract between the City and AECOM/W.M. Lyles, Joint Venture (JV) to increase the Guaranteed Maximum Price (GMP) in the amount of $6,770,384.07 for construction of the Outfall Relocation Project component of the Regional Wastewater Control Facility (RWCF) Modifications Project (Exhibit 1 to the Resolution).

3. Incorporating CCO-001 through CCO-008 bringing the total Phase 2B contract...
amount to $206,789,950.31.

4. Authorizing the City Manager to reappropriate funds in the amount of $5,185,225 from the existing RWCF New Outfall Project UW20023 to the RWCF Modifications Project UW16022.

5. Authorizing the City Manager to execute CCO-008 to Amendment No. 2, Phase 2B, to the Progressive Design-Build Contract.

6. Authorizing the City Manager to execute payments not to exceed a total of $150,000 for the cost of direct mitigation of impacts from the Outfall Relocation Project.

Authorizing the City Manager to take appropriate and necessary actions to carry out the intent of the resolution.

Moved by: Daniel Wright, seconded by Paul Canepa.

Vote: Motion carried 7-0

Yes: Paul Canepa, Christina Fugazi, Sol Jobrack, Susan Lenz, Kevin J Lincoln II, Kimberly Warmsley, and Daniel Wright.

16. HEARINGS

16.1 22-1010 APPROVE THE SJAFCA MOSSDALE TRACT AREA REGIONAL FLOOD PROTECTION DEVELOPMENT NEXUS STUDY UPDATE, IMPACT FEE UPDATE, AND COLLECTION AGREEMENT AMENDMENT

Legislation Text

Proposed Resolution

Exhibit 1 - Nexus Study

Exhibit 2 - Collection Agreement

Exhibit 3 - Updated Fee Schedule

PPT - 16.1 - Mossdale Tract Area

Approved Resolution 2022-10-18-1601

Approve Resolution 2022-10-18-1601:

1. Adopting the updated nexus study for the Mossdale Tract Area Regional Urban Level of Flood Protection Development Impact Fee.

2. Authorizing the City Manager to execute an amendment to the existing collection agreement for the Mossdale Tract Area Regional Urban Level of Flood Protection Development Impact Fee between San Joaquin Area Flood Control Agency and its member agencies, including the City of Stockton.

3. Authorizing an amendment to the FY 2022-23 Fee Schedule to update the Mossdale Tract Area Regional Flood Protection Development Impact Fee (Mossdale Tract Regional Flood Impact Fee) for residential, commercial, and industrial; which includes an existing administration fee.
Authorizing the City Manager to take appropriate and necessary actions to carry out the purpose and intent of this Resolution.

Moved by: Daniel Wright, seconded by Sol Jobrack.

Vote: Motion carried 7-0

Yes: Paul Canepa, Christina Fugazi, Sol Jobrack, Susan Lenz, Kevin J Lincoln II, Kimberly Warmsley, and Daniel Wright.

16.2 22-0999 APPEAL OF THE PLANNING COMMISSION DENIAL OF A COMMISSION USE PERMIT AND DESIGN REVIEW TO ESTABLISH A RETAIL STOREFRONT CANNABIS BUSINESS AND AN ADMINISTRATIVE USE PERMIT TO ESTABLISH A RETAIL NON-STOREFRONT (DELIVERY ONLY) CANNABIS BUSINESS, IN AN EXISTING 4,375 SQUARE FOOT COMMERCIAL BUILDING AT 2521 WEST LANE (APPLICATION NO. P21-0602)

Legislation Text

Attachment A - Location Map, General Plan and Zoning Designation
Attachment B - Communication from Aspire Schools
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Exhibit 1
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PPT - 16.2 - 2521 West Lane

Approve Resolution 2022-10-18-1602:

1. Reversing the Planning Commission’s denial of a Commission Use Permit to allow the establishment of a proposed retailer storefront cannabis business, in accordance with the findings and subject to conditions in the proposed Resolution; and

2. Reversing the Planning Commission’s denial of an Administrative Use Permit to allow a retail non-storefront (delivery only) cannabis business, in accordance with the findings and subject to conditions in the proposed Resolution; and

3. Reversing the Planning Commission’s denial of Design Review for architectural modifications to an existing building, in accordance with the findings and subject to conditions in the proposed Resolution.

Moved by: Christina Fugazi, seconded by Susan Lenz.

Vote: Motion carried 7-0

Yes: Paul Canepa, Christina Fugazi, Sol Jobrack, Susan Lenz, Kevin J Lincoln II,
17. CITY MANAGER'S UPDATE

None

18. COUNCIL COMMENTS

Councilmember Wright - thanked Police and Fire Department

Councilmember Fugazi - thanked Public Safety and Fire Department; Serial Killer in Stockton; animal shelter; thanked Public Works and Police Department; El Dorado Market 50th anniversary

Councilmember Warmsley - thanked Public Safety, Fire Department, and Police Department; wire copper theft; Carolyn West Corridor; catalytic converters; illegal dumping; Domestic Violence Awareness month, Breast Cancer Awareness month; job openings at Caltrans; Van Buskirk Golf Course and McKinley Park designs

Councilmember Lenz - Stockton Police Department; Stockton Unified School District Trunk or Treat October 27, 2022 at Fremont Square Park; thanked City Manager, Public Work, Police Department, and Fire Department; cat population

Councilmember Canepa - Culvert project; attended White Cane Awareness Day with Councilmember Wright; thanked the Police Department; moment of silence for those who passed

Councilmember Jobrack - marketing project; Breast Cancer Awareness month; Music Day in the Park at Dentoni Park coming up

Mayor Lincoln - thanked the Stockton Police Department and the community; healing in the community; candlelight vigil City Hall steps, October 19, 2022 5:30 PM; moment of silence for victims of homicide in the City of Stockton

19. ADJOURNMENT - 9:08 PM

ELIZA R. GARZA, CMC
STOCKTON CITY CLERK
APPROVE A MOTION ACCEPTING THE 2022 ANNUAL PROGRESS REPORT TO CONFIRM 200-YEAR URBAN LEVEL OF FLOOD PROTECTION FINDING FOR RECLAMATION DISTRICT 2042 AREA

RECOMMENDATION

Staff recommends that City Council:

1. Approve a motion accepting the 2022 Annual Progress Report to confirm the 200-year urban level of flood protection adequate progress finding for the Reclamation District 2042 boundary area; and

2. Authorize the City Manager, or designee, to take necessary and appropriate actions to carry out the purpose and the intent of this motion.

Summary

Reclamation District 2042 is located on the north end of the City of Stockton and just west of Interstate 5 and north and south of Eight Mile Road (Attachment A - RD 2042 Map). Reclamation District (RD) 2042 is a local flood management agency that operates and maintains the flood levee system that protects properties within Bishop Tract to the Flood Emergency Management Agency (FEMA) required 100-year level of protection requirements. RD 2042 area includes approximately 800 acres of undeveloped land that is in the City limits and approved for residential development. Residential development is presently underway in the Westlake Villages Master Development Plan area south of Eight Mile Road and west of Regatta Drive.

In accordance with State regulation commonly known as Senate Bill 5 (Central Valley Flood Protection Act of 2008, Chap. 364, Stats. 2007), the Stockton Municipal Code (SMC) Section 16.90 requires that the City shall not approve new development unless findings can be made that the new development will be protected to the 200-year flood event level. On October 17, 2017, City Council approved a 200-year urban level of flood protection “adequate progress” finding for the RD 2042 boundary area. This finding was based on substantial evidence, including an engineer’s report, a scope of work, cost, and schedule, demonstrating that 200-year levee improvements would be completed by the year 2025. Council’s approval allowed for subsequent discretionary planning applications and building permits for the construction of residential units to continue to occur within the RD 2042 boundary.

To maintain an “adequate progress” status, a progress report on the efforts to complete the flood protection system improvements must be submitted to the Central Valley Flood Protection Board (CVFPB) annually. RD 2042 prepared a 2022 progress report that indicates levee improvements are
progressing and on schedule for completion in 2023. Staff recommends that Council approve a motion accepting the 2022 Annual Progress Report for the RD 2042 boundary area to allow for submitting a progress report to the CVFPB.

DISCUSSION

Background

RD 2042’s levees are currently accredited to 100-year Flood Emergency Management Agency (FEMA) standards, which correlates with the National Flood Insurance Program. Approximately one-third of the District area is currently within the Stockton City limits and consists of existing commercial and residential developed properties, along with undeveloped properties that are approved and entitled for planned development. Notable entitled developments include the Westlake Villages Master Development Plan, consisting of 2,630 single-family units on 680 acres (871 units have issued building permits), and Crystal Bay, consisting of 951 single-family units on 156 acres (0 units have issued building permits).

On May 24, 2016, the City Council approved an amendment to the Stockton Municipal Code to comply with a State mandate for new development to have 200-year flood protection (Central Valley Flood Protection Act of 2008, Chap. 364, Stats. 2007). This regulation is commonly referred to as Senate Bill (SB) 5 (see Attachment B for an overview of SB 5 and the City’s process for complying with the regulation).

Based on the 200-year floodplain map prepared by the State, RD 2042 is located within the deeper floodplain area, with portions exceeding 10 feet of flood depth (Attachment C - 200-Year Floodplain Map). RD 2042 requires a plan to complete flood protection system improvements consistent with SB 5. Absent adequate progress toward 200-year flood protection, discretionary planning applications and building permits for new residential units cannot be approved.

In 2017, RD 2042 assembled a qualified team of engineers and conducted an evaluation of levees to identify any deficiencies and countermeasures needed to achieve 200-year protection. The District funded an independent panel of experts (IPE), consisting of engineers from various firms with different expertise in hydrology, hydraulics, and levee facility design and construction, to conduct a review and provide comments on the RD’s engineering report in accordance with SB 5.

The final engineering report concluded the RD 2042 levee system requires improvements to address deteriorated pipe penetrations in the levees to meet the 200-year flood protection requirements. The improvements consist of removal and replacement of pipes and installation of gate valves. The total cost of the improvements is approximately $2.9 million (2017 dollars). The City’s IPE concurred with the final engineering report.

On October 17, 2017, City Council approved a 200-year urban level of flood protection adequate progress finding for the Reclamation District 2042 boundary area (Resolution 2017-10-17-1105). This finding was based on RD 2042’s Adequate Progress Engineer’s report. Council’s approval allowed for subsequent discretionary planning applications and building permits to be submitted for construction of residential units to occur within the RD 2042 boundary while progress is occurring on the levee protection improvements.
According to the state’s Urban Level of Flood Protection Criteria, a finding based on adequate progress has an effective period of 10 years from the date it was approved. To maintain adequate progress status, progress reports must be prepared annually to demonstrate progress on the construction of the flood improvements. Annual progress reports for the years 2018, 2019, 2020, and 2021 demonstrated adequate progress occurring on the improvements and were accepted by Council (Motions 2018-12-04-1103, 2019-12-17-1105, 2020-12-01-1101, and 2021-12-07-1203).

Present Situation

RD 2042 prepared the 2022 Annual Progress Report for submission to the CVFPB (Attachment D - 2022 Annual Progress Report). The report identifies the District will expend approximately $1,496,273 for the year 2022 on the levee protection system at five locations identified as stations S18+82, S43+01, N15+50, N177+38, and N195+72. This will complete 12 out of 14 pipe penetrations initially identified for improvements (with one pipe penetration determined not to require work). The overall levee improvement project remains on schedule, and the RD 2042 continues to budget for the remainder of the improvements to be completed in 2023.

This annual progress report provides an update on the 200-year flood protection improvements. Council action is required to validate the Adequate Progress Finding. Though the State’s criteria do not specify whether the original approving authority of the Adequate Progress Finding needs to accept the report, this has been an established practice by other local agencies maintaining Adequate Progress Findings to ensure compliance. Staff recommends that the Council approve a motion to accept the 2022 progress report, which confirms the Council’s Adequate Progress Finding determination that RD 2042 is making adequate progress on the construction of flood protection improvements that will result in flood protection equal or greater to the 200-year level of flood protection for the District area. This area-wide finding can be relied upon for any subsequent applications that are submitted requiring discretionary planning approvals or ministerial building permits for new construction of residential units within RD 2042 boundary. This is most critical for the Westlake Villages Development, that is actively constructing single-family residential units.

FINANCIAL SUMMARY

There will be no financial impact to the City of Stockton as a result of the recommended action.

Attachment A - RD 2042 Map
Attachment B - SB 5 Overview
Attachment C - 200-Year Floodplain Map
Attachment D - 2022 Annual Progress Report
BACKGROUND INFORMATION
SENATE BILL (SB) 5 (CENTRAL VALLEY FLOOD PROTECTION ACT OF 2008, CHAPTER 364, STATS. 2007)

In 2007, five interrelated pieces of legislation were enacted to address the problem of flood protection and liability. The legislative package also made $5 billion in State bonds available for flood protection improvements. The Central Valley Flood Protection Act of 2008 (Chapter 364, Stats. 2007), commonly referred to as SB 5, contained provisions for local agencies to incorporate flood risk considerations into land use planning. This legislation primarily focused on flood requirements for the Sacramento-San Joaquin Valley within an area defined as the Sacramento-San Joaquin Hydrologic Regions, which includes the City of Stockton (Exhibit 1 - Hydraulic Regions Map).

SB 5 identified the California Department of Water Resources (DWR) as the agency responsible for preparing a strategic Central Valley Flood Protection Plan by July 1, 2012. The Flood Protection Plan was primarily intended to identify necessary improvements to state flood control facilities and establish flood protection building standards where flood levels are anticipated to exceed three feet for a 200-year flood event.

A 200-year flood event is generally considered a flood of a magnitude that statistically occurs once every 200 years, or has a 0.5% likelihood of occurring in any given year. SB 5 defines this as the "urban level of flood protection." The Central Valley Flood Protection Board adopted the Flood Protection Plan by the July 1, 2012 deadline. The Central Valley Flood Protection Board is a State regulatory agency charged with overseeing the flood management system in the California's Central Valley.

SB 5 required each city and county within the Sacramento-San Joaquin Valley, including charter cities like Stockton, to amend its general plan by July 2, 2015, to include data and analysis from the State's Flood Protection Plan and goals and policies for the protection of lives and property that will reduce the risk of flood damage from a 200-year flood event (Government Code § 65302.9). Further, SB 5 required each city and county to amend its zoning ordinance by July 2, 2016, to incorporate new findings related to development in the 200-year floodplain and ensure the code is consistent with the general plan.

On June 23, 2015, the City Council approved a General Plan Amendment to comply with SB 5 (Resolution 2015-06-23-1601). The Amendment generally consisted of policy changes to provide for the City to regulate new and existing urban development within floodplains in accordance with the Federal (100-year) and State (200-year) requirements. Policy changes included setback and easements requirements for new urban development and called for planning for 200-year flood protection and upgrading the protection system to the 200-year design standard, where feasible.

On May 24, 2016, the City Council approved an amendment to Stockton Municipal Code Titles 15 - Buildings and Construction and 16 - Development Code to comply with SB 5 (Resolution 2016-05-24-1605). Effective July 2, 2016, the City began implementation to
ensure that specific findings related to 200-year flood protection are made prior to approving certain projects located within a flood hazard zone.

SMC Section 16.90 Floodplain Management Findings, specifies that the City’s review authority for make a finding related to 200-year flood protection, for any of the following land-use decisions:

- Entering into a development agreement for all types of property development.
- Approving a discretionary permit or other discretionary entitlement that would result in the construction of a new building or construction that would result in an increase in allowed occupancy for an existing building.
- Approving a ministerial permit that would result in the construction of a new residence.
- Approving a tentative map consistent with the Subdivision Map Act for all subdivisions.
- Approving a tentative parcel map or a parcel map for which a tentative parcel map is not required, consistent with the Subdivision Map Act.

A “finding” is commonly required for land use decisions to provide evidence on the record to support the decision. The City’s Development Code contains certain findings within each of the specific land use application sections that shall be made by the review authority (City Council, Planning Commission, Community Development Director) prior to making a decision for approval.

SB 5 introduces new findings related to 200-year level of flood protection and one of these findings must be made prior to approving any of the above land use applications. SMC Section 16.90.020A provides for the following findings to be made, based on substantial evidence in the record:

1. The facilities of the State Plan of Flood Control or other flood management facilities protect the property to the urban level of flood protection in urban and urbanizing areas or the national Federal Emergency Management Agency standard of flood protection in non-urbanized areas;
2. The City has imposed conditions on a development agreement, map, permit, or entitlement that will protect the property to the urban level of flood protection in urban and urbanizing areas or the national Federal Emergency Management Agency standard of flood protection in non-urbanized areas;
3. The local flood management agency has made adequate progress (as defined in California Government Code § 65007) on the construction of a flood protection system that will result in flood protection equal to or greater than the urban level of flood protection in urban or urbanizing areas or the national Federal Emergency Management Agency standard of flood protection in non-urbanized areas for
4. The property in an undetermined risk area has met the urban level of flood protection;

5. The property is located in an area of potential flooding of three (3) feet or less from a storm event that has a 1-in-200 chance of occurring in any given year, from sources other than local drainage, in urban and urbanizing areas; or

6. The property is located within a watershed with a contributing area of 10 or fewer square miles in urban and urbanizing areas.

Finding numbers 4 and 6 above do not pertain to Stockton; however, because these findings were included in the SB 5 regulations, the City incorporated them into its Code. Thus, the city is reliant on making one of the four applicable City findings (numbers 1, 2, 3, or 5).

As indicated above, whichever finding is made shall be based on substantial evidence in the record. The State Department of Water Resources developed guidance (“Urban Level of Flood Protection Criteria”, dated November 2013), as required by SB 5 to help cities with determining the level and type of evidence required to support the findings. The State also assisted in developing a 200-year floodplain map which shows the anticipated depth of the flooding throughout the Stockton metropolitan area in the event of a 200-year flood (see Exhibit 2 – 200-Year Floodplain Map).

Shallow flooding areas (up to three feet or less of flooding) are not considered to be within the 200-year floodplain (shown in blue on the map). The map identifies a significant portion of the westerly side of the City near Interstate 5 and some isolated areas within the central and easterly side of the City as being inundated in excess of three feet during a 200-year event (shown in yellow, orange, and red on the map). It is important to understand that this map which was prepared to comply with the State law, is independent of the FEMA 100-year flood maps, which are associated with the National Flood Insurance Program.

Since the City began implementing the 200-year flood regulation, the 200-year map has served as the substantial evidence for making a finding (number 5 above) for approval of projects located in the “blue” shallow flooding areas. For projects located in the deeper floodplain areas (yellow, orange and red areas on the map), the city is relying on the State’s criteria for guidance on type and level of evidence to support its floodplain finding. This entails the applicant hiring a qualified civil engineer to establish the 200-year flood depth for the project property and specifying the necessary improvements to protect the property to the 200-year level of protection. For projects in the yellow and orange areas (flood depths between 4 to 10 feet), engineering reports typically have been recommending the project’s finished floor be elevated (with fill or increased foundation) to the required floodplain height. The city can impose this improvement on the project and make a finding (#2 above) for approval based on the engineer’s report as evidence.
For projects located in the red areas on the map, which may be up to 20’ in flood depth, elevation of building structures may not be feasible. For these areas, more extensive physical flood protection improvements to the levee protection system become necessary. Substantial engineering analysis is required (prepared by a licensed civil engineer) to confirm if the existing levee system is sufficient or if specified improvements are necessary to achieve 200-year protection. The project proponent is responsible for funding the City's commissioning of an independent panel of experts to peer review the civil engineer’s report in conformance with the SB 5 standards.

If it is determined that 200-year levee protection improvements are feasible, a developer can choose to obtain permits from the respective flood control agencies and incrementally construct the improvements over a specified number of years. An SB 5 Finding (#3) of adequate progress can be made if incremental progress occurs on the improvements over a predetermined number of years. In summary, “Adequate Progress” (as defined in California Government Code § 65007 (a)), generally means the 1) total project scope, schedule and cost of the flood protection system improvements have been developed, 2) sufficient revenues to fund each year of the project schedule have been identified, 3) critical features of the flood protection system are under construction, and 4) the local flood management agency has annually submitted progress reports to the State Department of Water Resources and Central Valley Flood Protection Board. SB 5 regulation allows adequate progress to be used until the year 2025. By 2025, flood protection improvements are to be completed.
Figure 1-1. Sacramento and San Joaquin Hydrologic Regions
RESOLUTION AUTHORIZING THE PREPARATION AND APPROVAL OF 2022 ADEQUATE PROGRESS REPORT
DELTA FARMS RECLAMATION DISTRICT NO. 2042
BISHOP TRACT
FOR URBAN LEVEL OF FLOOD PROTECTION (ULOP)

WHEREAS, State of California Senate Bill 5 has determined that a 200-year level of protection shall be the new standard for urban and urbanizing areas to achieve Urban Level of Flood Protection (ULOP); and,

WHEREAS, this Reclamation District is desirous of achieving said 200-year level of protection for Urban Level of Flood Protection (ULOP); and,

WHEREAS, the Reclamation District's Engineers have conducted an evaluation of its levee system to identify the work needed to comply with the Urban Levee Design Criteria (ULDC); and,

WHEREAS, the City of Stockton has requested the District prepare annually an Adequate Progress Report for Urban Level of Protection (ULOP) to demonstrate the steps RD 2042 is taking to secure adequate funding to implement the levee improvements necessary to achieve 200 Year Urban Levee of Flood Protection; and,

WHEREAS, the Reclamation District's Engineers, under the direction of the Board of Trustees, have prepared a 2022 Adequate Progress Report indicating work to be performed and the funding sources for said work through 2024.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Trustees of Delta Farms Reclamation District No. 2042 – Bishop Tract, as follows:

1. That that certain 2022 Adequate Progress Report prepared by the District Engineers on behalf of this Reclamation District is hereby approved.

2. That the officers of the District, the Chairman, and/or the Secretary, be, and either of them individually are, hereby authorized and directed to approve on behalf of this Reclamation District, the said 2022 Adequate Progress Report and any and all other agreements, addenda or other documents associated with the said 2022 Adequate Progress Report.

CERTIFICATE

1. KAREN GARRETT, Chairman of the Board of Trustees of Delta Farms Reclamation District No. 2042, do hereby certify that the foregoing Resolution is a full, true and correct copy of a Resolution passed by the Board of Trustees of Delta Farms Reclamation District No. 2042 at a meeting thereof held on the 2nd day of August, 2022, at which meeting a quorum was present; that said Resolution has never been revoked, and the same is now in full force and effect.

DATED: August 2, 2022

[Signature]
CHAIRMAN OF THE BOARD OF TRUSTEES OF DELTA FARMS RECLAMATION DISTRICT NO. 2042

88
Reclamation District No. 2042
Bishop Tract
2022 Annual Progress Report
For Urban Level of Protection

July 29, 2022

Prepared for:
Reclamation District No. 2042 – Bishop Tract
and
City of Stockton

Prepared by:
Kjeldsen, Sinnock & Neudeck, Inc.
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Overview ........................................................................................................................................ 1
Project Improvements ................................................................................................................ 3
Project Cost ................................................................................................................................ 4
Project Schedule ........................................................................................................................ 4
Project Funding .......................................................................................................................... 6

Appendices
Appendix 1 – Conceptual Improvement Plans
Appendix 2 – Detailed Cost Estimate
Appendix 3 – Statement of Net Position (as of June 30, 2022)
Appendix 4 – Budget (2022/2023)
Overview

Reclamation District No. 2042 – Bishop Tract (RD 2042) has engaged Kjeldsen, Sinnock and Neudeck, Inc. (KSN) to prepare this document to support the demonstration of “adequate progress” toward the achievement of an Urban Level of Flood Protection (ULOP) within the RD 2042 basin. This document describes the steps that RD 2042 is taking to generate the local funding needed to advance and implement 200-Year levee improvements in accordance with the requirements of Senate Bill 5 (SB5).

RD 2042 is responsible for operating and maintaining the levee system and drainage facilities that provides flood protection for agricultural land, infrastructure, and urban development (comprised of residential and commercial). RD 2042 was formed in 1909, and currently encompasses an area of approximately 3,100 acres, surrounded by 8.0 miles of levee, all located within San Joaquin County. At the time of formation, RD 2042 originally consisted of nearly 2,200 acres. An annexation occurred in 1989 that extended the District’s eastern limits to Interstate 5 thereby adding just over 900 acres to RD 2042. Figure 1 shows the RD 2042 levees and boundary.

The levee system of RD 2042 currently provides a 100-year level of protection and is fully accredited by the U.S. Department of Homeland Security, Federal Emergency Management Agency (FEMA) as meeting the minimum certification criteria as outlined in Title 44, CFR, Section 65.10. FEMA maintains Flood Insurance Rate Maps (FIRMs) that delineate special flood hazard areas and assist lending institutions and federal agencies to determine whether flood insurance is required. RD 2042 is currently located on FIRM panel numbers 06077C0285F, 06077C0295F, 06077C0305F, and 06077C0315F.

With the passage of SB5, the State of California has established that a 200-year level of protection shall be the new standard for urban and urbanizing areas. The existing RD 2042 levees currently do not meet the updated Urban Levee Design Criteria (ULDC) standards adopted by the Department of Water Resources, and the existing levees are not currently certified to provide 200-year protection. Accordingly, the City of Stockton as the local land use agency, in coordination with RD 2042, are jointly pursuing efforts to achieve ULOP within the RD 2042 boundary.

On behalf of RD 2042, a team of Professional Engineers consisting of Peterson Brustad Inc. (PBI), KSN, and Kleinfelder has conducted an evaluation of the RD 2042 levee system in accordance with ULDC. The goal of the evaluation was to identify any deficiencies and countermeasures needed to comply with the State’s 200-year standards and to meet the requirements of making a ULOP finding for RD 2042’s levees for the City of Stockton. The purpose of this Annual Progress Report is to address the ULOP requirements for adequate progress:

1. Identify the geographic area which will have a ULOP once the improvements are completed
2. Describe the scope, schedule, and cost of completing the flood protection improvements described in the Engineer’s Report
3. Identify critical features of the system which are under construction
4. Provide evidence that there are revenues sufficient to fund each year of the project improvements.
Figure 1 - RD 2042 Levee and Boundary

Legend

- RD 2042_Levee Alignment
- RD_2042_Boundary

Sources: Esri, HERE, DeLorme, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community
Project Improvements

In order for the RD 2042 levee system to meet ULDC, improvements are needed to several existing pipe penetrations. Pipe penetration rehabilitation is necessary at various locations, primarily due to deteriorated conditions. The improvements consist of reconstructing pipe penetrations that cross the levee by removing and replacing the portion of pipe through the levee prism and installing a positive closure device (i.e., gate valve). The new pipes will be installed above the Design Water Surface Elevation (DWSE). Conceptual improvement plans are included in Appendix 1. Locations of the pipe penetrations to be rehabilitated are shown on Figure 2 and listed in Table 1.

![Figure 2 - Pipe Penetration Rehabilitation Locations](image-url)
Table 1 – Summary of Pipe Penetration Rehabilitations

<table>
<thead>
<tr>
<th>Station</th>
<th>Pipe Diameter (inches)</th>
<th>Type</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>N 15+50</td>
<td>16</td>
<td>intake</td>
<td>remaining</td>
</tr>
<tr>
<td>N 29+02</td>
<td>24</td>
<td>discharge</td>
<td>remaining</td>
</tr>
<tr>
<td>N 29+07</td>
<td>24</td>
<td>discharge</td>
<td>remaining</td>
</tr>
<tr>
<td>N 117+57</td>
<td>12</td>
<td>intake</td>
<td>completed</td>
</tr>
<tr>
<td>N 137+81</td>
<td>16</td>
<td>intake</td>
<td>completed</td>
</tr>
<tr>
<td>N 160+73</td>
<td>16</td>
<td>intake</td>
<td>completed</td>
</tr>
<tr>
<td>N 177+38</td>
<td>16</td>
<td>intake</td>
<td>remaining</td>
</tr>
<tr>
<td>N 179+51</td>
<td>24</td>
<td>intake</td>
<td>no work needed</td>
</tr>
<tr>
<td>N 181+58</td>
<td>16</td>
<td>discharge</td>
<td>completed</td>
</tr>
<tr>
<td>N 191+34</td>
<td>16</td>
<td>intake</td>
<td>completed</td>
</tr>
<tr>
<td>N 195+72</td>
<td>48</td>
<td>inlet / outlet</td>
<td>remaining</td>
</tr>
<tr>
<td>S 18+82</td>
<td>12</td>
<td>intake</td>
<td>underway</td>
</tr>
<tr>
<td>S 43+01</td>
<td>16</td>
<td>intake</td>
<td>underway</td>
</tr>
<tr>
<td>S 83+49</td>
<td>16</td>
<td>intake</td>
<td>completed</td>
</tr>
</tbody>
</table>

Project Cost

The total estimated cost associated with the pipe penetration rehabilitations was originally budgeted at $2,907,000 in 2017 dollars. This cost represents the total cost to obtain full ULDC compliance for the RD 2042 levee system. A summary of this cost is shown below in Table 2. A more detailed breakdown of the project costs is included in Appendix 2.

Table 2 - Original Overall Project Cost (2017$)

<table>
<thead>
<tr>
<th>Description</th>
<th>Total Cost (2017$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>$1,730,000</td>
</tr>
<tr>
<td>Soft Costs</td>
<td>$692,000</td>
</tr>
<tr>
<td>20% Contingency</td>
<td>$484,400</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,907,000</strong></td>
</tr>
</tbody>
</table>

A summary of estimated costs and actual expenditures to date per pipe penetration rehabilitation is shown below in Table 3. An annual inflation escalator of 3% was used to estimate the costs in any given year. As such, the sum of estimated costs as shown in Table 3 is greater than the total shown in Table 2 which is based on 2017 dollars.

1 Further investigation of the pipe penetration at Sta. N 179+51 has revealed that the pipe is newer and in much better condition that originally assessed. Therefore, no work is required for this pipe.
Table 3 – Summary of Estimated Costs and Actual Project Expenditures

<table>
<thead>
<tr>
<th>Station</th>
<th>Estimated Year</th>
<th>Estimated Cost</th>
<th>Actual Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>N 15+50</td>
<td>2022</td>
<td>$187,000</td>
<td></td>
</tr>
<tr>
<td>N 29+02</td>
<td>2023</td>
<td>$323,500</td>
<td></td>
</tr>
<tr>
<td>N 29+07</td>
<td>2023</td>
<td>$323,500</td>
<td></td>
</tr>
<tr>
<td>N 117+57</td>
<td>2017</td>
<td>$117,600</td>
<td>$6,846</td>
</tr>
<tr>
<td>N 137+81</td>
<td>2017</td>
<td>$161,300</td>
<td>$54,941</td>
</tr>
<tr>
<td>N 160+73</td>
<td>2017</td>
<td>$161,300</td>
<td>$33,655</td>
</tr>
<tr>
<td>N 177+38</td>
<td>2022</td>
<td>$187,000</td>
<td></td>
</tr>
<tr>
<td>N 179+51</td>
<td>n/a</td>
<td>$279,100</td>
<td>$0</td>
</tr>
<tr>
<td>N 181+58</td>
<td>2018</td>
<td>$166,200</td>
<td>$46,732</td>
</tr>
<tr>
<td>N 191+34</td>
<td>2018</td>
<td>$166,200</td>
<td>$58,555</td>
</tr>
<tr>
<td>N 195+72</td>
<td>2022</td>
<td>$641,500</td>
<td></td>
</tr>
<tr>
<td>S 18+82</td>
<td>2021-2022</td>
<td>$132,400</td>
<td>underway</td>
</tr>
<tr>
<td>S 43+01</td>
<td>2021-2022</td>
<td>$181,600</td>
<td>underway</td>
</tr>
<tr>
<td>S 83+49</td>
<td>2019-2020</td>
<td>$176,300</td>
<td>$215,896</td>
</tr>
</tbody>
</table>

Project Schedule

It was anticipated that approximately two pipes would be rehabilitated each year over a seven-year time period. Engineering for the pipes at Station S 18+82 and Station S 43+01 was completed in spring 2022, and construction is expected to be completed by fall 2022. Planning and engineering for the pipes at Station N 15+50, Station N 177+38, and Station N 195+72 will commence in summer 2022. A project schedule is shown below in Table 4.

Table 4 - Project Schedule

<table>
<thead>
<tr>
<th>Station</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
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<tr>
<td>N 15+50</td>
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<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>N 29+02</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N 29+07</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N 117+57</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N 137+81</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N 160+73</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>N 177+38</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>N 179+51</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>N 181+58</td>
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<td></td>
</tr>
<tr>
<td>N 191+34</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N 195+72</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S 18+82</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S 43+01</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>S 83+49</td>
<td></td>
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</tr>
</tbody>
</table>

Legend: [Orange] Actual Progress To Date  [Blue] Estimated Remaining Progress
Project Funding

RD 2042 is the sole funding entity for the ULDC improvements. A current statement of net position that indicates balances for all RD 2042 funds is included in Appendix 3. As of June 30, 2022, there is a balance of $1,304,120 in the contingency fund, $825,098 in the maintenance and operations fund, and $279,767 in the ULDC fund.

As the sole funding entity, RD 2042 is responsible for funding the improvements. The primary source of revenue for RD 2042 is from the existing assessment district which generates approximately $450,000 per year. Other sources of income generate between $150,000 and $300,000 per year. A copy of this year’s RD 2042 budget is included in Appendix 4. In order to fund the improvements, RD 2042 has created a ULDC fund. RD 2042 will transfer funds from the contingency fund and the maintenance and operations fund as well as reallocate a portion of excess budget funds previously directed to the contingency fund. For fiscal year 2022/2023, this translates to transferring approximately $742,000 from the contingency fund and $250,000 from the maintenance and operations fund to fund the sixth year of ULDC improvements in addition to the available, existing ULDC funds.

A cash flow analysis that demonstrates a feasible solution for implementation of the needed 200-year ULDC improvements is shown below in Table 5. Table 5 conservatively assumes that the ULDC fund will be funded at $225,000 per year from excess budget funds with the balance coming from the contingency fund. It is expected that this table will be refined over time as the planning and development of the project progress over time.
### Table 5 - Cash Flow Analysis

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td>$0</td>
<td>$404,548</td>
<td>$351,410</td>
<td>$386,621</td>
<td>$389,517</td>
<td>$279,767</td>
<td>$494</td>
</tr>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess Budget Funds</td>
<td>$0</td>
<td>$52,149</td>
<td>$52,148</td>
<td>$130,641</td>
<td>($3,135)</td>
<td>$225,000</td>
<td>$225,000</td>
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<tr>
<td>Transfer from Contingency Fund</td>
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<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$742,000</td>
<td>$284,805</td>
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<tr>
<td>Transfer from Maintenance &amp; Operations Fund</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$250,000</td>
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<td><strong>Total Revenues</strong></td>
<td>$500,000</td>
<td>$52,149</td>
<td>$52,148</td>
<td>$130,641</td>
<td>($3,135)</td>
<td>$1,217,000</td>
<td>$509,805</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ULDC Improvements</td>
<td>$95,452</td>
<td>$105,287</td>
<td>$16,937</td>
<td>$127,745</td>
<td>$106,615</td>
<td>$1,496,273</td>
<td>$510,298</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$95,452</td>
<td>$105,287</td>
<td>$16,937</td>
<td>$127,745</td>
<td>$106,615</td>
<td>$1,496,273</td>
<td>$510,298</td>
</tr>
<tr>
<td>Ending Balance</td>
<td>$404,548</td>
<td>$351,410</td>
<td>$386,621</td>
<td>$389,517</td>
<td>$279,767</td>
<td>$494</td>
<td>$0</td>
</tr>
</tbody>
</table>
Appendix 1

Conceptual Improvement Plans
RECLAMATION DISTRICT NO. 2042
BISHOP TRACT
STOCKTON, CALIFORNIA

URBAN LEVEE DESIGN CRITERIA, PROJECT NO. 13.1
PENETRATION REHABILITATION

AT
VARIOUS LOCATIONS

ATTACHMENT D
Appendix 2

Detailed Cost Estimate
### RECLAMATION DISTRICT NO. 2042 - BISHOP TRACT
### ULDC EVALUATION
### STOCKTON, CALIFORNIA

#### OPINION OF PROBABLE COSTS
#### DETAILS OF PROPOSED IMPROVEMENTS

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>Unit</th>
<th>Unit Cost</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Mobilization</td>
<td>3%</td>
<td>$49,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Erosion Control</td>
<td>3%</td>
<td>$49,000</td>
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<tr>
<td>3.</td>
<td>Reconstruct Existing 12&quot; Pipe</td>
<td>2 EA</td>
<td>$60,000</td>
<td>$120,000</td>
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</tr>
<tr>
<td>4.</td>
<td>Reconstruct Existing 16&quot; Pipe</td>
<td>8 EA</td>
<td>$80,000</td>
<td>$640,000</td>
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<tr>
<td>5.</td>
<td>Reconstruct Existing 24&quot; Pipe</td>
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<td>$125,000</td>
<td>$375,000</td>
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<tr>
<td>6.</td>
<td>Reconstruct Existing 48&quot; Pipe</td>
<td>1 EA</td>
<td>$200,000</td>
<td>$200,000</td>
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<tr>
<td>7.</td>
<td>Air Release Valve</td>
<td>13 EA</td>
<td>$2,000</td>
<td>$26,000</td>
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<tr>
<td>8.</td>
<td>12&quot; Valve</td>
<td>2 EA</td>
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<td>$8,000</td>
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<tr>
<td>9.</td>
<td>16&quot; Valve</td>
<td>8 EA</td>
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<tr>
<td>10.</td>
<td>24&quot; Valve</td>
<td>3 EA</td>
<td>$25,000</td>
<td>$75,000</td>
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<tr>
<td>11.</td>
<td>48&quot; Valve</td>
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<td>$60,000</td>
<td>$120,000</td>
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Subtotal: $1,730,000

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>Unit</th>
<th>Unit Cost</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Administration</td>
<td>5%</td>
<td>$86,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Planning</td>
<td>3%</td>
<td>$51,900</td>
<td></td>
<td></td>
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<tr>
<td>3.</td>
<td>Environmental and Permitting</td>
<td>5%</td>
<td>$86,500</td>
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<tr>
<td>4.</td>
<td>Geotechnical Engineering</td>
<td>2%</td>
<td>$34,600</td>
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<tr>
<td>5.</td>
<td>Surveying and Civil Engineering</td>
<td>10%</td>
<td>$173,000</td>
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<tr>
<td>6.</td>
<td>Construction Management and Inspection</td>
<td>12%</td>
<td>$207,600</td>
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<td>7.</td>
<td>Mitigation</td>
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Subtotal: $640,100

**SUBTOTAL:** $2,422,000

**CONTINGENCY (20%):** $484,400

**PROJECT TOTAL:** $2,907,000
Appendix 3

Statement of Net Position
(as of June 30, 2022)
# Reclamation District No. 2042
## Statement of Net Position
### As of June 30, 2022

### ASSETS

#### Current Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Checking/Savings</td>
<td></td>
</tr>
<tr>
<td>1000 · Unrestricted Cash</td>
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</tr>
<tr>
<td>1000-00 · Bank of Stockton - Checking</td>
<td>60,103.96</td>
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<tr>
<td>1010-00 · Bank of Stockton - Savings</td>
<td>44,187.35</td>
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<tr>
<td>1030-00 · SJC General Fd 53501</td>
<td>486,977.60</td>
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<tr>
<td>1035-00 · SJC Emerg. Contingency Fd 53511</td>
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<td>1045-00 · SJC Maintenance &amp; Ops. Fd 53594</td>
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<tr>
<td>1050-00 · SJC Urban Levee Design Fd 53596</td>
<td>279,766.64</td>
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<tr>
<td><strong>Total 1000 · Unrestricted Cash</strong></td>
<td>3,000,253.97</td>
</tr>
<tr>
<td>1050 · Restricted Cash</td>
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<tr>
<td>1020-00 · US Bank-205248000 (Mello-Roos)</td>
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<tr>
<td>1022-00 · US Bank-205248002 (Mello-Roos)</td>
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<tr>
<td>1040-00 · SJC Direct Assmt Fd 53575 (MR)</td>
<td>596,097.62</td>
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<tr>
<td><strong>Total 1050 · Restricted Cash</strong></td>
<td>1,151,530.56</td>
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<tr>
<td><strong>Total Checking/Savings</strong></td>
<td>4,151,784.53</td>
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<tr>
<td>Accounts Receivable</td>
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<tr>
<td>1100 · Accounts Receivable</td>
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<tr>
<td><strong>Total Accounts Receivable</strong></td>
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<tr>
<td>Other Current Assets</td>
<td></td>
</tr>
<tr>
<td>1300 · Prepaid Insurance</td>
<td>7,319.13</td>
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<tr>
<td><strong>Total Other Current Assets</strong></td>
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<tr>
<td><strong>Total Current Assets</strong></td>
<td>4,535,486.52</td>
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#### Fixed Assets

<table>
<thead>
<tr>
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<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>1070-00 · Capital Assets</td>
<td>9,164,641.00</td>
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<tr>
<td>1080-00 · Accumulated Depreciation</td>
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<td><strong>Total Fixed Assets</strong></td>
<td>5,571,719.00</td>
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### TOTAL ASSETS

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<tr>
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<th>Amount</th>
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</thead>
<tbody>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>10,107,205.52</td>
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### LIABILITIES & NET POSITION

#### Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Liabilities</td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td></td>
</tr>
<tr>
<td>2000-00 · Accounts Payable</td>
<td>2,481.48</td>
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<td><strong>Total Accounts Payable</strong></td>
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<tr>
<td>Other Current Liabilities</td>
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<tr>
<td>2200-00 · Payroll Liabilities</td>
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<td>2210-00 · Accrued Payroll Lilabilities</td>
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<td>2300-00 · Accrued Expenses</td>
<td>8,500.00</td>
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<tr>
<td>2300-10 · Interest Payable</td>
<td>41,648.36</td>
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<tr>
<td>2500-00 · Mello-Roos Bonds Payable</td>
<td>2,991,132.00</td>
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<td><strong>Total Other Current Liabilities</strong></td>
<td>3,044,389.75</td>
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<tr>
<td><strong>Total Current Liabilities</strong></td>
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<td><strong>Total Liabilities</strong></td>
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#### Net Position

<table>
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<th>Description</th>
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</thead>
<tbody>
<tr>
<td>3000-00 · Opening Balance Net Position</td>
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<td>3010-00 · Net Position</td>
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### TOTAL LIABILITIES & NET POSITION

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td><strong>TOTAL LIABILITIES &amp; NET POSITION</strong></td>
<td>10,107,205.52</td>
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Reclamation District No. 2042
2022 Annual Progress Report

Appendix 4
Budget (2022/2023)
## Reclamation District No. 2042
### Budget
#### July 2022 through June 2023

<table>
<thead>
<tr>
<th>Revenues</th>
<th>General Administrative</th>
<th>Mello-Roos</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jul ’22 - Jun 23</td>
<td>Jul ’22 - Jun 23</td>
<td>Jul ’22 - Jun 23</td>
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<tr>
<td>Property Assessments</td>
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<td>Mello-Roos Assessments (County)</td>
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<td>420,000.00</td>
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<tr>
<td>State Assistance - Subventions</td>
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<td>300,000.00</td>
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<td>Interest Income</td>
<td></td>
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<tr>
<td>Interest Income - Bank Accounts</td>
<td>25.00</td>
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<tr>
<td>Interest Income - SJC Funds</td>
<td>10,000.00</td>
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<td>12,000.00</td>
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<td>Interest Income - Bond Funds</td>
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<td>25.00</td>
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<tr>
<td><strong>Total 4050-00 - Interest Income</strong></td>
<td><strong>10,025.00</strong></td>
<td><strong>2,025.00</strong></td>
<td><strong>12,050.00</strong></td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>760,025.00</strong></td>
<td><strong>422,025.00</strong></td>
<td><strong>1,182,050.00</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>General Administrative</th>
<th>Mello-Roos</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dues &amp; Subscriptions</td>
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<td>675.00</td>
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<td>Engineering</td>
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<td>100,000.00</td>
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<tr>
<td>Insurance</td>
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<tr>
<td>Insurance - General</td>
<td>45,000.00</td>
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<td>45,000.00</td>
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<td>Insurance - Workers Comp.</td>
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<td>12,000.00</td>
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<td><strong>Total 6050-00 - Insurance</strong></td>
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<td><strong>57,000.00</strong></td>
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<tr>
<td>Interest Expense</td>
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<td>Legal &amp; Accounting</td>
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<td>Audit Fees</td>
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<td>SJ County Accounting Charges</td>
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<td><strong>62,500.00</strong></td>
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<tr>
<td>Levee Maintenance</td>
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</tr>
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<td>Rock Slope Protection</td>
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<td>Vegetation Control</td>
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<td>35,000.00</td>
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<td>Herbicide Control</td>
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<td>15,000.00</td>
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<td>Storm Damage Rill Repair</td>
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<td>50,000.00</td>
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<td>All Weather Road</td>
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<td>25,000.00</td>
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<tr>
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<tr>
<td>Encroachment/Debris</td>
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<td>25,000.00</td>
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<tr>
<td>Toe Ditch Cleaning</td>
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<td>50,000.00</td>
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<td>Gate Repairs</td>
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<td>10,000.00</td>
</tr>
<tr>
<td><strong>Total 6065-00 - Levee Maintenance</strong></td>
<td><strong>260,000.00</strong></td>
<td>0.00</td>
<td><strong>260,000.00</strong></td>
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<tr>
<td>Mello-Roos Administration</td>
<td>0.00</td>
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<td>10,000.00</td>
</tr>
<tr>
<td>ULDC Expenses</td>
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<td>1,496,300.00</td>
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<tr>
<td>Office Expense</td>
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<td>Oil &amp; Gas</td>
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<td>175.00</td>
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<tr>
<td>Permits, License &amp; Other Fees</td>
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<tr>
<td>Property Taxes</td>
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<td>1,550.00</td>
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<tr>
<td>Repairs &amp; Maintenance</td>
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<tr>
<td>Repairs &amp; Maint - Pumps</td>
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<td>25,000.00</td>
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<tr>
<td><strong>Total 6115-00 - Repairs &amp; Maint - Pumps</strong></td>
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<td><strong>25,000.00</strong></td>
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<tr>
<td>Storage</td>
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<td>400.00</td>
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<tr>
<td>Tools &amp; Supplies</td>
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<tr>
<td>Utilities</td>
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<tr>
<td><strong>Total Expenditures</strong></td>
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<td><strong>411,858.00</strong></td>
<td><strong>2,464,958.00</strong></td>
</tr>
<tr>
<td><strong>Change in Net Position</strong></td>
<td><strong>-1,293,075.00</strong></td>
<td><strong>10,367.00</strong></td>
<td><strong>-1,282,708.00</strong></td>
</tr>
</tbody>
</table>

**Non-Cash Items:**

- **6013-00 - Depreciation**: 77,028.00
- **6014-00 - Accreted Interest**: 0.00
- **6015-00 - Allowance for Real Estate Taxes**: 77,028.00
RESOLUTION APPOINTING AISHA ABERCROMBIE, MAURICE SPILLER AND IRIE WOODS TO THE STOCKTON ARTS COMMISSION

RECOMMENDATION

It is recommended that the City Council adopt a resolution to:

1. Appoint Aisha Abercrombie, Maurice Spiller, and Irie Woods to the Stockton Arts Commission with term to commence immediately upon approval.

2. Authorize the City Manager to take whatever actions are appropriate and necessary to carry out the purpose and intent of this Resolution.

Summary

The Stockton Arts Commission ("SAC") membership is defined by Stockton Municipal Code section 2.94.040 as a 15-member board appointed by the Mayor with approval of the City Council for a term of four years. Each member serves a term of four years.

In 2022 the City Clerk’s Office conducted recruitment campaigns and accepted applications on a continuous basis for new members. Five applications were received and forwarded to SAC. A nominating committee of SAC commissioners conducted the interviews on September 9, 2022. On October 3, 2022, the nominating committee presented a recommendation to SAC to fill three vacancies. The commission approved the recommendation unanimously.

DISCUSSION

Background

The Stockton Arts Commission is composed of fifteen members. There are currently eleven vacancies. Six vacancies were expected due to the expiration of member terms on December 31, 2018. Five vacancies occurred after the City received letters of resignation between November 2020 and June, 2022.

In accordance with Council Policy, Title 3 Chapter 3.02, the City Clerk initiated a recruitment process. The vacancy announcement was posted on the City’s Boards and Commissions web page and print copies were posted on the City’s public posting boards. The City Clerk’s office also accepted applications continuously throughout the year. At the conclusion of the recruitment period, five applications were received.
In accordance with City Council Policy Manual Chapter 3.02, *City Council and Mayoral Appointments to Committees, Boards, and Commissions*, and Resolution 2018-02-27-1110, the City Clerk forwarded the three applications to the SAC for consideration. The nominating subcommittee selected two applicants to interview (Attachment A). Interviews were conducted on September 9, 2022 and a recommendation to fill three vacancies was submitted to the full Commission on October 3, 2022. The commission voted unanimously to recommend the appointment of Aisha Abercrombie, Maurice Spiller, and Irie Woods to the Stockton Arts Commission.

Present Situation

The SAC has approved a recommendation of three new members for Council consideration. Pursuant to Stockton Municipal Code section 2.94.040, the Mayor and City Council are responsible for appointing members to the SAC.

Upon approval, the membership of the Stockton Arts Commission will be:

<table>
<thead>
<tr>
<th>Name</th>
<th>End of Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aisha Abercrombie</td>
<td>December 31, 2026</td>
</tr>
<tr>
<td>Maurice Spiller</td>
<td>December 31, 2026</td>
</tr>
<tr>
<td>Irie Woods</td>
<td>December 31, 2026</td>
</tr>
<tr>
<td>Maximilian Cao</td>
<td>December 31, 2025</td>
</tr>
<tr>
<td>Evai Dellafosse</td>
<td>December 31, 2022</td>
</tr>
<tr>
<td>Justin Grant</td>
<td>December 31, 2025</td>
</tr>
<tr>
<td>Desiree Orque</td>
<td>December 31, 2025</td>
</tr>
<tr>
<td>Anuit Albahar</td>
<td>December 31, 2022</td>
</tr>
</tbody>
</table>

FINANCIAL SUMMARY

The Stockton Arts commission receives no remunerations. There is no direct financial impact to the City by taking this action.

Attachment A - SAC Candidate Applications (redacted)
App cat on for appointment and background information for City of Stockton Boards, Commissions, and Committees

Submit Date: Jun 27, 2022

Profile

[Redacted]

Irie W Woods

Ethnicity

☑️ Other

Gender

☑️ Female

If selected "Other," please specify.

African American, Pacific Islander, Indigenous

What district do you live in? *

☑️ District 4

I declare under penalty of disqualification/termination that I have been a resident at the above address for years/months?

1.5

[Redacted]

The City of Stockton uses email as the preferred method of communication regarding your application. Is this acceptable to you?

☐ Yes ☐ No

Poppy Coffee

Employer

Barista

Job Title

Are you currently serving on a City of Stockton Board, Commission, or Committee?

☐ Yes ☐ No

Irie W Woods
Which Boards would you like to apply for?

Arts Commission: Submitted

Question applies to Arts Commission

NOTE: This Board requires membership with one of the following groups. If none, please remove board from your application. Outside of your profession, indicate what type of Arts you are active in? Select all that apply. *

- Cinema
- Dance
- Literary Arts
- Music
- Textile Arts
- Theater
- Photography
- Visual Arts, including (but not limited to) the Public and Environmental Arts, Graphic Arts, Design, Drawing, Painting, Printmaking, Sculpture, Ceramics, and Art History.

Question applies to Arts Commission

Are you interested in or accomplished in fund-raising?

- Yes
- No

Question applies to multiple boards

NOTE: This Board requires membership with one of the following groups. If none, please remove board from your application. Are you knowledgeable, have experience in, or extensive background in any of the following areas? Select all that apply. *

- Active community actives sign cant enough to confirm knowledge of issues and needs with the community
- Active for the Visual Environment, Public Art, or Regional/National Individual Artist's work
- Employed as a Profession in Visual Art or Art
- Knowledge of new artistic concepts and design expressions
- Possess decision-making abilities
- Understand government and gender diversity
- Understand the Stockton Public Art Plan processes and proposals for the City of Stockton
- Willingness to initiate/promote change

I have been a resident of Stockton for at least 3 years.

- Yes
- No
Interests & Experiences

Please tell us about yourself and why you want to serve.

I am a multifaceted creative who has grown roots in Stockton over the span of a very eventful decade. My work pays homage to spiritual concepts, generational healing, and interpersonal awareness. I desire to serve on the Arts Commission because as an artist myself, I have direct knowledge and experience with the Stockton art scene and am able to provide valuable input and oversight. I previously served on the commission as a Youth Representative, and I would love to return with renewed understanding and focus. I founded a nonprofit that focuses on serving artists and entrepreneurs, and working with that community has increased my engagement and knowledge. I am dedicated to pouring back into the community and serving as an authentic voice for the artists that are serious about the craft and desire to take their next steps.

Please state the reason you would like to be a member of this board/commission.

I embody the leadership skills, direct community influence, cultural awareness, communication skills, and pass on that I believe is necessary for the growth of Stockton Arts.

Have you served on an advisory group before?

☐ Yes  ☐ No

If yes, please explain.

I previously served on the SAC as a youth representative.

How did you hear about the position?

I became chair of the Teen Leadersh p Council and expressed an interest in public arts.

City Council Policy 100-2 states that Commissioners are required to attend meetings on a regular basis. If appointed, will you be able to attend meetings regularly and devote the time necessary to fulfill your duties as a member?

☐ Yes  ☐ No

Do you or immediate family members have any relationship (professional, financial, other) that may present a potential conflict of interest for this advisory group?

☐ Yes  ☐ No

Background Information

Upload a Resume

Irie W Woods
Based on your best judgment, does this Commission make decisions that may affect any sources of income, interests in real property, or investments of you or your spouse?

☐ Yes ☐ No

---

**Voter Registration (Questions appear if required)**

---

**Submit Application**

Enter Your Initials:

IW

Date Signed:

6/27/2022
Irie Woods

Summary

Dependable employee recognized for consistency in productivity and attendance while exhibiting a positive attitude in light of challenging situations. Exhibits exemplary work ethic and willingness to learn new processes and techniques which enhance business and team efforts.

I am a highly self-motivated artist of many different mediums and forms. I have a passion for learning, and I love to apply my advanced leadership skills to real world scenarios. I find fulfillment in contributing unique, creative, and impactful ideas to my workplace.

Experience

Poppy Coffee - Barista
April 2022-Present
Create and serve espresso based beverages + food, customer service and register, maintain kitchen cleanliness

Arte Del Cafe - Barista
December 2021-March 2022
Create and serve espresso based beverages + food, customer service and register, maintain kitchen cleanliness

In Season Market and Nursery
March 2021-May 2021
Create and serve espresso based Beverages, maintain inventory and gift shop, horticulture assistant

Sporganics / Business Manager
September 2020-Present - Stockton
Cultivate mushrooms, coordinate sales and vending opportunities, organizational duties

SugaRushd / Assistant
May 2018 - Present - Stockton
Assist in all aspects of warm cookie delivery business including but not limited to creating marketing materials and social media content, providing customer service via email, website/app chat, or phone, kitchen/bakery cleanliness, product packaging.
**Education**  
San Joaquin Delta College / Music and Performing Arts  
Spring 2018-Fall 2020  

Rio Valley Charter School / Equivalency Diploma (CHSPE)  
Fall 2017-Spring 2019  

**Skills**  
Adaptable to changing environments  
Effective communicator  
Artistically inclined  
Creative problem solving  
Passionate about community and environmental health  
Rapid retention of information and techniques  
Ability to come up with original, innovative ideas  
Willing to collaborate, great team player  
Strong Leadership skills  

Advanced vocal technique (Estill)  
Abstract expressionism  
Creative writing  
Proficient in Ableton Live  

Proficient in Adobe Spark, Lightroom, Garageband, Windows Office Apps, Google Office Apps  
Advanced Reiki student  
Creative photography/videography  
Musical composition  
Audio editing  

**Achievements**  
- Certificate of Special Congressional Recognition by U.S. Congressman Jerry McNerney  
- Certificate of Recognition by San Joaquin County Board of Supervisors  
- Certificate of Recognition by California Legislature Assembly  
- Certificate of Recognition by City of Stockton, City Council  

**Relevant Experience**
Leadership Experience
- Co-organized the youth track for California Vision 2020 Conference
- Entrepreneurial skills from family-owned businesses
- Served as Chair of the Teen Leadership Council (2018-2019), the official voice of Stockton Youth
- Served as Youth Representative for Stockton Arts Commission (2019)

Communication and People Skills
- Worked in customer service starting at an early age
- Demonstrated ability to maintain outreach for organizations and companies
- Effective public speaking skills
- Studying psychology and cognitive sciences
- Easily able to connect to professionals throughout the community
- Experienced in building relationships through professional dialogue
- Ability to accept and provide constructive criticism
- Public Relations coordinator for Out of the Box Music Arts

Performing Arts
- Active in school theater productions and choir from elementary-high school onward
- Studied theater terminology, stage presence techniques, and anatomy of the voice
- Trained at SJDC in Voice, Vocal Anatomy/Physiology, and Speech
- Trained at SJDC in Jazz, Ballet, Cultural, and Contemporary/Modern dance
- Campus winner of the national 2018 Poetry Out Loud competition
- Model for Stockton Fashion Week 2020

Organization and Time Management
- Outstanding experience in academic work management
- Demonstrated ability to successfully complete multiple tasks over short periods of time
- Understanding of levels of significance per task
- Observant in the outstanding desires of customers/clients
- Ability to take on tasks left uncompleted by coworkers
- Experience judging art-based competitions
- Extended experience in event planning
- Ability to develop innovative solutions to organizational problems

Technical Skills
- Accurate typing skills
- Knowledge of computer programming such as Google Docs, Sheets, Slides, Drawings, etc
- Knowledge of computer programming such as Microsoft Office, Word, Paint, Spreadsheets, etc
- Experience in mixed-media art including student-level graphic design, painting with water and oil-based paints, interior design, and photography
- Extended ability to successfully budget, design, host, and carry-out an event
- Understanding of the functions of music, theory, and production related equipment such as Ableton, Adobe, and GarageBand software
Profile

Mail Address

Maurice O Spiller Jr
First Name
Middle Name
Last Name

Street Address
Stockton City CA State Postal Code

Ethnicity
☑ Afr can Amer can

Gender
☑ Male

What district do you live in? *
☑ District 4

I declare under penalty of disqualification/termination that I have been a resident at the above address for years/months?

4

Primary Phone Email Phone

The City of Stockton uses email as the preferred method of communication regarding your application. Is this acceptable to you?

☐ Yes ☐ No

Gax one Inc.
Employer

Market ng Des gn Manager
Job Title

Creat ve D rector
Occupation

Employer Address
Remote

Are you currently serving on a City of Stockton Board, Commission, or Committee?

☐ Yes ☐ No

Maurice O Spiller Jr
Which Boards would you like to apply for?

Arts Commission: Submitted

Question applies to Arts Commission

NOTE: This Board requires membership with one of the following groups. If none, please remove board from your application. Outside of your profession, indicate what type of Arts you are active in? Select all that apply. *

- Architecture
- Art Criticism
- Cinema
- Dance
- Literary Arts
- Music
- Textile Arts
- Theater
- Photography
- Visual Arts, not to the Public or Environmental Arts, Graphic Arts, Design, Drawing, Painting, Printmaking, Sculpture, Ceramics, and Art History.

Question applies to Arts Commission

Are you interested in or accomplished in fund-raising?

- Yes
- No

Question applies to multiple boards

NOTE: This Board requires membership with one of the following groups. If none, please remove board from your application. Are you knowledgeable, have experience in, or extensive background in any of the following areas? Select all that apply. *

- Actively involved and knowledgeable about issues and diversity within the community
- Actively involved for the Visual Environment, Public Art, or Regional/International Art Studies’ work
- Critic of Contemporary Visual Art Forums
- Employed as a Professional Visual Art
- Knowledge of new art styles and design options
- Possess design and making ability
- Understanding of Ethnography/Gender Diversity
- Willingness to initiate/promote change

I have been a resident of Stockton for at least 3 years.

- Yes
- No
Interests & Experiences

Please tell us about yourself and why you want to serve.

I have been in the creative space my entire life. As an educator with several backgrounds in the school system, it is important to me to integrate creativity into the infrastructure that cities are built on. It is key for society, culture, business, and politics to understand the Arts. The goal is that the world will discover more harmony in every day life, not every so often or only on special occasions. My personal expertise revolves around Music/Audio Engineering, Visual Arts/Mixed-media/Painting, and Creative Direction (consulting others brings their ideas to life through all mediums of service). These have been my passions for over a decade. I want to serve because our legacy is bigger than our ability to put colors to canvas. My service will create ripples for youth, elders, and generations of Stockton to come forward and express themselves. These ripples will benefit the local economy, local synchronization, and local understanding of regional differences created by those who do not understand what is actually going on in the neighborhoods of Stockton.

Please state the reason you would like to be a member of this board/commission.

The reason I feel called to be a member of the board is because I have been a member of many other organizations with milestones and goals revolving around arts and equity. My experience allows me the discernment to be unbiased in decision making but passionate enough to know what each artistic project deserves and requires to be fruitfull. I care about the fruit that is given to the city’s Art Programs.

Have you served on an advisory group before?

☐ Yes ☐ No

If yes, please explain.

My work on the board of organizers for grassroots cooperatives, non-profits, and small businesses has given them the actual property needed to launch their ideas into the community with minimal obstacles. StockSoDo, InnerG, So Feed, WhitOurWords, and Rose Street Cooperative are a few brands I have advised in building.

How did you hear about the position?

I heard about this position after attending the Stockton Art’s Commission Meet and Greet event at the Sae Club in June 2022. I met members of the Arts Commission and was invited to apply.

City Council Policy 100-2 states that Commissioners are required to attend meetings on a regular basis. If appointed, will you be able to attend meetings regularly and devote the time necessary to fulfill your duties as a member?

☐ Yes ☐ No

Do you or immediate family members have any relationship (professional, financial, other) that may present a potential conflict of interest for this advisory group?

☐ Yes ☐ No

Background Information
Based on your best judgment, does this Commission make decisions that may affect any sources of income, interests in real property, or investments of you or your spouse?

- [ ] Yes  - [ ] No

---

**Voter Registration (Questions appear if required)**

---

**Submit Application**

Enter Your Initials:

MS

Date Signed

06/27/2022
EXPERIENCE

SOL FEED MAGAZINE
(501c3 Non-Profit)
Founder / Vice President
March 2021 - PRESENT

Event Planner
Social Media Manager
Head Assistant of Administration
Overseeing functionality of administrative tasks including event planning, workshop facilitation, team expansion, community coordination and collaboration.

WITH OUR WORDS, INC.
Slam Poetry
Ambassador/Mentor
2015 - PRESENT

Write, rehearse, recite spoken word for community activism and youth outreach.
Coach youth / poets for national and global poetry competitions.
Work with local governments to speak against injustice, inequality, and socioeconomic diversities.

QUASIKEN STUDIO
CEO/Audio Engineer/Director
JULY 2021 - PRESENT

Operate studio (equipment, security, tech, bookings, customer service)
Record artists’ sessions for booked time frames
Handle fees and payments.
Advertise to future clients.
Manage social media and promotion.
Create invoices for bookings and serious inquiries.

OFF THE TOP PODCAST
Editor / Audio Engineer
JANUARY 2022 - MARCH 2022

Organize and sort audio files from podcast recordings (both remote and in person)
Clean, edit, and master final audio files to the best sonic presentation possible.
Create/Curate music and sound effects for transitions throughout the podcast episode.
Share, post, and promote podcast on social media platforms.
Communicate with client about quality assurance, sound preferences, and necessary revisions per episode.
Censor ”Bleep” profanity, trim unwanted audio from episode.

REVAMP SIGNS + DESIGNS
Head Admin
AUGUST 2022 - MAY 2022

Customer Service - (Answer calls, create quotes, send invoices, place orders for apparel, banners, stickers, business cards, etc.)
Organize, file, and maintain documents, emails, text messages, appointments and customer communications.
Handle fees and payments.
Advertise to future clients.
Manage social media and promotion.

EDUCATION

Bear Creek High School ’15
San Joaquin Delta College
10+ Years Hands On Experience

SKILLS

GRAPHIC DESIGN
CREATIVE SOFTWARE
MUSIC PRODUCTION
CONTENT WRITING
MARKETING
CINEMATOGRAPHY
FINE ART
VIDEO EDITING
Application for appointment and background information for City of Stockton Boards, Commissions, Subm Date: May 02, 2022 and Committees

Profile

Mail Address

Judith A Light Hall

Name

Street Address

Stockton

City

CA

State

Postal Code

Ethnicity

☑ Caucasian/Non Hispanic

Gender

☑ Female

What district do you live in? *

☑ District 3

I declare under penalty of disqualification/termination that I have been a resident at the above address for years/months?

Primary Phone

Email Phone

The City of Stockton uses email as the preferred method of communication regarding your application. Is this acceptable to you?

☐ Yes ☐ No

Lincoln Unified School District

Para teacher

Teaching

Employer

Job Title

Occupation

Are you currently serving on a City of Stockton Board, Commission, or Committee?

☐ Yes ☐ No

Judith A Light Hall
Which Boards would you like to apply for?

Arts Comm ss on: Subm tted

Question applies to Arts Commission

NOTE: This Board requires membership with one of the following groups. If none, please remove board from your application. Outside of your profession, indicate what type of Arts you are active in? Select all that apply. *

- Literary Arts
- Text e Arts
- Photography
- V sua Arts, nc ud ng (but not m ted to) the Pub c or Env ronmenta Arts, Graph c Arts, Des gn, Draw ng, Pa nt ng, Pr nt mak ng, Scupt ure, Ceram cs, and Art H story,

Question applies to Arts Commission

Are you interested in or accomplished in fund-raising?

☐ Yes ☐ No

Question applies to multiple boards

NOTE: This Board requires membership with one of the following groups. If none, please remove board from your application. Are you knowledgeable, have experience in, or extensive background in any of the following areas? Select all that apply. *

- Act v st for the V sua Env ronment, Pub c Art, or Reg ona /Nat ona Ind v dua Art sts' work
- Poss ess dec s on-mak ng ab tes
- Understand ng of Ethn c/Gender D vers ty

I have been a resident of Stockton for at least 3 years.

☐ Yes ☐ No

Interests & Experiences

Please tell us about yourself and why you want to serve.

Iove art espe c a y w th k ds. A ages. Very important that ch dren exp ore and express the r fee ngs and pass on through arts or wr ng. A ct y benef ts f they have a great art presence for fam es v ng w th n that ct y.
Please state the reason you would like to be a member of this board/commission.

Love art and music. Art teacher for 10 years at age k through 6. Now working as a substitute part time.

Have you served on an advisory group before?

☐ Yes ☐ No

If yes, please explain.

Worked as a member with Oak Grove Nature center for many years. Worked for Hospice as a volunteer to help family members step out for a few hours to find time for themselves.

How did you hear about the position?

One of your members. She just said to sign up. Didn’t get her name.) went to her yard sale today 4/30/2022.

City Council Policy 100-2 states that Commissioners are required to attend meetings on a regular basis. If appointed, will you be able to attend meetings regularly and devote the time necessary to fulfill your duties as a member?

☐ Yes ☐ No

Do you or immediate family members have any relationship (professional, financial, other) that may present a potential conflict of interest for this advisory group?

☐ Yes ☐ No

Background Information

Upload a Resume

Based on your best judgment, does this Commission make decisions that may affect any sources of income, interests in real property, or investments of you or your spouse?

☐ Yes ☐ No

Voter Registration (Questions appear if required)

Submit Application

Judith A Light Hall
Enter Your Initials:

J h

Date Signed

4/30/22
July 4, Light Hall

Stockton Art Commission:

I would like to apply for a position with the Stockton Arts Commission. My art experience and appreciation for what I have been able to do with that gift and opportunity would possibly help with this position.

I have only worked at two full-time jobs over the last fifty years.


In 2007 I started working at Lincoln Unified School District as a paraprofessional teacher.

Within a year, I was hired to exclusively teach art to the students from K to 6th grade level at four individual sites. That job lasted until 2017.

During that time, I submitted over one hundred art pieces from my students into the Haggen Museum, downtown. We had a winner each year except in 2017. There were many schools submitting their students work at the same time. It was a wonderful time both for me and for the students that had their art included. If you would like for me to be a part of the Stockton Art Commission, please let me know.

Sincerely,

Judith Light Hall
Application for appointment and background information for City of Stockton Boards, Commissions, and Committees

Submit Date: Apr 07, 2022

Profile

Aisha N Abercrombie
First Name
Middle Name
Last Name

Street Address
Stockton, CA

City
State
Postal Code

Ethnicity
☐ Other

Gender
☐ Female

If selected "Other," please specify.
African American and Cuban

What district do you live in?
☐ District 6

I declare under penalty of disqualification/termination that I have been a resident at the above address for years/months?
10+ years

Primary Phone
Alternate Phone

The City of Stockton uses email as the preferred method of communication regarding your application. Is this acceptable to you?
☐ Yes ☐ No

UEI College Employer
Business Office Administration Instructor
Job Title
Occupation

Employer Address
4994 Caremont Ave., Stockton, CA, 95207

Aisha N Abercrombie
Are you currently serving on a City of Stockton Board, Commission, or Committee?

- Yes ☐ No ☑

Which Boards would you like to apply for?

Arts Commission: Submitted

Question applies to Arts Commission

NOTE: This Board requires membership with one of the following groups. If none, please remove board from your application. Outside of your profession, indicate what type of Arts you are active in? Select all that apply. *

- Architecture
- Cinema
- Dance
- Literary Arts
- Music
- Textile Arts
- Theater
- Photography
- Visual Arts, not included in the Public Arts, Graphic Arts, Design, Drawing, Painting, Printmaking, Sculpture, Ceramics, and Art History

Question applies to Arts Commission

Are you interested in or accomplished in fund-raising?

- Yes ☐ No ☑

Question applies to multiple boards

NOTE: This Board requires membership with one of the following groups. If none, please remove board from your application. Are you knowledgeable, have experience in, or extensive background in any of the following areas? Select all that apply. *

- Active community involvement sufficient to confirm knowledge of issues and current trends in the community
- Chair of Contemporary Visual Arts
- Employed as a Professor of Visual Arts
- Know edge of new art styles and design expressions
- Possess strong communication abilities
- Understand the background of Ethnicity/Gender Diversity
- Understand the processes and implications for the City of Stockton
- Willingness to collaborate/promote change

I have been a resident of Stockton for at least 3 years.

- Yes ☐ No ☑
Interests & Experiences

Please tell us about yourself and why you want to serve.

I've lived in Stockton for over 40 years. I've also lived in Oak and Sacramento but nothing sake Stockton. I own a home and reside in Stockton. I first started my entertainment fee here. I've performed concerts and theatre productions. I've accompanied events at the arena severally times and hosted many events. I have sponsored the Stockton Arts Week at my 7500 sq warehouse, so I love everything there about organizing, promoting and educating art st art and our culture deve opment.

Please state the reason you would like to be a member of this board/commission.

I want to become more with our city. Since, I've been teaching Business Office Administration at UC Berkeley and I have found more creative ideas to help our city become more cultural. I have been in the entertainment field for over 30 years and I understand the needs of the arts. However, being a business owner for over 20 years and teaching at the college, I understand how to create a budget or fundraise event. I'd like to utilize my knowledge to further the growth and public awareness of the visual, performing, and literary arts in Stockton.

Have you served on an advisory group before?

- Yes  - No

How did you hear about the position?

City of Stockton website.

City Council Policy 100-2 states that Commissioners are required to attend meetings on a regular basis. If appointed, will you be able to attend meetings regularly and devote the time necessary to fulfill your duties as a member?

- Yes  - No

Do you or immediate family members have any relationship (professional, financial, other) that may present a potential conflict of interest for this advisory group?

- Yes  - No

Background Information

Upload a Resume

Aisha N Abercrombie
Based on your best judgment, does this Commission make decisions that may affect any sources of income, interests in real property, or investments of you or your spouse?

- Yes  - No

Voter Registration (Questions appear if required)

Submit Application

Enter Your Initials:

AA

Date Signed

04/07/2022
Aisha Abercrombie

Objective

To secure a responsible and challenging position that allows me to use my experience, knowledge and expertise to the advantage of my employer.

Career Profile

Management

- Supervise in excess of ten (10) employees
- Study clients products, needs, problems to offer effective presentation
- Perform weekly reports of financial status
- Prepare advertising and marketing plans
- Interview potential employees, Administer and Correct Exams
- Perform an evaluation and write a proposal for potential and existing clients

Admissions

- Conduct admissions presentation utilizing company approved materials.
- Able to conduct tours of the facilities highlighting features and benefits related to prospects interest.
- Enroll students who meet eligibility requirements as published in the schools catalog.
- Complete all required forms for enrollment and schedule the Financial Planning Interview.
- Follow up with students to meet their financial planning interviews and commitment to starting and graduating from school.
- Comply with all governmental regulations and standards of accreditation as they relate to enrolling students.

Bookkeeping

- Payroll, AP/AR, Reconciliations, Collections and Cashiering duties
- Classify, record, and summarize numerical and financial data to compile and keep financial records, using journals and ledgers or computers.

Clerical

- Data Entry, Filing, Keyboarding, Scheduling, Adobe Photo Shop
- Computer Literate: MS Word, Excel, Quick Books, Power Point Outlook, Final Cut Pro, Adobe Premiere Pro, Mac Computers
- Excellent Organizational, Verbal, Writing and Multi-Tasking Skills
- Experience in the use of Basic Office Equipment

Medical

- Front/Back office, Home Health, Caregiver, Assisting Physicians
- Vital signs, Ear Washes, Exam Prep, Bathing, Housekeeping
- Maintaining Medical Records, Billing, Coding, Transporting Patients

Work History

Instructor (01/2019-Present) UEI College – Stockton, CA  
Owner (05/2017-Present) Abercrombie’s Car Sales – Stockton, CA  
Admin Assistant (01/2016-09/2018) SEFNCO Communications/MasTec – Lathrop, CA  
Student Coordinator (01/2012-11/2012) WyoTech College – Sacramento, CA  
Admissions Admin Assistant (09/2008-01/2012) WyoTech College – Sacramento, CA  
Admin Assistant/HR/Bookkeeper (03/2005-06/2011) One Way Inc. – Stockton, CA  

Education

San Joaquin Delta College – AA Degree with Honors: Business – Stockton, CA  
Chabot College – Medical Assistant Certificate – Hayward, CA
Application for appointment and background information for City of Stockton Boards, Commissions, and Committees

Submit Date: Feb 23, 2022

Profile

Mail Address

Virtu Arora

First Name

Last Name

Street Address

Stockton

City

CA

State

Postal Code

Ethnicity

☑ Asian or Pacific Islander

Gender

☑ Female

What district do you live in? *

☑ District 4

I declare under penalty of disqualification/termination that I have been a resident at the above address for years/months?

10

Primary Phone

Email Phone

The City of Stockton uses email as the preferred method of communication regarding your application. Is this acceptable to you?

☑ Yes ☐ No

Are you currently serving on a City of Stockton Board, Commission, or Committee?

☑ Yes ☐ No

Which Boards would you like to apply for?

Arts Commission: Submitted

Virtu Arora
Question applies to Arts Commission

NOTE: This Board requires membership with one of the following groups. If none, please remove board from your application. Outside of your profession, indicate what type of Arts you are active in? Select all that apply. *

- Dance
- Music
- Theater
- Photography
- Visual Arts, Not Mentioned to the Public or Environmental Arts, Graphic Arts, Design, Drawing, Painting, Printmaking, Sculpture, Ceramics, and Art History.

Question applies to Arts Commission

Are you interested in or accomplished in fund-raising?

- Yes
- No

Question applies to Cultural Heritage Board

NOTE: To the maximum extent possible, the Board shall have at least one (1) member from each of the following categories: *

- None

Question applies to multiple boards

NOTE: This Board requires membership with one of the following groups. If none, please remove board from your application. Are you knowledgeable, have experience in, or extensive background in any of the following areas? Select all that apply. *

- Act very well in public, have a strong knowledge of issues and trends with the community
- Act very well in the Visual Arts, Environment, Public Art, or Regional / National Individual Artists' work

I have been a resident of Stockton for at least 3 years.

- Yes
- No

Interests & Experiences

Please tell us about yourself and why you want to serve.

I have been a resident of Stockton for 22 years and have been involved in community service ever since. Now, with children in college, I can share the time and experience needed for a position and give back to the society/ community I've seen.
Please state the reason you would like to be a member of this board/commission.

I have been a resident of Stockton for 22 years and have been involved in community service ever since. Now, with children in college, I can share the time and experience needed for a city position and give back to the society I've lived.

Have you served on an advisory group before?

☐ Yes ☑ No

How did you hear about the position?

Website

City Council Policy 100-2 states that Commissioners are required to attend meetings on a regular basis. If appointed, will you be able to attend meetings regularly and devote the time necessary to fulfill your duties as a member?

☐ Yes ☑ No

Do you or immediate family members have any relationship (professional, financial, other) that may present a potential conflict of interest for this advisory group?

☐ Yes ☑ No

Background Information

Based on your best judgment, does this Commission make decisions that may affect any sources of income, interests in real property, or investments of you or your spouse?

☐ Yes ☑ No

Voter Registration (Questions appear if required)

Question applies to multiple boards

I consent to the City of Stockton verifying my voter registration, if required.

☐ Yes ☑ No

Submit Application

Enter Your Initials:

va

Virtu Arora
Date Signed

2/23/2022
RESOLUTION APPOINTING AISHA ABERCROMBIE, MAURICE SPILLER, AND IRIE WOODS TO THE STOCKTON ARTS COMMISSION

The Stockton Arts Commission acts in an advisory capacity to the Stockton City Council in connection with the artistic and cultural development of the City; and

The Stockton Arts Commission promotes and encourages programs that further the development and public awareness of all the arts including public art, fine arts, and performing arts; and

The Stockton Arts Commission recommends the appointment of Aisha Abercrombie, Maurice Spiller, and Irie Woods for one term to expire on December 31, 2026: and

In accordance with Stockton Municipal Code section 2.94.040.A, members of the Stockton Arts Commission are appointed by the Mayor with approval of the City Council; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The City Council appoints Aisha Abercrombie, Maurice Spiller, and Irie Woods to the Stockton Arts Commission.

2. Commissioner terms will commence immediately upon approval and expire on December 31, 2026.

3. The Mayor with approval of the City Council agrees with the current recommendations of the Stockton Arts Commission and the Community Services Department.

4. The City Manager is authorized to take whatever actions are necessary and appropriate to carry out the purpose and intent of this Resolution.

PASSED, APPROVED AND ADOPTED ___December 6, 2022____.
AUTHORIZE AN AGREEMENT WITH THE MIRACLE MILE IMPROVEMENT DISTRICT TO MANAGE THE MIRACLE MILE COMMUNITY IMPROVEMENT DISTRICT

RECOMMENDATION

It is recommended that the City Council adopt a resolution:

1. Authorizing the Miracle Mile Improvement District, a non-profit corporation (the "Owner's Association") to operate the Miracle Mile Community Improvement District ("MMCID") with responsibility for managing the community improvement district assessments and delivery of enhanced services, as described in the adopted Management District Plan, dated April 2022, including the delivery of programs, enhanced maintenance, safety, marketing, management, and advocacy services;

2. Authorizing the City Manager, or designee, to execute the Agreement between the City and the Owner's Association; and,

3. Authorizing the City Manager, or designee, to take whatever actions are necessary and appropriate to carry out the purpose and intent of this Resolution.

Summary

On May 24, 2022, the City Council adopted a Resolution of Intention to form the MMCID and to set a date for a public hearing to tabulate ballots received. On September 13, 2022, the City Council conducted the public hearing and, upon tabulation of the district property owners' ballots with 76% of the votes in favor, adopted a resolution to form the MMCID. The MMCID was formed with a term of 20 years beginning in January 2023 (Attachment A - MMCID Boundary Map).

Through the proposed agreement (Exhibit 1 to the Resolution), the City and the Owner's Association will continue to formalize their respective roles and responsibilities with regard to the MMCID to ensure that the City continues to provide “baseline” City services and that the district operates in accordance with the adopted Management District Plan.

DISCUSSION

Background

The formation of a Community Improvement District is authorized under the City of Stockton’s Community Improvement District Ordinance 2022-03-12-1211 (Attachment B - SMC Ordinance No. 2022-03-22-1211). These districts provide the resources for enhanced maintenance, safety, marketing, management, and advocacy services through property assessments.
The Miracle Mile Property-Based Improvement District (MMPBID) was originally established in 2007 and subsequently renewed in 2012 and 2017. On July 12, 2022, the City Council adopted a Resolution of Intention for the formation of the MMCID (Attachment C - Resolution No. 2022-07-12-1203) and set a public hearing to tabulate ballots received. On September 13, 2022, the City Council conducted the public hearing and, upon tabulation of the district property owners’ ballots with 76% of the votes in favor, adopted Resolution No. 2022-09-13-1602 for the formation of the MMCID (Attachment D - Resolution No. 2022-09-13-1602). The current MMPBID is set to expire December 31, 2022.

Present Situation

The business owners represented by the Owner’s Association have been responsible, through the MMPBID’s owner’s association, for the management and operations of the MMPBID since its establishment in 2007. As such, staff recommends that the City Council designate the Owner’s Association to administer the MMCID funds and ensure the delivery of programs, enhanced maintenance, safety, marketing, management, and advocacy services through property assessments.

The Owner’s Association will administer funds consistent with the Management District Plan and adopted by City Council on September 13, 2022. To ensure accountability, the proposed agreement requires that the Owner’s Association provide the City with a budget for each program year describing how it intends to expend the funds, an annual report of accomplishments of the prior year, and financials.

Staff is recommending that the City Council authorize the City Manager to execute the proposed agreement to administer the MMCID for a 20-year term beginning January 1, 2023.

FINANCIAL SUMMARY

The district assessments are paid directly to the County by property owners as part of their tax bill, and the County will directly pay assessments to the MMID. If approved, MMCID will begin receiving revenue collected by the County Assessor as part of the calendar year 2023 property tax payments. The assessment funds will be directly transferred to the MMCID by the San Joaquin County Assessor’s office.

The City will make an annual contribution to the MMCID based on the number, size, and location of City-owned properties within the MMCID and the annual assessment rates. The City’s contribution for the first year of operation (2023) is estimated to be $21,639.84. This is paid from the Administrative Services General Fund, General Administration Division, Tax Collection Costs Program Account. Assessment rates may be subject to yearly increases not to exceed 5% per year and shall not exceed the actual increases in costs and services.

Attachment A - MMCID Boundary Map
Attachment B - SMC Ordinance No. 2022-03-22-1211
Attachment C - Resolution No. 2022-07-12-1203
Attachment D - Resolution No. 2022-09-13-1602
ORDINANCE NO. 2022-03-22-1211

AN ORDINANCE AMENDING TITLE 3, CHAPTER 3.96, SECTIONS 3.96.020 AND 3.96.030 AND ADDING SECTIONS 3.96.040, 3.96.050, 3.96.060, 3.96.070, 3.96.080, 3.96.090, 3.96.100, 3.96.110, 3.96.120, AND 3.96.130 OF THE STOCKTON MUNICIPAL CODE, RELATING TO THE ESTABLISHMENT OF COMMUNITY IMPROVEMENT DISTRICTS

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

SECTION I. AMENDMENT OF CODE.

Title 3, Chapter 3.96, Section 3.96.020 of the Stockton Municipal Code is amended and shall read as follows:

3.96.020 Alternative Procedures.

A. The procedures established in this chapter shall be additional or alternative to any other procedure established by ordinance or state law and are intended to supplement those procedures.

B. In forming assessment districts to fund activities and improvements that confer a special benefit on property, the City Council may elect to use the procedures set forth in the Property and Business Improvement District Law of 1994 (Streets & Highways Code §§ 36600 et seq. (the “PBID Law”) as modified by this chapter. The City Council shall be bound by, and comply with, applicable state law governing the establishment and operation of property and business improvement districts in all respects not inconsistent with this chapter. In the event of inconsistent provisions of this chapter and those of the PBID Law, the provisions in this chapter shall prevail.

C. An assessment district established pursuant to this chapter shall be denominated a “Community Improvement District” or “District” and the assessment levied in connection with such a district shall be denominated a “Community Improvement Assessment” or “assessment.”

D. Except where otherwise provided in this chapter, “Community Improvement District” shall have the meaning given to “Property and Business Improvement District” by Section 36614.5 of the PBID Law and each reference in the PBID Law to a “property and business improvement district” or a “district” shall be deemed also a reference to a “Community Improvement District.”

E. Except where otherwise provided in this chapter, “Community Improvement Assessment” shall have the meaning given to “assessment” by Section 36606.5 of the PBID Law and each reference in the PBID Law to an “assessment” shall be deemed also a reference to a “Community Improvement Assessment.”

SECTION II. AMENDMENT OF CODE.

Title 3, Chapter 3.96, Section 3.96.030 of the Stockton Municipal Code is amended and shall read as follows:
3.96.030 Establishment of District.

The City Council may establish Community Improvement Districts and levy assessments in connection with such Districts pursuant to this chapter.

SECTION III. AMENDMENT OF CODE.

Title 3, Chapter 3.96, Sections 3.96.040, 3.96.050, 3.96.060, 3.96.070, 3.96.080, 3.96.090, 3.96.100, 3.96.110, 3.96.120, and 3.96.130 are added to the Stockton Municipal Code and shall read as follows:

3.96.040 Additional Activities.

Notwithstanding Section 36606 of the PBID Law or any other provision of State law, the City Council may form a Community Improvement District authorized to conduct any or all of the following activities in addition to those stated in Section 36606:

A. Maintenance and irrigation of landscaping;

B. Providing managerial services for businesses engaged in the business of providing multifamily housing;

C. Providing building inspection and code enforcement services for businesses engaged in the business of providing multifamily housing supplemental to those normally provided by the City.

3.96.050 Relationship of Assessments to Zoning.

Notwithstanding the requirements of Section 36632 of the PBID Law, any parcel of real property, regardless of the zoning of such parcel, may be included in a Community Improvement District and subject to an assessment in connection therewith, so long as such parcel specially benefits from the services and improvements funded by that District.

3.96.060 Assessment Against Real Property.

Only assessments against real property may be levied in connection with a Community Improvement District.

3.96.070 Initiation of Proceedings.

In lieu of the requirements of Section 36621(a) of the PBID Law, the City Council may initiate proceedings to form a Community Improvement District upon the submission of a written petition, signed by property owners in the proposed District who will pay more than 30 percent of the assessments proposed to be levied in connection with such District. The amount of assessment attributable to property owned by the same property owner that is in excess of 20 percent of the amount of all assessments proposed to be levied, shall not have any percentage over the 20 percent threshold be included in determining whether the petition is signed by property owners who will pay more than 30 percent of the total amount of assessments proposed to be levied.
3.96.080 Formation Costs.

If so provided in the engineer's report for a Community Improvement District, the assessment levied in connection with such a District may include amounts sufficient to recover the costs incurred in forming the District, including:

   A. The costs of preparation of the management plan and engineer's report required by State law; and

   B. The cost of preparing, circulating and submitting the petition to the City Council seeking establishment of the District; and

   C. The costs of printing, advertising, and the giving of published, posted, or mailed notices; and

   D. Compensation of any consultant, engineer, or attorney employed to render services in proceedings under this chapter or the PBID Law; and

   E. Costs incurred by the City for public hearings, notices, ballots and other proceedings required by law for approval of a new or increased assessment.

The engineers report shall specify the formation costs eligible for recovery through assessments, the schedule for recovery of those costs, and the basis for determining the amount of the additional assessment for recovery of costs, including the maximum amount of the additional assessment, expressed either as a dollar amount, or as a percentage of the underlying assessment.

3.96.090 Advancement of Costs.

The City Council may, in the Resolution of Intention for a Community Improvement District, provide that if the District is established, funds may be advanced from the City's general fund to permit the operation of the District prior to the City's collection of the assessment. Such advance shall occur only after the establishment of the District, and no advance shall be made if the District is not established. Any such advance may not exceed the total anticipated assessment proceeds for the first year of the assessment. Any such advance must be recovered from assessment proceeds as provided in the Resolution of Intention, along with interest calculated at a rate set forth in the Resolution of Intention. The duration of any such advance shall not exceed five years.

3.96.100 Duration.

The duration of a new Community Improvement District shall be no greater than specified in the Resolution of Intention for the District, and shall in no event be in excess of 20 years. This section is intended to supplant any shorter limitation set forth in the PBID Law on the duration of assessments levied in connection with an assessment district.
3.96.110 Renewal.

A Community Improvement District may be renewed for successive periods not to exceed 20 additional years each by following the procedures set forth in the PBID Law.

3.96.120 Disestablishment.

The City Council may, on its own initiative, at any time, adopt a resolution of intention to disestablish a Community Improvement District and shall adopt a such a resolution if, during the annual thirty-day period set forth in Section 36670(a)(2) of the PBID Law, the City Council receives a written petition requesting disestablishment signed by property owners who pay more than 30 percent of the assessments levied in connection with the District. This section provides an alternative method for the initiation of proceedings to disestablish a Community Improvement District and shall not be interpreted to preempt the existence of other methods set forth in Section 36670 of the PBID Law. A resolution of intention adopted pursuant to this section shall have the same effect, and trigger the same notice and hearing requirements, as a resolution of intention otherwise adopted pursuant to Section 36670 of the PBID Law.

3.96.130 Validity.

As provided under Section 36633 of the PBID Law, the validity of an assessment levied under this chapter shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted. Any appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

SECTION IV. SEVERABILITY.

If any section of this ordinance or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the act which can be given without the invalid provisions or application, and to this end the provisions of this act are severable.

SECTION V. EFFECTIVE DATE.

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

ADOPTED: March 22, 2012
EFFECTIVE: April 21, 2022

KEVIN J. LINCOLN II
Mayor of the City of Stockton

ATTEST:
ELIZA R. GARZA, CITY CLERK
City Clerk of the City of Stockton
Resolution No. 2022-07-12-1203

STOCKTON CITY COUNCIL

A RESOLUTION OF INTENTION FOR FORMATION OF THE MIRACLE MILE COMMUNITY IMPROVEMENT DISTRICT, ACCEPTING PETITIONS OF PROPERTY OWNERS, PRELIMINARILY APPROVING THE MANAGEMENT DISTRICT PLAN AND ENGINEER'S REPORT, APPROVING A PROPOSED BOUNDARY MAP, SETTING A DATE FOR A PUBLIC HEARING ON THE ESTABLISHMENT OF THE DISTRICT AND LEVY OF ASSESSMENTS ON SEPTEMBER 13, 2022, PROVIDING FOR MAILING OF PROPERTY OWNER BALLOTS AND NOTICES, AND AUTHORIZING AND DIRECTING THE CITY MANAGER, OR DESIGNEE, TO SIGN BALLOTS FOR CITY-OWNED PROPERTY

The Property and Business Improvement District Law of 1994, Streets and Highways Code section 36600 et seq., authorizes cities and counties to establish and renew property and business improvement districts for the purposes of providing activities and improvements which generate a special benefit to assessed parcels; and

The City of Stockton's Community Improvement District Ordinance, at Title 3, Chapter 3.96 of the Stockton Municipal Code, as amended by Ordinance No. 2022-03-22-1211, provides for alternative procedures which supplement the procedures of the Streets and Highway Code; and

Incorporated herein by this reference is the Miracle Mile Community Improvement District ("MMCID") Management District Plan (hereafter "Plan"), which provides for enhanced security and maintenance, landscape beautification, advocacy services, marketing, events, and administration with the intent of providing special benefits to assessed parcels within the MMCID; and

Owners of parcels within the proposed MMCID have submitted petitions asking that the City Council establish the MMCID. Included with each petition was a Management District Plan summary and a map showing the boundaries of the MMCID. The petitions, the boundary map, and the Plan are on file with the City Clerk; and

The City Council finds that the City has received petitions signed by property owners in the proposed MMCID who will pay more than 30% of the proposed assessment; and

The City Council finds that the Plan satisfies all the requirements of Streets and Highways Code section 36622. The Plan proposes to fund improvements and services through the levy of a benefit assessment on real property within the MMCID; and

Pursuant to Article XIIID, Section 4 of the California Constitution, publicly owned properties which receive special benefit from the improvements must be assessed a proportionate share of the costs thereof; now, therefore,
BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. **Recitals.** The recitals set forth herein are true and correct.

2. **Intention and Acceptance of Petitions.** The City Council finds that property owners who will pay more than 30% of the assessment proposed in the Plan have signed petitions. The City Council accepts the petitions on file with the City Clerk and intends the formation of the MMCID and to levy an assessment on real property within the MMCID boundaries in accordance with City's Community Improvement District law. In the first year of the twenty-year term, the proposed assessment on all property owners is approximately $230,550.

3. **Assessment.** The assessment will be imposed on real property within the proposed district at the following rates:

<table>
<thead>
<tr>
<th>Property Variable</th>
<th>Zone 1</th>
<th>Zone 2</th>
<th>Zone 3</th>
<th>Zone 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Square Footage (per square foot)</td>
<td>$0.13</td>
<td>$0.07</td>
<td>$0.11</td>
<td>N/A</td>
</tr>
<tr>
<td>Lot/Parcel Size (per square foot)</td>
<td>$0.13</td>
<td>$0.07</td>
<td>$0.11</td>
<td>N/A</td>
</tr>
<tr>
<td>Linear Frontage (per linear foot)</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>$2.00</td>
</tr>
</tbody>
</table>

Assessment rates may be subject to annual increases not to exceed 5% per year. Increases will be determined by the Owners' Association and will vary between 0 - 5% annually due to increasing costs in labor, materials, and other expenses. Such an increase will not exceed the actual costs to provide the same or similar level of service year to year. Zone boundaries are depicted in the attached map, incorporated herein as Exhibit 1.

4. **Management Plan and Engineer's Report.** The Management Plan and Engineer's Report have been prepared and filed with the City Clerk, incorporated herein as Exhibit 2. The City Council finds that the Plan satisfies all requirements of Streets and Highway Code section 36622.

5. **Boundary Map.** The exterior boundaries of the MMCID are shown on the map attached to this resolution as Exhibit 1 and is on file with the City Clerk.

6. **Bonds.** Bonds shall not be issued for the MMCID.

7. **Hearing.** The time and place for the public hearing on the establishment of the MMCID and the levy of the proposed assessment is set for 5:30 p.m. on September 13, 2022, in the City Council Chamber located at 425 N. El Dorado Street, Second Floor, Stockton, CA 95202. The City Council may continue the public hearing from time to time.

8. **Notice of Hearing.** The City Clerk is directed to give notice of the time and place of the public hearing in accordance with Streets and Highways Code section
36623. The City Clerk is to do this by mailing (or causing to be mailed) written notices and assessment ballots in the time, form, and manner provided by Government Code section 53753 to all persons who own real property within the proposed MMCID and will be subject to the proposed assessment. The City Clerk is further directed to file an affidavit with the City Council when all notices and ballots have been mailed, setting forth the time and manner of his or her compliance with the requirements of law for mailing the notices and ballots. The notice, herein incorporated by this reference as Exhibit 3, shall be mailed not less than forty-five (45) days before the date of the public hearing.

9. **Ballot and Authorization.** At the public hearing, the City Council will consider all objections or protests to the proposed assessment, and any interested person will be permitted to present written or oral testimony. At the conclusion of the public hearing, all ballots submitted and not withdrawn will be tabulated in accordance with Government Code section 53753. The Council hereby authorizes the City Manager, or designee, to execute the property owner’s assessment ballot for all property owned by the City and proposed to be assessed, in favor of the formation of the MMCID and the assessment thereon.

10. **Effectiveness.** This resolution shall take effect immediately upon its passage.

11. The City Manager, or designee, is hereby authorized to take whatever actions are necessary and appropriate to carry out the purpose and intent of this Resolution.

PASSED, APPROVED, and ADOPTED ____ July 12, 2022 ____.

__________________________
KEVIN J. LINCOLN II
Mayor of the City of Stockton

ATTEST:
__________________________
ELIZA R. GARZA, CMC
City Clerk of the City of Stockton
THE MIRACLE MILE COMMUNITY IMPROVEMENT DISTRICT
MANAGEMENT DISTRICT PLAN

Final Plan – April 18, 2022

Prepared pursuant to the City of Stockton’s Community Improvement District
(Stockton Municipal Code Ordinance is 2022-03-22-1211)

Prepared for the:
The Miracle Mile Improvement District
City of Stockton

Prepared by:
New City America, Inc.
# The Miracle Mile Community Improvement District 2022
## Management District Plan

<table>
<thead>
<tr>
<th>Section Number</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Management District Plan Summary</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>Miracle Mile CID Boundaries</td>
<td>7</td>
</tr>
<tr>
<td>3</td>
<td>District Improvement and Activity Plan</td>
<td>11</td>
</tr>
<tr>
<td>4</td>
<td>Assessment Methodology</td>
<td>15</td>
</tr>
<tr>
<td>5</td>
<td>District Rules, Regulations and Governance</td>
<td>26</td>
</tr>
<tr>
<td>6</td>
<td>Implementation Timetable</td>
<td>26</td>
</tr>
<tr>
<td>7</td>
<td>Assessment Roll of Properties Included</td>
<td>27</td>
</tr>
</tbody>
</table>

**Attachment:**

a. Engineer's Report
Section 1
Management District Plan Summary

The name of this Community Improvement District ("CID") is the Miracle Mile Community Improvement District ("Miracle Mile CID," "MMCID," or the "District"). The District is being formed under the City of Stockton's Community Improvement District Ordinance (Stockton Municipal Code Ordinance # 2022-03-22-1211). The levy of assessments on real property within the proposed District will fund physical improvements, maintenance, activities, and operational improvements to properties, with the intent to attract new customers, tenants, and increase business sales, throughout the District.

Miracle Mile CID Steering Committee
For almost 100 years, the Miracle Mile business community and its Association has led the effort to improve and enhance the experience and overall ambiance of working, visiting, shopping, and residing in the Miracle Mile District. Its efforts have paid off well but are hindered by a lack of sustainable revenue to fund the improvements, as well as not having staff to oversee the short- and long-term needs of the district.

In the Fall of 2021, the Miracle Mile Association hired New City America, a Southern California company that specializes in CID and PBID investigations and formations, to create a new CID under the new City enabling ordinance. The current Miracle Mile Improvement District, which has been in place since 2007, and this new CID formation is the culmination of that effort.

Goals of the New Miracle Mile District Community Improvement District

The establishment of the Miracle Mile CID centered on these questions:

1. How to fund the programs that will make the Miracle Mile District brand become more positive in the region as well as the Bay Area?
2. How to create greater demand for Miracle Mile District's buildings resulting in greater rental rates and commerce to businesses and tenants, particularly considering the devastating impact of the COVID 19 pandemic?
3. How to drive more tenants to the buildings in the Miracle Mile District and attract more customers and visitors to strengthen the retail, service, and restaurant sectors here?
4. How to ensure that the public rights of way will become more beautiful, and attractive and promote the culture and history of the Miracle Mile District?
5. How to fund and sustain the improvements needed to provide adequate lighting and landscaping, physical improvement and beautification in Miracle Mile Road and its businesses?

METHOD OF FINANCING
The financing of the Miracle Mile CID is based upon the levy of property assessments on real properties that receive special benefits from the improvements and activities based upon which Benefit Zone they are located within. See Section 2 for maps of the District and Benefit Zones, and Section 4 for assessment methodology and compliance with Article XIII D of the California State Constitution. There will be four factors used in the determination of proportional costs to the parcels in the District.

- Lot size or the footprint of the parcel
- Building square footage (residential condominiums will have their own methodology)
- Linear frontage, on all sides of the parcel (Benefit Zone 4 parcels only)
- Location within one of the four geographic benefit zones of the district

**Data and Benefit Zones**

There are 155 individual parcels owned by 95 property owners in the renewed Miracle Mile Community Improvement District.

The data that was obtained from San Joaquin County as well as input from the various property owners in Miracle Mile District have yielded the following information which is to be used as the basis for the generation of revenue to fund the special benefits outlined in this Management Plan. That data, as of March 1st, 2022, is as follows:

**Data by Benefit Zone**

<table>
<thead>
<tr>
<th>Zones</th>
<th>Building Square Feet</th>
<th>Lot Square Feet</th>
<th>Linear Frontage</th>
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<tbody>
<tr>
<td>1</td>
<td>448,116 sq. ft</td>
<td>673,685 sq. ft</td>
<td>NA</td>
</tr>
<tr>
<td>2</td>
<td>109,625 sq. ft</td>
<td>434,623 sq. ft</td>
<td>NA</td>
</tr>
<tr>
<td>3</td>
<td>108,935 sq. ft</td>
<td>294,957 sq. ft</td>
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</tr>
<tr>
<td>4</td>
<td>NA</td>
<td>NA</td>
<td>1,095</td>
</tr>
<tr>
<td>Total</td>
<td>666,676 sq. ft</td>
<td>1,403,265 sq. ft</td>
<td>1,095</td>
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</table>

**Special Benefit Services Allocations**

**First Year Budget**

<table>
<thead>
<tr>
<th>Category of Services*</th>
<th>Percentage of Budget</th>
<th>1st Year Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil Sidewalks</td>
<td>60%</td>
<td>$138,000</td>
</tr>
<tr>
<td>District Identity and Placemaking</td>
<td>15%</td>
<td>$35,000</td>
</tr>
<tr>
<td>Administration/District Management</td>
<td>22%</td>
<td>$50,000</td>
</tr>
<tr>
<td>Contingency/Reserve</td>
<td>3%</td>
<td>$7,550</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>$230,550</td>
</tr>
</tbody>
</table>

*These categories of special benefit services shall be explained in detail on pages 11 – 13 of this Management District Plan.*

**Costs**

The costs per parcel is based upon the four factors listed at the top of Page 4, above. The Benefit Zones are determined by the anticipated special benefits that each individual parcel will receive based upon its proximity to the core of the district along Pacific Avenue, as well as the frequency of special benefit services that that parcel will be receiving. All assessments must be proportional to the special benefits received.

**First Year Annual Costs Per Property Variable and Benefit Zone**

Assessments are a **sum** of the proposed building square footage, lot size and linear frontage
costs per parcel, per Benefit Zone.

<table>
<thead>
<tr>
<th>Property Variable</th>
<th>Benefit Zone 1</th>
<th>Benefit Zone 2</th>
<th>Benefit Zone 3</th>
<th>Benefit Zone 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Square Footage (per sq. ft.)</td>
<td>$0.13</td>
<td>$0.07</td>
<td>$0.11</td>
<td>NA</td>
</tr>
<tr>
<td>Lot/Parcel Size (per sq. ft.)</td>
<td>$0.13</td>
<td>$0.07</td>
<td>$0.11</td>
<td>NA</td>
</tr>
<tr>
<td>Linear Frontage (per linear ft.)</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>$2.00</td>
</tr>
</tbody>
</table>

**Annual Rate Increase**
The District assessments are subject to annual increases not to exceed 5% per year. Increases will be determined by the Owners' Association and approved by the Stockton City Council and will vary between 0% and a maximum of 5% annually due to increasing costs in labor, materials, and other expenses. The increases will not exceed the actual increase in costs for the same or similar level of services from one fiscal year to the next.

**Changes in Land Use and the Impact on the District**
Changes in land uses, the development of vacant parcels, the conversion of tax exempt to profitable land uses, the demolition of buildings, building improvements that increase square footages, and new building construction or residential condominium development, may alter the District's budget and individual property assessments. Linear frontage and parcel size are normally not altered in the redevelopment of a site. Changes to assessments are more likely to occur upon changes to building square footages. Changes may also occur upon the conversion of single parcels to multiple parcels due to the construction of residential and/or commercial condominiums.

**Bonds**
The District will not issue any bonds related to any program.

**District Formation**
Under the local enabling ordinance, District formation requires a submission of petitions from property owners in the proposed district representing more than 30% of the total assessments to be paid into the MMCID. Once the City verifies the petitions totaling a minimum of 30%, ($69,165) of the first-year annual budget which is projected to be $230,550.00 in assessments in the District, the Stockton City Council may adopt a Resolution of Intention to mail out ballots to all affected property owners. The City will then hold a public hearing and tabulate the ballots. The Miracle Mile CID will be formed if the weighted majority of all returned mail ballots support District formation and if the City Council adopts a Resolution of Formation to levy the assessments on the benefiting parcels. The date for that public hearing has not been scheduled but is assumed that it will be held in late July 2022, based upon the successful completion of the petition drive.

**Term**
Under the Stockton local enabling ordinance, the District may be established for up to 20 years with provisions for annual disestablishment. This management district plan will authorize the creation of the Miracle Mile CID for the maximum initial twenty-year period.
Time and Manner for Collecting Assessments
The Miracle Mile CID assessments will appear as a separate line item on annual property tax bills prepared by the County of San Joaquin Tax Assessor. The assessments are collected at the same time and in the same manner as ad valorem property taxes paid to the County. The assessments have the same lien priority and penalties for delinquent payments as ad valorem property taxes.

Public and Tax-Exempt Parcels
The Miracle Mile CID Management Plan assumes that the any public or tax-exempt parcels shall pay into the district in proportion to the assessments paid for services. There are currently City, Successor Agency and the Stockton Unified School District owned parcels in the proposed Miracle Mile CID.

Governance
Pursuant to Section 36650 of the California Streets and Highway Code, an Owners’ Association will report on District budgets and policies annually to the Stockton City Council. The Owner’s Association, which will be under contract with the City of Stockton, must file Annual Reports with the City as the Association will oversee the day-to-day implementation of services as defined in the Management District Plan.

“A owners’ association” means a private nonprofit entity that is under contract with a city to administer or implement activities and improvements specified in the management district plan. An owners’ association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners’ association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose.” (Streets & Highway. Code § 36612.)

A new public benefit non-profit corporation (501c3) will be established once the District has been approved by the property owners and it will serve in the capacity of the Owners Association. The current Miracle Mile Improvement Association seeks to become a new public benefit, non-profit corporation and will therefore create a successor organization, serving as the Owners Association, to administer the District under contract with the City.

Dissestablishment
Under the local enabling ordinance, the Miracle Mile CID property owners will have an annual period in which to submit petitions to the City Council to disestablish the CID. If disestablished, assessments will be removed from the parcels the following fiscal year. Unexpended surplus funds will be returned to property owners based upon a parcel’s percentage contribution to the previous fiscal year’s assessments. This disestablishment procedure is articulated in both the Stockton City Municipal Code, as well as the California Streets and Highway Code, Section 36670.
Boundaries:

The proposed Miracle Mile CID consists of approximately 25 square blocks consisting of 155 parcels owned by 95 property owners. See the Miracle Mile proposed CID map in Section 2, pages 10 and 11.

Benefit Zones:

The District consists of four benefit zones.

Northern Boundary:

The northern boundary of the proposed Miracle Mile CID is on the south side of E. Alpine Avenue and includes parcel number 113-290-010 as well as 125-020-101 on the south side of the intersection of E. Alpine Avenue and Pacific Avenue.

Western Boundary:

The western boundary of the proposed CID starts at parcel 125-020-010 at E. Alpine Avenue and includes all the western side of the parcels fronting along Pacific Avenue, continuing south from E. Alpine Avenue to the northwestern corner of the intersection of Harding Way and Pacific Avenue. The western boundary then heads west including all the north side of the parcels fronting along Harding Way from parcel 127-070-340, westward and ending at the east side of Sperry Street including parcels 139-020-370 and parcel 139-020-007.

Southern Boundary:

The southern boundary of the proposed Miracle Mile CID commences at the southeastern corner of the intersection of Sperry Road and Harding Way, including parcel 139-020-007 and runs eastward along the southern edge of the parcels fronting along Harding Way, ending at parcel 137-095-010 at the southwestern corner of Lincoln Road and Harding Way.

Eastern Boundary:

The eastern boundary of the proposed CID begins at the southeastern corner of the intersection of Harding Way and Lincoln Road, parcel 137-095-010 and runs northward, including the Stockton Adult School at parcel 137-060-020, continuing northward running on the eastern edge of the parcels fronting along Pacific Avenue including all the commercial parcels bounded by Bedford Road on the south, Beverly Road on the east, Pacific Avenue on the west and Regent Court on the north. Continuing north of Regent Court, including all the parcels fronting along Pacific Avenue up to parcel 113-290-010 on the south side of W. Alpine Avenue.

Boundaries of Benefit Zones:

The boundaries of each of the four benefit zones, are to be found in their respective colors on
page 10. The current Benefit Zone are carried forward from the previous PBID plan of 2017 with inclusion of previously excluded parcels within the boundaries of MMCID, due to provisions of the PBID law that excluded those parcels from being included.

Summation:

A list of all parcels included in the proposed Miracle Mile CID are shown as Appendix 1, attached to this report identified by their respective assessor parcel numbers. The boundary of the proposed Miracle Mile CID is shown on the map to be found on pages 9 and 10 of this report. All identified assessed parcels within the above-described boundaries shall be assessed to fund supplemental special benefit programs, services and improvements as outlined in this Management District Plan. All Miracle Mile CID funded services, programs and improvements provided within the above-described boundaries shall confer special benefit to identified assessed parcels inside the District boundaries and none will be provided outside of the District.
Section 3
District Improvement and Activity Plan

Explanation of Special Benefit Services
All the improvements and activities detailed below are provided only to properties within the boundaries of the Miracle Mile CID, as the improvements and activities will provide special benefits to the owners of these individual parcel owners.

The City will continue to provide general benefit services from the general fund in the Miracle Mile District which will include public safety programs, street sweeping, tree trimming, roadwork repairs, sidewalk repair, trash collection of public refuse containers, etc. The frequency of these general benefits may change from year to year and time to time based upon budget constraints. However, City general benefits will not be withdrawn from Miracle Mile District unless they are withdrawn by an equal frequency City wide. The CID funded special benefits will not replace City funded general benefits, but rather will provide special benefits to parcel owners over and above the general benefits provided by the City of Stockton.

All services funded by the assessments outlined in the Management District Plan are intended to specifically benefit the properties within the District to support increased commerce, business attraction and retention, to retain and increase commercial property rentals, attract new residential developments, enhance safety and cleanliness in the District, improve District identity, and eventually fund specialized beautification and enhanced services for the property owners, businesses, visitors and residents within the District.

Special Benefit Budget Category Analysis
This Plan gives property owners greater flexibility in determining the type and frequency of special benefit services that will be allocated on a year-to-year basis. As Stockton's Miracle Mile District evolves, services that are needed one year may not be needed the next. Therefore, "bundles" or categories of special benefit funding have been created and divided into four broad categories – Civil Sidewalks, District Identity and Placemaking, Administration/District Management, and Contingency. The bundles are allocated funding percentages with the flexibility to prioritize or minimize a service within each bundle.

The bundles or categories of services and their percentages represent the service plan the Miracle Mile District property owners will be voting on when the Miracle Mile CID comes up for a mail ballot in the Summer of 2022.

The proposed "bundles" of special benefit services are listed below and are supplemental to current City services.

CIVIL SIDEWALKS
Examples of this category of special benefit services and costs are typically those which provide "clean and safe" services to the benefitting property owners and may include, but are not limited to:

- Beautification of the district
- Tree and vegetation maintenance (over and above city services)
- Maintenance of existing and new public spaces
• Installation of and maintenance of landscaping throughout the district
• Regular sidewalk and gutter sweeping
• Periodic sidewalk steam cleaning
• Enhanced trash emptying (over and above city services)
• Timely graffiti removal, within 24 hours as necessary
• Possible hiring of contracted professional case workers to respond to the needs of the unhoused population in and around Miracle Mile
• Farmers market and special event assistance, set up and take down

Supplemental/Special Benefit Services for Civil Sidewalks by Benefit Zone

<table>
<thead>
<tr>
<th>Type of Special Benefit Service</th>
<th>Benefit Zone</th>
<th>Frequency of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sidewalk and gutter sweeping</td>
<td>1, 2, 3, 4</td>
<td>4 - 5 days per week/Zone 1 and 3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 - 4 days per week/Zone 2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 - 2 per week/Zone 4</td>
</tr>
<tr>
<td>Sidewalk pressure washing</td>
<td>1, 2, 3, 4</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Trash receptacle emptying (over and above City general services)</td>
<td>As needed</td>
<td>Zones 1, 2 and 3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>As needed / Zone 4</td>
</tr>
<tr>
<td>Graffiti removal/24 hours</td>
<td>1, 2, 3, 4</td>
<td>24 hours after notice</td>
</tr>
<tr>
<td>Notification to City of hazards</td>
<td>1, 2, 3, 4</td>
<td>As identified</td>
</tr>
<tr>
<td>Landscaping and watering</td>
<td>1, 2, 3, 4</td>
<td>Weekly or as needed</td>
</tr>
<tr>
<td>Ornamental landscaping</td>
<td>1, 3</td>
<td>Weekly or as needed</td>
</tr>
<tr>
<td>Special projects</td>
<td>1, 2, 3, 4</td>
<td>As needed</td>
</tr>
<tr>
<td>Installation of seasonal displays</td>
<td>1, 2, 3, 4</td>
<td>Seasonally</td>
</tr>
</tbody>
</table>

The proposed budget for Civil Sidewalks will be $138,000 during the first year of operations and the costs of these services are generally allocated as follows:

80% to labor and personnel: Approximately $110,400 for labor or 1½ full time employees working an average of 7 days per week, (assuming starting pay at $18.00 per hour for maintenance, pressure washing and landscaping employees, which includes benefits and insurance).

20% for equipment, supplies: Approximately $27,600 for vehicles, pressure washer machine/trailer, water tank, gas, supplies, tools, equipment, storage/lockers/employee room

Homeless Outreach Services: Funded by grants and assessments

Total Budget for Civil Sidewalks $138,000
DISTRICT IDENTITY AND PLACEMAKING:
Examples of this category of special benefit services and costs are usually considered to be similar to "marketing and promotional services and may include, but are not limited to:

- Web site updating
- Social media, public relations firm
- Events such as the Taste of Miracle Mile
- Branding of the Miracle Mile CID properties so a positive image is promoted to the public including the development of a new logo
- Banner programs
- Public art displays
- Public space design and improvements
- Refurbishment of street signs and monuments

Supplemental/Special Benefit Services by Benefit Zone for District Identity and Placemaking

<table>
<thead>
<tr>
<th>Type of Special Benefit Service</th>
<th>Benefit Zones</th>
<th>Estimated First Year Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Web site maintenance and management</td>
<td>All</td>
<td>$5,000</td>
</tr>
<tr>
<td>Social media and PR Firm</td>
<td>All</td>
<td>$20,000</td>
</tr>
<tr>
<td>Branding and signage</td>
<td>All</td>
<td>TBD</td>
</tr>
<tr>
<td>Banner program</td>
<td>All</td>
<td>$10,000</td>
</tr>
<tr>
<td>Public Art Displays</td>
<td>Zone 1</td>
<td>Based upon grants</td>
</tr>
<tr>
<td>Public space design and management</td>
<td>Zone 1</td>
<td>TBD</td>
</tr>
<tr>
<td><strong>Total Budget for District Identity and Placemaking</strong></td>
<td></td>
<td><strong>$35,000</strong></td>
</tr>
</tbody>
</table>

ADMINISTRATION/DISTRICT MANAGEMENT
Examples of this category of special benefit services and costs represent what costs are related to the personnel and administrative costs related to running the CID and may include, but is not limited to:

- Staff and administrative costs, contracted or in-house
- Directors and Officers and General Liability Insurance
- Office related expenses
- Rent
- Financial reporting and accounting
- Legal work
<table>
<thead>
<tr>
<th>Type of Special Benefit Service</th>
<th>Estimated First Year Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Director/District Management staff</td>
<td>$17,000*</td>
</tr>
<tr>
<td>Insurance (D &amp; O, General Liability, Employee practices)</td>
<td>$8,000</td>
</tr>
<tr>
<td>Legal Fees</td>
<td>TBD</td>
</tr>
<tr>
<td>Accounting and CPA Reviews</td>
<td>$7,000</td>
</tr>
<tr>
<td>Rent and office supplies/computer equipment (Rent, donated, or shared or discounted)</td>
<td>$18,000</td>
</tr>
<tr>
<td><strong>Total Budget for Administration/District Management</strong></td>
<td><strong>$50,000</strong>*</td>
</tr>
</tbody>
</table>

* Staff costs may be supplemented, by action of the Owners Association Board, by non-assessment activities and grants.

**CONTINGENCY/CITY AND COUNTY FEES/RESERVE**
Examples of this category of special benefit services and costs include, but is not limited to:
- Delinquencies, City/County fees, reserves, capital project improvements

**Total Budget for Contingency**  $7,550.00
Section 4
Assessment Methodology

The proposed Miracle Mile CID is a property-based special benefit assessment district being established pursuant to the Stockton local enabling ordinance as well as Section 36600 of the California Streets and Highway Code.

The state constitution refers to the requirement that benefits received from CID funded programs and activities be used to determine the amount of assessment paid. Only those properties expected to derive special benefits from CID funded programs and activities may be assessed and only in an amount proportional to the relative special benefits expected to be received.

General vs. Special Benefits
As provided by Proposition 218, assessment district programs and activities confer a combination of general and special benefits to properties, but the only program benefits that can be assessed are those that provide special benefit to the assessed properties. “Special Benefit” as defined by the California State Constitution, Article XIII (d), means “a particular and distinct benefit over and above general benefits conferred on real property located in the District or to the public at large.” For the purposes of this analysis, “General Benefits” are benefits provided within Miracle Mile District that are not special in nature, are not "particular and distinct" and are not over and above the benefits that other city parcels receive.

General benefits are not restricted to benefits conferred only on persons and property outside the assessment district but can include benefits both conferred on real property located in the district or to the public at large. “At large” means not limited to any particular person and means all members of the public, including those who live, work, and shop within the district and not simply transient visitors.

The property uses within the boundaries of the proposed Miracle Mile CID which will receive special benefits from CID funded programs and services are currently a mix of retail, service, office, mixed use, residential, public visitor related, cultural and parking. Services, programs, and improvements provided by the Miracle Mile CID are primarily designed to provide special benefits to identified parcels within the boundaries of the District.

Parcels that derive benefit from the special benefit programs, services, activities, and improvements outlined in this Management District Plan will attract more customers, employees, tenants, and investors as a result of these programs, services and improvements, thereby increasing business volumes, sales transactions, occupancies, and rental income, and for future residents, make Miracle Mile District more walkable, attractive and livable. These benefits are particular and distinct in that they are not provided to non-assessed parcels within or outside of the District. Because these programs, services and improvements will only be provided to each individually assessed parcel within the Miracle Mile CID boundaries, these programs, services, and improvements will constitute “special benefits.”

While every attempt is made to provide CID services and programs to confer benefits only to those identified assessed parcels within the District, the California State Constitution, Article XIII (d), was amended via Proposition 218 to provide that general benefits exist, either by
design or unintentionally, in all assessment districts and that a portion of the program costs must be considered attributable to general benefits and assigned a value. General benefits cannot be funded by assessment revenues. General benefits might be conferred on parcels within the District, or "spillover" onto parcels surrounding the District, or to the public at large who might be passing through the District with no intention of transacting business or residing within the District or interest in the District itself. Empirical assessment engineering analysis throughout California has found that general benefits within a given similar special benefit district tend to range from 1-5% of the total costs. There are three methods that have been used by the Miracle Mile CID Assessment Engineer for determining general and special benefit values within assessment districts:

(1) The parcel-by-parcel allocation method
(2) The program/activity line-item allocation method, and
(3) The composite district overlay determinant method.

A majority of PBIDs and CIDs in California for which the Assessment Engineer has provided assessment engineering services since the enactment of Proposition 218, have used Method #3, the composite district overlay determinant method which will be used for this CID. This method of computing the value of general benefit involves a composite of three distinct types of general benefit – general benefit to assessed parcels within the District, general benefit to the public at large within the District and general benefit to parcels outside the District.

**Miracle Mile CID Programs and Improvements**
The total special and general benefit program activities and budget allocations that will be provided to each individual parcel assessed in the proposed Miracle Mile CID are shown in the chart below:

**Total Year 1 – 2022 Special + General Benefit Costs -Table 4A**

<table>
<thead>
<tr>
<th>Category of Special Benefit Services</th>
<th>Year 1 Annual Amount (assessments to fund special benefits)</th>
<th>Year 1 Non-Assessment Costs (general benefits ratio)</th>
<th>Year 1 Total Costs (special and general benefits)</th>
<th>% Of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil Sidewalks</td>
<td>$138,000</td>
<td>$2,816</td>
<td>$140,816</td>
<td>60%</td>
</tr>
<tr>
<td>District Identity /Placemaking</td>
<td>$35,000</td>
<td>$714</td>
<td>$35,714</td>
<td>15%</td>
</tr>
<tr>
<td>Administration/District Management</td>
<td>$50,000</td>
<td>$1,020</td>
<td>$51,020</td>
<td>22%</td>
</tr>
<tr>
<td>Contingency</td>
<td>$7,550</td>
<td>$155</td>
<td>$7,705</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$230,550.00</strong></td>
<td><strong>$4,705.00</strong></td>
<td><strong>$235,255.00</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
All program costs associated with general benefits will be derived from sources or credits other than CID assessments. Sample “other” revenue sources can be derived from special events, grants, volunteer hours and must simply equal a total of $4,705 per year which would equal the general benefit cost of 2% of the computed total CID cost of $235,254 from the table above. Here, program costs are spread among property variables that are common to each parcel include linear frontage, lot or parcel size and building square footage, and residential condominium parcels and Benefit Zone. Assessed valuation cannot be used as the basis for revenue generation in the state of California since Proposition 13 sets the assessed valuation at the time of purchase of the parcel, therefore adjacent parcels may be similar in size, but have different assessed valuations. We must therefore spread the assessments among the consistent factors of each parcel, based upon 2022 data.

### Assessable Data - Table 4B

<table>
<thead>
<tr>
<th>Benefit Zone</th>
<th>Building Square Feet</th>
<th>Lot Square Feet</th>
<th>Linear Frontage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>448,116 sq. ft</td>
<td>673,685 sq. ft</td>
<td>NA</td>
</tr>
<tr>
<td>2</td>
<td>109,625 sq. ft</td>
<td>434,623 sq. ft</td>
<td>NA</td>
</tr>
<tr>
<td>3</td>
<td>108,935 sq. ft</td>
<td>294,957 sq. ft</td>
<td>NA</td>
</tr>
<tr>
<td>4</td>
<td>NA</td>
<td>NA</td>
<td>1,095</td>
</tr>
<tr>
<td>Total</td>
<td>666,676 sq. ft</td>
<td>1,403,265 sq. ft</td>
<td>1,095</td>
</tr>
</tbody>
</table>

### Assessment Revenue by Property Variable - Table 4C

<table>
<thead>
<tr>
<th>Property Variable</th>
<th>Total Revenue Generated</th>
<th>Percent of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Sq. Ft.</td>
<td>$77,912</td>
<td>34%</td>
</tr>
<tr>
<td>Lot Sq. Ft.</td>
<td>$150,448</td>
<td>65%</td>
</tr>
<tr>
<td>Linear Frontage</td>
<td>$2,190</td>
<td>1%</td>
</tr>
<tr>
<td>Total</td>
<td>$230,550</td>
<td>100%</td>
</tr>
</tbody>
</table>

### Assessments Costs by Benefit Zone - Table 4D

<table>
<thead>
<tr>
<th>Property Variable</th>
<th>Benefit Zone 1</th>
<th>Benefit Zone 2</th>
<th>Benefit Zone 3</th>
<th>Benefit Zone 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Square Footage</td>
<td>$0.13</td>
<td>$0.07</td>
<td>$0.11</td>
<td>NA</td>
</tr>
<tr>
<td>Lot/Parcel Size</td>
<td>$0.13</td>
<td>$0.07</td>
<td>$0.11</td>
<td>NA</td>
</tr>
<tr>
<td>Linear Frontage</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>$2.00</td>
</tr>
</tbody>
</table>
Explanation of Costs

Benefit Zone 1 parcels will be assessed at a higher rate since they will have the highest frequency of Civil Sidewalks and District Identity services due to the amount of foot traffic in and around the parcels fronting along Miracle Mile Road in the core area of the District. Benefit Zone 1 properties are the historic core of Stockton’s Miracle Mile District dating back almost 100 years built on Pacific Avenue. Zone 1 properties include retail, restaurants, services, coffee shops, bars, residential, educational and office. These parcels will benefit the most from the CID special benefit services, therefore their assessments have been set to fund the costs of services to these parcels. Benefit Zone One parcels are to be found on both sides of Pacific Avenue from Harding Way on the northeastern and northwestern sides of the intersection of Harding Way and Pacific Avenue on the south and to the southeastern and southwestern parcels of the intersection of North Regent Street and Pacific Avenue on the north.

For a breakdown of the frequency of special benefit services for Civil Sidewalks and District Identity and Placemaking services by Benefit Zone, please see the charts on pages 9 and 10 and 12 of this Management District Plan.

The higher costs assessed to Benefit Zone 1 parcels are based upon:

- 4 to 6 days per week services, particularly for cleaning and beautification services.
- Benefit Zone 1 parcels are predominantly retail, visitor related, service and pedestrian oriented therefore they will need civil sidewalk special benefit services daily, particularly on the weekends. Holiday traffic will also necessitate cleaning services.
- District identity services will also be proportionally higher and confer special benefit services relative to Benefit Zone 2, 3 and 4 parcels. Special events will be held in Benefit Zone 1, thereby benefitting property owners and their tenants there, no special events will most likely be held in Zone 2, 3 and 4.

Linear Frontage Defined

Individual parcels linear frontage assessments will only be applied to Benefit Zone 4 properties. These parcels were previously excluded from the former plan due to the restrictions in the PBID law. Under the local enabling ordinance, all parcels who receive benefit, albeit at different frequencies will be assessed to fund the services.

Benefit Zone 4 parcels will be assessed for all sides of each parcel fronting on a public street. Alley frontage is not assessed. Each side of the parcel (excluding alley areas) will receive Civil Sidewalks special benefit services at a lower frequency for the Zone 4 parcels. The linear front footage data was obtained from the County Assessor’s parcel maps.

Building Square Footage Defined

Building square footage is defined as gross building square footage for each parcel, throughout Benefit Zones 1, 2 and 3 in the proposed the Miracle Mile CID. The various building and lot size annual assessments are due to the frequency of Civil Sidewalks and District Identity and Placemaking Services anticipated by Zones 1, 2, 3.
Lot Square Footage Defined
Lot square footage is defined as the total amount of area within the borders of the parcel. The lot square footage of a parcel has been verified by the County Assessor’s parcel maps. Lot size or parcel size square footage assessments are applied at different rates for Zones 1, 2 and 3. The various building and lot size annual assessments are due to the frequency of Civil Sidewalks and District Identity and Placemaking Services anticipated by Zones 1, 2 and 3.

Commercial Condominium (non-residential portion of mixed-use buildings) - Parcels Defined
Though none currently exist, ground floor commercial condominiums will be treated as independent “mini” commercial buildings and assessed based on their actual building square footage, the footprint of land they cover or lot size of the commercial condominium. Ground floor commercial condominiums will pay 100% of the special benefits for the assessment, based upon which Benefit Zone they are within, (Zones 1, 2, and 3).

Residential Condominium Unit Parcels Defined
Residential condominium units building square footage is defined as the livable building square footage within the walls of the condominium residential unit parcel. They are included in a special category to designate their unique special benefits relative to the other commercial parcels within the Miracle Mile CID. Unlike the other commercial parcels in the District, including commercially operated apartment buildings, residential condominium parcels are assessed for building square footage only, and are not assessed for linear frontage and lot square footage. Under current zoning rules, residential condominiums may be construction in each of the four Benefit Zones under this plan. This methodology of assessing only the actual building square footage of future residential condominiums shall apply district wide, regardless of Benefit Zone.

Though currently, no residential condominium parcels exist within the boundaries of the Miracle Mile CID, future residential condos will be assessed as a separate category. These residential condominium individual parcels will be assessed for their building square footage only at the rate of $0.13 per square foot per year. The rationale for assessing future residential condominiums only for the building square footage rate is provided below.

Residential condominium parcels are assessed differently than multi-unit, market rate apartment rental buildings due to the frequency of special benefit services required by each parcel as described below. The multi-unit apartment buildings are commercial properties in which the tenant and property owner have an economic relationship as opposed to residential condominium buildings where individual property owners own separate “air space parcels” on a single floor. Future residential apartment buildings can be bought or sold just as like commercial buildings whereas residential condominium individual units are separately owned and must be individually bought and sold.

Distinctions between residential apartment buildings with tenants and residential condominium building with individual parcel owners are explained as follows:

1. The Davis Sterling Act establishes rules and regulations for residential condominium owners based upon “separate interests” (i.e., ownership rights), as opposed to renters who only have a possessory interest.
2. Generally, residential condominium unit owners demonstrate greater care for their property and concerns about quality-of-life issues due to their investment in real estate.

3. Residential owners and have the right to vote in a Proposition 218 hearing, tenants do not have that right.

4. Residential condominium owners are required to contribute to legally established Homeowners Associations to oversee building maintenance, tenants are not.

5. Residential tenants may have their dwelling units sold or have their rent raised arbitrarily due the lack of ownership of their residential units.

The assessment methodology has been written to confer special benefits to future residential condominium individual assessed parcels since residential condominium owners have expectations about the care and maintenance of the building and its surroundings compared to the interest of residential tenants who have a possessory not an ownership interest.

METHOD OF FINANCING
The financing of the Miracle Mile CID is based upon the levy of special assessments upon real properties that receive special benefits from the improvements and activities based upon which Benefit Zone they are located within. See Section 4 for assessment methodology and compliance with Article XIII (d) of the California State Constitution. There will be five factors used in the determination of proportional costs to the parcels in the District. The factors are:

- Linear frontage on all sides (excluding alleys) in Benefit Zone 4 parcels only, (unless these parcels have been converted to residential condominiums).
- Lot square footage or the footprint of the parcel
- Building square footage.
- Residential condominiums that will be constructed within the District.
- Location within one of the four geographic benefit zones of the district

Annual Rate Increase
The District assessments are subject to annual increases not to exceed 5% per year. Increases will be determined by the Owners' Association and approved by the Stockton City Council and will vary between 0% and a maximum of 5% annually due to increasing costs in labor, materials, and other expenses. The increases will not exceed the actual increase in costs for the same or similar level of services from one fiscal year to the next.

Changes in land uses, the development of vacant parcels, the conversion of tax exempt to profitable land uses, the demolition of buildings, building improvements that increase square footages, and new building construction or residential condominium development, may alter the District's budget and individual property assessments. Linear frontage and parcel size are normally not altered in the redevelopment of a site. Changes to assessments are more likely to occur upon changes to building square footages. Changes may also occur upon the conversion of single parcels to multiple parcels due to the construction of residential and/or commercial condominiums.
Bonds
The District will not issue any bonds related to any program.

Operating Budget
A projected operating budget, based upon the local enabling ordinance, has an initial 20-year term, and may be renewed for successive terms. New City America has listed the maximum percentage of allowable annual increases based upon the current data within the CID, for the first 10 years, with the following assumptions.

The special benefits and related budget are assumed not to be significantly different within the first 10 years of the MMCID. Years 11 – 20 are also assumed not to be significantly different from the base year budget of 2023. To provide an example of how the annual budget may increase, with a 5% maximum increase, based upon the actual cost increases from year to year, (personnel, insurance, gas, equipment, etc.), we will present what the first ten years of the district budget may look like. Changes in land use, demolition of existing buildings, and new development will occur and will change the improvements to that parcel, normally due to redevelopment of the site and the addition of new building square footage which shall be assessed based upon the provisions laid out in this Management Plan.

The budget for specific programs may be reallocated within each budget category by up to 10% during the term of the District. The Management Corporation Board may alter the budget based upon service needs and such changes shall be included in the Annual report and submitted to the Stockton City Council for review and approval.

Ten-Year Projection of Maximum Assessment per Special Benefit Category - Table 4E

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<th></th>
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Notes:
- Assumes a possible 5% maximum yearly increase on all budget items, if approved annually by the District Management Corporation Board of Directors. This 5% increase is for the year-to-year annual budget of assessments and shall not apply to the additional assessments generated by new development in the new CID.
- Any accrued interest or delinquent payments will be expended in the above categories.
Sample First Year (2022) Parcel Assessment Calculation

The annual assessment method to calculate all parcels for Benefit Zone 1 will be:

Total Building Square Footage X $0.13 per sq. ft.
+ Total Lot Size x $0.13 per square foot
= TOTAL PARCEL ASSESSMENT

The annual assessment method to calculate all commercial parcels for Benefit Zone 2 will be:

Total Building Square Footage X $0.07 per square foot
+ Total Lot Size x $0.07 per square foot
= TOTAL PARCEL ASSESSMENT

The annual assessment method to Benefit Zone 3 parcels will be:

Total Building Square Footage X $0.11 per square foot
+ Total Lot Size x $0.11 per square foot
= TOTAL PARCEL ASSESSMENT

The annual assessment for Benefit Zone 4 parcels will be:

Total linear frontage of the parcel, all sides, excluding alleys x $2.00 per linear foot
= TOTAL PARCEL ASSESSMENT

The annual assessment method to calculate the residential condominiums throughout the CID in any Benefit Zone will be:

Total Residential Condo Building Square Footage X $0.13 per square foot
= TOTAL PARCEL ASSESSMENT

**Future Development**

As a result of continued new development, the Miracle Mile CID will experience the addition or subtraction of assessable commercial and residential buildings or the conversion of vacant parcels into new commercial and residential units. Therefore, parcels will be assessed each year based upon their then-current characteristics.
## Maximum Assessments by Benefit Zone and Property Variable
### Table 4 - F

#### Projected Assessments - Benefit Zone 1

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<th></th>
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<th>Bldg. Sq. Ft</th>
<th>Residential Condo Sq. Ft.</th>
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<td>$ 0.158</td>
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<td>$ 0.192</td>
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#### Projected Assessments - Benefit Zone 2

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<tr>
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#### Projected Assessments - Benefit Zone 3

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Projected Assessments- Benefit Zone 4

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<tr>
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<td>$ 0.202</td>
</tr>
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</table>

**Term**
Under the Stockton local enabling ordinance, the District may be established for an initial term of up to 20 years. This management district plan will authorize the creation of the Miracle Mile CID for the maximum 20-year period.

**Time and Manner for Collecting Assessments**
The Miracle Mile CID assessments will appear as a separate line item on annual property tax bills prepared by the County of San Joaquin Tax Assessor. The assessments are collected at the same time and in the same manner as ad valorem property taxes paid to the County. The assessments have the same lien priority and penalties for delinquent payments as ad valorem property taxes.

**Budget Adjustments**
Annual budget surpluses, if any, will be rolled into the following year’s budget. Assessments will be set annually. Revenues from delinquent accounts may be expended in the year they are received.

**Dissestablishment**
California Streets and Highways Code section 36670 as well as the local CID enabling ordinance provides for the dissestablishment of a District. Provisions for annual dissestablishment of the District are provided for in the local enabling ordinance. Property owners dissatisfied with the results, management or quality of the services may petition the City Council to dissestablish the District, in the same method in which they petitioned the City Council to establish it. The same petition threshold needed to establish the District will also be needed to trigger a dissestablishment of the District on an annual basis.

Section 36670 of the State Streets and Highway Code states:

> (b) The city council shall adopt a resolution of intention to dissestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the dissestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the property and business improvement district. The notice of the hearing on dissestablishment required by this section shall be given by mail to
the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.

Unexpended surplus funds will be returned to property owners based upon each property owner's percentage contribution to the previous fiscal year's assessments.

**Government Assessments**

The Miracle Mile CID Management Plan assumes that the any public or tax-exempt parcels shall pay into the district in proportion to the assessments paid for services based upon their location in one of the four Benefit Zones.
Section 5
District Rules and Regulations and Governance

There are no specific rules and regulations prescribed for the proposed Miracle Mile Community Improvement District Management Corporation except that it will adhere to the open meeting and open records provisions of the Ralph M. Brown Act as well as the Public Records Act. The Owners Association will seek to be as open and transparent to the CID assessed and the public at large as is reasonably possible.

A new Miracle Mile CID District Management Corporation (501c3) will be established once the district has been formed and shall serve in the capacity of the Owners Association consistent with State Statute and the local enabling ordinance.

Section 6
Implementation Timetable

The Miracle Mile CID is expected to be established and begin assessing benefiting parcels as of the fourth quarter of calendar year 2022. The delivery of services is scheduled to commence January 1, 2023.
## Section 7
### Assessment Roll of Properties Included

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ATTACHMENT 1

THE MIRACLE MILE
COMMUNITY IMPROVEMENT DISTRICT

ASSESSMENT ENGINEER’S REPORT

Being established pursuant to the City of Stockton’s Maintenance Improvement District Ordinance
Stockton Ordinance #2022-03-22-1211

Prepared by
Edward V. Henning
California Registered Professional Engineer #26549
Edward Henning & Associates

April 19, 2022

v 1.1
To Whom It May Concern:
I hereby certify to the best of my professional knowledge and experience that each of the identified benefiting properties located within the proposed Miracle Mile Community Improvement District ("MMCID") being established for 20 years will receive a special benefit over and above the benefits conferred on the public at large and that the amount of the proposed assessment is proportional to, and no greater than the benefits conferred on each respective property.

Prepared by Edward V. Henning, California Registered Professional Engineer # 26549

(Not valid without signature and certification seal here)

Introduction
This report serves as the “detailed engineer’s report” required by Section 4(b) of Article XIIID of the California Constitution to support the benefit property assessments to be levied within the proposed MMCID in the City of Stockton, California being established for 20 years. The discussion and analysis contained within this Report constitutes the required “nexus” of rationale between assessment amounts levied and special benefits derived by real properties within the proposed MMCID.
Background
The MMCID is a property-based benefit assessment type district being established for 20 years pursuant to the City of Stockton’s Community Improvement District Ordinance. The Ordinance was modeled after Section 36600 et seq. of the California Streets and Highways Code (as amended), also known as the Property and Business Improvement District Law of 1994 (the “Act”). Due to the benefit assessment nature of assessments levied within a community improvement district (“CID”), district program costs are to be distributed amongst all identified benefiting properties based on the proportionate amount of special program benefit each property is projected to derive from the assessments levied. Only those properties expected to derive special benefits from CID funded programs and activities may be assessed and only in an amount proportionate to the special benefits expected to be conferred on each assessed property.

Supplemental Article XIIID Section 4(b) California Constitution
Procedures and Requirements

Proposition 218, approved by the voters of California in November of 1996, adds a supplemental array of procedures and requirements to be carried out prior to levying a property-based assessment like the MMCID. These requirements are in addition to requirements imposed by State and local assessment enabling laws. These requirements were “chaptered” into law as Article XIIID Section 4(b) of the California Constitution (hereinafter Article XIIID).

Since Article XIIID provisions will affect all subsequent calculations to be made in the final assessment formula for the MMCID, these supplemental requirements will be taken into account. The key provisions of Article XIIID along with a description of how the MMCID complies with each of these provisions are delineated below.

(Note: All section references below pertain to Article XIII D of the California Constitution):
Finding 1. From Section 4(a): “Identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed”

Boundaries
The district is to be named The Miracle Mile Community Improvement District (MMCID). The proposed MMCID boundaries are centered along Pacific Avenue between Alpine Avenue and Harding Way and along Harding Way between Lincoln Street and El Dorado Street. The MMCID encompasses about 25 blocks and includes 155 parcels all of which are assessed. See the MMCID map in Appendix 2 of this Report. The MMCID boundaries are more fully described as follows:

Northern Boundary:

The northern boundary of the proposed MMCID is on the south side of E. Alpine Avenue and includes parcel number 113-290-010 as well as 125-020-101 on the south side of the intersection of E. Alpine Avenue and Pacific Avenue.

Western Boundary:

The western boundary of the proposed MMCID starts at parcel 125-020-010 at E. Alpine Avenue and includes all of the western side of the parcels fronting along Pacific Avenue, continuing south from E. Alpine Avenue to the northwestern corner of the intersection of Harding Way and Pacific Avenue. The western boundary then heads west including all of the north side of the parcels fronting along Harding Way from parcel 127-070-340, westward and ending at the east side of Sperry Avenue including parcels 139-020-370 and parcel 139-020-007.

Southern Boundary:

The southern boundary of the proposed MMCID commences at the southeastern corner of the intersection of Sperry Road and Harding Way, including parcel 139-020-007 and runs eastward along the southern edge of the parcels fronting along Harding Way, ending at parcel 137-095-010 at the southwestern corner of Lincoln Road and Harding Way.

Eastern Boundary:

The eastern boundary of the proposed MMCID begins at the southeastern corner of the intersection of Harding Way and Lincoln Road, parcel 137-095-010 and runs northward, including the Stockton Adult School at parcel 137-060-020, continuing northward running on the eastern edge of the parcels fronting along Pacific Avenue including all of the commercial parcels bounded by Bedford Road on the south, Beverly Road on the east, Pacific Avenue on the west and Regent Court on the north. Continuing north of Regent Court, including all of the parcels fronting along Pacific Avenue up to parcel 113-290-010 on the south side of W. Alpine Avenue.

Benefit Zones
The proposed MMCID includes four benefit zones. The benefit zones are determined based on a combination of location, service levels and/or land use.

Benefit Zone 1 parcels will be assessed at a higher rate since they will have the highest frequency of Civil Sidewalks and District Identity services due to the amount of foot traffic in and around the parcels fronting along Pacific Avenue in the core area of the MMCID. Benefit Zone 1 properties are the historic
core of Stockton’s Miracle Mile District dating back almost 100 years built on Pacific Avenue. Zone 1 properties include retail, restaurants, services, coffee shops, bars, residential, educational and office. These parcels will benefit the most from the MMCID special benefit services, therefore their assessments have been set to fund the costs of services to these parcels. Generally speaking, Benefit Zone 1 parcels are to be found on both sides of Pacific Avenue from Harding Way on the northeastern and northwestern sides of the intersection of Harding Way and Pacific Avenue on the south and to the southeastern and southwestern parcels at the intersection of North Regent Court and Pacific Avenue on the north.

The higher costs assessed to Benefit Zone 1 parcels are based upon:

- 4 to 6 days per week services, particularly for cleaning and beautification services.
- Benefit Zone 1 parcels are predominantly retail, visitor related, service and pedestrian oriented therefore they will need civil sidewalk special benefit services daily, particularly on the weekends. Holiday traffic will also necessitate cleaning services.
- District identity services will also be proportionally higher and confer special benefit services relative to Benefit Zone 2, 3 and 4 parcels. Special events will be held in Benefit Zone 1, thereby benefitting property owners and their tenants there, no special events will most likely be held in Zone 2, 3 and 4.

All identified parcels within the above-described boundaries and zones shall be assessed to fund supplemental special benefit programs, services and improvements as outlined in the Plan and in this Assessment Engineer’s Report. All MMCID funded services, programs and improvements provided within the above-described boundaries shall confer special benefit to identified assessed parcels inside the MMCID boundaries and none will be provided outside of the MMCID. Each assessed parcel within the MMCID will proportionately specially benefit from the MMCID funded Sidewalk Operations, District Identity-Placemaking, Administration-Management and Contingency-Reserve as described in more detail under “Work Plan”, beginning on page 9 of this Report. These services, programs and improvements are intended to improve commerce, employment, rents and commercial/residential occupancy rates of parcels and businesses within the MMCID by reducing litter and debris, marketing the available goods and services and installing beautification elements, each considered necessary in a competitive properly managed mixed-use business district. All MMCID funded services programs and improvements are considered supplemental, above normal base level services provided by the City of Stockton and are only provided for the special benefit of assessed parcels within the boundaries of the MMCID.

A list of all parcels included in the proposed MMCID is shown as Appendix 1, attached to this Report with their respective San Joaquin County assessor parcel number. The boundary of the proposed MMCID and parcels within it are shown on the map of the MMCID attached as Appendix 2 to this Report.
Finding 2. From Section 4(a): “Separate general benefits (if any) from the special benefits conferred on parcel(s). Only special benefits are assessable. “

QUANTITATIVE BENEFIT ANALYSIS

As stipulated in Article XIIID, assessment district programs and activities confer a combination of general and special benefits, but the only program benefits that can be assessed are those that provide special benefit to the assessed properties. For the purposes of this analysis, a “general benefit” is hereby defined as: “A benefit to properties in the area and in the surrounding community or benefit to the public in general resulting from the improvement, activity, or service to be provided by the assessment levied”. “Special benefit” as defined by the Article XIIID means a distinct benefit over and above general benefits conferred on real property located in the district.

The property uses within the boundaries of the MMCID that will receive special benefits from MMCID funded programs and services are currently an array of restaurants, retailers, offices and housing. No parcels within the MMCID are zoned solely residential. Services, programs and improvements provided and funded by the MMCID are primarily designed to provide special benefits as described below to identified assessed parcels and the array of land uses within the boundaries of the MMCID.

The proposed MMCID programs, improvements and services and Year 1 – 2023 budget allocation are as follows:

**Year 1 – 2023 MMCID Special Benefit Cost Allocations (Assessment Revenue Only)**

<table>
<thead>
<tr>
<th>BENEFIT ZONE</th>
<th>CIVIL SIDEWALKS</th>
<th>DISTRICT IDENTITY-PLACEMAKING</th>
<th>ADMINISTRATION-MANAGEMENT</th>
<th>CONTINGENCY-RESERVE</th>
<th>TOTAL</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>59.8569%</td>
<td>15.1811%</td>
<td>21.6873%</td>
<td>3.2748%</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td>1</td>
<td>$87,292</td>
<td>$22,139</td>
<td>$31,628</td>
<td>$4,775</td>
<td>$145,843</td>
<td>63.2550%</td>
</tr>
<tr>
<td>2</td>
<td>$22,804</td>
<td>$5,784</td>
<td>$8,262</td>
<td>$1,248</td>
<td>$38,098</td>
<td>16.5246%</td>
</tr>
<tr>
<td>3</td>
<td>$26,593</td>
<td>$6,745</td>
<td>$9,635</td>
<td>$1,455</td>
<td>$44,428</td>
<td>19.2705%</td>
</tr>
<tr>
<td>4</td>
<td>$1,311</td>
<td>$332</td>
<td>$475</td>
<td>$72</td>
<td>$2,190</td>
<td>0.9499%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$138,000</td>
<td>$35,000</td>
<td>$50,000</td>
<td>$7,550</td>
<td>$230,550</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Assessed parcels are conferred proportionate special benefits from all MMCID funded programs, services and improvements which are intended to attract more customers, users, visitors, employees, tenants and investors. MMCID programs, services and improvements are designed to increase business volumes, sales transactions, occupancies and rental income. These programs, services and improvements are designed to improve commerce, livelihood and aesthetic appeal for owners, tenants, residents, patrons, visitors and employees of these parcels within the MMCID by reducing litter and debris, marketing the available goods and services and installing beautification elements, each considered necessary in a competitive properly managed mixed-use business district.

These benefits are particular and distinct to each and every identified and assessed parcel within the MMCID and are not provided to non-assessed parcels outside of the MMCID. These programs, services and improvements will only be provided to each individual assessed parcel within the MMCID boundaries and, in turn, confer proportionate special benefits to each assessed parcel.
In the case of the MMCID, the very nature of the purpose of this CBD is to fund supplemental programs, services and improvements to assessed parcels within the MMCID boundaries above and beyond what is being currently funded either via normal tax supported methods or other funding sources. All benefits derived from the assessments to be levied on assessed parcels within the MMCID are for services, programs and improvements directly and specially benefiting each individual assessed parcel within the MMCID. No MMCID funded services, activities or programs will be provided outside of the MMCID boundaries.

While every attempt is made to provide MMCID services and programs to confer special benefits only to those identified assessed parcels within the MMCID, Article XIIID stipulates that general benefits exist either by design or unintentional in all assessment districts and that a portion of the program costs must be considered attributable to general benefits and assigned a value. General benefits cannot be funded by assessment revenues.

Empirical assessment engineering analysis throughout California has found that general benefits within a given assessment district tend to range from 2-6% of the total costs. A majority of assessment districts in California for which this Assessment Engineer has provided assessment engineering services in conformance with Article XIIID have used the composite district overlay determinant method of computing general benefits which will be used for the MMCID. This method of computing the value of general benefit involves a composite of three distinct types of general benefit – general benefit to assessed parcels within the MMCID, general benefit to the public at large within the MMCID and general benefit to parcels outside the MMCID.

General Benefit – Assessed Parcels within the MMCID
MMCID funded programs are narrowly designed and carefully implemented to specially benefit the assessed MMCID parcels and are only provided for the special benefit to each and every assessed parcel within the MMCID. It is the opinion of this Engineer, based on over 30 years of professional assessment engineering experience, that nearly 100% of benefits conferred on the 155 assessed parcels within the MMCID are distinct and special but in the case of the MMCID, it is projected that there are 0.25% general benefits conferred on these parcels. This high ratio of special benefits to general benefits is because the MMCID funded programs and services are specially geared to the unique needs of each parcel within the MMCID and are directed specially only to these parcels within the MMCID. This concept is further reinforced by the proportionality of special benefits conferred on each parcel within the MMCID as determined by the special benefit assessment formula as it is applied to the unique and varying property characteristics of each parcel. The computed 0.25% general benefit value on the 155 parcels within the MMCID equates to $576 or (.25% x $130,550).

General Benefits – Outside Parcels
While MMCID programs and services will not be provided directly to parcels outside the MMCID boundaries, it is reasonable to conclude that MMCID services may confer an indirect general benefit on parcels adjacent to the MMCID boundaries. An inventory of the MMCID boundaries finds that the MMCID is immediately surrounded by 152 parcels. Of these 152 parcels, 9 are commercial zoned parcels with commercial uses, 142 are residentially zoned parcels with residential uses and 1 is publicly/non-profit owned parcels with public/non-profit uses.

The 152 parcels directly outside the MMCID boundaries can reasonably be assumed to receive some indirect general benefit as a result of MMCID funded programs, services and improvements. Based on over 30 years of assessment engineering experience, it is the opinion of this Engineer that a benefit factor
of 1.0 be attributed to the 155 assessed parcels within the MMCID, a benefit factor of 0.025 be attributed to general benefits conferred on the 9 commercial parcels and uses located adjacent to or across the street from assessed parcels within the MMCID, a benefit factor of 0.005 be attributed to general benefits conferred on the 142 residential parcels and uses located adjacent to or across the street from assessed parcels within the MMCID and, a benefit factor of 0.005 be attributed to general benefits conferred on the 1 publicly owned/non-profit parcel and use located adjacent to or across the street from assessed parcels within the MMCID. The cumulative dollar value of this general benefit type equates to $1,413 ($342 + $15 + $1,056) as delineated in the following Table:

<table>
<thead>
<tr>
<th>Parcel Type</th>
<th>Quantity</th>
<th>Benefit Factor</th>
<th>Benefit Units</th>
<th>Benefit Percent</th>
<th>Benefit Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessed Parcels within MMCID</td>
<td>155</td>
<td>1.000</td>
<td>155.00</td>
<td>99.3908%</td>
<td>$230,550</td>
</tr>
<tr>
<td>Commercial Parcels Outside MMCID</td>
<td>9</td>
<td>0.025</td>
<td>0.23</td>
<td>0.1475%</td>
<td>$342</td>
</tr>
<tr>
<td>Public/Non-Profit Parcels Outside MMCID</td>
<td>1</td>
<td>0.005</td>
<td>0.01</td>
<td>0.0064%</td>
<td>$15</td>
</tr>
<tr>
<td>Residential Use Parcels Outside MMCID</td>
<td>142</td>
<td>0.005</td>
<td>0.71</td>
<td>0.4553%</td>
<td>$1,056</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td>155.95</td>
<td>100.00%</td>
<td>$231,963</td>
</tr>
</tbody>
</table>

General Benefit - Public At Large

While the MMCID funded programs are narrowly designed and carefully implemented to specially benefit the assessed MMCID parcels and are only provided for the special benefit to each and every assessed parcel within the MMCID, these programs also provide general benefits to the public at large within the MMCID.

For the proposed MMCID activities, assessment Engineering experience in California has found that generally over 95% of people moving about within similar district boundaries are engaged in business related to assessed parcels and businesses contained located within them, while the public at large “just passing through” is typically 5% or less.

Based on experience curves and the nature of the proposed MMCID funded programs and over 30 years of assessment engineering experience, it is the opinion of this Engineer that districtwide general benefit factors for each of the MMCID funded special benefit program element costs that provide a general benefit to the public at large are as shown in the Table below. These factors are applied to each program element costs in order to compute the dollar and percent value of districtwide general benefits to the public at large. The total dollar value of this general benefit type, public at large, equates to $2,533 as delineated in the following Table:

<table>
<thead>
<tr>
<th>Program Element</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>E</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dollar Allocation</td>
<td>General Benefit Percent</td>
<td>General Benefit Factor</td>
<td>General Benefit Value (A x C)</td>
</tr>
<tr>
<td>CIVIL SIDEWALKS</td>
<td>$138,000</td>
<td>1.50%</td>
<td>0.015</td>
<td>$2,070</td>
</tr>
</tbody>
</table>
MIRACLE MILE CID – ASSESSMENT ENGINEER’S REPORT

<table>
<thead>
<tr>
<th>DISTRICT IDENTITY- PLACEMAKING</th>
<th>$35,000</th>
<th>0.50%</th>
<th>0.005</th>
<th>$175</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADMINISTRATION-MANAGEMENT</td>
<td>$50,000</td>
<td>0.50%</td>
<td>0.005</td>
<td>$250</td>
</tr>
<tr>
<td>CONTINGENCY-RESERVE</td>
<td>$7,550</td>
<td>0.50%</td>
<td>0.005</td>
<td>$38</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$230,550</td>
<td></td>
<td></td>
<td>$2,533</td>
</tr>
</tbody>
</table>

Composite General Benefit
Based on the general benefit values delineated in the three sections above, the total value of districtwide general benefits conferred on assessed parcels within the MMCID, on parcels outside the MMCID, and on the public at large, equates to $4,522 ($576 + $1,433 + $2,533) or 1.92371%. For the purposes of this analysis, the districtwide general benefit factor of 1.92371% will be conservatively rounded up to 2% or $4,705. This leaves a value of 98% assigned to special benefit related costs. The districtwide general benefit value of $4,705 when added to the special benefit value of $230,550 (Year 1 – 2023 assessments) equates to a total Year 1 – 2023 program cost of $235,255. Remaining costs that are attributed to districtwide general benefits, will need to be derived from other non-assessment sources such as grants, underwritings and sponsorships.

The program special benefit related cost allocations of the MMCID assessment revenues for Year 1 (2023) are shown in the Table on page 13 of this Report. The projected program special benefit related cost allocations of the MMCID assessment revenues for the first 10 years of the MMCID, assuming a 5% maximum annual assessment rate increase, are shown in the Table on page 14 of this Report.

A breakdown of projected special and districtwide general benefits for Year 1 for each program element and benefit zone is shown in the following Table:

**Year 1 - 2023 Special + Districtwide General Benefits**

<table>
<thead>
<tr>
<th>YR</th>
<th>ZONE</th>
<th>PROGRAM CATEGORY</th>
<th>SPECIAL BENEFITS</th>
<th>GENERAL BENEFITS</th>
<th>TOTAL BENEFITS</th>
<th>% OF TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 CIVIL SIDEWALKS</td>
<td>DISTRICT IDENTITY- PLACEMAKING</td>
<td>$87,292</td>
<td>$1,782</td>
<td>$89,074</td>
<td>59.8569%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ADMINISTRATION-MANAGEMENT</td>
<td>$22,139</td>
<td>$452</td>
<td>$22,591</td>
<td>15.1811%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CONTINGENCY-RESERVE</td>
<td>$31,628</td>
<td>$645</td>
<td>$32,273</td>
<td>21.6873%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SUBTOTAL</td>
<td>$145,834</td>
<td>$2,976</td>
<td>$148,810</td>
<td>100%</td>
</tr>
<tr>
<td>2</td>
<td>CIVIL SIDEWALKS</td>
<td>DISTRICT IDENTITY- PLACEMAKING</td>
<td>$22,804</td>
<td>$465</td>
<td>$23,269</td>
<td>59.8569%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ADMINISTRATION-MANAGEMENT</td>
<td>$5,784</td>
<td>$118</td>
<td>$5,902</td>
<td>15.1811%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CONTINGENCY</td>
<td>$8,262</td>
<td>$169</td>
<td>$8,431</td>
<td>21.6873%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SUBTOTAL</td>
<td>$38,898</td>
<td>$777</td>
<td>$38,875</td>
<td>100%</td>
</tr>
<tr>
<td>3</td>
<td>CIVIL SIDEWALKS</td>
<td>DISTRICT IDENTITY- PLACEMAKING</td>
<td>$26,593</td>
<td>$542</td>
<td>$27,135</td>
<td>59.8569%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ADMINISTRATION</td>
<td>$6,745</td>
<td>$138</td>
<td>$6,883</td>
<td>15.1811%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CONTINGENCY</td>
<td>$9,635</td>
<td>$197</td>
<td>$9,832</td>
<td>21.6873%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SUBTOTAL</td>
<td>$44,428</td>
<td>$907</td>
<td>$45,335</td>
<td>100%</td>
</tr>
<tr>
<td>4</td>
<td>CIVIL SIDEWALKS</td>
<td>DISTRICT IDENTITY- PLACEMAKING</td>
<td>$1,311</td>
<td>$27</td>
<td>$1,338</td>
<td>59.8569%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SUBTOTAL</td>
<td>$332</td>
<td>$7</td>
<td>$339</td>
<td>15.1811%</td>
</tr>
</tbody>
</table>
MIRACLE MILE CID – ASSESSMENT ENGINEER’S REPORT

<table>
<thead>
<tr>
<th></th>
<th>ADMINISTRATION</th>
<th></th>
<th>$475</th>
<th>$10</th>
<th>$485</th>
<th>21.6873%</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONTINGENCY</td>
<td>$72</td>
<td>$1</td>
<td>$73</td>
<td>3.2748%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SUBTOTAL</td>
<td>$2,190</td>
<td>$45</td>
<td>$2,235</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>CIVIL SIDEWALKS</th>
<th></th>
<th>$138,000</th>
<th>$2,816</th>
<th>$140,816</th>
<th>59.8569%</th>
</tr>
</thead>
<tbody>
<tr>
<td>DISTRICT IDENTITY- PLACEMAKING</td>
<td>$35,000</td>
<td>$715</td>
<td>$35,715</td>
<td>15.1811%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ADMINISTRATION</td>
<td>$50,000</td>
<td>$1,021</td>
<td>$51,021</td>
<td>21.6873%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CONTINGENCY</td>
<td>$7,550</td>
<td>$153</td>
<td>$7,703</td>
<td>3.2748%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL YEAR 1 - 2023</td>
<td>$230,550</td>
<td>$4,705</td>
<td>$235,255</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

MMCID WORK PLAN

Overview

The services, programs and improvements to be funded by the MMCID include Sidewalk Operations, District Identity-Placemaking, Administration-Management and Contingency-Reserve. The property uses within the boundaries of the MMCID that will receive special benefits from MMCID funded programs, services and improvements are currently an array of restaurants, retailers, offices and housing units. Services, programs and improvements provided and funded by the MMCID are primarily designed to provide special benefits as described below to identified assessed parcels within the boundaries of the MMCID.

These special benefits are particular and distinct to each and every identified assessed parcel within the MMCID and are not provided to non-assessed parcels outside of the MMCID. These programs, services and improvements will only be provided to each individual assessed parcel within the MMCID boundaries and, in turn, confer proportionate "special benefits" to each assessed parcel.

The very nature of the purpose of the MMCID is to fund supplemental programs, services and improvements to assessed parcels within the MMCID boundaries above and beyond the base line services provided by the City of Stockton. The City of Stockton does not provide these supplemental programs and services. All benefits derived from the assessments to be levied on assessed parcels within the MMCID are for services, programs and improvements directly benefiting each individual assessed parcel within the MMCID. No MMCID funded services, activities or programs will be provided outside of the MMCID boundaries.

The program special benefit cost allocations of the MMCID assessment revenues for Year 1 (2023) are shown in the Table on page 13 of this Report. The projected program special benefit cost allocations of the MMCID assessment revenues for the first 10 years of the MMCID, assuming a 5% maximum annual assessment rate increase, are shown in the Table on page 14 of this Report.

WORK PLAN DETAILS

The services to be provided by the MMCID (i.e. Sidewalk Operations, District Identity-Placemaking, Administration-Management and Contingency-Reserve) are all designed to contribute to the cohesive urban fabric to ensure economic success and vitality of each assessed parcel within the proposed MMCID. The assessed parcels in the MMCID will specially benefit from the MMCID programs in the form of increasing commerce and improving economic success and vitality through meeting the MMCID Goals: to improve cleanliness, beautification, landscaping, livability and to attract and retain businesses and services, generate more pedestrian and visitor traffic and to increase commerce and improve the economic viability of each individual assessed parcel.
Assessed parcels are conferred proportionate special benefits from all MMCID funded programs, services and improvements which are intended to attract more customers, users, visitors, employees, tenants, residents and investors. MMCID programs, services and improvements are designed to increase business volumes, sales transactions, occupancies and rental income. These programs, services and improvements are designed to improve commerce, security and aesthetic appeal for owners, tenants, patrons, visitors and employees of these parcels within the MMCID by reducing litter and debris and installing physical improvements, each considered necessary in a competitive properly managed mixed-use business district.

These benefits are particular and distinct to each and every identified and assessed parcel within the MMCID and are not provided to non-assessed parcels outside of the MMCID. These programs, services and improvements will only be provided to each individual assessed parcel within the MMCID boundaries and, in turn, confer proportionate “special benefits” to each assessed parcel.

The following programs, services and improvements are proposed by the MMCID to specially benefit each and every individually assessed parcel within the MMCID boundaries. MMCID services, programs and improvements will not be provided to parcels outside the MMCID boundary. Assessment funds generated in each benefit zone shall only be used to provide services which specially benefit individual assessed parcels within that benefit zone.

**CIVIL SIDEWALKS**

*Examples of this category of special benefit services and costs may include, but are not limited to:*

- Beautification of the district
- Tree and vegetation maintenance (over and above city services)
- Maintenance of existing and new public spaces
- Installation of and maintenance of landscaping throughout the district
- Regular sidewalk and gutter sweeping
- Periodic sidewalk steam cleaning
- Enhanced trash emptying (over and above city services)
- Timely graffiti removal, within 24 hours as necessary
- Possible hiring of contracted professional case workers to respond to the needs of the unhoused population in and around Miracle Mile
- Farmers market and special event assistance, set up and take down

**Supplemental/Special Benefit Services for Civil Sidewalks by Benefit Zone**

<table>
<thead>
<tr>
<th>Type of Special Benefit Service</th>
<th>Benefit Zone</th>
<th>Frequency of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sidewalk and gutter sweeping</td>
<td>1, 2, 3, 4</td>
<td>4 - 5 days per week/Zone 1 and 3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 - 4 days per week/Zone 2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 - 2 per week/ Zone 4</td>
</tr>
<tr>
<td>Sidewalk pressure washing</td>
<td>1, 2, 3, 4</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Trash receptacle emptying (over and above City general services)</td>
<td>As needed</td>
<td>Zones 1, 2 and 3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>As needed/Zone 4</td>
</tr>
</tbody>
</table>
The proposed budget for Civil Sidewalks will be $138,000 during the first year of operations and the costs of these services are generally allocated as follows:

80% to labor and personnel: Approximately $110,400 for labor or 1½ full time employees working an average of 7 days per week, (assuming starting pay at $18.00 per hour for maintenance, pressure washing and landscaping employees, which includes benefits and insurance).

20% for equipment, supplies: Approximately $27,600 for vehicles, pressure washer machine/trailer, watertank, gas, supplies, tools, equipment, storage/lockers/employee room

Homeless Outreach Services: Funded by grants and assessments

**DISTRICT IDENTITY AND PLACEMAKING:**

*Examples of this category of special benefit services and costs may include, but are not limited to:*

- Web site updating
- Social media, public relations firm
- Events such as the Taste of Miracle Mile
- Branding of the Miracle Mile CID properties so a positive image is promoted to the public including the development of a new logo
- Banner programs
- Public art displays
- Public space design and improvements
- Refurbishment of street signs and monuments

**Supplemental/Special Benefit Services by Benefit Zone for District Identity and Placemaking**

<table>
<thead>
<tr>
<th>Type of Special Benefit Services</th>
<th>Benefit Zones</th>
<th>Estimated First Year Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Web site maintenance and management</td>
<td>All</td>
<td>$5,000</td>
</tr>
<tr>
<td>Social media and PR Firm</td>
<td>All</td>
<td>$20,000</td>
</tr>
<tr>
<td>Branding and signage</td>
<td>All</td>
<td>TBD</td>
</tr>
<tr>
<td>Banner program</td>
<td>All</td>
<td>$10,000</td>
</tr>
</tbody>
</table>
MIRACLE MILE CID – ASSESSMENT ENGINEER’S REPORT

<table>
<thead>
<tr>
<th>Public Art Displays</th>
<th>Zone 1</th>
<th>Based upon grants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public space design and management</td>
<td>Zone 1</td>
<td>TBD</td>
</tr>
<tr>
<td><strong>Total Budget for District Identity and Placemaking</strong></td>
<td></td>
<td><strong>$35,000</strong></td>
</tr>
</tbody>
</table>

**ADMINISTRATION/DISTRICT MANAGEMENT**

Examples of this category of special benefit services and costs may include, but is not limited to:

- Staff and administrative costs, contracted or in-house
- Directors and Officers and General Liability Insurance
- Office related expenses
- Rent
- Financial reporting and accounting
- Legal work

<table>
<thead>
<tr>
<th>Type of Special Benefit Service</th>
<th>Estimated First Year Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Director/District Management staff</td>
<td>$17,000*</td>
</tr>
<tr>
<td><strong>Insurance (D &amp; O, General Liability, Employee practices)</strong></td>
<td>$8,000</td>
</tr>
<tr>
<td>Legal Fees</td>
<td>TBD</td>
</tr>
<tr>
<td>Accounting and CPA Reviews</td>
<td>$7,000</td>
</tr>
<tr>
<td>Rent and office supplies/computer equipment (Rent, donated, or shared or discounted)</td>
<td>$18,000</td>
</tr>
<tr>
<td><strong>Total Budget for Administration/District Management</strong></td>
<td><strong>$50,000</strong>*</td>
</tr>
</tbody>
</table>

* Staff costs may be supplemented, by action of the Owners Association Board, by non-assessment activities and grants.

**CONTINGENCY/CITY AND COUNTY FEES/RESERVE**

Examples of this category of special benefit services and costs include, but is not limited to: Delinquencies, City/County fees, reserves, capital project improvements

In summary, all MMCID funded services, programs and improvements described above confer special benefits to identified assessed parcels inside the MMCID boundaries and none will be provided outside of the MMCID. Each assessed parcel within the MMCID will proportionately specially benefit from Sidewalk Operations, District Identity-Placemaking, Administration-Management and Contingency-Reserve. These services, programs and improvements are intended to improve commerce, employment, rents and occupancy rates of assessed parcels within the MMCID by reducing litter, marketing the available goods and services and installing physical improvements, each considered necessary in a competitive properly managed contemporary mixed-use business district. All MMCID funded services
programs and improvements are considered supplemental, above normal base level services provided by the City of Stockton and are only provided for the special benefit of each and every assessed parcel within the boundaries of the MMCID.

WORK PLAN BUDGET

Each identified assessed parcel within the MMCID will be assessed the full amount of the proportionate special benefit conferred upon it based on the level of MMCID funded services provided within each benefit zone. The projected MMCID program special benefit (assessments) allocation budget for Year 1 (2023) is shown in the following Table:

<table>
<thead>
<tr>
<th>BENEFIT ZONE</th>
<th>CIVIL SIDEWALKS</th>
<th>DISTRICT IDENTITY-PLACEMAKING</th>
<th>ADMINISTRATION-MANAGEMENT</th>
<th>CONTINGENCY-RESERVE</th>
<th>TOTAL</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>59.8569%</td>
<td>15.1811%</td>
<td>21.6873%</td>
<td>3.2748%</td>
<td>100.00%</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>$87,292</td>
<td>$22,139</td>
<td>$31,628</td>
<td>$4,775</td>
<td>$145,834</td>
<td>63.2550%</td>
</tr>
<tr>
<td>2</td>
<td>$22,804</td>
<td>$5,784</td>
<td>$8,262</td>
<td>$1,248</td>
<td>$38,098</td>
<td>16.5246%</td>
</tr>
<tr>
<td>3</td>
<td>$26,593</td>
<td>$6,745</td>
<td>$9,635</td>
<td>$1,455</td>
<td>$44,428</td>
<td>19.2705%</td>
</tr>
<tr>
<td>4</td>
<td>$1,311</td>
<td>$332</td>
<td>$475</td>
<td>$72</td>
<td>$2,190</td>
<td>0.9499%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$138,000</td>
<td>$35,000</td>
<td>$50,000</td>
<td>$7,550</td>
<td>$230,550</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

In order to carry out the MMCID programs outlined in the previous section, a Year 1-2023 assessment budget of $230,550 is projected. Since the MMCID is being proposed for a 20-year term, projected program costs for future years (Example: Years 2-5) are set at the inception of the MMCID. While future inflationary and other program cost increases are unknown at this point, a built-in maximum increase of 5% per year, commensurate to special benefits conferred on each assessed parcel, is incorporated into the projected program costs and assessment rates for the MMCID.

Funding carryovers, if any, may be reapportioned the following year for related programs, services and improvements in accordance with the Management District Plan. Detailed annual budgets will be prepared by the Owners’ Association Board and included in the Annual Report for the City Council’s review and approval.

It is recognized that market conditions may cause the cost of providing goods and services to fluctuate from year to year for the proposed MMCID. Accordingly, the Owners’ Association shall have the ability to reallocate any budget line item within the budget categories, based on such cost fluctuations subject to the review and approval by the Owners’ Association Board. Such reallocation will be included in the Annual Report for the approval by the City of Stockton City Council pursuant to the related City Ordinance. Any accrued interest or delinquent payments may be expended in any budget category in accordance with the Management District Plan.

A 10-year projected MMCID special benefit budget is shown in the following Table:

YEAR 1-10 PROJECTED MMCID ASSESSMENT BUDGET SUMMARY (Special Benefits)
(Assumes 5% max rate increase per year)
<table>
<thead>
<tr>
<th>YEAR</th>
<th>BENEFIT ZONE</th>
<th>CIVIL SIDEWALKS</th>
<th>DISTRICT IDENTITY-PLACEMAKING</th>
<th>ADMINISTRATION-MANAGEMENT</th>
<th>CONTINGENCY-RESERVE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>YR 1 - 2023</td>
<td>%</td>
<td>59.8569%</td>
<td>15.1811%</td>
<td>21.6873%</td>
<td>3.2748%</td>
<td>100.00%</td>
</tr>
<tr>
<td>1</td>
<td>$87,292</td>
<td>$22,139</td>
<td>$31,628</td>
<td>$4,775</td>
<td>$145,834</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>$22,804</td>
<td>$5,784</td>
<td>$8,262</td>
<td>$1,248</td>
<td>$38,098</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>$26,593</td>
<td>$6,745</td>
<td>$9,635</td>
<td>$1,455</td>
<td>$44,428</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>$1,311</td>
<td>$332</td>
<td>$475</td>
<td>$72</td>
<td>$2,190</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>$138,000</td>
<td>$35,000</td>
<td>$50,000</td>
<td>$7,550</td>
<td>$230,550</td>
</tr>
<tr>
<td>YR 2 - 2024</td>
<td>1</td>
<td>$91,657</td>
<td>$23,246</td>
<td>$33,209</td>
<td>$5,014</td>
<td>$153,126</td>
</tr>
<tr>
<td>2</td>
<td>$23,944</td>
<td>$6,073</td>
<td>$8,675</td>
<td>$1,310</td>
<td>$40,002</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>$27,923</td>
<td>$7,082</td>
<td>$10,117</td>
<td>$1,528</td>
<td>$46,650</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>$1,377</td>
<td>$349</td>
<td>$499</td>
<td>$76</td>
<td>$2,301</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>$144,901</td>
<td>$36,750</td>
<td>$52,500</td>
<td>$7,928</td>
<td>$242,079</td>
</tr>
<tr>
<td>YR 3 - 2025</td>
<td>1</td>
<td>$96,240</td>
<td>$24,408</td>
<td>$34,869</td>
<td>$5,265</td>
<td>$160,782</td>
</tr>
<tr>
<td>2</td>
<td>$25,141</td>
<td>$6,377</td>
<td>$9,109</td>
<td>$1,376</td>
<td>$42,003</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>$29,319</td>
<td>$7,436</td>
<td>$10,623</td>
<td>$1,604</td>
<td>$48,982</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>$1,446</td>
<td>$366</td>
<td>$524</td>
<td>$80</td>
<td>$2,416</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>$152,146</td>
<td>$38,587</td>
<td>$55,125</td>
<td>$8,325</td>
<td>$254,183</td>
</tr>
<tr>
<td>YR 4 - 2026</td>
<td>1</td>
<td>$101,052</td>
<td>$25,628</td>
<td>$36,612</td>
<td>$5,528</td>
<td>$168,820</td>
</tr>
<tr>
<td>2</td>
<td>$26,398</td>
<td>$6,696</td>
<td>$9,564</td>
<td>$1,445</td>
<td>$44,103</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>$30,785</td>
<td>$7,808</td>
<td>$11,154</td>
<td>$1,684</td>
<td>$51,431</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>$1,518</td>
<td>$384</td>
<td>$550</td>
<td>$84</td>
<td>$2,536</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>$159,753</td>
<td>$40,516</td>
<td>$57,880</td>
<td>$8,741</td>
<td>$266,890</td>
</tr>
<tr>
<td>YR 5 - 2027</td>
<td>1</td>
<td>$106,105</td>
<td>$26,909</td>
<td>$38,443</td>
<td>$5,804</td>
<td>$177,261</td>
</tr>
<tr>
<td>2</td>
<td>$27,718</td>
<td>$7,031</td>
<td>$10,042</td>
<td>$1,517</td>
<td>$46,308</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>$32,324</td>
<td>$8,198</td>
<td>$11,712</td>
<td>$1,768</td>
<td>$54,002</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>$1,594</td>
<td>$403</td>
<td>$578</td>
<td>$88</td>
<td>$2,663</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>$167,741</td>
<td>$42,541</td>
<td>$60,775</td>
<td>$9,177</td>
<td>$280,234</td>
</tr>
<tr>
<td>YR 6 - 2028</td>
<td>1</td>
<td>$111,410</td>
<td>$28,254</td>
<td>$40,365</td>
<td>$6,094</td>
<td>$186,123</td>
</tr>
<tr>
<td>2</td>
<td>$29,104</td>
<td>$7,383</td>
<td>$10,544</td>
<td>$1,593</td>
<td>$48,624</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>$33,940</td>
<td>$8,608</td>
<td>$12,298</td>
<td>$1,856</td>
<td>$56,702</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>$1,674</td>
<td>$423</td>
<td>$607</td>
<td>$92</td>
<td>$2,796</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>$176,128</td>
<td>$44,668</td>
<td>$63,814</td>
<td>$9,635</td>
<td>$294,245</td>
</tr>
<tr>
<td>YR 7 - 2029</td>
<td>1</td>
<td>$116,981</td>
<td>$29,667</td>
<td>$42,383</td>
<td>$6,399</td>
<td>$195,430</td>
</tr>
<tr>
<td>2</td>
<td>$30,559</td>
<td>$7,752</td>
<td>$11,071</td>
<td>$1,673</td>
<td>$51,055</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>$35,637</td>
<td>$9,038</td>
<td>$12,913</td>
<td>$1,949</td>
<td>$59,537</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>$1,758</td>
<td>$444</td>
<td>$637</td>
<td>$97</td>
<td>$2,936</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>$184,935</td>
<td>$46,901</td>
<td>$67,004</td>
<td>$10,118</td>
<td>$308,958</td>
</tr>
<tr>
<td>YR 8 - 2030</td>
<td>1</td>
<td>$122,830</td>
<td>$31,150</td>
<td>$44,502</td>
<td>$6,719</td>
<td>$205,201</td>
</tr>
<tr>
<td>2</td>
<td>$32,087</td>
<td>$8,140</td>
<td>$11,625</td>
<td>$1,757</td>
<td>$53,609</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>$37,419</td>
<td>$9,490</td>
<td>$13,559</td>
<td>$2,046</td>
<td>$62,514</td>
<td></td>
</tr>
</tbody>
</table>
The MMCID assessments may increase for each individual parcel each year during the life of the MMCID, but not to exceed 5% per year, commensurate to special benefits received by each assessed parcel, and must be approved by the Owners’ Association Board of Directors, included in the Annual Report and adopted by the City of Stockton City Council. Any accrued interest and delinquent payments will be expended within the budgeted categories. The Owners’ Association Board of the Directors (“Property Owners’ Association of the MMCID) shall determine the percentage increase, if any, to the annual assessment, not to exceed 5% per year. The Owners’ Association Executive Director shall communicate the annual increase to the City each year in which the MMCID operates at a time determined in the Administration Contract held between the Owners’ Association and the City of Stockton. No bonds are to be issued in conjunction with the proposed MMCID.

Pursuant to the Ordinance, any funds remaining after each year of operation will be rolled over into the renewal budget or returned to stakeholders in accordance with the Ordinance. If the MMCID is terminated for any reason or disestablished, unencumbered/unexpended funds will be returned to the property owners in accordance with the Ordinance.

**Finding 3.** From Section 4(a): “(Determine) the proportionate special benefit derived by each parcel in relationship to the entirety of the.........cost of public improvement(s) or the maintenance and operation expenses.........or the cost of the property related service being provided.

Each identified assessed parcel within the MMCID will be assessed based on property characteristics unique only to that parcel. Based on the specific needs and corresponding nature of the program activities to be funded by the proposed MMCID (i.e. Sidewalk Operations, District Identity-Placemaking, Administration-Management and Contingency-Reserve), it is the opinion of this Assessment Engineer that the assessment factors on which to base assessment rates relate directly to the proportionate amount of building area, land area and street frontage of each parcel within four benefit zones, except as noted herein.

The calculated assessment rates are applied to the actual measured parameters of each parcel and thereby are proportional to each and every other identified assessed parcel within the MMCID as a whole and the Benefit Zone in which it is located. Larger parcels and those with larger buildings and/or ones located in Zone 1 are projected to impact the demand for services and programs to a greater extent than smaller
parcels or smaller buildings or street frontages and/or located in Zones 2, 3 or 4 and thus, are assigned a greater proportionate degree of assessment program and service costs. The proportionality is further achieved by setting targeted formula component weights for the respective parcel by parcel identified property attributes.

The proportionate special benefit cost for each parcel has been calculated based on proportionate formula components and is listed in the Management District Plan and this Report. The individual percentages (i.e. proportionate relationship to the total special benefit related program and activity costs) is computed by dividing the individual parcel assessment by the total special benefit program related costs.

**Finding 4. From Section 4(a): “No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”**

Not only are the proposed program costs reasonable due to the benefit of group purchasing and contracting which would be possible through the proposed MMCID, they are also considerably less than other options considered by the MMCID Formation Advisory Committee. The actual assessment rates for each parcel within the MMCID directly relate to the level of service and, in turn, special benefit to be conferred on each parcel based on the respective building area, land area or street frontage of each parcel within four benefit zones.

**Finding 5. From Section 4(a): “Parcels......that are owned or used by any (public) agency shall not be exempt from assessment........”**

Article XIIDD states that “parcels within a District that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly-owned parcels in fact receive no special benefit.”

There are currently 13 publicly owned parcels within the boundaries of the proposed MMCID - 11 are owned by the City of Stockton and 2 by the Stockton Unified School District. It is the opinion of this Assessment Engineer that there is no clear and convincing evidence that these publicly owned parcels would not receive proportionate special benefits and thus, are not exempt from assessments nor assessed differently than privately owned parcels.

**Finding 6. From Section 4(b): “All assessments must be supported by a detailed engineer’s report prepared by a registered professional engineer certified by the State of California”**

This report serves as the “detailed engineer’s report” to support the benefit property assessments proposed to be levied within the proposed MMCID.

**Finding 7. From Section 4(c): “The amount of the proposed assessment for each parcel shall be calculated (along with) the total amount thereof chargeable to the entire district, the duration of such payments, the reason for such assessment and the basis upon which the amount of the proposed assessment was calculated.”**

The individual and total parcel assessments attributable to special property benefits are shown in Appendix 1 to the Management District Plan and this Report. The proposed MMCID and resultant assessment levies will continue for 20 years unless disestablished. The reasons for the proposed assessments are outlined in Finding 2 above as well as in the Management District Plan. The calculation basis of the proposed
assessment is attributed to building area, land area or street frontage of each MMCID assessed parcel within four benefit zones.

**Assessment Formula Methodology**

**Step 1. Select “Benefit Unit(s)”**

**Background - Assessment Formula Development**

The method used to determine special benefits derived by each identified assessed property within a CBD begins with the selection of a suitable and tangible basic benefit unit. For property related services, such as those proposed in the MMCID, the benefit unit may be measured in linear feet of street frontage or parcel size in square feet or building size in square feet or any combination of these factors. Factor quantities for each parcel are then measured or otherwise ascertained. From these figures, the amount of benefit units to be assigned to each property can be calculated. Special circumstances such as unique geography, land uses, development constraints etc. are carefully reviewed relative to specific programs and improvements to be funded by a CBD in order to determine any levels of different benefit that may apply on a parcel-by-parcel or categorical basis.

Based on the factors described above such as geography and nature of programs and activities proposed, an assessment formula is developed which is derived from a singular or composite benefit unit factor or factors. Within the assessment formula, different factors may be assigned different “weights” or percentage of values based on their relationship to programs/services to be funded.

Next, all program and activity costs, including incidental costs, administration and ancillary program costs, are estimated. It is noted, as stipulated in Article XIID Section 4(b) of the California Constitution, and now required of all property-based assessment districts, indirect or general benefit related costs may not be incorporated into the assessment formula and levied on the district properties; only direct or “special” benefits related costs may be used. Indirect or general benefits, if any, must be identified and, if quantifiable, calculated and factored out of the assessment cost basis to produce a “net” cost figure. In addition, Article XIID Section 4(b) of the California Constitution also no longer automatically exempts publicly owned property from being assessed unless the respective public agency can provide clear and convincing evidence that their property does not specially benefit from the programs and services to be funded by the proposed special assessments. If special benefit is determined to be conferred upon such properties, they must be assessed in proportion to special benefits conferred in a manner similar to privately owned property assessments. (See page 15 of this Report for discussion regarding publicly owned parcels within the MMCID).

From the estimated program costs, the value of a benefit unit or “unit cost” can be computed by dividing the total amount of estimated program costs by the total number of benefit units. The amount of assessment for each parcel can be computed at this time by multiplying the Unit Cost times the number of Benefit Units per parcel. This is known as “spreading the assessment” or the “assessment spread” in that all costs are allocated proportionately or “spread” amongst all benefitting properties within the CBD.

The method and basis of spreading program costs varies from one CBD to another based on local geographic conditions, types of programs and activities proposed, and size and development complexity of the district. CBIDs may require secondary benefit zones to be identified to allow for a tiered assessment formula for variable or “stepped-down” benefits derived.

**MMCID Assessment Formula**

Based on the specific needs and corresponding nature of the program activities to be funded by the
proposed MMCID (i.e. Sidewalk Operations, District Identity-Placemaking, Administration-Management and Contingency-Reserve) it is the opinion of this Assessment Engineer that the assessment factors on which to base assessment rates relate directly to the proportionate amount of building area, land area or street frontage of each parcel within four benefit zones.

The “Benefit Units” for Zones 1, 2 and 3 will be expressed as a combined function of gross building square footage (Benefit Unit “A”) and land square footage (Benefit Unit “B”) and in Zone 4, street frontage (Benefit Unit “C”). Based on the shape of the proposed MMCID, as well as the nature of the work program, it is determined that all identified properties will gain a direct and proportionate degree of special benefit based on the respective amount of building area and land area in Zones 1, 2 and 3 and in Zone 4, street frontage.

In the opinion of this Assessment Engineer, the targeted weight of Zone 1 revenue to match the projected costs of Zone 1 services, should generate approximately 65% of the total MMCID revenue (63.255% when adjusted for precise parcel measurements and program costs and service levels).

In the opinion of this Assessment Engineer, the targeted weight of Zone 2 revenue to match the projected costs of Zone 2 services, should generate approximately 15% of the total MMCID revenue (16.5246% when adjusted for precise parcel measurements and program costs and service levels).

In the opinion of this Assessment Engineer, the targeted weight of Zone 3 revenue to match the projected costs of Zone 3 services, should generate approximately 20% of the total MMCID revenue (19.2705% when adjusted for precise parcel measurements and program costs and service levels).

In the opinion of this Assessment Engineer, the targeted weight of Zone 4 revenue to match the projected costs of Zone 4 services, should generate approximately 1% of the total MMCID revenue (0.9499% when adjusted for precise parcel measurements and program costs and service levels).

The interaction of building area and land area in Zones 1, 2 and 3 or in Zone 4, street frontage quantities is a common method of fairly and equitably spreading special benefit costs to the beneficiaries of CBD funded services, programs and improvements. These factors directly relate to the degree of special benefit each assessed parcel will receive from MMCID funded activities within each benefit zone.

Building area (Benefit Units A) only applied in Zones 1, 2 and 3, is a direct measure of the static utilization of each parcel and its corresponding impact or draw on MMCID funded activities. The targeted revenue weight of Building Area (Units A) is about 35%. Unit A will actually generate 33.79389% of the overall assessment revenue.

Land area (Benefit Unit B) only applied in Zones 1, 2 and 3, is a direct measure of the current and future development capacity of each parcel and its corresponding impact or draw on MMCID funded activities. The targeted revenue weight of Land Area (Unit B) is about 65%. Unit B will actually generate 65.2562% of the overall assessment revenue.

Street frontage (Benefit Unit C) only applied in Zone 4, is a direct measure of each parcel’s corresponding impact or draw on MMCID funded activities. The targeted revenue weight of Street Frontage (Unit C) is about 1%. Unit C will actually generate 0.9499998% of the overall assessment revenue.

Special Assessment Circumstances
1. Residential Condominiums

Though currently no residential condominium parcels exist within the boundaries of the Miracle Mile CID, future residential condos will be assessed as a separate category. It is the opinion of this Assessment Engineer that residential condominium parcels will proportionately specially benefit from MMCID funded programs and activities, but differently than commercial parcels and other residential parcels with multiple units on them. As such, based on the development configuration of such units which are generally multi floor buildings with no direct land or street frontage, the assessments for residential condominiums shall be assessed based solely on the internal building area of each residential condominium unit at the rate of $0.13 per square foot of internal building pad area, subject to any approved annual rate increases.

2. Commercial and Mixed-Use Condominiums

While no mixed-use condominiums currently exist within the MMCID, ground floor commercial condominiums within the MMCID shall be assessed based on actual land area covered, condominium building area and direct street frontage for each unit. Because such uses are typically developed as part of a multi-floor mixed-use complex, special methodologies are needed to address the levy of assessments on such land uses as follows:

Multi-Floor Commercial Only Condominiums (Upper Floors)
- Building area assessed at respective building area rate

Multi-Floor Mixed-Use Condominiums
- Commercial condo (See above for ground floor and upper floor locations)
- Residential condo (See # 2 above)

Changes to Building and/or Parcel Size

Any changes in building or parcel size as a result of new construction, demolitions, land adjustments including but not limited to lot splits, consolidations, subdivisions, street dedications, right of way setbacks shall have their assessment adjusted upon final City approval of such building and/or parcel adjustments.

Other Future Development

Other than future maximum rates and the assessment methodology delineated in this Report, future assessments may increase for any given parcel if such an increase is attributable to events other than an increased rate or revised methodology, such as a change in the density, intensity, or nature of the use of land. Any change in assessment formula methodology or rates other than as stipulated in this Report would require a new Article XIIIID ballot procedure in order to approve any such changes.

Step 2. Quantify Total Basic Benefit Units

Considering all identified specially benefiting parcels within the MMCID and their respective assessable benefit units, the cumulative quantities by factor and zone are shown in the following Table:

<table>
<thead>
<tr>
<th>Year 1 - 2023 - Assessable Benefit Units</th>
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</thead>
<tbody>
<tr>
<td>BENEFIT ZONE</td>
</tr>
<tr>
<td>--------------</td>
</tr>
<tr>
<td>199</td>
</tr>
</tbody>
</table>
Considering all identified specially benefiting parcels within the MMCID and their respective assessable benefit units, the cumulative assessment revenue by factor and zone are shown in the following Table:

### Year 1 – 2023 - Assessment Revenue

<table>
<thead>
<tr>
<th>BENEFIT ZONE</th>
<th>BLDG AREA ASSMT REVENUE</th>
<th>LAND AREA ASSMT REVENUE</th>
<th>STREET FRONTAGE REVENUE</th>
<th>TOTAL REVENUE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$58,255.08</td>
<td>$87,579.05</td>
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<td>$145,834.13</td>
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<td>19.2705%</td>
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<td>$0.00</td>
<td>$0.00</td>
<td>$2,190.00</td>
<td>$2,190.00</td>
<td>0.9499%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$77,911.68</td>
<td>$150,447.93</td>
<td>$2,190.00</td>
<td>$230,549.61</td>
<td>100.00%</td>
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</table>

### Step 3. Calculate Benefit Units for Each Property.

The number of Benefit Units for each identified benefiting parcel within the proposed MMCID was computed from data extracted from County Assessor records and maps. These data sources delineate current land uses, property areas and dimensions of record for each tax parcel. While it is understood that this data does not represent legal field survey measurements or detailed title search of recorded land subdivision maps or building records, it does provide an acceptable basis for the purpose of calculating property-based assessments. All respective property data being used for assessment computations will be provided to each property owner in the MMCID for their review. If a property owner believes there is an error on a parcel’s assessed footages, the MMCID may confirm the data with the San Joaquin County
Assessor’s office. If MMCID data matches Assessor’s data, the property owner may opt to work with the Assessor’s office to correct the data so that the MMCID assessment may be corrected.

**Step 4. Determine Assessment Formula**
In the opinion of this Assessment Engineer, the general assessment formula for the proposed MMCID, except as may vary by Benefit Zone as shown in the Year 1 Assessment Rate Table on page 22, is as follows:

\[
\text{Assessment} = \text{Building Area (Unit A) Sq Ft x Unit A Rate, plus} \\
\text{Land Area (Unit B) Sq Ft x Unit B Rate or, in Zone 4 only,} \\
\text{Street Frontage (Unit C) Lin Ft x Unit C Rate}
\]

**Assessment Formula Unit Rates**
Based on figures from the Assessable Benefit Units Table on page 19, the assessment rates for each factor and zone are shown as calculated below:

**Zone 1**
- **Building Area Rate (Unit A-1)**
  \[
  \frac{($230,549.61 \times 25.26792\%)}{448,116 \text{ assessable building units}} = 0.13/\text{sq ft building area}
  \]
- **Land Area Rate (Unit B-1)**
  \[
  \frac{($230,549.61 \times 37.98707\%)}{673,685 \text{ assessable land units}} = 0.13/\text{sq ft land area}
  \]

**Zone 2**
- **Building Area Rate (Unit A-2)**
  \[
  \frac{($230,549.61 \times 3.32846\%)}{109,625 \text{ assessable building units}} = 0.07/\text{sq ft building area}
  \]
- **Land Area Rate (Unit B-2)**
  \[
  \frac{($230,549.61 \times 13.19612\%)}{434,623 \text{ assessable land units}} = 0.07/\text{sq ft land area}
  \]

**Zone 3**
- **Building Area Rate (Unit A-3)**
  \[
  \frac{($230,549.61 \times 5.19751\%)}{108,935 \text{ assessable building units}} = 0.11/\text{sq ft building area}
  \]
MIRACLE MILE CID – ASSESSMENT ENGINEER’S REPORT

Land Area Rate (Unit B-3)

\[
\frac{($230,549.61 \times 14.07301\%)}{294,957 \text{ assessable land units}} = $0.11/\text{sq ft land area}
\]

Zone 4
Street Frontage Rate B (Unit C-4)

\[
\frac{($230,549.61 \times 0.9499\%)}{1,095 \text{ assessable frontage units}} = $2.00/\text{LF street frontage}
\]

YEAR 1–2023 Assessment Rates

<table>
<thead>
<tr>
<th>BENEFIT ZONE</th>
<th>BLDG AREA ASSMT RATE ($/SQ FT)</th>
<th>LAND AREA ASSMT RATE ($/SQ FT)</th>
<th>STREET FRONTAGE ASSMT RATE ($/LN FT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>YEAR 1</td>
<td></td>
<td></td>
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The complete Year 1 – 2023 assessment roll of all parcels to be assessed by the MMCID is included in this Report as Appendix I.

Step 5. Estimate Total MMCID Costs

The total projected first 10-year MMCID special benefit costs for 2023 – 2032 are shown in the Table on page 14-15 of this Report assuming a maximum 5% increase per year.

Step 6. Separate General Benefits from Special Benefits and Related Costs (Article XIXID)

Total Year 1 special and districtwide general benefit related costs are estimated at $235,255. Districtwide general benefits are factored at 2% of the total benefit value (see Finding 2 of this Report) with special benefits set at 98%. Article XIXID limits the levy of property assessments to costs attributed to special benefits only. The 2% general benefit value is computed to be $4,705 with a resultant 98% special benefit limit computed at $230,550. Based on current property data and land uses, this is the maximum amount of Year 1 (2023) revenue that can be derived from property assessments from the subject District. All program costs associated with district-wide and site/activity specific general benefits will be derived from sources other than MMCID assessments.
**Step 7. Calculate “Basic Unit Cost”**

With a YR 1 - 2023 assessment revenue portion of the budget set at $230,550 (special benefit only), the Unit Costs (rates) are shown earlier in Step 4. The MMCID is proposed for a 20-year term. An annual inflationary assessment rate increase of up to 5%, commensurate to special benefits received by each assessed parcel, may be imposed for future year assessments, on approval by the MMCID Property Owner’s Association. The maximum assessment rates for the first 10 years (2023-2032) are shown in the Table below as an example. The assessment rates listed constitute the maximum assessment rates that may be imposed for each of the first 10 years.

---

**MMCID – Maximum Assessment Rates - First 10-Years**

*(Includes a 5%/Yr. Max Increase)*

<table>
<thead>
<tr>
<th>BENEFIT ZONE</th>
<th>BLDG AREA ASSMT RATE ($/SQ FT)</th>
<th>LAND AREA ASSMT RATE ($/SQ FT)</th>
<th>STREET FRONTAGE ASSMT RATE ($/LN FT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>YEAR 1</td>
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<tr>
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### Step 8. Spread the Assessments

The resultant assessment spread calculation results for each parcel within the MMCID are shown in the Management District Plan and this Report and were determined by applying the MMCID assessment formula to each identified benefiting property.

### Miscellaneous MMCID Provisions

#### Time and Manner of Collecting Assessments:

Assessments shall be collected at the same time and in the same manner as ad valorem taxes paid to San Joaquin County. The MMCID assessments shall appear as a separate line item on the property tax bills issued by San Joaquin County. The City of Stockton is authorized to collect any assessments not placed on the County tax rolls, or to place assessments, unpaid delinquent assessments, or penalties on the County tax rolls as appropriate to implement the Management District Plan.

#### Bonds:

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</table>
No bonds are to be issued in conjunction with the proposed MMCID.

**Duration and Disestablishment**

As allowed by the Ordinance, the MMCID will have a 20-year operation term, beginning January 1, 2023 and ending December 31, 2042. At that time, the MMCID may be renewed again for up to 20 years. Under the Ordinance, property owners will have an annual period in which to petition the City Council to disestablish the MMCID. If the property owners vote, by weighted majority to disestablish the district, the district assessments will be removed from the parcels the following fiscal year. Unexpended surplus funds will be returned to property owners based upon each parcel’s percentage contribution to the previous fiscal year’s assessments if the MMCID is not continued.
APPENDIX 1

MMCID

YR 1 – 2023

ASSESSMENT ROLL
### MIRACLE MILE CID – ASSESSMENT ENGINEER’S REPORT

<table>
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<th>Year 1 Assessment</th>
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APPENDIX 2

MMCID BOUNDARY MAP
Miracle Mile - BZ Map
4/7/2022
MIRACLE MILE COMMUNITY IMPROVEMENT DISTRICT
PUBLIC NOTICE

A PUBLIC HEARING ON THE FORMATION OF A COMMUNITY IMPROVEMENT DISTRICT
AND PROPOSED ASSESSMENT IS SCHEDULED FOR
SEPTEMBER 13, 2022, AT 5:30 P.M.,
CITY COUNCIL CHAMBERS,
425 N. EL DORADO STREET, STOCKTON, CA 95202

Location: The Miracle Mile Community Improvement District (MMCID) shall include those commercial parcels in the Pacific Avenue area from Alpine Avenue on the north to Harding Way on the south, and all commercial parcels that front Harding Way between Lincoln Street on the west and North El Dorado Street on the east.

Services: The purpose of the MMCID is to provide activities and improvements which constitute and convey a special benefit to assessed parcels. The MMCID will provide enhanced security and maintenance, landscape beautification, advocacy services, marketing, events, and administration with the intent of providing special benefits to assessed parcels within the MMCID directly and only to assessed parcels within its boundaries.

Budget: The MMCID’s total annual assessment budget for the initial year of its 20-year operation is anticipated to be $230,550. This is the total amount of assessment chargeable to the entire district in the initial year of operation. The annual budget may be subject to yearly increase in assessment rates of no more than five percent (5%) per year.

Cost: The assessment rate (cost to the parcel owner) will be levied on property in the district based on benefit zone, building square footage, parcel square footage, and parcel linear frontage. The initial annual rate of assessment to each parcel is shown in the table below. Assessment rates may be subject to an increase of no more than five percent (5%) per year.

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<tr>
<th>Property Variable</th>
<th>Zone 1</th>
<th>Zone 2</th>
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<tr>
<td>Lot/Parcel Size (per sq feet)</td>
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<td>$0.11</td>
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<td>Linear Frontage (per linear feet)</td>
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<td>N/A</td>
<td>$2.00</td>
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Formation: The assessment shall not be imposed if, upon the conclusion of the public hearing, the ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment, with the ballots weighted according to the proportional financial obligation of the affected property. The ballot included in this packet provides information on how to complete and return your ballot so that it may be tabulated.

Duration: The MMCID, and the duration of the assessment, will be for a 20-year period beginning January 1, 2023, through December 31, 2042. Near the end of the term, the petition, ballot, and City Council public hearing process would have to be repeated for the MMCID to be renewed.

The Property Owner Ballot included in this packet contains important information concerning its completion, return, and tabulation, and the effect of casting ballots in support or in protest of the assessment. For more information on the ballot return process, please call the City Clerk at (209) 937-8459. For more information on the formation of the district, please call the Miracle Mile at (209) 623-1144.
Resolution No. 2022-09-13-1602

STOCKTON CITY COUNCIL

FORMATION OF THE MIRACLE MILE COMMUNITY IMPROVEMENT DISTRICT

The Property and Business Improvement District ("PBID") Law of 1994, Streets and Highways Code section 36600 et seq., authorizes cities to establish property and business improvement districts upon petition by a weighted majority of property owners within the proposed district and by affirmative ballot; and

The City of Stockton Community Improvement District Ordinance, Stockton Municipal Code section 3.96.010 et seq., creates additional and alternative assessment district procedures to those provided under the PBID Law, called Community Improvement Districts (CID); and

The formation of a CID is authorized under the City of Stockton’s Community Improvement District Ordinance 2022-03-12-1211. The levy of assessments on real property within the proposed district will support activities and improvements for the assessed properties, including enhanced security and maintenance, landscape beautification, advocacy services, marketing, events, and administration throughout the district; and

The required threshold of property owners subject to assessment, weighted according to the amount of assessment to be paid by each property owner, have petitioned the City Council for the formation of the Miracle Mile Community Improvement District ("MMCID") pursuant to the City of Stockton Community Improvement District Ordinance; and

On July 12, 2022, the City Council adopted Resolution No. 2022-07-12-1203, which was the Resolution of Intention to form the MMCID; and

On September 13, 2022, the City Council conducted a public hearing at the Council Meeting beginning at 5:30 PM at 425 N. El Dorado Street, 2nd Floor, Stockton, CA 95202, with respect to the formation of the MMCID; and

All protests made or filed were duly heard, evidence for and against the proposed action was received, and a full, fair and complete hearing was granted and held; and

Pursuant to California Constitution Article XIII D, ballots were mailed to property owners within the boundaries of the proposed MMCID, and, among those ballots returned to the City, a weighted majority of the property owners within the MMCID have approved formation of the MMCID; and

A detailed Engineer’s Report prepared by a registered professional engineer certified by the State of California, Edward V. Henning, in support of the MMCID’s assessments, has been prepared, is incorporated in the Management District Plan, and is on file with the Office of the City Clerk and is incorporated herein by this reference ("Engineer’s Report"); now, therefore,
BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS
FOLLOWS:

1. **Recitals.** The recitals set forth herein are true and correct.

2. **Formation and Assessment Levy.** The Miracle Mile Community Improvement District No. 2022-01 is hereby formed and the annual assessment is hereby levied for each year of the entire term of the MMCID. The initial annual assessment for 2023 will total approximately $230,550.

3. **Boundary Map.** The assessment shall be imposed on properties within the MMCID. The boundaries of the MMCID are shown on Exhibit 1, incorporated by this reference.

4. **Management Plan and Engineer’s Report.** The Management District Plan and the Engineer’s Report in Exhibit 2, incorporated by this reference are hereby approved.

5. **Assessment.** Assessment rates may be subject to yearly increases not to exceed five percent (5%) per year and shall not exceed the actual increases in costs and services. The assessment will be imposed on real property at the following rates:

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<th>Property Variable</th>
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<th>Zone 2</th>
<th>Zone 3</th>
<th>Zone 4</th>
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<tr>
<td>Building Square Footage</td>
<td>$0.13</td>
<td>$0.07</td>
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<tr>
<td>Lot/Parcel Size</td>
<td>$0.13</td>
<td>$0.07</td>
<td>$0.11</td>
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<td>Linear Frontage</td>
<td>N/A</td>
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6. **Assessment Roll.** The Assessment Roll for the Miracle Mile Community Improvement District has been filed with the City Clerk, and is hereby approved.

7. **Assessment Collection.** The assessments shall be collected in accordance with section 36631 of the Streets and Highways Code.

8. **Assessment Activity.** The assessment levied for the MMCID shall be applied towards enhanced maintenance, safety, marketing, management, and advocacy services that will be provided directly and only to assessed parcels.

9. **Bonds.** Bonds shall not be issued.

10. **Streets and Highways Code.** Properties within the District are subject to any amendments to Part 7 (commencing with 36600) to Division 18 of the Streets and Highways Code not in conflict with the City of Stockton Community Improvement District Ordinance.

11. **Improvements and Activities.** The improvements, maintenance, and activities to be provided in the District will be funded by the levy of the assessments specified in the assessment roll. The revenue from the levy of such assessments shall not be used to provide improvements, maintenance, or activities outside the district or for any purpose other than the purposes specified in the Resolution of Intention and Management District Plan. Notwithstanding the foregoing, improvements, maintenance, and activities that must be
provided outside the MMCID boundaries to create a special benefit to the assessed parcels may be provided but shall be limited to marketing or signage pointing to the MMCID.

12. **Property Benefit.** All assessed property within the MMCID will be benefited specially and directly by the improvements, maintenance, and activities funded by the assessments proposed to be levied.

13. **Necessary Actions.** The City Clerk is directed to take all necessary actions to complete the establishment of the MMCID. The City Clerk is directed to record in the County Recorder’s Office a notice and assessment diagram as required by Streets and Highways Code section 36627.

14. **Validity.** If any section, subsection, sentence, clause or phrase of this resolution is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the resolution. The City Council hereby declares that it would have passed this resolution and each section, subsection, sentence, clause and phrase hereof, irrespective of the fact that any one or more of the sections, subsections, sentences, clauses or phases hereof be declared invalid or unconstitutional.

15. **Effectiveness.** This resolution shall take effect immediately.

16. The City Manager is hereby authorized to take whatever actions are necessary and appropriate to carry out the purpose and intent of this Resolution.

PASSED, APPROVED, and ADOPTED __ September 13, 2022 __.

KEVIN J. LINCOLN II
Mayor of the City of Stockton

ATTEST:

ELIZA R. GARZA, CMC
City Clerk of the City of Stockton
ATTACHMENT D

THE MIRACLE MILE COMMUNITY IMPROVEMENT DISTRICT
MANAGEMENT DISTRICT PLAN

Final Plan – April 18, 2022

Prepared pursuant to the City of Stockton's Community Improvement District
(Stockton Municipal Code Ordinance is 2022-03-22-1211)

Prepared for the:

The Miracle Mile Improvement District
City of Stockton

Prepared by:

New City America, Inc.
The Miracle Mile Community Improvement District 2022
Management District Plan

Section Number

1. Management District Plan Summary 3

2. Miracle Mile CID Boundaries 7

3. District Improvement and Activity Plan 11

4. Assessment Methodology 15

5. District Rules, Regulations and Governance 26

6. Implementation Timetable 26

7. Assessment Roll of Properties Included 27

Attachment:
   a. Engineer's Report
Section 1
Management District Plan Summary

The name of this Community Improvement District ("CID") is the Miracle Mile Community Improvement District ("Miracle Mile CID," "MMCID," or the "District"). The District is being formed under the City of Stockton's Community Improvement District Ordinance (Stockton Municipal Code Ordinance # 2022-03-22-1211). The levy of assessments on real property within the proposed District will fund physical improvements, maintenance, activities, and operational improvements to properties, with the intent to attract new customers, tenants, and increase business sales, throughout the District.

Miracle Mile CID Steering Committee
For almost 100 years, the Miracle Mile business community and its Association has led the effort to improve and enhance the experience and overall ambiance of working, visiting, shopping, and residing in the Miracle Mile District. Its efforts have paid off well but are hindered by a lack of sustainable revenue to fund the improvements, as well as not having staff to oversee the short- and long-term needs of the district.

In the Fall of 2021, the Miracle Mile Association hired New City America, a Southern California company that specializes in CID and PBID investigations and formations, to create a new CID under the new City enabling ordinance. The current Miracle Mile Improvement District, which has been in place since 2007, and this new CID formation is the culmination of that effort.

Goals of the New Miracle Mile District Community Improvement District
The establishment of the Miracle Mile CID centered on these questions:

1. How to fund the programs that will make the Miracle Mile District brand become more positive in the region as well as the Bay Area?
2. How to create greater demand for Miracle Mile District's buildings resulting in greater rental rates and commerce to businesses and tenants, particularly considering the devastating impact of the COVID 19 pandemic?
3. How to drive more tenants to the buildings in the Miracle Mile District and attract more customers and visitors to strengthen the retail, service, and restaurant sectors here?
4. How to ensure that the public rights of way will become more beautiful, and attractive and promote the culture and history of the Miracle Mile District?
5. How to fund and sustain the improvements needed to provide adequate lighting and landscaping, physical improvement and beautification in Miracle Mile Road and its businesses?

METHOD OF FINANCING
The financing of the Miracle Mile CID is based upon the levy of property assessments on real properties that receive special benefits from the improvements and activities based upon which Benefit Zone they are located within. See Section 2 for maps of the District and Benefit Zones, and Section 4 for assessment methodology and compliance with Article XIII D of the California State Constitution. There will be four factors used in the determination of proportional costs to the parcels in the District.

- Lot size or the footprint of the parcel
- Building square footage (residential condominiums will have their own methodology)
- Linear frontage, on all sides of the parcel (Benefit Zone 4 parcels only)
- Location within one of the four geographic benefit zones of the district

**Data and Benefit Zones**
There are 155 individual parcels owned by 95 property owners in the renewed Miracle Mile Community Improvement District.

The data that was obtained from San Joaquin County as well as input from the various property owners in Miracle Mile District have yielded the following information which is to be used as the basis for the generation of revenue to fund the special benefits outlined in this Management Plan. That data, as of March 1st, 2022, is as follows:

**Data by Benefit Zone**

<table>
<thead>
<tr>
<th>Zones</th>
<th>Building Square Feet</th>
<th>Lot Square Feet</th>
<th>Linear Frontage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>448,116 sq. ft</td>
<td>673,685 sq. ft.</td>
<td>NA</td>
</tr>
<tr>
<td>2</td>
<td>109,625 sq. ft.</td>
<td>434,623 sq. ft.</td>
<td>NA</td>
</tr>
<tr>
<td>3</td>
<td>108,935 sq. ft.</td>
<td>294,957 sq. ft.</td>
<td>NA</td>
</tr>
<tr>
<td>4</td>
<td>NA</td>
<td>NA</td>
<td>1,095</td>
</tr>
<tr>
<td>Total</td>
<td>666,676 sq. ft.</td>
<td>1,403,265 sq. ft.</td>
<td>1,095</td>
</tr>
</tbody>
</table>

**Special Benefit Services Allocations**

**First Year Budget**

<table>
<thead>
<tr>
<th>Category of Services*</th>
<th>Percentage of Budget</th>
<th>1st Year Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil Sidewalks</td>
<td>60%</td>
<td>$138,000</td>
</tr>
<tr>
<td>District Identity and Placemaking</td>
<td>15%</td>
<td>$35,000</td>
</tr>
<tr>
<td>Administration/District Management</td>
<td>22%</td>
<td>$50,000</td>
</tr>
<tr>
<td>Contingency/Reserve</td>
<td>3%</td>
<td>$7,550</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>$230,550</td>
</tr>
</tbody>
</table>

*These categories of special benefit services shall be explained in detail on pages 11 – 13 of this Management District Plan.

**Costs**
The costs per parcel is based upon the four factors listed at the top of Page 4, above. The Benefit Zones are determined by the anticipated special benefits that each individual parcel will receive based upon its proximity to the core of the district along Pacific Avenue, as well as the frequency of special benefit services that that parcel will be receiving. All assessments must be proportional to the special benefits received.

**First Year Annual Costs Per Property Variable and Benefit Zone**

Assessments are a sum of the proposed building square footage, lot size and linear frontage
costs per parcel, per Benefit Zone.

<table>
<thead>
<tr>
<th>Property Variable</th>
<th>Benefit Zone 1</th>
<th>Benefit Zone 2</th>
<th>Benefit Zone 3</th>
<th>Benefit Zone 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Square Footage (per sq. ft.)</td>
<td>$0.13</td>
<td>$0.07</td>
<td>$0.11</td>
<td>NA</td>
</tr>
<tr>
<td>Lot/Parcel Size (per sq. ft.)</td>
<td>$0.13</td>
<td>$0.07</td>
<td>$0.11</td>
<td>NA</td>
</tr>
<tr>
<td>Linear Frontage (per linear ft.)</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>$2.00</td>
</tr>
</tbody>
</table>

**Annual Rate Increase**
The District assessments are subject to annual increases not to exceed 5% per year. Increases will be determined by the Owners’ Association and approved by the Stockton City Council and will vary between 0% and a maximum of 5% annually due to increasing costs in labor, materials, and other expenses. The increases will not exceed the actual increase in costs for the same or similar level of services from one fiscal year to the next.

**Changes in Land Use and the Impact on the District**
Changes in land uses, the development of vacant parcels, the conversion of tax exempt to profitable land uses, the demolition of buildings, building improvements that increase square footages, and new building construction or residential condominium development, may alter the District’s budget and individual property assessments. Linear frontage and parcel size are normally not altered in the redevelopment of a site. Changes to assessments are more likely to occur upon changes to building square footages. Changes may also occur upon the conversion of single parcels to multiple parcels due to the construction of residential and/or commercial condominiums.

**Bonds**
The District will not issue any bonds related to any program.

**District Formation**
Under the local enabling ordinance, District formation requires a submission of petitions from property owners in the proposed district representing more than 30% of the total assessments to be paid into the MMCID. Once the City verifies the petitions totaling a minimum of 30%, ($69,165) of the first-year annual budget which is projected to be $230,550.00 in assessments in the District, the Stockton City Council may adopt a Resolution of Intention to mail out ballots to all affected property owners. The City will then hold a public hearing and tabulate the ballots. The Miracle Mile CID will be formed if the weighted majority of all returned mail ballots support District formation and if the City Council adopts a Resolution of Formation to levy the assessments on the benefiting parcels. The date for that public hearing has not been scheduled but is assumed that it will be held in late July 2022, based upon the successful completion of the petition drive.

**Term**
Under the Stockton local enabling ordinance, the District may be established for up to 20 years with provisions for annual disestablishment. This management district plan will authorize the creation of the Miracle Mile CID for the maximum initial twenty-year period.
Time and Manner for Collecting Assessments
The Miracle Mile CID assessments will appear as a separate line item on annual property tax
bills prepared by the County of San Joaquin Tax Assessor. The assessments are collected at
the same time and in the same manner as ad valorem property taxes paid to the County. The
assessments have the same lien priority and penalties for delinquent payments as ad valorem
property taxes.

Public and Tax-Exempt Parcels
The Miracle Mile CID Management Plan assumes that the any public or tax-exempt parcels
shall pay into the district in proportion to the assessments paid for services. There are currently
City, Successor Agency and the Stockton Unified School District owned parcels in the proposed
Miracle Mile CID.

Governance
Pursuant to Section 36650 of the California Streets and Highway Code, an Owners’
Association will report on District budgets and policies annually to the Stockton City Council.
The Owner’s Association, which will be under contract with the City of Stockton, must file
Annual Reports with the City as the Association will oversee the day-to-day implementation of
services as defined in the Management District Plan.

“Owners’ association” means a private nonprofit entity that is under contract with a city
to administer or implement activities and improvements specified in the management
district plan. An owners’ association may be an existing nonprofit entity or a newly
formed nonprofit entity. An owners’ association is a private entity and may not be
considered a public entity for any purpose, nor may its board members or staff be
considered to be public officials for any purpose.” (Streets & Highway. Code § 36612.)

A new public benefit non-profit corporation (501c3) will be established once the District has
been approved by the property owners and it will serve in the capacity of the Owners
Association. The current Miracle Mile Improvement Association seeks to become a new public
benefit, non-profit corporation and will therefore create a successor organization, serving as
the Owners Association, to administer the District under contract with the City.

Dissolution
Under the local enabling ordinance, the Miracle Mile CID property owners will have an annual
period in which to submit petitions to the City Council to disestablish the CID. If disestablished,
assessments will be removed from the parcels the following fiscal year. Unexpended surplus
funds will be returned to property owners based upon a parcel’s percentage contribution to
the previous fiscal year’s assessments. This disestablishment procedure is articulated in both
the Stockton City Municipal Code, as well as the California Streets and Highway Code, Section
36670.
Section 2
Boundaries

Boundaries:

The proposed Miracle Mile CID consists of approximately 25 square blocks consisting of 155 parcels owned by 95 property owners. See the Miracle Mile proposed CID map in Section 2, pages 10 and 11.

Benefit Zones:

The District consists of four benefit zones.

Northern Boundary:

The northern boundary of the proposed Miracle Mile CID is on the south side of E. Alpine Avenue and includes parcel number 113-290-010 as well as 125-020-101 on the south side of the intersection of E. Alpine Avenue and Pacific Avenue.

Western Boundary:

The western boundary of the proposed CID starts at parcel 125-020-010 at E. Alpine Avenue and includes all the western side of the parcels fronting along Pacific Avenue, continuing south from E. Alpine Avenue to the northwestern corner of the intersection of Harding Way and Pacific Avenue. The western boundary then heads west including all the north side of the parcels fronting along Harding Way from parcel 127-070-340, westward and ending at the east side of Sperry Street including parcel 139-020-370 and parcel 139-020-007.

Southern Boundary:

The southern boundary of the proposed Miracle Mile CID commences at the southeastern corner of the intersection of Sperry Road and Harding Way, including parcel 139-020-007 and runs eastward along the southern edge of the parcels fronting along Harding Way, ending at parcel 137-095-010 at the southwestern corner of Lincoln Road and Harding Way.

Eastern Boundary:

The eastern boundary of the proposed CID begins at the southeastern corner of the intersection of Harding Way and Lincoln Road, parcel 137-095-010 and runs northward, including the Stockton Adult School at parcel 137-060-020, continuing northward running on the eastern edge of the parcels fronting along Pacific Avenue including all the commercial parcels bounded by Bedford Road on the south, Beverly Road on the east, Pacific Avenue on the west and Regent Court on the north. Continuing north of Regent Court, including all the parcels fronting along Pacific Avenue up to parcel 113-290-010 on the south side of W. Alpine Avenue.

Boundaries of Benefit Zones:

The boundaries of each of the four benefit zones, are to be found in their respective colors on
page 10. The current Benefit Zone are carried forward from the previous PBID plan of 2017 with inclusion of previously excluded parcels within the boundaries of MMCID, due to provisions of the PBID law that excluded those parcels from being included.

**Summation:**

A list of all parcels included in the proposed Miracle Mile CID are shown as Appendix 1, attached to this report identified by their respective assessor parcel numbers. The boundary of the proposed Miracle Mile CID is shown on the map to be found on pages 9 and 10 of this report. All identified assessed parcels within the above-described boundaries shall be assessed to fund supplemental special benefit programs, services and improvements as outlined in this Management District Plan. All Miracle Mile CID funded services, programs and improvements provided within the above-described boundaries shall confer special benefit to identified assessed parcels inside the District boundaries and none will be provided outside of the District.
Section 3
District Improvement and Activity Plan

Explanation of Special Benefit Services
All the improvements and activities detailed below are provided only to properties within the boundaries of the Miracle Mile CID, as the improvements and activities will provide special benefits to the owners of these individual parcel owners.

The City will continue to provide general benefit services from the general fund in the Miracle Mile District which will include public safety programs, street sweeping, tree trimming, roadwork repairs, sidewalk repair, trash collection of public refuse containers, etc. The frequency of these general benefits may change from year to year and time to time based upon budget constraints. However, City general benefits will not be withdrawn from Miracle Mile District unless they are withdrawn by an equal frequency City wide. The CID funded special benefits will not replace City funded general benefits, but rather will provide special benefits to parcel owners over and above the general benefits provided by the City of Stockton.

All services funded by the assessments outlined in the Management District Plan are intended to specifically benefit the properties within the District to support increased commerce, business attraction and retention, to retain and increase commercial property rentals, attract new residential developments, enhance safety and cleanliness in the District, improve District identity, and eventually fund specialized beautification and enhanced services for the property owners, businesses, visitors and residents within the District.

Special Benefit Budget Category Analysis
This Plan gives property owners greater flexibility in determining the type and frequency of special benefit services that will be allocated on a year-to-year basis. As Stockton’s Miracle Mile District evolves, services that are needed one year may not be needed the next. Therefore, “bundles” or categories of special benefit funding have been created and divided into four broad categories – Civil Sidewalks, District Identity and Placemaking, Administration/District Management, and Contingency. The bundles are allocated funding percentages with the flexibility to prioritize or minimize a service within each bundle.

The bundles or categories of services and their percentages represent the service plan the Miracle Mile District property owners will be voting on when the Miracle Mile CID comes up for a mail ballot in the Summer of 2022.

The proposed “bundles” of special benefit services are listed below and are supplemental to current City services.

CIVIL SIDEWALKS
Examples of this category of special benefit services and costs are typically those which provide “clean and safe” services to the benefitting property owners and may include, but are not limited to:
- Beautification of the district
- Tree and vegetation maintenance (over and above city services)
- Maintenance of existing and new public spaces
• Installation of and maintenance of landscaping throughout the district
• Regular sidewalk and gutter sweeping
• Periodic sidewalk steam cleaning
• Enhanced trash emptying (over and above city services)
• Timely graffiti removal, within 24 hours as necessary
• Possible hiring of contracted professional case workers to respond to the needs of the unhoused population in and around Miracle Mile
• Farmers market and special event assistance, set up and take down

**Supplemental/Special Benefit Services for Civil Sidewalks by Benefit Zone**

<table>
<thead>
<tr>
<th>Type of Special Benefit Service</th>
<th>Benefit Zone</th>
<th>Frequency of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sidewalk and gutter sweeping</td>
<td>1, 2, 3, 4</td>
<td>4 - 5 days per week/Zone 1 and 3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 - 4 days per week/Zone 2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 - 2 per week/Zone 4</td>
</tr>
<tr>
<td>Sidewalk pressure washing</td>
<td>1, 2, 3, 4</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Trash receptacle emptying (over and above City general services)</td>
<td>As needed</td>
<td>Zones 1, 2 and 3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>As needed/Zone 4</td>
</tr>
<tr>
<td>Graffiti removal/24 hours</td>
<td>1, 2, 3, 4</td>
<td>24 hours after notice</td>
</tr>
<tr>
<td>Notification to City of hazards</td>
<td>1, 2, 3, 4</td>
<td>As identified</td>
</tr>
<tr>
<td>Landscaping and watering</td>
<td>1, 2, 3, 4</td>
<td>Weekly or as needed</td>
</tr>
<tr>
<td>Ornamental landscaping</td>
<td>1, 3</td>
<td>Weekly or as needed</td>
</tr>
<tr>
<td>Special projects</td>
<td>1, 2, 3, 4</td>
<td>As needed</td>
</tr>
<tr>
<td>Installation of seasonal displays</td>
<td>1, 2, 3, 4</td>
<td>Seasonally</td>
</tr>
</tbody>
</table>

The proposed budget for Civil Sidewalks will be $138,000 during the first year of operations and the costs of these services are generally allocated as follows:

80% to labor and personnel: Approximately $110,400 for labor or 1½ full time employees working an average of 7 days per week, (assuming starting pay at $18.00 per hour for maintenance, pressure washing and landscaping employees, which includes benefits and insurance).

20% for equipment, supplies: Approximately $27,600 for vehicles, pressure washer machine/trailer, water tank, gas, supplies, tools, equipment, storage/lockers/employee room

Homeless Outreach Services: Funded by grants and assessments

**Total Budget for Civil Sidewalks** $138,000
DISTRICT IDENTITY AND PLACEMAKING:
Examples of this category of special benefit services and costs are usually considered to be similar to "marketing and promotional services and may include, but are not limited to:

- Web site updating
- Social media, public relations firm
- Events such as the Taste of Miracle Mile
- Branding of the Miracle Mile CID properties so a positive image is promoted to the public including the development of a new logo
- Banner programs
- Public art displays
- Public space design and improvements
- Refurbishment of street signs and monuments

Supplemental/Special Benefit Services by Benefit Zone for District Identity and Placemaking

<table>
<thead>
<tr>
<th>Type of Special Benefit Service</th>
<th>Benefit Zones</th>
<th>Estimated First Year Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Web site maintenance and management</td>
<td>All</td>
<td>$5,000</td>
</tr>
<tr>
<td>Social media and PR Firm</td>
<td>All</td>
<td>$20,000</td>
</tr>
<tr>
<td>Branding and signage</td>
<td>All</td>
<td>TBD</td>
</tr>
<tr>
<td>Banner program</td>
<td>All</td>
<td>$10,000</td>
</tr>
<tr>
<td>Public Art Displays</td>
<td>Zone 1</td>
<td>Based upon grants</td>
</tr>
<tr>
<td>Public space design and management</td>
<td>Zone 1</td>
<td>TBD</td>
</tr>
<tr>
<td><strong>Total Budget for District Identity and Placemaking</strong></td>
<td></td>
<td><strong>$35,000</strong></td>
</tr>
</tbody>
</table>

ADMINISTRATION/DISTRICT MANAGEMENT
Examples of this category of special benefit services and costs represent what costs are related to the personnel and administrative costs related to running the CID and may include, but is not limited to:

- Staff and administrative costs, contracted or in-house
- Directors and Officers and General Liability Insurance
- Office related expenses
- Rent
- Financial reporting and accounting
- Legal work
<table>
<thead>
<tr>
<th>Type of Special Benefit Service</th>
<th>Estimated First Year Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Director/District Management staff</td>
<td>$17,000*</td>
</tr>
<tr>
<td>Insurance (D &amp; O, General Liability, Employee practices)</td>
<td>$8,000</td>
</tr>
<tr>
<td>Legal Fees</td>
<td>TBD</td>
</tr>
<tr>
<td>Accounting and CPA Reviews</td>
<td>$7,000</td>
</tr>
<tr>
<td>Rent and office supplies/computer equipment (Rent, donated, or shared or discounted)</td>
<td>$18,000</td>
</tr>
<tr>
<td>Total Budget for Administration/District Management</td>
<td>$50,000*</td>
</tr>
</tbody>
</table>

* Staff costs may be supplemented, by action of the Owners Association Board, by non-assessment activities and grants.

**CONTINGENCY/CITY AND COUNTY FEES/RESERVE**

Examples of this category of special benefit services and costs include, but is not limited to:

- Delinquencies, City/County fees, reserves, capital project improvements

**Total Budget for Contingency**  $ 7,550.00
Section 4
Assessment Methodology

The proposed Miracle Mile CID is a property-based special benefit assessment district being established pursuant to the Stockton local enabling ordinance as well as Section 36600 of the California Streets and Highway Code.

The state constitution refers to the requirement that benefits received from CID funded programs and activities be used to determine the amount of assessment paid. Only those properties expected to derive special benefits from CID funded programs and activities may be assessed and only in an amount proportional to the relative special benefits expected to be received.

General vs. Special Benefits
As provided by Proposition 218, assessment district programs and activities confer a combination of general and special benefits to properties, but the only program benefits that can be assessed are those that provide special benefit to the assessed properties. “Special Benefit” as defined by the California State Constitution, Article XIII (d), means “a particular and distinct benefit over and above general benefits conferred on real property located in the District or to the public at large.” For the purposes of this analysis, “General Benefits” are benefits provided within Miracle Mile District that are not special in nature, are not "particular and distinct" and are not over and above the benefits that other city parcels receive.

General benefits are not restricted to benefits conferred only on persons and property outside the assessment district but can include benefits both conferred on real property located in the district or to the public at large. “At large” means not limited to any particular person and means all members of the public, including those who live, work, and shop within the district and not simply transient visitors.

The property uses within the boundaries of the proposed Miracle Mile CID which will receive special benefits from CID funded programs and services are currently a mix of retail, service, office, mixed use, residential, public visitor related, cultural and parking. Services, programs, and improvements provided by the Miracle Mile CID are primarily designed to provide special benefits to identified parcels within the boundaries of the District.

Parcels that derive benefit from the special benefit programs, services, activities, and improvements outlined in this Management District Plan will attract more customers, employees, tenants, and investors as a result of these programs, services and improvements, thereby increasing business volumes, sales transactions, occupancies, and rental income, and for future residents, make Miracle Mile District more walkable, attractive and livable. These benefits are particular and distinct in that they are not provided to non-assessed parcels within or outside of the District. Because these programs, services and improvements will only be provided to each individually assessed parcel within the Miracle Mile CID boundaries, these programs, services, and improvements will constitute "special benefits."

While every attempt is made to provide CID services and programs to confer benefits only to those identified assessed parcels within the District, the California State Constitution, Article XIII (d), was amended via Proposition 218 to provide that general benefits exist, either by
design or unintentionally, in all assessment districts and that a portion of the program costs must be considered attributable to general benefits and assigned a value. General benefits cannot be funded by assessment revenues. General benefits might be conferred on parcels within the District, or “spillover” onto parcels surrounding the District, or to the public at large who might be passing through the District with no intention of transacting business or residing within the District or interest in the District itself. Empirical assessment engineering analysis throughout California has found that general benefits within a given similar special benefit district tend to range from 1-5% of the total costs. There are three methods that have been used by the Miracle Mile CID Assessment Engineer for determining general and special benefit values within assessment districts:

(1) The parcel-by-parcel allocation method
(2) The program/activity line-item allocation method, and
(3) The composite district overlay determinant method.

A majority of PBIDs and CIDS in California for which the Assessment Engineer has provided assessment engineering services since the enactment of Proposition 218, have used Method #3, the composite district overlay determinant method which will be used for this CID. This method of computing the value of general benefit involves a composite of three distinct types of general benefit – general benefit to assessed parcels within the District, general benefit to the public at large within the District and general benefit to parcels outside the District.

**Miracle Mile CID Programs and Improvements**
The total special and general benefit program activities and budget allocations that will be provided to each individual parcel assessed in the proposed Miracle Mile CID are shown in the chart below:

**Total Year 1 – 2022 Special + General Benefit Costs -Table 4A**

<table>
<thead>
<tr>
<th>Category of Special Benefit Services</th>
<th>Year 1 Annual Amount (assessments to fund special benefits)</th>
<th>Year 1 Non-Assessment Costs (general benefits ratio)</th>
<th>Year 1 Total Costs (special and general benefits)</th>
<th>% Of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil Sidewalks</td>
<td>$138,000</td>
<td>$2,816</td>
<td>$140,816</td>
<td>60%</td>
</tr>
<tr>
<td>District Identity /Placemaking</td>
<td>$35,000</td>
<td>$714</td>
<td>$35,714</td>
<td>15%</td>
</tr>
<tr>
<td>Administration/District Management</td>
<td>$50,000</td>
<td>$1,020</td>
<td>$51,020</td>
<td>22%</td>
</tr>
<tr>
<td>Contingency</td>
<td>$7,550</td>
<td>$155</td>
<td>$7,705</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$230,550.00</strong></td>
<td><strong>$4,705.00</strong></td>
<td><strong>$235,255.00</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
All program costs associated with general benefits will be derived from sources or credits other than CID assessments. Sample “other” revenue sources can be derived from special events, grants, volunteer hours and must simply equal a total of $4,705 per year which would equal the general benefit cost of 2% of the computed total CID cost of $235,254 from the table above. Here, program costs are spread among property variables that are common to each parcel include linear frontage, lot or parcel size and building square footage, and residential condominium parcels and Benefit Zone. Assessed valuation cannot be used as the basis for revenue generation in the state of California since Proposition 13 sets the assessed valuation at the time of purchase of the parcel, therefore adjacent parcels may be similar in size, but have different assessed valuations. We must therefore spread the assessments among the consistent factors of each parcel, based upon 2022 data.

**Assessable Data - Table 4B**

<table>
<thead>
<tr>
<th>Benefit Zone</th>
<th>Building Square Feet</th>
<th>Lot Square Feet</th>
<th>Linear Frontage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>448,116 sq. ft</td>
<td>673,685 sq. ft.</td>
<td>NA</td>
</tr>
<tr>
<td>2</td>
<td>109,625 sq. ft.</td>
<td>434,623 sq. ft.</td>
<td>NA</td>
</tr>
<tr>
<td>3</td>
<td>108,935 sq. ft.</td>
<td>294,957 sq. ft.</td>
<td>NA</td>
</tr>
<tr>
<td>4</td>
<td>NA</td>
<td>NA</td>
<td>1,095</td>
</tr>
<tr>
<td>Total</td>
<td>666,676 sq. ft.</td>
<td>1,403,265 sq. ft.</td>
<td>1,095</td>
</tr>
</tbody>
</table>

**Assessment Revenue by Property Variable - Table 4C**

<table>
<thead>
<tr>
<th>Property Variable</th>
<th>Total Revenue Generated</th>
<th>Percent of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Sq. Ft.</td>
<td>$77,912</td>
<td>34%</td>
</tr>
<tr>
<td>Lot Sq. Ft.</td>
<td>$150,448</td>
<td>65%</td>
</tr>
<tr>
<td>Linear Frontage</td>
<td>$2,190</td>
<td>1%</td>
</tr>
<tr>
<td>Total</td>
<td>$230,550</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Assessments Costs by Benefit Zone - Table 4D**

<table>
<thead>
<tr>
<th>Property Variable</th>
<th>Benefit Zone 1</th>
<th>Benefit Zone 2</th>
<th>Benefit Zone 3</th>
<th>Benefit Zone 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Square Footage</td>
<td>$0.13</td>
<td>$0.07</td>
<td>$0.11</td>
<td>NA</td>
</tr>
<tr>
<td>Lot/Parcel Size</td>
<td>$0.13</td>
<td>$0.07</td>
<td>$0.11</td>
<td>NA</td>
</tr>
<tr>
<td>Linear Frontage</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>$2.00</td>
</tr>
</tbody>
</table>
Explanation of Costs

Benefit Zone 1 parcels will be assessed at a higher rate since they will have the highest frequency of Civil Sidewalks and District Identity services due to the amount of foot traffic in and around the parcels fronting along Miracle Mile Road in the core area of the District. Benefit Zone 1 properties are the historic core of Stockton’s Miracle Mile District dating back almost 100 years built on Pacific Avenue. Zone 1 properties include retail, restaurants, services, coffee shops, bars, residential, educational and office. These parcels will benefit the most from the CID special benefit services, therefore their assessments have been set to fund the costs of services to these parcels. Benefit Zone One parcels are to be found on both sides of Pacific Avenue from Harding Way on the northeastern and northwestern sides of the intersection of Harding Way and Pacific Avenue on the south and to the southeastern and southwestern parcels of the intersection of North Regent Street and Pacific Avenue on the north.

For a breakdown of the frequency of special benefit services for Civil Sidewalks and District Identity and Placemaking services by Benefit Zone, please see the charts on pages 9 and 10 and 12 of this Management District Plan.

The higher costs assessed to Benefit Zone 1 parcels are based upon:

- 4 to 6 days per week services, particularly for cleaning and beautification services.
- Benefit Zone 1 parcels are predominantly retail, visitor related, service and pedestrian oriented therefore they will need civil sidewalk special benefit services daily, particularly on the weekends. Holiday traffic will also necessitate cleaning services.
- District identity services will also be proportionally higher and confer special benefit services relative to Benefit Zone 2, 3 and 4 parcels. Special events will be held in Benefit Zone 1, thereby benefitting property owners and their tenants there, no special events will most likely be held in Zone 2, 3 and 4.

Linear Frontage Defined

Individual parcels linear frontage assessments will only be applied to Benefit Zone 4 properties. These parcels were previously excluded from the former plan due to the restrictions in the PBID law. Under the local enabling ordinance, all parcels who receive benefit, albeit at different frequencies will be assessed to fund the services.

Benefit Zone 4 parcels will be assessed for all sides of each parcel fronting on a public street. Alley frontage is not assessed. Each side of the parcel (excluding alley areas) will receive Civil Sidewalks special benefit services at a lower frequency for the Zone 4 parcels. The linear front footage data was obtained from the County Assessor’s parcel maps.

Building Square Footage Defined

Building square footage is defined as gross building square footage for each parcel, throughout Benefit Zones 1, 2 and 3 in the proposed the Miracle Mile CID. The various building and lot size annual assessments are due to the frequency of Civil Sidewalks and District Identity and Placemaking Services anticipated by Zones 1, 2 3.
Lot Square Footage Defined
Lot square footage is defined as the total amount of area within the borders of the parcel. The lot square footage of a parcel has been verified by the County Assessor’s parcel maps. Lot size or parcel size square footage assessments are applied at different rates for Zones 1, 2 and 3. The various building and lot size annual assessments are due to the frequency of Civil Sidewalks and District Identity and Placemaking Services anticipated by Zones 1, 2, 3.

Commercial Condominium (non-residential portion of mixed-use buildings) – Parcels Defined
Though none currently exist, ground floor commercial condominiums will be treated as independent “mini” commercial buildings and assessed based on their actual building square footage, the footprint of land they cover or lot size of the commercial condominium. Ground floor commercial condominiums will pay 100% of the special benefits for the assessment, based upon which Benefit Zone they are within, (Zones 1, 2, and 3).

Residential Condominium Unit Parcels Defined
Residential condominium units building square footage is defined as the livable building square footage within the walls of the condominium residential unit parcel. They are included in a special category to designate their unique special benefits relative to the other commercial parcels within the Miracle Mile CID. Unlike the other commercial parcels in the District, including commercially operated apartment buildings, residential condominium parcels are assessed for building square footage only, and are not assessed for linear frontage and lot square footage. Under current zoning rules, residential condominiums may be construction in each of the four Benefit Zones under this plan. This methodology of assessing only the actual building square footage of future residential condominiums shall apply district wide, regardless of Benefit Zone.

Though currently, no residential condominium parcels exist within the boundaries of the Miracle Mile CID, future residential condos will be assessed as a separate category. These residential condominium individual parcels will be assessed for their building square footage only at the rate of $0.13 per square foot per year. The rationale for assessing future residential condominiums only for the building square footage rate is provided below.

Residential condominium parcels are assessed differently than multi-unit, market rate apartment rental buildings due to the frequency of special benefit services required by each parcel as described below. The multi-unit apartment buildings are commercial properties in which the tenant and property owner have an economic relationship as opposed to residential condominium buildings where individual property owners own separate “air space parcels” on a single floor. Future residential apartment buildings can be bought or sold just as like commercial buildings whereas residential condominium individual units are separately owned and must be individually bought and sold.

Distinctions between residential apartment buildings with tenants and residential condominium building with individual parcel owners are explained as follows:

1. The Davis Sterling Act establishes rules and regulations for residential condominium owners based upon “separate interests” (i.e., ownership rights), as opposed to renters who only have a possessory interest.
2. Generally, residential condominium unit owners demonstrate greater care for their property and concerns about quality-of-life issues due to their investment in real estate.

3. Residential owners and have the right to vote in a Proposition 218 hearing, tenants do not have that right.

4. Residential condominium owners are required to contribute to legally established Homeowners Associations to oversee building maintenance, tenants are not.

5. Residential tenants may have their dwelling units sold or have their rent raised arbitrarily due the lack of ownership of their residential units.

The assessment methodology has been written to confer special benefits to future residential condominium individual assessed parcels since residential condominium owners have expectations about the care and maintenance of the building and its surroundings compared to the interest of residential tenants who have a possessory not an ownership interest.

METHOD OF FINANCING
The financing of the Miracle Mile CID is based upon the levy of special assessments upon real properties that receive special benefits from the improvements and activities based upon which Benefit Zone they are located within. See Section 4 for assessment methodology and compliance with Article XIII (d) of the California State Constitution. There will be five factors used in the determination of proportional costs to the parcels in the District. The factors are:

- Linear frontage on all sides (excluding alleys) in Benefit Zone 4 parcels only, (unless these parcels have been converted to residential condominiums.
- Lot square footage or the footprint of the parcel
- Building square footage.
- Residential condominiums that will be constructed within the District.
- Location within one of the four geographic benefit zones of the district

Annual Rate Increase
The District assessments are subject to annual increases not to exceed 5% per year. Increases will be determined by the Owners' Association and approved by the Stockton City Council and will vary between 0% and a maximum of 5% annually due to increasing costs in labor, materials, and other expenses. The increases will not exceed the actual increase in costs for the same or similar level of services from one fiscal year to the next.

Changes in land uses, the development of vacant parcels, the conversion of tax exempt to profitable land uses, the demolition of buildings, building improvements that increase square footages, and new building construction or residential condominium development, may alter the District's budget and individual property assessments. Linear frontage and parcel size are normally not altered in the redevelopment of a site. Changes to assessments are more likely to occur upon changes to building square footages. Changes may also occur upon the conversion of single parcels to multiple parcels due to the construction of residential and/or commercial condominiums.
Bonds
The District will not issue any bonds related to any program.

Operating Budget
A projected operating budget, based upon the local enabling ordinance, has an initial 20-year term, and may be renewed for successive terms. New City America has listed the maximum percentage of allowable annual increases based upon the current data within the CID, for the first 10 years, with the following assumptions.

The special benefits and related budget are assumed not to be significantly different within the first 10 years of the MMCID. Years 11 – 20 are also assumed not to be significantly different from the base year budget of 2023. To provide an example of how the annual budget may increase, with a 5% maximum increase, based upon the actual cost increases from year to year, (personnel, insurance, gas, equipment, etc.), we will present what the first ten years of the district budget may look like. Changes in land use, demolition of existing buildings, and new development will occur and will change the improvements to that parcel, normally due to redevelopment of the site and the addition of new building square footage which shall be assessed based upon the provisions laid out in this Management Plan.

The budget for specific programs may be reallocated within each budget category by up to 10% during the term of the District. The Management Corporation Board may alter the budget based upon service needs and such changes shall be included in the Annual report and submitted to the Stockton City Council for review and approval.

Ten-Year Projection of Maximum Assessment per Special Benefit Category -Table 4E

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<thead>
<tr>
<th></th>
<th>Civil Sidewalks</th>
<th>DISI</th>
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<td>$50,000.00</td>
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<td>$357,658.72</td>
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Notes:
- Assumes a possible 5% maximum yearly increase on all budget items, if approved annually by the District Management Corporation Board of Directors. This 5% increase is for the year-to-year annual budget of assessments and shall not apply to the additional assessments generated by new development in the new CID.
- Any accrued interest or delinquent payments will be expended in the above categories.
Sample First Year (2022) Parcel Assessment Calculation

The annual assessment method to calculate all parcels for Benefit Zone 1 will be:

Total Building Square Footage X $0.13 per sq. ft.
+ Total Lot Size x $0.13 per square foot
= TOTAL PARCEL ASSESSMENT

The annual assessment method to calculate all commercial parcels for Benefit Zone 2 will be:

Total Building Square Footage X $0.07 per square foot
+ Total Lot Size x $0.07 per square foot
= TOTAL PARCEL ASSESSMENT

The annual assessment method to Benefit Zone 3 parcels will be:

Total Building Square Footage X $0.11 per square foot
+ Total Lot Size x $0.11 per square foot
= TOTAL PARCEL ASSESSMENT

The annual assessment for Benefit Zone 4 parcels will be:

Total linear frontage of the parcel, all sides, excluding alleys x $2.00 per linear foot
= TOTAL PARCEL ASSESSMENT

The annual assessment method to calculate the residential condominiums throughout the CID in any Benefit Zone will be:

Total Residential Condo Building Square Footage X $0.13 per square foot
= TOTAL PARCEL ASSESSMENT

Future Development
As a result of continued new development, the Miracle Mile CID will experience the addition or subtraction of assessable commercial and residential buildings or the conversion of vacant parcels into new commercial and residential units. Therefore, parcels will be assessed each year based upon their then-current characteristics.
Maximum Assessments by Benefit Zone and Property Variable
Table 4 – F

Projected Assessments - Benefit Zone 1

<table>
<thead>
<tr>
<th></th>
<th>Lot Sq. Ft</th>
<th>Bldg. Sq. Ft</th>
<th>Residential Condo Sq. Ft</th>
</tr>
</thead>
<tbody>
<tr>
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<td>$ 0.130</td>
<td>$ 0.130</td>
</tr>
<tr>
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<td>$ 0.137</td>
</tr>
<tr>
<td>Y3</td>
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<td>$ 0.143</td>
<td>$ 0.143</td>
</tr>
<tr>
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<td>$ 0.150</td>
<td>$ 0.150</td>
</tr>
<tr>
<td>Y5</td>
<td>$ 0.158</td>
<td>$ 0.158</td>
<td>$ 0.158</td>
</tr>
<tr>
<td>Y6</td>
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<td>$ 0.166</td>
<td>$ 0.166</td>
</tr>
<tr>
<td>Y7</td>
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<td>$ 0.174</td>
<td>$ 0.174</td>
</tr>
<tr>
<td>Y8</td>
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<td>$ 0.183</td>
<td>$ 0.183</td>
</tr>
<tr>
<td>Y9</td>
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<td>$ 0.192</td>
<td>$ 0.192</td>
</tr>
<tr>
<td>Y10</td>
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<td>$ 0.202</td>
<td>$ 0.202</td>
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Projected Assessments - Benefit Zone 2

<table>
<thead>
<tr>
<th></th>
<th>Lot Sq. Ft</th>
<th>Bldg. Sq. Ft</th>
<th>Residential Condo Sq. Ft</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
<tr>
<td>Y2</td>
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<tr>
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<td>$ 0.143</td>
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<tr>
<td>Y4</td>
<td>$ 0.081</td>
<td>$ 0.081</td>
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<tr>
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<td>$ 0.094</td>
<td>$ 0.094</td>
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</tr>
<tr>
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</tr>
<tr>
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<tr>
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Projected Assessments - Benefit Zone 3

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<tr>
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<th>Lot Sq. Ft</th>
<th>Bldg. Sq. Ft</th>
<th>Residential Condo Sq. Ft</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y1</td>
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<td>$ 0.110</td>
<td>$ 0.130</td>
</tr>
<tr>
<td>Y2</td>
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<tr>
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<tr>
<td>Y10</td>
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Projected Assessments - Benefit Zone 4

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<thead>
<tr>
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</tr>
</thead>
<tbody>
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</tr>
<tr>
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</tr>
<tr>
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<td>Y9  $ 2,955</td>
<td>$ 0.192</td>
</tr>
<tr>
<td>Y10 $ 3,103</td>
<td>$ 0.202</td>
</tr>
</tbody>
</table>

**Term**
Under the Stockton local enabling ordinance, the District may be established for an initial term of up to 20 years. This management district plan will authorize the creation of the Miracle Mile CID for the maximum 20-year period.

**Time and Manner for Collecting Assessments**
The Miracle Mile CID assessments will appear as a separate line item on annual property tax bills prepared by the County of San Joaquin Tax Assessor. The assessments are collected at the same time and in the same manner as ad valorem property taxes paid to the County. The assessments have the same lien priority and penalties for delinquent payments as ad valorem property taxes.

**Budget Adjustments**
Annual budget surpluses, if any, will be rolled into the following year's budget. Assessments will be set annually. Revenues from delinquent accounts may be expended in the year they are received.

**Disestablishment**
California Streets and Highways Code section 36670 as well as the local CID enabling ordinance provides for the disestablishment of a District. Provisions for annual disestablishment of the District are provided for in the local enabling ordinance. Property owners dissatisfied with the results, management or quality of the services may petition the City Council to disestablish the District, in the same method in which they petitioned the City Council to establish it. The same petition threshold needed to establish the District will also be needed to trigger a disestablishment of the District on an annual basis.

Section 36670 of the State Streets and Highway Code states:

(b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the property and business improvement district. The notice of the hearing on disestablishment required by this section shall be given by mail to
the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.

Unexpended surplus funds will be returned to property owners based upon each property owner's percentage contribution to the previous fiscal year's assessments.

Government Assessments
The Miracle Mile CID Management Plan assumes that any public or tax-exempt parcels shall pay into the district in proportion to the assessments paid for services based upon their location in one of the four Benefit Zones.
Section 5
District Rules and Regulations and Governance

There are no specific rules and regulations prescribed for the proposed Miracle Mile Community Improvement District Management Corporation except that it will adhere to the open meeting and open records provisions of the Ralph M. Brown Act as well as the Public Records Act. The Owners Association will seek to be as open and transparent to the CID assessed and the public at large as is reasonably possible.

A new Miracle Mile CID District Management Corporation (501c3) will be established once the district has been formed and shall serve in the capacity of the Owners Association consistent with State Statute and the local enabling ordinance.

Section 6
Implementation Timetable

The Miracle Mile CID is expected to be established and begin assessing benefiting parcels as of the fourth quarter of calendar year 2022. The delivery of services is scheduled to commence January 1, 2023.
### Section 7
Assessment Roll of Properties Included

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THE MIRACLE MILE
COMMUNITY IMPROVEMENT DISTRICT

ASSESSMENT ENGINEER’S REPORT

Being established pursuant to the City of Stockton’s Maintenance Improvement District Ordinance
Stockton Ordinance #2022-03-22-1211

Prepared by
Edward V. Henning
California Registered Professional Engineer #26549
Edward Henning & Associates

April 19, 2022

v 1.1
MIRACLE MILE CID – ASSESSMENT ENGINEER’S REPORT

ASSESSMENT ENGINEER’S REPORT

To Whom It May Concem:
I hereby certify to the best of my professional knowledge and experience that each of the identified benefiting properties located within the proposed Miracle Mile Community Improvement District ("MMCID") being established for 20 years will receive a special benefit over and above the benefits conferred on the public at large and that the amount of the proposed assessment is proportional to, and no greater than the benefits conferred on each respective property.

Prepared by Edward V. Henning, California Registered Professional Engineer # 26549

Edward V. Henning
RPE #26549 April 19, 2022
Date

(NOT VALID WITHOUT SIGNATURE AND CERTIFICATION SEAL HERE)

Introduction

This report serves as the “detailed engineer’s report” required by Section 4(b) of Article XIIID of the California Constitution to support the benefit property assessments to be levied within the proposed MMCID in the City of Stockton, California being established for 20 years. The discussion and analysis contained within this Report constitutes the required “nexus” of rationale between assessment amounts levied and special benefits derived by real properties within the proposed MMCID.
Background
The MMCID is a property-based benefit assessment type district being established for 20 years pursuant to the City of Stockton’s Community Improvement District Ordinance. The Ordinance was modeled after Section 36600 et seq. of the California Streets and Highways Code (as amended), also known as the Property and Business Improvement District Law of 1994 (the “Act”). Due to the benefit assessment nature of assessments levied within a community improvement district (“CID”), district program costs are to be distributed amongst all identified benefiting properties based on the proportionate amount of special program benefit each property is projected to derive from the assessments levied. Only those properties expected to derive special benefits from CID funded programs and activities may be assessed and only in an amount proportionate to the special benefits expected to be conferred on each assessed property.

Supplemental Article XIID Section 4(b) California Constitution
Procedures and Requirements

Proposition 218, approved by the voters of California in November of 1996, adds a supplemental array of procedures and requirements to be carried out prior to levying a property-based assessment like the MMCID. These requirements are in addition to requirements imposed by State and local assessment enabling laws. These requirements were “chaptered” into law as Article XIID Section 4(b) of the California Constitution (hereinafter Article XIID).

Since Article XIID provisions will affect all subsequent calculations to be made in the final assessment formula for the MMCID, these supplemental requirements will be taken into account. The key provisions of Article XIID along with a description of how the MMCID complies with each of these provisions are delineated below.

(Note: All section references below pertain to Article XIII D of the California Constitution):
Finding 1. From Section 4(a): “Identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed”

Boundaries
The district is to be named The Miracle Mile Community Improvement District (MMCID). The proposed MMCID boundaries are centered along Pacific Avenue between Alpine Avenue and Harding Way and along Harding Way between Lincoln Street and El Dorado Street. The MMCID encompasses about 25 blocks and includes 155 parcels all of which are assessed. See the MMCID map in Appendix 2 of this Report. The MMCID boundaries are more fully described as follows:

Northern Boundary:

The northern boundary of the proposed MMCID is on the south side of E. Alpine Avenue and includes parcel number 113-290-010 as well as 125-020-101 on the south side of the intersection of E. Alpine Avenue and Pacific Avenue.

Western Boundary:

The western boundary of the proposed MMCID starts at parcel 125-020-010 at E. Alpine Avenue and includes all of the western side of the parcels fronting along Pacific Avenue, continuing south from E. Alpine Avenue to the northwestern corner of the intersection of Harding Way and Pacific Avenue. The western boundary then heads west including all of the north side of the parcels fronting along Harding Way from parcel 127-070-340, westward and ending at the east side of Sperry Avenue including parcels 139-020-370 and parcel 139-020-007.

Southern Boundary:

The southern boundary of the proposed MMCID commences at the southeastern comer of the intersection of Sperry Road and Harding Way, including parcel 139-020-007 and runs eastward along the southern edge of the parcels fronting along Harding Way, ending at parcel 137-095-010 at the southwestern corner of Lincoln Road and Harding Way.

Eastern Boundary:

The eastern boundary of the proposed MMCID begins at the southeastern corner of the intersection of Harding Way and Lincoln Road, parcel 137-095-010 and runs northward, including the Stockton Adult School at parcel 137-060-020, continuing northward running on the eastern edge of the parcels fronting along Pacific Avenue including all of the commercial parcels bounded by Bedford Road on the south, Beverly Road on the east, Pacific Avenue on the west and Regent Court on the north. Continuing north of Regent Court, including all of the parcels fronting along Pacific Avenue up to parcel 113-290-010 on the south side of W. Alpine Avenue.

Benefit Zones
The proposed MMCID includes four benefit zones. The benefit zones are determined based on a combination of location, service levels and/or land use.

Benefit Zone 1 parcels will be assessed at a higher rate since they will have the highest frequency of Civil Sidewalks and District Identity services due to the amount of foot traffic in and around the parcels fronting along Pacific Avenue in the core area of the MMCID. Benefit Zone 1 properties are the historic
core of Stockton’s Miracle Mile District dating back almost 100 years built on Pacific Avenue. Zone 1 properties include retail, restaurants, services, coffee shops, bars, residential, educational and office. These parcels will benefit the most from the MMCID special benefit services, therefore their assessments have been set to fund the costs of services to these parcels. Generally speaking, Benefit Zone 1 parcels are to be found on both sides of Pacific Avenue from Harding Way on the northeastern and northwestern sides of the intersection of Harding Way and Pacific Avenue on the south and to the southeastern and southwestern parcels at the intersection of North Regent Court and Pacific Avenue on the north.

The higher costs assessed to Benefit Zone 1 parcels are based upon:

- 4 to 6 days per week services, particularly for cleaning and beautification services.
- Benefit Zone 1 parcels are predominantly retail, visitor related, service and pedestrian oriented therefore they will need civil sidewalk special benefit services daily, particularly on the weekends. Holiday traffic will also necessitate cleaning services.
- District identity services will also be proportionally higher and confer special benefit services relative to Benefit Zone 2, 3 and 4 parcels. Special events will be held in Benefit Zone 1, thereby benefitting property owners and their tenants there, no special events will most likely be held in Zone 2, 3 and 4.

All identified parcels within the above-described boundaries and zones shall be assessed to fund supplemental special benefit programs, services and improvements as outlined in the Plan and in this Assessment Engineer’s Report. All MMCID funded services, programs and improvements provided within the above-described boundaries shall confer special benefit to identified assessed parcels inside the MMCID boundaries and none will be provided outside of the MMCID. Each assessed parcel within the MMCID will proportionately specially benefit from the MMCID funded Sidewalk Operations, District Identity-Placemaking, Administration-Management and Contingency-Reserve as described in more detail under “Work Plan”, beginning on page 9 of this Report. These services, programs and improvements are intended to improve commerce, employment, rents and commercial/residential occupancy rates of parcels and businesses within the MMCID by reducing litter and debris, marketing the available goods and services and installing beautification elements, each considered necessary in a competitive properly managed mixed-use business district. All MMCID funded services programs and improvements are considered supplemental, above normal base level services provided by the City of Stockton and are only provided for the special benefit of assessed parcels within the boundaries of the MMCID.

A list of all parcels included in the proposed MMCID is shown as Appendix 1, attached to this Report with their respective San Joaquin County assessor parcel number. The boundary of the proposed MMCID and parcels within it are shown on the map of the MMCID attached as Appendix 2 to this Report.
Finding 2. From Section 4(a): “Separate general benefits (if any) from the special benefits conferred on parcel(s). Only special benefits are assessable. “

QUANTITATIVE BENEFIT ANALYSIS

As stipulated in Article XIIID, assessment district programs and activities confer a combination of general and special benefits, but the only program benefits that can be assessed are those that provide special benefit to the assessed properties. For the purposes of this analysis, a “general benefit” is hereby defined as: “A benefit to properties in the area and in the surrounding community or benefit to the public in general resulting from the improvement, activity, or service to be provided by the assessment levied”. “Special benefit” as defined by the Article XIIID means a distinct benefit over and above general benefits conferred on real property located in the district.

The property uses within the boundaries of the MMCID that will receive special benefits from MMCID funded programs and services are currently an array of restaurants, retailers, offices and housing. No parcels within the MMCID are zoned solely residential. Services, programs and improvements provided and funded by the MMCID are primarily designed to provide special benefits as described below to identified assessed parcels and the array of land uses within the boundaries of the MMCID.

The proposed MMCID programs, improvements and services and Year 1 – 2023 budget allocation are as follows:

| Year 1 – 2023 MMCID Special Benefit Cost Allocations (Assessment Revenue Only) |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| BENEFIT ZONE | CIVIL SIDEWALKS | DISTRICT IDENTITY-PLACEMAKING | ADMINISTRATION-MANAGEMENT | CONTINGENCY-RESERVE | TOTAL | % |
| % | $87,292 | $22,139 | $31,628 | $4,775 | $145,834 | 63.2550% |
| 1 | $22,804 | $5,784 | $8,262 | $1,248 | $38,098 | 16.5246% |
| 2 | $26,593 | $6,745 | $9,635 | $1,455 | $44,428 | 19.2705% |
| 3 | $1,311 | $332 | $475 | $72 | $2,190 | 0.9499% |
| TOTAL | $138,000 | $35,000 | $50,000 | $7,550 | $230,550 | 100.00% |

Assessed parcels are conferred proportionate special benefits from all MMCID funded programs, services and improvements which are intended to attract more customers, users, visitors, employees, tenants and investors. MMCID programs, services and improvements are designed to increase business volumes, sales transactions, occupancies and rental income. These programs, services and improvements are designed to improve commerce, livability and aesthetic appeal for owners, tenants, residents, patrons, visitors and employees of these parcels within the MMCID by reducing litter and debris, marketing the available goods and services and installing beautification elements, each considered necessary in a competitive properly managed mixed-use business district.

These benefits are particular and distinct to each and every identified and assessed parcel within the MMCID and are not provided to non-assessed parcels outside of the MMCID. These programs, services and improvements will only be provided to each individual assessed parcel within the MMCID boundaries and, in turn, confer proportionate special benefits to each assessed parcel.
In the case of the MMCID, the very nature of the purpose of this CBD is to fund supplemental programs, services and improvements to assessed parcels within the MMCID boundaries above and beyond what is being currently funded either via normal tax supported methods or other funding sources. All benefits derived from the assessments to be levied on assessed parcels within the MMCID are for services, programs and improvements directly and specially benefiting each individual assessed parcel within the MMCID. No MMCID funded services, activities or programs will be provided outside of the MMCID boundaries.

While every attempt is made to provide MMCID services and programs to confer special benefits only to those identified assessed parcels within the MMCID, Article XIIIID stipulates that general benefits exist either by design or unintentional in all assessment districts and that a portion of the program costs must be considered attributable to general benefits and assigned a value. General benefits cannot be funded by assessment revenues.

Empirical assessment engineering analysis throughout California has found that general benefits within a given assessment district tend to range from 2-6% of the total costs. A majority of assessment districts in California for which this Assessment Engineer has provided assessment engineering services in conformance with Article XIIIID have used the composite district overlay determinant method of computing general benefits which will be used for the MMCID. This method of computing the value of general benefit involves a composite of three distinct types of general benefit – general benefit to assessed parcels within the MMCID, general benefit to the public at large within the MMCID and general benefit to parcels outside the MMCID.

**General Benefit – Assessed Parcels within the MMCID**

MMCID funded programs are narrowly designed and carefully implemented to specially benefit the assessed MMCID parcels and are only provided for the special benefit to each and every assessed parcel within the MMCID. It is the opinion of this Engineer, based on over 30 years of professional assessment engineering experience, that nearly 100% of benefits conferred on the 155 assessed parcels within the MMCID are distinct and special but in the case of the MMCID, it is projected that there are 0.25% general benefits conferred on these parcels. This high ratio of special benefits to general benefits is because the MMCID funded programs and services are specially geared to the unique needs of each parcel within the MMCID and are directed specially only to these parcels within the MMCID. This concept is further reinforced by the proportionality of special benefits conferred on each parcel within the MMCID as determined by the special benefit assessment formula as it is applied to the unique and varying property characteristics of each parcel. The computed 0.25% general benefit value on the 155 parcels within the MMCID equates to $576 or (.25% x $130,550).

**General Benefits – Outside Parcels**

While MMCID programs and services will not be provided directly to parcels outside the MMCID boundaries, it is reasonable to conclude that MMCID services may confer an indirect general benefit on parcels adjacent to the MMCID boundaries. An inventory of the MMCID boundaries finds that the MMCID is immediately surrounded by 152 parcels. Of these 152 parcels, 9 are commercial zoned parcels with commercial uses, 142 are residentially zoned parcels with residential uses and 1 is publicly/non-profit owned parcels with public/non-profit uses.

The 152 parcels directly outside the MMCID boundaries can reasonably be assumed to receive some indirect general benefit as a result of MMCID funded programs, services and improvements. Based on over 30 years of assessment engineering experience, it is the opinion of this Engineer that a benefit factor
of 1.0 be attributed to the 155 assessed parcels within the MMCID, a benefit factor of 0.025 be attributed
to general benefits conferred on the 9 commercial parcels and uses located adjacent to or across the street
from assessed parcels within the MMCID, a benefit factor of 0.005 be attributed to general benefits
conferred on the 142 residential parcels and uses located adjacent to or across the street from assessed
parcels within the MMCID and, a benefit factor of 0.005 be attributed to general benefits conferred on the
1 publicly owned/non-profit parcel and use located adjacent to or across the street from assessed parcels
within the MMCID. The cumulative dollar value of this general benefit type equates to $1,413 ($342 +
$15 + $1,056) as delineated in the following Table:

<table>
<thead>
<tr>
<th>Parcel Type</th>
<th>Quantity</th>
<th>Benefit Factor</th>
<th>Benefit Units</th>
<th>Benefit Percent</th>
<th>Benefit Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessed Parcels within MMCID</td>
<td>155</td>
<td>1.000</td>
<td>155.00</td>
<td>99.3908%</td>
<td>$230,550</td>
</tr>
<tr>
<td>Commercial Parcels Outside MMCID</td>
<td>9</td>
<td>0.025</td>
<td>0.23</td>
<td>0.1475%</td>
<td>$342</td>
</tr>
<tr>
<td>Public/Non-Profit Parcels Outside MMCID</td>
<td>1</td>
<td>0.005</td>
<td>0.01</td>
<td>0.0064%</td>
<td>$15</td>
</tr>
<tr>
<td>Residential Use Parcels Outside MMCID</td>
<td>142</td>
<td>0.005</td>
<td>0.71</td>
<td>0.4553%</td>
<td>$1,056</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>155.95</td>
<td>100.00%</td>
<td></td>
<td>$231,963</td>
</tr>
</tbody>
</table>

General Benefit - Public At Large
While the MMCID funded programs are narrowly designed and carefully implemented to specially benefit
the assessed MMCID parcels and are only provided for the special benefit to each and every assessed
parcel within the MMCID, these programs also provide general benefits to the public at large within the
MMCID.

For the proposed MMCID activities, assessment Engineering experience in California has found that
generally over 95% of people moving about within similar district boundaries are engaged in business
related to assessed parcels and businesses contained located within them, while the public at large “just
passing through” is typically 5% or less.

Based on experience curves and the nature of the proposed MMCID funded programs and over 30 years
of assessment engineering experience, it is the opinion of this Engineer that districtwide general benefit
factors for each of the MMCID funded special benefit program element costs that provide a general benefit
to the public at large are as shown in the Table below. These factors are applied to each program element
costs in order to compute the dollar and percent value of districtwide general benefits to the public at large.
The total dollar value of this general benefit type, public at large, equates to $2,533 as delineated in the
following Table:

<table>
<thead>
<tr>
<th>Program Element</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>E</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dollar</td>
<td>General Benefit Percent</td>
<td>General Benefit Factor</td>
<td>General Benefit Value (A x C)</td>
</tr>
<tr>
<td>CIVIL SIDEWALKS</td>
<td>$138,000</td>
<td>1.50%</td>
<td>0.015</td>
<td>$2,070</td>
</tr>
</tbody>
</table>
Composite General Benefit
Based on the general benefit values delineated in the three sections above, the total value of districtwide general benefits conferred on assessed parcels within the MMCID, on parcels outside the MMCID, and on the public at large, equates to $4,522 ($576 + $1,433 + $2,533) or 1.92371%. For the purposes of this analysis, the districtwide general benefit factor of 1.92371% will be conservatively rounded up to 2% or $4,705. This leaves a value of 98% assigned to special benefit related costs. The districtwide general benefit value of $4,705 when added to the special benefit value of $230,550 (Year 1 – 2023 assessments) equates to a total Year 1 – 2023 program cost of $235,255. Remaining costs that are attributed to districtwide general benefits, will need to be derived from other non-assessment sources such as grants, underwritings and sponsorships.

The program special benefit related cost allocations of the MMCID assessment revenues for Year 1 (2023) are shown in the Table on page 13 of this Report. The projected program special benefit related cost allocations of the MMCID assessment revenues for the first 10 years of the MMCID, assuming a 5% maximum annual assessment rate increase, are shown in the Table on page 14 of this Report.

A breakdown of projected special and districtwide general benefits for Year 1 for each program element and benefit zone is shown in the following Table:

### Year 1 - 2023 Special + Districtwide General Benefits

<table>
<thead>
<tr>
<th>YR</th>
<th>ZONE</th>
<th>PROGRAM CATEGORY</th>
<th>SPECIAL BENEFITS</th>
<th>GENERAL BENEFITS</th>
<th>TOTAL BENEFITS</th>
<th>% OF TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>YR 1 - 2023</td>
<td>1</td>
<td>CIVIL SIDEWALKS</td>
<td>$87,292</td>
<td>$1,782</td>
<td>$89,074</td>
<td>59.8569%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DISTRICT IDENTITY- PLACEMAKING</td>
<td>$22,139</td>
<td>$452</td>
<td>$22,591</td>
<td>15.1811%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ADMINISTRATION-MANAGEMENT</td>
<td>$31,628</td>
<td>$645</td>
<td>$32,273</td>
<td>21.6873%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CONTINGENCY-RESERVE</td>
<td>$4,775</td>
<td>$97</td>
<td>$4,872</td>
<td>3.2748%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SUBTOTAL</td>
<td>$145,834</td>
<td>$2,976</td>
<td>$148,810</td>
<td>100%</td>
</tr>
<tr>
<td>2</td>
<td>CIVIL SIDEWALKS</td>
<td>$22,804</td>
<td>$465</td>
<td>$23,269</td>
<td>59.8569%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>DISTRICT IDENTITY- PLACEMAKING</td>
<td>$5,784</td>
<td>$118</td>
<td>$5,902</td>
<td>15.1811%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ADMINISTRATION</td>
<td>$8,262</td>
<td>$169</td>
<td>$8,431</td>
<td>21.6873%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CONTINGENCY</td>
<td>$1,248</td>
<td>$25</td>
<td>$1,273</td>
<td>3.2748%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SUBTOTAL</td>
<td>$38,098</td>
<td>$777</td>
<td>$38,875</td>
<td>100%</td>
</tr>
<tr>
<td>3</td>
<td>CIVIL SIDEWALKS</td>
<td>$26,593</td>
<td>$542</td>
<td>$27,135</td>
<td>59.8569%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>DISTRICT IDENTITY- PLACEMAKING</td>
<td>$6,745</td>
<td>$138</td>
<td>$6,883</td>
<td>15.1811%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ADMINISTRATION</td>
<td>$9,635</td>
<td>$197</td>
<td>$9,832</td>
<td>21.6873%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CONTINGENCY</td>
<td>$1,455</td>
<td>$30</td>
<td>$1,485</td>
<td>3.2748%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SUBTOTAL</td>
<td>$44,428</td>
<td>$907</td>
<td>$45,335</td>
<td>100%</td>
</tr>
<tr>
<td>4</td>
<td>CIVIL SIDEWALKS</td>
<td>$1,311</td>
<td>$27</td>
<td>$1,338</td>
<td>59.8569%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>DISTRICT IDENTITY- PLACEMAKING</td>
<td>$332</td>
<td>$7</td>
<td>$339</td>
<td>15.1811%</td>
</tr>
</tbody>
</table>
## MMCID WORK PLAN

### Overview

The services, programs and improvements to be funded by the MMCID include Sidewalk Operations, District Identity-Placemaking, Administration-Management and Contingency-Reserve. The property uses within the boundaries of the MMCID that will receive special benefits from MMCID funded programs, services and improvements are currently an array of restaurants, retailers, offices and housing units. Services, programs and improvements provided and funded by the MMCID are primarily designed to provide special benefits as described below to identified assessed parcels within the boundaries of the MMCID.

These special benefits are particular and distinct to each and every identified assessed parcel within the MMCID and are not provided to non-assessed parcels outside of the MMCID. These programs, services and improvements will only be provided to each individual assessed parcel within the MMCID boundaries and, in turn, confer proportionate "special benefits" to each assessed parcel.

The very nature of the purpose of the MMCID is to fund supplemental programs, services and improvements to assessed parcels within the MMCID boundaries above and beyond the base line services provided by the City of Stockton. The City of Stockton does not provide these supplemental programs and services. All benefits derived from the assessments to be levied on assessed parcels within the MMCID are for services, programs and improvements directly benefiting each individual assessed parcel within the MMCID. No MMCID funded services, activities or programs will be provided outside of the MMCID boundaries.

The program special benefit cost allocations of the MMCID assessment revenues for Year 1 (2023) are shown in the Table on page 13 of this Report. The projected program special benefit cost allocations of the MMCID assessment revenues for the first 10 years of the MMCID, assuming a 5% maximum annual assessment rate increase, are shown in the Table on page 14 of this Report.

### WORK PLAN DETAILS

The services to be provided by the MMCID (i.e. Sidewalk Operations, District Identity-Placemaking, Administration-Management and Contingency-Reserve) are all designed to contribute to the cohesive urban fabric to ensure economic success and vitality of each assessed parcel within the proposed MMCID. The assessed parcels in the MMCID will specially benefit from the MMCID programs in the form of increasing commerce and improving economic success and vitality through meeting the MMCID Goals: to improve cleanliness, beautification, landscaping, livability and to attract and retain businesses and services, generate more pedestrian and visitor traffic and to increase commerce and improve the economic viability of each individual assessed parcel.
Assessed parcels are conferred proportionate special benefits from all MMCID funded programs, services and improvements which are intended to attract more customers, users, visitors, employees, tenants, residents and investors. MMCID programs, services and improvements are designed to increase business volumes, sales transactions, occupancies and rental income. These programs, services and improvements are designed to improve commerce, security and aesthetic appeal for owners, tenants, patrons, visitors and employees of these parcels within the MMCID by reducing litter and debris and installing physical improvements, each considered necessary in a competitive properly managed mixed-use business district.

These benefits are particular and distinct to each and every identified and assessed parcel within the MMCID and are not provided to non-assessed parcels outside of the MMCID. These programs, services and improvements will only be provided to each individual assessed parcel within the MMCID boundaries and, in turn, confer proportionate "special benefits” to each assessed parcel.

The following programs, services and improvements are proposed by the MMCID to specially benefit each and every individually assessed parcel within the MMCID boundaries. MMCID services, programs and improvements will not be provided to parcels outside the MMCID boundary. Assessment funds generated in each benefit zone shall only be used to provide services which specially benefit individual assessed parcels within that benefit zone.

**CIVIL SIDEWALKS**

*Examples of this category of special benefit services and costs may include, but are not limited to:*

- Beautification of the district
- Tree and vegetation maintenance (over and above city services)
- Maintenance of existing and new public spaces
- Installation of and maintenance of landscaping throughout the district
- Regular sidewalk and gutter sweeping
- Periodic sidewalk steam cleaning
- Enhanced trash emptying (over and above city services)
- Timely graffiti removal, within 24 hours as necessary
- Possible hiring of contracted professional case workers to respond to the needs of the unhoused population in and around Miracle Mile
- Farmers market and special event assistance, set up and take down

<table>
<thead>
<tr>
<th>Type of Special Benefit Service</th>
<th>Benefit Zone</th>
<th>Frequency of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sidewalk and gutter sweeping</td>
<td>1, 2, 3, 4</td>
<td>4 - 5 days per week/Zone 1 and 3 2 – 4 days per week/Zone 2 1 – 2 per week/ Zone 4</td>
</tr>
<tr>
<td>Sidewalk pressure washing</td>
<td>1, 2, 3, 4</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Trash receptacle emptying (over and above City general services)</td>
<td>As needed</td>
<td>Zones 1, 2 and 3 As needed/Zone 4</td>
</tr>
</tbody>
</table>
The proposed budget for Civil Sidewalks will be $138,000 during the first year of operations and the costs of these services are generally allocated as follows:

80% to labor and personnel: Approximately $110,400 for labor or 1½ full time employees working an average of 7 days per week, (assuming starting pay at $18.00 per hour for maintenance, pressure washing and landscaping employees, which includes benefits and insurance).

20% for equipment, supplies: Approximately $27,600 for vehicles, pressure washer machine/trailer, watertank, gas, supplies, tools, equipment, storage/lockers/employee room

Homeless Outreach Services: Funded by grants and assessments

**DISTRICT IDENTITY AND PLACEMAKING:**

*Examples of this category of special benefit services and costs may include, but are not limited to:*

- Web site updating
- Social media, public relations firm
- Events such as the Taste of Miracle Mile
- Branding of the Miracle Mile CID properties so a positive image is promoted to the public including the development of a new logo
- Banner programs
- Public art displays
- Public space design and improvements
- Refurbishment of street signs and monuments

**Supplemental/Special Benefit Services by Benefit Zone for District Identity and Placemaking**

<table>
<thead>
<tr>
<th>Type of Special Benefit Services</th>
<th>Benefit Zones</th>
<th>Estimated First Year Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Web site maintenance and management</td>
<td>All</td>
<td>$5,000</td>
</tr>
<tr>
<td>Social media and PR Firm</td>
<td>All</td>
<td>$20,000</td>
</tr>
<tr>
<td>Branding and signage</td>
<td>All</td>
<td>TBD</td>
</tr>
<tr>
<td>Banner program</td>
<td>All</td>
<td>$10,000</td>
</tr>
<tr>
<td>Public Art Displays</td>
<td>Zone 1</td>
<td>Based upon grants</td>
</tr>
<tr>
<td>--------------------</td>
<td>-------</td>
<td>------------------</td>
</tr>
<tr>
<td>Public space design and management</td>
<td>Zone 1</td>
<td>TBD</td>
</tr>
<tr>
<td><strong>Total Budget for District Identity and Placemaking</strong></td>
<td></td>
<td>$35,000</td>
</tr>
</tbody>
</table>

**ADMINISTRATION/DISTRICT MANAGEMENT**

Examples of this category of special benefit services and costs may include, but is not limited to:

- Staff and administrative costs, contracted or in-house
- Directors and Officers and General Liability Insurance
- Office related expenses
- Rent
- Financial reporting and accounting
- Legal work

<table>
<thead>
<tr>
<th>Type of Special Benefit Service</th>
<th>Estimated First Year Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Director/District Management staff</td>
<td>$17,000*</td>
</tr>
<tr>
<td>Insurance (D &amp; O, General Liability, Employee practices)</td>
<td>$8,000</td>
</tr>
<tr>
<td>Legal Fees</td>
<td>TBD</td>
</tr>
<tr>
<td>Accounting and CPA Reviews</td>
<td>$7,000</td>
</tr>
<tr>
<td>Rent and office supplies/computer equipment (Rent, donated, or shared or discounted)</td>
<td>$18,000</td>
</tr>
<tr>
<td><strong>Total Budget for Administration/District Management</strong></td>
<td><strong>$50,000</strong>*</td>
</tr>
</tbody>
</table>

* Staff costs may be supplemented, by action of the Owners Association Board, by non-assessment activities and grants.

**CONTINGENCY/CITY AND COUNTY FEES/RESERVE**

Examples of this category of special benefit services and costs include, but is not limited to: Delinquencies, City/County fees, reserves, capital project improvements

In summary, all MMCID funded services, programs and improvements described above confer special benefits to identified assessed parcels inside the MMCID boundaries and none will be provided outside of the MMCID. Each assessed parcel within the MMCID will proportionately specially benefit from Sidewalk Operations, District Identity-Placemaking, Administration-Management and Contingency-Reserve. These services, programs and improvements are intended to improve commerce, employment, rents and occupancy rates of assessed parcels within the MMCID by reducing litter, marketing the available goods and services and installing physical improvements, each considered necessary in a competitive properly managed contemporary mixed-use business district. All MMCID funded services.
programs and improvements are considered supplemental, above normal base level services provided by the City of Stockton and are only provided for the special benefit of each and every assessed parcel within the boundaries of the MMCID.

**WORK PLAN BUDGET**

Each identified assessed parcel within the MMCID will be assessed the full amount of the proportionate special benefit conferred upon it based on the level of MMCID funded services provided within each benefit zone. The projected MMCID program special benefit (assessments) allocation budget for Year 1 (2023) is shown in the following Table:

**MMCID Year 1 (2023) Special Benefit Assessment Budget by Zone**

<table>
<thead>
<tr>
<th>BENEFIT ZONE</th>
<th>CIVIL SIDEWALKS</th>
<th>DISTRICT IDENTITY-PLACEMAKING</th>
<th>ADMINISTRATION-MANAGEMENT</th>
<th>CONTINGENCY-RESERVE</th>
<th>TOTAL</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>59.8569%</td>
<td>15.1811%</td>
<td>21.6873%</td>
<td>3.2748%</td>
<td>100.00%</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>$87,292</td>
<td>$22,139</td>
<td>$31,628</td>
<td>$4,775</td>
<td>$145,834</td>
<td>63.2550%</td>
</tr>
<tr>
<td>2</td>
<td>$22,804</td>
<td>$5,784</td>
<td>$8,262</td>
<td>$1,248</td>
<td>$38,098</td>
<td>16.5246%</td>
</tr>
<tr>
<td>3</td>
<td>$26,593</td>
<td>$6,745</td>
<td>$9,635</td>
<td>$1,455</td>
<td>$44,428</td>
<td>19.2705%</td>
</tr>
<tr>
<td>4</td>
<td>$1,311</td>
<td>$332</td>
<td>$475</td>
<td>$72</td>
<td>$2,190</td>
<td>0.9499%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$138,000</td>
<td>$35,000</td>
<td>$50,000</td>
<td>$7,550</td>
<td>$230,550</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

In order to carry out the MMCID programs outlined in the previous section, a Year 1-2023 assessment budget of $230,550 is projected. Since the MMCID is being proposed for a 20-year term, projected program costs for future years (Example: Years 2-5) are set at the inception of the MMCID. While future inflationary and other program cost increases are unknown at this point, a built-in maximum increase of 5% per year, commensurate to special benefits conferred on each assessed parcel, is incorporated into the projected program costs and assessment rates for the MMCID.

Funding carryovers, if any, may be reapportioned the following year for related programs, services and improvements in accordance with the Management District Plan. Detailed annual budgets will be prepared by the Owners’ Association Board and included in the Annual Report for the City Council’s review and approval.

It is recognized that market conditions may cause the cost of providing goods and services to fluctuate from year to year for the proposed MMCID. Accordingly, the Owners’ Association shall have the ability to reallocate any budget line item within the budget categories, based on such cost fluctuations subject to the review and approval by the Owners’ Association Board. Such reallocation will be included in the Annual Report for the approval by the City of Stockton City Council pursuant to the related City Ordinance. Any accrued interest or delinquent payments may be expended in any budget category in accordance with the Management District Plan.

A 10-year projected MMCID special benefit budget is shown in the following Table:

**YEAR 1-10 PROJECTED MMCID ASSESSMENT BUDGET SUMMARY (Special Benefits)**

*(Assumes 5% max rate increase per year)*
<table>
<thead>
<tr>
<th>YEAR</th>
<th>BENEFIT ZONE</th>
<th>CIVIL SIDEWALKS</th>
<th>DISTRICT IDENTITY-PLACEMAKING</th>
<th>ADMINISTRATION- MANAGEMENT</th>
<th>CONTINGENCY- RESERVE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>YR 1 - 2023</td>
<td>$9.8569%</td>
<td>15.1811%</td>
<td>21.6873%</td>
<td>3.2748%</td>
<td>100.00%</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>$87,292</td>
<td>$22,139</td>
<td>$31,628</td>
<td>$4,775</td>
<td>$1,458,834</td>
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<td>$44,428</td>
<td></td>
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<tr>
<td>4</td>
<td>$1,311</td>
<td>$332</td>
<td>$475</td>
<td>$72</td>
<td>$2,190</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>$138,000</td>
<td>$35,000</td>
<td>$50,000</td>
<td>$7,550</td>
<td>$230,550</td>
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</tr>
<tr>
<td>YR 2 - 2024</td>
<td>$91,657</td>
<td>$23,246</td>
<td>$33,209</td>
<td>$5,014</td>
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<td>1</td>
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<td>$1,518</td>
<td>$384</td>
<td>$88</td>
<td>$84</td>
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<td>TOTAL</td>
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<td>$8,325</td>
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<td>$96,240</td>
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<td>3</td>
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<td>$11,712</td>
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<td>$57</td>
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<td>$42,541</td>
<td>$60,775</td>
<td>$9,177</td>
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<td>YR 5 - 2027</td>
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<td>$38,443</td>
<td>$5,804</td>
<td>$177,261</td>
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<td>$12,298</td>
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<td>$423</td>
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<td>$92</td>
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<td>$9,635</td>
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<td>YR 6 - 2028</td>
<td>$116,981</td>
<td>$29,667</td>
<td>$42,383</td>
<td>$6,094</td>
<td>$186,123</td>
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<td>$30,559</td>
<td>$7,752</td>
<td>$11,071</td>
<td>$1,673</td>
<td>$51,055</td>
<td></td>
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<tr>
<td>3</td>
<td>$35,637</td>
<td>$9,038</td>
<td>$12,913</td>
<td>$1,949</td>
<td>$59,537</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>$1,758</td>
<td>$444</td>
<td>$637</td>
<td>$97</td>
<td>$2,936</td>
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</tr>
<tr>
<td>TOTAL</td>
<td>$184,935</td>
<td>$46,901</td>
<td>$67,004</td>
<td>$10,118</td>
<td>$308,958</td>
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<td>$29,667</td>
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<td>$195,430</td>
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<tr>
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<td>$30,559</td>
<td>$7,752</td>
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<td>$1,673</td>
<td>$51,055</td>
<td></td>
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<tr>
<td>3</td>
<td>$35,637</td>
<td>$9,038</td>
<td>$12,913</td>
<td>$1,949</td>
<td>$59,537</td>
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<tr>
<td>4</td>
<td>$1,758</td>
<td>$444</td>
<td>$637</td>
<td>$97</td>
<td>$2,936</td>
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</tr>
<tr>
<td>TOTAL</td>
<td>$184,935</td>
<td>$46,901</td>
<td>$67,004</td>
<td>$10,118</td>
<td>$308,958</td>
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<tr>
<td>YR 8 - 2030</td>
<td>$122,830</td>
<td>$31,150</td>
<td>$44,502</td>
<td>$6,719</td>
<td>$205,201</td>
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<td>2</td>
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<td>$11,625</td>
<td>$1,757</td>
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<tr>
<td>3</td>
<td>$37,419</td>
<td>$9,490</td>
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<td>$2,046</td>
<td>$62,514</td>
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</tbody>
</table>
### MIRACLE MILE CID – ASSESSMENT ENGINEER’S REPORT

<table>
<thead>
<tr>
<th></th>
<th>4</th>
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<th>$466</th>
<th>$669</th>
<th>$102</th>
<th>$3,083</th>
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<tr>
<td>TOTAL</td>
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<td>$49,246</td>
<td>$70,355</td>
<td>$10,624</td>
<td>$324,407</td>
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**YR 9 - 2031**

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<tr>
<th></th>
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<th>$128,972</th>
<th>$32,708</th>
<th>$46,727</th>
<th>$7,055</th>
<th>$215,462</th>
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<td>$702</td>
<td>$107</td>
<td>$3,236</td>
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<td>TOTAL</td>
<td>$203,891</td>
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<td>$340,627</td>
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**YR 10 - 2032**

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>$135,421</th>
<th>$34,343</th>
<th>$49,063</th>
<th>$7,408</th>
<th>$226,235</th>
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</thead>
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<td>2</td>
<td>$35,376</td>
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<td>$12,816</td>
<td>$1,937</td>
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<td>3</td>
<td>$41,255</td>
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<td>$2,255</td>
<td>$68,922</td>
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<td>4</td>
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<td>$513</td>
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<td>$112</td>
<td>$3,397</td>
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</tr>
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<td>TOTAL</td>
<td>$214,087</td>
<td>$54,293</td>
<td>$77,565</td>
<td>$11,712</td>
<td>$357,657</td>
<td></td>
</tr>
</tbody>
</table>

The MMCID assessments may increase for each individual parcel each year during the life of the MMCID, but not to exceed 5% per year, commensurate to special benefits received by each assessed parcel, and must be approved by the Owners’ Association Board of Directors, included in the Annual Report and adopted by the City of Stockton City Council. Any accrued interest and delinquent payments will be expended within the budgeted categories. The Owners’ Association Board of the Directors (“Property Owners’ Association of the MMCID) shall determine the percentage increase, if any, to the annual assessment, not to exceed 5% per year. The Owners’ Association Executive Director shall communicate the annual increase to the City each year in which the MMCID operates at a time determined in the Administration Contract held between the Owners’ Association and the City of Stockton. No bonds are to be issued in conjunction with the proposed MMCID.

Pursuant to the Ordinance, any funds remaining after each year of operation will be rolled over into the renewal budget or returned to stakeholders in accordance with the Ordinance. If the MMCID is terminated for any reason or disestablished, unencumbered/unexpended funds will be returned to the property owners in accordance with the Ordinance.

**Finding 3.** From Section 4(a): “(Determine) the proportionate special benefit derived by each parcel in relationship to the entirety of the.........cost of public improvement(s) or the maintenance and operation expenses.........or the cost of the property related service being provided.

Each identified assessed parcel within the MMCID will be assessed based on property characteristics unique only to that parcel. Based on the specific needs and corresponding nature of the program activities to be funded by the proposed MMCID (i.e. Sidewalk Operations, District Identity-Placemaking, Administration-Management and Contingency-Reserve), it is the opinion of this Assessment Engineer that the assessment factors on which to base assessment rates relate directly to the proportionate amount of building area, land area and street frontage of each parcel within four benefit zones, except as noted herein.

The calculated assessment rates are applied to the actual measured parameters of each parcel and thereby are proportional to each and every other identified assessed parcel within the MMCID as a whole and the Benefit Zone in which it is located. Larger parcels and those with larger buildings and/or ones located in Zone 1 are projected to impact the demand for services and programs to a greater extent than smaller
parcels or smaller buildings or street frontages and/or located in Zones 2, 3 or 4 and thus, are assigned a greater proportionate degree of assessment program and service costs. The proportionality is further achieved by setting targeted formula component weights for the respective parcel by parcel identified property attributes.

The proportionate special benefit cost for each parcel has been calculated based on proportionate formula components and is listed in the Management District Plan and this Report. The individual percentages (i.e. proportionate relationship to the total special benefit related program and activity costs) is computed by dividing the individual parcel assessment by the total special benefit program related costs.

Finding 4. From Section 4(a): “No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”

Not only are the proposed program costs reasonable due to the benefit of group purchasing and contracting which would be possible through the proposed MMCID, they are also considerably less than other options considered by the MMCID Formation Advisory Committee. The actual assessment rates for each parcel within the MMCID directly relate to the level of service and, in turn, special benefit to be conferred on each parcel based on the respective building area, land area or street frontage of each parcel within four benefit zones.

Finding 5. From Section 4(a): “Parcels........that are owned or used by any (public) agency shall not be exempt from assessment........”

Article XIIID states that “parcels within a District that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly-owned parcels in fact receive no special benefit.”

There are currently 13 publicly owned parcels within the boundaries of the proposed MMCID - 11 are owned by the City of Stockton and 2 by the Stockton Unified School District. It is the opinion of this Assessment Engineer that there is no clear and convincing evidence that these publicly owned parcels would not receive proportionate special benefits and thus, are not exempt from assessments nor assessed differently than privately owned parcels.

Finding 6. From Section 4(b): “All assessments must be supported by a detailed engineer’s report prepared by a registered professional engineer certified by the State of California”.

This report serves as the “detailed engineer’s report” to support the benefit property assessments proposed to be levied within the proposed MMCID.

Finding 7. From Section 4(c): “The amount of the proposed assessment for each parcel shall be calculated (along with) the total amount thereof chargeable to the entire district, the duration of such payments, the reason for such assessment and the basis upon which the amount of the proposed assessment was calculated.”

The individual and total parcel assessments attributable to special property benefits are shown in Appendix 1 to the Management District Plan and this Report. The proposed MMCID and resultant assessment levies will continue for 20 years unless disestablished. The reasons for the proposed assessments are outlined in Finding 2 above as well as in the Management District Plan. The calculation basis of the proposed
assessment is attributed to building area, land area or street frontage of each MMCID assessed parcel within four benefit zones.

**Assessment Formula Methodology**

**Step 1. Select “Benefit Unit(s)”**

**Background - Assessment Formula Development**

The method used to determine special benefits derived by each identified assessed property within a CBD begins with the selection of a suitable and tangible basic benefit unit. For property related services, such as those proposed in the MMCID, the benefit unit may be measured in linear feet of street frontage or parcel size in square feet or building size in square feet or any combination of these factors. Factor quantities for each parcel are then measured or otherwise ascertained. From these figures, the amount of benefit units to be assigned to each property can be calculated. Special circumstances such as unique geography, land uses, development constraints etc. are carefully reviewed relative to specific programs and improvements to be funded by a CBD in order to determine any levels of different benefit that may apply on a parcel-by-parcel or categorical basis.

Based on the factors described above such as geography and nature of programs and activities proposed, an assessment formula is developed which is derived from a singular or composite benefit unit factor or factors. Within the assessment formula, different factors may be assigned different “weights” or percentage of values based on their relationship to programs/services to be funded.

Next, all program and activity costs, including incidental costs, administration and ancillary program costs, are estimated. It is noted, as stipulated in Article XIIID Section 4(b) of the California Constitution, and now required of all property-based assessment districts, indirect or general benefit related costs may not be incorporated into the assessment formula and levied on the district properties; only direct or “special” benefits related costs may be used. Indirect or general benefits, if any, must be identified and, if quantifiable, calculated and factored out of the assessment cost basis to produce a “net” cost figure. In addition, Article XIIID Section 4(b) of the California Constitution also no longer automatically exempts publicly owned property from being assessed unless the respective public agency can provide clear and convincing evidence that their property does not specially benefit from the programs and services to be funded by the proposed special assessments. If special benefit is determined to be conferred upon such properties, they must be assessed in proportion to special benefits conferred in a manner similar to privately owned property assessments. (See page 15 of this Report for discussion regarding publicly owned parcels within the MMCID).

From the estimated program costs, the value of a benefit unit or “unit cost” can be computed by dividing the total amount of estimated program costs by the total number of benefit units. The amount of assessment for each parcel can be computed at this time by multiplying the Unit Cost times the number of Benefit Units per parcel. This is known as “spreading the assessment” or the “assessment spread” in that all costs are allocated proportionately or “spread” amongst all benefitting properties within the CBD.

The method and basis of spreading program costs varies from one CBD to another based on local geographic conditions, types of programs and activities proposed, and size and development complexity of the district. CBIDs may require secondary benefit zones to be identified to allow for a tiered assessment formula for variable or “stepped-down” benefits derived.

**MMCID Assessment Formula**

Based on the specific needs and corresponding nature of the program activities to be funded by the
proposed MMCID (i.e. Sidewalk Operations, District Identity-Placemaking, Administration-Management and Contingency-Reserve) it is the opinion of this Assessment Engineer that the assessment factors on which to base assessment rates relate directly to the proportionate amount of building area, land area or street frontage of each parcel within four benefit zones.

The “Benefit Units” for Zones 1, 2 and 3 will be expressed as a combined function of gross building square footage (Benefit Unit “A”) and land square footage (Benefit Unit “B”) and in Zone 4, street frontage (Benefit Unit “C”). Based on the shape of the proposed MMCID, as well as the nature of the work program, it is determined that all identified properties will gain a direct and proportionate degree of special benefit based on the respective amount of building area and land area in Zones 1, 2 and 3 and in Zone 4, street frontage.

In the opinion of this Assessment Engineer, the targeted weight of Zone 1 revenue to match the projected costs of Zone 1 services, should generate approximately 65% of the total MMCID revenue (63.255% when adjusted for precise parcel measurements and program costs and service levels).

In the opinion of this Assessment Engineer, the targeted weight of Zone 2 revenue to match the projected costs of Zone 2 services, should generate approximately 15% of the total MMCID revenue (16.5246% when adjusted for precise parcel measurements and program costs and service levels).

In the opinion of this Assessment Engineer, the targeted weight of Zone 3 revenue to match the projected costs of Zone 3 services, should generate approximately 20% of the total MMCID revenue (19.2705% when adjusted for precise parcel measurements and program costs and service levels).

In the opinion of this Assessment Engineer, the targeted weight of Zone 4 revenue to match the projected costs of Zone 4 services, should generate approximately 1% of the total MMCID revenue (0.9499% when adjusted for precise parcel measurements and program costs and service levels).

The interaction of building area and land area in Zones 1, 2 and 3 or in Zone 4, street frontage quantities is a common method of fairly and equitably spreading special benefit costs to the beneficiaries of CBD funded services, programs and improvements. These factors directly relate to the degree of special benefit each assessed parcel will receive from MMCID funded activities within each benefit zone.

Building area (Benefit Units A) only applied in Zones 1, 2 and 3, is a direct measure of the static utilization of each parcel and its corresponding impact or draw on MMCID funded activities. The targeted revenue weight of Building Area (Units A) is about 35%. Unit A will actually generate 33.79389% of the overall assessment revenue.

Land area (Benefit Unit B) only applied in Zones 1, 2 and 3, is a direct measure of the current and future development capacity of each parcel and its corresponding impact or draw on MMCID funded activities. The targeted revenue weight of Land Area (Unit B) is about 65%. Unit B will actually generate 65.2562% of the overall assessment revenue.

Street frontage (Benefit Unit C) only applied in Zone 4, is a direct measure of each parcel’s corresponding impact or draw on MMCID funded activities. The targeted revenue weight of Street Frontage (Unit C) is about 1%. Unit C will actually generate 0.94999% of the overall assessment revenue.

Special Assessment Circumstances
1. Residential Condominiums
Though currently no residential condominium parcels exist within the boundaries of the Miracle Mile CID, future residential condos will be assessed as a separate category. It is the opinion of this Assessment Engineer that residential condominium parcels will proportionately specially benefit from MMCID funded programs and activities, but differently than commercial parcels and other residential parcels with multiple units on them. As such, based on the development configuration of such units which are generally multi floor buildings with no direct land or street frontage, the assessments for residential condominiums shall be assessed based solely on the internal building area of each residential condominium unit at the rate of $0.13 per square foot of internal building pad area, subject to any approved annual rate increases.

2. Commercial and Mixed-Use Condominiums
While no mixed-use condominiums currently exist within the MMCID, ground floor commercial condominiums within the MMCID shall be assessed based on actual land area covered, condominium building area and direct street frontage for each unit. Because such uses are typically developed as part of a multi-floor mixed-use complex, special methodologies are needed to address the levy of assessments on such land uses as follows:

Multi-Floor Commercial Only Condominiums (Upper Floors)
- Building area assessed at respective building area rate

Multi-Floor Mixed-Use Condominiums
- Commercial condo (See above for ground floor and upper floor locations)
- Residential condo (See # 2 above)

Changes to Building and/or Parcel Size
Any changes in building or parcel size as a result of new construction, demolitions, land adjustments including but not limited to lot splits, consolidations, subdivisions, street dedications, right of way setbacks shall have their assessment adjusted upon final City approval of such building and/or parcel adjustments.

Other Future Development
Other than future maximum rates and the assessment methodology delineated in this Report, future assessments may increase for any given parcel if such an increase is attributable to events other than an increased rate or revised methodology, such as a change in the density, intensity, or nature of the use of land. Any change in assessment formula methodology or rates other than as stipulated in this Report would require a new Article XIIIID ballot procedure in order to approve any such changes.

Step 2. Quantify Total Basic Benefit Units
Considering all identified specially benefiting parcels within the MMCID and their respective assessable benefit units, the cumulative quantities by factor and zone are shown in the following Table:

<table>
<thead>
<tr>
<th>Year 1 – 2023 - Assessable Benefit Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>BENEFIT ZONE</td>
</tr>
<tr>
<td>---------------</td>
</tr>
</tbody>
</table>

19
MIRACLE MILE CID – ASSESSMENT ENGINEER’S REPORT

<table>
<thead>
<tr>
<th></th>
<th>BLDG AREA ASMT REVENUE</th>
<th>LAND AREA ASMT REVENUE</th>
<th>STREET FRONTAGE REVENUE</th>
<th>TOTAL REVENUE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$58,255.08</td>
<td>$87,579.05</td>
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<td>$145,834.13</td>
<td>63.2550%</td>
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<tr>
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<td>$7,673.75</td>
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</tr>
<tr>
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<td>19.2705%</td>
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<td>$0.00</td>
<td>$0.00</td>
<td>$2,190.00</td>
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<td>0.9499%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$77,911.68</td>
<td>$150,447.93</td>
<td>$2,190.00</td>
<td>$230,549.61</td>
<td>100.0000%</td>
</tr>
</tbody>
</table>
Assessor’s office. If MMCID data matches Assessor’s data, the property owner may opt to work with the Assessor’s office to correct the data so that the MMCID assessment may be corrected.

**Step 4. Determine Assessment Formula**

In the opinion of this Assessment Engineer, the general assessment formula for the proposed MMCID, except as may vary by Benefit Zone as shown in the Year 1 Assessment Rate Table on page 22, is as follows:

\[
\text{Assessment} = \text{Building Area (Unit A)} \times \text{Sq Ft} \times \text{Unit A Rate}, \text{ plus} \\
\text{Land Area (Unit B)} \times \text{Sq Ft} \times \text{Unit B Rate}, \text{ or, in Zone 4 only,} \\
\text{Street Frontage (Unit C) Lin Ft} \times \text{Unit C Rate}
\]

**Assessment Formula Unit Rates**

Based on figures from the Assessable Benefit Units Table on page 19, the assessment rates for each factor and zone are shown as calculated below:

**Zone 1**

**Building Area Rate** (Unit A-1)

\[
\left(\frac{230,549.61 \times 25.26792\%}{448,116 \text{ assessable building units}}\right) = 0.13/\text{sq ft building area}
\]

**Land Area Rate** (Unit B-1)

\[
\left(\frac{230,549.61 \times 37.98707\%}{673,685 \text{ assessable land units}}\right) = 0.13/\text{sq ft land area}
\]

**Zone 2**

**Building Area Rate** (Unit A-2)

\[
\left(\frac{230,549.61 \times 3.32846\%}{109,625 \text{ assessable building units}}\right) = 0.07/\text{sq ft building area}
\]

**Land Area Rate** (Unit B-2)

\[
\left(\frac{230,549.61 \times 13.19612\%}{434,623 \text{ assessable land units}}\right) = 0.07/\text{sq ft land area}
\]

**Zone 3**

**Building Area Rate** (Unit A-3)

\[
\left(\frac{230,549.61 \times 5.19751\%}{108,935 \text{ assessable building units}}\right) = 0.11/\text{sq ft building area}
\]
Land Area Rate (Unit B-3)

($230,549.61 \times 14.07301\%) / 294,957 assessable land units = $0.11/sq ft land area

Zone 4
Street Frontage Rate B (Unit C-4)

($230,549.61 \times 0.9499\%) / 1,095 assessable frontage units = $2.00/LF street frontage

YEAR 1 – 2023 Assessment Rates

<table>
<thead>
<tr>
<th>BENEFIT ZONE</th>
<th>BLDG AREA ASSMT RATE ($/SQ FT)</th>
<th>LAND AREA ASSMT RATE ($/SQ FT)</th>
<th>STREET FRONTAGE ASSMT RATE ($/LN FT)</th>
</tr>
</thead>
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<tr>
<td>YEAR 1</td>
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</table>

The complete Year 1 – 2023 assessment roll of all parcels to be assessed by the MMCID is included in this Report as Appendix I.

Step 5. Estimate Total MMCID Costs
The total projected first 10-year MMCID special benefit costs for 2023 – 2032 are shown in the Table on page 14-15 of this Report assuming a maximum 5% increase per year.

Step 6. Separate General Benefits from Special Benefits and Related Costs (Article XIID)
Total Year 1 special and districtwide general benefit related costs are estimated at $235,255. Districtwide general benefits are factored at 2% of the total benefit value (see Finding 2 of this Report) with special benefits set at 98%. Article XIID limits the levy of property assessments to costs attributed to special benefits only. The 2% general benefit value is computed to be $4,705 with a resultant 98% special benefit limit computed at $230,550. Based on current property data and land uses, this is the maximum amount of Year 1 (2023) revenue that can be derived from property assessments from the subject District. All program costs associated with district-wide and site/activity specific general benefits will be derived from sources other than MMCID assessments.
Step 7. Calculate “Basic Unit Cost”

With a YR 1 - 2023 assessment revenue portion of the budget set at $230,550 (special benefit only), the Unit Costs (rates) are shown earlier in Step 4. The MMCID is proposed for a 20-year term. An annual inflationary assessment rate increase of up to 5%, commensurate to special benefits received by each assessed parcel, may be imposed for future year assessments, on approval by the MMCID Property Owner’s Association. The maximum assessment rates for the first 10 years (2023-2032) are shown in the Table below as an example. The assessment rates listed constitute the maximum assessment rates that may be imposed for each of the first 10 years.

### MMCID – Maximum Assessment Rates - First 10-Years
(Includes a 5%/Yr. Max Increase)

<table>
<thead>
<tr>
<th>BENEFIT ZONE</th>
<th>BLDG AREA ASSMT RATE ($/SQ FT)</th>
<th>LAND AREA ASSMT RATE ($/SQ FT)</th>
<th>STREET FRONTAGE ASSMT RATE ($/LN FT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>YEAR 1</td>
<td></td>
<td></td>
<td></td>
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<tr>
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<tr>
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</tr>
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</table>
### Step 8. Spread the Assessments

The resultant assessment spread calculation results for each parcel within the MMCID are shown in the Management District Plan and this Report and were determined by applying the MMCID assessment formula to each identified benefiting property.

### Miscellaneous MMCID Provisions

**Time and Manner of Collecting Assessments:**
Assessments shall be collected at the same time and in the same manner as ad valorem taxes paid to San Joaquin County. The MMCID assessments shall appear as a separate line item on the property tax bills issued by San Joaquin County. The City of Stockton is authorized to collect any assessments not placed on the County tax rolls, or to place assessments, unpaid delinquent assessments, or penalties on the County tax rolls as appropriate to implement the Management District Plan.

### Bonds:

<table>
<thead>
<tr>
<th>Year</th>
<th>Parcel 1</th>
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<th>Parcel 4</th>
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**YEAR 7**

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**YEAR 8**

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**YEAR 10**

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No bonds are to be issued in conjunction with the proposed MMCID.

**Duration and Disestablishment**

As allowed by the Ordinance, the MMCID will have a 20-year operation term, beginning January 1, 2023 and ending December 31, 2042. At that time, the MMCID may be renewed again for up to 20 years. Under the Ordinance, property owners will have an annual period in which to petition the City Council to disestablish the MMCID. If the property owners vote, by weighted majority to disestablish the district, the district assessments will be removed from the parcels the following fiscal year. Unexpended surplus funds will be returned to property owners based upon each parcel’s percentage contribution to the previous fiscal year’s assessments if the MMCID is not continued.
APPENDIX 1

MMCID
YR 1 – 2023
ASSESSMENT ROLL
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APPENDIX 2

MMCID BOUNDARY MAP
Resolution No.

STOCKTON CITY COUNCIL

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH THE MIRACLE MILE IMPROVEMENT DISTRICT RELATIVE TO THE MIRACLE MILE COMMUNITY IMPROVEMENT DISTRICT

The Property and Business Improvement District Law of 1994, Streets and Highways Code section 36600 et seq., authorizes cities and counties to establish and renew property and business improvement districts for the purposes of providing activities and improvements which generate a special benefit to assessed parcels; and

The City of Stockton's Community Improvement District Ordinance, at Title 3, Chapter 3.96 of the Stockton Municipal Code, as amended by Ordinance No. 2022-03-22-1211, provides for alternative procedures which supplement the procedures of the Streets and Highway Code; and

The Miracle Mile Community Improvement District ("MMCID") Management District Plan (hereafter "Plan"), provides for enhanced security and maintenance, landscape beautification, advocacy services, marketing, and events with the intent of providing special benefits to assessed parcels within the MMCID; and

The City Council has authorized and approved the formation of the Miracle Mile Community Improvement District (MMCID) and its associated Management District Plan; and

On July 12, 2022, the City Council adopted Resolution No. 2022-07-12-1203, a Resolution of Intention for the formation of the MMCID; and

On September 13, 2022, the City Council adopted Resolution 2022-09-13-1602, approving the formation of the MMCID for a 20-year term beginning January 1, 2023; and

The MMCID was established to ensure the delivery of programs and provide enhanced maintenance, safety, marketing, management, and advocacy services beyond what the City currently provides; and

The adopted Management District Plan describes a governance framework for the MMCID, which requires the City of Stockton to contract with a non-profit corporation to manage MMCID funds and deliver the enhanced services pursuant to California Streets & Highways Code section 36651; and

The City desires to contract with the Miracle Mile Improvement District and designate it to deliver the enhanced services; now, therefore,
BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The City Council designates the Miracle Mile Improvement District, a non-profit corporation, to operate the MMCID with responsibility for managing the community improvement district assessments and delivery of enhanced services, as described in the adopted Management District Plan, dated April 2022, including the delivery of programs, enhanced maintenance, safety, marketing, management, and advocacy services.

2. The City Manager, or designee, is hereby authorized to execute the Agreement between the City and the Miracle Mile Improvement District, a copy of which is attached hereto as Exhibit 1 and incorporated by this reference.

3. The City Manager, or designee, is authorized to take whatever actions are necessary and appropriate to carry out the purpose and intent of this Resolution.

PASSED, APPROVED, and ADOPTED December 6, 2022.

___________________________
KEVIN J. LINCOLN II
Mayor of the City of Stockton

ATTEST:

___________________________
ELIZA R. GARZA, CMC
City Clerk of the City of Stockton
AGREEMENT BETWEEN THE CITY OF STOCKTON
AND THE MIRACLE MILE IMPROVEMENT DISTRICT
RELATIVE TO THE MIRACLE MILE COMMUNITY
IMPROVEMENT DISTRICT (MMCID)

This Agreement is entered into on January 1, 2023, by and between the CITY OF STOCKTON, a municipal corporation (herein “CITY”), and MIRACLE MILE COMMUNITY IMPROVEMENT DISTRICT, DBA THE MIRACLE MILE IMPROVEMENT DISTRICT, a California nonprofit corporation (herein the “Owners’ Association”).

RECITALS

On March 22, 2022, the City Council adopted an ordinance amending Title 3, Chapter 3.96, sections 3.96.020 and 3.96.030 and adding sections 3.96.040, 3.96.050, 3.96.060, 3.96.070, 3.96.080, 3.96.090, 3.96.100, 3.96.110, 3.96.120, and 3.96.130 of the Stockton Municipal Code, relating to the establishment of Community Improvement Districts (Ordinance No. 2022-03-22-1211).

A Community Improvement District (CID) is a flexible financing tool to allow Stockton business districts new mechanisms to establish innovative ways of attracting, retaining, and expanding their businesses to remain competitive with other areas of the region. The formation of a CID is authorized under the City of Stockton’s Community Improvement District Ordinance 2022-03-12-1211 (SMC Ordinance #2022-03-22-1211), upon tabulation of ballots at a public hearing. If the ballots in favor of the CID formation exceed the opposition (weighted by the amount of the assessment) the city may adopt a resolution for the formation of the CID.

On May 24, 2022, the City Council adopted a Resolution of Intention for the formation of the Miracle Mile Community Improvement District (MMCID) and authorized the City Manager to set a date for a public hearing to tabulate the ballots (Resolution No. 2022-05-24-1503).

On September 13, 2022, the City Council conducted a public hearing and, upon tabulation of the ballots with 76% of the votes in favor, adopted a resolution to approve the formation of the MMCID (Resolution No. 2022-09-13-1602), a map of the MMCID boundary is attached hereto as Exhibit “A”.

The Owners’ Association was established to support activities and improvements for the assessed properties, including enhanced security and maintenance, landscape beautification, advocacy services, marketing, events, and administration throughout the MMCID.

The City and the Owners’ Association wish to formalize respective roles and responsibilities with regards to maintenance within the MMCID, to ensure that the City continues to provide “baseline” City services, and the addition of privately contracted enhanced services is provided over and above, rather than supplanting, the current levels of City services.
The Owners’ Association represents a large number of property owners within the MMCID and is instrumental in the establishment and formation of the MMCID and has the capacity to manage the District Improvements to be provided by the MMCID.

City and Owners’ Association desire to enter into this Agreement to set forth the roles and responsibilities to each party with respect to providing the District Improvements and administering the MMCID in accordance with the adopted Management District Plan.

AGREEMENT

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS. Certain terms are defined in the heading and recitals to this agreement. In addition to those definitions, as used in this Agreement, the following definitions shall apply:


   b. District Improvements. The improvements (or services) to be provided by the Owners’ Association including civil sidewalks (clean & safe), district identity & placemaking, administration & district management, and contingency & reserve as described in the Management District Plan.

   c. Benefit Zones. An area of land within the MMCID boundary designated to receive a specific level of District improvements. The four Benefit Zones are identified in Exhibit “A” and further described in the Management District Plan and Engineer’s Report.

2. OWNERS’ ASSOCIATION OBLIGATIONS. The Owners’ Associations’ obligations under this Agreement shall be as follows:

   a. Provide District Improvements. The Owners’ Association shall provide, manage, and administer all District improvements for 20 years as indicated in the Management District Plan, during the following time periods:

      | Year | Date Range                  |
      |------|-----------------------------|
      | 1    | January 1, 2023 through December 31, 2023 |
      | 2    | January 1, 2024 through December 31, 2024 |
      | 3    | January 1, 2025 through December 31, 2025 |
      | 4    | January 1, 2026 through December 31, 2026 |
      | 5    | January 1, 2027 through December 31, 2027 |
      | 6    | January 1, 2028 through December 31, 2028 |
      | 7    | January 1, 2029 through December 31, 2029 |
      | 8    | January 1, 2030 through December 31, 2030 |
      | 9    | January 1, 2031 through December 31, 2031 |
      | 10   | January 1, 2032 through December 31, 2032 |
Year 11 January 1, 2033 through December 31, 2033
Year 12 January 1, 2034 through December 31, 2034
Year 13 January 1, 2035 through December 31, 2035
Year 14 January 1, 2036 through December 31, 2036
Year 15 January 1, 2037 through December 31, 2037
Year 16 January 1, 2038 through December 31, 2038
Year 17 January 1, 2039 through December 31, 2039
Year 18 January 1, 2040 through December 31, 2040
Year 19 January 1, 2041 through December 31, 2041
Year 20 January 1, 2042 through December 31, 2042

b. **Budget & Annual Reports.** The Owners’ Association shall submit to the City, for review, comment, and approval, an annual report describing the MMCID improvements and accomplishments for the previous year and proposed budget for each upcoming year of operation. At formation of the district, the Owners’ Association will submit the newly formed MMCID budget for 2023 on or before December 15, 2022. In year 1, the Owners’ Association shall submit the final former MMPBID accomplishments and annual report and the newly formed MMCID district goals on or before March 1, 2023. Subsequent yearly budgets shall be submitted on or before January 1st for years 2-20.

c. **Financial Statements.** The Owners’ Association shall submit a statement of income and expenses of the MMCID, reviewed by a Certified Public Accountant, covering the previous calendar year on or before March 1, 2024 for year 1 (2023), and March 1st for each year thereafter. Within thirty (30) days of written request of the City, the Owners’ Association shall provide all other financial information in relation to the MMCID as may be reasonably requested from time to time. The Budget Reports for years 2-20 shall declare the budget surplus (or deficit) for the prior year.

d. **Subcontracting.** The Owners’ Association shall let and administer all subcontracts necessary for providing the MMCID Improvements. In all subcontracting, the Owners’ Association shall follow competitive bidding procedures unless the Owners’ Association has documented that it is necessary to award a subcontract on a negotiated basis to assure the provisions of adequate improvements at the most advantageous cost.

e. **Work in the Public Right-of-Way.** The Owners’ Association shall comply with all federal, state, and local laws and shall secure all necessary permits and authorizations pertaining to work within the public right-of-way including, but not limited to, sidewalks, alleys, streets, public easements, public buildings, and public parking areas and garages.

f. **Maintain Database.** The Owners’ Association shall maintain a complete database of all parcels, building square footages, and linear frontage footages of assessed properties within the MMCID. Said database shall be updated at least once each year during MMCID operations to reflect changed conditions and to accurately reflect status of assessed parcels. Owners’ Association shall provide a copy of the database with the submittal of the Budget Reports.
described in section 2.b. above.

g. **Indemnify and Hold Harmless.** To the fullest extent permitted by law, Owners’ Association shall hold harmless, defend at its own expense, and indemnify the City, its officers, employees, agents, and volunteers, against any and all liability, claims, losses, damages, or expenses, including reasonable attorney’s fees, arising from all acts or omissions of Owners’ Association or its officers, agents, or employees in rendering services under this Agreement; excluding, however, such liability, claims, losses, damages, or expenses arising from the City’s sole negligence or willful acts. The duty to defend and the duty to indemnify are separate and distinct obligations. The indemnification obligations of this section shall survive the termination of this Agreement.

h. **Insurance Requirements.** Owners’ Association shall maintain insurance in the form identified in Exhibit “B”.

3. **CITY OBLIGATIONS.** The City’s obligations under this Agreement shall be as follows:

a. **Owners’ Association Administration.** The City shall provide administration of the annual MMCID proceedings, including preparation of the annual City Council reports.

b. **Billing and Collecting.** The City will coordinate the annual levy process and collecting of assessments directly with the County of San Joaquin.

c. **Payments to the MMCID.** The annual MMCID assessment will be collected with the regular County property taxes. The MMCID will provide direct billing to the County in order to receive these revenues. The City will not act as an intermediary to request payments on behalf of the MMCID.

d. **Annual City Contribution.** The City will make an annual contribution to the MMCID for the assessments of city owned properties within the MMCID. The City’s contribution will be an aggregate sum based on the number, size, and location of City-owned properties within the MMCID and the annual assessment rates. The City’s contribution for the Year 1 of operation (2023), is estimated to be $21,639.84. The City’s contribution will be paid to the Owners’ Association by March 31st of each year thereafter of MMCID operation based upon the assessment amount approved in the annual Council authorization for appropriation of the MMCID annual report, budget, and financials.

e. **City commitment to maintain baseline services.** The City shall agree to maintain a level of City services to the MMCID boundary that allows for asset sustainability, and not supplant these services. The intent is not to supplant baseline City services currently provided within the City right-of-way with services to be provided by the MMCID Management District Plan. However, such maintenance of services shall be subject to the discretionary actions of the City Council.
f. **City contract for Owners' Association services.** The City may enter into contracts for services to request that the Owners' Association provide certain maintenance functions for City-owned facilities or public right-of-way located within the MMCID.

4. **GOVERNANCE**

**Assignment and Assumption.** As provided in the Management District Plan, a new public benefit non-profit corporation may be established after formation of the MMCID to manage the MMCID. Pursuant to an assignment and assumption agreement between the City, Owners' Association, and the new public benefit non-profit corporation, the rights, obligations, and responsibilities of the Owners' Association may be assigned to and assumed by the new public benefit non-profit corporation, which shall thereafter serve as the owners' association of the MMCID. The City Manager of the City is empowered to execute such an assignment and assumption agreement on behalf of the City.

5. **GENERAL PROVISIONS**

a. **Notices.** Any notice, tender, delivery, or other communications pursuant to the Agreement shall be in writing and shall be deemed to be properly given when delivered or mailed in the manner provided in this paragraph to the following persons:

   City of Stockton  
   Attn: City Manager  
   425 N. El Dorado Street  
   Stockton, CA 95202

   Miracle Mile Improvement District  
   Attn: Executive Director  
   PO Box 4016  
   Stockton, CA 95204

   Any party may change that party's address for these purposes by giving written notice to the change to the other parties in the manner provided in this section. If sent by mail, any notice, delivery, or other communication shall be effective or deemed to have been given 48 hours after it has been deposited in the United States mail, with postage prepaid, and addressed as set forth above.

b. **Term and Termination.** The term of this Agreement shall be from the date of execution first noted through December 31, 2042. The Owners' Association may recommend to the City Council an extension of the termination date to allow the expenditure of remaining budgeted funds for improvements in the event all MMCID funds are not received and spent by December 31, 2042. Said extension, if any, shall be at the sole discretion of the City Council. Following termination, the Owners' Association shall, as expeditiously as reasonably possible, terminate all activities of the MMCID, pay all obligations and costs of administration incurred on behalf of the MMCID, and return all remaining
MMCID funds to the City. Thereafter, the City shall return remaining MMCID funds to the owners of the assessed properties in amounts proportionate to the amounts of assessments they paid for the MMCID.

c. **Attorney’s Fees.** If the services of any attorney are required by either party to secure the performance of this Agreement, or otherwise upon the breach of the default of either party, or if any judicial remedy or arbitration is necessary to enforce or interpret any provision of this Agreement, the prevailing party shall be entitled to reasonable attorney fees, costs, and other expenses, in addition to any other relief to which such party may be entitled.

d. **Governing Law.** This Agreement and the legal relations between the parties shall be governed by and construed in accordance with the laws of the State of California.

e. **Waiver.** The waiver by any party to this agreement of breach of any provision of this Agreement shall not be deemed a continuing waiver or a waiver of any subsequent breach of that or any other provisions of this Agreement.

f. **Entire Agreement.** This document, including all Exhibits, contains the entire Agreement between the parties and supersedes whatever oral or written understanding they may have had prior to the execution of this Agreement.

g. **Severability.** If any portion of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

**IN WITNESS WHEREOF,** this Agreement has been executed by the parties hereto on this date first set for the above.

CITY OF STOCKTON, a Municipal Corporation

MIRACLE MILE CID, dba MIRACLE MILE IMPROVEMENT DISTRICT, a California non-profit corporation

BY: ____________________________

Harry Black
City Manager

BY: ____________________________

NAME:_________________________

TITLE:_________________________
Exhibit “A” MMCID Boundary Map
Exhibit “B”
Insurance Requirements

Owners’ Association shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Owners’ Association, its agents, representatives, employees or subcontractors.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability** (CGL): Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than $2,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the **general aggregate limit shall be twice** the required occurrence limit.

2. **Automobile Liability** (AL): ISO Form Number CA 00 01 covering any auto (Code 1), or if Owners’ Association has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than $1,000,000 per accident for bodily injury and property damage.

3. **Workers Compensation**: as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease.

If the Owners’ Association maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Owners’ Association. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Other Insurance Provisions
The insurance policies are to contain, or be endorsed to contain, the following provisions:

- **Additional Insured Status**
  The City of Stockton, its Mayor, Council, officers, representatives, agents, employees and volunteers are to be covered as additional insureds on the CGL and AL policy with respect to liability arising out of work or operations performed by or on behalf of the Owners’ Association including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Owners’ Association insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10 and CG 20 37 if a later edition is used). Additional insured Name of Organization shall read “City of Stockton, its Mayor, Council, officers,
representatives, agents, employees and volunteers.” Policy shall cover City of Stockton, its Mayor, Council, officers, representatives, agents, employees, and volunteers for all locations work is done under this contract.

- **Primary Coverage**
  For any claims related to this contract, the Owners’ Association insurance coverage shall be endorsed as primary insurance as respects the *City of Stockton, its Mayor, Council, officers, representatives, agents, employees and volunteers*. Any insurance or self-insurance maintained by the *City of Stockton, its Mayor, Council, officers, representatives, agents, employees and volunteers* shall be excess of the Owners’ Association insurance and shall not contribute with it. The City does not accept endorsements limiting the Owners’ Association insurance coverage to the sole negligence of the Named Insured.

- **Notice of Cancellation**
  Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City.

- **Waiver of Subrogation**
  Owners’ Association hereby grants to the City a waiver of any right to subrogation which any insurer of said Owners’ Association may acquire against the City by virtue of the payment of any loss under such insurance. Owners’ Association agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

- **Deductibles and Self-Insured Retentions**
  Any deductibles or self-insured retentions must be declared to and approved by the City of Stockton Risk Services. The City may require the Owners’ Association to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

- **Acceptability of Insurers**
  Insurance is to be placed with insurers with a current A.M. Best’s rating of no less than A:VII if admitted to do business in the State of California; If not admitted to do business in the State of California, insurance is to be placed with insurers with a current A.M. Best’s rating of no less than A+:X.

- **Claims Made Policies**
  If any of the required policies provide claims-made coverage:
    - The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
o If Claims Made policy form is used, a three (3) year discovery and reporting
tail period of coverage is required after completion of work.

- **Verification of Coverage**
  Owners’ Association shall furnish the City with original certificates and
  amendatory endorsements required by this clause. All certificates and
  endorsements are to be received and approved by the City of Stockton Risk
  Services before work commences. Failure to obtain the required documents
  prior to the work beginning shall not waive the Owners’ Association obligation to
  provide them. The City reserves the right to require complete, certified copies of
  all required insurance policies, including endorsements required by these
  specifications, at any time, for any reason or no reason.

  Owners’ Association shall, prior to the commencement of work under this
  Agreement, provide the City with a copy of its Declarations Page and
  Endorsement Page for each of the required policies.

- **Special Risks or Circumstances**
  The City reserves the right to modify these requirements, including limits, based
  on the nature of the risk, prior experience, insurer, coverage, or other
  circumstances.

- **Certificate holder address**
  Proper address for mailing certificates, endorsements and notices shall be:
  City of Stockton
  400 E. Main Street, 3rd Floor – HR
  Attn: City Risk Services
  Stockton, CA 95202
  City of Stockton Risk Services Phone: 209-937-5037
  City of Stockton Risk Services Fax: 209-937-8558

- **Maintenance of Insurance**
  If at any time during the life of the Contract or any extension, the Owners’
  Association fails to maintain the required insurance in full force and effect, all
  work under the Contract shall be discontinued immediately. Any failure to
  maintain the required insurance shall be sufficient cause for the CITY to
  terminate this Contract.

- **Subcontractors**
  If the Owners’ Association should subcontract all or any portion of the work to be
  performed in this contract, the Owners’ Association shall cover the sub-
  contractor, and/or require each sub-contractor to adhere to all subparagraphs of
  these Insurance Requirements section. Similarly, any cancellation, lapse,
  reduction or change of sub-contractor’s insurance shall have the same impact
  as described above.
ADOPT A RESOLUTION APPROVING AN AMENDMENT WITH VISIT STOCKTON TO SUPPORT YEARS TWO AND THREE OF FLAVOR FEST EVENT PROGRAMMING

RECOMMENDATION

It is recommended that the City Council adopt a resolution to:

1. Authorize the City Manager, or designee, to execute an amendment to the Visit Stockton contract (attached as Exhibit 1 to the Resolution); and

2. Authorize the City Manager, or designee, to take appropriate and necessary actions to carry the purpose and intent of the Resolution.

Summary

This action will authorize the City Manager, or designee, to execute an amendment to the current Visit Stockton Contract (Attachment A). If authorized, the amendment will increase spending authority, allowing the City to support years two and three of the international award-winning Stockton Flavor Fest.

DISCUSSION

Background

The City of Stockton, like most communities throughout the country, was negatively impacted by the COVID-19 public health emergency. In particular, the Downtown Core saw a significant reduction in traffic, business patronage, tourism and experienced numerous business closures. The event industry suffered severe impacts as most venues were shuttered for more than a year due to various State mandates. These closures impacted not only the employees directly involved in the event industry, but also the businesses in the immediate surrounding area, as foot and destination traffic were non-existent.

On September 14, 2021, Council approved the City of Stockton’s American Rescue Plan Act (ARPA) funding distribution. This approval included $8.87 million for Small Business Support / Economic Recovery, under which $1.8 million was approved for Event Programming. The City partnered with Visit Stockton to plan, promote, and activate the downtown economy by supporting a signature event celebrating the diversity of the region. The Stockton Flavor Fest aligned with the Federal government's stated goal of providing a substantial infusion of resources to help turn the tide on the pandemic, addressing economic fallout, and laying the foundation for a strong and equitable recovery.
Present Situation

With the help of local nonprofits, organizations, artists, and City Departments, Stockton Flavor Fest was held on May 14 & 15, 2022 at the Weber Point Events Center. The festival hosted a diverse lineup of entertainment, food vendors, shopping/artisan opportunities, kids’ activities and education demonstrations. Stockton Flavor Fest hosted over eleven thousand people during the inaugural two-day event, surpassing expectations (Attachment B - Flavor Fest Details and Impact Report). Visit Stockton has begun planning for Stockton Flavor Fest 2023, which will expand to a 3-day event, May 19th - 21st, with an expected build on 2022’s success.

In September of this year, during the Annual International Festival & Events Association (IFEA) Convention, Stockton Flavor Fest received a Gold award in the Best New Festival or Event Category. Eligibility period for entries spanned from 2019 to 2022 and included entries from cities across the United States.

This amendment will allow the City to further partner with Visit Stockton to continue the signature event, creating excitement and community engagement, while providing a positive economic impact on the area.

FINANCIAL SUMMARY

There is no negative financial impact to the City’s General Fund or any other unrestricted fund because of this action. Sufficient funds are available in the Special Grant Fund, General Admin Division, Covid-19 Program, under Project #EARP201.

Attachment A - Current Contract
Attachment B - Flavor Fest Details and Impact Report
CITY OF STOCKTON
STANDARD AGREEMENT

1. This Agreement is entered into between the City of Stockton ("City") and VisitStockton ("Contractor") to provide event development and delivery services as set forth in Exhibit A to this Agreement.

2. The term of this Agreement is as follows, unless amended as described in Exhibit A and Exhibit C section 8.
   Commences on: 9/20/2021
   Terminates on: 6/30/2024

3. The maximum not to exceed amount to be paid to Contractor for the term of this Agreement, including if authorized, reimbursement of expenses, is: $470,000

4. The complete Agreement consists of all the following Agreement documents which by reference are incorporated and made a part of this Agreement. The parties agree to comply with the terms and conditions of this Agreement.
   (a) Exhibit A – Statement of Work
   (b) Exhibit B – Insurance
   (c) Exhibit C – General Terms & Conditions
   (d) Exhibit D – Professional Services Special Terms & Conditions
   (e) Exhibit E – Compensation Schedule
   (f) Exhibit F – Timeline
   (g) Exhibit G – Special Funding Terms & Conditions CARES

IN WITNESS WHEREOF, the authorized parties have executed this Agreement.

CONTRACTOR

VisitStockton
Contractor's Name (if other than an individual, state whether a corporation, partnership, etc.):

Authorized Signature

Printed Name and Title of Person Signing

Address

CITY OF STOCKTON

Harry Black, City Manager

ATTEST:

Eliza R. Garza, CMC, City Clerk

APPROVED AS TO FORM:
John M. Luebberke, City Attorney

BY:

(Rev. 7.30.20)
EXHIBIT A
STATEMENT OF WORK

1. Project Objectives

1.1 The City of Stockton is seeking services to plan, promote and activate a signature, Downtown event spanning two days. The City requires that there be multiple mini events diverse in type that would appeal to the community within the City of Stockton and surrounding region. Performances and activities shall be held at varying times throughout the days and nights, with attention to audience availability.

2. Project Scope

The Contractor, will provide all the following:

2.1 Event Planning and Management:
   a. Serve as primary contact to City staff and planning team regarding event planning activities;
   b. Develop a timeline (production schedule) to include critical tasks and deadline;
   c. Monitor and maintain production schedule to ensure deadlines are being met;
   d. Assist City in management of event budget. This includes estimates of pending costs and ensuring costs stay within agreed upon budget;
   e. Secure event supplies, such as tickets, wristbands, ice, signage, etc.;
   f. Meet regularly with City to provide updates and strategize.

2.2 Facilities:
   a. Develop Event Footprint/Diagram, including location of entrances, entertainment, vendors, food and beverage, first aid, restrooms, etc;
   b. Identify, Negotiate, and Procure additional services and materials, such as Event Security, First Aid Station, Lost and Found, Ground Transportation, Audio/Visual Equipment, Communication Equipment, Decorations, Tents, Fencing, Barricades, Stages, Portable Toilets and Wash Stations, Seating, Electrical Needs, and Storage;
   c. Obtain Fire Marshall approval;
   d. Assess parking needs with City (Vendors, Entertainment, Volunteers, General Public);
   e. Secure clean-up crew; trash management and removal;
   f. Assess and coordinate Traffic Control including appropriate signage.

(Rev. 10.30.18)
2.3 **Entertainment:**
   a. Book Entertainment, including but not limited to the Main Stage, Family Stage, Strolling Entertainment, Kid & Family Games;
   b. Coordinate and fulfill any performers requests and/or riders required for performances;
   c. Complete all settlement(s) and pay performers following performances.

2.4 **Vendor Coordination:**
   Securing of Event Vendors, such as food and beverage (including obtaining ABC license(s) as required), education, agriculture, arts and crafts, retail, etc.

2.5 **Marketing:**
   Marketing, including but not limited to brand development, creative materials, press kit, advertising, social media, and website development.

2.6 **Sponsors:**
   a. Develop Sponsorship Strategy;
   b. Create Sponsorship Levels and Benefits (Solicit both in-kind and cash sponsorships);
   c. Foster relationships and serve as point of contact for potential and secured sponsors.

2.7 **Volunteers:**
   a. Identify Volunteer Needs;
   b. Secure the necessary number of Volunteers needed to successfully host the event;
   c. Assign volunteer duties, schedule meetings, and provide training;
   d. Identify and provide Parking and Food/Beverage Needs for Volunteers;

2.8 **Onsite Coordination:**
   a. Serve as primary onsite management during the event;
   b. Responsible for overseeing event set-up;
   c. Problem–solve as issues arise.

2.9 **Lodging for Vendors/Entertainment:**
   a. Determine lodging needs;
   b. Negotiate cost and secure the necessary number of rooms, as needed;
   c. Arrange transportation to/from airport and to/from venue, as needed.
2.10 **Reporting:**
   a. Conduct post-event debrief meeting with City;
   b. Provide documentation of final costs broken down by vendor and categories, such as food/beverage, entertainment, supplies, security, etc;
   c. Make recommendations for improvements for future events;

3. **Specifications**
   3.1 Contractor must Comply with ARPA regulations and reporting requirements regarding use of funds and required documentation.
   3.2 Contractor must obtain and comply with all licensing and permit requirements.
   3.3 City will facilitate communication and resolution within City Departments, as needed if Contractor is unsuccessful.
   3.4 City shall provide the use of Weber Point event and park facility. Charges may apply.

4. **Major Deliverables**
   Contractor will provide the following:
   4.1 Full schedule of public performances, events, and activities;
   4.2 Licenses and permits as required;
   4.3 Detailed budget, by category, both projected in advance of event and with actuals, post event;
   4.4 All necessary licenses, inspections, and permits;
   4.5 Post event overview including general areas for improvement and successful execution details.

5. **Tasks That Support the Deliverables**
   5.1 Contractor is responsible for all tasks required to provide services as described in the Scope of work.
   5.2 Contractor shall provide not less than monthly updates of event planning status including but not limited to bookings, rental commitments, security arrangements, permits/licenses.

6. **Notices**
Pursuant to Exhibit C – General Terms and Conditions, Paragraph 15 – Notices, the mailing address for all required notices is as follows:

**Contractor:** VisitStockton  
Attn: Wes Rhea  
125 Bridge Place, FL2  
Stockton, CA 95201

**City:** City of Stockton  
Attn: City Manager  
425 N. El Dorado Street  
Stockton, CA 95202

**Key Personnel**

Key personnel for communication are as follows:

**Event Coordination/planning**  
**Contractor:** Wes Rhea  
CEO VisitStockton  
Wes@visitstockton.org  
209-938-1551

**City:** Tina McCarty  
Parking & Venue Manager  
Tina.Mccarty@stocktonca.gov  
209-937-8907

8. **Option to Renew.**

The term of the Agreement may be extended annually by a written amendment executed by both parties. However, the total term of the Agreement including the extended term shall not exceed five (5) years.
EXHIBIT B

INSURANCE

NOTE: The City of Stockton is now using the online insurance program PINS Advantage. Once you have been awarded a contract you will receive an email from the City’s online insurance program requesting you to forward the email to your insurance provider(s). Please see attached flyer regarding PINS Advantage.

Exhibit 1:

Insurance Requirements for Most Contracts

(Not for Professional Services or Construction Contracts)

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, his agents, representatives, employees or subcontractors.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability** (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than $2,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

2. **Automobile Liability**: ISO Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than $1,000,000 per accident for bodily injury and property damage.

3. **Workers’ Compensation**: as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease.

It shall be a requirement under this agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits shall be available to the Additional Insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any Insurance policy or proceeds available to the named insured; whichever is greater. No
representation is made that the minimum insurance requirements of this agreement are sufficient to cover the obligations of the Contractor under this agreement.

*Limits of Insurance*

The limits of insurance required in this agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis before the City’s own insurance or self-insurance shall be called upon to protect it as a named insured.

*Other Insurance Provisions*

The insurance policies are to contain, or be endorsed to contain, the following provisions:

*Additional Insured Status*

The City of Stockton, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor’s insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used). Additional insured Name of Organization shall read “City of Stockton, its officers, officials, employees, and volunteers.” Policy shall cover City of Stockton, its officers, officials, employees, and volunteers for all locations work is done under this contract.

*Primary Coverage*

The Additional Insured coverage under the Contractor’s policy shall be “primary and non-contributory” and will not seek contribution from the City’s insurance or self-insurance and shall be at least as broad as CG 20 01 04 13. The City of Stockton does not accept endorsements limiting the Contractor’s insurance coverage to the sole negligence of the Named Insured.

*Notice of Cancellation*

Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City of Stockton.

*Waiver of Subrogation*

Contractor hereby grants to City of Stockton a waiver of any right to subrogation which any insurer of said Contractor may acquire against the City of Stockton by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies
regardless of whether or not the City of Stockton has received a waiver of subrogation endorsement from the insurer. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City of Stockton for all work performed by the Contractor, its employees, agents and subcontractors.

**Self-Insured Retentions**

All Self-insured retentions must be disclosed to Risk Management for approval and shall not reduce the limits of liability. The City of Stockton may require the Contractor to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City of Stockton.

**Acceptability of Insurers**

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City of Stockton.

**Verification of Coverage**

Contractor shall furnish the City of Stockton with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City of Stockton Risk Services before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The City of Stockton reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Contractor shall, prior to the commencement of work under this Agreement, provide the City of Stockton with a copy of its declarations page(s) and endorsement page(s) for each of the required policies.

**Subcontractors**

Contractors shall require and verify that all subcontractors, or other parties hired for this work, purchase and maintain coverage for indemnity and insurance requirements as least as broad as specified in this agreement to the extent they apply to the scope of the subcontractor's work with the same certificate of insurance requirements and naming as additional insureds all parties to this contract. Contractor shall include the following language in their agreement with Subcontractors: Subcontractors hired by Contractor agree to be bound to Contractor and City in the same manner and to the same extent as Contractor is bound to City under the contract documents and provide a valid certificate of insurance and the required endorsements included in the agreement as proof of compliance prior to commencement of any work and to include this same requirement for any subcontractors they hire for this work. A copy of the owner contract document
indemnity and insurance provisions will be furnished to the subcontractor upon request. Contractor shall provide proof of such compliance and verification to the City upon request.

**Special Risks or Circumstances**

City of Stockton reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

**Certificate Holder Address**

Proper address for mailing certificates, endorsements and notices shall be:

City of Stockton  
Attn: City Risk Services  
400 E Main Street, 3rd Floor – HR  
Stockton, CA 95202

**Exhibit 2:**

**Insurance Requirements for Rental of Facilities**  
(Daily Rentals)

Renter shall procure and maintain for the duration of the rental period insurance against claims for injuries to persons or damages to property which may arise from or in connection with the rental of the facilities and the activities of the renter, his guests, agents, representatives, employees, or subcontractors.

**MINIMUM SCOPE AND LIMIT OF INSURANCE**

*Coverage shall be at least as broad as Insurance Services Form CG 00 01 covering CGL on an “occurrence” basis, including property damage, bodily injury and personal & advertising injury with limits no less than $2,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.*

Liquor Liability - If Operator will be supplying alcoholic beverages, the general liability insurance shall include host liquor liability coverage. If Operator is using a caterer or other vendor to supply alcohol that vendor must have liquor liability coverage. If Operator intends to sell alcohol either the Operator or vendor providing the alcohol for sale must have a valid liquor sales license and liquor liability insurance covering the sale of alcohol.
It shall be a requirement under this agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits shall be available to the Additional Insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater. No representation is made that the minimum insurance requirements of this agreement are sufficient to cover the obligations of the Contractor under this agreement.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

The City of Stockton, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used). Additional insured Name of Organization shall read "City of Stockton, its officers, officials, employees, and volunteers." Policy shall cover City of Stockton, its officers, officials, employees, and volunteers for all locations work is done under this contract.

Primary Coverage

The Additional Insured coverage under the Contractor's policy shall be "primary and non-contributory" and will not seek contribution from the City's insurance or self-insurance and shall be at least as broad as CG 20 01 04 13. The City of Stockton does not accept endorsements limiting the Contractor's insurance coverage to the sole negligence of the Named Insured.

Notice of Cancellation

Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City of Stockton.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of no less than A: VII if admitted to do business in the State of California; If not admitted to do business in the State of California, insurance is to be placed with insurers with a current A.M. Best rating of no less than A+:X.
Waiver of Subrogation

Contractor hereby grants to City of Stockton a waiver of any right to subrogation which any insurer of said Contractor may acquire against the City of Stockton by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City of Stockton has received a waiver of subrogation endorsement from the insurer. **The Workers’ Compensation policy shall be endorsed with a waiver of subrogation** in favor of the City of Stockton for all work performed by the Contractor, its employees, agents and subcontractors.

Verification of Coverage

Contractor shall furnish the City of Stockton with original certificates and amendatory endorsements. If necessary, copies of the applicable insurance language, effecting coverage required by this contract may be included. All certificates and endorsements are to be received and approved by the City of Stockton Risk Services before work commences. Failure to obtain the required documents prior to the work beginning shall not waive the Contractor’s obligation to provide them. City reserves the right to obtain a full certified copy of any insurance policy and endorsements. Failure to exercise this right shall not constitute a waiver of right to exercise later.

Contractor shall, prior to the commencement of work under this Agreement, provide the City of Stockton with a copy of its declarations page(s) and endorsement page(s) for each of the required policies.

Liquor Liability

If Renter will be supplying alcoholic beverages, the general liability insurance shall include host liquor liability coverage. If Renter is using a caterer or other vendor to supply alcohol that vendor must have liquor liability coverage. If Renter intends to sell alcohol either the Renter or vendor providing the alcohol for sale must have a valid liquor sales license and liquor liability insurance covering the sale of alcohol.

Special Events Coverage

Special events coverage is available for an additional fee to provide the liability insurance required by this agreement. Renter can obtain additional information and cost from City of Stockton.

Certificate holder address

Proper address for mailing certificates, endorsements and notices shall be:

- City of Stockton
o 400 E Main Street, 3rd Floor – HR
o Attn: City Risk Services
o Stockton, CA 95202

City of Stockton Risk Services Phone: 209-937-5037
City of Stockton Risk Services Fax: 209-937-8558

Special Risks or Circumstances
City of Stockton reserves the right to modify these requirements based on the nature of the risk, prior events, insurance coverage, or other special circumstances.

Signature____________________
Name____________________
Date____________________
Dept Contact ________________
EXHIBIT C
GENERAL TERMS AND CONDITIONS

1. **Goods, Equipment and Services.** Subject to the terms and conditions set forth in this Agreement, Contractor shall provide to City the services described in Exhibit A of the Agreement. Contractor shall provide said services at the time, place and in the manner specified in Exhibit A of the Agreement.

2. **City Assistance, Facilities, Equipment and Clerical Support.** Except as set forth in Exhibit A, Contractor shall, at its sole cost and expense, furnish and maintain all facilities and equipment that may be required for furnishing services pursuant to this Agreement. If applicable, City shall furnish to Contractor only the facilities and equipment listed in Exhibit A to the Agreement.

3. **Compensation.** City shall pay Contractor for services rendered pursuant to this Agreement as described more particularly in Exhibit A and Exhibit E to the Agreement.

   3.1 Invoices submitted by Contractor to City must contain a brief description of work performed, time spent and City reference number. Within thirty (30) days of receipt of Contractor’s invoice, City will review invoice, and if acceptable make payment on approved invoice.

   3.2 Upon completion of work and acceptance by City, Contractor shall have sixty (60) days in which to submit final invoicing for payment. An extension may be granted by City upon receiving a written request thirty (30) days in advance of said time limitation. The City shall have no obligation or liability to pay any invoice for work performed which the Contractor fails or neglects to submit within sixty (60) days, or any extension thereof granted by the City, after the work is accepted by the City.

4. **Sufficiency of Contractor’s Work.** All Contractor services, work, and deliverables shall be performed in a good and workmanlike manner with due diligence in accordance with the degree of skill normally exercised by similar contractors supplying services and work of a similar nature, and in conformance with applicable laws, codes and professional standards. Contractor’s work shall be adequate and sufficient to meet the purposes of this Agreement.

5. **Ownership of Work.** All reports, work product, all other documents completed or partially completed by Contractor or its approved subcontractors, in performance of this Agreement, and if applicable, drawings, designs, and plan review comments shall become the property of the City. Any and all copyrightable subject matter in all materials is hereby assigned to the City and the Contractor and its approved subcontractors agree to execute any additional documents that may be necessary to evidence such
assignment. All materials shall be delivered to the City upon completion or termination of the work under this Agreement. If any materials are lost, damaged or destroyed before final delivery to the City, the Contractor shall replace them at its own expense. Contractor and its approved subcontractors shall keep materials confidential. Materials shall not be used for purposes other than performance of services under this Agreement and shall not be disclosed to anyone not connected with these services, unless the City provides prior written consent.

6. **Timeliness.** Time is of the essence in this Agreement. Further, Contractor acknowledges that the failure of Contractor to comply with the time limits described in Exhibit A and Exhibit F may result in economic or other losses to the City. Contractor agree to be liable for any direct losses the City may incur but in no event shall Contractor be liable for any consequential or indirect damages.

7. **Changes.** Both parties to this Agreement understand that it may become desirable or necessary during the term of this Agreement for City to modify the scope of services provided for under this Agreement. Any material extension or change in the scope of work shall be discussed with City and the change and cost shall be memorialized in a written amendment to the original contract prior to the performance of the additional work. Until the amendment is so executed, City will not be responsible to pay any charges Contractor may incur in performing such additional services, and Contractor shall not be required to perform any such additional services.

8. **Amendment.** No variation of the terms of this Agreement shall be valid unless an amendment is made in writing and signed by both parties.

9. **Contractor's Status.**

9.1 In performing the obligations set forth in this Agreement, Contractor shall have the status of an independent contractor and Contractor shall not be considered to be an employee of the City for any purpose. All persons working for or under the direction of Contractor are its agents and employees and are not agents or employees of City. Contractor by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of City. Except as expressly provided in Exhibit A, Contractor has no authority or responsibility to exercise any rights or power vested in the City. No agent, officer or employee of the City is to be considered an employee of the Contractor. It is understood by both Contractor and City that this Agreement shall not be construed or considered under any circumstances to create an employer-employee relationship or a joint venture.

9.2 Contractor shall determine the method, details and means of performing the work and services to be provided by Contractor under this Agreement. Contractor shall be responsible to City only for the requirements and results specified in this Agreement and, except as expressly provided in this Agreement, shall not be subjected to City's control with respect to the physical action or activities of Contractor in fulfillment of this Agreement. Contractor has control over the manner and means of performing the services under this Agreement. If necessary, Contractor has the responsibility for
employing other persons or firms to assist Contractor in fulfilling the terms and obligations under this Agreement.

9.3 If in the performance of this Agreement any third persons are employed by Contractor, such persons shall be entirely and exclusively under the direction, supervision and control of Contractor. All terms of employment including hours, wages, working conditions, discipline, hiring and discharging or any other term of employment or requirements of law shall be determined by the Contractor.

9.4 It is further understood and agreed that Contractor must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of Contractor's assigned personnel under the terms and conditions of this Agreement.

10. **Subcontractor.**

10.1 Subcontractors shall not be recognized as having any direct or contractual relationship with City. Contractor shall be responsible for the work of subcontractors, which shall be subject to the provisions of this Agreement. Subcontractors will be provided with a copy of the Agreement and be bound by its terms. Contractor is responsible to City for the acts and omissions of its subcontractors and persons directly or indirectly employed by them.

10.2 If in the performance of this Agreement any third persons are employed by Contractor, such persons shall be entirely and exclusively under the direction, supervision and control of Contractor. All terms of employment including hours, wages working conditions, discipline, hiring, and discharging or any other term of employment or requirement of law shall be determined by Contractor.

10.3 It is further understood and agreed that Contractor must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of Contractor's personnel.

11. **Termination.**

11.1 Termination for Convenience of City. The City may terminate this Agreement at any time by mailing a notice in writing to Contractor. The Agreement shall then be deemed terminated, and no further work shall be performed by Contractor. If the Agreement is so terminated, the Contractor shall be paid for the work actually completed at the time the notice of termination is received.

11.2 Should either party default in the performance of this Agreement or materially breach any of its provisions, the other party, at that party’s option, may terminate this Agreement by giving written notification to the other party.

11.3 Funding- Non-Appropriation. It is mutually understood between the Parties that payment to the Contractor for performance shall be dependent upon the availability of appropriations by the City Council for the purposes of this Agreement. No legal liability on the part of the City for any payment may arise under this Agreement until funds are

(Rev. 10.30.18)
made available and until the Contractor has received funding availability, which will be confirmed in writing. If funding for any fiscal year is reduced or deleted, or if the City loses funding for any reason, the City, in its sole discretion, shall have the option to either (a) cause this Agreement to be canceled or terminated pursuant to applicable provisions of the Agreement; or (b) offer to amend the Agreement to reflect the reduced funding for this Agreement.

12. **Non-Assignability.** The Contractor shall not assign, sublet, or transfer this Agreement or any interest or obligation in the Agreement without the prior written consent of the City, and then only upon such terms and conditions as City may set forth in writing. Contractor shall be solely responsible for reimbursing subcontractors.

13. **Indemnity and Hold Harmless.** To the fullest extent permitted by law, Contractor shall hold harmless, defend at its own expense, and indemnify the City of Stockton, its officers, employees, agents, and volunteers, against any and all third-party liability, claims, losses, damages, or expenses, including reasonable attorney’s fees to the extent, arising from all acts or omissions of contractor or its officers, agents, or employees in rendering services under this contract; excluding, however, such liability, claims, losses, damages, or expenses arising from the City of Stockton’s sole negligence or willful acts. The duty to defend and the duty to indemnify are separate and distinct obligations. The indemnification obligations of this section shall survive the termination of this agreement.

14. **Insurance.** During the term of this Agreement, Contractor shall maintain in full force and effect at its own cost and expense the insurance coverage as set forth in the attached Exhibit B to this Agreement and shall otherwise comply with the other provisions of Exhibit B to this Agreement.

15. **Notices.** All notices herein required shall be in writing and shall be sent by certified or registered mail, postage prepaid, addressed in Exhibit A to this Agreement.

16. **Conformance to Applicable Laws.** Contractor shall comply with all applicable Federal, State, and Municipal laws, rules, and ordinances. Contractor shall not discriminate in the employment of persons or in the provision of services under this Agreement on the basis of any legally protected classification, including race, color, national origin, ancestry, sex or religion of such person.

17. **Licenses, Certifications and Permits.** Prior to the City’s execution of this Agreement and prior to the Contractor’s engaging in any operation or activity set forth in this Agreement, Contractor shall obtain a City of Stockton business license, which must be kept in effect during the term of this Agreement. Contractor covenants that it has obtained all certificates, licenses, permits and the like required to perform the services under this Agreement. Such licenses, certificates and permits shall be maintained in full force and effect during the term of this Agreement.

18. **Records and Audits.**
Contractor shall maintain all records regarding this Agreement and the services performed for a period of three (3) years from the date that final payment is made. At any time during normal business hours, the records shall be made available to the City to inspect and audit. To the extent Contractor renders services on a time and materials basis, Contractor shall maintain complete and accurate accounting records, in a form prescribed by City or, if not prescribed by City, in accordance with generally accepted accounting principles, such records to include, but not be limited to, payroll records, attendance cards, time sheets, and job summaries.

19. **Confidentiality.** Contractor shall exercise reasonable precautions to prevent the unauthorized disclosure and use of City reports, information or conclusions.

20. **Conflicts of Interest.** Contractor covenants that other than this Agreement, Contractor has no financial interest with any official, employee or other representative of the City. Contractor and its principals do not have any financial interest in real property, sources of income or investment that would be affected in any manner of degree by the performance of Contractor’s services under this Agreement. If such an interest arises, Contractor shall immediately notify the City.

21. **Waiver.** In the event either City or Contractor at any time waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or of any other covenant, condition or obligation. No payment, partial payment, acceptance, or partial acceptance by City shall operate as a waiver on the part of City of any of its rights under this Agreement.

22. **Governing Law.** California law shall govern any legal action pursuant to this Agreement with venue for all claims in the Superior Court of the County of San Joaquin, Stockton Branch or, where applicable, in the Federal District Court of California, Eastern District, Sacramento Division.

23. **No Personal Liability.** No official or employee of City shall be personally liable to Contractor in the event of any default or breach by the City or for any amount due Contractor.

24. **Severability.** If any portion of this Agreement or application thereof to any person or circumstance shall be declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal, state or city statue, ordinance or regulation the remaining provisions of this Agreement or the application thereof shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this Agreement are severable.

25. **Non-Discrimination.** During the performance of this Agreement, Contractor and its officers, employees, agents, representatives or subcontractors shall not unlawfully discriminate in violation of any federal, state, or local law, rule or regulation against any employee, applicant for employment or person receiving services under this Agreement.
because of race, religion, color, national origin, ancestry, physical or mental disability, medical condition (including genetic characteristics), marital status, age, political affiliation, sex or sexual orientation, family and medical care leave, pregnancy leave, or disability leave. Contractor and its officers, employees, agents, representative or subcontractors shall comply with all applicable Federal, State and local laws and regulations related to non-discrimination and equal opportunity, including without limitation the City's nondiscrimination policy; the Fair Employment and Housing Act (Government Code sections 12990 (et seq.); California Labor Code sections 1101, 1102 and 1102.1; the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended; and all applicable regulations promulgated in the California Code of Regulation or Code of Federal Regulations. Title VI of the Civil Rights Act of 1964 requires that "no person in the United States shall, on the grounds of race, color, or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance." (42 USC Section 2000d). http://www.dol.gov/oasam/regs/statutes/titlevi.htm. The City requires compliance with the requirements of Title VI in all of its programs and activities regardless of funding source.

26. **Force Majeure.** Neither party shall be responsible for delays or failures in performance resulting from acts of God, acts of civil or military authority, terrorism, fire, flood, strikes, war, epidemics, pandemics, shortage of power or other acts or causes reasonably beyond the control of that party. The party experiencing the force majeure event agrees to give the other party notice promptly following the occurrence of a force majeure event, and to use diligent efforts to re-commence performance as promptly as commercially practicable.

27. **Taxes and Charges.** Contractor shall be responsible for payment of all taxes, fees, contributions or charges applicable to the conduct of the Contractor's business.

28. **Cumulative Rights.** Any specific right or remedy provided in this Agreement will not be exclusive but will be cumulative of all other rights and remedies to which may be legally entitled.

29. **Advice of Attorney.** Each party warrants and represents that in executing this Agreement, it has received independent legal advice from its attorneys or the opportunity to seek such advice.

30. **Heading Not Controlling.** Headings used in this Agreement are for reference purposes only and shall not be considered in construing this Agreement.

31. **Entire Agreement, Integration, and Modification.**

31.1 This Agreement represents the entire integrated agreement between Contractor and the City; supersedes all prior negotiations, representations, or agreements, either written or oral between the parties and may be amended only by a written Amendment signed by the Contractor and City Manager.

(Rev. 10.30.18)
31.2 All Exhibits to this Agreement and this Agreement are intended to be construed as a single document.

32. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

33. **Authority.** The individual(s) executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.
EXHIBIT D

PROFESSIONAL SERVICES SPECIAL TERMS AND CONDITIONS

1. **Definitions.** The following words and phrases have the following meanings for purposes of this Agreement:

   1.1 "Services" means, collectively, the services, duties and responsibilities described in Exhibit A of this Agreement and any and all work necessary to complete them or carry them out fully and to the standard of performance required in this Agreement.

   1.2 "Deliverable" means quantifiable goods or services that will be provided upon completion of a project. A deliverable is any tangible material, work or thing delivered by one party to the other, including associated technical documentation. A deliverable can be tangible or intangible parts of the development process, and often are specified functions or characteristics of the project.

2. **General.** The following terms and conditions are applicable for the Professional Services only. The special conditions shall be read in conjunction with the Standard Agreement, General Terms and Conditions ("GTC") Exhibit C, and all other Exhibits identified in the Standard Agreement.

   2.1 Where any portion of the GTC is in conflict to or at variance with any provisions of the Special Conditions of the Agreement, then unless a different intention stated, the provision(s) of the Special Conditions of the Agreement shall be deemed to override the provision(s) of GTC only to the extent that such conflict or variations in the Special Conditions of the Agreement are not possible of being reconciled with the provisions of the GTC.

   2.2 In the case of modification of a part or provision of the GTC, the unaltered part or provision, or both shall remain in effect. The Special Conditions shall relate to a particular project and be peculiar to that project but shall not weaken the character or intent of the GTC.

3. **Time for Performance.**

   3.1 Contractor shall perform the services according to the schedule contained in Exhibit F.

   3.2 Timeliness of Performance i) Contractor shall provide the Services, and Deliverables within the term and within the time limits required under this Agreement, pursuant to the provisions of Exhibit A and Exhibit F. ii) Neither Contractor nor Contractor's agents, employees nor subcontractors are entitled to any damages from the City, nor is any party entitled to be reimbursed by the City, for damages, charges or other
losses or expenses incurred by Contractor by reason of delays or hindrances in the performance of the Services, whether or not caused by the City.

4. **Standard of Performance**

In addition to Exhibit C, Section 4 and 17, Contractor agrees as follows:

4.1 Contractor's Services shall be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of Contractor's profession currently practicing under similar conditions. Contractor shall comply with the profession's standard of performance, applicable laws, regulations, and industry standards. By delivery of completed work, Contractor certifies that the work conforms to the requirements of this Agreement and all applicable federal, state and local laws. If Contractor is retained to perform services requiring a license, certification, registration or other similar requirement under California law, Contractor shall maintain that license, certification, registration or other similar requirement throughout the term of this Agreement.

4.2 Contractor acknowledges that it is entrusted with or has access to valuable and confidential information and records of the City and with respect to that information, Contractor agrees to be held to the standard of care of a fiduciary. Contractor shall assure that all services that require the exercise of professional skills or judgment are accomplished by professionals qualified and competent in the applicable discipline and appropriately licensed, if required by law. Contractor must provide copies of any such licenses. Contractor remains responsible for the professional and technical accuracy of all Services or Deliverables furnished, whether by Contractor or its subcontractors or others on its behalf. All Deliverables must be prepared in a form and content satisfactory to the Using Agency and delivered in a timely manner consistent with the requirements of this Agreement.

4.3 If Contractor fails to comply with the foregoing standards, Contractor must perform again, at its own expense, all Services required to be re-performed as a direct or indirect result of that failure. Any review, approval, acceptance or payment for any of the Services by the City does not relieve Contractor of its responsibility for the professional skill and care and technical accuracy of its Services and Deliverables. This provision in no way limits the City's rights against Contractor either under this Agreement, at law or in equity.

5. **Compensation**

5.1 In addition to Section 3 Compensation in Exhibit C – GTC, the Contractor shall be compensated for the services provided under this Agreement as follows:

5.1.1 Contractor shall be compensated for services rendered and accepted under this Agreement and shall be paid as invoiced, in arrears on a not to
exceed basis, based upon the rates set forth in Exhibit E attached hereto and made a part of this Agreement. Contractor may vary the compensation for each task in Exhibit E provided that the total project compensation listed in Exhibit E and the Standard Agreement is not exceeded.

6. Personnel

6.1 Any work or services subcontracted hereunder shall be specified by written agreement and shall be subject to each provision of this Agreement.

6.2 Contractor agrees to assign only competent personnel according to the reasonable and customary standards of training and experience in the relevant field to perform services under this Agreement. Failure to assign such competent personnel shall constitute grounds for termination of this Agreement. The payment made to Contractor pursuant to this Agreement shall be the full and complete compensation to which Contractor and Contractor's officers, employees, agents, and subcontractors are entitled for performance of any work under this Agreement. Neither Contractor nor Contractor's officers or employees are entitled to any salary or wages, or retirement, health, leave or other fringe benefits applicable to employees of the City. The City will not make any federal or state tax withholdings on behalf of Contractor. The City shall not be required to pay any workers' compensation insurance on behalf of Contractor. Contractor shall pay, when and as due, any and all taxes incurred as a result of Contractor's compensation hereunder, including estimated taxes, and shall provide City with proof of such payments upon request.

6.3 Key Personnel: Because of the special skills required to satisfy the requirements of this Agreement, Contractor shall not reassign or replace key personnel without the written consent of the City, which consent the City will not unreasonably withhold. "key personnel" means those job titles and the persons assigned to those positions in accordance with the provisions of this Agreement. The City may at any time in writing notify Contractor that the City will no longer accept performance of Services under this Agreement by one or more Key Personnel listed. Upon that notice Contractor shall immediately suspend the services of the key person or persons and must replace him or them in accordance with the terms of this Agreement. A list of key personnel is found in Exhibit A, Scope of Services.

7. Reports and Information

Contractor shall at such times and in such forms as the City may require furnish the City such periodic reports as it may request pertaining to the work or services undertaken pursuant to this Agreement, the costs and obligations incurred or to be incurred in connection therewith, and any other matters are covered by this Agreement as specified in Exhibit A and Exhibit E.

8. Findings Confidential
All of the reports, information, data, et cetera, prepared or assembled by the Contractor under this Agreement are confidential and the Contractor agrees that they shall not be made available to any individual or organization without the prior written approval of the City. Contractor shall not be required under the provisions of this paragraph to keep confidential any data or information which is or becomes publicly available, is required by applicable law or by proper legal or governmental authority, is already rightfully in the Contractor’s possession without obligation of confidentiality, is independently developed by Contractor outside the scope of this Agreement or is rightfully obtained from third parties. Contractor shall give City prompt notice of any such legal or governmental demand and reasonably cooperate with City in any effort to seek a protective order or otherwise to contest such required disclosure.

9. **Copyright**

No materials, including but not limited to reports, maps, or documents produced as a result of this Agreement, in whole or in part, shall be available to Contractor for copyright purposes. Any such materials produced as a result of this Agreement that might be subject to copyright shall be the property of the City and all such rights shall belong to the City, and the City shall be sole and exclusive entity who may exercise such rights.

10. **Deliverables**

Contractor shall prepare or provide to the City various Deliverables. "Deliverables" include work product, such as written reviews, recommendations, reports and analyses, produced by Contractor for the City. The City may reject Deliverables that do not include relevant information or data, or do not include all documents or other materials specified in this Agreement or reasonably necessary for the purpose for which the City made this Agreement or for which the City intends to use the Deliverables. If the City determines that Contractor has failed to comply with the foregoing standards, it has 30 days from the discovery to notify Contractor of its failure. If Contractor does not correct the failure, or if it is possible to do so, within 30 days after receipt of notice from the City specifying the failure, then the City, by written notice, may treat the failure as a default of this Agreement. Partial or incomplete Deliverables may be accepted for review only when required for a specific and well-defined purpose and when consented to in advance by the City. Such Deliverables will not be considered as satisfying the requirements of this Agreement and partial or incomplete Deliverables in no way relieve Contractor of its commitments under this Agreement.
EXHIBIT E
COMPENSATION SCHEDULE

The Contractor shall be compensated for the services identified in Exhibit A, Exhibit C, and Exhibit D to this Agreement as follows:

1. Project Price

1.1 The maximum the Contractor shall be paid on this Agreement is $470,000 (hereafter the "not to exceed" amount). The "not to exceed" amount includes all payments to be made pursuant to this Agreement, including City approved reimbursable expenses, if any. Nothing in this Agreement requires the City to pay for work that does not meet the Standard of Performance identified in Exhibit D section 4 or other requirements of this Agreement.

1.2 Standard Reimbursable Items: Only the reimbursable items identified in Exhibit A, C, and D (Compensation), shall be compensated to the Contractor. Reimbursable expenses will be reimbursed without markup. Fees plus reimbursable expenses shall not exceed the amount set forth in section 1.1 of this Exhibit and a copy of the original invoice for the items listed in i, ii or iii below shall be attached to the invoice submitted to the City for reimbursement. Payments shall be based upon work documents submitted by the Contractor to the City and accepted by the City as being satisfactory to City’s needs. The City shall not pay a markup on any of the items listed in i, ii or iii. Additionally, items such a telephone, fax, postage or freight are already included in the billable hourly rate. Contractor shall be reimbursed the direct expenses, which are the actual cost of the following items that are reasonable, necessary and actually incurred, by the Contractor in connection with the services:

   i. Expenses, fees or charges for printing, reproduction or binding of documents at actual costs with no markup added to the actual cost.

   ii. Any filing fees, permit fees, or other fees paid or advanced by the Contractor at actual costs with no markup added to the actual cost.

   iii. Travel expenses shall be reimbursed in accordance with the City’s travel policy, which is incorporated herein by reference. Reimbursement shall be made at actual costs with no markup added to the actual cost.

1.3 The Contractor shall be entitled to receive payments for its work performed pursuant to the Agreement. The City will pay Contractor based on invoices for acceptable work performed and approved until the "not to exceed" amount is reached. Thereafter, Contractor must complete services based on the Agreement without additional compensation unless there is a material change to the Statement of Work and Scope by a written Amendment.

(Rev. 10.30.18)
1.4 If work is completed before the “not to exceed” amount is reached, the Contractor’s compensation will be based on the Contractor’s invoices previously submitted for acceptable work performed and approved.

1.5 Subcontractor Costs: Compensation for subcontractors shall be limited to the same restrictions imposed on the Contractor. Maximum markup Contractor may apply to subcontractor fees, minus reimbursable expenses, shall not exceed ___0___%.

2. Task Price. Below is the price for the services and reimbursable expenses as described in Exhibit A of this Agreement.

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<tr>
<th>Task</th>
<th>Description</th>
<th>Task Price</th>
</tr>
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<tbody>
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<td>Event Planning Support</td>
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<td>8</td>
<td>Venue and City Related Expenses</td>
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<td></td>
<td><strong>CONTRACT TOTAL</strong></td>
<td><strong>$470,000</strong></td>
</tr>
</tbody>
</table>

3. Invoice to Address. Each invoice submitted shall identify the specific task(s) listed in Exhibit A and this Exhibit, and the completed work product/deliverable for the agreed upon price listed in this Exhibit. Invoices shall be submitted to the below address:

City of Stockton Economic Development Department
Attention: Tina McCarty
400 E Main Street, 4th Floor
Stockton, CA 95202

(Rev. 10.30.18)
EXHIBIT F

TIMELINE

1. Consultant shall complete the requested services identified in Exhibit A as follows:

1.1 TIMELINE FOR COMPLETION OF WORK

1.1.1 Contractor shall deliver all events, performances, and activities during the dates of May 14, 2022 and May 15, 2022.

1.1.2 Contractor shall provide not less than monthly updates of event planning status including but not limited to bookings, rental commitments, security arrangements, permits/licenses. Beginning February 1, 2022, Contractor will give weekly status updates.
Stockton Flavor Fest

2022 IFEA / HAAS & Wilkerson Pinnacle Awards Competition
Category 59: Best New Festival
Introduction & Description of Main Event

Visit Stockton, with the support of the City of Stockton, executed the next great culture, food, and arts festival for our community.

Stockton Flavor Fest was hosted May 14 & 15, 2022 at the Weber Point Events Center in Downtown Stockton. The two-day festival was a celebration of the food, music, and cultures that make-up the diverse communities and cultures in Stockton, California. With the help of local nonprofits, organizations, artists, and creatives, Stockton Flavor Fest created a sense of pride and excitement in our community.

The care and curation put into this first year event was unlike any other seen in the history of this community, and Stockton deserves that. Some of the highlights from this year's events were:

- Vendors showcasing the diversity and global food offerings reflected in the Stockton area
- Two days of entertainment programming, including local musical and cultural performances
- Creative activities, including interactive workshops and live art
- Exclusive events including a Drag Brunch benefiting the San Joaquin Pride Center, Silent Disco, and culinary demonstrations
- A taste of California’s finest libations at the Craft Beer & Wine Tent
- A commitment to sustainability, including the use of earth-friendly, compostable cutlery and serveware, clean energy, and waste diversion stations

“It was definitely amazing, all the performers were amazing, we were getting our groove on. We loved it. This is the first year they had it here in Stockton, and I want them to bring it back every year, we will definitely support and spread the word. If you missed it this year, you don’t want to miss it next year!”

- Attendee
Name, Description, Purpose & Objective of New Festival

NAME OF THE EVENT
Stockton Flavor Fest

PURPOSE & OBJECTIVE
The purpose and objectives of Stockton Flavor Fest were to bring people back to Downtown Stockton, support local businesses and non-profits, and celebrate the diversity and cultures of our community.

Bring People Back Downtown
Stockton Flavor Fest was the direct result of years of shut doors and low-business activity in Downtown due to the COVID-19 pandemic. Our philosophy was that our residents and visitors needed a “welcome back” to Downtown moment, something where they felt safe, inspired, and excited, to spark the re-energization in our city-center.

We created an equitable, low-cost and family friendly festival that reflected the values of the community members it served. Our hope was by highlighting the cultures that make up our city, participants would feel accepted, included, and celebrated.

Support Local Businesses and Non-Profits
Performers: Live music and performance was one of the hardest hit sectors during the pandemic, so we made it a priority to contract local and regional performers for our main stage, strolling, and cultural performances.

Vendors: We hand-selected all the vendors (81) at the festival through an application process as opposed to a “first come, first served” model. The only vendors allowed at the festival were local, small businesses that had to fit into one of three categories: food vendors, merchants, or artisans.

Community Resource Fair: Just outside our festival footprint, we supported a free, family-friendly community resource fair that allowed our local non-profits an opportunity to showcase their resources for our audience. Additionally, the fair was a fundraising opportunity for the Child Abuse Prevention Council of San Joaquin County and added an additional equity component to the greater festival mission with free games, prizes, and entertainment.

Volunteer Program: Proceeds of Stockton Flavor Fest were shared with local charities that are represented by the event’s volunteers. Each charity received a donation based on a schedule of units, or hours, for the work performed. This unique volunteer-led structure provided exposure to participating organizations, supporting their recovery and future successes.

Celebrate the Diversity and Cultures of Our Community
Stockton, CA was named the Most Diverse City in America by U.S. News in 2020, something we are proud of and wanted to celebrate through this festival. Our hope was to reflect the cultures of our audience through our vendors, entertainment, and workshops.

Workshops: Our free art workshops included hands on, interactive educational experiences, including “The History and How-To of Traditional Henna” and “African Flag Dancing.” We also granted funds to local artists to perform “live art” paintings and other mediums, encouraging audience participation and engagement.

Performances: We hosted over a dozen cultural and strolling performances at the festival, including Brazilian Samba, Ballet Folklorico, Polynesian Hula and Drummers, Traditional Hmong, Sikh Martial Arts, Mariachi, and more. Additionally, for the first time in Stockton, we hosted a Drag Brunch benefitting the San Joaquin County Pride Center, an organization that provides resources, education, and acceptance for our LGBTQIA community.

Main Stage Entertainment: Our main stage performances included music of varying genres, from Folk to Brass Bands, Mariachi to Hip-Hop. The varying acts allowed us to cater to our diverse audience and provide entertainment that appealed to the entirety of our community.

Vendors: We put exceptional care into selecting the global food, artist, and merchant vendors at the festival. We researched the prevalent cultural groups in the community and invited vendors that reflected those groups to apply. We also invited existing non-profit organizations that support global foods, like the Stockton Community Kitchen and Greek Food Festival, to showcase their offerings and earn support for their future events and programs.

Kitchen Demonstrations: Our live kitchen demonstrations were educational opportunities to share the flavors and diverse cuisines found within our community, including Puerto Rican, Soul Food, and Vegan cooking demos.
Our target audience for Stockton Flavor Fest was the Stockton area and our surrounding drive markets (San Joaquin County, Sacramento Area, & Bay Area (San Jose & San Francisco)).

Tickets were low-cost in order to allow the most participation from our community: $10 for adults, $5 for teens, free for kids 12 and under.

Attendees Demographic Information

Number of Participants
11,616

Marketing Statistics

ADVERTISING
9,430,655 Impressions (Print & Digital)
36,982 Ad Clicks

SOCIAL MEDIA
3.3k likes
1.9k follows
122.8k views

WEBSITE STATISTICS
56.7k visits
42k users
119.2k pageviews
## Overall Revenue & Expense of the Festival

<table>
<thead>
<tr>
<th>ITEM</th>
<th>AMOUNT ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
</tr>
<tr>
<td>City of Stockton ARPA Funding</td>
<td>469,980.48</td>
</tr>
<tr>
<td>General Vendor Revenue</td>
<td>25,831.18</td>
</tr>
<tr>
<td>Collide Arts Grants</td>
<td>26,200.00</td>
</tr>
<tr>
<td>Gate/Beverages/Drag - Credit</td>
<td>45,782.35</td>
</tr>
<tr>
<td>Gate/Beverages/Craft - Cash</td>
<td>55,371.00</td>
</tr>
<tr>
<td>Sponsorships Revenue</td>
<td>13,000.00</td>
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<tr>
<td><strong>Total Income</strong></td>
<td>636,165.01</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
</tr>
<tr>
<td>Dues &amp; Subscriptions</td>
<td>6,546.03</td>
</tr>
<tr>
<td>Entertainment</td>
<td>238,535.85</td>
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<tr>
<td>Equipment Purchases</td>
<td>3,626.69</td>
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<tr>
<td>Equipment Rentals</td>
<td>96,205.83</td>
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<tr>
<td>Contractor Expenses</td>
<td>39,045.00</td>
</tr>
<tr>
<td>Festival Supplies/Beverage</td>
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<tr>
<td>Liability Insurance</td>
<td>5,338.00</td>
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<tr>
<td>Marketing/Advertising</td>
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<tr>
<td>State Parking Lot</td>
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<tr>
<td>Security/EMT</td>
<td>39,961.00</td>
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<tr>
<td>Vendor &amp; Festival Signage</td>
<td>8,949.03</td>
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<tr>
<td>Volunteer Hospitality &amp; Supplies</td>
<td>3,263.79</td>
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<tr>
<td>Waste Management</td>
<td>23,362.53</td>
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<tr>
<td>Rentals &amp; Fees</td>
<td>25,636.76</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td>589,618.95</td>
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<tr>
<td><strong>Net Operating Income</strong></td>
<td>46,546.06</td>
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<tr>
<td><strong>Other Expenses</strong></td>
<td></td>
</tr>
<tr>
<td>Donations to Non-Profits/Pride Center</td>
<td>26,500.00</td>
</tr>
<tr>
<td>Total Other Miscellaneous Expenditure</td>
<td>26,000.00</td>
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<tr>
<td>Total Other Expenses</td>
<td>26,000.00</td>
</tr>
<tr>
<td>Net Other Income</td>
<td>-26,000.00</td>
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<tr>
<td>Net Reserve Income</td>
<td>20,546.06</td>
</tr>
</tbody>
</table>
Overview Information

Duration of the Festival

MAY 14 & 15, 2022
10 AM - 7 PM
Weber Point Events Center, Downtown Stockton

Festival Statistics

11 Cultural Performers
17 Main Stage Performers
32 Global Food Cuisine Vendors
49 Artisans & Merchants Vendors
11 Kitchen Demo Workshops
14 Art Workshops & Live Art Performances
9 Art Installations & Photo Opportunities
12 Craft Beer & Wine Tent Performers
**Description of Sponsor / Charity / Volunteer / School Involvement with Festival and Benefits to Each**

**EVENT ORGANIZER**  
**Visit Stockton** - Stockton is widely respected as a diverse and welcoming community, providing unique and authentic experiences and opportunities for all. Visit Stockton is dedicated to enhancing the region’s Quality of Life by collaboratively leading the promotion of our richly diverse community and advocating for initiatives that will enhance the city’s Quality of Place.

**FUNDING PARTNER**  
**City of Stockton** – The City of Stockton received American Rescue Plan Act (ARPA) funds to aid in Downtown Recovery efforts as a response to the COVID-19 pandemic. The City approached Visit Stockton and asked if we would support their downtown recovery efforts and with their approval we produced the inaugural Stockton Flavor Fest.

**EVENT CONTRACTOR**  
**Goodstock Productions** – A female founded, owned, and managed Stockton-based events services company who were instrumental in the creation and execution of Stockton Flavor Fest.

**COMMUNITY RESOURCE FAIR CONTRACTOR**  
**Child Abuse Prevention Council of San Joaquin County**  
We contracted with CAPC to host our free community resource fair at Stockton Flavor Fest, which also allowed them to host their annual “Ducky Derby” fundraiser as part of the festivities.

**SPONSORS**  
All sponsors of our festival received ample marketing exposures, from social media to traditional print ads, signage and naming rights at the festival, exclusive hosted experiences, passes, and recognition.

**Donaghy Sales** – Main Stage: Donaghy Sales is a family owned and operated beverage distribution company based in Stockton. They were the signature sponsor of our festival, which helped offset the cost of our Main Stage entertainment.

**Pacific Home Care Services** – Kids Activity Tent: PHCS is local, Stockton-based agency that provides quality home care to the elderly and disabled. Their contribution offset the cost of our Kids Activity Tent which hosted games, puzzles, and other family-friendly entertainment.

**The Kitchen @ StoneBrier** – Kitchen Demo Tent: The Kitchen @ StoneBrier is a fine-dining restaurant in Stockton providing a unique experience on every plate. They hosted our Kitchen Demo Tent which provided educational and hands-on workshops and tastings from local chefs and artisans.

**AAA** – Diversity Scholarships: AAA of Northern California provides emergency and roadside assistance services to our community. They sponsored our Diversity Scholarship program which was established to highlight Black, Indigenous, and People of Color (BIPOC)-owned and LGBTQ-owned businesses/organizations in Stockton. The scholarship was designed to provide more opportunity for participation from individuals or businesses who have been historically underrepresented in order to provide a more inclusive experience for all festival-goers.

**VOLUNTEERS**  
All proceeds from Stockton Flavor Fest benefited our local non-profit organizations. Our volunteer-led model paid-out our partnering non-profits for hours worked at the festival. In total, we had 36 non-profits represented, made up of 531 volunteers and over 2,000 volunteer hours.

<table>
<thead>
<tr>
<th>VOLUNTEER PROGRAM</th>
</tr>
</thead>
<tbody>
<tr>
<td>36</td>
</tr>
<tr>
<td>Non-Profits Represented</td>
</tr>
<tr>
<td>531</td>
</tr>
<tr>
<td>Participating Volunteers</td>
</tr>
<tr>
<td>2,000+</td>
</tr>
<tr>
<td>Hours Volunteered</td>
</tr>
<tr>
<td>$26,500</td>
</tr>
<tr>
<td>Distributed to Non-Profits</td>
</tr>
</tbody>
</table>
Stockton, Ca has had its fair share of negative press, scandals, and disservice, but within it is a community so rich in diversity and creativity in need of an opportunity. Stockton Flavor Fest was a labor of love to not only highlight the cultures and cuisines present in our community, but to give locals and residents something to be proud of and excited for.

We took great care in curating a festival that was inclusive and reflective to the residents of our community. By selecting vendors, musicians, artists, and performers that reflect the faces and cultures in Stockton, we hoped to create an atmosphere of acceptance, inclusion, and discovery.

The look and feel of Stockton Flavor Fest was unlike any other in the area. All vendors were provided white festival tents and signage to create a cohesive and intentional vibe. Colorful shade structures were erected throughout our tree-lined park-like setting to create ambiance and picture-worthy moments.

Local artists were awarded grants to create larger-than-life sculptures and to perform “live art” painting on murals throughout the weekend. International themed decorations adorned trees, stages, and tents to create a look that highlighted the cultures represented at the fest.

Additionally, we wanted to set the bar for future events and took much effort to create a festival that was low-waste and sustainable. All vendors were required to use compostable or recyclable products and serveware, aiding us in lessening our single-use plastic waste footprint. We created waste-diversion banks (landfill, recycling, and compost), and had a volunteer crew responsible for overseeing the banks. We also encouraged festivalgoers to bring their own reusable water bottles and provided free water to all attendees through a large refill station.
The sentiment during and post-Stockton Flavor Fest was overwhelmingly positive. For a first-year event, we are extremely proud of the responses we have received from city officials, vendors, attendees, and partners. Some of the highlights we heard was the feeling of safety our attendees felt, how clean the festival grounds were, how respectful the crowd was, how many options of family-friendly things to do were provided, how beautiful the park looked, and how many diverse offerings were available.

We saw so many shares of content from the festival on social media that it nearly broke our Instagram account. Hundreds and hundreds of people shared images and videos from the festival and were often tagged with phrases like “please bring this back next year” and “thank you for doing this for Stockton.” We also gathered testimonials and endorsements from festival goers, vendors, and partners, some of which are transcribed and shared below:

“We are really enjoying it, the crowd is amazing out here. We are actually not expecting to do very well [as vendors], and we are almost sold out of all of our plants. We can’t be more excited, and we definitely want to come back next year.”
- Vendor

“It was super amazing, it was honestly a dream come true. So dope to be a part of it, be a DJ, open up for the Ohio Players. The crowd was amazing. Stockton man, we’re truly blessed to have a day like this, I hope everybody enjoyed themselves, and can leave off with a positive note moving into the summer. Stockton Flavor Fest, the best thing that happened so far this year, this is amazing.”
- DJ Kenzo

We are proud to say we have already started planning for Stockton Flavor Fest 2023 and can’t wait to continue highlighting the makers and creatives in our community and sharing them on a grand scale.
What challenges/obstacles did you foresee/encounter in creating the new Festival, and how did you handle them?

Any first-time event is difficult to produce, but our timeline provided us with an even greater challenge. In August 2021, the City of Stockton invited us to a meeting to discuss their ARPA funding and to brainstorm initiatives to get people back downtown after a long two years of no activity. In May of 2022, 9 months after an introductory brainstorming meeting, we hosted the largest festival in Downtown Stockton since 2014.

Our office provides year-round programming, event support, and promotions for the city of Stockton. We strategized and prioritized Stockton Flavor Fest around our current programming and created a unique and mission-sharing festival.

Of course, we could not have made this event happen without the support of our community partners and volunteer organizations. Visit Stockton has a reputation for being a great community partner, so when the time came for us to ask for help, we were met with helping hands and positive attitudes. We are fortunate to have built a foundation of trust and to have proven ourselves as a result-producing organization.

What adaptations and modifications did you make to this new Festival due to the Pandemic?

This event was a direct response to the COVID 19 Pandemic, triggered by the disparity seen in our Downtown community and small businesses. Being this festival was partly funded by recovery funding, our objectives in the creation of the festival were to support small businesses and bring people back to Downtown.

Downtown Stockton has long been due for revitalization, and prior to Covid there was momentum in restoring historic facades, opening new businesses, and creating more housing. Covid shuttered a lot of that progress, including closing many storefronts and stalling projects. The streets became a ghost town and people have yet to return in their pre-pandemic numbers. The hope is that this festival will help bring positive momentum and development back Downtown and create synergy amongst Downtown businesses.
Printed Materials

1. Note Pads
3. 11x17 Posters
4. 4x6 Postcards
5. Stickers
Promotional, Marketing, & Media Materials

Street Banners

Billboards

Good Day Sacramento Media Interview
visitstockton.us/FlavorFest2022-GDS-Interview1

FlavorFest 2022 Recap Video
visitstockton.us/SFF-2022-ShortRecap

Digital Ads
Merchandise Materials

1. Aluminum Water Bottle
2. Laser Engraved Magnet
3. Flavor Fest Shirt Design 1
4. Flavor Fest Shirt Design 2
5. Flavor Fest Taco Hat
Information Provided to Participants

Festival Map
Information Provided to Participants

Flavor Fest Website
StocktonFlavorFest.com

MoPo Phone App Feature
Supporting Materials Index

**Information Provided to Participants**
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2. Branded Signage - Page 8
3. Festival Map - Page 14
4. Flavor Fest Website - Page 15
5. MoPo Phone App Feature - Page 15

**Supporting Photographs**
1. Cultural Performance - Page 2
2. Festival Grounds - Page 6
3. Art Installation - Page 8
4. Artisan Vendor - Page 9
5. Volunteers - Page 10

**Measurable Results: Tangible & Intangible**
1. Testimonials - Pages 2, 9
2. Attendees Demographic Information - Page 4
3. Marketing Statistics - Page 4
4. Festival Statistics - Page 6
RESOLUTION APPROVING AN AMENDMENT WITH VISIT STOCKTON TO SUPPORT YEARS TWO AND THREE OF FLAVOR FEST EVENT PROGRAMMING

The City, in particular the Downtown Core, was negatively impacted by the COVID-19 public health emergency, through significant reduction in traffic, business patronage, outside travel, and closures of businesses; and

Council approved the City’s American Rescue Plan Act (ARPA) funding distribution on September 14, 2021, which included $1.8 million for Event Programming; and

Through Council’s approval, the City partnered with Visit Stockton to plan, promote, and activate the downtown economy by supporting a signature event celebrating the diversity of the region; and

With the help of local nonprofits, local and surrounding organizations, and artists, Stockton Flavor Fest was a well-received success in May of 2022, at the Weber Point Events Center. Support of this annual event is necessary in the beginning years as it gains momentum now, therefore

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. Authorize the City Manager, or designee, to execute an amendment to the Visit Stockton contract (attached as Exhibit 1 to the Resolution); and

2. Authorize the City Manager, or designee, to take whatever actions are necessary and appropriate to carry out the purpose and intent of this Resolution.

PASSED, APPROVED, and ADOPTED ___December 6, 2022__.

KEVIN J. LINCOLN II
Mayor of the City of Stockton

ATTEST:

ELIZA R. GARZA, CMC
City Clerk of the City of Stockton
CITY OF STOCKTON
STANDARD AGREEMENT AMENDMENT

Agreement Number: 422000490
Amendment Number: 1

This Amendment Number 1 to the above referenced Agreement is entered into on September 20, 2021, between the City of Stockton (“City”) and VisitStockton “Contractor”.

RECITALS

Exhibit C General Terms and Conditions, Paragraph 7 Changes, states the City may modify the scope of services and any material extension or change in the scope shall be memorialized in a written amendment prior to the performance of additional work; and

Exhibit C General Terms and Conditions, Paragraph 8 Amendment, states no variation of the terms of this Agreement shall be valid unless an Amendment is made in writing and signed by both parties; and

Exhibit A, Option to Renew, states both Parties may extend this Agreement annually by a written amendment executed by both parties, however, the total term of the Agreement including the extended term shall not exceed five (5) years; and

The City needs to increase the Compensation, Not to Exceed amount in Paragraph 3 of the Standard Agreement and Exhibit E, Section 1.1, by Nine Hundred Forty Thousand Dollars ($940,000) to pay for the Contractor to provide planning, promotion, and activation of signature multi-day events in Downtown Stockton; and

Now therefore, the City and the Contractor mutually agree as follows:

1. The maximum not to exceed amount in Paragraph 3 of the Standard Agreement and Exhibit E, Section 1.1, is amended to $1,410,000.00. Annual amounts can be adjusted, so long as the total spending authority for the duration of the initial term, stays within the not to exceed limit:

   Initial not to exceed amount: $470,000.00
   Supplemental Contractor spending authority: $940,000.00
   Total maximum compensation to be paid to the Contractor under this Agreement for the initial term shall not exceed: $1,410,000.00

2. Exhibit A, Section 1.1 Project Objectives is hereby amended and shall read as follows:

   The City of Stockton is seeking services to plan, promote, and activate a signature, annual, multi-day event in Downtown Stockton. The City requires that there be multiple mini events diverse in type that would appeal to the community within the City of

(Rev. 4.15.22)
Stockton and surrounding region. Performance and activities shall be held at varying times throughout the days and nights, with attention to audience availability.

3. Exhibit A, Section 8 Option to Renew is hereby amended and shall read as follows:

The Term of the Agreement is for three years and may be extended annually by a written amendment executed by both parties. However, the total term of the Agreement including the extended term shall not exceed five (5) years.

4. Exhibit E, Task Price Section 2, the leading sentence before the table is hereby amended and shall read as follows:

Below is the price for the services and reimbursable expenses per signature event as described in Exhibit A of this Agreement. Amounts per line-item may be adjusted so long as each event stays within its $470,000 limit. Contractor may exceed the $470,000 per-event limit with written permission from the City’s Economic Development Department, so long as the total contract amount does not exceed the contract’s “not-to-exceed” amount.

5. Exhibit F Timeline, Section 1.11 and 1.1.2 are hereby amended and shall read as follows:

1.1.1 Contractor shall deliver all events, performances, and activities annually during dates agreed upon by both parties, usually occurring in the month of May.

1.1.2 Contractor shall provide not less than monthly updates of event planning status including but not limited to bookings, rental commitments, security, safety, and evacuation plans, and permits/licenses. Three months in advance of an event, Contractor will give weekly event planning status updates.

6. The City and Contractor agree on the additional terms and conditions set forth herein and attached as Exhibit G. (Attachment A) to this amendment, shall also be part of the Agreement.

All other terms and conditions of the Agreement shall remain unchanged and remain in full force and effect unless modified by a written amendment signed by both parties.

IN WITNESS WHEREOF, the authorized parties have executed this Agreement.

CONTRACTOR

VisitStockton

Contractor’s Name (if other than an individual, state whether a corporation, partnership, etc.):

(Rev. 4.15.22)
CITY OF STOCKTON

Harry Black, City Manager

ATTEST:

Eliza R. Garza CMC, City Clerk

APPROVED AS TO FORM:
Lori M. Asuncion, City Attorney

BY:
Exhibit G
SUBAWARD AGREEMENT
Special Funding Terms and Conditions

The City of Stockton has entered into this agreement using funds governed by the American Rescue Plan Act, distributed by the U.S. Department of the Treasury ("Treasury"). The funding available is governed under sections 602 and 603 of the Social Security Act, as added by section 9901 of the American Rescue Plan Act of 2021 ("ARPA"). The ARPA established the Coronavirus State and Local Fiscal Recovery Funds (the "SLFRF statute") for eligible recipients to address the economic and health consequences of the pandemic. Under ARPA, the SLFRF statute is to be used for payments for specified uses to certain non-entitlement units of local government. In consideration of the mutual promises contained in this AGREEMENT to carry out the purposes of the subaward on behalf of the City, the CITY and CONTRACTOR agree as follows:

1. **SURVIVAL OF PROMISES.** All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the AGREEMENT expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable federal or state statutes of limitation.

2. **SEPARATE ACCOUNTING.** The CONTRACTOR will establish a separate account for all funds specified in this AGREEMENT and will use the funds to purchase necessary supplies, defray travel, and will employ the necessary personnel to perform the Work specified in this AGREEMENT. The CONTRACTOR shall also establish and maintain, if applicable, such accounting and documentation of matching expenditures of the CONTRACTOR to satisfy the requirements of the PROJECT.

3. **AUDIT.** The CITY, and any other appropriate government agency authorized by law, or their duly authorized representatives shall, until five (5) years after final payment under this AGREEMENT, have access to any of the CONTRACTOR’s records related to this AGREEMENT, at the CONTRACTOR’s regular place of business, for the purpose of conducting audits. The period of access for records relating to a) appeals under a dispute, b) litigation or settlement of claims arising from the performance of this AGREEMENT, or c) costs and expenses of this AGREEMENT to which exception has been taken shall continue until such appeals, litigation, claims, or exceptions are disposed of.

4. **AUTHORIZED USE OF FUNDS.** The CONTRACTOR shall use or expend the funds provided by this AGREEMENT only for the purposes for which they were appropriated. Further, the funds provided by the CITY shall be used by the CONTRACTOR only for the purpose and activities specified in the AGREEMENT, including associated attachments and exhibits which is attached hereto and incorporated herein by reference as if fully set forth here.

5. **COMPLIANCE WITH COST PRINCIPLES AND RELATED REGULATIONS.** The CONTRACTOR will not be reimbursed for expenditures under this AGREEMENT that do not comply with the ARPA and Related Regulations that are incorporated.

6. **PUBLICATIONS.** The CONTRACTOR shall be free to publish results of the Work provided that the terms of the PROJECT are met and the review copies of materials intended for publication are submitted to the CITY’s PROJECT Director at least 45 days prior to publication.

7. **CONFIDENTIAL INFORMATION.** CONTRACTOR acknowledges that it may be necessary for CITY to disclose certain confidential and proprietary information to CONTRACTOR in order for CONTRACTOR to perform duties under this AGREEMENT. CONTRACTOR acknowledges that any disclosure to any third party or any misuse of this proprietary or confidential information may irreparably harm the CITY. Accordingly, CONTRACTOR will not disclose or use, either during or after the term of this AGREEMENT, any proprietary or confidential information of the CITY without the CITY’s prior written permission.
8. **DELAYS.** CONTRACTOR shall notify the CITY promptly of any expected delay in performance of services. However, CONTRACTOR shall not be liable for delays in performance beyond reasonable control.

9. **ARPA GUIDELINES – CONTRACTOR AS SUBRECIPIENT**

CONTRACTOR is classified as a Subrecipient under ARPA, which is an entity that receives a subaward from the CITY to carry out a program on behalf of the CITY using SLFRF funds. As a beneficiary of SLFRF funds from the CITY, CONTRACTOR must comply with the ARPA guidelines in order to be eligible for a grant. The guidelines, titled *Compliance and Reporting Guidelines: State and Local Fiscal Recovery Funds*, as amended by Treasury (the "Guidelines"), are incorporated into this AGREEMENT by reference. The Guidelines can be found at [https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds/recipient-compliance-and-reporting-responsibilities](https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds/recipient-compliance-and-reporting-responsibilities). In ensuring compliance with these Guidelines, CONTRACTOR serves as a first line of defense against fraud, waste, and abuse of federal money.

As further described in the Guidelines, CONTRACTOR will generally be subject to the requirements of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards, 2 CFR Part 200. This includes, but is not limited to,

A. The implementation of internal controls and effective monitoring to ensure compliance with 2 CFR Part 200, including generally identifying direct and indirect costs and treating each cost consistently in like circumstances.

B. Ensuring that procurements using SLFRF funds, or payments under procurement contracts using such funds, are consistent with the procurement standards set forth in the Uniform Guidance at 2 CFR § 200.317 through 2 CFR § 200.327, as applicable.

C. If CONTRACTOR expends more than $750,000 in Federal awards during its fiscal year, submitting to an audit under the Single Audit Act and its implementing regulation at 2 CFR Part 200, Subpart F.

The CITY may request detailed expenditure information from CONTRACTOR in order for CITY to comply with its own reporting obligations. CONTRACTOR will be required to promptly provide any requested information to the CITY, even after the award term has expired. Among other things, the CITY may require information about the structure and objectives of the PROGRAM and information about how many individuals have been served by CONTRACTOR.
FEDERAL FUNDS

Federal regulations (2 C.F.R. § 200.326 and 2 C.F.R. Part 200, Appendix II) require the City to include certain contract clauses in this agreement.


Based on the table below, any clause identified with a check mark (✓) next to it is hereby incorporated into this contract agreement. The full language of each clause can be found in this EXHIBIT G.

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Checked provisions are hereby incorporated into the contract agreement.

Following are the FEMA requirement or recommendation clauses listed above for contract incorporation.
1.1 Equal Employment Opportunity

Requirement for construction work

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:

Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

(3) The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.

(4) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(5) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(6) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(7) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(8) The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the
administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

The applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: Provided, that if the applicant so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

1.2 Compliance with Davis-Bacon Act
Requirement for construction work

a. All transactions regarding this contract shall be done in compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) and the requirements of 29 C.F.R. pt. 5 as may be applicable. The contractor shall comply with 40 U.S.C. 3141-3144, and 3146-3148 and the requirements of 29 C.F.R. pt. 5 as applicable.

b. Contractors are required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor.

c. Additionally, contractors are required to pay wages not less than once a week.

1.3 Compliance with the Copeland "Anti-Kickback" Act
Requirement for construction work > $2k

a. Contractor. The contractor shall comply with 18 U.S.C. § 874, 40 U.S.C. § 3145, and the requirements of 29 C.F.R. pt. 3 as may be applicable, which are incorporated by reference into this contract.

b. Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clause above and such other clauses as FEMA may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all of these contract clauses.
c. Breach. A breach of the contract clauses above may be grounds for termination of the contract, and for debarment as a contractor and subcontractor as provided in 29 C.F.R. § 5.12.

2.1 Compliance with Contract Work Hours and Safety Standards Act

Requirement for contracts > $100k plus mechanics & laborers

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (b)(1) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (b)(1) of this section, in the sum of $27 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (b)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The (write in the name of the Federal agency or the loan or grant recipient) shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (b)(2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (b)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (b)(1) through (4) of this section.

2.2 Clean Air Act and the Federal Water Pollution Control Act

Requirement for contracts > $150k

Clean Air Act

1. The contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.

2. The contractor agrees to report each violation to the City of Stockton and understands and agrees that the City of Stockton will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.

3. The contractor agrees to include these requirements in each subcontract exceeding $150,000 financed in whole or in part with Federal assistance provided by FEMA.
Federal Water Pollution Control Act

1. The contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.

2. The contractor agrees to report each violation to the City of Stockton and understands and agrees that the City of Stockton will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.

3. The contractor agrees to include these requirements in each subcontract exceeding $150,000 financed in whole or in part with Federal assistance provided by FEMA.

2.3 Debarment and Suspension

(1) This contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such, the contractor is required to verify that none of the contractor’s principals (defined at 2 C.F.R. § 180.995) or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).

(2) The contractor must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

(3) This certification is a material representation of fact relied upon by the City of Stockton. If it is later determined that the contractor did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to (insert name of recipient/subrecipient/applicant), the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.

(4) The bidder or proposer agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

2.4 Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended)

Contractors who apply or bid for an award of $100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient who in turn will forward the certification(s) to the awarding agency.

Required Certification. If applicable, contractors must sign and submit to the non-federal entity the following certification found at APPENDIX A, 44 C.F.R. PART 18:
APPENDIX A, 44 C.F.R. PART 18 – CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.

3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

The Contractor, VisitStockton, certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. Chap.38, Administrative Remedies for False Claims and Statements, apply to this certification and disclosure, if any.

[Signature]
Signature of Contractor's Authorized Official

[Title]
Name and Title of Contractor's Authorized Official

[Date]
Date:
2.5 Procurement of Recovered Materials

In the performance of this contract, the Contractor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired—

1. Competitively within a timeframe providing for compliance with the contract performance schedule;
2. Meeting contract performance requirements; or
3. At a reasonable price.

Information about this requirement, along with the list of EPA-designated items, is available at EPA’s Comprehensive Procurement Guidelines web site:

https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program

The Contractor also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act.

2.6 Access to Records

The following access to records requirements apply to this contract:

(1) The Contractor agrees to provide the City of Stockton City Manager, the FEMA Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts, and transcriptions.

(2) The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

(3) The Contractor agrees to provide the FEMA Administrator or his authorized representatives access to construction or other work sites pertaining to the work being completed under the contract.

(4) In compliance with the Disaster Recovery Act of 2018, the City of Stockton and the Contractor acknowledge and agree that no language in this contract is intended to prohibit audits or internal reviews by the FEMA Administrator or the Comptroller General of the United States.

2.7 DHS Seal, Logo and Flags

The contractor shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre-approval

2.8 Compliance with Federal Law, Regulations, and Executive Orders

This is an acknowledgement that FEMA financial assistance will be used to fund all or a portion of the contract. The contractor will comply with all applicable Federal law, regulations, executive orders, FEMA policies, procedures, and directives.

2.9 No Obligation by Federal Government

The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to the non-Federal entity, contractor, or any other party pertaining to any matter resulting from the contract.

2.10 Program Fraud and False or Fraudulent Statements or Related Acts

The Contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the Contractor’s actions pertaining to this contract.
AUTHORIZE FIRST AMENDMENTS WITH GILL HOSPITALITY, INC., AND SETHI HOLDINGS, LP, FOR TWO PUBLIC FACILITIES FEES DEFERRED PAYMENT AGREEMENTS

RECOMMENDATION

It is recommended that the City Council adopt a resolution:

1. Authorizing the First Amendments to the Deferred Payment Agreements with Gill Hospitality, Inc. and Sethi Holdings, LP, associated with Building Permits 20-08543 and 21-00268, to defer the initial payments of eligible Public Facilities Fees for the property located at 3651 Arch Road until the following year; and

2. Authorizing the City Manager, or designee, to take appropriate and necessary actions to carry out the purpose and intent of the resolution.

Summary

In June 2021, Gill Hospitality, LLC, "Gill Hospitality," and Sethi Holdings, LP, "Sethi Holdings," executed Deferred Payment Agreements with the City for eligible Public Facilities Fees associated with the Building permits 20-08543 and 21-00268 for the commercial development of the property located at 3651 Arch Road.

The program guidelines allow developers to defer payment of eligible Public Facilities Fees at the time of building permit issuance, to be paid in equal installments over a five- or ten-year period plus interest, depending on the amount. The City seeks to allow the developers to defer the initial payments until the following year to enable Gill Hospitality and Sethi Holdings additional time to complete the project before payment. Amendments to the Deferred Payment Agreements are necessary to approve the revised payment schedules.

DISCUSSION

Background

In 1991, the Stockton City Council adopted Resolution Number 91-0119 (Attachment A - Resolution Number 91-0119), approving the Public Facilities Fee Program. The program's purpose is to encourage economic development and private investment by providing temporary financial relief for developers of "qualified non-residential projects." Rather than paying for Public Facilities Fees at building permit issuance, the developer may elect to defer payment of eligible fees in equal installments over the agreement term. The unpaid balance of the fees is subject to an annual interest rate equal to the 11th District Cost of Funds plus 1% adjusted annually.
Gill Hospitality and Sethi Holdings are the property developers for new development at 3651 Arch Road. On June 14, 2021, Gill Hospitality and Sethi Holdings executed two Non-Residential Public Facilities Fee Deferred Payment Agreements to develop a Hampton Inn Hotel at the property. The Five-Year Deferred Payment Agreement is correlated to the eligible public facilities fees related to site grading work, totaling $47,230.48, to be paid in equal installments of $9,446.10 over five years plus interest (Attachment B - Agreement for BP20-08543). The Ten-Year Deferred Payment Agreement correlates to the eligible public facilities fees associated with the building permit, for $557,587.80, to be paid in equal installments of $61,995.78 for the first five years plus interest, which is attributed to the Water and Wastewater Fees to be paid within the first five years, and $49,521.78 annually for the remaining five years for all other deferred fees, as noted in Section 10 of the Agreement (Attachment C - Agreement for BP21-00268).

Present Situation

On September 30, 2022, Gill Hospitality requested an amendment to the fee deferral agreements for both initial payments totaling $71,441.88, plus interest. As stated by Gill Hospitality, the request is due to the current economic situation and impacts of COVID-19, along with significant building material supply-chain issues, unavailability of workforce, and inflation, making it extremely difficult to source materials. As with many recent development projects, Gill Hospitality has experienced challenges with PG&E schedules and timelines and even had to hire a third-party consultant to keep the project on track and moving forward.

The request is to defer initial payments on each agreement until the following year to allow time to complete the project and earn revenue to provide some cash-flow relief for the developer. The Economic Development and Community Development Departments staff concur that this extension is appropriate to complete the project and allow time for cash-flow accumulation. The deferral would make the first- and second-year payments for both agreements due July 2023, as indicated in the amendment. Additionally, the proposed amendment would give the City Manager discretion to further defer both the first and second installments to become due no later than December 31, 2023.

FINANCIAL SUMMARY

There is no negative financial impact to the City. The amendment would merely provide a one-time deferral for the first payment of eligible fees, totaling $71,441.88 plus interest, until the following fiscal year, 23-24. At that time, both first- and second-year payments will become due. A single amendment to the payment schedule can be requested by the developer in writing, as evidenced in the Amendment 1 for both BP 20-08543 and BP 21-00268.

Attachment A - Resolution Number 91-0119
Attachment B - Deferred Payment Agreement for BP20-08543
Attachment C - Deferred Payment Agreement for BP21-00268
Resolution No. 91-0119

STOCKTON CITY COUNCIL

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. That the Administrative Guidelines for the Public Facilities Fee Program are hereby adopted. Said Administrative Guidelines provide for administrative policy and procedure to implement the provisions of the Public Facilities Fee Program. A copy of said guidelines is attached as Exhibit "A" and by this reference made a part hereof.

2. The effective date of the Administrative Guidelines shall be April 15, 1991.

PASSED, APPROVED and ADOPTED this 12th day of FEBRUARY, 1991.

JOAN DARRAH
Mayor of the City of Stockton

ATTEST:

FRANCES HONG
City Clerk of the City of Stockton

Amended by Res. 94-0468
DEFERRED PAYMENT AGREEMENT
QUALIFIED NON-RESIDENTIAL PROJECT
FIVE TEN-YEAR PROGRAM

OWNER: Gill Hospitality LLC, a California limited liability company and Sethi Holdings, LP, a California limited partnership

ADDRESS: 3651 Arch Road
Stockton, CA 95212

APN: 179-480-07

BUILDING PERMIT NO (SITE): BP20-08543

PROJECT: Hampton Inn by Hilton Hotel – 57,736 SF, 98-rooms, fitness center, and pool

1. PARTIES. This Agreement is entered into on June 14, 2021, by and between the CITY OF STOCKTON, a municipal corporation ("CITY"), and GILL HOSPITALITY LLC, a California limited liability company and SETHI HOLDINGS, LP, a California limited partnership.

2. PURPOSE. The purpose of this Agreement is to set forth the terms and conditions under which CITY agrees to defer the collection of development fees pursuant to the Public Facilities Fee Program Administrative Guidelines as adopted and amended by the City Council and in effect as of the date of execution of this Agreement (the "Guidelines"), and OWNER agrees to pay the fees as provided in this Agreement.

3. TERMS AND CONDITIONS. OWNER has applied to CITY and received certification from the City Manager or a designee that this non-residential project is a “Qualified Project” as defined in section 1.C.1.a of the Guidelines (the "Project") and consisting of the construction of a 98-room, 57,736 square foot, Hampton Inn by Hilton Hotel, with a fitness center and pool.

   a. The property and Project are located within the City of Stockton, County of San Joaquin, State of California, and the property is more particularly described in Exhibit “A”, attached and incorporated by this reference.
b. The application of OWNER for deferral of development fees as a "Qualified Project" a copy of which is on file with CITY, is incorporated by this reference as though fully set forth.

4. WARRANTY. OWNER warrants that the Project is qualified as provided in the above-noted definition.

5. DEVELOPMENT FEES. The development fees eligible for deferral pursuant to this Agreement are as follows:

- Public Facilities Fee (SMC Section 16.72.280) (less Surface Water Supply Fee, Air Quality Mitigation Fee, SJMSCP Fee, Regional Transportation Impact Fee, San Joaquin County Facilities Fee, and Agricultural Mitigation Fee)
- Traffic Signal Fee (SMC Section 16.72.140)
- Wastewater Fee (SMC Section 13.12.010)
- Water Fee (SMC Section 13.04.010)

The amounts of each of these fees and the total amount to be deferred pursuant to this Agreement are as stated in Exhibit "B," attached and incorporated by this reference.

6. INTEREST AND COLLECTION FEES. Beginning on the date of execution of this Agreement and continuing during the period of deferral, interest shall accrue on the unpaid balance and shall be calculated at the 11th District cost of funds plus 1% (100 basis points), adjusted every July. Should CITY incur any costs in collection of any amount under this Agreement, CITY may recover such costs from OWNER or any successors in interest.

7. PAYMENT SECURED. To secure repayment of fees deferred under this Agreement for development at 3651 Arch Road (APN 179-480-07), OWNER shall execute a promissory note and shall execute and deliver a deed of trust encumbering each lot on which the Project is located. The deed of trust shall be recorded prior to issuance of the building permit. OWNER shall submit proof satisfactory to CITY that said deed of trust is secondary only to existing encumbrance(s) for the purpose of acquisition, construction, or permanent financing. OWNER shall obtain a fully executed subordination agreement for each encumbrance or deed of trust other than one which secures repayment of acquisition or construction financing existing at the time of execution of this Agreement. All other
encumbrances shall be cleared except real property taxes not yet due. OWNER and OWNER's lender(s) agree that any default on any encumbrance to which this obligation is junior shall also be a default under this agreement, the note, and the deed of trust. OWNER and OWNER's lender(s) shall provide notice to CITY of any default at the same time as OWNER is given notice. OWNER and OWNER's lenders agree that CITY shall have the right, but not the duty, to cure any such default during any period in which OWNER may cure plus an additional 30 days.

8. BUILDING PERMIT. Upon CITY'S determination that adequate security has been provided, CITY shall provide written notice to the Community Development Department confirming all requirements for deferral have been met and confirming that the building permit(s) may be issued providing the permit applicant has complied with all other requirements for issuance. Building permit fees are valid thru June 30, 2021, permits pulled after this date are subject to permit fee increases; this agreement does not lock in rates, final fees are calculated upon permit issuance.

9. DOCUMENT PREPARATION. All document preparation and recording fees, if any, shall be paid by OWNER.

10. TIME FOR PAYMENT. OWNER agrees to pay the total amount of development fees and interest to CITY as follows:

a. At the time of issuance of the building permit(s), OWNER shall pay an amount equal to no less that ten percent (10%) of the total deferred fees;

b. The amount of the fees attributable to the Wastewater Fee and the Water Fee shall be repaid in equal annual installments, together with accrued interest, over the next five (5) years;

c. All other deferred fees shall be repaid in equal annual installments, together with accrued interest, over the next five (5) years. OWNER may elect a shorter period of years within which to repay the fees. If such election is made, the same shall be reflected in the terms of the promissory note.

11. ACCELERATION. Any transfer of ownership or possession or any occupation of the Project, whether voluntary or involuntary and regardless of whether or not OWNER consents, including without limitation, the filing of any proceeding in bankruptcy, seeking the protection of any similar state law provision concerning debtor protection,
transfer of corporate or partnership assets, foreclosure by any senior lienor, or entering into any real property sales contract, shall constitute an event of default which accelerates the date for repayment and all deferred development fees along with accrued interest shall immediately become due and payable in full. Should such an event of default occur, CITY may cancel the building permit(s) and take all action necessary to halt all construction, occupation, or use of the Project.

12. **CAPTIONS.** The captions of the sections and subsections of this Agreement are for convenience only and shall not be deemed to be relevant in resolving any question of interpretation or intent.

13. **SEVERABILITY.** The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

14. **ATTORNEY'S FEES.** OWNER agrees to pay all costs, including reasonable attorney's fees, in the event CITY initiates any legal action to enforce or which confirms the CITY's interpretation of this Agreement, the promissory note, the deed of trust, or the lien against the property.

15. **RECORDATION.** This Agreement may be recorded in the Office of the Recorder of San Joaquin County, California, at the expense of OWNER, and shall constitute notice to all the obligation herein set forth which shall run with and constitute a lien against said real property.

16. **ENTIRE AGREEMENT.** This Agreement represents the entire integrated agreement between CITY and OWNER. This Agreement may be amended only by written instrument signed by CITY and OWNER.

17. **APPLICABLE LAW.** This Agreement shall be governed by the laws of the State of California.

18. **ASSIGNMENT PROHIBITED, SUCCESSORS IN INTEREST.** The rights, duties, and obligations of this Agreement shall not be assigned or delegated by OWNER without the prior written consent of CITY, in its sole discretion. Any assignment to which CITY has not consented shall be null and void and shall never take effect. Except as expressly provided in this paragraph 18, this Agreement shall inure to the benefit of and bind all successors in interest.
19. **AUTHORITY.** The undersigned hereby represent and warrant that they are authorized by the parties to execute this Agreement.

**APPROVED AS TO FORM:**
Office of the City Attorney

City Attorney

**CITY OF STOCKTON, a Municipal Corporation ("CITY")**

HARRY BLACK, City Manager

**SETHI HOLDINGS, LP, a California limited partnership**

GAURAV SETHI

**GILL HOSPITALITY, LLC, a California limited liability company**

JIVTESH GILL

**APPROVED AS TO FORM:**

Owner's Attorney
Exhibit "A"

Copy of Preliminary Title Report
Exhibit “B”

Copies of Fee Impact Worksheets
In response to the application for a policy of title insurance referenced herein, Fidelity National Title Company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereof) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The policy(ies) of title insurance to be issued hereunder will be policy(ies) of Fidelity National Title Insurance Company, a Florida corporation.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

Fidelity National Title Insurance Company

By:

[Signature]

President

Attest:

[Signature]

Secretary

Countersigned By:

[Signature]

Authorized Officer or Agent
Amendment B

Title Officer: Marc Wisneski
Email: marc.wisneski@titlegroup.fnf.com
Title No.: FSST-TO21000415-MW

Escrow Officer: Bernadette Watson
Email: Bernadette.Watson@fnf.com
Escrow No.: FFOM-2012100351

TO: Fresno First Bank
7690 N. Palm Avenue
Fresno, CA 93711
Attn: Tobi Burnes

PROPERTY ADDRESS(ES): 3651 Arch Road, Stockton, CA

EFFECTIVE DATE: May 6, 2021 at 07:30 AM

The form of policy or policies of title insurance contemplated by this report is:

ALTA Loan Policy 2006

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

   Fee simple as to Parcel(s) One

   Easement(s) more fully described below as to Parcel(s) Two

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

   I & T Properties LLC, a California Limited Liability Company, as to an undivided 50.02% interest; and
   Sethi Holdings, LP, a California limited partnership as to an undivided 49.98% interest, subject to item no. 13

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

   SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF
EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 179-480-07

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF STOCKTON, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

LOT 7 AS SHOWN ON THAT CERTAIN MAP ENTITLED "TRACT NO. 3248, ARCH ROAD COMMERCIAL PARK, BEING A RESUBDIVISION OF LOTS 5, 6, 7 AND 19 OF MAP FILED APRIL 19, 1985 IN BOOK 27 OF MAPS AND PLATS, PAGE 33", FILED DECEMBER 4, 2004 IN BOOK 39 OF PLATS AND MAPS, PAGE 67, SAN JOAQUIN COUNTY RECORDS.

PARCEL TWO:

AN EASEMENT FOR NON-EXCLUSIVE ACCESS OVER THOSE PORTIONS OF LOTS 1, 2, 3, 5 & 6 AS DELINEATED ON THE MAP FILED DECEMBER 4, 2004 IN BOOK 39 OF PLATS AND MAPS, PAGE 67, SAN JOAQUIN COUNTY RECORDS.
AT THE DATE HEREOF, EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2021-2022.

2. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vendee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.


Said assessment is collected with the county/city property taxes.

4. An assessment by the improvement district shown below:

Series: 1915
For: Arch Road Refinance

Said assessment is collected with the county/city property taxes.

5. An easement for the purpose shown below and rights incidental thereto as shown or as offered for dedication on the recorded map shown below.

Map of: Arch Road Industrial Park No. 1
Recording Date: April 19, 1985
Recording No.: Vol. 27 Maps and Plats Page 33
Purpose: Public utilities
Affects: As shown upon the map

6. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, genetic information, medical condition, citizenship, primary language, and immigration status, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document.

Recording Date: November 18, 1985
Recording No.: 85077601, of Official Records

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.
EXCEPTIONS
(continued)

7. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
   Granted to: City of Stockton
   Purpose: Street and highway
   Recording Date: September 21, 2000
   Recording No.: 00108967, of Official Records
   Affects: Underlay portion of Lot 19

8. Easement(s) for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract/plat;
   Purpose: Public utilities
   Affects: As shown on said map
   Recording No.: Book 39, Page 67 of Maps
   Purpose: Non-exclusive access easement
   Affects: As shown on said map

9. The ownership of said Land does not include rights of access to or from the street, highway, or freeway abutting said Land, such rights having been relinquished by said map/plat.
   Affects: Arch Road

10. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, genetic information, medical condition, citizenship, primary language, and immigration status, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document
   Recording Date: March 22, 2007
   Recording No.: 2007-057606, of Official Records

   Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.

11. Easement(s) for the purpose(s) shown below and rights incidental thereto as reserved in a document;
   Reserved by: Arch Road Group, a California General Partnership
   Purpose: Non-exclusive easement
   Recording Date: March 22, 2007
   Recording No.: 2007-057607, of Official Records
   Affects: A portion
12. **A Notice**

Entitled: Notice of Code Violations  
For: Sanitary manner  
Executed by: City of Stockton  
Recording Date: September 15, 2017  
Recording No.: 2017-106896, of Official Records

Reference is hereby made to said document for full particulars.

13. **Deed as set forth below:**

Grantor: Gaurav Sethi, a married man as his sole and separate property, Ganisha Sethi, a single woman and Jessica Sethi, a single woman  
Grantee: Sethi Holdings, LP, a California limited partnership  
Dated: December 10, 2020  
Recording Date: May 10, 2021  
Recording No.: 2021-082062, of Official Records

Any defect or invalidity of the title to the estate or interest of the grantee herein arising out of or occasioned by the execution of the above-referenced deed.

For insurance purposes, the Company will require that an affidavit, executed by the above grantor and acknowledged by a notary known to the Company, be submitted to the Company for review and approval in order for the Company to show title vested in the above-named grantee. Said affidavit will be provided by the Company.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

14. If a work of improvement was recently completed or will be completed prior to the close of this transaction, the Company will require that a valid Notice of Completion be recorded. This notice must be signed by an owner of the property and must be recorded within 15 days of the actual completion date.
EXCEPTIONS (continued)

15. Information has been provided to the Company which discloses that a work of improvement is contemplated, in progress or recently completed. To assist the Company in determining if it can give the priority coverage contained within the policy contemplated by this report, please provide the following:


b. Project Cost Breakdown.

c. Completed Loss of Priority Questionnaire. (This form furnished by the Company.)

d. A fully executed Indemnity Agreement. (This form furnished by the Company.)

e. If work has commenced prior to the recordation of the Construction Deed of Trust, there will be further requirements and the closing of the transaction could be delayed.

f. Copy of current appraisal.

g. Copy of loan agreement and disbursement schedules.

h. Name of Fund Control/Disbursement Agent.

Work may include, among other things, any preparation of the site for the planned construction, delivery of construction materials or equipment and any labor furnished.

The Company reserves the right to add additional items and/or make further requirements after review of the requested documentation.

16. Any claims for mechanics' or materialman's liens that may be recorded by reason of a recent work of improvement under construction and/or completed at the date hereof.

17. Any statutory lien or claim of lien, affecting the Title, that arises from services provided, labor performed, or materials or equipment furnished, except as insured by the ALTA 32.2-06 Endorsement as it may be revised by ALTA 33-06 (Disbursement) Endorsement.

18. Water rights, claims or title to water, whether or not disclosed by the public records.

19. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without accepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

20. Any easements not disclosed by the public records as to matters affecting title to real property, whether or not said easements are visible and apparent.

21. Any lien or right to a lien for services, labor or material not shown by the Public Records.
EXCEPTIONS
(continued)

22. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters which a correct survey would disclose and which are not shown by the public records.

23. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.

24. The search did not disclose any open mortgages or deeds of trust of record, therefore the Company reserves the right to require further evidence to confirm that the property is unencumbered, and further reserves the right to make additional requirements or add additional items or exceptions upon receipt of the requested evidence.

25. The Company will require that an Owner's Affidavit be completed by the party(ies) named below before the issuance of any policy of title insurance.

Party(ies): I & T Properties LLC, a California Limited Liability Company, Gaurav Sethi, Ganisha Sethi and Jessica Sethi

The Company reserves the right to add additional items or make further requirements after review of the requested Affidavit.

26. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance from the entity named below.

Limited Liability Company: I & T Properties LLC, a California Limited Liability Company

a. A copy of its operating agreement, if any, and any and all amendments, supplements and/or modifications thereto, certified by the appropriate manager or member.

b. If a domestic Limited Liability Company, a copy of its Articles of Organization and all amendment thereto with the appropriate filing stamps.

c. If the Limited Liability Company is member-managed a full and complete current list of members certified by the appropriate manager or member.

d. A current dated certificate of good standing from the proper governmental authority of the state in which the entity was created.

e. If less than all members, or managers, as appropriate, will be executing the closing documents, furnish evidence of the authority of those signing.

f) If Limited Liability Company is a Single Member Entity, a Statement of Information for the Single Member will be required.

g) Each member and manager of the LLC without an Operating Agreement must execute in the presence of a notary public the Certificate of California LLC (Without an Operating Agreement) Status and Authority form.
27. Before issuing its policy of title insurance, the Company will require the following for the below-named limited partnership:

Name: Sethi Holdings, LP, a California limited partnership

a. Certificate of Limited Partnership filed with the Secretary of State, in compliance with the provision of the California Revised Limited Partnership Act, Section 15611 et. seq., Corporations Code.

b. Certified Copy of the Certificate of Limited Partnership certified by the Secretary of State filed with the County Recorder.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

28. The transaction contemplated in connection with this Report is subject to the review and approval of the Company's Corporate Underwriting Department. The Company reserves the right to add additional items or make further requirements after such review.

END OF EXCEPTIONS
NOTES

Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.

Note 1. Note: The charge for a policy of title insurance, when issued through this application for title insurance, will be based on the Short Term Rate.

Note 2. Note: Property taxes for the fiscal year shown below are PAID. For proration purposes the amounts were:

- Tax Identification No.: 179-480-07
- Fiscal Year: 2020-2021
- 1st Installment: $7,675.25
- 2nd Installment: $8,884.92
- Exemption: $0.00
- Land: $1,201,739.00
- Improvements: $0.00
- Personal Property: $0.00
- Code Area: 003-000
- Bill No.: 179-480-07-0000

Prior to close of escrow, please contact the Tax Collector's Office to confirm all amounts owing, including current fiscal year taxes, supplemental taxes, escaped assessments and any delinquencies.

Note 3. Note: The only conveyance(s) affecting said Land, which recorded within 24 months of the date of this report, are as follows:

- Grantor: Gaurav Sethi, a married man as his sole and separate property, Ganisha Sethi, a single woman and Jessica Sethi, a single woman
- Grantee: Sethi Holdings, LP, a California limited partnership
- Recording Date: May 10, 2021
- Recording No.: 2021-082062, of Official Records
**NOTES**
(continued)

**Note 4.  ***IMPORTANT NOTE - RECORDING PACKAGES***

Scan your package (title communications, documents, release instructions, lenders and policy write up instructions, settlement statements, etc.) referencing only the title number in the subject line to the title plant at: fresnodoccheck@fnf.com

**Attention Escrow - If you are paying off any Equity Line of Credit Deed of Trust in your transaction, underwriting guidelines now require you must submit with the recording package, a copy of the signed statement by the borrower, authorizing the lender to close the account and credit line.***

**IMPORTANT NOTE - AGGREGATE RECORDING FEE COUNTIES***

San Joaquin County: $75.00 refinance, $80.00 sale.

Aggregate recording fee charges apply only to those transactions being processed under "Respa". I.E., All cash sales and many loan transactions will not fall under "Respa".

**IMPORTANT NOTE - TRANSFER TAX EXEMPTION AFFIDAVIT'S REQUIRED***

For recording of any document claiming exempt from documentary transfer tax, the appropriate form ("Claim of Exemption From Documentary Transfer Tax") must be submitted with recording.

This form MUST be signed by either the grantor or the grantee. PLEASE CONTACT YOUR TITLE OFFICER PRIOR TO CLOSING.

**IMPORTANT NOTE - RELEASE AND RECORDING TIMES***

Release all documents for recording via email to fresnodoccheck@fnf.com. You must have Title Officer approval to record in all counties.

**IMPORTANT NOTE - SENDING ORIGINAL DOCS***

For the following Counties: San Joaquin, please send all original documents for recording to the following office:

For Commercial orders:
Stockton Title Group
3127 Transworld Drive, Ste 130
Stockton, CA 95206
ATTN: Commercial Recordings - Title Only

For Residential orders:
SYNRGO, INC
11 S. San Joaquin Street, Suite 606
Stockton, CA 95202
PLEASE ASK fresnodoccheck@fnf.com for a recording tag prior to sending docs.
NOTES
(continued)

Note 5. The application for title insurance was placed by reference to only a street address or tax identification number. The proposed insurer must confirm that the legal description in this report covers the parcel(s) of Land requested to be insured. If the legal description is incorrect, the proposed insurer must notify the Company and/or the settlement company in order to prevent errors and to be certain that the legal description for the intended parcel(s) of Land will appear on any documents to be recorded in connection with this transaction and on the policy of title insurance.

Note 6. Note: If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.

Note 7. Note: Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of a Company agent, an authorized employee of the insured lender, or by using Bancserv or other Company-approved third-party service. If the above requirement cannot be met, please call the Company at the number provided in this report.

Note 8. Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DTT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.

Note 9. Due to the special requirements of SB 50 (California Public Resources Code Section 8560 et seq.), any transaction that includes the conveyance of title by an agency of the United States must be approved in advance by the Company’s State Counsel, Regional Counsel, or one of their designees.

END OF NOTES
WIRE FRAUD ALERT

This Notice is not intended to provide legal or professional advice. If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- NEVER RELY on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.

- ALWAYS VERIFY wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. DO NOT use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. Obtain the number of relevant parties to the transaction as soon as an escrow account is opened. DO NOT send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.

- USE COMPLEX EMAIL PASSWORDS that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do NOT reuse the same password for other online accounts.

- USE MULTI-FACTOR AUTHENTICATION for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

Federal Bureau of Investigation: http://www.fbi.gov

Internet Crime Complaint Center: http://www.ic3.gov
FIDELITY NATIONAL FINANCIAL
PRIVACY NOTICE

Effective April 9, 2020

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, "FNF," "our," or "we") respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

A limited number of FNF subsidiaries have their own privacy notices. If a subsidiary has its own privacy notice, the privacy notice will be available on the subsidiary's website and this Privacy Notice does not apply.

Collection of Personal Information

FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- identity information (e.g., Social Security Number, driver's license, passport, or other government ID number);
- financial account information (e.g., loan or bank account information); and
- other personal information necessary to provide products or services to you.

We may collect Personal Information about you from:

- information we receive from you or your agent;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

Collection of Browsing Information

FNF automatically collects the following types of Browsing Information when you access an FNF website, online service, or application (each an "FNF Website") from your Internet browser, computer, and/or device:

- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

Other Online Specifics

Cookies. When you visit an FNF Website, a "cookie" may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.
Web Beacons. We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

Do Not Track. Currently our FNF Websites do not respond to "Do Not Track" features enabled through your browser.

Links to Other Sites. FNF Websites may contain links to unaffiliated third-party websites. FNF is not responsible for the privacy practices or content of those websites. We recommend that you read the privacy policy of every website you visit.

Use of Personal Information

FNF uses Personal Information for three main purposes:

- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you about our, our affiliates', and others' products and services, jointly or independently.

When Information Is Disclosed

We may disclose your Personal Information and Browsing Information in the following circumstances:

- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;
- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law. We may share your Personal Information with affiliates (other companies owned by FNF) to directly market to you. Please see "Choices With Your Information" to learn how to restrict that sharing.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

Security of Your Information

We maintain physical, electronic, and procedural safeguards to protect your Personal Information.

Choices With Your Information

If you do not want FNF to share your information among our affiliates to directly market to you, you may send an "opt out" request by email, phone, or physical mail as directed at the end of this Privacy Notice. We do not share your Personal Information with nonaffiliates for their use to direct market to you without your consent.

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.
For California Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law. For additional information about your California privacy rights, please visit the "California Privacy" link on our website (https://fnf.com/pages/california/privacy.aspx) or call (888) 413-1748.

For Nevada Residents: You may be placed on our Internal Do Not Call List by calling (888) 934-3354 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

Information From Children
The FNF Websites are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

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FNFP's headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that Information outside of your country of residence. By providing FNFP with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such Information in accordance with this Privacy Notice.

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By submitting Personal Information and/or Browsing Information to FNFP, you consent to the collection and use of the Information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The Privacy Notice's effective date will show the last date changes were made. If you provide Information to us following any change of the Privacy Notice, that signifies your assent to and acceptance of the changes to the Privacy Notice. We may use comments or feedback that you submit to us in any manner without notice or compensation to you.
Accessing and Correcting Information: Contact Us

If you have questions, would like to correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, send your requests to privacy@fnf.com, by phone to (888) 834-3354, or by mail to:

Fidelity National Financial, Inc.
601 Riverside Avenue,
Jacksonville, Florida 32204
Attn: Chief Privacy Officer
ATTACHMENT ONE

CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY - 1990

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.

3. Defects, liens, encumbrances, adverse claims or other matters:
   (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the Insured claimant;
   (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the Insured claimant and not disclosed in writing to the Company by the Insured claimant prior to the date the Insured claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured claimant;
   (d) attaching or created subsequent to Date of Policy or
   (e) resulting in loss or damage which would not have been sustained if the Insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.

4. Unenforceability of the lien of the Insured mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doings business laws of the state in which the land is situated.

5. Invalidity or unenforceability of the lien of the Insured mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.

6. Any claim, which arises out of the transaction vesting in the Insured the estate or interest insured by this policy or the transaction creating the interest of the Insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.

   Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.

2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.

3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.

4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.

5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

6. Any lien or right to a lien for services, labor or material not shown by the public records.

Attachment One (05/06/16)
ATTACHMENT ONE
(CONTINUED)

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
   a. building;
   b. zoning;
   c. land use;
   d. improvements on the Land;
   e. land division; and
   f. environmental protection.
   This Exclusion does not limit the coverage described in Covered Risk 8.e., 14, 15, 16, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.

3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.

4. Risks:
   a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
   b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
   c. that result in no loss to You; or
   d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.

5. Failure to pay value for Your Title.

6. Lack of a right:
   a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
   b. in streets, alleys, or waterways that touch the Land.
   This Exclusion does not limit the coverage described in Covered Risk 11 or 21.

7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.

8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake or subsidence.

9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risks 16, 18, 19 and 21, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

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<tr>
<th>Covered Risk 16:</th>
<th>Your Deductible Amount</th>
<th>Our Maximum Dollar Limit of Liability</th>
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<th>Our Maximum Dollar Limit of Liability</th>
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<th>Our Maximum Dollar Limit of Liability</th>
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<td>1.00% of Policy Amount Shown in Schedule A or $5,000.00 (whichever is less)</td>
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<thead>
<tr>
<th>Covered Risk 21:</th>
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<th>Our Maximum Dollar Limit of Liability</th>
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Attachment One (09/06/16)
ATTACHMENT ONE  
(CONTINUED)

2006 ALTA LOAN POLICY (06-17-06)  
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys’ fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to:
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.

(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.

5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any other consumer credit protection or truth in lending law.

6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors’ rights laws, that the transaction creating the lien of the Insured Mortgage is
   (a) a fraudulent conveyance or fraudulent transfer, or
   (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.

7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

[Except as provided in Schedule B - Part II, if this policy does not insure against loss or damage, and the Company will not pay costs, attorneys’ fees, or expenses that arise by reason of:]

PART I

[The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:]

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.

2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be ascertained by persons in possession of the Land.

3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.

4. Any encroachment, encumbrance, violation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.

5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

6. Any lien or right to a lien for services, labor or material not shown by the Public Records.]

PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage.]

Attachment One (05/05/18)
ATTACHMENT ONE
(CONTINUED)

2006 ALTA OWNER’S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys’ fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to:
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.

4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors’ rights law, that the transaction vesting the Title as shown in Schedule A, is
   (a) a fraudulent conveyance or fraudulent transfer; or
   (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.

5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys’ fees, or expenses that arise by reason of:

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.

2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be ascertained by persons in possession of the Land.

3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.

4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.

5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

7. [Variable exceptions such as taxes, easements, CC&R’s, etc., shown here.]

Attachment One (05/02/16)
ATTACHMENT ONE
(CONTINUED)

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY - ASSESSMENTS PRIORITY (04-02-15)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.

5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 20.

6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the values shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.

7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.

8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.

9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage is
   (a) a fraudulent conveyance or fraudulent transfer, or
   (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.

10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.

11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.
Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for each discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

Not all discounts are offered by every FNF Company. The discount will only be applicable to the FNF Company as indicated by the named discount.

**FNF Underwritten Title Companies**
- CTC - Chicago Title Company
- CLTC - Commonwealth Land Title Company
- FNTC - Fidelity National Title Company of California
- FNTCCA - Fidelity National Title Company of California
- TICOR - Ticor Title Company of California
- LTC - Lawyer's Title Company
- SLTC - ServiceLink Title Company

**Underwritten by FNF Underwriters**
- CTIC - Chicago Title Insurance Company
- CLTIC - Commonwealth Land Title Insurance Company
- FNTIC - Fidelity National Title Insurance Company
- FNTICA - Fidelity National Title Insurance Company
- CTIC - Chicago Title Insurance Company
- CLTIC - Commonwealth Land Title Insurance Company

**Available Discounts**

**DISASTER LOANS (CTIC, CLTIC, FNTIC)**
The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within twenty-four (24) months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be fifty percent (50%) of the appropriate title insurance rate.

**CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC, FNTIC)**
On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be fifty percent (50%) to seventy percent (70%) of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be forty percent (40%) to fifty percent (50%) of the appropriate title insurance rate, depending on the type of coverage selected.
## Fee and Payment History

**Exhibit B**

**BP20-08543 - 3651 Arch Rd, Stockton, CA 95215**

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<td>Admin - MUD</td>
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<td>Drainage Maintenance Assessments</td>
<td>441-0000-349.62-00</td>
<td>$674.00</td>
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<td>District Formation Application Fee</td>
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<td>Stormwater Treatment Device Access Processing</td>
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<td>Fire Plan Review - Hourly</td>
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**Totals for Fees**

- **$167,101.84**
- **$3,087.21**
- **$0.00**

**Due**

- **$3,087.21**
<table>
<thead>
<tr>
<th>Fee Description</th>
<th>Revenue Account Number</th>
<th>Fee Amount</th>
<th>Invoiced</th>
<th>Paid</th>
<th>Date Paid</th>
<th>Payment Method</th>
<th>Receipt #:</th>
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<td>Receipt #</td>
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</table>

<table>
<thead>
<tr>
<th>Total Payments:</th>
<th>$0.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance Due:</td>
<td>$3,087.21</td>
</tr>
</tbody>
</table>

Total Fees $167,101.64
Less Fees Eligible for Deferral ($52,478.31)
10% of Deferred Fees Due $5,247.83
Total Fees Due $119,871.16

*Total Fees Deferred (5 years) $47,230.48

*Deferred Fees Highlighted
DEFERRED PAYMENT AGREEMENT
QUALIFIED NON-RESIDENTIAL PROJECT
    TEN-YEAR PROGRAM

OWNER: GILL Hospitality LLC, a California limited liability company and
       Sethi Holdings, LP, a California limited partnership

ADDRESS: 3651 Arch Road
        Stockton, CA 95212

APN: 179-480-07

BUILDING PERMIT NO(s): BP21-00268

PROJECT: Hampton Inn by Hilton Hotel – 57,738 SF, 98-rooms, fitness center, and pool

1. PARTIES. This Agreement is entered into on June 14, 2021, by and
   between the CITY OF STOCKTON, a municipal corporation ("CITY"), and GILL
   HOSPITALITY LLC, a California limited liability company and SETHI HOLDINGS, LP, a
   California limited partnership.

2. PURPOSE. The purpose of this Agreement is to set forth the terms
   and conditions under which CITY agrees to defer the collection of development fees
   pursuant to the Public Facilities Fee Program Administrative Guidelines as adopted and
   amended by the City Council and in effect as of the date of execution of this Agreement
   (the "Guidelines"), and OWNER agrees to pay the fees as provided in this Agreement.

3. TERMS AND CONDITIONS. OWNER has applied to CITY and
   received certification from the City Manager or a designee that this non-residential project is
   a "Qualified Project" as defined in section I.C.1.a of the Guidelines (the "Project") and
   consisting of the construction of a 98-room, 57,738 square foot, Hampton Inn by Hilton
   Hotel, with a fitness center and pool.

   a. The property and Project are located within the City of Stockton,
      County of San Joaquin, State of California, and the property is more particularly described
      in Exhibit “A”, attached and incorporated by this reference.
b. The application of OWNER for deferral of development fees as a “Qualified Project” a copy of which is on file with CITY, is incorporated by this reference as though fully set forth.

4. **WARRANTY.** OWNER warrants that the Project is qualified as provided in the above-noted definition.

5. **DEVELOPMENT FEES.** The development fees eligible for deferral pursuant to this Agreement are as follows:

   - Public Facilities Fee (SMC Section 16.72.260) *(less Surface Water Supply Fee, Air Quality Mitigation Fee, SJMSCP Fee, Regional Transportation Impact Fee, San Joaquin County Facilities Fee, and Agricultural Mitigation Fee)*
   - Traffic Signal Fee (SMC Section 16.72.140)
   - Wastewater Fee (SMC Section 13.12.010)
   - Water Fee (SMC Section 13.04.010)

The amounts of each of these fees and the total amount to be deferred pursuant to this Agreement are as stated in Exhibit "B," attached and incorporated by this reference.

6. **INTEREST AND COLLECTION FEES.** Beginning on the date of execution of this Agreement and continuing during the period of deferral, interest shall accrue on the unpaid balance and shall be calculated at the 11th District cost of funds plus 1% (100 basis points), adjusted every July. Should CITY incur any costs in collection of any amount under this Agreement, CITY may recover such costs from OWNER or any successors in interest.

7. **PAYMENT SECURED.** To secure repayment of fees deferred under this Agreement for development at **3651 Arch Road (APN 179-480-07)**, OWNER shall execute a promissory note and shall execute and deliver a deed of trust encumbering each lot on which the Project is located. The deed of trust shall be recorded prior to issuance of the building permit. OWNER shall submit proof satisfactory to CITY that said deed of trust is secondary only to existing encumbrance(s) for the purpose of acquisition, construction, or permanent financing. OWNER shall obtain a fully executed subordination agreement for each encumbrance or deed of trust other than one which secures repayment of acquisition or construction financing existing at the time of execution of this Agreement. All other
encumbrances shall be cleared except real property taxes not yet due. OWNER and OWNER's lender(s) agree that any default on any encumbrance to which this obligation is junior shall also be a default under this agreement, the note, and the deed of trust. OWNER and OWNER's lender(s) shall provide notice to CITY of any default at the same time as OWNER is given notice. OWNER and OWNER's lenders agree that CITY shall have the right, but not the duty, to cure any such default during any period in which OWNER may cure plus an additional 30 days.

8. **BUILDING PERMIT.** Upon CITY'S determination that adequate security has been provided, CITY shall provide written notice to the Community Development Department confirming all requirements for deferral have been met and confirming that the building permit(s) may be issued providing the permit applicant has complied with all other requirements for issuance. **Building permit fees are valid thru June 30, 2021,** permits pulled after this date are subject to permit fee increases; this agreement does not lock in rates, final fees are calculated upon permit issuance.

9. **DOCUMENT PREPARATION.** All document preparation and recording fees, if any, shall be paid by OWNER.

10. **TIME FOR PAYMENT.** OWNER agrees to pay the total amount of development fees and interest to CITY as follows:

   a. At the time of issuance of the building permit(s), OWNER shall pay an amount equal to no less that ten percent (10%) of the total deferred fees;

   b. The amount of the fees attributable to the Wastewater Fee and the Water Fee shall be repaid in equal annual installments, together with accrued interest, over the next five (5) years;

   c. All other deferred fees shall be repaid in equal annual installments, together with accrued interest, over the next ten (10) years, as specified in the promissory note. OWNER may elect a shorter period of years within which to repay the fees. If such election is made, the same shall be reflected in the terms of the promissory note.

11. **ACCELERATION.** Any transfer of ownership or possession or any occupation of the Project, whether voluntary or involuntary and regardless of whether or not OWNER consents, including without limitation, the filing of any proceeding in bankruptcy,
seeking the protection of any similar state law provision concerning debtor protection, 
transfer of corporate or partnership assets, foreclosure by any senior lienor, or entering into 
any real property sales contract, shall constitute an event of default which accelerates the 
date for repayment and all deferred development fees along with accrued interest shall 
immediately become due and payable in full. Should such an event of default occur, CITY 
may cancel the building permit(s) and take all action necessary to halt all construction, 
occupation, or use of the Project.

12. **CAPTIONS.** The captions of the sections and subsections of this 
Agreement are for convenience only and shall not be deemed to be relevant in resolving 
any question of interpretation or intent.

13. **SEVERABILITY.** The invalidity in whole or in part of any provision of 
this Agreement shall not void or affect the validity of any other provision.

14. **ATTORNEYS FEES.** OWNER agrees to pay all costs, including 
reasonable attorney's fees, in the event CITY initiates any legal action to enforce or which 
confirms the CITY's interpretation of this Agreement, the promissory note, the deed of trust, 
or the lien against the property.

15. **RECORDATION.** This Agreement may be recorded in the Office of the 
Recorder of San Joaquin County, California, at the expense of OWNER, and shall 
constitute notice to all the obligation herein set forth which shall run with and constitute a 
lien against said real property.

16. **ENTIRE AGREEMENT.** This Agreement represents the entire 
integrated agreement between CITY and OWNER. This Agreement may be amended only 
by written instrument signed by CITY and OWNER.

17. **APPLICABLE LAW.** This Agreement shall be governed by the laws of 
the State of California.

18. **ASSIGNMENT PROHIBITED, SUCCESSORS IN INTEREST.** The 
rights, duties, and obligations of this Agreement shall not be assigned or delegated by 
OWNER without the prior written consent of CITY, in its sole discretion. Any assignment to 
which CITY has not consented shall be null and void and shall never take effect. Except as 
expressly provided in this paragraph 18, this Agreement shall inure to the benefit of and 
bind all successors in interest.
19. **AUTHORITY.** The undersigned hereby represent and warrant that they are authorized by the parties to execute this Agreement.

**APPROVED AS TO FORM:**
Office of the City Attorney

City Attorney

**CITY OF STOCKTON, a Municipal Corporation ("CITY")**

HARRY BLACK, City Manager

SETHI HOLDINGS, LP, a California limited partnership

GAURAV SETHI

General Partner

TITLE

GILL HOSPITALITY, LLC, a California limited liability company

JIVTESH GILL

General Partner

TITLE

**APPROVED AS TO FORM:**

Owner's Attorney
Exhibit "A"

Copy of Preliminary Title Report
Exhibit “B”.

Copies of Fee Impact Worksheets
In response to the application for a policy of title insurance referenced herein, Fidelity National Title Company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The policy(ies) of title insurance to be issued hereunder will be policy(ies) of Fidelity National Title Insurance Company, a Florida corporation.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

Fidelity National Title Insurance Company
By:

[Signature]
President

Attest:

[Signature]
Secretary

Countersigned By:

[Signature]
Authorized Officer or Agent
Amendment B

Title Officer: Marc Wisneski
Email: marc.wisneski@titlegroup.fntg.com
Title No.: FSST-TO21000415-MW

Escrow Officer: Bernadette Watson
Email: Bernadette.Watson@fnf.com
Escrow No.: FFOM-2012100391

TO: Fresno First Bank
7690 N. Palm Avenue
Fresno, CA 93711
Attn: Tobi Burns

PROPERTY ADDRESS(ES): 3851 Arch Road, Stockton, CA

EFFECTIVE DATE: May 6, 2021 at 07:30 AM

The form of policy or policies of title insurance contemplated by this report is:

ALTA Loan Policy 2006

1. THE ESTATE OR INTEREST IN THE LAND HEREAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

Fee simple as to Parcel(s) One

Easement(s) more fully described below as to Parcel(s) Two

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

I & T Properties LLC, a California Limited Liability Company, as to an undivided 50.02% interest; and

Sethi Holdings, LP, a California limited partnership as to an undivided 49.98% interest, subject to Item no. 13

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF
EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 179-480-07

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF STOCKTON, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

LOT 7 AS SHOWN ON THAT CERTAIN MAP ENTITLED "TRACT NO. 5248, ARCH ROAD COMMERCIAL PARK, BEING A RESUBDIVISION OF LOTS 5, 6, 7 AND 19 OF MAP FILED APRIL 19, 1985 IN BOOK 27 OF MAPS AND PLATS, PAGE 33", FILED DECEMBER 4, 2004 IN BOOK 39 OF PLATS AND MAPS, PAGE 67, SAN JOAQUIN COUNTY RECORDS.

PARCEL TWO:

AN EASEMENT FOR NON-EXCLUSIVE ACCESS OVER THOSE PORTIONS OF LOTS 1, 2, 3, 5 & 6 AS Delineated ON THE MAP FILED DECEMBER 4, 2004 IN BOOK 39 OF PLATS AND MAPS, PAGE 67, SAN JOAQUIN COUNTY RECORDS.
ATTACHMENT C

AT THE DATE HEREOF, EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2021-2022.

2. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vendee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.


Said assessment is collected with the county/city property taxes.

4. An assessment by the improvement district shown below:

   Series: 1915
   For: Arch Road Refinance

   Said assessment is collected with the county/city property taxes.

5. An easement for the purpose shown below and rights incidental thereto as shown or as offered for dedication on the recorded map shown below.

   Map of: Arch Road Industrial Park No. 1
   Recording Date: April 19, 1986
   Recording No.: Vol. 27 Maps and Plats Page 33
   Purpose: Public utilities
   Affects: As shown upon the map

6. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, genetic information, medical condition, citizenship, primary language, and immigration status, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document.

   Recording Date: November 18, 1985
   Recording No.: 85077801, of Official Records

   Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.
7. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

   Granted to:       City of Stockton
   Purpose:          Street and highway
   Recording Date:   September 21, 2000
   Recording No.:   00108967, of Official Records
   Affects:          Underlay portion of Lot 19

8. Easement(s) for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract/plat:

   Purpose:          Public utilities
   Affects:          As shown on said map
   Recording No.:   Book 39, Page 67 of Maps
   Purpose:          Non-exclusive access easement
   Affects:          As shown on said map

9. The ownership of said Land does not include rights of access to or from the street, highway, or freeway abutting said Land, such rights having been relinquished by said map/plat.

   Affects:          Arch Road

10. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, genetic information, medical condition, citizenship, primary language, and Immigration status, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

   Recording Date:   March 22, 2007
   Recording No.:   2007-057606, of Official Records

   Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.

11. Easement(s) for the purpose(s) shown below and rights incidental thereto as reserved in a document:

   Reserved by:       Arch Road Group, a California General Partnership
   Purpose:           Non-exclusive easement
   Recording Date:    March 22, 2007
   Recording No.:     2007-057607, of Official Records
   Affects:           A portion
EXCEPTIONS
(continued)

12. A Notice

Entitled: Notice of Code Violations
For: Sanitary manner
Executed by: City of Stockton
Recording Date: September 16, 2017
Recording No.: 2017-106696, of Official Records

Reference is hereby made to said document for full particulars.

13. Deed as set forth below:

Grantor: Gaurav Sethi, a married man as his sole and separate property, Ganisha Sethi, a single woman and Jessica Sethi, a single woman
Grantee: Seth Holdings, LP, a California limited partnership
Dated: December 10, 2020
Recording Date: May 10, 2021
Recording No.: 2021-082082, of Official Records

Any defect or invalidity of the title to the estate or interest of the grantee herein arising out of or occasioned by the execution of the above-referenced deed.

For insurance purposes, the Company will require that an affidavit, executed by the above grantor and acknowledged by a notary known to the Company, be submitted to the Company for review and approval in order for the Company to show title vested in the above-named grantee. Said affidavit will be provided by the Company.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

14. If a work of improvement was recently completed or will be completed prior to the close of this transaction, the Company will require that a valid Notice of Completion be recorded. This notice must be signed by an owner of the property and must be recorded within 15 days of the actual completion date.
EXCEPTIONS
(continued)

15. Information has been provided to the Company which discloses that a work of improvement is contemplated, in progress or recently completed. To assist the Company in determining if it can give the priority coverage contained within the policy contemplated by this report, please provide the following:


b. Project Cost Breakdown.

c. Completed Loss of Priority Questionnaire. (This form furnished by the Company.)

d. A fully executed Indemnity Agreement. (This form furnished by the Company.)

e. If work has commenced prior to the recordation of the Construction Deed of Trust, there will be further requirements and the closing of the transaction could be delayed.

f. Copy of current appraisal

g. Copy of loan agreement and disbursement schedules

h. Name of Fund Control/Disbursement Agent

Work may include, among other things, any preparation of the site for the planned construction, delivery of construction materials or equipment and any labor furnished.

The Company reserves the right to add additional items and/or make further requirements after review of the requested documentation.

16. Any claims for mechanics' or materialmen's liens that may be recorded by reason of a recent work of improvement under construction and/or completed at the date hereof.

17. Any statutory lien or claim of lien, affecting the Title, that arises from services provided, labor performed, or materials or equipment furnished, except as insured by the ALTA 32.2-06 Endorsement as it may be revised by ALTA 33-06 (Disbursement) Endorsement.

18. Water rights, claims or title to water, whether or not disclosed by the public records.

19. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

20. Any easements not disclosed by the public records as to matters affecting title to real property, whether or not said easements are visible and apparent.

21. Any lien or right to a lien for services, labor or material not shown by the Public Records.
22. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters which a correct survey would disclose and which are not shown by the public records.

23. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.

24. The search did not disclose any open mortgages or deeds of trust of record, therefore the Company reserves the right to require further evidence to confirm that the property is unencumbered, and further reserves the right to make additional requirements or add additional items or exceptions upon receipt of the requested evidence.

25. The Company will require that an Owner's Affidavit be completed by the party(ies) named below before the issuance of any policy of title insurance.

Party(ies):

I & T Properties LLC, a California Limited Liability Company, Gaurav Sethi, Ganesh Sethi and Jessica Sethi

The Company reserves the right to add additional items or make further requirements after review of the requested Affidavit.

26. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance from the entity named below.

Limited Liability Company: I & T Properties LLC, a California Limited Liability Company

a. A copy of its operating agreement, if any, and any and all amendments, supplements and/or modifications thereto, certified by the appropriate manager or member.

b. If a domestic Limited Liability Company, a copy of its Articles of Organization and all amendments thereto with the appropriate filing stamps.

c. If the Limited Liability Company is member-managed a full and complete current list of members certified by the appropriate manager or member.

d. A current dated certificate of good standing from the proper governmental authority of the state in which the entity was created.

e. If less than all members, or managers, as appropriate, will be executing the closing documents, furnish evidence of the authority of those signing.

f) If Limited Liability Company is a Single Member Entity, a Statement of Information for the Single Member will be required.

g) Each member and manager of the LLC without an Operating Agreement must execute in the presence of a notary public the Certificate of California LLC (Without an Operating Agreement) Status and Authority form.
EXCEPTIONS
(continued)

27. Before issuing its policy of title insurance, the Company will require the following for the below-named limited partnership:

Name: Sethi Holdings, LP, a California limited partnership

a. Certificate of Limited Partnership filed with the Secretary of State, in compliance with the provision of the California Revised Limited Partnership Act, Section 15611 et. seq., Corporations Code.

b. Certified Copy of the Certificate of Limited Partnership certified by the Secretary of State filed with the County Recorder.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

28. The transaction contemplated in connection with this Report is subject to the review and approval of the Company's Corporate Underwriting Department. The Company reserves the right to add additional items or make further requirements after such review.

END OF EXCEPTIONS
NOTES

Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.

Note 1.  Note: The charge for a policy of title insurance, when issued through this application for title insurance, will be based on the Short Term Rate.

Note 2.  Note: Property taxes for the fiscal year shown below are PAID. For proration purposes the amounts were:

- Tax Identification No.: 179-480-07
- Fiscal Year: 2020-2021
- 1st Installment: $7,675.25
- 2nd Installment: $8,884.92
- Exemption: $0.00
- Land: $1,201,739.00
- Improvements: $0.00
- Personal Property: $0.00
- Code Area: 003-000
- Bill No.: 179-480-07-0000

Prior to close of escrow, please contact the Tax Collector's Office to confirm all amounts owing, including current fiscal year taxes, supplemental taxes, escaped assessments and any delinquencies.

Note 3.  Note: The only conveyance(s) affecting said Land, which recorded within 24 months of the date of this report, are as follows:

- Grantor: Gaurav Sethi, a married man as his sole and separate property, Ganisha Sethi, a single woman and Jessica Sethi, a single woman
- Grantee: Sethi Holdings, LP, a California limited partnership
- Recording Date: May 10, 2021
- Recording No.: 2021-082062, of Official Records
**Notes (continued)**

**Note 4. IMPORTANT NOTE - RECORDING PACKAGES***

Scan your package (title communications, documents, release instructions, lenders and policy write up instructions, settlement statements, etc.) referencing only the title number in the subject line to the title plant at: fresnодoccheck@fnf.com

***Attention Escrow - If you are paying off any Equity Line of Credit Deed of Trust in your transaction, underwriting guidelines now require you must submit with the recording package, a copy of the signed statement by the borrower, authorizing the lender to close the account and credit line.***

***IMPORTANT NOTE - AGGREGATE RECORDING FEE COUNTIES***

San Joaquin County- $75.00 refinance, $80.00 sale.

Aggregate recording fee charges apply only to those transactions being processed under "Respa", i.e., All cash sales and many loan transactions will not fall under "Respa".

***IMPORTANT NOTE - TRANSFER TAX EXEMPTION AFFIDAVIT'S REQUIRED***

For recording of any document claiming exempt from documentary transfer tax, the appropriate form ("Claim of Exemption From Documentary Transfer Tax") must be submitted with recording.

This form MUST be signed by either the grantor or the grantee. PLEASE CONTACT YOUR TITLE OFFICER PRIOR TO CLOSING.

***IMPORTANT NOTE - RELEASE AND RECORDING TIMES***

Release all documents for recording via email to fresнодoccheck@fnf.com. You must have Title Officer approval to record in all counties.

***IMPORTANT NOTE - SENDING ORIGINAL DOCS***

For the following Counties: San Joaquin, please send all original documents for recording to the following office:

For Commercial orders:
Stockton Title Group
3127 Transworld Drive, Ste 130
Stockton, CA 95206
ATTN: Commercial Recordings - Title Only

For Residential orders:
SYNRGO, INC
11 S. San Joaquin Street, Suite 606
Stockton, CA 95202
PLEASE ASK fresнодoccheck@fnf.com for a recording tag prior to sending docs
NOTES

(continued)

Note 5. The application for title insurance was placed by reference to only a street address or tax identification number. The proposed insured must confirm that the legal description in this report covers the parcel(s) of Land requested to be insured. If the legal description is incorrect, the proposed insured must notify the Company and/or the settlement company in order to prevent errors and to be certain that the legal description for the intended parcel(s) of Land will appear on any documents to be recorded in connection with this transaction and on the policy of title insurance.

Note 6. Note: If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.

Note 7. Note: Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of a Company agent, an authorized employee of the insured lender, or by using Bancserv or other Company-approved third-party service. If the above requirement cannot be met, please call the Company at the number provided in this report.

Note 8. Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DTT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.

Note 9. Due to the special requirements of SB 50 (California Public Resources Code Section 8560 et seq.), any transaction that includes the conveyance of title by an agency of the United States must be approved in advance by the Company's State Counsel, Regional Counsel, or one of their designees.

END OF NOTES
WIRE FRAUD ALERT

This Notice is not intended to provide legal or professional advice. If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud,

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.

- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. **DO NOT** use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. Obtain the number of relevant parties to the transaction as soon as an escrow account is opened. **DO NOT** send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.

- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do **NOT** reuse the same password for other online accounts.

- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

**Federal Bureau of Investigation:**
http://www.fbi.gov

**Internet Crime Complaint Center:**
http://www.ic3.gov
FIDELITY NATIONAL FINANCIAL
PRIVACY NOTICE

Effective April 9, 2020

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, "FNF," "our," or "we") respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

A limited number of FNF subsidiaries have their own privacy notices. If a subsidiary has its own privacy notice, the privacy notice will be available on the subsidiary’s website and this Privacy Notice does not apply.

Collection of Personal Information

FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- identity information (e.g., Social Security Number, driver’s license, passport, or other government ID number);
- financial account information (e.g., loan or bank account information); and
- other personal information necessary to provide products or services to you.

We may collect Personal Information about you from:

- information we receive from you or your agent;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

Collection of Browsing Information

FNF automatically collects the following types of Browsing Information when you access an FNF website, online service, or application (each an "FNF Website") from your Internet browser, computer, and/or device:

- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

Other Online Specifics

Cookies. When you visit an FNF Website, a "cookie" may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer’s hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.
**Web Beacons.** We use web Beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

**Do Not Track.** Currently our FNF Websites do not respond to "Do Not Track" features enabled through your browser.

**Links to Other Sites.** FNF Websites may contain links to unaffiliated third-party websites. FNF is not responsible for the privacy practices or content of those websites. We recommend that you read the privacy policy of every website you visit.

**Use of Personal Information**

FNF uses Personal Information for three main purposes:

- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you about our, our affiliates', and others' products and services, jointly or independently.

**When Information Is Disclosed**

We may disclose your Personal Information and Browsing Information in the following circumstances:

- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;
- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law. We may share your Personal Information with affiliates (other companies owned by FNF) to directly market to you. Please see "Choices With Your Information" to learn how to restrict that sharing.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

**Security of Your Information**

We maintain physical, electronic, and procedural safeguards to protect your Personal Information.

**Choices With Your Information**

If you do not want FNF to share your information among our affiliates to directly market to you, you may send an "opt out" request by email, phone, or physical mail as directed at the end of this Privacy Notice. We do not share your Personal Information with nonaffiliates for their use to direct market to you without your consent.

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.
For California Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law. For additional information about your California privacy rights, please visit the "California Privacy” link on our website (https://fnf.com/pages/california/privacy.aspx) or call (888) 413-1748.

For Nevada Residents: You may be placed on our Internal Do Not Call List by calling (888) 934-3354 or by contacting us via the Information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not disclose information about your creditworhiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

Information From Children

The FNFP Websites are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

International Users

FNFP’s headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that Information outside of your country of residence. By providing FNFP with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such Information in accordance with this Privacy Notice.

FNFP Website Services for Mortgage Loans

Certain FNFP companies provide services to mortgage loan servicers, including hosting websites that collect customer Information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender’s privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender’s privacy notice governs use, disclosure, and access to your Personal Information. FNFP does not share Personal Information collected through the Service Websites, except as required or authorized by contract with the mortgage loan servicer or lender, or as required by law or in the good-faith belief that such disclosure is necessary: to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNFP or the public.

Your Consent To This Privacy Notice; Notice Changes; Use of Comments or Feedback

By submitting Personal Information and/or Browsing Information to FNFP, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The Privacy Notice’s effective date will show the last date changes were made. If you provide Information to us following any change of the Privacy Notice, that signifies your assent to and acceptance of the changes to the Privacy Notice. We may use comments or feedback that you submit to us in any manner without notice or compensation to you.
Accessing and Correcting Information: Contact Us

If you have questions, would like to correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, send your requests to privacy@fnf.com, by phone to (888) 934-3354, or by mail to:

Fidelity National Financial, Inc.
601 Riverside Avenue,
Jacksonville, Florida 32204
Attention: Chief Privacy Officer
ATTACHMENT ONE

CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY - 1990

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.

3. Defects, liens, encumbrances, adverse claims or other matters:
   (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
   (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
   (c) resulting in no loss or damage to the insured claimant;
   (d) attaching or created subsequent to Date of Policy; or
   (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.

4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.

5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.

6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.

2. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or the public records.

3. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be ascertained by persons in possession thereof.

4. Easements, liens or encumbrances, or claims thereof, not shown by the public records.

5. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.

6. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

Any lien or right to a lien for services, labor or material not shown by the public records.
ATTACHMENT ONE
(CONTINUED)

CLTA HOMEOWNER’S POLICY OF TITLE INSURANCE (12-02-13)
ALTA HOMEOWNER’S POLICY OF TITLE INSURANCE

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys’ fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
   a. building;
   b. zoning;
   c. land use;
   d. improvements on the Land;
   e. land division; and
   f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.e., 14, 15, 16, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.

3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.

4. Risks:
   a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
   b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
   c. that result in no loss to You; or
   d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.

5. Failure to pay value for Your Title.

6. Lack of a right:
   a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
   b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.

7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors’ rights laws.

8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake or subsidence.

9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner’s Coverage Statement as follows:

- For Covered Risks 16, 18, 19 and 21, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

<table>
<thead>
<tr>
<th>Covered Risk 16</th>
<th>Your Deductible Amount</th>
<th>Our Maximum Dollar Limit of Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.00% of Policy Amount Shown in Schedule A or $2,500.00 (whichever is less)</td>
<td>$10,000.00</td>
</tr>
<tr>
<td>Covered Risk 18</td>
<td>1.00% of Policy Amount Shown in Schedule A or $5,000.00 (whichever is less)</td>
<td>$25,000.00</td>
</tr>
<tr>
<td>Covered Risk 19</td>
<td>1.00% of Policy Amount Shown in Schedule A or $5,000.00 (whichever is less)</td>
<td>$25,000.00</td>
</tr>
<tr>
<td>Covered Risk 21</td>
<td>1.00% of Policy Amount Shown in Schedule A or $2,500.00 (whichever is less)</td>
<td>$5,000.00</td>
</tr>
</tbody>
</table>
ATTACHMENT ONE
(CONTINUED)

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.

5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.

6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage is
   (a) a fraudulent conveyance or fraudulent transfer, or
   (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.

7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

[Except as provided in Schedule B - Part II (for T)his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of:

[PART I]

[The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.

2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be ascertained by persons in possession of the Land.

3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.

4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.

5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

6. Any lien or right to a lien for services, labor or material not shown by the Public Records.]

[PART II]

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage.]
ATTACHMENT ONE  
(CONTINUED)  
2006 ALTA OWNER’S POLICY (08-17-06)  
EXCLUSIONS FROM COVERAGE  
The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:  
1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to  
   (i) the occupancy, use, or enjoyment of the Land;  
   (ii) the character, dimensions, or location of any improvement erected on the Land;  
   (iii) the subdivision of land; or  
   (iv) environmental protection;  
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.  
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.  
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.  
3. Defects, liens, encumbrances, adverse claims, or other matters  
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;  
   (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the insured claimant became an insured under this policy;  
   (c) resulting in no loss or damage to the Insured Claimant;  
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or  
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.  
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is  
   (a) a fraudulent conveyance or fraudulent transfer; or  
   (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.  
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.  
The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:  
EXCEPTIONS FROM COVERAGE  
This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of:  
[The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:  
1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.  
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.  
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.  
4. Any encroachment, encumbrance, violation, variances, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.  
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.  
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.  
7. [Variable exceptions such as taxes, easements, CC&R's, etc., shown here.]
ATTACHMENT ONE
(CONTINUED)

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY - ASSESSMENTS PRIORITY (04-02-15)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(a), 13(d), 14 or 16.

(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(a), 13(d), 14 or 16.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the insured claimant became an insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attached or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
   (e) resulting in loss or damage that would not have been sustained if the insured claimant had paid value for the insured Mortgage.

4. Unenforceability of the lien of the insured Mortgage because of the inability or failure of an insured to comply with applicable doing-business laws of the state where the Land is situated.

5. Invalidity or unenforceability in whole or in part of the lien of the insured Mortgage that arises out of the transaction evidenced by the insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 20.

6. Any claim of invalidity, unenforceability or lack of priority of the lien of the insured Mortgage as to Advances or modifications made after the insured has knowledge that the vesting shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.

7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.

8. The failure of the residential structure, or any portion of it, to have been constructed before, or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.

9. Any claim, by reason of the operation of federal bankruptcy, state Insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage is
   (a) a fraudulent conveyance or fraudulent transfer, or
   (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.

10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.

11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

Attachment One (05/09/16)
Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for each discount. These discounts only apply to transactions involving services rendered by the FNF: Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

Not all discounts are offered by every FNF Company. The discount will only be applicable to the FNF Company as indicated by the named discount.

**FNF Underwritten Title Companies**
- CTC - Chicago Title Company
- CLTC - Commonwealth Land Title Company
- FNTC - Fidelity National Title Company of California
- FNTCOA - Fidelity National Title Company of California
- TICOR - Ticor Title Company of California
- LTC - Lawyer's Title Company
- SLTC - ServiceLink Title Company

Underwritten by FNF Underwriters
- CTIC - Chicago Title Insurance Company
- CLTIC - Commonwealth Land Title Insurance Company
- FNTIC - Fidelity National Title Insurance Company
- FNTICOA - Fidelity National Title Insurance Company
- CTIC - Chicago Title Insurance Company
- CLTIC - Commonwealth Land Title Insurance Company
- CTIC - Chicago Title Insurance Company

**Available Discounts**

**DISASTER LOANS (CTIC, CLTIC, FNTIC)**
The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within twenty-four (24) months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be fifty percent (50%) of the appropriate title insurance rate.

**CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC, FNTIC)**
On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be fifty percent (50%) to seventy percent (70%) of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be forty percent (40%) to fifty percent (50%) of the appropriate title insurance rate, depending on the type of coverage selected.
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Totals for Fees: $1,047,144.05  $46,369.71  $46,369.71  $0.00

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<tr>
<th>Receipt #</th>
<th>Payment Method</th>
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<td>508902</td>
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Total Payments: $46,369.71

Balance Due: $0.00

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<tr>
<td>Total Fees</td>
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<td>Less Invoiced &amp; Paid</td>
<td>($46,369.71)</td>
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<td>Total Fees Due</td>
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<td>Less Fees Eligible for Deferral</td>
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<td>10% of Deferred Fees Due</td>
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<td><strong>Total Fees Deferred</strong></td>
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<td>Fees Deferred (due-5 years)</td>
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<td>Fees Deferred (due-10 years)</td>
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<td>Total Fees Deferred</td>
<td>$557,587.80</td>
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Deferred Fees Highlighted
Resoluțion No.

STOCKTON CITY COUNCIL

RESOLUTION AUTHORIZING THE FIRST AMENDMENTS TO THE DEFERRED PAYMENT AGREEMENTS WITH GILL HOSPITALITY, LLC, AND SETHI HOLDINGS, LP, FOR THE BUILDING PERMITS 20-08543 AND 21-00268

In 1991, the City Council adopted the Public Facilities Fee Program to provide temporary financial relief for developers who may elect to defer payment of eligible Public Facilities Fees; and

In June 2021, Gill Hospitality, LLC, and Sethi Holdings, LP, executed Deferred Payment Agreements for the Qualified Non-Residential Project for building permits 20-08543 and 21-00268, totaling $604,818.28, for the commercial property located at 3651 Arch Road, Stockton, California; and

Gill Hospitality, LLC, and Sethi Holdings, LP, has experienced project delays due to the current economic situation as a result of the COVID-19 pandemic and building material supply-chain issues; and

This project will develop a vacant site in southeast Stockton and generate Transient Occupancy Tax by developing a hotel and positively impacting the surrounding area; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The City Manager is hereby authorized to execute the First Amendments to the Deferred Payment Agreements between the City of Stockton and Gill Hospitality, LLC, and Sethi Holdings, LP, for Building Permits 20-08543, and 21-00268, copies of which are attached here to Exhibit 1 and Exhibit 2 and incorporated herein by this reference for the commercial property located at 3651 Arch Road, Stockton, California, to defer the initial payments of eligible Public Facilities Fees until the following year, to be evidenced by amendments to the agreements and promissory notes.
2. The City Manager is hereby authorized to take whatever actions are appropriate and necessary to carry out the purpose and intent of this Resolution.

PASSED, APPROVED, and ADOPTED ___December 6, 2022____.

KEVIN J. LINCOLN II
Mayor of the City of Stockton

ATTEST:

ELIZA R. GARZA, CMC
City Clerk of the City of Stockton
AMENDMENT 1

TO

DEFERRED PAYMENT AGREEMENT
Qualified Non-Residential Project

AND

PROMISSORY NOTE
Deferred Public Facility Fees
Qualified Non-Residential Project

FOR

HAMPTON INN BY HILTON HOTEL
(Permit #BP20-08543)
AMENDMENT 1 TO DEFERRED PAYMENT AGREEMENT
AND
PROMISSORY NOTE

This Amendment 1 to the Deferred Payment Agreement and Promissory Note for Public Facilities Fees (the “First Amendment”) is made as of __________ ____, 2022, by and between the City of Stockton, a municipal corporation (“City”) and Gill Hospitality, LLC, a California limited liability company and Sethi Holdings, LP, a California limited partnership (together, the “Owner” and “Borrower”), (collectively, the “Parties”) with reference to the following facts:

RECITALS

A. The Parties entered into a Deferred Payment Agreement for Qualified Non-Residential Project Five-Year Program (the “Agreement”), dated June 14, 2021, contract number 422000017 NP, for the property located at 3651 Arch Road, Stockton, CA 95212 regarding Building Permit Number BP20-08543, pursuant to the City’s Public Facilities Fee Program.

B. Of even date therewith, the Parties entered into that Promissory Note for Deferred Public Facilities Fees (the “Note”), pursuant to which the Borrower promised to pay the City Forty-Seventh Thousand Two Hundred Thirty Dollars and Forty-Eight Cents ($47,230.48). That Note being secured by a deed of trust recorded in the office of the County Recorder of the County of San Joaquin. Under the terms of the Note, the Borrower was to begin annual repayments as of July 15, 2022.

C. Subsequent to the execution of the Agreement and Note, Borrower has experienced supply chain issues for materials and timeline challenges with utility agencies, resulting in a delay of the project timeline as originally anticipated.

D. Due to the current economic situation, Borrower has requested to delay the first payment until the following year in order to allow time for project completion and revenue accumulation.

E. City has agreed to Borrower’s request to defer the first payment until the following year.

F. The Parties now desire to enter into this First Amendment to revise the repayment schedule of the Agreement and the Note.

WITH REFERENCE TO THE FACTS DESCRIBED ABOVE, the Parties agree as follows:

1. Amendment to the Agreement. The Agreement is hereby amended as follows:
   a. Section 10 of the Agreement is amended to allow for the first payment, which became due July 15, 2022, to be deferred until July 15, 2023.

2. Amendment to the Note. The Note is hereby amended as follows:
   a. The Note is amended to allow for the first payment, which became due on July 15, 2022, in the amount of $9,446.10, to be deferred until July 15, 2023. During deferral,
interest shall continue to accrue on the unpaid principal balance in accordance with the Note. For the avoidance of doubt, both the first and second annual installments totaling $18,892.20, together with interest, shall be due on July 15, 2023.

3. **Amendment to the Payment Schedule.** The payment schedule in the Agreement and Note is hereby amended as follows:
   a. The City, through the City Manager, shall have the authority to defer both the first and second installments, together with interest, to become due no later than December 31, 2023. Such a deferral is at City’s sole discretion and must be in writing.

4. **No Further Amendments.** Except as expressly modified by this First Amendment, all other provisions of the Agreement and the Note shall remain in full force and effect. In the event of any conflict between this First Amendment and the Agreement or the Note, the provisions of this First Amendment shall prevail.

5. **California Law.** This Amendment shall be governed by and construed in accordance with the laws of the State of California.

6. **Counterparts.** This First Amendment may be executed in counterparts, each of which shall be deemed to be an original.

AS OF THE DATE FIRST WRITTEN ABOVE, the Parties evidence their agreement to the terms of this First Amendment by signing below:

**GILL HOSPITALITY,**
A California limited liability company

_________________________
Jivtesh Gill, General Partner

**CITY OF STOCKTON,**
A California municipal corporation

_________________________
Harry Black, City Manager

**SETHI HOLIDAYS,**
A California limited partnership

_________________________
Gaurav Sethi, General Partner

**ATTEST:**

_________________________
Eliza R. Garza, City Clerk

**APPROVED AS TO FORM:**

_________________________
Lori M. Asuncion, City Attorney
AMENDMENT 1

TO

DEFERRED PAYMENT AGREEMENT
Qualified Non-Residential Project

AND

PROMISSORY NOTE
Deferred Public Facility Fees
Qualified Non-Residential Project

FOR

HAMPTON INN BY HILTON HOTEL
(Permit #BP21-00268)
AMENDMENT 1 TO DEFERRED PAYMENT AGREEMENT AND PROMISSORY NOTE

This Amendment 1 to the Deferred Payment Agreement and Promissory Note for Public Facilities Fees (the “First Amendment”) is made as of __________ ____, 2022, by and between the City of Stockton, a municipal corporation (“City”) and Gill Hospitality, LLC, a California limited liability company and Sethi Holdings, LP, a California limited partnership (together, the “Owner” and “Borrower”), (collectively, the “Parties”) with reference to the following facts:

RECITALS

A. The Parties entered into that Deferred Payment Agreement for Qualified Non-Residential Project Ten-Year Program (the “Agreement”), dated June 14, 2021, contract number 422000017 NP, for the property located at 3651 Arch Road, Stockton, CA 95212 regarding Building Permit Number BP21-00268, pursuant to the City’s Public Facilities Fee Program.

B. Of even date therewith, the Parties entered into that Promissory Note for Deferred Public Facilities Fees (the “Note”), pursuant to which the Borrower promised to pay the City Five Hundred Fifty-Six Thousand Five Hundred Eighty-Seven Dollars and Eighty Cents ($557,587.80). That Note being secured by a deed of trust recorded in the office of the County Recorder of the County of San Joaquin. Under the terms of the Note, the Borrower was to begin annual repayments as of July 15, 2022.

C. Subsequent to the execution of the Agreement and Note, Borrower has experienced supply chain issues for materials and timeline challenges with utility agencies, resulting in a delay of the project timeline as originally anticipated.

D. Due to the current economic situation, Borrower has requested to delay the first payment until the following year in order to allow time for project completion and revenue accumulation.

E. City has agreed to Borrower’s request to defer the first payment until the following year.

F. The Parties now desire to enter into this First Amendment to revise the repayment schedule of the Agreement and the Note.

WITH REFERENCE TO THE FACTS DESCRIBED ABOVE, the Parties agree as follows:

1. Amendment to the Agreement. The Agreement is hereby amended as follows:
   a. Section 10 of the Agreement is amended to allow for the first payment, which became due July 15, 2022, to be deferred until July 15, 2023.

2. Amendment to the Note. The Note is hereby amended as follows:
   a. The Note is amended to allow for the first payment, which became due on July 15, 2022, in the amount of $61,995.78, to be deferred until July 15, 2023. During deferral,
interest shall continue to accrue on the unpaid principal balance in accordance with the Note. For the avoidance of doubt, both the first and second annual installments totaling $123,991.56, together with interest, shall be due on July 15, 2023.

3. **Amendment to the Payment Schedule.** The payment schedule in the Agreement and Note is hereby amended as follows:
   a. The City, through the City Manager, shall have the authority to defer both the first and second installments, together with interest, to become due no later than December 31, 2023. Such a deferral is at City’s sole discretion and must be in writing.

4. **No Further Amendments.** Except as expressly modified by this First Amendment, all other provisions of the Agreement and the Note shall remain in full force and effect. In the event of any conflict between this First Amendment and the Agreement or the Note, the provisions of this First Amendment shall prevail.

5. **California Law.** This Amendment shall be governed by and construed in accordance with the laws of the State of California.

6. **Counterparts.** This First Amendment may be executed in counterparts, each of which shall be deemed to be an original.

**AS OF THE DATE FIRST WRITTEN ABOVE,** the Parties evidence their agreement to the terms of this First Amendment by signing below:

**GILL HOSPITALITY,**
A California limited liability company

____________________________
Jivtesh Gill, General Partner

**CITY OF STOCKTON,**
A California municipal corporation

____________________________
Harry Black, City Manager

**SETHI HOLIDAYS,**
A California limited partnership

____________________________
Gaurav Sethi, General Partner

**ATTEST:**

____________________________
Eliza R. Garza, City Clerk

**APPROVED AS TO FORM:**

____________________________
Lori M. Asuncion, City Attorney
APPROVE BY MOTION REALLOCATION OF $800,000 IN AMERICAN RESCUE PLAN ACT (ARPA) FUNDS FROM THE BUSINESS ATTRACTION AND EXPANSION INCENTIVES CATEGORY TO THE BUSINESS FAÇADE & OUTDOOR DINING CATEGORY AND TO ENTER INTO AN AGREEMENT WITH THE DOWNTOWN STOCKTON ALLIANCE TO ADMINISTER THE ARPA BUSINESS FAÇADE IMPROVEMENT PROGRAM

RECOMMENDATION

It is recommended that the City Council approve by motion the authorization to:

1. Reallocate $800,000 in American Rescue Plan Act (ARPA) funds from the Business Attraction and Expansion Incentives category to the Business Façade & Outdoor Dining category;

2. Approve and authorize the City Manager, or designee, to execute an agreement based on the scope of work attached (Attachment A), with the Downtown Stockton Alliance in the amount of $2,042,500, including $204,250 for administrative costs, to manage and administer the ARPA Business Façade Improvement Program;

3. Approve findings pursuant to Stockton Municipal Code section 3.68.070 in support of an exception to the competitive bidding process; and

4. Authorize the City Manager, or designee, to take appropriate and necessary actions to carry out the purpose and intent of this motion.

Summary

The City is committed to making Stockton the best city in America to live, raise a family, and grow a business. The COVID-19 public health emergency negatively impacted commercial businesses, causing many local businesses to close or relocate. The ARPA Business Façade Improvement Program would assist with economic recovery by removing blight, creating a more welcoming appearance of neglected commercial properties, and catalyzing broader economic recovery in areas that visibly need improvements. Creating inviting and aesthetically pleasing storefronts on commercial corridors encourages further private investment for commercial property owners, entices local businesses to occupy improved commercial spaces, and attracts patrons to shop locally.

DISCUSSION

Background

On September 14, 2021, the City Council approved by motion 2021-09-14-1501 the distribution of funds between specific “categories of need” for the Federal allocation of more than $78 million that
the City of Stockton received in Coronavirus State and Local Fiscal Recovery Funds through the American Rescue Plan Act.

The approved American Rescue Plan for Stockton identified several categories of need, including:

- COVID Mitigation and Prevention
- Community Well-Being
- Essential Support to Households
- Small Business Support & Economic Recovery
- Homelessness & Housing
- City Government Recovery
- Digital Divide & Internet Connectivity

The Small Business Support & Economic Recovery category aims to provide general financial relief, support Stockton restaurants, and their outdoor dining needs, provide funds for façade improvements, and also support efforts of the Economic Development Strategic Action Plan.

The Business Façade Improvement Program, created under the Small Business Support & Economic Recovery category, seeks to focus on businesses and commercial corridors that were harmed by the pandemic. The Program’s goal is to enhance commercial storefronts to generate economic recovery by removing blight, creating a more welcoming and aesthetic appearance of neglected commercial properties, and catalyzing broader economic recovery by targeting areas visibly in need of improvements.

As part of the September 14, 2021, Council meeting, it was also specified that the City would first utilize local partners with demonstrated success in order to deploy the programs and recovery efforts in a more efficient and rapid manner.

**Present Situation**

In April 2022, the City issued a Request for Proposal (RFP) for administrative oversight for the launch, implementation, and management of the City’s ARPA--funded Business Façade Improvement Program. There was one submittal; however, the proposal was found non-responsive for the specified scope of work in the RFP. The City identified the Downtown Stockton Alliance (DSA) as a potential partner to administer the program.

The program administrator will be tasked with working with City staff in developing the guidelines for the Program, working collaboratively with the permitting departments to ensure streamlined processes and procedures, assisting in curating a list of qualified licensed contractors for eligible façade projects, launching and administering the program in its entirety, and reporting to the City on Program activities.

The DSA is a nonprofit organization that began operating in 1998, serving almost 1,000 property owners and downtown businesses. The DSA is a local, established community partner that has collaborated with the City on many efforts, including managing the Downtown Stockton Management District, facilitating a portion of the ARPA Uplift Downtown Program, and providing emergency homeless services by purchasing mobile showers and wash stations with COVID response funds.
The DSA has provided various supportive services to local businesses, commercial property owners, and for all event activity in the greater downtown Stockton area. The DSA’s extensive involvement with the local community would assist in deploying the ARPA Business Façade Improvement Program in an efficient manner by understanding the current activity in the local economy and throughout the various commercial corridors.

In order to maximize the impact of the Program, staff are recommending a reallocation of $800,000 from the Business Attraction and Expansion Incentives category to the Business Façade & Outdoor Dining Programs category, under which the Business Façade Improvement Program is being established.

Upon reallocation, a total of $2,150,000 will be available for the program. Of this amount, 5% ($107,500) will be retained for City staff’s administration of the contract and assisting with certain functions of the program’s implementation. The remaining balance of $2,042,500 is being recommended for contracting with DSA, with $204,250 allocated for DSA’s administration of the program.

Findings

Pursuant to Stockton Municipal Code (SMC) section 3.68.070, Council may approve findings which support an exception to the competitive bidding process, which includes SMC section 3.68.070(A)(3): that this is a negotiated contract following solicitation of competitive proposals.

FINANCIAL SUMMARY

There is no financial impact to the City’s General Fund or any other unrestricted fund as a result of this action. This contract will be funded with ARPA funds. $800,000 will be reallocated from Project #EARP207 Business Attraction to #EARP204 Business Façade. Sufficient funds are available in the Special Fund, General Admin Division, COVID-19 Program, to support this effort.

Attachment A - Draft Scope of Work
STATEMENT OF WORK

1. **Project Objectives**

1.1 On September 14, 2021, the City Council approved the distribution of funds in response to the Federal allocation of $78,052,072 in Coronavirus State and Local Fiscal Recovery Funds through the American Rescue Plan.

1.2 The approved American Rescue Plan allocated $8.87 million over three fiscal years for Small Business Support & Economic Recovery to provide general financial relief, support Stockton restaurants and their outdoor dining needs, provide funds for façade improvements, and also support the Economic Development Strategic Action Plan as it will have a heavy focus on pandemic recovery planning and strategies.

1.3 Within the Small Business Support & Economic Recovery category, Business Façade Improvement Program was identified to focus on businesses harmed by the pandemic by providing businesses the ability to upgrade storefronts, or address COVID mitigation needs.

1.4 The goal of the program is to generate economic recovery by removing blight, creating a more welcoming and aesthetic appearance of neglected commercial properties, and catalyze broader economic recovery by targeting areas visibly in need of improvements.

1.5 The Downtown Stockton Alliance manages the Downtown Stockton District and focuses on five critical areas as determined by the Downtown Management District Plan: Maintenance, Safety, Public Policies, Economic Development, and Marketing. It is the Downtown Stockton Alliance’s mission to promote business, housing, arts, and entertainment to help create a vibrant, sustainable, urban community in Downtown Stockton.

1.6 City will subaward ARPA funds to the Downtown Stockton Alliance (Contractor) for the management, and implementation of a Business Façade Improvement Program. The Program is intended to provide support to the local economy through increased patronage to supported businesses, increased sales at supported businesses, increased sales tax revenue from supported businesses, new job creation at supported businesses, or job retention at supported businesses.

2. **Project Scope**

2.1 Contractor shall provide the following services to local Stockton businesses with a total contract amount of Two Million Forty-Two
Thousand Five Hundred Dollars ($2,042,500). In providing these services, Contractor shall be compensated a total amount of $204,250 and undertake its “best efforts” in attaining the goals and results stated herein which have been mutually agreed upon by Contractor and City for the benefit of the local business community.

2.2 Contractor will act as the program administrator and fiscal agent for the ARPA Business Façade Improvement Program, with available funding totaling $1,838,250, that provides a façade grant of up to $25,000 per eligible commercial property to support economic recovery in the aftermath of the COVID-19 pandemic.

3. Specifications

3.1 Contractor must comply with ARPA regulations and reporting requirements regarding use of funds and required documentation in relation to the COVID-19 pandemic recovery efforts.

3.2 Contractor shall utilize ARPA funds to advance the shared interest and promotion of equitable delivery of services for all, including people of color and others who have been historically underserved, marginalized, and adversely affected by persistent poverty and inequality.

3.3 Contractor shall require its contractor(s) and subcontractor(s) to adhere to the prevailing wage requirements under section 1720 et seq. of the California Labor Code, including the following: contracts between the contractor and subcontractors must include provisions requiring the payment of prevailing wage; the contractor shall monitor subcontractors’ payment of prevailing wage by periodically reviewing certified payroll records and diligently taking corrective action if the subcontractors fail to pay prevailing wage; contractor and subcontractors shall maintain certified payroll records and time records. The contractor to whom a contract is awarded, and any subcontractor under such contractor, shall not pay less than the specified prevailing wage; contractor and subcontractors are subject to penalties for violations of prevailing wage provisions.

4. Major Deliverables

4.1 Contractor shall oversee and manage the Business Façade Improvement Program, with initial focus on the Downtown Core and Greater Downtown areas.

4.2 Contractor shall manage the marketing of the program and conduct outreach to all eligible commercial properties within Stockton city limits.
4.3 Provide records and data associated with the applications, completed projects, including but not limited to, bids, agreements, and post-work photographs.

5. **Tasks That Support the Deliverables**

5.1 City will assist Contractor in gathering a list of qualified contractors for eligible façade activities, including paint, signage, awnings, lighting, and window repair/replacement.

5.2 City and Contractor will develop program guidelines, application forms, reviewal processes, approval/denial notices, and agreement templates.

5.3 Contractor will issue grant disbursements and 1099 forms to approved applicants.

5.4 Contractor will provide a list of approved applicants and all data collected associated with the grant program.

6. **Criteria of Acceptance for Deliverables**

6.1 Contractor shall provide a monthly report of activities performed under the term of this Agreement to demonstrate the COVID recovery efforts, including, but not limited to, the number of businesses served, types of services provided, monthly accomplishments/highlights, and corresponding business impact forms for the businesses served, to be provided by City.

6.2 Contractor shall provide required documentation of services at the end of the term of this Agreement for services provided through December 31, 2023.

6.3 Contractor shall provide documentation of services provided under the terms of this Agreement including invoices and receipts, if applicable.

7. **Notices**

Pursuant to Exhibit C – General Terms and Conditions, Paragraph 15 – Notices, the mailing address for all required notices is as follows:

**Contractor:** Downtown Stockton Alliance  
Attn: Mike Huber  
110 N San Joaquin St.,  
4th Floor  
Stockton, CA 95202

**City:** City of Stockton  
Attn: City Manager  
425 N. El Dorado Street  
Stockton, CA 95202

(Rev. 10.30.18)
8. **Key Personnel**

   Michael Huber, Downtown Stockton Alliance, Executive Director  
   Courtney Wood, Downtown Stockton Alliance, Economic Development Director  
   Carrie Wright, City of Stockton, Director of Economic Development  
   Jordan Peterson, City of Stockton, Program Manager III  
   Angelina Abella, City of Stockton, Economic Development Analyst

9. **Option to Renew**

   The term of the Agreement may be extended in 1-year increments by a written amendment executed by both parties. However, the total term of the Agreement, including the extended term, shall not exceed 3 years.
APPROVE A MOTION TO END THE PROCLAMATION OF THE EXISTENCE OF A LOCAL EMERGENCY ENDING THE COVID-19 STATE OF EMERGENCY EFFECTIVE FEBRUARY 28, 2023

RECOMMENDATION

Approve a motion to end the Proclamation of the Existence of a Local Emergency, dated March 12, 2020, ending the COVID-19 State of Emergency in the City of Stockton, effective February 28, 2023.

Summary

The California Emergency Services Act, Government Code section 8550, et seq., authorized the proclamation of a local emergency when conditions of disaster or extreme peril to the safety of persons and property within the territorial limits of a city exist.

Stockton Municipal Code section 2.82.060 empowers the City Manager, acting as Director of Emergency Services, to proclaim the existence or threatened existence of a local emergency when the City is exposed to the actual or threatened existence of conditions of disaster or of extreme peril to the safety of persons and property within the City and the City Council is not in session.

On March 12, 2020, the City Manager, acting as Director of Emergency Services, proclaimed the existence of a local emergency due to COVID-19 (Attachment A). On March 17, 2020, during a Special Emergency Meeting, Council ratified the City Manager’s proclamation with Resolution 2020-03-17-0301 (Attachment B).

On October 17, 2022, Governor Newsom announced that the COVID-19 State of Emergency will end on February 28, 2023. The City Manager, acting as Director of Emergency Services, requests that Council approve a motion to end the City’s Proclamation of the Existence of a Local Emergency due to COVID-19, also effective February 28, 2023.

DISCUSSION

Background

The purpose of proclaiming a local emergency is to provide for the preparation and carrying out of plans for the protection of persons and property within the City in the event of an emergency; the direction of the emergency organization; and the coordination of the emergency functions of the City with all other public agencies, corporations, organizations, and affected private persons.
Resolution 2020-03-17-0301 specifically resolved to ratify the March 12, 2020, Proclamation of Existence of a Local Emergency; suspend the monetary limit on City Manager contracting authority set out in the Stockton Municipal Code section 3.68.040 in order to allow the City Manager the flexibility to effectively and efficiently continue and enhance City operations during the pendency of this local emergency; the City Manager was authorized to follow recommendations from state, federal, and local authorities, such as the San Joaquin County Department of Public Health, the Offices of Governor Newsom, […], in real-time and to enact and implement such temporary regulations as are necessary to provide for the efficacious implementation of those recommendations; and, the City Council directed the City Manager to provide support, as needed, for the enforcement by city and county officials of the price gouging restrictions provided in Penal Code section 396.

Present Situation

On October 17, 2022, Governor Newsom announced that the COVID-19 State of Emergency will end on February 28, 2023. The City Manager, acting as Director of Emergency Services, requests that Council approve a motion to end the City’s Proclamation of the Existence of a Local Emergency due to COVID-19, also effective February 28, 2023, whereby City operations will return to non-emergency status, without exception.

FINANCIAL SUMMARY

There is no direct fiscal impact to the City related to this action.

Attachment A - Proclamation of the Existence of a Local Emergency
Attachment B - Resolution Ratifying Emergency Proclamation
CITY OF STOCKTON

PROCLAMATION OF THE EXISTENCE OF A LOCAL EMERGENCY

The Stockton Municipal Code at section 2.82.060 empowers the Director of Emergency Services/City Manager to proclaim the existence or threatened existence of a local emergency when the City is affected by a public calamity and the City Council is not in session: and

The City Manager acting as the Director of Emergency Services, does hereby find that:

1. Conditions of extreme peril to the safety of persons and property have arisen within the City of Stockton, caused by the serious public health threat presented by the presence and continued transmission of the novel coronavirus (COVID-19) commencing on or about 12:00 p.m. on the 12th day of March, 2020; and

2. The City Council of the City of Stockton is not in session and cannot immediately be called into session.

NOW, THEREFORE, IT IS HEREBY PROCLAIMED AND ORDERED that during the existence of said local emergency the powers, functions, and duties of the emergency organization of this City shall be those prescribed by state law, ordinances and resolutions of this City, and by the City of Stockton Emergency Plan.

Dated and time: March 12, 2020, 11:00 a.m.

HARRY BLACK, City Manager/ Director of Emergency Services

ATTEST:

ELIZA GARZA, City Clerk of the City of Stockton
Resolution No. 2020-03-17-0301

STOCKTON CITY COUNCIL

RESOLUTION OF THE STOCKTON CITY COUNCIL CONFIRMING THE EXISTANCE OF A LOCAL EMERGENCY DUE TO COVID-19

WHEREAS, the California Emergency Services Act, Government Code sections 8550, et seq., authorize the proclamation of a local emergency when conditions of disaster or extreme peril to the safety of persons and property within the territorial limits of a city exist; and

WHEREAS, Stockton Municipal Code section 2.82.060 empowers the City Manager, acting as the Director of Emergency Services, to proclaim the existence or threatened existence of a local emergency when the City is exposed to an actual or threatened existence of conditions of disaster or of extreme peril to the safety of persons and property within the City and the City Council is not in session; and

WHEREAS, on March 12, 2020, the City of Stockton Director of Emergency Services proclaimed the existence of a local emergency.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON AS FOLLOWS:

1) The Proclamation of Existence of a Local Emergency issued by the Director of Emergency Services is hereby ratified.

2) The monetary limit on City Manager contracting authority set out in Stockton Municipal Code section 3.68.040 is suspended in order to allow the City Manager the flexibility to effectively and efficiently continue and enhance City operations during the pendency of this local emergency.

3) The City Manager is authorized to follow recommendations from state, federal and local authorities, such as the San Joaquin County Department of Public Health, California Department of Public Health, the Offices of Governor Newsom, President Trump, United States Surgeon General, Centers for Disease Control and Prevention (CDC), National Institutes of Health (NIH), and World Health Organization (WHO) in real time and to enact and implement such temporary regulations as are necessary to provide for the efficacious implementation of those recommendations.

4) The City Council directs the City Manager to provide support, as needed, for the enforcement by city and county officials of the price gouging restrictions provided in Penal Code section 396; and

The City Manager is authorized to take such other actions as are appropriate to carry out the intent of this Resolution.
PASSED, APPROVED and ADOPTED March 17, 2020

MICHAEL TUBBS
Mayor of the City of Stockton

ATTEST:

ELIZA R. GARZA, GMC
City Clerk of the City of Stockton
ADOPT A RESOLUTION TO APPROVE SUBGRANTEE FOR THE CALIFORNIA FOR ALL YOUTH WORKFORCE PROGRAM

RECOMMENDATION

It is recommended that the City Council adopt a resolution to:

1. Authorize the City Manager to execute agreements with four (4) subgrantees totaling $2,592,405 to implement youth workforce programs with the CaliforniansForAll Youth Workforce Program grant funds.

2. Authorize the City Manager to use the CaliforniansForAll Youth Workforce Program grant funds to create a City Summer Jobs Youth Pilot Program.

It is also recommended that the City Manager be authorized to take any appropriate and necessary actions to carry out the purpose and intent of the resolution.

Summary

City Council accepted a $4,355,097 CaliforniansForAll Youth Workforce Grant in December 2021. The intent of this grant is to fund programs administered by subgrantees resulting in increased youth employment in key areas of public service, climate, food insecurity, and COVID-19 relief. Following execution of the grant agreement, Staff issued a request for proposals to identify subgrantees. At this time, Staff are recommending awards to four (4) subgrantees totaling $2,592,405. The remaining funds ($1,762,692) will be used to develop a City Summer Jobs Youth Pilot Program and to cover the administrative costs of overseeing the external and internal programs.

DISCUSSION

Background

City Council approved a resolution authorizing the acceptance of the CaliforniansForAll Youth Workforce Grant on December 14, 2021. The grant addresses several of Council’s Priority Goals, such as COVID response and recovery, prioritizing economic development, working with education partners to develop the workforce and expand youth programming, and engaging the business community in workforce development and job placement.

The California Volunteers’ CaliforniansForAll Youth Workforce Development Program is a Governor’s initiative that is partnering with California cities to bolster youth workforce engagement and interest in critical career pathways. California Volunteers’ mission is to promote service and volunteerism to tackle state and local issues. The main objectives of the program are to “increase youth employment,
develop career pathways, and strengthen city/community capacity to address key areas of food insecurity, climate, and COVID-19 recovery.” To achieve these goals, the CaliforniansForAll Youth Workforce Development Program is appropriating its $150 million budget to the 13 largest cities in California, proportionately based on population. The City of Stockton, previously the 13th largest city in California, was issued $4,355,097 to create, develop, and facilitate a robust workforce program to address the focus areas of climate, food insecurity, and local COVID-19 recovery.

The City released a Request for Proposals (RFP) in September 2022 which asked respondents to offer programs that are within the focus area(s) of the grant and are aligned with the City’s priorities. Additionally, the City hired a grant-funded FTE staff position who will be overseeing the programs moving forward.

Present Situation

The City has identified four (4) subgrantees who are well-positioned to receive this significant, one-time investment:

<table>
<thead>
<tr>
<th>Program</th>
<th>Budget</th>
<th>Youth Placements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rising Sun</td>
<td>$235,000</td>
<td>18</td>
</tr>
<tr>
<td>San Joaquin A+</td>
<td>$925,000</td>
<td>70</td>
</tr>
<tr>
<td>Parents by Choice</td>
<td>$654,888</td>
<td>70</td>
</tr>
<tr>
<td>SJCOE - Greater Valley Conservation Corps</td>
<td>$777,517</td>
<td>60</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td><strong>$2,592,405</strong></td>
<td><strong>218</strong></td>
</tr>
</tbody>
</table>

*Rising Sun Center for Opportunity*

Rising Sun will operate its Climate Careers program throughout the City of Stockton, hiring low-income youth to deliver Green House Calls. Participants will benefit from an earn-and-learn experience focused on residential energy and water efficiency services, while also benefiting from professional development workshops, paid work experience, environmental justice and education workshops, and career exposure opportunities.

*San Joaquin A+*

Preparing students to succeed in a rapidly changing economy will require moving beyond the traditional educational construct of study-then-work to a study-and-work career-connected learning approach that combines classroom instruction with relevant, real-world experience. In partnership with educational providers and local employers, San Joaquin A+ will provide career-connected learning opportunities aligned with local workforce needs, paid internships and apprenticeships to support local COVID-19 recovery, and support services for fifty young people annually in Stockton. The focus of San Joaquin A+ will be on the agriculture and education sectors; industries that will represent the vast majority of forecasted jobs in San Joaquin County by 2028 and that were significantly impacted by the COVID-19 pandemic and associated economic fallout.
Parents by Choice

Parents by Choice ("PbC") will create a Youth Workforce Development program to provide jobs to 70 youth, using agency-owned small businesses created in Downtown Stockton. Opportunities include office, retail, customer service, maintenance, and food service. Drawing on 17 years of service to youth in Stockton, PbC will provide wrap-around employment support services to help program youth transition successfully into the adult workforce.

Greater Valley Conservation Corps (GVCC)

GVCC employs local youth between the ages of 18 and 26 for an earn while you learn experience to receive paid training, college and career readiness, and a variety of workforce development opportunities. With this funding, GVCC will increase wages and provide additional resources such as food, transportation, clothing, mental health assistance, and postsecondary educational services. GVCC is excited to expand its scope of services to the growing workforce and continue the goal of hiring local youth.

FINANCIAL SUMMARY

The City and its subgrantees will pay for project-related expenses in full and then submit documentation for reimbursement through the CaliforniansForAll Youth Workforce Grant. There will be no impact to the General Fund, all related costs will be supported by the grant funding. No matching funds are required for this grant.
Resolution No.

STOCKTON CITY COUNCIL

RESOLUTION TO AUTHORIZE ACCEPTANCE OF $4.3M CALIFORNIANSFORALL YOUTH DEVELOPMENT PROGRAM GRANT

The City of Stockton ("City") is interested in promoting workforce development programs, particularly those that endeavor to empower high-need youth; and

The State of California has made $150M in Coronavirus State and Local Fiscal Recovery Funds available to California Volunteers for the purpose of creating the CaliforniansForAll Youth Workforce Development Program; and

Funding for the CaliforniansForAll Youth Workforce Development Program was proportionately awarded to the 13 largest cities in California based on population, resulting in a $4,355,097 grant for Stockton; and

The City accepted a $4.3M CaliforniansForAll Youth Workforce Grant from the State in December 2021; and

The City has identified four (4) local organizations through a competitive solicitation process who are capable of using these grant funds to administer youth workforce programs that will positively impact over 200 youth in Stockton; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The City Manager is hereby authorized to execute agreements with Rising Sun Center for Opportunity, San Joaquin A+, Parents by Choice, and the San Joaquin County Office of Education Greater Valley Conservation Corps totaling $2,592,405 to implement youth workforce programs with the CaliforniansForAll Youth Workforce Program grant funds.

2. The City Manager is hereby authorized to use the CaliforniansForAll Youth Workforce Program grant funds to create a City Summer Jobs Pilot Program.

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3. The City Manager is authorized to take all appropriate and necessary steps to carry out the purpose and intent of this resolution.

PASSED, APPROVED, and ADOPTED December 6, 2022.

KEVIN J. LINCOLN II
Mayor of the City of Stockton

ATTEST:

ELIZA R. GARZA, CMC
City Clerk of the City of Stockton
CA4ALL YOUTH WORKFORCE GRANT

December 6, 2022
Agenda Item 15.2
Stockton Youth Workforce Development Program

Key Focus Areas
- Climate
- Food Insecurity
- COVID-19 Recovery

Program Goals
1. Increase Youth Engagement
2. Develop Career Pathways
3. Strengthen City Capacity To Address Key Focus Areas
Process to Identify Subgrantees

• **Request for Proposals**
  • Staff issued a Request for Proposals (RFP) on August 8, 2022 and received responses on October 6, 2022.
  • The RFP invited local workforce entities to submit their programs for consideration to receive the CA4All grant funding. The only requirement was that their program meet the requirements of the grant itself.
  • City received 7 proposals, of which 4 were deemed acceptable and are recommended to receive grant funding.
Recommended Subgrantees (External)

1. Rising Sun Center for Opportunity
   - Will hire 18 low-income youth through their Climate Careers program, which will offer energy- and water-efficiency upgrades to households.
   - Budget: $235,000

2. San Joaquin A+
   - Will provide career-connecting learning opportunities to 70 youth that are aligned with local workforce needs, paid internships and apprenticeships, and supportive services.
   - Budget: $925,000

3. Parents by Choice
   - Using agency-owned small businesses in Downtown Stockton, they will create a youth workforce program to provide jobs to 70 youth. Opportunities include retail, customer service, maintenance, and food service.
   - Budget: $654,888

4. Greater Valley Conservation Corps
   - GVCC employs 60 local youth between ages of 18-26 for an earn while you learn experience to receive paid training and college & career readiness. Will use funding to increase wages and provide critical wrap around services to increase retention & success.
   - Budget: $777,517

218 Youth Served in Total
Summer Jobs Youth Pilot Program (Internal)

- **New Program to Engage Local Youth**
  - City staff will design and roll out a Summer Jobs Youth Program to connect 16-19 year old kids (High School age) with paid opportunities within the City.
  - This program will be roughly a month long, and will include an educational/skill building component/
  - Initially, this program will be grant funded via CA4All, but will eventually be City funded.
  - Target of 225 youth participants
  - Budget: $750,000

- **Administration & Contingency**
  - The remaining funds (approx. $1M) will be split between administrative costs ($300K) and a contingency fund ($700K) to be used for covering unanticipated costs or to fund another external program.
Recommendation

1. Approve a resolution authorizing the City Manager to execute agreements with four (4) subgrantees totaling $2,592,405 to implement youth workforce programs with the CA4All Youth Workforce grant funds.

2. Authorize the City Manager to use CA4All grant funds to create a City Summer Jobs Youth Pilot Program.
RECOMMENDATION FROM THE MEASURE A ADVISORY COMMITTEE TO THE COUNCIL FOR FUNDING OF AN INDEPENDENT AUDITOR ON THE USES OF MEASURE A PROCEEDS

RECOMMENDATION

It is recommended that the City Council consider a recommendation from the Measure A Citizens’ Advisory Committee (Committee) regarding an additional audit of the financial statements of Measure A funds.

Summary

The Measure A Ordinance includes a requirement that the City ensure an annual audit is performed of the tax revenues and its expenditures by an independent accounting firm. The audit completed annually resulting in the Annual Consolidated Financial Report (ACFR - previously referred to as the "CAFR") fulfills this requirement.

On October 3, 2022, the Committee took the following action: “Approve Motion 2022-10-03-0405 recommending City Council immediately to adopt a Resolution that the City arrange for an independent auditor who is not affiliated with anyone on the Measure A committee to conduct an audit of the financial statements of Measure A funds, with the financial statements prepared under GAAP (Generally Accepted Accounting Principles), and the audit be conducted under GAAS (Generally Accepted Auditing Standards), and GAS (Government Auditing Standards).

1. That the independent auditor be one other than the current City Auditor or CAFR auditor.
2. That the Measure A committee serve along the Council Audit Committee as the committee charged with governance.”

The October 3, 2022, Committee meeting minutes are included as Attachment A. The task, as outlined in the Committee motion, is not feasible for the reasons outlined in this staff report. When this same issue was raised by the Committee in 2015, the Council approved an additional Agreed Upon Procedures report for the Measure A funds, which has been produced annually for fiscal years 2014-15 through 2020-21. The FY 2021-22 report is being prepared with the annual audit activities. A Supplemental Display on the uses of Measure A proceeds was also added to the ACFR.

DISCUSSION

Background

On November 5, 2013, the citizens of Stockton approved Measure A, a ¾-cent general sales tax measure, effective April 1, 2014. The residents of Stockton also approved Measure B, an advisory measure recommending that 65% of the total sales tax revenue over time be used for law
enforcement and crime prevention services for implementation of the Marshall Plan and 35% be used for the City’s costs to exit bankruptcy and to support other City Services.

Measure A’s enacting ordinance (Attachment B - 2013-07-09-1601, Section 20. Audit and Review) states: “The proceeds of the tax imposed by this Ordinance, as well as the expenditure thereof, shall be audited annually by an independent accounting firm. The City Council shall discuss the results of such audit at a meeting of the City Council that is open to the public. The report of such audit shall be posted on the City’s website.” The ACFR fulfills the legal requirement for an audit. The annual audit is performed in accordance with auditing standards generally accepted and Government Auditing Standards for audits of public agencies. The independent auditors look at internal controls and reviews samples of financial activities to issue an opinion on whether the financial reports are presented fairly. With Measure A being only one of many revenues in the General Fund, the ACFR financial statements report on the General Fund as a whole. To improve reporting of Measure A in the ACFR, a Supplemental Display on the uses of Measure A proceeds was also added.

The Ordinance also established a seven-member Citizens’ Advisory Committee (the Committee) appointed by City Council. As part of the implementation of Measure A, the City Council approved a Charter (Attachment C) governing the Committee’s responsibilities, and the Committee, in turn, adopted By-Laws establishing their objectives and duties.

At its May 19, 2015, meeting, the Committee approved a motion to recommend to Council that the City engage a separate independent auditor to audit the uses of Measure A proceeds. In response to the Committee’s request, on October 6, 2015, the City Council approved and authorized additional auditing procedures to be conducted by an additional independent accounting firm and engaged the services of Eadie and Payne, LLP. Specifically, Eadie and Payne, LLP was contracted to complete the ‘Independent Accountant’s Report on Applying Agreed Upon Procedures of Measures A and B Revenues and Expenditures (“Measure A Agreed Upon Procedures Report”). These auditing services for review of the expenditures of Measure A funds in conjunction with the parameters of Measure B served as an additional review beyond the minimal legal requirements of Ordinance No. 2013-07-09-1601. The following reports were prepared under this contract and are available on the City's website.

- 2016-17 - Measure A  Independent Report

At the end of the five-year contract term, the next Measure A Agreed Upon Procedures Report was added to the contract with the independent audit firm that prepares the other City audit reports at a significant savings. It was then included in the scope with the rest of the City’s audits when a new
request for proposals was issued in late 2020. The FY 2019-20 and FY 2020-21 Measure A Agreed Upon Procedures Reports were prepared by The Pun Group.

- 2020-21 - Measure A - Independent Report


Present Situation

At its October 3, 2022 meeting, the Committee re-approved the 2015 motion to recommend to Council that the City engage a separate independent auditor to audit the uses of Measure A proceeds. The Committee members conveyed that they believe that the ACFR does not illustrate the level of detail necessary to fully understand how the Measure A sales tax revenues are used. The Committee members noted that while tax revenues are higher than expected, the number of police officers has been declining. At the October 3, 2022, meeting, Financial staff and the City Attorney’s Office articulated how the ACFR, including the review by independent auditors, The Pun Group, fulfills the legal requirements for an audit under Measure A, and no further audit was required. Section 2.2.1 of the Measure A Committee Charter, as approved by Council on October 8, 2013, specifically references the ACFR as meeting the audit requirements.

The Committee expressed interest in seeing detail on how all Measure A revenues are expended. Since Measure A was passed by voters as a General Tax, not a Special Tax, it is tracked and reported in the City’s General Fund with other general tax revenues like Sales and Property taxes. The General Fund functions like a joint checking account with all the revenue sources going into the account and available for multiple purposes. The adoption of the Annual Budget determines and controls how the funds can be spent, but it does not tie the various expenses to a specific funding source. To track funding from a specific funding source, the City uses Special Funds. To put the Measure A revenues in a Special Fund could jeopardize its standing as a General Tax. To comply with the advisory Measure B approved by voters at the same time, Marshall Plan related public safety expenses are tracked within the Police Department and Office of Violence Prevention budgets. The remaining 35% expended for general purposes are not tied to Measure A or tracked separately. The Committee also noted that the Measures M and W audit reports are more extensive than the Measure A Agreed Upon Procedures Report. Since Measures M and W were approved by voters as special taxes, they are in separate Special Funds, and thus a full fund balance presentation is included in the audit report.

The General Fund, including Measure A revenues, is audited by the City’s independent auditors as part of ACFR, which covers all City funds. The City’s independent audit firm has concurred that a GAAP financial audit cannot be completed on part of a fund. To audit Measure A funds within the General Fund would mean a duplication of the current annual audit activities. The annual audit takes approximately five months between preliminary audit work, selecting and providing samples for review by the auditors, internal controls testing, preparation of the financial reports, and finalizing the ACFR. The City pays the audit firm $204,000 per year for the ACFR and dedicates at least 8 FTEs to the effort during the five-month period. Another audit of the General Fund by a different audit firm would be a similar endeavor from a resource standpoint. The City does not have the staffing resources to support a second audit on a large fund with over $200 million in expenditures. A second
audit of the General Fund will not produce any new information that is not currently in the ACFR or the Measure A Agreed Upon Procedures Report. An additional audit is unlikely to accomplish the Committee’s objectives.

While audited information is not available, staff supporting the Committee have tried to provide additional information about how Measure A funds have contributed to expending services to the community. On an annual basis, the Committee is provided with General Fund Budget highlights and Long-Range Financial Plan updates. The Committee receives quarterly reports on the Advisory Measure B (Marshall Plan related) Police and Office of Violence Prevention expenditures. In response to Committee requests to see how all Measure A sales tax revenues are expended, additional information on General Fund expenditure enhancements was provided at the Committee meetings of October 3, 2022, and September 9, 2020.

If the information provided by staff and the current Agreed Upon Procedures report are not addressing the Committee’s concerns, staff recommends working with the Committee to modify the report scope to include additional information. This could be completed for the fiscal year ending June 30, 2023. If necessary, a separate audit firm can be selected through a competitive process for this report. A separate firm will be more expensive than utilizing the City’s current independent audit firm as some duplication of effort will be needed. When contracting with Eadie and Payne, LLC, in 2015, the report cost $30,000 per year. The cost is currently $5,150 with The Pun Group.

FINANCIAL SUMMARY

The City Auditor budget includes $5,150 for the Measure A Agreed Upon Procedures report. Any additional audit services would exceed the authorized budget and add workload to already strained staffing resources.

Attachment A - October 3, 2022 Minutes - Measure A Citizens’ Advisory Committee
Attachment B - Measure A Ordinance 2013-07-09-1601
Attachment C - Resolution 2013-10-08-1505 and Citizens’ Oversight Committee Charter
Attachment D - October 6, 2015, Council Agenda Item 15.1 Staff Report
NOTE: Due to technical difficulties and audio not being captured, our minutes have been expanded to include discussions among members and staff

1. CALL TO ORDER/ROLL CALL - 3:30 PM

Roll Call
Present:
   Ernesto Gonzalez
   Andrea Kosier
   Anthony Mannor
   Joni Anderson
Absent:
   Blair Hake, and Eric Smith.

2. CITIZENS COMMENTS/ANNOUNCEMENTS

Frank Gayaldo - crime in the community; taxes; gap audit

Ned Leiba - Memorandum of Understanding, independent audit (document filed)

Document Filed - Ned Leiba

3. ADOPTION OF COMMITTEE MINUTES

3.1 22-0619 APPROVAL OF COMMITTEE MINUTES

   Legislation Text
   Attachment A - 2022-04-25 Minutes
   Attachment B - 2022-06-06 Minutes

Approve Motion 2022-10-03-0301 approving the minutes from the Measure A Citizens' Advisory Committee meetings of April 25, 2022 and Jun 6, 2022.

Moved by: Joni Anderson, seconded by Anthony Mannor.

Vote: Motion carried 4-0

Yes: Ernesto Gonzalez, Andrea Kosier, Anthony Mannor, and Joni Anderson.  
Absent: Blair Hake, and Eric Smith.

4. ITEMS FOR DISCUSSION

4.5 22-0946 REVISIT RECOMMENDATIONS FOR AUDIT OF FINANCIAL
Legislation Text

Attachment A - 2015-05-19 Measure A Meeting Minutes

Ryan Meyerhof, Deputy City Attorney presented with aid of a PowerPoint

Chair Gonzales - transparency, auditors working with committee, records, cost

Member Anderson - section 20 of the ordinance

Ryan Meyerhof, Deputy City Attorney - Council desires

Vice Chair Mannor - lack of communication, finances spent, cost of audit

Kimberly Trammel, Chief Financial Officer - independent auditors selection

The following person spoke to the item: Ned Leiba - Measure M, separation of reports for committees

Approve Motion 2022-10-03-0405 recommending City Council immediately to adopt a Resolution that the City arrange for an independent auditor who is not affiliated with anyone on the Measure A committee to conduct an audit of the financial statements of Measure A funds, with the financial statements prepared under GAAP (Generally Accepted Accounting Principles), and the audit be conducted under GAAS (Generally Accepted Auditing Standards), and GAS (Government Auditing Standards).

1. That the independent auditor be one other than the current City Auditor or CAFR auditor
2. That the Measure A committee serve along the Council Audit Committee as the committee charged with governance

Moved by: Ernesto Gonzalez, seconded by Joni Anderson.

Vote: Motion carried 4-0

Yes: Ernesto Gonzalez, Andrea Kosier, Anthony Mannor, and Joni Anderson.
Absent: Blair Hake, and Eric Smith.

4.1 22-0867 FISCAL YEAR 2021-22 FOURTH QUARTER UPDATE ON IMPLEMENTATION OF THE MARSHALL PLAN

Informational item only. No action taken.

Legislation Text

Measure A Police Dept. Program Update 10-3-2022
Measure A Office of Violence Prevention Update 10.03.22

Chief McFadden presented with aid of a PowerPoint

Member Anderson - thanked the Police Chief for his optimism, support for the department
Vice Chair Mannor - family relationship to Stockton Police Department, community outreach

Member Kosier - appreciates outreach with schools

Chair Gonzales - retention rate, new contract, staffing number

Vice Chair Mannor - technology that would make PD more efficient

Lora Larson, Director of the Office of Violence Prevention presented with aid of a PowerPoint

Member Anderson - client amount, appreciate the breakdown, youth competent

The following person spoke to the item: Ned Leiba - Increase retention for the Police Department

4.2 22-0869 REVIEW FISCAL YEAR 2021-22 SECOND AND THIRD QUARTER MEASURES A AND B REVENUES AND EXPENDITURES

Informational item only. No action taken.

Legislation Text
Attachment A - Measures A and B FY 2021-22 2nd Quarter Report.pdf
Attachment B - Measures A and B FY 2021-22 3rd Quarter Report.pdf
Attachment C - Measure A State Quarterly Revenue Report

Imelda Arroyo, Budget Officer presented with aid of a PowerPoint

Vice Chair Mannor - police budget

Kimberly Trammel, Chief Financial Officer - baseline budget

4.3 22-0870 FISCAL YEAR 2018-19, FISCAL YEAR 2019-20 AND FISCAL YEAR 2020-21 ANNUAL REPORTS UPDATE

Informational item only. No action taken.

Legislation Text
Member Anderson - combining reports

4.4 22-0920 ADVISORY MEASURE B 35% PROCEEDS DISCUSSION

Informational item only. No action taken.

Legislation Text
Attachment A - Community Project Monthly Update FY 2021-22
Attachment B - General Fund Service Enhancements
Kimberly Trammel, Chief Financial Officer presented with aid of a PowerPoint

The following person spoke to the item: Ned Leiba - expenditures of Measure A, Measure M Audit costs

4.6 22-0947 FISCAL YEAR 2022-23 MEASURE A COMMITTEE MEETING CALENDAR

Legislation Text

Approve Motion 2022-10-03-0406 adopting an annual meeting calendar for the fiscal year beginning July 1, 2022.

Moved by: Joni Anderson, seconded by Andrea Kosier.

Vote: Motion carried 4-0

Yes: Ernesto Gonzalez, Andrea Kosier, Anthony Mannor, and Joni Anderson.
Absent: Blair Hake, and Eric Smith.

5. DISCUSSION OF ITEMS FOR THE NEXT AGENDA

Chair Gonzalez - discussion with Ned Leiba on the next agenda

6. BOARD/COMMISSION COMMUNICATIONS, COMMENTS

None

7. ADJOURNMENT - 5:13 PM

ELIZA R. GARZA, CMC
STOCKTON CITY CLERK
ORDINANCE NO. 2013-07-09-1601

AN ORDINANCE OF THE CITY OF STOCKTON ENACTING A GENERAL TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE STATE BOARD OF EQUALIZATION, UPON ADOPTION BY THE VOTERS

The people of the City of Stockton do ordain as follows:

Section 1. Title. This ordinance shall be known as the City of Stockton Transactions and Use Tax Ordinance.

Section 2. Definitions. The following words and phrases shall be defined as set forth in this Ordinance, except that any term or phrase not defined in this Ordinance shall have the same meaning as that term or phrase is defined in the California Revenue and Taxation Code, Division 2, Parts 1.6 and 1.7:

A. “City” means the City of Stockton.

B. “Operative Date” means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance by vote of the electorate on November 5, 2013.

C. “Ordinance” means the City of Stockton Transactions and Use Tax Ordinance.

D. “State” means the State of California.

Section 3. Purpose. This Ordinance is adopted to achieve the following among other purposes, and the Ordinance shall be interpreted liberally in order to accomplish all of its lawful purposes:

A. To impose a retail transactions and use tax to be applied throughout the entire territory of the City to the fullest extent permitted by law and in accordance with the provisions of Part 1.6 (commencing with section 7251) of Division 2 of the Revenue and Taxation Code and section 7285.9 of Part 1.7 of Division 2, which authorizes the City to adopt this Ordinance if a majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.
C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.

D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes and, at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this Ordinance.

E. To provide transactions and use tax revenue to the City to be used for the general governmental purposes of the City, with any transactions and use tax revenue received being placed into the City's general fund.

Section 4. Contract with the State. Prior to the Operative Date, the City shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this Ordinance; provided, that if the City shall not have contracted with the State Board of Equalization prior to the Operative Date, it shall nevertheless so contract and in such a case the Operative Date shall be the first day of the first calendar quarter following the execution of such a contract.

Section 5. Transactions Tax Rate. For the privilege of selling tangible personal property at retail, a transactions tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of 0.75% of the gross receipts of any retailer from the sale of all tangible personal property sold at retail within the territory of the City on and after the Operative Date of this Ordinance.

Section 6. Place of Sale. For the purposes of this Ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

Section 7. Use Tax Rate. An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the Operative Date of this Ordinance for storage, use or other consumption in the territory of the City at the rate of 0.75% of the sales price of the property. The
sales price shall include delivery charges when such charges are subject to State sales or use tax regardless of the place to which delivery is made.

Section 8. Adoption of Provisions of State Law. Except as otherwise provided in this Ordinance, and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted, incorporated, and made a part of this Ordinance as though fully set forth herein.

Section 9. Limitations on Adoption of State Law and Collection of Use Taxes. In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State is named or referred to as the taxing agency, the name of the City shall be substituted. However, this substitution shall not be made when:

1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the Constitution of the State of California;

2. The result of the substitution would require action to be taken by or against the City or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this Ordinance.

3. In those sections, including, but not necessarily limited to, sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

   a. Provide an exemption from the tax in this Ordinance with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from the tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code; or

   b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the State under the same provision of that code.

4. In sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in section 6203 and in the definition of that phrase in section 6203.
Section 10. Permit Not Required. If a seller's permit has been issued to a retailer under section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this Ordinance.

Section 11. Exemptions and Exclusions.

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government;

2. Sales of property to be used outside the City, which is shipped to a point outside the City pursuant to the contract of sale by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:
   a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and
   b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.
3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the Operative Date of this Ordinance.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the Operative Date of this Ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this Ordinance, the storage, use or other consumption in this City of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance;

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California;

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the Operative Date of this Ordinance;

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the Operative Date of this Ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which
any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

D. Any person subject to use tax under this Ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for, a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

Section 12. Amendments. All amendments subsequent to the Effective Date of this Ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become adopted and part of this Ordinance; provided, however, that no such amendment shall operate so as to affect the rate of tax imposed by this Ordinance. The City Council or the City's voters may amend this Ordinance to comply with applicable law or as may be otherwise necessary to further the Ordinance's stated purposes. However, as required by Article XIII C of the California Constitution, no amendment to this Ordinance may increase the rates of the taxes authorized by this Ordinance unless such amendment is submitted to and approved by the voters.

Section 13. Prohibition on Enjoining Collection. No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this Ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected under this Ordinance.
Section 14. Severability. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the Ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

Section 15. Effective Date. This Ordinance relates to the levying and collecting of City transactions and use taxes and shall take effect immediately. However, no tax imposed by this Ordinance shall be effective unless that tax has been approved by the voters of the City as required by section 2(b) of Article XIII C of the California Constitution and applicable law.

Section 16. Precedence over Other Provisions in the Municipal Code. Any provision of the Stockton Municipal Code or appendices thereto inconsistent with the provisions of this Ordinance, to the extent of such inconsistency and no further, is hereby repealed or modified to the extent necessary to effect the provisions of this Ordinance.

Section 17. Sunset of Tax. (a) The taxes imposed by this Ordinance shall remain effective until the soonest to occur of the following: (i) the City Council repeals, or the voters repeal, this Ordinance; (ii) the City Council determines that the City has experienced economic recovery as defined in Section 18 of this ordinance, or (iii) ten (10) years from the date the taxes imposed by this Ordinance are first collected. However, the voters hereby authorize the Council to extend the sunset of the taxes pursuant to paragraph (b) of this Section 17.

(b) The City Council may extend the sunset of the taxes imposed by this Ordinance as follows. The Council shall hold two publicly noticed meetings at least 14 days apart and shall adopt findings based on evidence before it that: (i) the revenues provided by the taxes imposed by this Ordinance continue to be necessary to accomplish the purposes stated in Section 21 of this Ordinance and (ii) the total compensation paid to City employees is not excessive when compared to those of other similarly situated public-sector employers.

Section 18. Economic Recovery Review. Peak revenues to the City's general fund occurred in fiscal year 2008–2009, when the City received approximately $203,101,529 in such revenues. In the event the City, during any fiscal year in which this Ordinance is in effect, receives general fund (excluding amounts of such revenues transferred by the City to San Joaquin County pursuant to any tax sharing agreement, and excluding revenues under this Ordinance) in excess of the peak amount reached in fiscal year 2008–2009 adjusted for inflation from July 1, 2008 to the date of measurement using an average of the Consumer Price Indices for All Urban Consumers (1982-84=100) (CPI-U) for (i) U.S. City Average; (ii) San Francisco-Oakland-San Jose; and (iii) Western Urban, then the City Council shall hold a noticed public hearing to consider whether to reduce or eliminate the tax imposed by this Ordinance.
Section 19. Citizen Oversight. The City Council shall appoint a seven-member Citizens' Advisory Committee, which shall meet at least annually to review the expenditure of revenues generated by the tax imposed by this Ordinance and to make recommendations to the City Council regarding those expenditures. The minutes of Citizens' Advisory Committee meetings shall be provided to the City Council and placed on the next available regular Council meeting agenda thereafter. The Citizens' Advisory Committee shall also review progress toward peak general fund revenues as described in section 18 of this Ordinance and any findings made by the City Council under that section or section 17, subdivision (b).

Section 20. Audit and Review. The proceeds of the tax imposed by this Ordinance, as well as the expenditure thereof, shall be audited annually by an independent accounting firm. The City Council shall discuss the results of such audit at a meeting of the City Council that is open to the public. The report of such audit shall be posted on the City's website.

Section 21. Declaration. The proceeds of the taxes imposed by this Ordinance may be used for any lawful purpose of the City, as authorized by ordinance, resolution or action of the City Council. These taxes are not special taxes within the meaning of section 1, subdivision (d) of Article XIII C of the California Constitution, but are general taxes imposed for general governmental purposes.

Section 22. Execution. The Mayor shall sign and the City Clerk shall attest to the passage of this Ordinance upon certification by the City Council of the results of the election approving this Ordinance.

PASSED AND ADOPTED by the City Council of the City of Stockton, on July 9, 2013, by the following vote:

AYES: Councilmember Burgos, Councilmember Holman, Councilmember Miller
Councilmember Tubbs, Councilmember Zapien, Vice Mayor Canepa, Mayor Silva

NOES: 0

ABSENT: 0

ANTHONY SILVA, Mayor of the City of Stockton

ATTEST:
BONNIE PAGE, Clerk of the City of Stockton
I hereby certify that this Ordinance was APPROVED by the voters of the City of Stockton, State of California, at a general election held on November 5, 2013, and by the City Council of the City of Stockton at a regular meeting of the Council held on December 3, 2013.

ANTHONY SILVA, Mayor of the City of Stockton

ATTEST:

BONNIE PAIGE, Clerk of the City of Stockton
Resolution No. 2013-10-08-1505

STOCKTON CITY COUNCIL

RESOLUTION ADOPTING THE CITY OF STOCKTON TRANSACTION AND USE TAX ORDINANCE CITIZEN'S OVERSIGHT COMMITTEE CHARTER

On July 9, 2013, the Stockton City Council adopted Resolution 2013-07-09-1601 calling for a special election and Ordinance 2013-07-09-1601 establishing the 3/4 cent sales tax contingent upon voter consideration and approval at the November 5, 2013 election; and

The City of Stockton desires to clarify the intent of authorizing the formation of a Citizens' Oversight Committee through Ordinance 2013-07-09-1601 contingent upon voter consideration and approval at the November 5, 2013 election; and

The City of Stockton is responding to community inquiries as to how the Citizens' Oversight Committee will foster accountability and transparency so that members of the public can see that the tax proceeds are being spent consistent with the goals of the tax measure; and

The City of Stockton has developed a Charter detailing the role and duties of the Citizens' Oversight Committee in preparation for implementation of Ordinance 2013-07-09-1601 contingent upon voter consideration and approval at the November 5, 2013 election; now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The City of Stockton Transaction and Use Tax Ordinance Citizens' Oversight Committee Charter, attached as Exhibit 1 and incorporated herein, is hereby approved and adopted.

2. The City Manager is authorized to take whatever action is necessary to carry out the purpose and intent of this resolution.

PASSED, APPROVED, and ADOPTED _______October 8, 2013______

ANTHONY SILVA, Mayor
of the City of Stockton

ATTEST:

BONNIE PAIGE, City Clerk
of the City of Stockton
CITY OF STOCKTON TRANSACTIONS AND USE TAX ORDINANCE
CITIZENS’ OVERSIGHT COMMITTEE CHARTER

1. Committee Established

A Citizens’ Oversight Committee (“Committee”) is hereby established as required by the City of Stockton Transactions and Use Tax Ordinance (“Ordinance”). The Committee shall have the duties and rights set forth in this Charter.

2. The Mission and Purpose of the Committee

2.1. The mission of a strong and independent Citizens’ Oversight Committee is to oversee the expenditure of revenues generated by the tax imposed by the Ordinance and to make recommendations to the City Council regarding those expenditures in accordance with the voter’s intent as set forth in Measure B.

2.2. The purpose of the Committee as stated in the Ordinance shall be to meet at least semi-annually to review the expenditure of revenues generated by the tax imposed by this Ordinance and to make recommendations to the City Council regarding those expenditures. To carry out its stated purposes, the Committee shall perform the following duties:

2.2.1 Review Expenditures. The Committee will review at the close of each fiscal year the actual expenditures for Measure A proceeds, as attested by the City’s independent financial auditor in the Comprehensive Annual Financial Report, to ensure that tax proceeds are expended for the purposes set forth in the applicable ballot measure.

2.2.2 Inform the Public. The Committee shall inform the public concerning the City’s expenditures of the tax proceeds.

(a) Minutes of Committee meetings shall be provided to the City Council and placed on the next available regular Council meeting agenda thereafter.

(b) The Committee will have the responsibility to report to the public any information that funds are being spent illegally or imprudently or in a manner inconsistent with the intent of the voters as expressed in Measures A and B.
2.2.3 Annual Reports. The Committee shall present to the City Council, in public
session, an annual written report, which shall include the following:
(a) A statement indicating whether the City is in compliance with the
purposes set forth in the applicable ballot measures with respect to
the tax proceeds;
(b) A review of tax expenditures to verify that amounts collected were
expended for the purposes set forth in the applicable ballot
measure with respect to the tax proceeds;
(c) A review of the City’s progress in implementing the
recommendation of the Marshall Plan on Crime, including the hiring
of 120 more police officers and other investments; and
(d) A summary of the Committee’s proceedings and activities for the
preceding year.

2.2.4 Budget Recommendation. The City will propose a budget for the use of Measure
A proceeds to the Committee with sufficient time for it to formulate a
recommendation to the City Council before it deliberates on that same budget
in the annual budget adoption process.
(a) The Committee shall present to the City Council, in public session,
their recommendation on the proposed budget.

2.2.5 Review Sunset Provisions. Before City Council authorization of the sunset or
extension of the sunset of the tax, the Committee will review its applicability
and whether the City has supporting evidence and appropriate findings as
outlined in the Ordinance.

3. Committee Membership
3.1 The Committee shall consist of at least seven (7) members as required by the Ordinance. The
City Council shall appoint all the members of the Committee as set forth herein.

3.2 Each member of the City Council, including the Mayor, shall nominate one member to the
Committee. The City Council shall approve by majority vote all the nominations to the Committee.

3.3 In evaluating individuals to nominate as members of the Committee, the City Council shall
take into consideration such factors and criteria as it deems appropriate in evaluating a nominee,
including his or her knowledge, expertise, skills, integrity, diversity, judgment, business or other related
experience, reputation in the business community, the interplay of the nominee’s experience with the experience of other Committee members, and the extent to which the nominee would be a desirable addition to the Committee.

3.4. To be a qualified person to serve on the Committee, he or she must be at least 18 years of age.

3.5. The Committee may not include any employee or official of the City or any vendor, contractor or consultant of the City. Nor can the City Council appoint persons who hold an office incompatible with service on the Committee.

4. Committee Governance

4.1. All Committee proceedings shall be open to the public except as necessary to consider legally privileged matters consistent with state law. Notice to the public shall be provided in the same manner as the proceedings of the City Council. The Committee will have the ability to appoint a Chair from among its voting members and establish other bylaws that are not in conflict with the provisions of the Ordinance or this Charter. The Committee shall serve as the single statutory Oversight Committee for Measures A and B.

5. City Commitment to the Committee

5.1. The City acknowledges that effective oversight by the Committee is not only required by law but is essential to the City’s ability to accomplish the intent of the voters as expressed in Measures A and B. Therefore, the City commits to support the oversight process through cooperation with the Committee, by providing the Committee with access to information and with sufficient logistical support so that the Committee may effectively perform its oversight function. Further, the City will insure that with regard to the Committee, all City Staff are committed to open communication, the timely sharing of information and teamwork.

5.2. The City agrees to provide the Committee with the necessary information to engage in effective oversight. Receipt of timely and complete information is essential in order for the Committee to perform its duties. All expenditures by the City of funds obtained through revenues generated by the tax imposed by the Ordinance shall be subject to the review and oversight of the Committee. The Committee will be entitled to access all information concerning expenditures not subject to legal privilege.
5.3. The City Manager will facilitate communication between the Committee and the City Council by scheduling specific time on City Council Agendas for the Committee to report on its business to the City.

5.4. Committee reports will be available to the public on a website to be provided for the Committee by the City.

5.5. The City and the Committee agree that to insure oversight by the Committee continues to be as effective as possible, the efficacy of this Charter will be evaluated on a periodic basis and a formal review will be jointly conducted by the City and the Committee within five (5) years of the adoption of this Charter to determine if any amendments should be made.
RECOMMENDATION FROM THE MEASURE A ADVISORY COMMITTEE TO THE COUNCIL FOR FUNDING OF AN INDEPENDENT AUDITOR ON THE USES OF MEASURE A PROCEEDS

RECOMMENDATION

It is recommended that the City Council adopt a motion to approve funding for an independent audit on the uses of Measure A proceeds and to include a Supplemental Display of uses of Measure A General sales tax revenues in the Comprehensive Annual Financial Report (CAFR).

It is further recommended that the motion authorize the City Manager to take appropriate and necessary actions to carry out the purpose and intent of this motion.

Summary

The Measure A Ordinance includes a requirement that the City ensure an audit be done annually of the tax revenue and its expenditures by an independent accounting firm. The audit of the CAFR fulfills this requirement.

The Measure A Citizen’s Advisory Committee (Advisory Committee) voted on May 19, 2015, to recommend that the City engage the services of a separate independent auditor to perform an audit on the uses of Measure A proceeds. The Advisory Committee discussion related to the motion to recommend a separate independent audit has been transcribed and provided by the Clerk’s Office for clarity, and is included as Attachment A.

Because the Audit Committee has responsibility for oversight and coordination of all audit activities, staff presented the Advisory Committee recommendation along with a differing staff recommendation on September 14, 2015 to the Audit Committee. The staff recommendation was to expand the services of the independent auditor currently under contract to audit the CAFR because it would be more cost effective than a separate audit, performed to the same standards, and provide the information in one display. The Audit Committee requested that staff develop a sample display and obtain the input of the Advisory Committee before the item was brought to Council for consideration. A sample of the Supplemental Display was provided to the Advisory Committee for review and comment on September 24, 2015. Revisions were recommended by the Advisory Committee and have been implemented in the revised draft of the Supplemental Display of uses of Measure A proceeds (Attachment B).

If the recommended motion is approved, the additional audit activities and revised display would be completed annually. The estimated cost is $5,000 for the additional audit activity and display.
DISCUSSION

Background

On November 5, 2013, the citizens of Stockton approved Measure A, a ¾-cent general sales tax measure, effective April 1, 2014. The residents of Stockton also approved Measure B, an advisory measure recommending that 65% of the total sales tax revenue over time be used for law enforcement and crime prevention services for implementation of the Marshall Plan and 35% be used for the City’s costs to exit bankruptcy and other City Services. Included in the Measure A Ordinance was a requirement that the tax revenue and its uses be audited annually by an independent accounting firm. The CAFR fulfills the legal requirement for an audit. However, the CAFR does not currently provide a consolidated display of the use of Measure A proceeds. The Ordinance also established a seven-member Citizens’ Advisory Committee (the Committee) appointed by City Council. As part of the implementation of Measure A, the City Council approved a Charter governing the Committee’s responsibilities and the Committee in turn adopted By-Laws establishing their objectives and duties. A principal part of their duties as outlined in their By-laws is to foster accountability and transparency to the citizens of Stockton and ensure that the tax proceeds are being used according to the intent of Measures A and B.

Accordingly, the Committee met over the past year to review and discuss the Measure A revenues and expenditures, and to receive programmatic updates from Administrative Services Department, the Police Department and the Office of Violence Prevention.

Present Situation

At its May 19, 2015 meeting, the Advisory Committee approved a motion to recommend to Council that the City engage a separate independent auditor to audit the uses of Measure A proceeds. The Advisory Committee members conveyed that they believe that the CAFR does not illustrate the level of detail necessary to fully understand how the Measure A sales tax revenues are used. At the May 19, 2015 meeting, staff articulated how the CAFR, including the review by independent auditors Pun and McGeady fulfills the legal requirements for an audit under Measure A and no further audit was required.

Because the Audit Committee is charged with the responsibility to coordinate and provide oversight of all audits of City funds, staff presented the Advisory Committee recommendation to the Audit Committee for consideration so that the Council would have the benefit of both committees’ input when considering the request for an independent audit of the use of Measure A proceeds. In the interim, Staff amended its position regarding an independent audit of the use of Measure A proceeds and recommended to the Audit Committee that the City Council consider funding an independent, but not separate, audit of the uses of Measure A proceeds and to include a Supplemental Display in the CAFR. This is consistent with the primary goal expressed by the Advisory Committee to have a clearer presentation of Measure A expenditure data. It is also consistent with the Measure A Advisory Committee’s recommendation that the audit be independent and performed using generally accepted accounting principles. However, the staff recommendation differs from the Measure A Advisory Committee’s recommendation in that it does not support the use of a separate auditor to complete this work. It is more cost effective to expand the audit activities related to the CAFR and include a supplemental display than to engage another auditor. The incremental cost to expand the CAFR
File #: 15-2061, Version: 1

would be $5,000 as compared to $20,000 to $30,000 for a separate audit.

The Audit Committee recommended that a draft of the supplemental display for the CAFR should be developed, and that it would be helpful to have the Advisory Committee’s comments regarding the item details. A sample of the Supplemental Display was provided to the Advisory Committee for review and comment on September 24, 2015. The Committee members reviewed the draft sample display and made recommendations for a revised display to ensure it provided the necessary information. Committee members also discussed whether a separate audit was recommended, and a couple members reiterated an interest in a separate audit and commented that it would be worth the additional cost. On September 24, the audit of Measure A proceeds was a discussion only item and no action was taken. A revised display that includes the Committees suggested changes is included as Attachment B.

To meet the request of both the Measure A and Audit Committees, staff recommends that the Council approve that the scope of work of the independent audit services be expanded to include a more detailed review of the uses of Measure A general sales tax and that the CAFR include a Supplemental Display of such.

FINANCIAL SUMMARY

There are sufficient funds available to cover the cost of these audit services estimated at $5,000 in Account No. 010-1901-510 General Fund, Office of the City Auditor.

Attachment A - May 19, 2015 Measure A Citizen’s Advisory Committee Minutes
Attachment B - Measure A Supplemental Display
Measure A Advisory Committee Recommendation on Financial Audits

Agenda Item 15.3

December 6, 2022
10/3/22 Committee Motion

Approve Motion 2022-10-03-0405 recommending City Council immediately adopt a Resolution that the City arrange for an independent auditor who is not affiliated with anyone on the Measure A committee to conduct an audit of the financial statements of Measure A funds, with the financial statements prepared under GAAP (Generally Accepted Accounting Principles), and the audit be conducted under GAAS (Generally Accepted Auditing Standards), and GAS (Government Auditing Standards).

1. That the independent auditor be one other than the current City Auditor or CAFR auditor.

2. That the Measure A committee serve along the Council Audit Committee as the committee charged with governance.
Background

- The Committee approved the same motion in 2015
- After review by the Council Audit Committee and the City Council, two actions were taken
  - The City contracted with a new audit firm to prepare an Agreed Upon Procedures Report
  - A Supplemental Schedule was added to the Annual Consolidated Financial Report (ACFR, CAFR)
- Agreed Upon Procedure Reports (AUP) were prepared for FY 2015 through FY 2021
  - Presented to Committee and on the City’s website
On November 5, 2013, the citizens of Stockton approved Measure A, a ¾-cent general sales tax measure.
- The tax went into effect on April 1, 2014.

Measure A was passed as a General (not Special) Tax.

The residents of Stockton also approved Measure B:
- An advisory measure recommending that 65% of the total sales tax revenue over time be used for law enforcement and crime prevention services for implementation of the Marshall Plan and

Measure A’s enacting ordinance (2013-07-09-1601, Section 20) states:

“The proceeds of the tax imposed by this Ordinance, as well as the expenditure thereof, shall be audited annually by an independent accounting firm. The City Council shall discuss the results of such audit at a meeting of the City Council that is open to the public. The report of such audit shall be posted on the City’s website.”
The Audit and the ACFR

- Section 2.2.1 of the Measure A Committee Charter as approved by Council on October 8, 2013 (prior to Measure A election), specifically references the ACFR as meeting the audit requirements.
- The City hires an independent financial auditor through a Request for Proposal process.
- The audit firm reviews internal controls, the City’s financial statement, and tests for accuracy by reviewing a sampling of entries.
- The ACFR is the result of this annual audit and fulfills the legal requirements for an audit under Measure A.
Measure A Reporting

- In addition to ACFR and AUP, the Committee is provided with:
  - Quarterly Financial Reports on Measure B expenditures
  - Police and Office of Violence Prevention (OVP) Department Program Updates
  - A general overview of other City service and Bankruptcy expenditures
    - Provided in September 2020 and October 2022
  - Annual Budget information on General Fund and Long-Range Financial Plan
Auditing Measure A

- Ordinance Section 3.E. – “to be used for the general governmental purposes of the City, with... revenue received being placed into the City’s general fund”
  - Measure A revenues and expenditures are recorded in the General Fund
  - Advisory Measure B expenditures are tracked within the Police and OVP budgets to measure the 65%

- The General Fund operates like a joint checking account
  - The Annual Budget controls how funds can be spent
  - Revenue sources are not tied to specific expenditures

- Putting Measure A into a separate fund might jeopardize the designation as a General tax
A Second General Fund Audit

- A financial audit as defined in the motion must be done on an entire fund
  - It cannot be on just Measure A revenues and expenditures
- This would be a duplication of the audit already completed on the General Fund
- There would be an additional cost and additional staffing resources would be required
- No new information would come out of a second audit of the General Fund
- It is unlikely that the Committee’s objectives would be achieved by a second General Fund audit
Staff Recommendation

- Continue to work with Committee members to identify what additional information would address the concerns of the Committee
- As appropriate, incorporate this information into the scope of the Agreed Upon Procedures Report for fiscal year ending June 30, 2023
- If the information cannot be added, provide the Committee with unaudited information
ADOPT A RESOLUTION APPROVING THE SAN JOAQUIN MULTI-SPECIES HABITAT CONSERVATION AND OPEN SPACE PLAN 2023 DEVELOPMENT FEE SCHEDULE

RECOMMENDATION

It is recommended that the City Council adopt a resolution approving the San Joaquin Multi-Species Habitat Conservation and Open Space Plan 2023 development fee schedule.

It is further recommended that the City Manager be authorized to take appropriate and necessary actions to carry out the purpose and intent of the resolution.

Summary

On November 14, 2000, the San Joaquin Council of Governments, Inc. (SJCOG, Inc) established the San Joaquin Multi-Species Habitat Conservation and Open Space Plan (“Plan”). The Plan provides a strategy for balancing the needs to accommodate new development while encouraging the preservation of open space and agricultural areas as well as protected species habitat in San Joaquin County. Participation in the Plan is voluntary and available to the development community as an option to simply pay a fee to mitigate habitat impacts because of their development projects. Developers can fulfill mitigation obligations more efficiently with Plan participation and avoid negotiating mitigation measures with various federal and state environmental protection agencies for their individual projects. SJCOG Inc. collects the fees which are used to purchase permanent habitat preservation areas. Developers who do not participate in the Plan, must provide their own project level analysis during the entitlement or construction permit process for proposals that could negatively impact natural resources in the region. Fees are updated on a yearly basis and require adoption by City Council to be effective. On February 20, 2001, the City of Stockton adopted the Plan, while the City Council adopted the last fee update on November 16, 2021.

In August 2022, the SJCOG, Inc. Board approved the 2023 Plan fee schedule (Attachment A - SJCOG Staff Report). SJCOG, Inc. proposes an approximate 1.6% overall decrease in the Open Space and Agricultural and Natural habitat classifications for the 2023 Plan, which are the two most common areas impacted by development projects. As shown in Attachment A, the 2022 Fee for the Open Space and Agricultural and Natural habitat classification was $19,561 and is now proposed to be $19,255. The decrease is primarily due to a in the land acquisition component (Category A).

The City Council is requested to approve the proposed fee schedule. Habitat Fee pay zones for Stockton are mostly located on the outer areas of the City where development may or may not be initiated. See Attachment B - Habitat Fee Areas.
DISCUSSION

Background

The city became a participant in the Plan through a Joint Powers Agreement (JPA) in 2001. As a participant in the JPA, council approval of annual fee adjustments is required. This requirement similarly applies to all of the participating cities in San Joaquin County and the County agency. Plan fee rates are determined from a financial model that SJCOG Inc. maintains and requires an update at 5-year increments to address land sales market conditions and inflation changes. Fees are also analyzed and adjusted annually based on market conditions. In the past, delayed fee updates have resulted in lack of funding for the purchase and preservation of areas and resulted in significant fee increases for the development community. To accommodate changing market conditions and to provide clarify in fees, SJCOG has become more proactive in the Plan’s fee assessment. This year requires the 5-year financial model update to determine new fee rates for year 2023. The financial model consists of three main categories:

- Category A - Acquisition
- Category B - Enhancement
- Category C - Land Management/Administration

Over the last six months, SJCOG, Inc., the Habitat Technical Advisory Committee (HTAC) and Financial Subcommittee engaged in a review of land sales market data and analysis. The HTAC consists of planning staff from local county and city agencies (including Stockton), building industry associations, and state and federal environmental protection agencies. The HTAC Committee recommended approval of the financial model update and new calculated fee rates to the SJCOG Inc. Board. The Habitat Fee must be adopted by each local jurisdiction to take effect in that community.

The collected fees are used to purchase and preserve land throughout San Joaquin County. Additional costs cover restoration of land, monitoring, reporting, and biological reviews of land subject to the overall Plan.

While there are no preserve areas located within the City of Stockton, the Hansen Preserve, and the Wing Levee Road Preserve are closest to Stockton. The Hansen Preserve is a 304-acre field crop preserve located east of N. Tully Road and to the north of Frazier Road northeast of the City of Stockton. Enhancements will support species such as the Swainson's Hawk, Burrowing Owl, Tricolored Blackbird, and the Yellow Warbler. The Wing Levee Road Preserve is a 355-acre Preserve located on the eastern border of Union Island along Middle River, southwest of the City of Stockton and north of the City of Tracy. The property serves as a habitat for the Swainson's Hawk, Burrowing Owl, and Valley Elderberry Longhorned Beetle. These lands are protected through land covenants (i.e., easements, restrictions) that prevent development and can also include possible improvements to restore or encourage new habitat. A map of the regional preserve areas is included on Attachment C - Regional Preserve Areas.

On February 20, 2001, the Stockton City Council adopted three Resolutions as follows:

1. Resolution No. 01-0099 -- Certifying the Final Environmental Impact Report/Environmental
Impact Statement (Final EIR/EIS), adopting the related California Environmental Quality Act (CEQA) Findings and Mitigation Reporting/Monitoring Program, and adopting the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan;

2. Resolution No. 01-0100 -- Adopting the Implementation Agreement of the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan authorizing the filing of the related Federal Endangered Species Act Section 10(a)(1)(B) Incidental Take Permit application with the U.S. Fish and Wildlife Service; and

3. Resolution No. 01-0101 -- Approving amendments to the Joint Powers Agreement with the SJCOG, Inc. authorizing SJCOG, Inc. to assume responsibilities specified in the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan.

Applicants that participate in the Plan benefit from a pre-determined streamlined process. By participating in the Plan, the applicant may choose from a menu of options to mitigate impacts:

1. Pay the Plan Fee;
2. Redesign the project to avoid/minimize impacts;
3. Provide land in lieu of the Plan Fee; or
4. Any combination of the above options.

Alternatively, a project can choose not to participate in the Plan and fulfill mitigation requirements on its own with the respective permitting agencies. Based on City Staff's experience, this option is very rarely chosen by developers.

From the beginning, the City collects Plan fees at the time of building permit issuance, like other development impacts fees in the City’s Public Facilities Fee Program. Plan fees for individual projects (e.g., house on a single parcel) are adjusted to ensure that the per-acre fee as established by SJCOG, Inc. is collected for the entire (gross) project area. For example, a house built on a parcel within a large subdivision relies on additional land to support the residential use (e.g., road in front of the house). The adjusted development fee includes this supporting land so that all the acreage is accounted for within a given project area, and the appropriate Plan fee is paid.

On December 15, 2009, the City Council adopted Resolution Number 09-409, which authorized an amendment to the Public Facility Fee Program’s Administrative Guidelines to establish SJCOG, Inc. as the entity responsible for the collection of the Development Fee. This change was to ensure the accurate calculation and collection of Plan fees due and a result of the significant volume of City projects participating in the Plan.

Each year, SJCOG, Inc. uses comparable agricultural land sales within San Joaquin County that meet certain criteria adopted by the Board. Easement acquisition costs are a primary consideration, as are comparable land sale costs. As shown in Table 1 below, Plan fees can be quite different from year to year. The rise and fall of Plan fees is primarily a result of the land acquisition category component of the fee calculation model.
Table 1 - Plan Fees 2017-2022 (Rate per acre)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Open Space</td>
<td>$8,905</td>
<td>$9,701</td>
<td>$6,700</td>
<td>$6,412</td>
<td>$8,682</td>
<td>$9,781</td>
<td>$9,629</td>
</tr>
<tr>
<td>AG/Natural (grasslands)</td>
<td>$17,808</td>
<td>$19,400</td>
<td>$13,399</td>
<td>$12,822</td>
<td>$17,363</td>
<td>$19,561</td>
<td>$19,255</td>
</tr>
<tr>
<td>Vernal Pool (wetted)</td>
<td>$66,437</td>
<td>$72,523</td>
<td>$54,576</td>
<td>$52,833</td>
<td>$71,544</td>
<td>$80,453</td>
<td>$75,320</td>
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<tr>
<td>Vernal Pool (wetted)</td>
<td>$109,737</td>
<td>$116,871</td>
<td>$101,033</td>
<td>$100,788</td>
<td>$161,286</td>
<td>$174,040</td>
<td>$176,878</td>
</tr>
</tbody>
</table>

Present Situation

In August 2022, the SJCOG, Inc. Board approved the proposed 2023 Development Fee increase based on 2020 San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP) 5-year Financial Model Update. The fee model uses three main categories: Category A - Acquisition; Category B - Enhancement; and Category C - Land Management/Administration to calculate fee rates.

I. Category A (Acquisition) - Comparables:

This category addresses land valuation and is based on comparable land sales in San Joaquin County. The land sale must have occurred in specific zones of the SJMSCP area (Central Zone, Central Southwest Transition Zone and Delta Zone) over an established 2-year period to be included in the analysis. Each year, all qualified comparable land sales in each zone, including SJCOG, Inc. easements, are evaluated to establish a weighted cost per acre using the methodology in previous Financial Analysis Updates, but without SJCOG, Inc. easement appraisals.

The fee model update results in a 6.5% decrease in the Agricultural/Natural Habitat types of Category A (Acquisition) component to be $12,716. The reason for the decrease is the small dip in overall comparable fee title land sale values from prior year jumps.

II. Category B (Assessment & Enhancement) - Refined Cost Factors/Redistribution of Habitat/Consumer Price Index

The total cost for Category B is a function of the SJMSCP Annual Report updated annually with the acres remaining to be acquired and the number of years remaining in the permit term. The unit cost factors (per acre or per year for some items) are adjusted only by the CPI (the California CPI calculation was an increase of 8.3%). But the total cost for Category B is also a function of the SJMSCP Annual Report data updated annually (acres remaining to be acquired and the number of years remaining in the permit term; the fee per acre is a function of those total calculated costs and the land conversion acres remaining). These factors all feed into the fee model. The fee model update results in a 9.8% increase in the Agricultural/Natural Habitat types of Category B (Assessment and Enhancement) component to be $5,769.
Annual cost updates will continue to use the California Consumer Price Index (CPI), as reported by the California Department of Finance, for the preceding 12-month fiscal year (e.g. July - June) to keep up with inflation annually. The fee model update results in an 8.3% increase in the Agricultural/Natural Habitat types of Category C (Management, Monitoring and Administration) component from prior years to be $769.97.

**Plan Mitigation Fee Formula = Proposed 2023 Plan Fees**

The formula for fee calculation is categorized into three distinct components (discussed above) to calculate a supported fee per acre [FEE = Category A (acquisition) + Category B (assessment & enhancement) + Category C (management & administration)].

For comparison purposes, the 2022 SJMSCP Fees and calculations are shown in Table 2, and the proposed 2023 Plan Fees and calculations are shown in Table 3. Compared to 2022, the proposed 2023 Plan Fees reflect an overall decrease of 1.6% in the Open Space and Agricultural and Natural habitat classifications. Staff analysis of the financial model results concluded that the differences in fees are due primarily to land sale prices increasing in Category A land acquisition costs. It should be noted that the Vernal Pool area for Stockton is very small and located on peripheral properties that may never be developed.

**Table 2 - 2022 SJMSCP Development Fees**

<table>
<thead>
<tr>
<th>Habitat Type</th>
<th>Category A</th>
<th>Category B</th>
<th>Category C</th>
<th>Total Fee</th>
<th>Rounded Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open Space</td>
<td>$6,797.00</td>
<td>$2,628.00</td>
<td>$356.00</td>
<td>$9,781.00</td>
<td>$9,781.00</td>
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<tr>
<td>AG/Natural</td>
<td>$13,594.00</td>
<td>$5,256.00</td>
<td>$710.96</td>
<td>$19,560.96</td>
<td>$19,561.00</td>
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<tr>
<td>Vernal Pool (grasslands)</td>
<td>$65,307.00</td>
<td>$13,390.00</td>
<td>$1,756.01</td>
<td>$80,453.01</td>
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</tr>
<tr>
<td>Vernal Pool (wetted)</td>
<td>$64,182.00</td>
<td>$108,136.00</td>
<td>$1,721.56</td>
<td>$174,039.56</td>
<td>$174,040.00</td>
</tr>
</tbody>
</table>

**Table 3 - Proposed 2023 SJMSCP Development Fees**

<table>
<thead>
<tr>
<th>Habitat Type</th>
<th>Category A</th>
<th>Category B</th>
<th>Category C</th>
<th>Total Fee</th>
<th>Rounded Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open Space</td>
<td>$6,358.00</td>
<td>$2,885.00</td>
<td>$385.55</td>
<td>$9,628.55</td>
<td>$9,629</td>
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<tr>
<td>AG/Natural</td>
<td>$12,716.00</td>
<td>$5,769.00</td>
<td>$769.97</td>
<td>$19,254.97</td>
<td>$19,255</td>
</tr>
<tr>
<td>Vernal Pool (grasslands)</td>
<td>$58,927.00</td>
<td>$14,491.00</td>
<td>$1,901.76</td>
<td>$75,319.76</td>
<td>$75,320</td>
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<td>Vernal Pool (wetted)</td>
<td>$57,912.00</td>
<td>$117,102.00</td>
<td>$1,864.45</td>
<td>$176,878.45</td>
<td>$176,878</td>
</tr>
</tbody>
</table>
Although the City adopted several public facility fee reduction programs and a fee deferral program for specified fees within the City’s control, fees such as this Countywide Habitat Conservation Plan (HCP) Fee are subject to a regional agreement that was promulgated by the Federal and State Endangered Species Act. The administration of this fee is detailed in the Countywide HCP, where SJCOG Inc. is the designated Administrator. Methodologies and fee analyses are overseen by SJCOG HTAC and Financial subcommittees. As a result, these “development fees” are not subject to reduction and deferral programs.

PUBLIC NOTICE

A Public Notice of this hearing was published in the Record on November 23, 2022.

FINANCIAL SUMMARY

There is no direct financial impact to the City of Stockton, as this Development Fee is collected directly by SJCOG, Inc.

Attachment A - SJMSCP Staff Report - August 2022
Attachment B - Habitat Fee Areas
Attachment C - Regional Preserve Areas
STAFF REPORT

SUBJECT: 2023 SJMSCP Development Fee Annual Adjustment

RECOMMENDED ACTION: Motion to Approve the 2023 SJMSCP Development Fees as Adjusted Pursuant to the Financial Analysis Model

SUMMARY:

Using the adopted five-year financial analysis model to the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP) the SJCOG Inc. staff, HTAC Financial Subcommittee members (Table 1) and consultants undertook the annual analysis in summer 2022. The goal of the annual analysis is to establish the next year’s habitat plan fees paid by the development project. The fees are for impacts under the countywide SJMSCP permits as defined in the three fee model categories (Category A – Acquisition; Category B - Assessment and Enhancement; and Category C - Land Management and Administration).

Table 1 – HTAC Financial Subcommittee Members:

| John Beckman, BIA | Matt Diaz, Stockton | Zachery Kearns, CDFW |
| Dan Gifford, Conservation | Alisa Goulart, SJ County |

The proposed 2023 SJMSCP development fees were adjusted using the recommended 2020 SJMSCP Five-Year Financial Model Update for the respective categories and are compared to the 2022 SJMSCP Development fees (Table 2) in the most common habitat categories under the plan. The change is an overall decrease of 1.6% in the most impacted categories of Agricultural and Natural habitat classifications from the prior year. The decrease is due primarily to a dip in the land acquisition component (Category A) for agricultural land price values of comparable sales even though there was an unusually robust rise in the reported Consumer Price Index (CPI) for Categories B and C.

Table 2 - Compared 2023 & 2022 SJMSCP Development Fees – Most Common Fee Habitat Types

<table>
<thead>
<tr>
<th>Category</th>
<th>2023 Fee - Proposed</th>
<th>2022 Fee - Adopted</th>
<th>Difference</th>
<th>Percent Change</th>
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</thead>
<tbody>
<tr>
<td>Agricultural/Natural</td>
<td>$19,255</td>
<td>$19,561</td>
<td>$306</td>
<td>1.6%</td>
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</tbody>
</table>
Table 3 illustrates the history of the SJMSCP development fees over the years since the funding shortfall was noted by the permitting agencies in 2006. The fees can fluctuate primarily based on the Category A – acquisition component of the fee formula over time.

Table 3- History and Annual Percentage Change for SJMSCP Development Fees

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Multi-Purpose Open Space</td>
<td>$6,511</td>
<td>$6,165</td>
<td>$7,052</td>
<td>$7,307</td>
<td>$6,631</td>
<td>$6,395</td>
<td>$6,364</td>
<td>$6,656</td>
<td>$7,284</td>
<td>$7,807</td>
<td>$8,905</td>
<td>$9,701</td>
<td>$6,700</td>
<td>$6,412</td>
<td>$8,682</td>
<td>$9,781</td>
</tr>
<tr>
<td>Agriculture/Natural</td>
<td>$13,022</td>
<td>$12,329</td>
<td>$14,104</td>
<td>$14,615</td>
<td>$13,262</td>
<td>$14,372</td>
<td>$12,711</td>
<td>$13,205</td>
<td>$14,543</td>
<td>$15,506</td>
<td>$17,808</td>
<td>$19,400</td>
<td>$13,399</td>
<td>$12,822</td>
<td>$17,763</td>
<td>$19,561</td>
</tr>
<tr>
<td>Vernal Pools</td>
<td>$69,858</td>
<td>$71,125</td>
<td>$78,353</td>
<td>$80,760</td>
<td>$77,720</td>
<td>$81,989</td>
<td>$78,311</td>
<td>$80,972</td>
<td>$85,831</td>
<td>$90,273</td>
<td>$90,737</td>
<td>$109,737</td>
<td>$116,871</td>
<td>$101,033</td>
<td>$100,708</td>
<td>$181,246</td>
</tr>
<tr>
<td>(wetted)</td>
<td>$34,958</td>
<td>$35,143</td>
<td>$40,565</td>
<td>$42,075</td>
<td>$38,328</td>
<td>$41,534</td>
<td>$37,107</td>
<td>$39,647</td>
<td>$42,784</td>
<td>$46,669</td>
<td>$46,417</td>
<td>$47,523</td>
<td>$54,576</td>
<td>$52,833</td>
<td>$71,544</td>
<td>$60,453</td>
</tr>
<tr>
<td>(upland)</td>
<td>$35,152</td>
<td>$35,008</td>
<td>$37,788</td>
<td>$38,720</td>
<td>$38,078</td>
<td>$36,397</td>
<td>$38,564</td>
<td>$37,888</td>
<td>$36,278</td>
<td>$40,186</td>
<td>$43,124</td>
<td>$47,214</td>
<td>$50,407</td>
<td>$48,975</td>
<td>$62,348</td>
<td>$60,589</td>
</tr>
<tr>
<td>Percentage Change Yearly</td>
<td>-5.3%</td>
<td>14.4%</td>
<td>3.6%</td>
<td>-9.9%</td>
<td>8.4%</td>
<td>-11.4%</td>
<td>-4.6%</td>
<td>9.4%</td>
<td>7.2%</td>
<td>14.2%</td>
<td>8.9%</td>
<td>-38.9%</td>
<td>-4.9%</td>
<td>35.4%</td>
<td>12.7%</td>
<td></td>
</tr>
</tbody>
</table>

Projects participating under the SJMSCP benefit from a predetermined, streamlined processing of the project rather than navigating through a potentially very long, cumbersome, and expensive regulatory process outside the habitat plan. By voluntarily opting for participation, the project proponent can choose any number of ways to provide mitigation for the impacts of the project through the plan and even control much of the mitigation costs if desired. The options are:

1. Pay the applicable fee.
2. Redesign the project to avoid/minimize impacts.
3. Provide land in lieu of the SJMSCP fee, which the project proponent will negotiate directly with the seller on the easement/fee title costs (Category A component).
4. Any combination of the above options.

And if those options are not sufficient, the project proponent can choose to not participate in the plan (opt out) and fulfill mitigation requirements on their own with state and federal permitting agencies independently.

RECOMMENDATION:

The HTAC Financial Subcommittee and the HTAC make the recommendation to SJCOG, Inc. Board to Approve the 2023 SJMSCP Development Fees as Adjusted Pursuant to the Financial Analysis Model.

FISCAL IMPACT:

Development fees provide funding for SJCOG Inc. to mitigate project impacts covered under the SJMSCP permits for the subsequent calendar year beginning January 1.

BACKGROUND:
Annually, the SJMSCP development fees are reviewed and calculated using a formula method adopted under the habitat. The three components of the formula are adjusted using a specific mechanism, which relates to the individual component in the fee based on the most current data. The development fees established must be adopted by each of the jurisdictions and would become effective on January 1 of the subsequent year for projects using the SJMSCP.

Category A (Acquisition) – Comparable Land Sales

This category is directly related to land valuation based on comparable land sales in San Joaquin County in specific zones of the plan area (Central Zone, Central Southwest Transition Zone and Delta Zone) over an established two-year period meeting the established criteria used for comparable land sales (Attachment 1). Cost estimates for this category will continue to be evaluated on a yearly basis by taking all qualified fee title comparable sales in each zone to set a weighted cost per acre. Also, during the third year of the five-year cycle, the HTAC Financial Subcommittee reviewed the percentage of easement value to fee title value percentage used in the fee model for this category which was part of the 2020 model update. The percentage rose slightly from 56% to 58% which was incorporated into going forward until next 5-Year Review process.

The fee model update results in a 6.5% decrease in the Agricultural/Natural Habitat types of Category A (Acquisition) component to be $12,716. The reason for the decrease is the small dip in overall comparable fee title land sale values from prior year jumps.

Category B (Assessment and Enhancement) – Refined Cost Factors with Consumer Price Index and Model Data Update

The Category B component of the fee is adjusted using several factors including the California Consumer Price Index (CPI), as reported by the California Department of Finance for the
preceding 12-month fiscal year (June 2021 – June 2022) and from the updated model numbers based on the SJMSCP Annual Report.

The unit cost factors (per acre or per year for some items) are adjusted only by the CPI (the California CPI calculation was an increase of 8.3%). But the total cost for Category B is also a function of the SJMSCP Annual Report data updated annually (acres remaining to be acquired and the number of years remaining in the permit term; the fee per acre is a function of those total calculated costs and the land conversion acres remaining). These factors all feed into the fee model.

The fee model update results in a 9.8% increase in the Agricultural/Natural Habitat types of Category B (Assessment and Enhancement) component to be $5,769.

**Category C (Management, Monitoring and Administration) – Refined Cost Factors/Long Term Investment with Consumer Price Index**

Annual cost updates use the California Consumer Price Index (CPI), as reported by the California Department of Finance, for the preceding 12-month fiscal year (June 2021 – June 2022) to keep up with inflation on an annual basis.

The fee model update results in an 8.3% increase in the Agricultural/Natural Habitat types of Category C (Management, Monitoring and Administration) component from prior years to be $769.97.

In summary, the SJMSCP fees is calculated using the SJMSCP Financial Analysis formula model shown in the final proposed fee table 4 below and Attachment 2 (SJMSCP Cost and Fee Analysis 2023 Update). The overall result in the fee analysis is a **1.6%** decrease in the most impacted Agricultural and Natural Habitat Classifications fees for 2023.

**Table 4 - 2023 SJMSCP Development Fees - Proposed**

<table>
<thead>
<tr>
<th>Habitat Type</th>
<th>Category A</th>
<th>Category B</th>
<th>Category C</th>
<th>Total Fee</th>
<th>Rounded Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Open Space</td>
<td>$6,358.00</td>
<td>$2,885.00</td>
<td>$385.55</td>
<td>$9,628.55</td>
<td>$9,629</td>
</tr>
<tr>
<td>Natural/Ag Lands</td>
<td>$12,716.00</td>
<td>$5,769.00</td>
<td>$769.97</td>
<td>$19,254.97</td>
<td>$19,255</td>
</tr>
<tr>
<td>Vernal Pool Grasslands</td>
<td>$58,927.00</td>
<td>$14,491.00</td>
<td>$1,901.76</td>
<td>$75,319.76</td>
<td>$75,320</td>
</tr>
<tr>
<td>Vernal Pool Wetted</td>
<td>$57,912.00</td>
<td>$117,102.00</td>
<td>$1,864.45</td>
<td>$176,878.45</td>
<td>$176,878</td>
</tr>
</tbody>
</table>

**COMMITTEE ACTIONS:**

- HTAC FINANCIAL SUBCOMMITTEE: Recommended Approval to HTAC
- HTAC: Recommended Approval
- Management and Finance: Information
- Executive Committee: Information
- SJCOG Inc. Board: August 25, 2022

_Prepared by: Steven Mayo, Program Manager_
Attachment 1 – 2023 Fee Study Property List - Props 24 Month

<table>
<thead>
<tr>
<th>Property</th>
<th>Address</th>
<th>Type</th>
<th>assessable area</th>
<th>app basis</th>
<th>app area</th>
<th>ass value</th>
<th>ass basis</th>
<th>ass area</th>
<th>ass land value</th>
<th>ass land basis</th>
<th>ass land area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property 1</td>
<td>123 Main St</td>
<td>Commercial</td>
<td>1000 sq ft</td>
<td>$50,000</td>
<td>1000 sq ft</td>
<td>$50,000</td>
<td>$50,000</td>
<td>1000 sq ft</td>
<td>$50,000</td>
<td>$50,000</td>
<td>1000 sq ft</td>
</tr>
<tr>
<td>Property 2</td>
<td>456 Elm Ave</td>
<td>Residential</td>
<td>2000 sq ft</td>
<td>$100,000</td>
<td>2000 sq ft</td>
<td>$100,000</td>
<td>$100,000</td>
<td>2000 sq ft</td>
<td>$100,000</td>
<td>$100,000</td>
<td>2000 sq ft</td>
</tr>
<tr>
<td>Property 3</td>
<td>789 Oak Dr</td>
<td>Commercial</td>
<td>1500 sq ft</td>
<td>$60,000</td>
<td>1500 sq ft</td>
<td>$60,000</td>
<td>$60,000</td>
<td>1500 sq ft</td>
<td>$60,000</td>
<td>$60,000</td>
<td>1500 sq ft</td>
</tr>
</tbody>
</table>

Note: The above table is a sample and the actual data may vary.
Attachment 2 – SJMSCP Cost and Fee Analysis 2023 Update
### Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes to User</td>
<td>Model overview and instructions for annual updates</td>
</tr>
<tr>
<td>Fee Summary Comparison</td>
<td>Table showing calculated fee amounts by habitat type and category; comparison to adopted fees; linked from other sheets; includes California CPI factor for Category C annual update</td>
</tr>
<tr>
<td>A1 PerAcreCostFactorsbyZone</td>
<td>Per acre easement cost factors by zone based on input from comparables and appraisal analysis</td>
</tr>
<tr>
<td>A2 PerAcreAcquisitionCost</td>
<td>Weighted acquisition cost factors by habitat type based on distribution of preserves by zone; adds transaction costs</td>
</tr>
<tr>
<td>A3 AcquisitionCostHabitatType</td>
<td>Total acquisition cost by habitat type, for preserves remaining to be acquired</td>
</tr>
<tr>
<td>A4 AcquisitionFEE</td>
<td>Category A fee by habitat type, based on remaining land conversion</td>
</tr>
<tr>
<td>B1 PreserveEnhancementCost</td>
<td>Weighted enhancement cost factors by habitat type based on estimate of acres enhanced and detailed per acre enhancement cost factors</td>
</tr>
<tr>
<td>B2 AssessmentEnhancementCost</td>
<td>All assessment and enhancement cost factors by habitat type, for preserves remaining to be acquired</td>
</tr>
<tr>
<td>B3 AssessEnhancementCostAllocation</td>
<td>Total assessment and enhancement cost by habitat type, remainder of permit term, for preserves remaining to be acquired</td>
</tr>
<tr>
<td>B4 AssessmentEnhancementFEE</td>
<td>Category B fee by habitat type, based on remaining land conversion</td>
</tr>
<tr>
<td>C MonitoringAdminFEE</td>
<td>Category C fee by habitat type, based on remaining land conversion; links to summary comparison for annual update</td>
</tr>
<tr>
<td>For 5-Year Update Only =&gt;</td>
<td>Workbook break: the following tabs for Category C are only used in the 5-year economic analysis update</td>
</tr>
<tr>
<td>C1 MonitoringCost</td>
<td>Monitoring cost factors by habitat type, including post-permit annual cost; costs for remainder of permit term, all preserve acres</td>
</tr>
<tr>
<td>C2 PMAdminCost</td>
<td>Project management and administrative cost factors, including post-permit annual cost; costs for remainder of permit term, all preserve acres</td>
</tr>
<tr>
<td>C3 Permit Term Cost Adjustments</td>
<td>Category C fund balance deducted from Category C costs remainder of permit term to calculate net cost for cost allocation and fee</td>
</tr>
<tr>
<td>C4 Endowment</td>
<td>Endowment cash flow, return assumptions, and total in year 51 to support post-permit annual cost</td>
</tr>
<tr>
<td>C5 MonitoringAdminCostAlloc</td>
<td>Total monitoring, management, and administrative cost by habitat type, remainder of permit term and endowment for post permit cost</td>
</tr>
<tr>
<td>C6 MonitoringAdminFEE</td>
<td>Category C fee by habitat type, based on remaining land conversion</td>
</tr>
<tr>
<td>Source for update acres =&gt;</td>
<td>Workbook break: the following tabs are updated annually and every 5 years for acres inputs</td>
</tr>
<tr>
<td>1 SJMSCP Acres 6_4_2015</td>
<td>Land conversion and preserve acres by habitat type for the 50-year permit term (source table)</td>
</tr>
<tr>
<td>2.1 RemainingPreservetoAcquire</td>
<td>Preserve Acres, Total and Remaining to be Acquired (from Table 1 and Annual Report updates)</td>
</tr>
<tr>
<td>2.2 Preserves_Habitat_Zone_2019</td>
<td>Detail on preserve acquisition by habitat type and zone for use in monitoring cost estimates (not used in annual updates)</td>
</tr>
<tr>
<td>3 Cumulative Take_Remaining</td>
<td>Allowed and Remaining Incidental Take Acreage (from Table 1 and Annual Report updates)</td>
</tr>
<tr>
<td>4 PreserveAcquisitionSchedule</td>
<td>Preserve Acquisition Schedule, All Habitat Types, by Index Zone, Remaining Permit Term (from Table 2.1 and 2.2)</td>
</tr>
<tr>
<td>Fund Balance Analysis =&gt;</td>
<td>Workbook break: the following tabs are updated every 5 years for Category C cost analysis</td>
</tr>
<tr>
<td>5 FundBalanceAllocation</td>
<td>Allocation of Fund Balance to Category B and Category C (permit term) and post-permit endowment</td>
</tr>
<tr>
<td>B1 ExistingPreserveEnhanceCost</td>
<td>Estimate of enhancement costs on existing preserves with updated cost factors, to allocate fund balance to Category B</td>
</tr>
</tbody>
</table>
This workbook of linked worksheets calculates SJMSCP Impact Fees for Categories A, B, and C. The workbook contains all of the elements needed for annual updates as well as the framework for the more complex 5-year economic analysis updates. 

*Action items for annual updates indicated in red italics.*

**Category A** and **Category B** are fees for **one-time costs** for land acquisition, enhancement, restoration and associated site assessments and planning.

These fees will be updated annually by updating the per-acre cost factors and updating the *acres remaining to be acquired* and the *remaining acres of land conversion* based on data from SJMSCP Annual Reports.

- Category A per-acre cost factors updated by annual comparables analysis, as established in past practice, and evaluation of easement cost percent of fee title based on SJMSCP appraisals
- Category B per-acre and annual cost factors updated by applying California CPI to unit cost factors
- The total costs in Category A and Category B for each annual update will reflect the *acres remaining to be acquired* and the fees for each annual update will reflect the *remaining acres of land conversion* from SJMSCP Annual Reports.

**Category C** is a fee for **on-going annual costs** for the remainder of the permit term and post-permit in perpetuity.

- Incorporating Annual Report data in the annual updates of on-going permit term and post-permit costs adds unnecessary complexity to the annual update of this component of the SJMSCP fees.
- The endowment cash flow analysis required to estimate post-permit costs, are more complex work efforts not justified to generally keep Category C fees in line with annual cost inflation. Moreover, because management and administration costs are not sensitive to habitat type, it is not as important to account for the annual variation in preserve acquisition and land conversion captured in the annual updates to Categories A and B.

**Components of the workbook:**

1. The Fee Summary Comparison worksheet compares calculated updated fees to fees currently in effect and includes the California CPI for Category C updates.
2. Category A tabs A1 - A4 calculate the fees for Category A Acquisition.
3. Category B tabs B1 - B4 calculate the fees for Category B Assessment and Enhancement.
4. Category C Fee tab shows the fees by habitat type calculated in the 2020 Economic Analysis Update, the basis for the
UPDATE ONLY
the SJMSCP Annual Report; Table 4 showing the preserve monitoring schedule by habitat type and zone is used only in
the 5-year update.
7. Tables 5 and B1 ExistingPreserveEnhanceCost provide the fund balance analysis completed every five years as part
of the Category C update.
Fee Summary Comparison
Calculates new annual fees and compares to prior year adopted fees.

1. Paste values of prior year adopted fees in cells C11:E14.
2. Insert updated annual California CPI factor in cell F1.
3. Updated fees for Category A show in cells C5:C8 and updated fees for Category B show in cells D5:D8. The fees are linl
4. Formulas in cells E5:E8 calculate Category C fee update amounts based on prior year adopted fee amounts in cells
   E11:E14 and the California CPI.

Category A Acquisition
A.1 Category A Per-Acre Acquisition Cost Factors by Zone
   Delta.
   1. Update SJCOG, Inc. appraisal list each year and calculate weighted average percent by dividing cumulative total
      easement value (cost) by cumulative total before value (fee title value).
   2. Value of Southwest Zone easement cost remains unchanged until experience indicates it should be updated.
A.2 Per-Acre Acquisition Cost Factors by Preserve/Habitat Type
   No annual input needed. Links and formulas calculate total cost factors per acre for each habitat type.
   1. Easement cost factor input linked from A.1.
   2. Distribution by preserve type is not changed from 1996 Economic Analysis.
   3. Transaction cost and VP acquisition assumptions not changed.
A.3 Total Acquisition Costs by Habitat Type, Remainder of Permit Term
   No annual input needed. Links and formulas calculate total cost for each habitat type.
   1. Land acquisition cost factors linked from A.2.
   2. Preserve acres remaining to be acquired linked from Table 2.1 (updated annually based on SJMSCP Annual Report).
A.4 Fee Calculations
   No annual input needed. Links and formulas calculate fee for each habitat type.
   1. Cost by habitat type linked from A.3.
   2. Land conversion remaining linked from Table 3 (updated annually based on SJMSCP Annual Report).
Category B Assessment and Enhancement

B.1 SJMSCP Preserve land by habitat type, enhancement analysis, and enhancement cost factors per preserve acre refined, and update of costs for enhancements and restoration. 2020 Analysis included further cost updates based on actual SJCOG, Inc. experience and other relevant cost updates. Table calculates weighted average cost per preserve acre for agricultural lands, non-vernal pool natural lands, and vernal pool preserves. Update enhancement cost analysis every five years.

1. Insert updated annual California CPI factor in cell E1.

B.2 Category B Assessment, Planning, Restoration and Enhancement Cost Factors

1. Update remaining years in permit term.
2. Insert updated annual California CPI factor in cell C1.

B.3 Category B Assessment, Planning, Restoration, and Enhancement Cost Allocation by Habitat Type

1. Cost by habitat type linked from B.3.
2. Preserve acres remaining to be acquired linked from Table 2.1 (updated annually based on SJMSCP Annual Report).

B.4 Fee Calculations

1. Cost by habitat type linked from B.3.
2. Land conversion remaining linked from Table 3 (updated annually based on SJMSCP Annual Report).

Category C Monitoring, Management, and Administration

C.5 Fee Calculations - Annual Update Only

1. For 2020 update, Category C fee amounts by habitat type linked to Fee Summary Comparison table.
2. Update annually by applying California CPI factor to prior year Category C fee amounts, as in past practice.

*Note: this is done in the Fee Summary Comparison worksheet.*
Category C Monitoring, Management, and Administration - INSTRUCTIONS FOR FIVE-YEAR UPDATE

C.1 Category C (part) Compliance and Effectiveness Monitoring Cost Assumptions

1. Remaining years in permit term linked from Table 4 Preserve Monitoring Schedule.
2. Update monitoring cost factors (annual costs and annual costs per acre).
3. Total costs by type of monitoring for the remainder of the permit term calculated by worksheet formula. With links to Table 4 Preserve Monitoring Schedule.
4. Post permit cost updates by worksheet formula based on updates to detail in rows above. Acres input linked from Table 4 Preserve Monitoring Schedule.

C.2 Category C (part) Project Management and Administrative Cost Assumptions

1. Remaining years in permit term linked from Table 4 Preserve Monitoring Schedule.
2. Update annual management and administrative staff cost and cost allocation, Habitat Plan Environmental Consulting, and Land Manager Coordination costs from analysis of Cumulative Schedule of Receipts and Disbursements in SJMSCP Annual Report, supplemented as needed by cost code detail provided by SJCOG, Inc. staff.
3. Update Financial Plan Five-Year Review and Update cost based on contracts.
4. Post permit cost updates by worksheet formula based on updates to detail in rows above.

C.3 Adjustments for Remaining Fund Balance

No input needed. Links and formulas calculate net Category C cost for remainder of permit term.
1. Costs for the remainder of the permit term by cost category linked from Table C.1 and C.2.
2. Category C fund balance as of prior year end for costs on existing preserves linked from Table 5.

C.4 SJMSCP Endowment Fund Cash Flow

This table uses estimates of annual post permit costs, existing fund balance allocated to post-permit costs (based on cumulative take to date as a share of total take), and interest earnings assumptions to estimate the endowment needed at the end of the permit term to fund annual costs in perpetuity. This analysis is to be updated at each 5-year economic analysis review. The worksheet solves for fund balance amount in year 51 that generates the annual income to fully fund annual post permit costs. The worksheet calculates the annual fee revenue required over the remainder of the permit term to achieve that fund balance when added to the existing fund balance for management and administrative costs post permit and interest earnings over the remainder of the permit term. That amount is the total cost to be allocated by habitat type remaining to be acquired and links to
C.5 Category C Monitoring and Project Management/Administration, including endowment for post-permit costs, Cost Alloc.
No input needed. Links and formulas calculate cost for each habitat type.
1. Cost by habitat type linked from C.5.
2. Preserve acres remaining to be acquired linked from Table 2 (updated based on SJMSCP Annual Report).

C.6 Fee Calculations
No input needed. Links and formulas calculate fee for each habitat type.
1. Cost by habitat type linked from C.5.
2. Land conversion remaining linked from Table 3 (updated based on SJMSCP Annual Report).
Tables 1 - 5 (Source Tables)

Table 1 Land Conversion and Preserve Acres by Habitat Type for the 50-year permit term
This table was finalized on June 4, 2015 as part of the Economic Analysis update. This table provides the source data by detailed habitat type for the 50-year permit term totals.

Table 2.1 Preserve Acres, Total and Remaining to be Acquired
1. Total Preserve Acres by habitat type linked from Table 1.
2. Annually, update Total Preserve Acres Acquired through 12/31 from the SJMSCP Annual Report. Note that as of the 2020 update and going forward, grassland acquired to mitigate agricultural land impacts has a new line item in Table 2.1. This amount is deducted from total grassland acquired in cell E11.

Table 2.2 Preserves_Habitat_Zone_2019 (new in 2020 update) - ONLY USED ON 5-YEAR UPDATE
Monitoring Schedule.
preserve to a habitat type and zone. Note that the habitat type represents the type of habitat acquired regardless of the type of impacts mitigated, i.e, grassland preserves acquired to mitigate agricultural impacts are categorized as grassland preserves in this table.

Table 3 Allowed and Remaining Incidental Take Acreage
1 and Table 4.2-2.
2. Annually, update the Cumulative Acres of Take through 12/31 from the SJMSCP Annual Report.
3. Remaining Acres of Land Conversion calculated by worksheet formula; links to cost and fee calculation worksheets.

UPDATE
This table is used in Table C.1 Monitoring Cost All Acres to calculate monitoring costs for the remainder of the permit term for all preserve acres, assuming future acquisition at an average annual pace calculated by dividing the number of acres remaining to be acquired by the number of years remaining in the permit term.
1. Preserve acres remaining to be acquired by zone linked from Table 2.1 (updated based on SJMSCP Annual Report) and Table 2.2 (updated every 5 years).
Column C.
3. At five-year update, double check the formula count of years remaining in permit term in cell C42. This is used as the denominator of the cell formulas for the monitoring schedule above.
**Table 5  Fund Balance Allocation - ONLY USED IN 5-YEAR UPDATE**

This table is used in Table C.3 Permit Term Cost Adjustments to calculate the net Category C costs for the remainder of the permit term. Category B and Category C fund balance is allocated to permit term and post-permit needs.

1. Every 5 years, update the beginning fund balance from the 12/31 year-end statement.
2. Calculate Category B Fund Balance for Category B Enhancements (remaining enhancement cost for existing preserves) based on Table B.1 ExistingPreserveEnhanceCost (five-year update cost factors applied to existing preserves by type) and subtracting expenditures through the prior year-end on preserve enhancement.
3. Fund Balance for Post-Permit Costs on Existing Preserves is linked from Table C.4 Endowment. This fund balance adjustment is only required for the 2020 five-year update and will not be necessary in subsequent years once the separate post-permit endowment account is established.
4. The table subtracts the Fund Balance for Category B Enhancements and the Fund Balance for Post-Permit Costs on Existing Preserves from the year-end statement balance to generate Remaining Fund Balance for Permit Term Category C Costs on Existing Preserves. This result links to Table C.3 Permit Term Cost Adjustments.
## FINANCIAL ANALYSIS UPDATE

**Final Adopted August 27, 2020**

<table>
<thead>
<tr>
<th></th>
<th>Category A</th>
<th>Category B</th>
<th>Category C</th>
<th>Total</th>
<th>Total Rounded</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2023 Fees - Proposed</strong></td>
<td>Acquisition</td>
<td>Assessment &amp; Enhancement</td>
<td>Monitoring, Management &amp; Administration, &amp; Post-permit Endowment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Open Space</td>
<td>$6,358.00</td>
<td>$2,885.00</td>
<td>$385.55</td>
<td>$9,628.55</td>
<td>$9,629</td>
</tr>
<tr>
<td>Natural/Ag Lands</td>
<td>$12,716.00</td>
<td>$5,769.00</td>
<td>$769.97</td>
<td>$19,254.97</td>
<td>$19,255</td>
</tr>
<tr>
<td>Vernal Pool Grasslands</td>
<td>$58,927.00</td>
<td>$14,491.00</td>
<td>$1,901.76</td>
<td>$75,319.76</td>
<td>$75,320</td>
</tr>
<tr>
<td>Vernal Pool Wetted</td>
<td>$57,912.00</td>
<td>$117,102.00</td>
<td>$1,864.45</td>
<td>$176,878.45</td>
<td>$176,878</td>
</tr>
</tbody>
</table>

| **2022 Fees - Adopted** | Acquisition      | Assessment & Enhancement | Monitoring, Management & Administration, & Post-permit Endowment | Total               | Total Rounded          |
| Other Open Space     | $6,797.00        | $2,628.00        | $356.00                           | $9,781.00           | $9,781                 |
| Natural/Ag Lands     | $13,594.00       | $5,256.00       | $710.96                           | $19,560.96          | $19,561                |
| Vernal Pool Grasslands | $65,307.00     | $13,390.00      | $1,756.01                         | $80,453.01          | $80,453                |
| Vernal Pool Wetted   | $64,182.00       | $108,136.00     | $1,721.56                         | $174,039.56         | $174,040               |

### Difference Per Acre ($)

|                      | Acquisition      | Assessment & Enhancement | Monitoring, Management & Administration, & Post-permit Endowment | Total               | Total Rounded          |
| Other Open Space     | ($439)           | $257                    | $30                  | ($152)              | ($152)                 |
| Natural/Ag Lands     | ($878)           | $513                    | $59                  | ($306)              | ($306)                 |
| Vernal Pool Grasslands | ($6,380)        | $1,101                  | $146                | ($5,133)            | ($5,133)               |
| Vernal Pool Wetted   | ($6,270)         | $8,966                  | $143                | $2,839              | $2,839                 |

### Percent Difference

|                      | Acquisition      | Assessment & Enhancement | Monitoring, Management & Administration, & Post-permit Endowment | Total               | Total Rounded          |
| Other Open Space     | -6.5%            | 9.8%                    | 8.3%                | -1.6%               | -1.6%                  |
| Natural/Ag Lands     | -6.5%            | 9.8%                    | 8.3%                | -1.6%               | -1.6%                  |
| Vernal Pool Grasslands | -9.8%           | 8.2%                    | 8.3%                | -6.4%               | -6.4%                  |
| Vernal Pool Wetted   | -9.8%            | 8.3%                    | 8.3%                | 1.6%                | 1.6%                   |

---

DRAFT SJMSCP Cost and Fee Analysis 2023 Update_Mayo August 2022_2023 Annual w CPI.xlsx - Fee Summary Comparison - 8/11/2022
### TABLE A.1

**2020 Five-Year Economic Analysis and Fee Update**

**SJMSCP Fee Update - 2022 (for 2023 SJMSCP Development Fee Cycle)**

**Category A Per-Acre Acquisition Cost Factors by Zone (2022 dollars)**

<table>
<thead>
<tr>
<th></th>
<th>Central Zone</th>
<th>Primary Zone of the Delta</th>
<th>Southwest Zone $^3$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee title value $^1$</td>
<td>a</td>
<td>$23,038</td>
<td>$18,086</td>
</tr>
<tr>
<td>Easement percent of fee title value $^2$</td>
<td>b</td>
<td>58%</td>
<td>58%</td>
</tr>
<tr>
<td>Easement costs</td>
<td>a $\times$ b</td>
<td>$13,362$</td>
<td>$10,490$</td>
</tr>
</tbody>
</table>

---

1. SJCOG, Inc. Fee Study Property List, Table A and Table B
2. SJCOG, Inc. Appraisals as of June 2022
3. Based on standard easement cost in Southwest Zone of $1,000/acre.
### TABLE A.2

#### 2020 Five-Year Economic Analysis and Fee Update

SJMSCP Fee Update - 2022 (for 2023 SJMSCP Development Fee Cycle)

Per Acre Acquisition Cost by Preserve/Habitat Type (2022 dollars)

<table>
<thead>
<tr>
<th>Preserve/Habitat Type</th>
<th>Central Zone</th>
<th>Primary Zone of the Delta</th>
<th>Southwest Zone</th>
<th>Total Weighted Acquisition Cost</th>
<th>Transaction Costs</th>
<th>Total Land Acquisition Costs Per Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Agricultural Lands</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Easement cost by zone</td>
<td>d</td>
<td>$13,362</td>
<td>$10,490</td>
<td>$1,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent in zone</td>
<td>e</td>
<td>98%</td>
<td>2%</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted costs</td>
<td>d × e</td>
<td>$13,121</td>
<td>$189</td>
<td>$0</td>
<td>$13,310</td>
<td>$666</td>
</tr>
<tr>
<td><strong>Natural Lands</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-vernal pool natural lands</td>
<td>f</td>
<td>77%</td>
<td>4%</td>
<td>18%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted costs</td>
<td>d × f</td>
<td>$10,323</td>
<td>$466</td>
<td>$183</td>
<td>$10,972</td>
<td>$549</td>
</tr>
<tr>
<td>Vernal pool grasslands</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>$18,430</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vernal pool wetted</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>$18,430</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. See Table A.1.
2. Percent of total lands in each category assumed to be in a given zone. Based on 1996 Economic Analysis.
3. Weighted average cost based on generalized proportion of total preserve land in each zone. Assumes easement acquisition for lands categorized as agriculture and all natural lands except vernal pool habitat.
4. Assumes fee title acquisition for vernal pool lands. Vernal pool habitat fee title land costs assumed to be about 80% of average Central Zone fee title costs.
5. Transaction costs include biological baseline reporting, appraisal, escrow, and survey costs. Costs are estimated at 5 percent of acquisition cost.
### TABLE A.3

#### 2020 Five-Year Economic Analysis and Fee Update

SJMSCP Fee Update - 2022 (for 2023 SJMSCP Development Fee Cycle)

Total Acquisition Costs by Habitat Type, Remainder of Permit Term (2022 dollars)

<table>
<thead>
<tr>
<th>Preserves by Habitat Type</th>
<th>Land Acquisition Cost Per Acre</th>
<th>Preserve Acres Remaining to be Acquired</th>
<th>Total Costs of Acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural lands</td>
<td>$13,976</td>
<td>38,488.30</td>
<td>$537,912,495</td>
</tr>
<tr>
<td>Natural lands</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-vernal pool natural lands</td>
<td>$11,521</td>
<td>24,321.84</td>
<td>$280,211,919</td>
</tr>
<tr>
<td><strong>Total for Non-vernal pool Natural /Ag Land</strong></td>
<td>$13,025</td>
<td>62,810.14</td>
<td><strong>$818,124,414</strong></td>
</tr>
<tr>
<td>Vernal pool grasslands</td>
<td>$19,352</td>
<td>15,720.66</td>
<td>$304,226,116</td>
</tr>
<tr>
<td>Vernal pool wetted</td>
<td>$19,352</td>
<td>2,115.00</td>
<td>$40,929,480</td>
</tr>
</tbody>
</table>

### 2020 Five-Year Economic Analysis and Fee Update

**SJMSCP Fee Update - 2022 (for 2023 SJMSCP Development Fee Cycle)**

**Category A Acquisition**

**Fee Calculations (2022 dollars)**

<table>
<thead>
<tr>
<th>Habitat Type</th>
<th>Preserve Land Acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs associated with non-vernal pool natural/agricultural lands conversion</td>
<td>$818,124,414</td>
</tr>
<tr>
<td>Natural (non vernal pool)/Agricultural land conversion (acres), remaining</td>
<td>47,278.09</td>
</tr>
<tr>
<td>Multi-purpose open space conversion (acres), remaining¹</td>
<td>34,122.94</td>
</tr>
<tr>
<td>Multiplier for natural/agricultural land conversion</td>
<td>1</td>
</tr>
<tr>
<td>Multiplier for multi-purpose open space conversion¹</td>
<td>0.5</td>
</tr>
<tr>
<td>Acquisition Component of Natural (non vernal pool)/Agricultural Lands</td>
<td>$12,716</td>
</tr>
<tr>
<td>Acquisition Component of Multi-Purpose Open Space Fee¹</td>
<td>$6,358</td>
</tr>
</tbody>
</table>

| Costs associated with vernal pool grasslands                                | $304,226,116              |
| Vernal pool grassland conversion (acres), remaining                         | 5,162.74                  |
| **Acquisition Component of Vernal Pool Grasslands Fee**                     | $58,927                   |

| Costs associated with vernal pool wetted                                    | $40,929,480               |
| Vernal pool wetted conversion (acres), remaining                            | 706.75                    |
| **Acquisition Component of Vernal Pool Wetted Fee**                         | $57,912                   |

---

1. As described in SJMSCP Section 7.4.1.2, the fee calculation allocates the costs associated with agricultural habitat and non-vernal pool natural lands preserves to conversion of both those high value lands (agricultural land and non-vernal pool natural land) and lower value multi-purpose open space. In other words, the SJMSCP does not enhance multi-purpose open space lands but allocates some of the costs of enhancements on agricultural and natural lands preserves to the conversion of multi-purpose open space lands to assist with the financing of those enhancements.

TABLE B.1
2020 Five-Year Economic Analysis and Fee Update
SJMSCP Fee Update - 2022 (for 2023 SJMSCP Development Fee Cycle)
Category B Assessment, Planning, Restoration and Enhancement

<table>
<thead>
<tr>
<th>SJMSCP Preserve land by habitat type, enhancement analysis, and enhancement cost per preserve acre (2022 dollars)</th>
<th>Total Preserve Acres (including neighboring lands preserves)</th>
<th>Percent of Preserve Acres Enhanced</th>
<th>Acres Benefiting from Enhancements</th>
<th>Hedgerow or Other Linear Habitat Feature (acres)</th>
<th>Enhancement Cost per Acre</th>
<th>Total Enhancement Cost</th>
<th>Enhancement Cost per Preserve Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Agricultural Habitat Lands</strong></td>
<td>57,935</td>
<td>10%</td>
<td>5,794</td>
<td>776</td>
<td>$80,276</td>
<td>$622,940,403</td>
<td>$1,075</td>
</tr>
<tr>
<td>Natural Lands</td>
<td>378</td>
<td>33%</td>
<td>126</td>
<td></td>
<td>$350,502</td>
<td>$44,163,267</td>
<td></td>
</tr>
<tr>
<td>Grasslands</td>
<td>14,559</td>
<td>33%</td>
<td>4,853</td>
<td></td>
<td>$22,160</td>
<td>$107,544,159</td>
<td></td>
</tr>
<tr>
<td>Oak woodlands</td>
<td>858</td>
<td>33%</td>
<td>286</td>
<td></td>
<td>$32,789</td>
<td>$9,377,628</td>
<td></td>
</tr>
<tr>
<td>Riparian</td>
<td>2,725</td>
<td>33%</td>
<td>908</td>
<td></td>
<td>$96,105</td>
<td>$87,295,757</td>
<td></td>
</tr>
<tr>
<td>Subtotal aquatic in the Delta</td>
<td>10</td>
<td>100%</td>
<td>10</td>
<td></td>
<td>$66,708</td>
<td>$667,085</td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td>18,530</td>
<td>6,183</td>
<td></td>
<td></td>
<td>$40,277</td>
<td>$249,047,895</td>
<td></td>
</tr>
<tr>
<td>Other natural lands</td>
<td>6,445</td>
<td>33%</td>
<td>2,148</td>
<td></td>
<td>$40,277</td>
<td>$86,529,040</td>
<td></td>
</tr>
<tr>
<td>Subtotal Non VP Natural</td>
<td>24,975</td>
<td></td>
<td></td>
<td></td>
<td>$335,576,935</td>
<td>$13,437</td>
<td></td>
</tr>
<tr>
<td>Vernal pool wetted</td>
<td>2,121</td>
<td>33%</td>
<td>707</td>
<td></td>
<td>$117,249</td>
<td>$82,894,922</td>
<td></td>
</tr>
<tr>
<td>Vernal pool grasslands</td>
<td>15,811</td>
<td>33%</td>
<td>5,270</td>
<td></td>
<td>$14,133</td>
<td>$74,486,412</td>
<td></td>
</tr>
<tr>
<td>Subtotal All Natural Lands</td>
<td>42,907</td>
<td>14,309</td>
<td></td>
<td></td>
<td>$492,958,268</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>100,842</td>
<td>20,103</td>
<td></td>
<td></td>
<td>$555,252,671</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Enhancement criteria derived from the SJMSCP, Section 5.4.6.
2. Unlike most other habitat types, agricultural lands are enhanced by treating linear features that run along the edge of or through fields—features such as roads or drainage ditches. In these cases, the land area of direct enhancement activity is substantially less than that area benefitting from the enhancement. This has the advantage of minimizing impacts to agricultural land production. Installing pollinator hedgerows at the edges of fields and grassland borders along irrigation and drainage ditches, and planting nest trees and associated shrubs and grasses, are enhancements used in the cost analysis to represent the range of types of agricultural land enhancements outlined in the SJMSCP. In addition to benefits to species, these linear features offer benefits of preventing soil erosion and reducing costs for weed control and linear water conveyance infrastructure maintenance. They also enhance the entire field they are associated with, meeting the 10 percent enhancement criteria while also minimizing loss of productive agricultural land. The enhancement cost estimate for agricultural lands is therefore based on the acres of hedgerow or other linear feature multiplied by the cost per acre to install hedgerows and similar linear features.
3. The enhancement cost applies to the acres where construction and/or installation actually takes place. In the case of hedgerows or other linear features, this is only the relatively small area of activity, not the total area that is thereby enhanced. Enhancement cost includes costs for materials, construction labor, and equipment. In addition to the installation activity, the cost per enhanced acre also includes a cost for project oversight and contract administration and three years of maintenance and monitoring. For vernal pool wetted restoration, the cost includes 5 monitoring years during a 10 year post-restoration monitoring period.
4. For agricultural habitat lands, a SJMSCP describes a broad range of enhancement activities and a generalized target of 10 percent enhancement; providing benefits to species without substantially reducing the amount of agricultural land in production. This can be achieved by implementing the linear features described in footnote 2. Pollinator hedgerows or similar linear features enhance the entire field that they are associated with, thereby counting toward the 10 percent enhancement criteria while taking substantially less land out of production.
5. Estimated based on the weighted average cost for all other non-vernal pool natural lands.

Sources: Table A.1, SJCOG, Inc., ICF, and Hausrath Economics Group
TABLE B.2

2020 Five-Year Economic Analysis and Fee Update

SJMSCP Fee Update - 2022 (for 2023 SJMSCP Development Fee Cycle)

Category B Assessment, Planning, Restoration and Enhancement Cost Factors (2022 dollars)

| Remnant of Permit Term | 29 |

**Biological Site Assessment**

- Number of site visits per year: 8
- Annual cost: $7,538
- Total Site Assessment cost remainder of permit term: $218,602

**Preserve Management Plan Preparation**

- Number of management plans per year: 12
- Annual cost: $75,377
- Total Preserve Management Plan cost remainder of permit term: $2,185,933

**Preserve Enhancement Plan Preparation**

- Average cost per enhancement plan: $4,397
- Annual acres per project: 240
- Average cost per preserve acre: $18

**Preserve Enhancements on Agricultural Lands**

- Enhancement cost per preserve acre: $1,075

**Preserve Enhancements on Non-Vernal Pool Natural Lands**

- Enhancement cost per preserve acre: $13,437

**Vernal Pool Creation/Enhancement**

- Enhancement cost per preserve acre: $39,083

**Vernal Pool Upland Grassland Enhancement**

- Enhancement cost per preserve acre: $4,711

# TABLE B.3

## 2020 Five-Year Economic Analysis and Fee Update

**SJMSCP Fee Update - 2022 (for 2023 SJMSCP Development Fee Cycle)**

### Category B Assessment, Planning, Restoration and Enhancement (2022 dollars)

#### Cost Allocation by Habitat Type

**Remainder of Permit Term**

<table>
<thead>
<tr>
<th>Preserves by Habitat Type</th>
<th>Acres Remaining to be Acquired</th>
<th>Percent of Total</th>
<th>Biological Site Assessment</th>
<th>Preserve Management Plans</th>
<th>Preserve Enhancement Plans</th>
<th>Preserve Enhancements</th>
<th>Vernal Pool Restoration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural lands</td>
<td>38,488.30</td>
<td>48%</td>
<td>$104,328</td>
<td>$1,043,239</td>
<td>$692,789</td>
<td>$41,384,409</td>
<td>na</td>
</tr>
<tr>
<td>Non-vernal pool natural lands</td>
<td>24,321.84</td>
<td>30%</td>
<td>65,928</td>
<td>659,252</td>
<td>437,793</td>
<td>$326,800,741</td>
<td>na</td>
</tr>
<tr>
<td>Vernal pool grasslands</td>
<td>15,720.66</td>
<td>19%</td>
<td>42,613</td>
<td>426,114</td>
<td>282,972</td>
<td>$74,060,792</td>
<td>na</td>
</tr>
<tr>
<td>Vernal pool wetted</td>
<td>2,115.00</td>
<td>3%</td>
<td>5,733</td>
<td>57,328</td>
<td>38,070</td>
<td>na</td>
<td>$82,660,424</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>80,645.80</td>
<td>100%</td>
<td>$218,602</td>
<td>$2,185,933</td>
<td>$1,451,624</td>
<td>$442,245,942</td>
<td>$82,660,424</td>
</tr>
</tbody>
</table>

1. Includes 600 acres of neighboring lands preserves.
2. SJCOG, Inc. spending through 12/31/19 on site visits and preserve management plans totals at least $400,000; assume all of these types of costs for existing preserves are included in spe.

## TABLE B.4

**2020 Five-Year Economic Analysis and Fee Update**

SJMSCP Fee Update - 2022 (for 2023 SJMSCP Development Fee Cycle)

### Category B Assessment, Planning, Restoration and Enhancement

#### Fee Calculations (2022 dollars)

<table>
<thead>
<tr>
<th>Habitat Type</th>
<th>Biological Site Assessment</th>
<th>Preserve Management Plans</th>
<th>Preserve Enhancement Plans</th>
<th>Agricultural and Non VP Natural Land Enhancement</th>
<th>Total for Agricultural and Non VP Natural Land (incl. assessment and plans)</th>
<th>Vernal Pool Restoration / Enhancement</th>
<th>Total for Vernal Pool (incl. assessment and plans)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs associated with non-vernal pool natural/agricultural lands conversion</td>
<td>$170,256</td>
<td>$1,702,491</td>
<td>$1,130,582</td>
<td>$368,185,150</td>
<td>$371,188,479</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Natural (non vernal pool)/Agricultural land conversion (acres), remaining</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multi-purpose open space conversion (acres), remaining</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multiplier for natural/agricultural land conversion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multiplier for multi-purpose open space conversion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessment &amp; Enhancement Component of Natural (non-vernal pool)/Agricultural Lands Fee</td>
<td>$3</td>
<td>$26</td>
<td>$18</td>
<td></td>
<td>$5,723</td>
<td>$5,769</td>
<td></td>
</tr>
<tr>
<td>Assessment &amp; Enhancement Component of Multi-Purpose Open Space</td>
<td>$2</td>
<td>$13</td>
<td>$9</td>
<td></td>
<td>$2,862</td>
<td>$2,885</td>
<td></td>
</tr>
<tr>
<td>Costs associated with vernal pool grasslands</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vernal pool grassland conversion (acres), remaining</td>
<td>$42,613</td>
<td>$426,114</td>
<td>$282,972</td>
<td></td>
<td>$74,060,792</td>
<td>$74,812,491</td>
<td></td>
</tr>
<tr>
<td>Assessment &amp; Enhancement Component of Vernal Pool Grasslands Fee</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costs associated with vernal pool wetted</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vernal pool wetted conversion (acres), remaining</td>
<td>$5,733</td>
<td>$57,328</td>
<td>$38,070</td>
<td></td>
<td>$82,660,424</td>
<td>$82,761,555</td>
<td></td>
</tr>
<tr>
<td>Assessment &amp; Enhancement Component of Vernal Pool Wetted Fee</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. As described in SJMSCP Section 7.4.1.2, the fee calculation allocates the costs associated with agricultural habitat and non-vernal pool natural lands preserves to conversion of both those high value lands (agricultural land and non-vernal pool natural land) and lower value multi-purpose open space. In other words, the SJMSCP does not enhance multi-purpose open space lands but allocates some of the costs of enhancements on agricultural and natural lands preserves to the conversion of multi-purpose open space lands to assist with the financing of those enhancements.

### TABLE C.5 for Annual Update

#### 2020 Five-Year Economic Analysis and Fee Update

SJMSCP Fee Update - 2022 (for 2023 SJMSCP Development Fee Cycle)

Category C Monitoring and Program Management/Administration, including endowment for post-permit costs

Fee Calculations (2022 dollars)

<table>
<thead>
<tr>
<th>Habitat Type</th>
<th>Remainder of Permit Term</th>
<th>Post permit</th>
<th>Total</th>
<th>Post Permit % of Total Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs associated with non-vernal pool natural/agricultural lands conversion</td>
<td>$38,737,435</td>
<td>$6,809,704</td>
<td>$45,547,139</td>
<td></td>
</tr>
<tr>
<td>Non-vernal pool Natural/Agricultural land conversion (acres), remaining</td>
<td>49,654.31</td>
<td>49,654.31</td>
<td>49,654.31</td>
<td></td>
</tr>
<tr>
<td>Multi-purpose open space conversion (acres), remaining¹</td>
<td>34,494.82</td>
<td>34,494.82</td>
<td>34,494.82</td>
<td></td>
</tr>
<tr>
<td>Multiplier for natural/agricultural land conversion</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Multiplier for multi-purpose open space conversion¹</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td>Monitoring &amp; Administration Component of Natural (non-vernal pool)/Agricultural Lands Fee</td>
<td>$579</td>
<td>$102</td>
<td>$681</td>
<td>15%</td>
</tr>
<tr>
<td>Monitoring &amp; Administration Component of Multi-Purpose Open Space Fee</td>
<td>$290</td>
<td>$51</td>
<td>$341</td>
<td>15%</td>
</tr>
<tr>
<td>Costs associated with vernal pool grasslands</td>
<td>$7,387,258</td>
<td>$1,298,616</td>
<td>$8,685,874</td>
<td></td>
</tr>
<tr>
<td>Vernal pool grassland conversion (acres), remaining</td>
<td>5,163.08</td>
<td>5,163.08</td>
<td>5,163.08</td>
<td></td>
</tr>
<tr>
<td>Monitoring &amp; Administration Component of Vernal Pool Grasslands Fee</td>
<td>$1,431</td>
<td>$252</td>
<td>$1,682</td>
<td>15%</td>
</tr>
<tr>
<td>Costs associated with vernal pool wetted</td>
<td>$990,979</td>
<td>$174,206</td>
<td>$1,165,185</td>
<td></td>
</tr>
<tr>
<td>Vernal pool wetted conversion (acres), remaining</td>
<td>706.75</td>
<td>706.75</td>
<td>706.75</td>
<td></td>
</tr>
<tr>
<td>Monitoring &amp; Administration Component of Vernal Pool Wetted Fee</td>
<td>$1,402</td>
<td>$246</td>
<td>$1,649</td>
<td>15%</td>
</tr>
</tbody>
</table>

Note: Net of existing fund balance allocated to Category C permit-term and post-permit costs.

1. The fee calculation allocates the costs associated with agricultural habitat and non-vernal pool natural lands preserves to conversion of both those high value lands (agricultural land and non-vernal pool natural land) and lower value multi-purpose open space, thereby assisting with the financing of management and monitoring on agricultural and natural lands preserves.

# Table 1

## 2020 Five-Year Economic Analysis and Fee Update

### Land Conversion and Preserve Acres by Habitat Type for the 50-year Permit Term

<table>
<thead>
<tr>
<th>Habitat Type</th>
<th>Number of Preserve Acres to Land Conversion Acres</th>
<th>Total Preserve Acres for Compensation</th>
<th>Neighboring Land Protection Preserves</th>
<th>Total All Preserve Acres</th>
<th>Percent Total Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural lands $^3$</td>
<td>57,635</td>
<td>1.00</td>
<td>57,635</td>
<td>300</td>
<td>57%</td>
</tr>
<tr>
<td><strong>Natural Lands</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ditches $^3$</td>
<td>126</td>
<td>3.00</td>
<td>378</td>
<td>378</td>
<td>0.37%</td>
</tr>
<tr>
<td>Grasslands $^4$</td>
<td>4,853</td>
<td>3.00</td>
<td>14,559</td>
<td>14,559</td>
<td>14.44%</td>
</tr>
<tr>
<td>Oak woodlands $^5$</td>
<td>286</td>
<td>3.00</td>
<td>858</td>
<td>858</td>
<td>0.85%</td>
</tr>
<tr>
<td>Riparian $^6$</td>
<td>900</td>
<td>3.00</td>
<td>2,700</td>
<td>2,725</td>
<td>2.70%</td>
</tr>
<tr>
<td>Submerged aquatic in the Delta Zone</td>
<td>3</td>
<td>3.00</td>
<td>10</td>
<td>10</td>
<td>0.01%</td>
</tr>
<tr>
<td><strong>Vernal pool grasslands $^7$</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VP - wetted surface area</td>
<td>707</td>
<td>3.00</td>
<td>2,121</td>
<td>2,121</td>
<td>2.10%</td>
</tr>
<tr>
<td>VP - upland grassland</td>
<td>5,187</td>
<td>3.00</td>
<td>15,561</td>
<td>15,561</td>
<td>15.43%</td>
</tr>
<tr>
<td>VP - Neighboring Land Protection preserves $^8$</td>
<td>na</td>
<td>na</td>
<td>250</td>
<td>250</td>
<td>0.25%</td>
</tr>
<tr>
<td><strong>Other natural lands $^9$</strong></td>
<td>2,140</td>
<td>3.00</td>
<td>6,420</td>
<td>6,445</td>
<td>6.39%</td>
</tr>
<tr>
<td><strong>Subtotal Natural Lands</strong></td>
<td>14,202</td>
<td></td>
<td>42,607</td>
<td>42,907</td>
<td>42.55%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>71,837</td>
<td></td>
<td>100,242</td>
<td>100,842</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

**NOTE:** In the following footnotes, "type" refers to the mapped habitat unit identified in the SJMSCP Biological Analysis (Chapter 2). The following footnotes provide summaries only and the reader should refer to the Biological Analysis for a detailed description of each habitat type.

1. Land conversion includes results of Tier 1 and Tier 2 analyses. Agricultural land conversion includes 9,720 acres from Tier 2 Analysis and Natural Lands conversion includes 5,000 acres from Tier 2 Analysis of vernal pool conversion to orchards and vineyards and 744 acres of other natural lands conversion.
2. Neighboring Land Protection Preserves consist of ditched agricultural lands providing habitat for giant garter snake and pond turtle and other lands as needed for compensation to other covered species associated with agricultural land preserves.
3. Drainage ditches (unlined) generally found in agricultural fields (D types).
4. Valley grasslands (G types) and Foothill grasslands (G2 types).
5. Blue Oak woodlands, savanna and forests (BL types), Blue Oak Conifer woodlands, savanna and forests (BCN types), Valley Oak Woodland, savanna and forests (V types), and Mixed Oak Woodlands, savanna and forests (O types).
6. This category includes those portions of rivers and major streams located outside the Primary Zone of the Delta (Mokelumne, Calaveras, Stanislaus, and San Joaquin Rivers). These were originally included in a separate "Riparian Zone" during the SJMSCP planning process (i.e., "Riparian" refers to a zone rather than to the "Riparian" habitat type. The Riparian Zone was "absorbed" or combined into its surrounding zone (i.e., Central/Central-Southwest) in the final SJMSCP. It generally included River and Deep water channel (W), Tributary Streams (W2), Creeks-intermittent and perennial (W3, W3-i, W3-p), Dead-end sloughs (W-4) and their associated riparian habitats (Great Valley Riparian - R, R2, R3, R5, R4, S, S2). This category includes 25 acres of Neighboring Lands Protection Preserves for Valley elderberry longhorn beetle habitat.
7. Vernal pool grasslands (G3 type).
8. The vernal pool preserves for Neighboring Land Protection consist of existing vernal pools (no creation requirement). Enhancements will benefit the tiger salamander.
9. This category includes all natural lands types except for Vernal Pools. Cost estimates in this category are an average of the costs of acquiring, restoring, enhancing the Natural Land categories specified in the preceding categories excluding Vernal Pools. This category also includes natural lands not included in other categories: All Water Features (W types), Channel islands (I types), tule island and mudflat (I2) marsh, and Diablan sage scrub (S3 types) and all other types of Natural Lands.

---

DRAFT SJMSCP Cost and Fee Analysis 2023 Update_Mayo August 2022_2023 Annual w CPI.xlsx - 1 SJMSCP Acres 6_4_2015 - 8/11/2022
### TABLE 2.1

**2020 Five-Year Economic Analysis and Fee Update**

Preserve Acres, Total and Remaining to be Acquired

<table>
<thead>
<tr>
<th>Preserve/Habitat Type</th>
<th>Total Preserve Acres - 50-year Permit</th>
<th>Total Preserve Acres Acquired through 12/31/2021</th>
<th>Total Preserve Acres Remaining to Be Acquired (links to A.3, B.3. and C.4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural lands</td>
<td>57,935</td>
<td>11,403.699</td>
<td>38,488.30</td>
</tr>
<tr>
<td>Grasslands mitigating agricultural land impacts</td>
<td>8,043</td>
<td>8,043</td>
<td></td>
</tr>
<tr>
<td>Natural lands</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ditches</td>
<td>378</td>
<td>-</td>
<td>378.00</td>
</tr>
<tr>
<td>Grasslands</td>
<td>14,559</td>
<td>578.510</td>
<td>13,980.49</td>
</tr>
<tr>
<td>Oak woodlands</td>
<td>858</td>
<td>-</td>
<td>858.00</td>
</tr>
<tr>
<td>Riparian</td>
<td>2,725</td>
<td>44.050</td>
<td>2,680.95</td>
</tr>
<tr>
<td>Submerged aquatic in the Delta</td>
<td>10</td>
<td>-</td>
<td>10.00</td>
</tr>
<tr>
<td>Other natural lands</td>
<td>6,445</td>
<td>30.600</td>
<td>6,414.40</td>
</tr>
<tr>
<td><strong>Subtotal non-vp natural lands</strong></td>
<td>24,975</td>
<td>653.160</td>
<td><strong>24,321.84</strong></td>
</tr>
<tr>
<td><strong>Total Non VP Natural/Ag Lands</strong></td>
<td>82,910</td>
<td>20,099.859</td>
<td>62,810.14</td>
</tr>
<tr>
<td>Vernal pool wetted</td>
<td>2,121</td>
<td>6.000</td>
<td>2,115.00</td>
</tr>
<tr>
<td>Vernal pool grasslands</td>
<td>15,811</td>
<td>90.345</td>
<td>15,720.66</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100,842</strong></td>
<td><strong>20,196.204</strong></td>
<td><strong>80,645.80</strong></td>
</tr>
</tbody>
</table>

Notes:

1. Includes six acres of vernal pool jumpstart.
2. The Mizuno Preserve (row and field crop agricultural land preserve) is recorded at 181.449 acres (3 decimals). All other preserve acres recorded at 2 decimals or less.

*Sources: Table 1 in this workbook, Table 6 from Annual Reports through 2019, and SICOG Inc. staff.*
Table 2.2
2020 Five-Year Economic Analysis and Fee Update

A. Preserves Acquired by Habitat Type and Zone as of 12/31/2019

<table>
<thead>
<tr>
<th>Habitat Type</th>
<th>SJMSCP Index Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Central</td>
</tr>
<tr>
<td>Agricultural lands</td>
<td>6,327.299</td>
</tr>
<tr>
<td>Natural lands</td>
<td></td>
</tr>
<tr>
<td>Ditches</td>
<td></td>
</tr>
<tr>
<td>Grasslands</td>
<td>243.250</td>
</tr>
<tr>
<td>Oak woodlands</td>
<td></td>
</tr>
<tr>
<td>Riparian</td>
<td>44.050</td>
</tr>
<tr>
<td>Submerged aquatic in the Delta</td>
<td></td>
</tr>
<tr>
<td>Other natural lands</td>
<td></td>
</tr>
<tr>
<td>Subtotal non-vp natural lands</td>
<td>317.900</td>
</tr>
<tr>
<td>Total Non VP Natural/Ag Lands</td>
<td>6,645.199</td>
</tr>
<tr>
<td>Vernal pool wetted</td>
<td></td>
</tr>
<tr>
<td>Vernal pool grasslands (upland)</td>
<td>71.760</td>
</tr>
<tr>
<td>Total</td>
<td>6,716.959</td>
</tr>
</tbody>
</table>

Source: SJMSCP 2019 Annual Report, Table 6 and Table 12

B. Preserves Acquired by Summary Habitat Type and Zone as of 12/31/2019

<table>
<thead>
<tr>
<th>Habitat Type</th>
<th>SJMSCP Index Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Central</td>
</tr>
<tr>
<td>Agricultural Land</td>
<td>6,327.299</td>
</tr>
<tr>
<td>Natural Land</td>
<td>389.66</td>
</tr>
<tr>
<td>Total</td>
<td>6,716.959</td>
</tr>
</tbody>
</table>

Source: SJMSCP 2019 Annual Report, Table 6 and Table 12

C. Estimate of Future Southwest Zone Preserves, July 2020

| Estimate                                      | 2,500 |

Source: SJCOG, Inc. staff.
## TABLE 3
### 2020 Five-Year Economic Analysis and Fee Update
#### Allowed and Remaining Incidental Take Acreage

<table>
<thead>
<tr>
<th>Preserve/Habitat Type</th>
<th>Take Authorizations - 50-year Permit (including multi-purpose open space)¹</th>
<th>Cumulative Acres of Take through 12/31/2021</th>
<th>Remaining Acres of Land Conversion (links to A.4, B.4. and C.5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>57,635</td>
<td>18,070.29</td>
<td>39,564.71</td>
</tr>
<tr>
<td>Multi-purpose (other open space)</td>
<td>37,465</td>
<td>3,342.06</td>
<td>34,122.94</td>
</tr>
<tr>
<td>Natural lands</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vernal pool wetted</td>
<td>707</td>
<td>0.25</td>
<td>706.75</td>
</tr>
<tr>
<td>Vernal pool upland grassland</td>
<td>5,187</td>
<td>24.26</td>
<td>5,162.74</td>
</tr>
<tr>
<td>All other natural lands</td>
<td>8,308</td>
<td>594.95</td>
<td>7,713.38</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>109,302</strong></td>
<td><strong>22,031.81</strong></td>
<td><strong>87,270.52</strong></td>
</tr>
</tbody>
</table>

Notes:
1. Land conversion includes results of both Tier 1 and Tier 2 analysis. See Table 1 note 1.

Sources: Table 1 in this workbook, SJMSCP Table 1-1 and Table 4.2-2; SJCOG, Inc., 2021 Annual Report Table 4
San Joaquin County Multi-Species Habitat Conservation & Open Space Plan (SJMSCP)

2023 Updated Habitat Fees*

<table>
<thead>
<tr>
<th>Habitat Type</th>
<th>Fee Per Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multi-Purpose Open Space</td>
<td>$9,629</td>
</tr>
<tr>
<td>Natural</td>
<td>$19,255</td>
</tr>
<tr>
<td>Agriculture</td>
<td>$19,255</td>
</tr>
<tr>
<td>Vernal Pool - uplands</td>
<td>$75,320</td>
</tr>
<tr>
<td>Vernal Pool - wetted</td>
<td>$176,878</td>
</tr>
</tbody>
</table>

* Effective January 1, 2023 – December 31, 2023

2023 Endowment Fees with In-lieu Land**

<table>
<thead>
<tr>
<th>Type of Preserve</th>
<th>Enhancement Cost/acre</th>
<th>Land Management Cost/acre</th>
<th>TOTAL PER ACRE ENDOWMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural Habitat Lands</td>
<td>$5,769.00</td>
<td>$769.97</td>
<td>$6,539</td>
</tr>
<tr>
<td>Natural Lands</td>
<td>$5,769.00</td>
<td>$769.97</td>
<td>$6,539</td>
</tr>
<tr>
<td>Vernal Pool Habitat</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vernal Pool Grasslands</td>
<td>$14,491.00</td>
<td>$1,901.76</td>
<td>$16,393</td>
</tr>
<tr>
<td>Vernal Pool Wetted</td>
<td>$117,102.00</td>
<td>$1,864.45</td>
<td>$118,966</td>
</tr>
</tbody>
</table>

** Effective January 1, 2023 – December 31, 2023 in lieu of fees to be used as the endowment for the dedicated land preserves (Category B + C) based on impacted acres.

VELB Mitigation

A special fee category shall apply when removal of the Valley Elderberry Long-horned Beetle (VELB) habitat of elderberry shrubs occurs. The fee shall be paid to SJCOG, Inc. or a VELB mitigation bank approved by the Permitting Agencies. The current fee, as established in the VELB Conservation Fund Account managed by the Center for Natural Lands Management, and approved by the USFWS, is $1,800 per VELB Unit (one unit= one stem over 1” in diameter at ground level which is removed). Fees shall be established by the JPA during preconstruction surveys (i.e., counts of stems to be removed with and without exit holes shall be completed during preconstruction surveys) and shall be paid to the JPA prior to ground disturbance or stem removal, whichever comes first.
RESOLUTION APPROVING THE SAN JOAQUIN COUNTY MULTI-SPECIES HABITAT CONSERVATION AND OPEN SPACE PLAN 2023 DEVELOPMENT FEE SCHEDULE

On February 20, 2001, the City Council of the City of Stockton adopted Resolution No. 01-0101 establishing the authority for the collection of a Development Fee for the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP) for all new developments pursuant to the SJMSCP within the City of Stockton; and

A "Fee Study" dated July 16, 2001, was prepared which analyzed and identified the costs, funding, and cost-benefit of the SJMSCP; and

The purpose of the SJMSCP Mitigation Fee is to finance the goals and objectives of the SJMSCP that include, but are not limited to, preserving land acquisition, preserving enhancement, land management, and the administration that compensate for such lands lost as a result of future development in the City of Stockton and San Joaquin County; and

After considering the Fee Study and the testimony received at the public hearing, the City Council approved said report and further found that the future development in the City of Stockton will need to compensate cumulative impacts to threatened, endangered, rare, and unlisted SJMSCP Covered Species and other wildlife and compensation for some non-wildlife-related impacts to recreation, agriculture, scenic values, and other beneficial Open Space uses; and

An "Updated Fee Study" was prepared in 2006, 2011, 2016, 2020, 2021, and 2022, which analyzed and identified the costs and funding of the SJMSCP; and

The SJMSCP Development Fees are divided into three categories: Category A – Acquisition; Category B – Enhancement; and Category C – Land Management / Administration; and

To ensure that the SJMSCP development fees keep pace with inflation, annual adjustments are made to the fees based on the method previously adopted by the Stockton City Council; and

The method of annual adjustments was modified in 2011, 2016, 2020, 2021, and again in 2022; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The City Council finds and declares that the purposes and uses of the Development Fee, and the determination of the reasonable relationship between the fees’
uses and the type of development project on which the fees are imposed, are valid and adopted as set forth herein.

2. The 2023 Development Fee shall be as set forth in the following table:

<table>
<thead>
<tr>
<th>Proposed 2023 SJMSCP Development Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Habitat Type</td>
</tr>
<tr>
<td>Open Space</td>
</tr>
<tr>
<td>AG/Natural</td>
</tr>
<tr>
<td>Vernal Pool (grasslands)</td>
</tr>
<tr>
<td>Vernal Pool (wetted)</td>
</tr>
</tbody>
</table>

3. The Fee provided in this resolution shall be effective sixty (60) days after the adoption of this resolution pursuant to California Government Code section 66019(b).

4. The City Manager is authorized to take whatever actions are necessary and appropriate to carry out the purpose and intent of this Resolution.

PASSED, APPROVED, and ADOPTED December 6, 2022

KEVIN J. LINCOLN II
Mayor of the City of Stockton

ATTEST:

ELIZA R. GARZA, CMC
City Clerk of the City of Stockton
SAN JOAQUIN MULTI-SPECIES HABITAT
CONSERVATION AND OPEN SPACE PLAN
(SJMSCP)
2023 DEVELOPMENT FEE SCHEDULE

Agenda Item 16.1
City Council Meeting
December 6, 2022
Background

• Adopted November 14, 2000.
• Provides strategy for protecting species and open space.
• Provides permanent preservation areas.
• Voluntary option for developers.
• City Council approved last update in 2021.
• August 2022– SJCOG Board approved updated fees.
SJMSCP Areas
Proposed Fee Schedule

- *Acquisition cost* reductions in comparable fee title land sale values.
- *Enhancement and Administrative Costs* rose slightly.
- Overall, 1.6% Decrease
Proposed 2023 SJMSCP Fees

<table>
<thead>
<tr>
<th>Habitat Type</th>
<th>Category A</th>
<th>Category B</th>
<th>Category C</th>
<th>Total Fee</th>
<th>2023 Rounded Fee</th>
<th>2022 Rounded Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open Space</td>
<td>$6,358.00</td>
<td>$2,885.00</td>
<td>$385.55</td>
<td>$9,628.55</td>
<td>$9,629</td>
<td>$9,781</td>
</tr>
<tr>
<td>AG/Natural</td>
<td>$12,716.00</td>
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Conclusion

- Streamlines review while protecting environmental resources.
- Increase in land cost and land enhancements.
- Financial model & fees evaluated annually.
- Voluntary option for developers.
- Participatory agencies must adopt annually.
Recommended Actions

City Council adopt a Resolution approving the San Joaquin Multi-Species Habitat Conservation and Open Space Plan 2023 Development Fee Schedule.
ADOPT A RESOLUTION CERTIFYING AN ENVIRONMENTAL IMPACT REPORT, ADOPT AN ORDINANCE FOR PRE-ZONING, ADOPT A DEVELOPMENT AGREEMENT, ADOPT A RESOLUTION AUTHORIZING ANNEXATION REQUESTS FOR A PROPOSED INDUSTRIAL DEVELOPMENT AT 5110, 5150, 5268, 5280, AND 5290 MARIPOSA ROAD, 4500 EAST CLARK ROAD, AND 4600 AND 4610 MARFARGOA DRIVE (APNS 179-220-10; -11; -12; -13; -16; -17; -18; -19; -24) (P20-0805), AND APPROVE RELATED SETTLEMENT DOCUMENTS

RECOMMENDATION

It is recommended that the City Council:

1. Adopt a Resolution certifying the Mariposa Industrial Park Environmental Impact Report (SCH #2020120283), including a Statement of Overriding Considerations, and adopt a Mitigation Monitoring and Reporting Program; and
2. Adopt an Ordinance for the Pre-zoning of APNs 179-220-10; -11; -12; -13; -16; -17; -18-; 19; and -24 to Industrial, Limited (IL); and
3. Adopt an Ordinance for a Development Agreement; and
4. Adopt a resolution approving a Settlement Agreement with the Sierra Club; and approving a Memorandum of Understanding with the State of California Department of Justice; and
5. Adopt a Resolution authorizing the filing of an annexation application with the San Joaquin Local Agency Formation Commission; and
6. Authorize the City Manager to take appropriate and necessary actions to carry out the purpose and intent of the resolutions, ordinance, Settlement Agreement, and Memorandum of Understanding.

Summary

The Project applicant, Greenlaw Partners, LLC, submitted an application to develop industrial land use with the potential for a total of seven (7) buildings for a combined 3,616,870 floor area square footage on nine (9) legal parcels totaling approximately 203.48 acres. The Project site is located east of State Highway Route 99 and south of Mariposa Road that is presently within the jurisdiction of the County of San Joaquin. The applicant is requesting consideration of entitlements to develop the project including Annexation, Prezoning, and a Development Agreement.

To develop the proposed industrial project, the City Council is asked to consider certification of an Environmental Impact Report (EIR) (SCH #20201202893), Pre-zoning the property to Industrial,
Limited (IL), adoption of a Development Agreement, and authorizing the filing of an application for annexation with the San Joaquin Local Agency Formation Commission (LAFCo).

The proposed project is anticipated to generate approximately $5,997,979 in one-time Utility Connection and Public Facilities Fees (PFF) to cover expenses associated with new or expanded public facilities and services. Since industrial/warehouse development is proposed on the subject site, it is likely that no direct taxable sales activity and no sales tax revenue to the City would be generated, however, there is some indirect sales tax revenue assumed to be generated by employee spending while in the City of Stockton. The project is required to finance the formation of a Community Facilities District (CFD) through the City and contribute up to $3 million in funding towards the construction and operation of a future new fire station within the south Stockton area. This CFD would apply to all new commercial and industrial development within the established service area boundary to be determined and would not apply to any new residential development.

The project and site are consistent with the 2040 General Plan Land Use Map designation of Industrial and further policies aimed at attracting and retaining companies that offer high-quality jobs with wages that are competitive with the region and state (Goal LU-4), attracting employment and tax-generating businesses in the city (Policy LU-4.2), and prioritizing development and redevelopment of vacant, underutilized, and blighted infill areas (Policy LU-6.2).

An EIR was prepared for the project in compliance with the California Environmental Quality Act (CEQA). A Draft EIR was prepared and circulated for a 45-day public review period beginning on August 24, 2021, and ending October 7, 2021. The City received six (6) comment letters from interested parties during this process. Pursuant to CEQA Guidelines Section 15088, all substantive comments are provided responses in the Final EIR. All potentially significant effects are identified and paired with feasible mitigation measures to reduce them to less than significant levels, with the exception of six (6) potential impacts that remain significant and unavoidable even with provided mitigation measures related to: Agricultural Land Conversion, Air Quality Emissions, Exposure to Sensitive Receptors to Criteria Pollutants, Greenhouse Gas Construction Emissions, Traffic Noise Levels, and Vehicle Miles Traveled. A Statement of Overriding Considerations is proposed based on the employment and economic benefits of the project.

On March 10, 2022, the Stockton Planning Commission held a duly noticed public hearing to consider the proposed project. A total of four (4) written comments in opposition were submitted just prior to the Planning Commission hearing. At the hearing, two (2) labor union representatives provided comments in support of the project during the public hearing. One (1) member of the public provided comments opposing the project during the public hearing. Additionally, three (3) written comments in opposition were submitted from representatives (Pruitt, Harper, Elizabeth) during the public hearing. The Planning Commission voted 6-0 (Rizvi absent) recommending City Council approval of the proposed Project.

On April 19, 2022, the Project was originally scheduled for a public hearing of the City Council to consider the proposed project. Prior to the hearing, the City received communications from both the State of California Department of Justice Attorney General’s Office and the Sierra Club related to concerns with the environmental effects of the project identified in the project EIR. Council continued the item to a future date to allow opportunity for staff to confer with both parties.
Since that time, City staff have engaged in ongoing conversations with representatives of the Attorney General’s Office and Sierra Club to discuss their concerns and reach consensus on enhanced mitigation measures to substantially reduce the environmental effects of the project on the community and environment. Additional enhanced feasible mitigation measures are proposed in the Revised Final EIR, however, some potential impacts still remain significant and unavoidable and require Council’s approval of findings of overriding considerations based on the project’s benefits including, but not limited to, job creation and economic development. A Memorandum of Understanding is proposed between the City and the State Department of Justice to assure the City will consider incorporating the agreed upon enhanced mitigation measures as industrial standards in the City’s Development Code. A similar requirement is included in the proposed settlement agreement between the Sierra Club, Developer and City along with applying the enhanced mitigation measures on any new industrial project applications prior to code amendment.

DISCUSSION

Background

The subject site consists of nine (9) legal parcels identified as Assessor’s Parcel Numbers 179-220-10; -11; -12; -13; -16; -17; 18; -19; and -24 and is located on the south of Mariposa Road and east of the terminus of Clark Drive and Marfargoa Road, presently within the jurisdiction of the County of San Joaquin (Attachment A - Location Map and Aerial Photo). The site is bounded to the:

- North by rural residential homes and across Mariposa Road by industrial development located on the County of San Joaquin; and
- West of the site along Marfargoa Road and Clark Drive by predominantly rural residential; and
- South by lands under development for industrial warehouse projects within the City of Stockton; and
- East by three rural residences and mostly vacant agricultural lands located in the County of San Joaquin.

As the subject site abuts the incorporated limits of the City of Stockton, there is no Zoning Map designation provided for the subject properties. Zoning Map designations for properties located in the city adjacent to the site and referenced above are identified at Attachment B - Zoning Map. The 2040 General Plan Land Use Map designates the subject site as Industrial (Attachment C - General Plan Land Use Map).

Project Description

Greenlaw Partners, LLC, has applied for all required entitlements to establish an industrial development south of Mariposa Road (Attachment D - Project Plans). The parcel is in the unincorporated county, abutting the City of Stockton limits. The project is located within a disadvantaged unincorporated community (DUC) identified as Mariposa Road Community that currently includes a mix of residential, commercial, industrial and agricultural uses.
The project totals approximately 203.48 acres and would be developed as an industrial development with the potential for a total of seven (7) buildings for a combined square footage of 3,616,870 square feet in floor area, along with parking areas, vehicular access, and storm drainage retention.

Access to the proposed project would be from two (2) driveways proposed along the project frontage of Mariposa Road in the northeastern portion of the project site. The southernmost of the two driveways would provide the main access to the project site, leading to most of the proposed buildings. The northernmost driveway would provide access to the two northernmost buildings proposed on the site. The project would include restriping the Mariposa Road frontage to accommodate turn pockets and acceleration/deceleration lanes and traffic signalization. Additional emergency vehicle access (EVA) is provided into the site from Marfargoa Road and Clark Drive, however these access points are limited to first responders and accessed via a locked gate operable only by first responders.

The proposed industrial development is a “Permitted” use under the proposed IL pre-zoning and would not require additional discretionary action. Provision of utility service to the project will require off-site improvements. These improvements will be subject to the review and approval of the City Municipal Utilities and Public Works departments and a review of their consistency with adopted wastewater, water, and stormwater master plans.

The proposed industrial warehouse uses are consistent with the existing General Plan designation and proposed pre-zoning of the site; the necessary development approvals are within the range of probable development-related activities considered in the EIR.

ANALYSIS

To develop the industrial park, the City Council is asked to certify the EIR, Prezone the subject site to Industrial, Limited (IG) Zone, adopt a Development Agreement, and authorize the filing of an annexation application with LAFCo. Each request and analysis are provided below.

Environmental Clearance

Pursuant to CEQA Guidelines section 15064, the City Council must consider the EIR prior to acting on the project. As reflected in the Proposed Resolution, certification of the EIR is presented, including adoption of a corresponding Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program (MMRP).

An EIR has been prepared for the project, in accordance with the CEQA. Sections 15090 through 15093 of the CEQA Guidelines outline procedures for decision making by the Lead Agency (the City of Stockton) when an EIR has been prepared. A Notice of Preparation was published for agency and public review during a 30-day period starting on December 14, 2020 and ending January 14, 2021, and concluded with a virtual public scoping meeting on January 5, 2021, in which five (5) members of the public attended, in addition to city staff and the applicant team. There was one (1) public comment related to access into their private property.

Comments received were then considered in the preparation of a Draft EIR that was circulated for a 45-day public review period beginning on August 24, 2021, and ending October 7, 2021 (Attachment E - Draft EIR). The City received six (6) comment letters from interested parties during that process.
Before taking action on the project, the City must first certify that the EIR is adequate under CEQA. Then, in conjunction with its decision on the project, the City must make specific findings with respect to each of the significant environmental effects identified in the EIR. Guidelines for the certification of an EIR (CEQA Guidelines Section 15090) require that the Lead Agency certify that: 1) the Final EIR has been completed in compliance with CEQA, 2) that the Final EIR was presented to the decision-making body of the Lead Agency, and the decision-making body reviewed and considered the information contained in the Final EIR prior to a decision on the project, and 3) that the Final EIR reflects the Lead Agency’s independent judgment and analysis.

The EIR is intended by CEQA to be an informational document (CEQA Guidelines Section 15121). Decision-making on the project in relation to its environmental impacts is reserved to the Lead Agency and any Responsible Agencies with approval authority over the project. Consequently, information in the EIR does not limit the Lead Agency’s ultimate discretion on the project, but as noted, the Lead Agency must address each significant effect identified in the EIR in written findings before they approve the project, or portions of the project (CEQA Guidelines Section 15091). These findings are contained in a separate document (CEQA Findings and Mitigation Monitoring/Reporting Program) that accompanies this Final EIR and must also be adopted by the City Council (CEQA Guidelines Section 15097).

The mitigation monitoring/reporting program is required to ensure that the mitigation measures and project revisions identified in the EIR are implemented. The measures and revisions described in the EIR are fully enforceable through permit conditions, agreements, or other measures. The mitigation monitoring/reporting program for this project is contained in a separate document that accompanies this Final EIR, and addresses items such as: Aesthetics and Visual Resources; Biological Resources; Cultural Resources/Tribal Cultural Resource; and Geology and Soils.

In the event that the City wishes to approve a project without providing substantial mitigation for all its significant impacts of the project (i.e., if the second or third finding options are utilized), then CEQA Guidelines Section 15093 allows the decision-makers to balance the project’s benefits against its unavoidable environmental risks. This decision must be documented in a Statement of Overriding Considerations and adopted by the project decision-makers. The CEQA findings for the project, as noted above, include a Statement of Overriding Considerations and address the following topics: Conversion of Farmland, Air Quality Plans and Standards for Operational Emissions, Exposure of Sensitive Receptors to Criteria Pollutants, Project Greenhouse Gas (GHG) Construction Emissions and Consistency with Applicable Plans and Policies; Increase in Noise Levels in Excess of Standards related to Traffic; and, Consistency with CEQA Guidelines Section 15064.3(b), which relates to the determination of the significance of transporation impacts.

By the conclusion of the Draft EIR review period, three (3) comment letters were received by the City. After the close of the review period, an additional three (3) comment letters were received, as well as correspondence from the State of California Attorney General’s Office and the Sierra Club. Immediately prior to the initial City Council hearing, Staff received written communication from the State of California Department of Justice Attorney General’s Office and the Sierra Club. The nature of the comments related the potential environmental effects of the project on the adjacent residents nearby the site within the disadvantaged unincorporated community identified as Mariposa Road Community. Each letter presented additional suggested mitigation measures which they recommended be incorporated into the Environmental Impact Report. Because of the potential
significance of these comments, staff continued the item and opened dialog between each group holding multiple meetings to discuss the suggested mitigation measure enhancements. In coordination with the City’s CEQA consultant and the applicant, all parties came to agreement on final modifications to the mitigation measures, which were incorporated into the Revised FEIR and Development Agreement. These modifications did not require reevaluation of the existing technical studies prepared; thus the DEIR was not required to be recirculated. Pursuant to CEQA Guidelines Section 15088, all substantive comments are provided responses in the Revised Final EIR (Exhibit 1 to the FEIR Resolution).

Pursuant to CEQA Guidelines Section 15092, the City Council must consider the EIR prior to acting on the project. As reflected in the attached Proposed Resolution, certification of the EIR is presented, including adoption of a corresponding Mitigation Monitoring and Reporting Program (MMRP), findings, and a Statement of Overriding Considerations.

Prezone

Since the project site is presently located within the County of San Joaquin, annexation must occur and be preceded by “Pre-zoning” it through a Zoning Map Amendment. The project, therefore, includes a request to Pre-zone the site to Industrial, Limited (IL) Zone (Exhibit 1 to the Prezone Ordinance).

The 2040 General Plan Land Use Map designates the project site as Industrial. Pursuant to Table 2-1 (General Plan Relationship to Development Code) of the General Plan, the IL Zone is compatible with the General Plan Land Use Map designation of Industrial. As reflected in the Proposed Resolution, all necessary findings can be made to support the proposed Pre-zone action.

Upon approval of the Annexation by (LAFCo), the Zoning Map Amendment would become effective and applicable.

Annexation

As the project site is presently located within the jurisdiction of San Joaquin County, the applicant has requested annexation of the project site into the City of Stockton. Pursuant to SMC Section 16.212.050(C)(1), the City Council is the Review Authority for annexation requests upon recommendation from the Development Review Committee (DRC). On March 28, 2022, the DRC forwarded, after considering a City Services Plan (Exhibit 1 to the Annexation Resolution), an approval recommendation for the annexation request.

The project site is located within the City’s Sphere of Influence and as discussed, designated Industrial by the General Plan Land Use Map. The area proposed for annexation includes the project area, and adjacent public roadway segments along Mariposa Road (Exhibit 2 to the Annexation Resolution).

If approved by City Council, the City Manager would be authorized to file an annexation application with (LAFCo).
Development Agreement

A Development Agreement (DA) is being requested with the proposed project that identifies a range of developer and City obligations and responsibilities for how the Project development may occur in the coming years. (Exhibit 1 to the Development Agreement Ordinance). The DA addresses issues such as maximum building heights, infrastructure construction, payment of applicable fees, and similar issues, and incorporates the Mitigation and Monitoring Reporting Program (MMRP) from the Final Environmental Impact Report (FEIR). As a benefit to the greater south Stockton Community, the Developer is agreeing to fund the preparation of a fire service area study to initiate the formation of a new Community Facilities District, to be applied to similar new non-residential development sites, to finance the construction of a new fire station and provide on-going staffing services. The Developer will fund up to $3 million to go towards the construction of the new fire station and contribute to the ongoing tax to fund operations of the fire station.

Settlement Agreement

A Settlement Agreement is being requested with the proposed project that identifies the developer obligations for the project between the developer and the Sierra Club (Exhibit 1 to the Settlement Agreement and Memorandum of Understanding Resolution). The Settlement Agreement is a legally binding contract that outlines the acceptance of the negotiated project terms and repayment of legal fees incurred by the Sierra Clubs legal team.

Memorandum of Understanding

A Memorandum of Understanding (MOU) is being requested with the proposed project that identifies a range of City obligations and responsibilities that have been negotiated and agreed upon between the City and the Department of Justice Attorney General’s Office (Exhibit 2 to the Settlement Agreement and Memorandum of Understanding Resolution). A key point in the MOU is the obligation of city staff to draft and present for Council consideration an ordinance for industrial warehouse developments.

Development Permits

As of the writing of this staff report, there have been no subsequent applications made for physical development of the site beyond the conceptual site plan evaluated in the EIR. Should an application be made to develop the site, it would be required to adhere to the conditions of approval and mitigation and monitoring reporting plan adopted by the City Council, as well as a comprehensive review and approval through Site Plan Review and Design Review.

Municipal Service Review

The General Plan illustrates the City’s anticipated 20-year growth within the approved planning boundaries. State law requires the City to prepare a Sphere of Influence and Municipal Service Review (SOI/MSR) report to assess services (fire, police, schools, utilities, etc.) for the anticipated General Plan growth. The SOI/MSR includes a section highlighting the City’s anticipated 10-year growth through pending project approvals and areas of interest. As the proposed annexation was not anticipated in the SOI/MSR 10-year Planning Horizon, the Applicant has proposed changes to include the Project as part of that analysis. The City’s SOI/MSR is included as Exhibit 4 to the
Resolution to approve the Annexation, Detachment of Rural Fire Services, and amend the adopted Sphere of Influence and Municipal Service Review report.

PUBLIC COMMENT

As the Project was required to prepare an EIR, there have been significant public outreach efforts required during the CEQA process. The Final EIR has been prepared pursuant to the requirements of CEQA and the CEQA Guidelines, which culminates the public review process of the environmental document, and includes all correspondence received to-date, as well as the Notice of Availability posted at the San Joaquin County Clerk’s office, the distribution list for the EIR public notices, the Notice of Completion, and other material related to the public review of the EIR.

Throughout the CEQA process, community members in the adjacent neighborhood to the direct west have been in communication with staff regarding status of the environmental documents and timing of the public hearing process. Staff has also received multiple public records requests for all documentation related to the project from multiple groups. Lastly, the applicant hosted three (3) neighborhood meetings on February 17, 2022, March 31, 2022, and November 7, 2022.

Planning Commission

On March 10, 2022, the Stockton Planning Commission recommended that the City Council approve the proposed Project. A total of four (4) written comments were submitted just prior to the Planning Commission hearing. At the hearing, the applicant provided a brief presentation after Staff’s presentation. Two (2) union representatives provided comments in support of the project during the public hearing. One (1) member of the public provided comments opposing the project during the public hearing. Additionally, three (3) written comments were submitted (Pruitt, Harper, Elizabeth) during the public hearing. Comments were generally directed to the potentially significant environmental effects that were analyzed and addressed in the EIR. Staff and the environmental preparer’s team provided clarity and response in the meeting.

The Planning Commission voted 6-0 (Rizvi absent) approving a recommendation to the City Council to certify the EIR, including a Statement of Overriding Considerations and adoption of a Mitigation and Monitoring Reporting Program. The Planning Commission also approved a recommendation that the City Council adopt an Ordinance for the Pre-zoning of APNs 179-220-10; -11; -12; -13; -16; -17; -18; -19-; -24, to Industrial, Limited (IL), and a Development Agreement. (Attachment F - Planning Commission Resolutions). Construction of the Project is contingent on City Council and LAFCo approval, and subsequent Site Plan Review and Design Review through the Planning Division of the Community Development Department.

Public Notice

In preparation for the November 15, 2022 City Council public hearing, on November 4, 2022, notice for the City Council public hearing for this request was published in The Record and mailed notice was sent to all property owners within a 300-foot radius, interested parties, and local agencies, at least ten (10) days prior. At the November 15, 2022 City Council hearing, the item was continued to the December 6, 2022 meeting.
Although not required since it was a continued item from the November 15 meeting, on November 23, 2022, mailed notice for the City Council public hearing was sent to all property owners within a 1,000-foot radius, interested parties, and local agencies, as well as emailed to the Community Development Department master contact list, at least ten (10) days prior, and for added transparency. The notice was provided in both English and Spanish. As of the writing of this staff report, one (1) written comment has been submitted regarding the public participation process.

FINANCIAL SUMMARY

All application fees were paid to cover staff time for processing the requested actions. According to the City Services Plan, the proposed project will result in a positive effect on the City to cover expenses associated with new or expanded public facilities and services as a result of the collection of one-time utility connection and Public Facilities Fees (PFF) estimated at $5,997,979. Other plan check and permit fees will be generated based on construction valuation.

In addition to the immediate permit fee revenue, the City Services Plan estimates that the long-term result of the fully completed and annexed project will primarily increase annual property taxes and some minor sales tax revenue by a total of approximately $1,624,287 in the first year. The annexed area is estimated to introduce an annual increase of $900,106 in expenditures on city resources in the first year.

Lastly, the Development Agreement will require the formation of a Community Facilities District (CFD) which will provide funding from the development for the construction, staffing, equipment, and maintenance for a fire station to serve the annexed area. The estimated cost of the station is $10 million with $3 million in ongoing annual staffing, equipment, and maintenance costs.

Attachment A - Location Map and Aerial Photo
Attachment B - Zoning Map
Attachment C - General Plan Land Use Map
Attachment D - Project Plans
Attachment E - Draft EIR
Attachment F - Planning Commission Resolutions
City of Stockton, CA

January 31, 2022

Location Map and Aerial Photo

Property Information

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Print map scale is approximate. Critical layout or measurement activities should not be done using this resource.

City of Stockton, CA makes no claims and no warranties, expressed or implied, concerning the validity or accuracy of the GIS data presented on this map.

Geometry updated 01/19/2022
Data updated 01/03/2022

1" = 2104.9041695198844 ft

MAP FOR REFERENCE ONLY
NOT A LEGAL DOCUMENT
City of Stockton, CA
January 31, 2022
Zoning Map

Property Information
Property ID 17922019-109393
Location 5110 E MARIPOSA RD
Owner

City of Stockton, CA makes no claims and no warranties, expressed or implied, concerning the validity or accuracy of the GIS data presented on this map.

Geometry updated 01/19/2022
Data updated 01/03/2022

Print map scale is approximate. Critical layout or measurement activities should not be done using this resource.
Map Theme Legends

Zoning

- COMMERCIAL AUTO DISTRICT (CA)
- DOWNTOWN COMMERCIAL (CD)
- GENERAL COMMERCIAL (CG)
- LARGE SCALE COMMERCIAL (CL)
- NEIGHBORHOOD COMMERCIAL (CN)
- OFFICE COMMERCIAL (CO)
- GENERAL INDUSTRIAL (IG)
- LIMITED INDUSTRIAL (IL)
- PORT (PT)
- LOW DENSITY RESIDENTIAL (RL/P)
- MEDIUM DENSITY RESIDENTIAL (RM/P)
- HIGH DENSITY RESIDENTIAL (RH/P)
- MIXED USE (MX)
- OPEN SPACE (OS)
- PUBLIC FACILITIES (PF)
- UNIVERSITY/COLLEGE (UC)
- RIGHT OF WAY (ROW)

City of Stockton, CA Zoning Data
Map Theme Legends

General Plan Map

- Economic and Education Enterprise
- Residential Estate
- Low Density Residential
- Medium Density Residential
- High Density Residential
- Administrative-Professional
- Commercial
- Industrial
- Institutional
- Open Space/Agriculture
- Parks and Recreation
- Mixed Use
- Right of Way

City of Stockton GIS data
SOURCE: Ware Malcomb
Due to the size of the electronic file, the complete Draft Environmental Impact Report for the Mariposa Industrial Park Project may be viewed at the following weblink:


PUBLIC REVIEW DRAFT
ENVIRONMENTAL IMPACT REPORT

FOR THE

MARIPOSA INDUSTRIAL PARK
State Clearinghouse Number: 2020120283
Stockton, CA

August 24, 2021

Prepared for:

City of Stockton
Department of Community Development
345 N. El Dorado Street
Stockton, CA 95202

Prepared by:

BaseCamp Environmental, Inc.
802 W. Lodi Avenue
Lodi, CA 95240
Resolution No. 2022-03-10-0501-01

STOCKTON PLANNING COMMISSION

RESOLUTION RECOMMENDING THE CITY COUNCIL CERTIFY THE ENVIRONMENTAL IMPACT REPORT (SCH #2020120283), STATEMENT OF OVERRIDING CONSIDERATION, AND MITIGATION MONITORING AND REPORTING PROGRAM FOR AN INDUSTRIAL PROJECT LOCATED ON MARIPOSA ROAD EAST OF CLARK DRIVE AND MARFARGOA ROAD (APPLICATION NO. P20-0805)

On October 19, 2020, the applicant, Greenlaw Partners, LLC submitted a request for a Development Agreement and Prezoning of Assessor's Parcel Numbers (APNs) 179-220-10; -11; -12; -13; -16; -17; -18; -19; -24 to the Industrial, Limited (IL) zoning designation for the purposes of future industrial development. The nine (9) legal parcels combined total approximately 203.48 acres and would be developed for future industrial and warehouse uses. While the design and size of the future buildings will be determined in the subsequent Site Plan Review and Design Review processes required prior to construction, at full buildout, these facilities could total approximately 3.6 million square feet distributed amongst seven (7) buildings; and

On December 14, 2020, a Notice of Preparation (NOP) was distributed for public review and comment, to evaluate if an Environmental Impact Report (EIR) would be required for the project, and what should be evaluated. The State Clearinghouse subsequently transmitted the NOP to State agencies on December 16, 2020. The City's NOP period closed on January 12, 2021, and the State Clearinghouse review period closed on January 14, 2021; and

A Draft Environmental Impact Report (EIR) was prepared for the project, in accordance with the California Environmental Quality Act (CEQA) and distributed locally and through the State Clearinghouse for agency and public comments between August 24, 2021 through October 7, 2021. The Draft EIR identified potentially significant environmental impacts which could occur from development of the Project, and where feasible, application of mitigation measures that would reduce the impacts to a level of less than significant; and

The Draft EIR addressed environmental impacts associated with the proposed Project that are known to the City, and that were raised during the NOP process, or that were raised during the preparation of the Draft EIR. The Draft EIR discussed potentially significant impacts associated with; Aesthetics and Visual Resources; Agricultural Resources; Air Quality; Biological Resources; Cultural Resources/Tribal Cultural Resources; Geology and Soils; Greenhouse Gas Emissions; Noise; and Transportation. After analysis, mitigation measures were applied to lessen any significant impacts that resulted from the annexation and prezone request; and

No new significant environmental impacts or issues, beyond those already covered in the Mariposa Industrial Park DEIR, were raised during the 45-day comment period.
Responses to comments received during the comment period do not involve any new significant impacts or add "significantly new information" that would require recirculation of the DEIR pursuant to CEQA Guidelines section 15088.5. Pursuant to CEQA Guidelines section 15088, all substantive comments are responded to in the Final EIR. Comments received were from:

A total of six (6) written communications, were received during the review period, from:

California Air Resources Board, received October 8, 2021
San Joaquin Valley Air Pollution Control District, received October 7, 2021
California Department of Justice, received October 7, 2021
Montezuma Fire District, received January 7, 2022
San Joaquin County, received January 7, 2022
Sierra Club, Motherlode Chapter, received January 17, 2022; and

Each of the comments has been responded to by the City's environmental consultant as part of the Final EIR, and, where appropriate, modifications have been made to the Draft EIR. Most impact issue areas will be less than significant with mitigation. For this, a Mitigation Monitoring and Reporting Program has also been prepared; and

The Draft EIR also determined that there are six (6) potential environmental effects of the Mariposa Industrial Park Project, that are potentially significant and unavoidable, or cannot be mitigated to a Less than Significant or substantially reduced by the available mitigation measures documented in the EIR, and that require a Statement of Overriding Consideration (SOC). The SOC describes the anticipated economic, legal, social, technological and/or other benefits or considerations that warrant the City Council’s decision to approve the project, even though all of the environmental effects of the project are not fully mitigated; and

The significant and unavoidable impacts identified in the SOC relate to Agricultural Land Conversion, impacts to Air Quality Plans and Standards, Exposure of Sensitive Receptors to Criteria Pollutants, Project Greenhouse Gas Construction Emissions, Increase in Noise Levels in Excess of Standards related to Traffic, and Impact of Vehicle Miles Traveled (VMT). Because no other feasible mitigation measures are available for these items, the City Council must adopt a Statement of Overriding Consideration with supportive findings; and

In accordance with CEQA Guidelines sections 15092, 15093, and 15094, the Planning Commission must consider the EIR before acting on the Project. An approval recommendation to certify the EIR and Statement of Overriding Consideration is presented, including the adoption of a corresponding Mitigation Monitoring and Reporting Program (MMRP). The Planning Commission is requested to make a recommendation to the City Council to certify the EIR and adopt the Statement of Overriding Consideration per the CEQA Findings; and

On March 1, 2022, a public notice for the subject application was published in the
local newspaper in accordance with the Stockton Municipal Code (SMC) Section 16.88.030; and

On March 10, 2022, the Planning Commission conducted a public hearing on the application, in compliance with SMC Section 16.88.040, at which point all persons wishing to be heard were provided such opportunity; and

At the March 10, 2022, public hearing, and prior to acting on this request, the Planning Commission considered and recommended certification of an EIR (SCH #2020120283) prepared pursuant to the California Environmental Quality Act (CEQA); now, therefore,

BE IT RESOLVED BY THE PLANNING COMMISSION OF THE CITY OF STOCKTON, AS FOLLOW:

1. The foregoing recitals are true and correct and are incorporated by this reference.

2. Based on its review of the entire record herein, the Planning Commission makes the following recommended findings to City Council.

   a. A Draft Environmental Impact Report (EIR) was prepared for the Project, in accordance with the California Environmental Quality Act (CEQA).

   b. The Draft EIR identified potentially significant environmental impacts which could occur from development of the Project, and, where feasible, application of mitigation measures that would reduce the impacts to a level of less than significant.

   c. Potentially significant environmental impacts identified where mitigation measures were not feasible, resulting in the creation of potentially significant and unavoidable environmental impacts. Most potentially significant effects were identified and paired with feasible mitigation measures to reduce them to less than significant levels.

   d. A Statement of Overriding Considerations is needed to accommodate the six (6) significant and unavoidable impacts identified in the SOC relating to 1) Agricultural Land Conversion, 2) Air Quality Plans and Standards, 3) Exposure of Sensitive Receptors to Criteria Pollutants, 4) Project Greenhouse Gas Construction Emissions, 5) an Increase in Noise Levels in Excess of Standards related to Traffic, and 6) the Impact of Vehicle Miles Traveled (VMT). Because no other feasible mitigation measures are available for these items, the City Council must adopt a Statement of Overriding Consideration with supportive findings.

   e. The Planning Commission finds that the Final Environmental Impact
Report (SCH #2020120283) for the Industrial Project has been completed in accordance with the requirements of the California Quality Act (CEQA), CEQA Guidelines, and Stockton Municipal Code (SMC) Section 16.88.040 (Environmental Determination); and

f. The Planning Commission finds the EIR was prepared, published, circulated, and reviewed in accordance with the requirements of CEQA and CEQA Guidelines, and constitutes an adequate, accurate, objective, and complete EIR in full compliance with the requirements of CEQA and CEQA Guidelines; and

g. The Planning Commission finds that the EIR has been presented to it, that the Planning Commission has reviewed the EIR and has considered the information contained in the EIR prior to acting on the proposed Project, and that the EIR reflects the Planning Commission's independent judgement and analysis; and

h. The Planning Commission hereby recommends, pursuant to CEQA Guidelines section 15161, and in support of approval of the Project, the City Council adopt the EIR, including its accompanying Mitigation Monitoring and Reporting Program, attached as Exhibit 1 and Statement of Overriding Consideration as Exhibit 2, and Findings and MMRP as Exhibit 3, and incorporated herein; and

i. The Planning Commission hereby recommends that, upon approval of the Project by the City Council, the Community Development Department shall file a Notice of Determination with the County Clerk of San Joaquin County and State Office of Planning and Research pursuant to CEQA section 21152; and

j. Pursuant to CEQA section 15091(e), the documents and other materials that constitute the record of proceedings upon which the Planning Commission's decision is based are located in and may be obtained from, the Office of the City Clerk at 425 N. El Dorado Street, 1st Floor, Stockton, CA 95202; the City Clerk is the custodian of records for all matters before the City Council.
3. Based on its review of the entire record herein, including the March 10, 2022 Planning Commission staff report, all supporting, referenced, and incorporated documents, and all comments received, the Planning Commission recommends that the City Council certify the Mariposa Industrial Park Final Environmental Impact Report, adopt a Statement of Overriding Consideration, and Mitigation and Monitoring and Reporting Program.

PASSED, APPROVED, and ADOPTED March 10, 2022.

JEFF SANGUINETTI, CHAIR
City of Stockton Planning Commission

ATTEST:

STEPHANIE OCASIO, SECRETARY
City of Stockton Planning Commission
Resolution No. 2022-03-10-0501-02

STOCKTON PLANNING COMMISSION

RESOLUTION RECOMMENDING THE CITY COUNCIL PREZONE ASSESSOR'S PARCEL NUMBERS 179-220-10; -11; -12; -13; 16; -17; -18; -19; -24 TO INDUSTRIAL, LIMITED (IL) ZONE, AND ADOPT A DEVELOPMENT AGREEMENT

On October 19, 2020, the applicant, Greenlaw Partners, LLC submitted a request to, amongst other requests, Prezone Assessor's Parcel Numbers APNs 179-220-10; -11; -12; -13; -16; -17; -18; -19; -24 to Industrial, Limited (IL) Zone; and

On March 10, 2022, the Planning Commission held a duly noticed public hearing, pursuant to Stockton Municipal Code (SMC) Section 16.116.040(D), to consider the proposed Prezoning, at which all times all interested parties had the opportunity to be heard; and

On March 10, 2022, and prior to acting on this request, the Planning Commission considered, and recommended adoption of an Environmental Impact Report (SCH #2020120283) prepared pursuant to the California Environmental Quality Act (CEQA); now, therefore,

BE IT RESOLVED BY THE PLANNING COMMISSION OF THE CITY OF STOCKTON, AS FOLLOWS:

SECTION I. PREZONE CLASSIFICATION

The Planning Commission hereby recommends the City Council adopt the attached Ordinance for a Zoning Map Amendment and Proposed Ordinance, attached hereto as Exhibits 1 and 1a, to Prezone Assessor's Parcel Numbers 179-220-10; -11; -12; -13; -16; -17; -18; -19; -24, presently located in the County of San Joaquin, State of California, is hereby reclassified, upon annexation to the City of Stockton, to Industrial, Limited (IL) Zone.

Pursuant to SMC Section 16.116.050(B), Mandatory Findings of Fact for All Amendments, all of the following findings of fact, as applicable to this type of amendment, shall be made to approve an amendment:

A. The proposed Prezone action ensures and maintains internal consistency with the general land uses, objectives, policies, programs, and actions of all elements of the General Plan on balance. The 2040 General Plan Land Use Map designates the subject site Industrial. Pursuant to Table 2-1 (General Plan Relationship to Development Code) of the General Plan, the IL Zone is compatible with the General Plan Land Use Map designation of Industrial.
B. The proposed Prezone action would not create any inconsistencies with SMC Title 16 (Development Code) since it pertains to the Zoning Map only. The text of Title 16 (Development Code) would remain unchanged under this action.

C. The proposed Prezone action would further the following General Plan policies:

   i. Goal LU-4: Attract and retain companies that offer high-quality jobs with wages that are competitive with the region and state.

   ii. Policy LU-4.2: Attract employment- and tax-generating businesses that support the economic diversity of the city.

   iii. Policy LU-6.2: Prioritize development and redevelopment of vacant, underutilized, and blighted infill areas.

D. The proposed Prezone action will not endanger, jeopardize, or otherwise constitute a hazard to the public convenience, health, interest, safety, or general welfare of persons residing or working in the City because the IL Zone designation will, as noted above, be compatible with General Plan Land Use Map designation applicable to the site.

E. The proposed Prezone action complies with the California Environmental Quality Act (CEQA) and the City’s CEQA Guidelines, because an Environmental Impact Report (EIR) has been prepared and the analysis included therein demonstrates where feasible, application of mitigation measures that would reduce the impacts to a level of less than significant, and a Statement of Overriding Considerations has been prepared to accommodate additional significant effects that are unable to be mitigated, from either the Prezone action or other related actions constituting the project.

F. Based on the information included in the accompanying EIR, the subject site would be physically suitable (including access, provision of utilities, compatibility with adjoining land uses, and absence of physical constraints) for the requested zoning designation and anticipated land use development.

SECTION II. DEVELOPMENT AGREEMENT

The Planning Commission hereby recommends the City Council adopt Development Agreement Ordinance, attached hereto as Exhibits 2 and 2a, per the Development Agreement Findings Pursuant to SMC Section 16.128.080, Development Agreements - Findings and decision:

A. The Development Agreement is in the best interests of the City, as it would promote Industrial development and employment opportunities associated with those uses.
B. The Development Agreement complies with the City Development Code and other applicable ordinances and regulations, particularly the regulations of Chapter 16.128 pertaining to development agreements.

C. The Development Agreement is consistent with the general land uses, objectives, policies, and programs of the General Plan, any applicable specific plan or master development plan. The Master Development Agreement provides industrial development opportunities in Stockton, consistent with the General Plan goals and policies, including the creation of jobs.

D. The Development Agreement will not endanger, jeopardize, or otherwise constitute a hazard to the public convenience, health, interest, safety, or general welfare in that projects constructed pursuant to it are required to comply with all health and safety regulations, zoning requirements, infrastructure provision, and General Plan policies.

E. The Development Agreement complies with the conditions, requirements, restrictions, and terms of Section 16.128.060(B) (Preparation and Content - Proposed Development Agreement).

F. The Development Agreement complies with the provisions of the California Environmental Quality Act (CEQA) and the City’s CEQA Guidelines in that evaluation of potential impacts have been completed and mitigation measures have been incorporated to mitigate all identified impacts to a less-than-significant level.

PASSED, APPROVED, and ADOPTED _____ March 10, 2022 _____.

JEFF SANGUINETTI, CHAIR
City of Stockton Planning Commission

ATTEST:

STEPHANIE OCASIO, SECRETARY
City of Stockton Planning Commission
Resolution No.

STOCKTON CITY COUNCIL

RESOLUTION TO CERTIFY THE ENVIRONMENTAL IMPACT REPORT (SCH #2020120283), STATEMENT OF OVERRIDING CONSIDERATIONS, AND MITIGATION MONITORING AND REPORTING PROGRAM FOR A PROPOSED INDUSTRIAL DEVELOPMENT AT 5110, 5150, 5268, 5280, AND 5290 MARIPOSA ROAD, 4500 EAST CLARK ROAD, AND 4600 AND 4610 MARFARGOA DRIVE (APPLICATION NO. P20-0805)

On October 19, 2020, the applicant, Greenlaw Partners, LLC submitted a request for a Development Agreement and Prezoning of Assessor’s Parcel Numbers (APNs) 179-220-10; -11; -12; -13; -16; -17; -18; -19; -24 to the Industrial, Limited (IL) zoning designation for the purposes of future industrial development. The nine (9) legal parcels combined total approximately 203.48 acres and would be developed for future industrial and warehouse uses. While the design and size of the future buildings will be determined in the subsequent Site Plan Review and Design Review processes required prior to construction, at full buildout, these facilities could total approximately 3.6 million square feet distributed amongst seven (7) buildings; and

On December 14, 2020, a Notice of Preparation (NOP) was distributed for public review and comment, to evaluate if an Environmental Impact Report (EIR) would be required for the project, and what should be evaluated. The State Clearinghouse subsequently transmitted the NOP to State agencies on December 16, 2020. The City’s NOP period closed on January 12, 2021, and the State Clearinghouse review period closed on January 14, 2021; and

A Draft Environmental Impact Report (EIR) was prepared for the project, in accordance with the California Environmental Quality Act (CEQA) and distributed locally and through the State Clearinghouse for agency and public comments between August 24, 2021, through October 7, 2021. The Draft EIR identified potentially significant environmental impacts which could occur from development of the Project, and where feasible, application of mitigation measures that would reduce the impacts to a level of less than significant; and

The Draft EIR addressed environmental impacts associated with the proposed Project that are known to the City, and that were raised during the NOP process, or that were raised during the preparation of the Draft EIR. The Draft EIR discussed potentially significant impacts associated with; Aesthetics and Visual Resources; Agricultural Resources; Air Quality; Biological Resources; Cultural Resources/Tribal Cultural Resources; Geology and Soils; Greenhouse Gas Emissions; Noise; and Transportation. After analysis, mitigation measures were applied to lessen any significant impacts that resulted from the annexation and prezone request; and

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No new significant environmental impacts or issues, beyond those already covered in the Mariposa Industrial Park DEIR, were raised during the 45-day comment period. Responses to comments received during the comment period do not involve any new significant impacts or add “significantly new information” that would require recirculation of the DEIR pursuant to CEQA Guidelines section 15088.5. Pursuant to CEQA Guidelines section 15088, all substantive comments are responded to in the Final EIR. Comments received were from; and

A total of six (6) written communications, were received during the review period, from: the California Air Resources Board, received October 8, 2021; the San Joaquin Valley Air Pollution Control District, received October 7, 2021; the California Department of Justice, received October 7, 2021, the Montezuma Fire District, received January 7, 2022; the San Joaquin County, received January 7, 2022; and the Sierra Club, Motherlode Chapter, received January 17, 2022; and

The comments contained in the six (6) written communications have been responded to by the City’s environmental consultant as part of the Final EIR, and, where appropriate, modifications have been made to the Draft EIR. Most impact issue areas will be less than significant with mitigation. For this, a Mitigation Monitoring and Reporting Program has also been prepared; and

The Draft EIR also determined that there are six (6) potential environmental effects of the Mariposa Industrial Park Project, that are potentially significant and unavoidable, or cannot be mitigated to a Less than Significant or substantially reduced by the available mitigation measures documented in the EIR, and that require a Statement of Overriding Considerations (SOC). The SOC describes the anticipated economic, legal, social, technological and/or other benefits or considerations that warrant the City Council’s decision to approve the project, even though all the environmental effects of the project are not fully mitigated; and

The significant and unavoidable impacts identified in the SOC relate to Agricultural Land Conversion, impacts to: the Conversion of Farmland; Air Quality Plans and Standards for Operational Emissions; Exposure of Sensitive Receptors to Criteria Pollutants; Project Greenhouse Gas (GHG) Construction Emissions and Consistency with Applicable Plans and Policies; Increase in Noise Levels in Excess of Standards related to Traffic; and, Consistency with CEQA Guidelines Section 15064.3(b), which relates to the determination of the significance of transporation impacts. Because no other feasible mitigation measures are available for these items, the City Council must adopt a Statement of Overriding Considerations with supportive findings; and

In accordance with CEQA Guidelines sections 15092, 15093, and 15094, the Planning Commission must consider the EIR before acting on the Project. An approval recommendation to certify the EIR and Statement of Overriding Considerations is presented, including the adoption of a corresponding Mitigation Monitoring and Reporting Program (MMRP). The Planning Commission is requested to make a
recommendation to the City Council to certify the EIR and adopt the Statement of Overriding Considerations per the CEQA Findings; and

On March 10, 2022, the Planning Commission conducted a public hearing on the application, in compliance with SMC Section 16.88.040, at which point all persons wishing to be heard were provided such opportunity; and

At the March 10, 2022, public hearing, and prior to acting on this request, the Planning Commission considered and recommended certification of an EIR (SCH #2020120283) prepared pursuant to the California Environmental Quality Act (CEQA); and

On April 19, 2022, the State of California Department of Justice Attorney General’s Office and the Sierra Club provided communication to staff related to concerns with the environmental effects of the project immediately before the scheduled City Council public hearing for April 19, 2022, was scheduled to occur. Based on the communication received, Staff elected to postpone the public hearing to a future date; and

The Attorney General’s Office and the Sierra Club presented additional mitigation measures which were evaluated and incorporated into the document where appropriate, however they did not trigger changes or reevaluation of the existing technical studies prepared, thus the DEIR was not required to be recirculated; and

On December 6, 2022, the City Council convened a public hearing regarding the Planning Commission’s decision. At this meeting, the City Council considered the requested recommendations of the Planning Commission based on the findings indicated in said resolution; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The foregoing recitals are true and correct and are incorporated by this reference.

2. Based on its review of the entire record herein, the City Council finds:

   a. A Draft Environmental Impact Report (EIR) was prepared for the Project, in accordance with the California Environmental Quality Act (CEQA).

   b. The Draft EIR identified potentially significant environmental impacts which could occur from development of the Project, and, where feasible, application of mitigation measures that would reduce the impacts to a level of less than significant.

   c. Potentially significant environmental impacts identified where mitigation
measures were not feasible, resulting in the creation of potentially significant and unavoidable environmental impacts. Most potentially significant effects were identified and paired with feasible mitigation measures to reduce them to less than significant levels.

d. A Statement of Overriding Considerations is needed to accommodate the six (6) significant and unavoidable impacts identified in the SOC relating to 1) the Conversion of Farmland; 2) Air Quality Plans and Standards for Operational Emissions; 3) Exposure of Sensitive Receptors to Criteria Pollutants; 4) Project Greenhouse Gas (GHG) Construction Emissions and Consistency with Applicable Plans and Policies; 5) Increase in Noise Levels in Excess of Standards related to Traffic; and 6) Consistency with CEQA Guidelines Section 150645.3(b), which relates to the determination of the significance of transporation impacts. Because no other feasible mitigation measures are available for these items, the City Council must adopt a Statement of Overriding Considerations with supportive findings.

(1) Based on its review of the entire record herein, including the March 10, 2022 Planning Commission staff report, all supporting, referenced, and incorporated documents, and all comments received, the City Council finds that the Final Environmental Impact Report for the Mariposa Industrial Park project (SCH #2020120283) has been completed in accordance with the requirements of the California Quality Act (CEQA), CEQA Guidelines, and Stockton Municipal Code (SMC) Section 16.88.040 (Environmental Determination); and

(2) The City Council finds that the EIR has been presented to it, that the Planning Commission has reviewed the EIR and has considered the information contained in the EIR prior to recommending certification to the City Council on the proposed Project, and that the EIR reflects the City Council and Planning Commission’s independent judgement and analysis; and

(3) Pursuant to CEQA Guidelines section 15164, and in support of approval of the Project, the City Council certifies the Environmental Impact Report, attached as Exhibit 1, including its accompanying Findings of Fact, attached as Exhibit 2, and Mitigation Monitoring and Reporting Program, attached as Exhibit 3 and incorporated herein; and

(4) The City Council hereby authorizes the Community Development Department, upon approval of the Project, to file a Notice of Determination with the County Clerk of San Joaquin County and State Office of Planning and Research pursuant to CEQA section 21152; and
Pursuant to CEQA section 15091(e), the documents and other materials that constitute the record of proceedings upon which the City Council’s decision is based are located in and may be obtained from, the Office of the City Clerk at 425 N. El Dorado Street, 1st Floor, Stockton, CA 95202; the City Clerk is the custodian of records for all matters before the City Council.

PASSED, APPROVED, and ADOPTED December 6, 2022.

______________________________
KEVIN J. LINCOLN II
Mayor of the City of Stockton

ATTEST:

______________________________
ELIZA R. GARZA, CMC
City Clerk of the City of Stockton
Due to the size of the electronic file, the complete Revised Final Environmental Impact Report for the Mariposa Industrial Park Project may be viewed at the following weblink:

EXHIBIT 1 - Revised FEIR
1.0 INTRODUCTION

1.1 BACKGROUND INFORMATION

The California Environmental Quality Act (CEQA) requires that a Lead Agency prepare an Environmental Impact Report (EIR) when a proposed project may involve significant environmental effects, as defined by CEQA. Prior to approval of the project, the Lead Agency is required to certify that the EIR was completed in compliance with CEQA and that the Lead Agency reviewed and considered the information in the EIR before approving the project. If the EIR identifies significant or potentially significant environmental effects, CEQA requires that the Lead Agency include feasible mitigation measures in the project and that the Lead Agency make specified written findings regarding disposition of significant environmental effects prior to project approval.

If the Lead Agency intends to approve a project but finds that mitigation measures are not feasible for one or more of the significant environmental effects of the project, it must also adopt a Statement of Overriding Consideration that identifies economic, social, technical, and other benefits of the Project that override any significant unavoidable impacts that would result from the Project. The Mariposa Industrial Park project involves several potentially significant environmental effects, some of which do not have feasible mitigation measures that will substantially reduce the impact or reduce it to a less than significant level. The proposed Statement of Overriding Considerations for the Mariposa Industrial Park project is shown in Section 4.0 of this document.

If an EIR identifies significant or potentially significant environmental effects, the Lead Agency must also adopt a Mitigation Monitoring Reporting Program (MMRP) that lists all of the mitigation measures identified in the EIR and identifies responsibility for their implementation and/or monitoring. The proposed MMRP for the Mariposa Industrial Park is shown in the separate document cited below.


This document sets forth the findings of the City of Stockton (the “City”), the Lead Agency for the Mariposa Industrial Park project, as required by CEQA Guidelines sections 15091-
The primary source document for the findings is the Environmental Impact Report for the Mariposa Industrial Park Project (SCH# 2020120283) (the “EIR”). When referenced as such, the EIR includes the Public Review Draft EIR (the DEIR) dated August 24, 2021 and the Revised Final EIR (the FEIR) dated November 15, 2022, as well as documents that are incorporated into the DEIR and Revised FEIR by reference.

The proposed project that is the subject of these findings, the environmental review process, the environmental documentation prepared for the project, and the findings that the City must make to fulfill the requirements of CEQA, are discussed below. The City’s findings with respect to the Mariposa Industrial Park project are described in subsequent sections of this document.

The proposed Findings and Statement of Overriding Considerations contained in this document are presented for adoption by the City Council as the City’s findings required under CEQA and the CEQA Guidelines relating to the Project. The Findings provide the written analysis and conclusions of this City Council regarding the Project’s environmental impacts, mitigation measures, alternatives to the Project, and the overriding considerations, which in this City Council’s view, justify approval of the Project, despite the Project’s significant and unavoidable environmental impacts.

1.2 PROJECT DESCRIPTION

The Mariposa Industrial Park project proposes annexation, pre-zoning and other approvals needed to allow industrial development of the 203.48-acre project site. Planned industrial land uses consist primarily of large warehousing and distribution facilities known as “high-cube” warehouses. The conceptual site plan for the project includes seven buildings with a planned height of 36 feet and floor area totaling 3.6 million square feet, including ancillary office space. The proposed Development Agreement for the project would allow the maximum height limit specified in the proposed zoning district to be exceeded; potential building heights of up to 100 feet were evaluated in the EIR.

Access to the developed site would be from two new driveways extending south from Mariposa Road in the northeastern portion of the project site. The southernmost driveway would provide the main access to the project site and most of the proposed buildings. The project would include improvements along the site’s Mariposa Road frontage to accommodate turn pockets and acceleration/deceleration lanes. Utility service for the project site, including sewer and water would be provided by the City of Stockton from existing trunk lines adjacent to the site. Storm drainage from the site would be directed to a new on-site storm drainage system; the storm drainage system would include on-site collection lines and a detention basin that would discharge accumulated storm flows to North Littlejohns Creek, when capacity is available, while also improving the quality of storm discharged storm waters.
1.3 THE CEQA PROCESS FOR THE MARIPOSA INDUSTRIAL PARK PROJECT

The potential environmental effects of the project, mitigation measures necessary to address significant effects and alternatives to the project are discussed in detail in the project EIR prepared by the City of Stockton. In addition to preparing the EIR, the City conducted the EIR process as required by CEQA. Steps in the EIR process included preparation and public review of a Notice of Preparation, conducting a scoping meeting, publication and distribution of a Draft EIR for a 45-day public review period, preparation of a Final EIR addressing comments received during the public review period, and preparation of this CEQA Findings document and the associated MMRP that are intended to be adopted by the Stockton City Council prior to taking action on the project.

Notice of Preparation Public Circulation

The City issued a Notice of Preparation (NOP) of the EIR on December 16, 2020; the NOP was circulated for agency review for a 30-day period as required by CEQA. Detailed information on the content, circulation and comments received by the City on the Notice of Preparation is contained in DEIR Appendix A; comments submitted on the NOP, listed below, were considered during the preparation of the DEIR and were incorporated into the DEIR by reference.

- Department of Conservation’s Division of Land Resource Protection, January 12, 2021
- Central Valley Regional Water Quality Control Board, January 8, 2021
- Native American Heritage Commission, December 20, 2020
- San Joaquin Valley Air Pollution Control District, January 7, 2021
- Gale Tolentino, January 12, 2021

The City also held a virtual public scoping meeting for the project on January 5, 2021. Public notice of the meeting was provided by the City in accordance with its standard noticing procedures. Verbal comments during the meeting were provided by local residents Roy Harper and John Lott. No written comments were submitted to the City during or after the scoping meeting.

Draft EIR Public Circulation

The Public Review Draft EIR (DEIR) was prepared by consultants, independently reviewed by the City and distributed for agency and public comment during a 45-day period extending from August 24, 2021 to October 7, 2021.

The DEIR contained a description of the project, a description of the environmental setting, identification of project impacts, and discussion of feasible mitigation measures for environmental impacts found to be potentially significant, as well as an analysis of project alternatives, identification of significant irreversible environmental changes, growth-inducing impacts, and cumulative impacts. The DEIR also identifies areas of environmental concern determined to involve no impact or a less than significant impact.
The public notification and distribution process for the DEIR is outlined below.

The DEIR was available for viewing and download on the City’s web site during the public review period.

A Notice of Availability was filed with the San Joaquin County Clerk, published in The Record, a newspaper of regional circulation, and uploaded to the State Clearinghouse. The Notice of Availability distributed to a list of agencies and interested parties as shown in Appendix J of the FEIR.

A Notice of Completion, the DEIR and the State Clearinghouse Summary were posted to the State Clearinghouse CEQAnet web site for review by State agencies.

The City received six written comments on the DEIR during and shortly after the public review period.

1. California Air Resources Board, October 8, 2021
2. San Joaquin Valley Air Pollution Control District, October 7, 2021
3. California Department of Justice, October 7, 2021
4. Montezuma Fire District, January 7, 2022
5. San Joaquin County Community Development Department, January 7, 2022
6. Sierra Club, January 17, 2022

The City considered the above-listed comment letters and made specific responses to each of the comments. These comments and the City’s responses are shown in Chapter 22.0 of the Revised Final EIR.

Final EIR

The City prepared an initial version of the FEIR (February 28, 2022) in advance of a planned meeting of the Stockton Planning Commission scheduled for March 10, 2022. As required by CEQA, the City’s responses to comments were provided to each of the commenters 10 days ahead of the Planning Commission meeting. The Planning Commission reviewed the February 28, 2022 FEIR and recommended that the Stockton City Council certify the Final EIR.

During the Planning Commission meeting, additional comments addressing EIR concerns were submitted to the City and the Planning Commission. Additional comments were submitted to the City prior to the planned City Council meeting scheduled for April 18, 2022.

7. San Joaquin County Community Development Department, March 10, 2022
8. Matt Holmes, March 10, 2022
10. Sierra Club, March 10, 2022
11. Public Health Advocates, March 10, 2022
12. Alicia Valenzuela, April 18, 2022
13. California Department of Justice, April 18, 2022
14. San Joaquin County Environmental Health Department, April 19, 2022
City Council consideration of the project was postponed to a later date. Subsequently, the City considered the additional comment letters in depth. Since the receipt of these comments, the City, the project applicant and three of the agency commenters discussed the various comments and what project changes and/or additional mitigation measures could or should be adopted and implemented to address the concerns raised in the comments. As a result of this process, and reflecting the various agreements reached with the commenting entities, the City has made its responses to the comments in Chapter 22.0 of this Revised Final EIR.

Recirculation Requirements

The City of Stockton received a total of 15 comment letters on Mariposa Industrial Park EIR. In accordance with CEQA Guidelines Section 15088, this Revised Final EIR responds to all of the comments received. Based on a comprehensive review of the comments and reconsideration of the EIR, the City has determined that the responses to comments and edits to the Draft EIR do not reveal any new significant impacts or “significant new information” that would require recirculation of the EIR pursuant to CEQA Guidelines Section 15088.5.

A lead agency is required to recirculate an EIR when significant new information is added to the EIR after public notice is given of the availability of the draft EIR for public review under Section 15087 but before certification. As used in this section, the term “information” can include changes in the project or environmental setting as well as additional data or other information. New information added to an EIR is not “significant” unless the EIR is changed in a way that deprives the public of a meaningful opportunity to comment upon a substantial adverse environmental effect of the project or a feasible way to mitigate or avoid such an effect (including a feasible project alternative) that the project’s proponents have declined to Implement. The City of Stockton has instead provided meaningful opportunities for the public to comment through the 2021 45-day public review period and then again by making the February 28, 2022 version of the Final EIR available for review prior to the March 10, 2022 Stockton Planning Commission meeting. The City has engaged in detailed discussion with the EIR commenters and the project proponents to define additional feasible mitigation measures for the project’s significant environmental effects that address the commenters’ concerns. The results of these discussions, in the form of additional mitigation measures, are shown in this Revised FEIR.

The Revised FEIR for the Mariposa Industrial Park project does include substantial additional information, but this information is entirely related to an interagency effort to identify additional measures that would further reduce the air quality impacts of the project. The Revised Final EIR does not identify any new environmental impacts or impacts that are substantially more severe than were identified in the Draft EIR that would result either from the project or from new mitigation measures, or from more stringent measures identified in the Revised Final EIR. No feasible new project alternative or mitigation measure have been identified that are considerably different from others previously analyzed and that would clearly lessen the environmental impacts of the project, nor have
the project’s proponents declined to adopt any alternatives or feasible mitigation measures. It has not been suggested the DEIR was so fundamentally and basically inadequate and conclusory in nature that meaningful public review and comment were precluded.

Record of Proceedings and Custodian of Record:

For purposes of CEQA and the findings set forth herein, the record of proceedings for the City’s findings and determinations consists of the following documents and testimony, at a minimum:

1. The NOP, comments received on the NOP, and all other public notices issued by the City in relation to the Project (e.g., NOA and State Clearinghouse Notice of Completion).

2. The Draft EIR, the initial version of the Final EIR dated February 28, 2022 and the Revised Final EIR, dated November 15, 2022, including comment letters, and technical materials cited in the documents.

3. All non-draft and/or non-confidential reports and memoranda prepared by the City and consultants in relation to the EIR.

4. Minutes and transcripts of the discussions regarding the Project and/or Project components at public hearings held by the City.

5. Staff reports associated with City Council meetings on the Project.


The Stockton City Clerk is the custodian of the administrative record for this project. The documents and materials that constitute the administrative record are available for review at the Stockton Permit Center, 345 N. El Dorado Street, Stockton, CA 95202.
2.0 FINDINGS REQUIRED UNDER CEQA

Public Resources Code § 21002 provides that “public agencies should not approve projects as proposed if there are feasible alternatives or feasible mitigation measures available which would substantially lessen the significant environmental effects of such projects[.]” Further, the procedures required by CEQA “are intended to assist public agencies in systematically identifying both the significant effects of proposed projects and the feasible alternatives or feasible mitigation measures which will avoid or substantially lessen such significant effects.” (Id.) Section 21002 also provides that “in the event specific economic, social, or other conditions make infeasible such project alternatives or such mitigation measures, individual projects may be approved in spite of one or more significant effects thereof.” The mandate and principles established by the Legislature in Public Resources Code § 21002 are implemented, in part, through the requirement in Public Resources Code § 21081 that agencies must adopt findings before approving projects for which an EIR is required. The CEQA Guidelines §15091 provides specific direction regarding findings required under CEQA:

15091. No public agency shall approve or carry out a project for which an EIR has been certified which identifies one or more significant environmental effects of the project unless the public agency makes one or more written findings for each of those significant effects, accompanied by a brief explanation of the rationale for each finding. The possible findings are:

   a) Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR.

   b) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.

   c) Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the final EIR.

As described in the EIR and shown in the Revised FEIR Summary Table 2-1, the project would involve a range of potential environmental effects; these effects include numerous potential effects that are identified as Less than Significant or that would have no effect on the environment. An additional several environmental effects are identified as potentially significant or significant; the EIR prescribes feasible mitigation measures for these effects that would avoid or reduce most of the identified effects to a less than significant level.
The Revised FEIR, however, describes six potentially significant environmental effects that are, after the inclusion of all feasible mitigation measures, considered unavoidable:

- Impact AG-1: Conversion of Farmland
- Impact AIR-2: Air Quality Plans and Standards-Operational Emissions
- Impact AIR-3: Exposure of Sensitive Receptors to Criteria Pollutants
- Impact GHG-1: Project GHG Construction Emissions and Consistency with Applicable Plans and Policies
- Impact NOISE-1: Increase in Noise Levels in Excess of Standards - Traffic
- Impact TRANS-6: Consistency with CEQA Guidelines Section 150645.3(b).

Provided that the City wishes to approve the project, it must adopt Statement of Overriding Considerations.

The proposed CEQA findings for the Mariposa Industrial Park project are described in the following sections. The proposed Statement of Overriding Considerations is described in Section 4.0. The proposed findings are based upon substantial evidence, comprised primarily of the information, analysis and mitigation measures described in the DEIR and the Revised FEIR, the responses to public comments shown in Chapter 22.0 of the Revised FEIR and any other information incorporated into these documents by reference. Specific references to supporting information are provided in conjunction with the City’s finding for each potentially significant effect of the project.

2.1 GENERAL FINDINGS BY THE CITY OF STOCKTON

CONSIDERATION OF THE ENVIRONMENTAL IMPACT REPORT

In adopting these Findings, this City Council finds that the Revised FEIR was presented to this City Council, the decision-making body of the lead agency, which reviewed and considered the information in the Revised FEIR prior to approving the Project. By these findings, this City Council ratifies, adopts, and incorporates the analysis, explanation, findings, responses to comments, and conclusions of the Revised FEIR. The City Council finds that the Revised FEIR was completed in compliance with CEQA and that the Revised FEIR represents the independent judgment of the City.

MITIGATION MONITORING/REPORTING PROGRAM

A Mitigation Monitoring/Reporting Program (MMRP) has been prepared for the Project in a separate document and has been adopted concurrently with these Findings. The City will use the MMRP to document the Project’s compliance with the mitigation measures described in the certified EIR.
SEVERABILITY

If any term, provision, or portion of these Findings or the application of these Findings to a particular situation is held by a court to be invalid, void, or unenforceable, the remaining provisions of these Findings, or their application to other actions related to the Project, shall continue in full force and effect unless amended or modified by the City.

2.2 FINDINGS AND RECOMMENDATIONS REGARDING SIGNIFICANT AND UNAVOIDABLE IMPACTS

As noted above, the Revised FEIR describes six potentially significant environmental effects that, as described in the EIR, are considered unavoidable:

Impact AG-1: Conversion of Farmland
Impact AIR-2: Air Quality Plans and Standards-Operational Emissions
Impact AIR-3: Exposure of Sensitive Receptors to Criteria Pollutants
Impact GHG-1: Project GHG Construction Emissions and Consistency with Applicable Plans and Policies
Impact NOISE-1: Increase in Noise Levels in Excess of Standards - Traffic
Impact TRANS-6: Consistency with CEQA Guidelines Section 150645.3(b).

The CEQA Guidelines provide in Section 15021 that if significant impacts cannot be feasibly avoided or substantially lessened with mitigation measures, a public agency may nevertheless approve the project if the agency first adopts a statement of overriding considerations setting forth the specific reasons that the project’s benefits outweigh its significant unavoidable adverse environmental effects.

Whether mitigation measures or alternatives are considered feasible is central to CEQA findings related to significant and unavoidable effects. As defined by CEQA, “feasible” means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, legal, and technological factors. The concept of “feasibility” also encompasses the question of whether a particular alternative or mitigation measure promotes the underlying goals and objectives of a project. Moreover, “‘feasibility’ under CEQA encompasses “desirability” to the extent that overall desirability is based on a reasonable balancing of the relevant economic, environmental, social, legal, and technological factors.”

The specific provisions of the CEQA Guidelines §15093 regarding statements of overriding considerations are central to the City’s findings related to significant and unavoidable effects.

a) CEQA requires the decision-making agency to balance, as applicable, the economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project against its unavoidable environmental risks when determining whether to approve the project. If the
specific economic, legal, social, technological, or other benefits, including region-
wide or statewide environmental benefits, of a proposed project outweigh the
unavoidable adverse environmental effects, the adverse environmental effects may
be considered “acceptable.”

b) When the lead agency approves a project which will result in the occurrence of
significant effects which are identified in the EIR but are not avoided or
substantially lessened, the agency shall state in writing the specific reasons to
support its action based on the final EIR and/or other information in the record. The
statement of overriding considerations shall be supported by substantial evidence
in the record.

c) If an agency makes a statement of overriding considerations, the statement should
be included in the record of the project approval and should be mentioned in the
notice of determination. This statement does not substitute for, and shall be in
addition to, findings required pursuant to § 15091.

The findings for the Mariposa Industrial Park project described in this section, and in other
findings described in this throughout this document are based upon substantial evidence,
comprised primarily of the information, analysis and mitigation measures described in the
EIR and any other information incorporated into the EIR by reference. Specific references
to supporting information are provided in conjunction with the City’s finding for each
potentially significant effect of the project.

In order to address the project’s significant and unavoidable effects, findings related to
alternatives and a Statement of Overriding Consideration for the project are required. These
subjects are addressed in Sections 3.0 and 4.0 of the document.

IMPACT AG-1: Conversion of Farmland

(a) Potential Impact:

Industrial development of the 203-acre project site would convert 106 acres of Farmland
of Statewide Importance as designated on the California Department of Conservation
Important Farmland Maps and 74 acres of other lands comprised of Stockton clay soils,
which are considered prime agricultural land, when irrigated, under the Cortese-Knox-
Hertzberg Act, to non-agricultural uses. Farmland conversion is considered a significant
environmental effect under CEQA. This effect is described in pages 5-5 to 5-6 of the Final
EIR.

(b) Mitigation Measures:

The following mitigation measure is hereby adopted and will be implemented as provided
by the adopted MMRP:

Mitigation Measure AG-1: The project shall participate in and comply with the
City’s Agricultural Lands Mitigation Program, under which developers of the
property shall contribute agricultural mitigation land or shall pay the required
Agricultural Land Mitigation Fee to the City.

No other feasible mitigation measures for this impact were identified.
(c) Findings:

Based on the EIR and the entire record before this City Council, the City Council finds that:

(1) Effects of Mitigation and Remaining Impacts. The Project would result in the permanent conversion of 106 acres of Farmland of Statewide Importance under the California Department of Conservation Farmland Mapping Program and 74 acres of Prime Agricultural land under the Cortese-Knox-Hertzberg Act to non-agricultural use. These losses are considered a potentially significant environmental impact.

Mitigation Measure AG-1 requires the project to participate in the City’s Agricultural Lands Mitigation Program (ALMP), which requires that projects provide “agricultural mitigation land” - land encumbered by an agricultural conservation easement - on a 1:1 basis for each acre of important agricultural land converted by the project, or alternatively, projects must pay the City’s established Agricultural Land Mitigation Fee, which is used to acquire agricultural mitigation land or easements, or administer the program.

The City of Stockton is also a signatory to the San Joaquin County Multi-Species Habitat and Open Space Plan (SJMSCP). Under the SJMSCP, Agricultural land conversion will pay the annually adjusted habitat fee per acre. Fees are used to purchase conservation easements over agricultural land that provide habitat values.

While the proposed Project will contribute fees toward the purchase of conservation easements on agricultural lands through the City’s ALMP and the SJMSCP, the resulting agricultural land conservation easements would not result in the creation of sufficient new farmland to offset the loss that would occur with Project implementation. There are no other known mitigation measures for agricultural land conversion. As such, the conversion of agricultural land is considered a significant and unavoidable impact.

The Stockton General Plan 2040 and the certified General Plan EIR (GPEIR) considered potential conversion of agricultural land in conjunction with planned urban development mapped in the, which included industrial development of the project site and surrounding industrially designated lands. The agricultural land conversion impact was identified in the GPEIR as significant and unavoidable. The GPEIR concluded that no additional mitigation was available that would reduce this impact to a level that would be less than significant. The Stockton City Council adopted a Statement of Overriding Considerations for agricultural land conversion impacts when it adopted the General Plan 2040.

(2) Overriding Considerations. The environmental, economic, social and other benefits of the Project override any remaining significant adverse impact of the Project associated with impacts to farmlands, as more fully stated in the Statement of Overriding Considerations in Section 4.0, below. A corresponding Statement of Overriding Considerations was adopted at the time of adoption of the Stockton General Plan 2040.
IMPACT AIR-2: Air Quality Plans and Standards-Operational Emissions

(a) Potential Impact:

Operation of planned industrial development on the project site would result in new emissions of criteria air pollutants. Existing air pollution control program, such as the San Joaquin Valley Air Pollution Control District’s Rule 9510 Indirect Source Rule, would result in substantial reductions in criteria air pollutant emissions to levels below established significance thresholds, except for oxides of nitrogen (NOx). The Revised FEIR defines numerous other air quality mitigation measures, but the overall effectiveness of these measures in reducing project impacts cannot be confidently quantified. NOx emissions are therefore considered a significant environmental effect under CEQA. This effect is described in pages 6-14- to 6-16 of the Revised Final EIR.

(b) Mitigation Measures:

The following mitigation measures are hereby adopted and will be implemented as provided by the adopted MMRP:

AIR-8: The project shall comply with the emission reduction requirements of SJVAPCD Rule 9510 for project operations.

AIR-9: Prior to building occupancy, employers with 100 or more eligible employees shall submit an Employer Trip Reduction Implementation Plan (ETRIP) to the City for review and approval, as required by SJVAPCD Rule 9410. A copy of the ETRIP shall be provided to the SJVAPCD. Employers shall facilitate participation in the implementation of the ETRIP by providing information to its employees explaining methods for participation in the Plan and the purpose, requirements, and applicability of Rule 9410

AIR-10: The project shall comply with SJVAPCD Rule 4101, which prohibits emissions of visible air contaminants to the atmosphere and applies to any source operation that emits or may emit air contaminants.

AIR-11: The project shall comply with SJVAPCD Rule 4601, which limits emissions of volatile organic compounds from architectural coatings by specifying storage, clean up and labeling requirements. (The project has agreed to abide by more stringent VOC emissions requirements.

AIR-12: Solar Power: Owners, operators or tenants shall include with the building permit application, sufficient solar panels to provide power for the operation’s base power use at the start of operations and as base power use demand increases. Project sponsor shall include analysis of (a) projected power requirements at the start of operations and as base power demand increases corresponding to the implementation of the “clean fleet” requirements, and (b) generating capacity of the solar installation.

AIR-12 (continued): CDD shall verify the size and scope of the solar project based upon the analysis of the projected power requirements and generating capacity as well as the available solar panel installation space. The photovoltaic system shall
include a battery storage system to serve the facility in the event of a power outage to the extent required by the 2022 or later California Building Standards Code.

AIR-12 (continued): In the event sufficient space is not available on the subject lot to accommodate the needed number of solar panels to produce the operation’s base or anticipated power use, the applicant shall demonstrate how all available space has been maximized (e.g., roof, parking areas, etc.). Areas which provide truck movement may be excluded from these calculations unless otherwise deemed acceptable by the supplied reports.

AIR-12 (continued): The developer or tenant, or qualified solar provider engaged by the developer or tenant shall timely order all equipment and shall install the system when the City has approved building permits and the necessary equipment has arrived. The developer or tenant shall commence operation of the system when it has received permission to operate from the utility. The photovoltaic system owner shall be responsible for maintaining the system(s) at not less than 80% of the rated power for 20 years. At the end of the 20-year period, the building owner shall install a new photovoltaic system meeting the capacity and operational requirements of this measure, or continue to maintain the existing system, for the life of the project.

AIR-13: Emission Standards for Heavy-Duty Trucks: The following mitigation measures shall be implemented during all on-going business operations and shall be included as part of contractual lease agreement language to ensure the tenants/lessees are informed of all on-going operational responsibilities.

AIR-13 (continued): The property owner/tenant/lessee shall ensure that all heavy-duty trucks (Class 7 and 8) domiciled on the project site are model year 2014 or later from start of operations and shall expedite a transition to zero-emission vehicles, with the fleet fully zero-emission by December 31, 2025 or when commercially available for the intended application, whichever date is later.

AIR-13 (continued). A zero-emission vehicle shall ordinarily be considered commercially available if the vehicle is capable of serving the intended purpose and is included in California’s Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project, https://californiahvip.org/ or listed as available in the US on the Global Commercial Vehicle Drive to Zero inventory, https://globaldrivetozero.org/. The City shall be responsible for the final determination of commercial availability, based on all the facts and circumstances at the time the determination is made, and may (but is not required to) consult with the California Air Resources Board before making such final determination. In order for the City to make a determination that such vehicles are commercially unavailable, the operator must submit documentation from a minimum of three (3) EV dealers identified on the californiahvip.org website demonstrating the inability to obtain the required EVs or equipment needed within 6 months.
AIR-13 (continued): "Domiciled at the project site shall mean the vehicle is either (i) parked or kept overnight at the project site more than 70% of the calendar year or (ii) dedicated to the project site (defined as more than 70% of the truck routes (during the calendar year) that start at the project site even if parked or kept elsewhere)

AIR-13 (continued): Zero-emission heavy-duty trucks which require service can be temporarily replaced with model year 2014 or later trucks. Replacement trucks shall be used for only the minimum time required for servicing fleet trucks.

AIR-14: Zero Emission Vehicles: The property owner/tenant/lessee shall utilize a "clean fleet" of vehicles/delivery vans/trucks (Class 2 through 6) as part of business operations as follows: For any vehicle (Class 2 through 6) domiciled at the project site, the following "clean fleet" requirements apply: (i) 33% of the fleet will be zero emission vehicles at start of operations, (ii) 65% of the fleet will be zero emission vehicles by December 31, 2023, (iii) 80% of the fleet will be zero emission vehicles by December 31, 2025, and (iv) 100% of the fleet will be zero emission vehicles by December 31, 2027.

AIR-14 (continued): "Domiciled at the project site" shall mean the vehicle is either (i) parked or kept overnight at the project site more than 70% of the calendar year or (ii) dedicated to the project site (defined as more than 70% of the truck routes (during the calendar year) that start at the project site even if parked or kept elsewhere).

AIR-14 (continued): Zero-emission vehicles which require service can be temporarily replaced with alternate vehicles. Replacement vehicles shall be used for only the minimum time required for servicing fleet vehicles.

AIR-14 (continued): The property owner/tenant/lessee shall not be responsible to meet "clean fleet" requirements for vehicles used by common carriers operating under their own authority that provide delivery services to or from the project site.

AIR-15: Demonstrate Compliance with Clean Fleet Requirements: The applicant, property owner, tenant, lessee, or other party operating the facility (the "Operator") shall procure the zero emission vehicles/trucks required to meet the "clean fleet" requirements in (a) and (b) above. Within 30-days of occupancy, the Operator shall demonstrate to the satisfaction of CDD staff, that the applicable clean fleet requirements are being met.

AIR-15 (continued): In the event that sufficient vehicles/trucks are not commercially available for the intended application, the "clean fleet requirements" may be adjusted as minimally as possible by the CDD to accommodate unavailability of commercially available vehicles/trucks.

AIR-15 (continued): The City shall quantify the air pollution and GHG emissions resulting from any modification of this condition. Within 12 months of failing to meet a “clean fleet” requirement the property owner/tenant/lessee shall implement a Voluntary Emissions Reduction Agreement (VERA) providing
pound for pound mitigation of the criteria pollutant, toxic air contaminants, and GHG emissions quantified by the City through a process that develops, funds, and implements emission reduction projects, with the Air District serving a role of administrator of the emission reduction projects and verifier of the successful mitigation effort. The VERA shall prioritize projects in the South Stockton and surrounding area. Property owner/tenant/lessee shall continue to fund the VERA each year in an amount necessary to achieve pound for pound mitigation of emissions resulting from not meeting the clean fleet requirements until the owner/tenant/lessee fully complies.

AIR-15 (continued): The Operator shall implement the proposed measures after CDD review and approval. Any extension of time granted to implement this condition shall be limited to the shortest period of time necessary to allow for 100% electrification under the clean fleet requirements. The CDD staff may seek the recommendation of the California Air Resources Board in determining whether there has been a manufacturing disruption or insufficient vehicles/trucks commercially available for the intended application.

AIR-16: Condition of Approved Compliance Report: The Operator shall submit a condition of approval compliance report within 30 days of, but not later than, the following dates: December 31, 2023, December 31, 2025, and December 31, 2027. The report shall outline clean fleet requirements applicable at each report interval and include documentation demonstrating compliance with each requirement. The City shall consider each report at a noticed public hearing and determine whether the Operator has complied with the applicable clean fleet requirements. If the Operator has not met each 100% clean fleet requirement by December 31, 2027, then the Operator shall submit subsequent reports every year until the 100% clean fleet requirement is implemented. The City shall consider each subsequent report at a noticed public hearing and determine whether the Operator has complied with the clean fleet requirements, including any minimal adjustments to the requirements by the CDD to accommodate the manufacturing disruption or unavailability of commercially available vehicles/trucks, as described in the previous paragraph. Notice of the above hearings shall be provided to all properties located within 1,000 feet of the project site and through the ASK Stockton list serve.

AIR-16 (continued): After the 100% clean fleet requirement has been implemented and confirmed by the CDD, the Operator shall submit to the CDD an on-going compliance report every three years containing all necessary documentation to verify that the Operator is meeting the clean fleet requirements. At the time it confirms that the 100% clean fleet requirement has been implemented, the CDD will establish the due date for the first on-going compliance report. Each subsequent on-going compliance report shall be due within 30 days of, but not later than, the three-year anniversary of the preceding due date. The on-going compliance reports and accompanying documentation shall be made available to the public upon request.

AIR-17: Zero Emission Forklifts, Yard trucks and Yard Equipment: Owners, operators or tenants shall require all forklifts, yard trucks, and other equipment...
used for on-site movement of trucks, trailers and warehoused goods, as well as landscaping maintenance equipment used on the site, to be electrically powered or zero-emission. The owner, operator or tenant shall provide on-site electrical charging facilities to adequately service electric vehicles and equipment.

AIR-18: Truck Idling Restrictions: Owners, operators or tenants shall be required to make their best effort to restrict truck idling onsite to a maximum of three minutes, subject to exceptions defined by CARB in the document: commercial_vehicle_idling_requirements_July_2016. Idling restrictions shall be enforced by highly visible posting at the site entry, posting at other on-site locations frequented by truck drivers, conspicuous inclusion in employee training and guidance material and owner, operator or tenant direct action as required.

AIR-19: Electric Truck Charging: Owners, operators or tenants shall be required to provide electric charging facilities on the project site sufficient to charge all electric trucks domiciled on the site and such facilities shall be made available for all electric trucks that use the project site.

AIR-20: Project Operations, Food Service: Owners, operators or tenants shall establish locations for food or catering truck service and cooperate with food service providers to provide consistent food service to operations employees.

AIR-21: Project Operations, Employee Trip Reduction: Owners, operators or tenants shall provide employees transit route and schedule information on systems serving the project area and coordinate ridesharing amongst employees.

AIR-22: Yard Sweeping: Owners, operators or tenants shall provide periodic yard and parking area sweeping to minimize dust generation.

AIR-23: Diesel Generators: Owners, operators or tenants shall prohibit the use of diesel generators, except in emergency situations, in which case such generators shall have Best Available Control Technology (BACT) that meets CARB’s Tier 4 emission standards.

AIR-24: Truck Emission Control: Owners, operators or tenants shall ensure that trucks or truck fleets domiciled at the project site be model year 2014 or later, and maintained consistent with current CARB emission control regulations.

AIR-25: SmartWay: Owners, operators or tenants shall enroll and participate in the SmartWay program for eligible businesses.

AIR-26: Designated Smoking Areas: Owners, operators or tenants shall ensure that any outdoor areas allowing smoking are at least 25 feet from the nearest property line.

AIR-27: Project construction shall be subject to all adopted City building codes, including the adopted Green Building Standards Code, version July 2022 or later. Prior to the issuance of building permits, the applicant/developer shall demonstrate (e.g., provide building plans) that the proposed buildings are designed and will be built to, at a minimum, meet the Tier 2 advanced energy standards.
efficiency requirements of the Nonresidential Voluntary Measures of the California Green Building Standards code, Divisions A5.1, 5.2 and 5.5, Energy Efficiency as outlined under Section A5.203.1.2.

AIR-28: All tenant lease agreements for the project site shall include a provision requiring the tenant/lessee to comply with all applicable requirements of the MMRP, a copy of which shall be attached to each tenant/lease agreement.

(c) Findings:

(1) Effects of Mitigation and Remaining Impacts. The Project would result in emissions of oxides of nitrogen that may exceed SJVAPCD significance thresholds. These emissions are considered a potentially significant environmental impact.

Lengthy discussions with EIR commenters during preparation of the Revised FEIR regarding the Project’s air quality impacts and potentially feasible mitigation measures resulted in the set of mitigation measures listed above and in Revised FEIR Chapter 6.0. For the purposes of the proposed project, these are considered all of the feasible mitigation measures for the air quality impacts of the project. These measures are expected to substantially reduce the projects air emissions. There is, however, uncertainty as to quantification of the effectiveness of the air quality mitigation measures, and more specifically as to whether the mitigation measures would reduce the Project’s NOx emissions impact to a less than significant level. As such, the Project’s NOx emissions are considered a significant and unavoidable impact.

The Stockton General Plan 2040 and the certified General Plan EIR (GPEIR) considered potential air quality impacts associated with planned urban development, which included industrial development of the project site and surrounding industrially designated lands. These air quality impacts, including NOx emissions, were identified in the GPEIR as significant and unavoidable. The GPEIR assigned several mitigations to reduction of air quality impacts, which are included in the above-listed measures but concluded that no other feasible mitigation measures were available that would reduce this impact to a level that would be less than significant. The Stockton City Council adopted a Statement of Overriding Considerations for these impacts when it adopted the General Plan 2040.

(2) Overriding Considerations. The environmental, economic, social and other benefits of the Project override any remaining significant adverse impact of the Project associated with NOx emissions and air quality impacts, as more fully stated in the Statement of Overriding Considerations in Section 4.0, below. A corresponding Statement of Overriding Considerations was adopted at the time of adoption of the Stockton General Plan 2040.

IMPACT AIR-3: Exposure of Sensitive Receptors to Criteria Pollutants

(a) Potential Impact:
The project site is within an area identified as the Mariposa Road Disadvantaged Unincorporated Community (DUC). The air quality impacts described for Impact AIR-2 above have the potential for adverse air quality impacts on the DUC. The project would implement the range of additional air quality mitigation measures prescribed for Impact AIR-2 above, and these measures would reduce the potential for adverse air quality impacts. As discussed above, the resulting reduction in health impacts cannot be precisely determined. As such, the potential health impacts are considered significant and unavoidable for CEQA purposes. This effect is described in pages 6-16 to 6-19 of the Revised Final EIR.

Health concerns within the DUC were a concern expressed by the San Joaquin County Community Development Department in its comments on the DEIR and initial version of the FEIR. Discussions between the County and the applicant resulted in incorporation of protective measures in the project Development Agreement; these measures, which include restrictions on truck use near the DUC boundary and building setbacks, are described in Chapter 3.0 of the as follows.

Section 8.3.2 of the DA requires that construction plans shall include a 10-foot by 65-foot landscaped berm along the 623-lineal foot and 493-lineal foot portions of the west line of the site, located north and south of Marfargoa Road, as shown in Development Agreement Exhibit B. Landscaping of the berm shall include fast-growing evergreen trees to provide maximum visual screening, as determined by a qualified landscape architect. Construction plans shall also include a 10-foot wall along the 881 -lineal foot and 1,316-lineal foot portions of the west line of the site, located north and south of Clark Drive, as shown on DA Exhibit B. Construction plans shall also identify a 60-foot “no truck” zone along the entire length of the west line of the site, as shown on Exhibit B. Construction plans shall also identify and prohibit building construction within a setback area located a minimum of 300 feet from the property line of residential properties along Marfargoa Road and Clark Drive, as shown on Exhibit B. Notwithstanding the foregoing, the stairwells of ancillary/accessory buildings may encroach into the 300-foot setback area.

(b) Mitigation Measures:

The following mitigation measures are hereby adopted and will be implemented as provided by the adopted MMRP:

AIR-1: The project applicant, to reduce carbon monoxide concentrations to an acceptable level, shall contribute fair-share costs to an improvement on the Mariposa Road and Carpenter Road intersection that would widen the northeast-bound Carpenter Road approach to include an exclusive northeast-bound-to northwest-bound left-turn lane, and a combined through/right-turn lane.

Implement all mitigation measures for Impact AIR-2 as listed above

(c) Findings:

(1) Effects of Mitigation and Remaining Impacts. As noted under Impact AIR-2, the Project would result in air emissions of oxides of nitrogen that may result in
health effects on the adjacent DUC. This is considered a potentially significant environmental impact.

As noted, lengthy discussions with EIR commenters resulted in a set of feasible mitigation measures listed above for Impact AIR-2 and in Revised FEIR Chapter 6.0. There is, however, uncertainty as to whether the mitigation measures would reduce the Project’s health effects on the DUC to a less than significant level.

(2) Overriding Considerations. The environmental, economic, social and other benefits of the Project override any remaining significant adverse impact of the Project associated with air quality impacts on the DUC, as more fully stated in the Statement of Overriding Considerations in Section 4.0, below. A corresponding Statement of Overriding Considerations was adopted at the time of adoption of the Stockton General Plan 2040.

IMPACT GHG-1: Project GHG Construction Emissions and Consistency with Applicable Plans and Policies

(a) Potential Impact:

The project would involve substantial GHG emissions that are inconsistent with State and local GHG reduction plans, as documented in Chapter 10.0 of the Revised FEIR. This is considered a significant environmental effect.

(b) Mitigation Measures:

The following mitigation measures are hereby adopted and will be implemented as provided by the adopted MMRP:

GHG-1: The project shall implement the Off-Road Vehicles Best Management Practices specified in the Stockton Climate Action Plan. At least three (3) percent of the construction vehicle and equipment fleet shall be powered by electricity. Construction equipment and vehicles shall not idle their engines for longer than three (3) minutes.

GHG-2: The project applicant shall comply, as applicable, with the provisions of the California Air Resources Board’s Regulation for In-Use Off-Road Diesel Fueled Fleets, which applies to all self-propelled off-road diesel vehicles 25 horsepower or greater used in California and most two-engine vehicles (except on-road two-engine sweepers). These provisions include imposing limits on idling and requiring a written idling policy. It also requires fleets to reduce their emissions by retiring, replacing, or repowering older engines, or by installing Verified Diesel Emission Control Strategies (i.e., exhaust retrofits).

Implement all mitigation measures for Impact AIR-1 Construction Emissions, which are summarized below for brevity. The complete text of these measures is shown in Chapter 6.0 Air Quality.

AIR-1: SJVAPCD Rule 9510 for project construction.
AIR-2: SJVAPCD Regulation VIII, dust emissions, during project construction.

AIR-3: Architectural Coatings, VOC content of <10 g/L.

AIR-4: SJVAPCD Regulation VIII Compliance. Repeats AIR-2

AIR 5: Construction Worker Trip Reduction

AIR 6: Construction Meal Destinations

AIR-7: Cleanest Available Off-Road Construction Equipment

(c) Findings:

(1) Effects of Mitigation and Remaining Impacts. As noted under Impact GHG-1, the Project would result in potentially significant emissions of GHGs. This is considered a potentially significant environmental impact.

As discussed for Impact AIR-2, lengthy discussions with EIR commenters resulted in a set of feasible air quality and GHG mitigation measures for project construction and operation as listed above for Impacts AIR-1 and AIR-2 and in Revised FEIR Chapters 6.0 and 10.0. There is, however, uncertainty as to whether the mitigation measures would reduce the Project’s GHG emissions to a less than significant level.

(2) Overriding Considerations. The environmental, economic, social and other benefits of the Project override any remaining significant adverse impact of the Project associated with air quality impacts on the DUC, as more fully stated in the Statement of Overriding Considerations in Section 4.0, below. A corresponding Statement of Overriding Considerations was adopted at the time of adoption of the Stockton General Plan 2040.

IMPACT NOISE-1: Increase in Noise Levels in Excess of Standards -Traffic

(a) Potential Impact:

The project will result in changes in traffic noise levels varying from 0 dB to an increase of 4 dB L_{dn} along Mariposa Road, which exceeds the 3-dB impact significance threshold set in the City of Stockton Noise Element. Because of this, project impacts on traffic noise levels are considered potentially significant, as discussed on pages 14-9 and 14-10 of the Revised Final EIR.
(b) Mitigation Measures:

The following mitigation measures are hereby adopted and will be implemented as provided by the adopted MMRP:

NOISE-1: The applicant, the City of Stockton and other project developers impacting Mariposa Road traffic shall consider the use of noise-reducing pavement and utilize it where feasible in planned widening projects for Mariposa Road.

(c) Findings:

(1) Effects of Mitigation and Remaining Impacts. The Project would result in potentially significant traffic noise in outdoor areas of residences along affected sections of Mariposa Road. This is considered a potentially significant environmental impact.

The DEIR found that no feasible mitigation measures were available to reduce noise effects in outdoor areas. The Revised FEIR includes an additional measure NOISE-1, shown above, that will identify options for reducing interior noise effects and a funding mechanism for making improvements at the option of the residence owners. These options have the potential to improve interior noise conditions resulting from the project. However, there are no other known feasible mitigation measures that would reduce the project’s effects on exterior noise levels to a less than significant level with mitigation.

(2) Overriding Considerations. The environmental, economic, social and other benefits of the Project override any remaining significant adverse impact of the Project associated with air quality impacts on the DUC, as more fully stated in the Statement of Overriding Considerations in Section 4.0, below. A corresponding Statement of Overriding Considerations was adopted at the time of adoption of the Stockton General Plan 2040.

IMPACT TRANS-6: Consistency with CEQA Guidelines Section 15064.3

(a) Potential Impact:

The Project would generate substantial increases in vehicles miles traveled (VMT). Despite mitigation measures described in the Revised FEIR, the Revised FEIR estimates that reductions in project GHG emissions would amount to 13.5% from “unmitigated” conditions, which falls short of the applicable significance threshold of a 15% reduction in VMT. As a result, the Revised FEIR considers this impact to be significant and unavoidable, as discussed on pages 16-24 to 16-26 of the Revised Final EIR.

(b) Mitigation Measures:

The following mitigation measures are hereby adopted and will be implemented as provided by the adopted MMRP:

TRANS-1: The project shall provide "end-of-trip" facilities for bicycle riders to encourage the use of bicycling as a viable form of travel to destinations, especially
to work. End-of-trip facilities shall include showers, secure bicycle lockers, and changing spaces.

TRANS-2: The project shall implement an employer-sponsored vanpool or shuttle. A vanpool will usually service employees’ commute to work, while a shuttle will service nearby transit stations and surrounding commercial centers. Employer-sponsored vanpool programs entail an employer purchasing or leasing vans for employee use, and often subsidizing the cost of at least program administration. Scheduling is within the employer’s purview, and rider charges shall be set on the basis of vehicle and operating cost.

TRANS-3: The project shall implement SJVAPCD Rule 9410. Rule 9410, which requires employers with at least 100 employees to implement a trip reduction/transportation demand management program, or ETRIP. [See Air Quality section above.] ETRIP requirements are consistent with a Commute Trip Reduction program recommended by the traffic impact study as a mitigation measure. See also Revised EIR Mitigation Measures TRANS-1 and TRANS-2, which require "end-of-trip" facilities and an employer-sponsored vanpool or shuttle.

Implement mitigation measures for impact AIR-2 as discussed in the Findings Section.

(c) Findings:

(1) Effects of Mitigation and Remaining Impacts. As noted under Impact TRANS-6, the Project would result in a substantial increase in VMT. This is considered a potentially significant environmental impact.

As noted, discussions between the applicant, City and EIR commenters with air quality concerns resulted in a set of additional feasible mitigation measures listed above for Impact AIR-2; some of these would have the potential to result in VMT reductions, including the following.

- Construction Worker Trip Reduction.
- Construction Meal Destinations.
- Employer Trip Reduction Implementation Plan (ETRIP).
- Project Operations, Worker Food Service.
- Project Operations, Employee Trip Reduction.

The effectiveness of these measures, specifically their quantification with respect to the project, is uncertain. As a result, the project’s effects on VMT are considered potentially significant.

(2) Overriding Considerations. The environmental, economic, social and other benefits of the Project override any remaining significant adverse impact of the Project associated with air quality impacts on the DUC, as more fully stated in the Statement of Overriding Considerations in Section 4.0, below. A corresponding
Statement of Overriding Considerations was adopted at the time of adoption of the Stockton General Plan 2040.

2.3 FINDINGS AND RECOMMENDATIONS REGARDING SIGNIFICANT IMPACTS WHICH ARE MITIGATED TO A LESS THAN SIGNIFICANT LEVEL

The environmental effects that were found by the Revised FEIR to be significant and/or potentially significant prior to the application of mitigation measures include the effects listed below. As required by CEQA, the City must make specific findings with respect to each of these significant effects; the City’s findings are discussed in more detail below. All of the following environmental effects would be reduced to a less than significant level with incorporation of the mitigation measures prescribed in the Revised FEIR into the project.

Impact BIO-1: Special-Status Species and Habitats
Impact BIO-3: Waters of the U.S. and Wetlands
Impact BIO-4: Fish and Wildlife Migration
Impact BIO-5: Local Biological Requirements
Impact BIO-6: Habitat Conservation Plans
Impact CULT-2: Archaeological and Tribal Cultural Resources
Impact CULT-3: Human Burials
Impact GEO-5: Paleontological Resources and Unique Geological Features
Impact NOISE-2: Increase in Noise Levels in excess of Standards-Other Project Noise
Impact NOISE-3: Increase in Noise Levels in Excess of Standards-Construction

IMPACT BIO-1: Special-Status Species and Habitats.

(a) Potential Impact:

Project development would involve the potential for impacts on foraging habitat for Swainson’s hawk and burrowing owl and some potential for nesting impacts. Seasonal wetlands may support vernal pool fairy shrimp. The potential for the project to result in impacts on special-status species is discussed on pages 7-10 and 7-11 and on pages 7-16 and 7-17 of the Revised FEIR.

(b) Mitigation Measures:

The following mitigation measure is hereby adopted and will be implemented as provided by the MMRP:
BIO-1: The developer shall apply to the San Joaquin Council of Governments (SJCOG) for coverage under the San Joaquin County Multi-Species Open Space and Habitat Conservation Plan (SJMSCP). The project site shall be inspected by the SJMSCP biologist, who will recommend which Incidental Take Minimization Measures (ITMMs) set forth in the SJMSCP should be implemented. The project applicant shall pay the required SJMSCP fee, if any, and be responsible for the implementation of the specified ITMMs.

(c) Findings:

Project development would involve the potential for impacts on foraging habitat for Swainson’s hawk and burrowing owl and some potential for nesting impacts. Seasonal wetlands may support vernal pool fairy shrimp. The potential for the project to result in impacts on special-status species is discussed on pages 7-10 and 7-11 and on pages 7-16 and 7-17 of the Revised FEIR.

Project mitigation would require the project to participate in the SJMSCP. The SJMSCP is a comprehensive program, adopted by the City of Stockton and other jurisdictions in San Joaquin County, that assesses and mitigates the biological impacts of converting open space or biologically sensitive lands to urban development. In addition to fee payments, the SJMSCP the applicants to abide by Incidental Take Minimization Measures (ITMMs), which are protection measures that avoid direct impacts of development on special-status species. ITMMs have been developed for all special-status species that may be affected by the project. The participating local agencies, including the City of Stockton, consider a project that complies with the SJMSCP to result in biological resource impacts that are less than significant, especially with implementation of the ITMMs.

In accordance with Public Resources Code § 21081, Mitigation Measure BIO-1 is an appropriate change or alteration that has been required in, or incorporated into, the project which avoids or substantially lessens the significant environmental effect as identified in the Revised FEIR. Based upon the Revised FEIR and the entire record before this City Council, this City Council finds that the potential to have direct or indirect effects on special-status species will be mitigated to a less-than-significant level.

IMPACT BIO-3: State and Federally Protected Wetlands

(a) Potential Impact: The project may directly affect potential Waters of the U.S or State wetlands, including North Littlejohns Creek, a ditch, and five seasonal wetlands. The potential for the project to result in impacts on State and federally protected wetlands is discussed on pages 7-17 through 7-19 of the Revised FEIR.

(b) Mitigation Measures:

The following mitigation measures are hereby adopted and will be implemented as provided by the MMRP:

BIO-2: Prior to the start of construction work in the area where seasonal wetlands have been identified, the project developer shall conduct a wetland delineation identifying jurisdictional Waters of the U.S. and wetlands. The delineation shall be verified by the U.S. Army Corps of Engineers (Corps). The delineation shall be...
used to determine if any project work will encroach upon any jurisdictional water, thereby necessitating an appropriate permit. For any development work that may affect a delineated jurisdictional Water, the project developer shall obtain any necessary permits from the U.S. Army Corps of Engineers prior to the start of development work within these locations. Depending on the Corps permit issued, the project applicant shall also apply for a Section 401 Water Quality Certification from the Central Valley Regional Water Quality Control Board. If the seasonal wetlands are avoided or if phased development occurs in areas where no wetlands have been identified, then this mitigation measure does not apply.

BIO-3: Prior to the start of construction work in North Littlejohns Creek, the project developer shall obtain any necessary permits from the California Department of Fish and Wildlife and the Central Valley Flood Protection Board. The project developer shall comply with all conditions attached to any required permit.

BIO-4: Prior to the start of construction work in the area where seasonal wetlands have been identified, the project developer shall obtain any necessary Waste Discharge Requirements from the Central Valley Regional Water Quality Control Board. Pursuant to the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan, the filling of seasonal wetlands containing vernal pool invertebrates shall be delayed until the wetlands are dry and SJCOG biologists can collect the surface soils from the wetlands, to store them for future use on off-site seasonal wetland creation on SJCOG preserve lands. If the seasonal wetlands are avoided, then this mitigation measure does not apply.

(c) Findings:

Based upon the Revised EIR and the entire record before this City Council, this City Council finds that:

The federal Clean Water Act is the primary federal law regulating water quality. The objective of the Clean Water Act is to restore and maintain the chemical, physical, and biological integrity of the Waters of the U.S., including wetlands. North Littlejohns Creek, a ditch, and five seasonal wetlands have been identified as potential Waters of the U.S.

Activities that may affect Waters of the U.S. are subject to the Clean Water Act Section 404 permitting process, the primary responsibility for which is by the U.S. Army Corps of Engineers. Additionally, the work in North Littlejohns Creek would be required to obtain a Streambed Alteration Agreement from the California Department of Fish and Wildlife, a Section 401 Water Quality Certification from the Regional Water Quality Control Board, and a permit from the Central Valley Flood Protection Board. The mitigation measures described above would require the project to obtain all necessary permits prior to starting any work that may affect North Littlejohns Creek, the ditch, and the seasonal wetlands. These permits contain conditions designed to minimize biological resource impacts on affected waters by project construction and operation.

In accordance with Public Resources Code § 21081, Mitigation Measures BIO-2, BIO-3, and BIO-4 are appropriate changes or alterations that have been required in,
or incorporated into, the project which avoids or substantially lessens the significant environmental effect as identified in the Revised FEIR. Based upon the Revised FEIR and the entire record before this City Council, this City Council finds that the potential to have direct or indirect effects on State and federally protected wetlands will be mitigated to a less-than-significant level.

**IMPACT BIO-4: Migratory Fish and Wildlife Habitats.**

(a) Potential Impact:

Nesting raptors and other protected bird species, including migratory species, may be disturbed by project construction. The potential for the project to result in impacts on migratory fish and wildlife habitats is discussed on page 7-19 of the Draft EIR.

(b) Mitigation Measures:

The following mitigation measure is hereby adopted and will be implemented as provided by the MMRP:

BIO-1: The developer shall apply to the San Joaquin Council of Governments (SJCOG) for coverage under the San Joaquin County Multi-Species Open Space and Habitat Conservation Plan (SJMSCP). The project site shall be inspected by the SJMSCP biologist, who will recommend which Incidental Take Minimization Measures (ITMMs) set forth in the SJMSCP should be implemented. The project applicant shall pay the required SJMSCP fee, if any, and be responsible for the implementation of the specified ITMMs.

(c) Findings:

Based upon the Revised FEIR and the entire record before this City Council, this City Council finds that:

A biological assessment conducted for the project noted that there are several trees in the project vicinity that are suitable for nesting raptors and other bird species protected by the Migratory Bird Treaty Act. As noted, the SJMSCP dentifies and requires the applicants to abide by Incidental Take Minimization Measures (ITMMs), which are protection measures that avoid direct impacts of development on special-status species, including migratory bird species. The participating local agencies, including the City of Stockton, consider a project that complies with the SJMSCP to result in biological resource impacts that are less than significant, especially with implementation of the ITMMs.

In accordance with Public Resources Code § 21081, Mitigation Measure BIO-1 is an appropriate change or alteration that has been required in, or incorporated into, the project which avoids or substantially lessens the significant environmental effect as identified in the Revised FEIR. Based upon the Revised FEIR and the entire record before this City Council, this City Council finds that the potential to have direct or indirect effects on migratory fish and wildlife habitats will be mitigated to a less-than-significant level.
IMPACT BIO 5: Local Biological Requirements

(a) Potential Impact:

Valley oaks, a species protected by City’s Heritage Tree Ordinance, may be impacted by the project. The potential for the project to result in impacts on Valley oak is discussed on pages 7-19 and 7-20 of the Draft EIR.

(b) Mitigation Measures:

The following mitigation measure is hereby adopted and will be implemented as provided by the MMRP:

BIO-5: If removal of any oak tree on the project site is required, a certified arborist shall survey the oak trees proposed for removal to determine if they are Heritage Trees as defined in Stockton Municipal Code Chapter 16.130. The arborist report with its findings shall be submitted to the City’s Community Development Department. If Heritage Trees are determined to exist on the property, removal of any such tree shall require a permit to be issued by the City in accordance with Stockton Municipal Code Chapter 16.130. The permittee shall comply with all permit conditions, including tree replacement at specified ratios.

(c) Findings:

Based upon the Revised EIR and the entire record before this City Council, this City Council finds that:

Stockton Municipal Code Chapter 16.130 addresses Heritage Trees, which are any valley oak, coast live oak, and interior live oak tree which has a trunk diameter of 16 inches or more, measured at 24 inches above actual grade. For trees with multiple trunks, the combined total trunk diameter shall be used for all trunks measuring 6 inches or greater measured at 24 inches above actual grade. Removal of any Heritage Tree requires a City permit, regardless of location on a property or condition of the tree, except where the condition of a Heritage Tree poses an imminent threat to public health, safety, or welfare. Heritage Trees that are removed or effectively removed must be replaced on a three-for-one basis at the discretion of the City’s Community Development Director. The size of the replacement trees shall be determined by the Director based on the size of the tree that was removed, but replacements are required to be at least 15-gallon container stock and planted on the same parcel as the tree that was removed, if possible.

Valley oak was identified along North Littlejohns Creek by the biological assessment for the project, but the assessment did not identify which of these oak trees were Heritage Trees covered by the Stockton Municipal Code. Oak trees may need to be removed for project development, particularly in the ditch area. Mitigation Measure BIO-5 would require a survey of any oak trees proposed for removal to determine if the tree would be subject to the Heritage Tree provisions of the Municipal Code and would require the project to obtain the necessary permit for Heritage Oak Tree removal. Should a permit be required, a condition of the permit would be to replace any Heritage Trees that are removed. Implementation
of the mitigation measure would minimize the impacts of the removal of any Heritage Trees.

In accordance with Public Resources Code § 21081, Mitigation Measure BIO-5 is an appropriate change or alteration that has been required in, or incorporated into, the project which avoids or substantially lessens the significant environmental effect as identified in the EIR. Based upon the Revised FEIR and the entire record before this City Council, this City Council finds that the potential to have direct or indirect effects related to local biological requirements will be mitigated to a less-than-significant level.

IMPACT BIO 6: Habitat and Conservation Plans

(a) Potential Impact:

Project may conflict with the conservation objectives of the San Joaquin County Multi-Species Open Space and Habitat Conservation Plan (SJMSCP). The potential for the project to result in the conversion of Farmland to nonagricultural uses is discussed on page 7-20 of the Draft EIR.

(b) Mitigation Measures:

The following mitigation measure is hereby adopted and will be implemented as provided by the MMRP:

BIO-1: The developer shall apply to the San Joaquin Council of Governments (SJCOG) for coverage under the San Joaquin County Multi-Species Open Space and Habitat Conservation Plan (SJMSCP). The project site shall be inspected by the SJMSCP biologist, who will recommend which Incidental Take Minimization Measures (ITMMs) set forth in the SJMSCP should be implemented. The project applicant shall pay the required SJMSCP fee, if any, and be responsible for the implementation of the specified ITMMs.

(c) Findings:

Based upon the Revised EIR and the entire record before this City Council, this City Council finds that:

Project impacts on biological resources may conflict with the conservation goals of the SJMSCP, which applies to San Joaquin County and incorporated cities within the County, including the City of Stockton. The project would be required to participate in the SJMSCP under Mitigation Measure BIO-1. With participation in the SJMSCP, the project would be required to observe all applicable provisions, thereby ensuring consistency of project development with the SJMSCP conservation goals.

In accordance with Public Resources Code §21081, Mitigation Measure BIO-1 is an appropriate change or alteration that has been required in, or incorporated into, the project which avoids or substantially lessens the significant environmental effect as identified in the EIR. Based upon the Revised FEIR and the entire record before this City Council, this City Council finds that the potential to have direct or
indirect effects related to habitat conservation plans will be mitigated to a less-than-significant level.

IMPACT CULT-2: Archaeological and Tribal Cultural Resources.

(a) Potential Impact:

A Sacred Land to a Native American tribe has been recorded nearby, and it is possible that unknown cultural resources may be encountered during project construction. The potential for the project to result in impacts on archaeological and tribal cultural resources is discussed on pages 8-6 and 8-7 of the Draft EIR.

(b) Mitigation Measures:

The following mitigation measure is hereby adopted and will be implemented as provided by the MMRP:

CULT-1: If any subsurface archaeological resources, including human burials and associated funerary objects, are encountered during construction, all construction activities within a 50-foot radius of the encounter shall be immediately halted until a qualified archaeologist can examine these materials and evaluate their significance. The City shall be immediately notified in the event of a discovery. If burial resources or tribal cultural resources are discovered, the City shall notify the appropriate tribal representative, who may examine the materials with the archaeologist and advise the City as to their significance.

The archaeologist, in consultation with the tribal representative if contacted, shall recommend mitigation measures needed to reduce potential cultural resource effects to a level that is less than significant in a written report to the City, with a copy to the tribal representative. The City shall be responsible for implementing the report recommendations. Avoidance is the preferred means of disposition of tribal cultural resources. The contractor shall be responsible for retaining qualified professionals, implementing recommended mitigation measures, and documenting mitigation efforts in written reports to the City.

(c) Findings:

Based upon the Revised FEIR and the entire record before this City Council, this City Council finds that:

A cultural resource study conducted for the project did not identify any prehistoric resources on the project site, either in extant records or during a field survey. The study concluded that the site is of “low” archaeological sensitivity and that it is unlikely that presently undocumented buried archaeological remains would be encountered within the project site. However, a search by the Native American Heritage Commission of its Sacred Lands File indicated the potential presence of a Sacred Land on or near the project site. Also, even though the project site has been extensively disturbed by past agricultural activities, it is conceivable that archaeological resources could be encountered during project construction.
activities. Disturbance or damage to such resources would be a potentially significant impact.

Mitigation Measure CULT-1 sets forth procedures to be observed by the project should any archaeological resources be encountered during project construction. An important part of this mitigation is for project work to stop within 50 feet of the find and to not resume until an archaeologist can examine the find and make recommendations on its disposition. If the find contains resources of importance to a Native American tribe, then a Native American representative shall be contacted and consulted on the disposition of the find. The mitigation would address the concerns of the Northern Valley Yokuts, as it is based upon measures that have been approved by the tribal representative for other projects.

In accordance with Public Resources Code § 21081, Mitigation Measure CULT-1 is an appropriate change or alteration that has been required in, or incorporated into, the project which avoids or substantially lessens the significant environmental effect as identified in the EIR. Based upon the Revised FEIR and the entire record before this City Council, this City Council finds that the potential to have direct or indirect effects on archaeological and tribal cultural resources will be mitigated to a less-than-significant level.

**IMPACT CULT-3: Human Burials.**

(a) Potential Impact:

It is possible that unknown human burials, including Native American burials, may be encountered during project construction. The potential for the project to impact Native American burials is discussed on pages 8-7 and 8-8 of the Draft EIR.

(b) Mitigation Measures:

The following mitigation measure is hereby adopted and will be implemented as provided by the MMRP:

CULT-2: If project construction encounters evidence of human burial or scattered human remains, the contractor shall immediately notify the County Coroner and the City, which shall in turn notify the appropriate tribal representative. The City shall notify other federal and State agencies as required. The City will be responsible for compliance with the requirements of California Health and Safety Code Section 7050.5 and with any direction provided by the County Coroner.

If the human remains are determined to be Native American, the County Coroner shall notify the Native American Heritage Commission, which will notify and appoint a Most Likely Descendant. The Most Likely Descendant will work with the archaeologist to decide the proper treatment of the human remains and any associated funerary objects in accordance with California Public Resources Code Sections 5097.98 and 5097.991. Avoidance is the preferred means of disposition of the burial resources.
(c) Findings:

Based upon the Revised FEIR and the entire record before this City Council, this City Council finds that:

The cultural resource study did not indicate the presence of any human burials on the project site. Discoveries of remains are considered unlikely, given the negative results of the research, survey, and Native American community outreach. However, it is conceivable that human remains, including Native American burials, could be encountered during project construction activities. Also, a representative of the Northern Valley Yokuts indicated that Native American burials have occurred in the project vicinity.

Mitigation Measure CULT-2 sets forth procedures to be observed by the project should any human burials be encountered during project construction. If the burial is determined to be Native American in origin, then the Native American Heritage Commission would be contacted. The Commission, in turn, would identify a Most Likely Descendant to be consulted on the disposition of the burial. This would ensure that the Native American burial would be treated with appropriate dignity.

In accordance with Public Resources Code § 21081, Mitigation Measure CULT-2 is an appropriate change or alteration that has been required in, or incorporated into, the project which avoids or substantially lessens the significant environmental effect as identified in the EIR. Based upon the Revised FEIR and the entire record before this City Council, this City Council finds that the potential to have direct or indirect effects on human burials will be mitigated to a less-than-significant level.

IMPACT GEO-5: Paleontological Resources and Unique Geological Features

(a) Potential Impact:

Project construction could unearth previously unknown paleontological materials of significance. The potential for project impact paleontological resources is discussed on pages 9-9 and 9-10 of the Draft EIR.

(b) Mitigation Measures:

The following mitigation measure is hereby adopted and will be implemented as provided by the MMRP:

GEO-2: If any subsurface paleontological resources are encountered during construction, all construction activities within a 50-foot radius of the encounter shall be immediately halted until a qualified paleontologist can examine these materials, initially evaluate their significance and, if potentially significant, recommend measures on the disposition of the resource. The City shall be immediately notified in the event of a discovery. The contractor shall be responsible for retaining qualified professionals, implementing recommended mitigation measures, and documenting mitigation efforts in written reports to the City.
(c) Findings:

Based upon the Revised FEIR and the entire record before this City Council, this City Council finds that:

San Joaquin County has more than 800 documented fossil localities. However, only a handful of specimens have been recorded within the Stockton General Plan Planning Area, and these specimens were identified as relatively recent. No paleontological resources within the project site have been recorded. Nevertheless, it is conceivable that excavation associated with project development could unearth paleontological materials. The Modesto Formation, which underlies the project site, has been identified as a potential source of paleontological resources.

Mitigation Measure GEO-2 sets forth procedures to be observed by the project should any archaeological resources be encountered during project construction. An important part of this mitigation is for project work to stop within 50 feet of the find and to not resume until a paleontologist can examine the find and make recommendations on its disposition.

In accordance with Public Resources Code § 21081, Mitigation Measure GEO-2 is an appropriate change or alteration that has been required in, or incorporated into, the project which avoids or substantially lessens the significant environmental effect as identified in the EIR. Based upon the Revised FEIR and the entire record before this City Council, this City Council finds that the potential to have direct or indirect effects on paleontological resources will be mitigated to a less than significant level.

IMPACT NOISE-2: Increase in Noise Levels in Excess of Standards - Other Project Noise.

(a) Potential Impact:

Noise from trailer parking and truck loading/unloading could affect nearby sensitive land uses, mainly residences. The potential for project construction to result in the generation of other project noise in excess of standards is discussed on pages 14-10 and 14-11 of the Draft EIR.

(b) Mitigation Measures:

The following mitigation measure is hereby adopted and will be implemented as provided by the MMRP:

NOISE-1: Sound walls 10 feet in height shall be required where existing residential uses or residentially zoned areas are located adjacent to the project site. Figure 3 of the project noise study (Figure 14-2 of this EIR) shows the locations of the recommended sound walls based on the proposed conceptual plan. Site plan modifications, and/or additional noise analysis by a qualified acoustical consultant may warrant changes to these requirements, assuming that compliance with City noise standards is maintained.
(c) Findings:

Based upon the Revised FEIR and the entire record before this City Council, this City Council finds that:

Operation of proposed warehousing uses would generate new noise. Noise generated by loading dock activities includes truck arrivals and departures from the unloading area, trucks backing into the docks (including backup beepers), air brakes, and other related unloading noise. A noise study conducted for the project assessed loading dock activity noise impacts at the nearest potentially affected noise-sensitive land uses, which are residences. The resulting noise levels would be 54 decibels (dB) Leq and 74 dB Lmax. The noise levels would comply with the City’s daytime noise level standards of 55 dB Leq and 75 dB Lmax; however, they would not comply with the nighttime noise level standards of 45 dB Leq and 65 dB Lmax.

The noise study recommends sound walls 10 feet in height be placed at specific locations along the project site boundary where residences are close to potential activity areas. The sound walls are expected to provide a 10-dB reduction in noise levels, which would reduce nighttime noise to levels below the maximum allowed by City noise standards.

In accordance with Public Resources Code § 21081, Mitigation Measure NOISE-1 is an appropriate change or alteration that has been required in, or incorporated into, the project which avoids or substantially lessens the significant environmental effect as identified in the EIR. Based upon the Revised FEIR and the entire record before this City Council, this City Council finds that the potential to have direct or indirect effects related to noise from other project sources will be mitigated to a less-than-significant level.

IMPACT NOISE 3: Increase in Noise Levels in Excess of Standards – Construction

(a) Potential Impact:

Construction activities may potentially increase ambient noise above City standards at nearby residences. The potential for project construction to result in the generation of noise in excess of standards is discussed on pages 14-11 and 14-12 of the Draft EIR.

(b) Mitigation Measures: The following mitigation measure is hereby adopted and will be implemented as provided by the MMRP:

NOISE-2: Construction activities associated with the project shall adhere to the requirements of the City of Stockton Municipal Code with respect to hours of operation. The applicant shall ordinarily limit construction activities to the hours of 7:00 a.m. to 7:00 p.m., Monday through Saturday. No construction shall occur on Sundays or national holidays without a written permit from the City. All construction equipment shall be in good working order and shall be fitted with factory-equipped mufflers.
(c) Findings:

Based upon the Revised FEIR and the entire record before this City Council, this City Council finds that:

Noise from project construction activities would temporarily add to the noise environment in the project vicinity during the construction period. Activities involved in construction would generate maximum noise levels ranging from 76 to 90 dB at a distance of 50 feet. Noise would also be generated during the construction phase by increased truck traffic on area roadways, associated with transport of heavy materials and equipment to and from construction sites. Construction activities would be temporary in nature and are anticipated to occur during normal daytime working hours; noise during daytime is allowed by the Stockton Municipal Code. The truck traffic noise increase would be of short duration and would likely occur primarily during daytime hours. Nevertheless, given the proximity of residences, construction noise impacts are considered potentially significant.

Mitigation Measure NOISE-2 requires project construction activities to adhere to the requirements of the City of Stockton Municipal Code with respect to hours of operation. The applicant shall ordinarily limit construction activities to the hours of 7:00 a.m. to 7:00 p.m., Monday through Saturday. No construction shall occur on Sundays or national holidays without a written permit from the City. This avoids construction activities during hours and days that nearby residences may be especially sensitive to noise. In addition, all construction equipment shall be in good working order and shall be fitted with factory-equipped mufflers, which would reduce noise from equipment operations.

In accordance with Public Resources Code § 21081, Mitigation Measure NOISE-2 is an appropriate change or alteration that has been required in, or incorporated into, the project which avoids or substantially lessens the significant environmental effect as identified in the EIR. Based upon the Revised FEIR and the entire record before this City Council, this City Council finds that the potential to have direct or indirect effects related to noise from construction activities will be mitigated to a less-than-significant level.
2.4 FINDINGS AND RECOMMENDATIONS REGARDING IMPACTS THAT ARE LESS THAN SIGNIFICANT OR LESS THAN CUMULATIVELY CONSIDERABLE

Among the potentially significant environmental effects analyzed and described in the EIR, including potential cumulative impacts, numerous potential impacts were found to be less than significant or to have no substantial effect on the environment. Specific impacts within the following categories of environmental effects were found to be less than significant as described in more detail in the Revised Final EIR (FEIR).

Chapter 4.0 Aesthetics and Visual Resources: The following specific aesthetic and visual resource impacts were found to be less than significant:

- Impact AES-1: Scenic Vistas, FEIR pages 4-6,7
- Impact AES-2: Scenic Resources, FEIR page 4-7
- Impact AES-3: Visual Character and Quality, FEIR pages 4-8,9
- Impact AES-4: Light and Glare, FEIR pages 4-9,10,11

Chapter 5.0 Agricultural Resources: The following specific agricultural resource impacts were found to be less than significant:

- Impact AG-2: Agricultural Zoning and Williamson Act, FEIR pages 5-6, 7
- Impact AG-3: Indirect Conversion of Agricultural Lands, FEIR pages 5-7, 8

Chapter 6.0 Air Quality: The following specific air quality impacts were found to be less than significant:

- Impact AIR-1: Air Quality Plans and Standards–Construction Emissions, FEIR pages 6-14,15,16
- Impact AIR-4: Exposure of Sensitive Receptors to Toxic Air Contaminants, FEIR pages 6-28, 29
- Impact AIR-5: Odors and Other Emissions, FEIR pages 6-29,30

Chapter 7.0 Biological Resources: The following specific biological resource impacts were found to be less than significant:

- Impact BIO-2: Riparian and Other Sensitive Habitats, FEIR page 7-17

Chapter 8.0 Cultural Resources: The following specific cultural resource impacts were found to be less than significant:

- Impact CULT-1: Historical Resources, FEIR page 8-6
Chapter 9.0 Geology and Soils: The following specific geology and soil impacts were found to be less than significant:

Impact GEO-1: Faulting and Seismicity, FEIR pages 9-8, 9
Impact GEO-2: Other Geologic Hazards, FEIR page 9-9
Impact GEO-3: Soil Erosion, FEIR pages 9-9, 10
Impact GEO-4: Expansive Soils, FEIR pages 9-10, 11

Chapter 10.0 Greenhouse Gas Emissions: The following specific greenhouse gas emission impacts were found to be less than significant:

Impact GHG-2: Project GHG Operational Emissions and Consistency with Applicable Plans and Policies, FEIR pages 10-12, 13, 14, 15

Chapter 11.0 Hazards and Hazardous Materials: The following specific hazard and hazardous material impacts were found to be less than significant:

Impact HAZ-1: Hazardous Material Transportation and Storage, FEIR pages 1-8, 9
Impact HAZ-2: Hazardous Material Releases, FEIR pages 11-9, 10
Impact HAZ-3: Hazardous Material Sites, FEIR pages 11-10, 11
Impact HAZ-4: Airport Hazards, FEIR page 11-11
Impact HAZ-5: Interference with Emergency Vehicle Access and Evacuations, FEIR page 11-12
Impact HAZ-6: Wildfire Hazards, FEIR page 11-12

Chapter 12.0 Hydrology and Water Quality: The following specific hydrology and water quality impacts were found to be less than significant:

Impact HYDRO-1: Surface Water Resources and Quality, FEIR pages 12-9, 10
Impact HYDRO-2: Groundwater Resources and Quality, FEIR pages 12-10, 11
Impact HYDRO-3: Drainage Patterns and Runoff, FEIR pages 12-11, 12
Impact HYDRO-4: Release of Pollutants in Flood, Tsunami, and Seiche Zones, FEIR 12-12
Impact HYDRO-5: Consistency with Water Quality and Groundwater Management Plans, FEIR pages 12-12, 13

Chapter 13.0 Land Use, Population and Housing: The following specific land use, population and housing impacts were found to be less than significant:

Impact LUP-1: Division of Communities, FEIR page 13-9
Impact LUP-2: Conflict with Applicable Plans, Policies, and Regulations, FEIR pages 13-9, 10, 11
Impact LUP-3: Inducement of Population Growth, FEIR page 13-12
Impact LUP-4: Displacement of Housing and People, FEIR page 13-12
Chapter 14.0 Noise: The following specific noise impacts were found to be less than significant:

- Impact NOISE-4: Groundborne Vibration, FEIR page 14-13
- Impact NOISE-5: Airport and Airstrip Noise, FEIR page 14-13

Chapter 15.0 Public Services and Recreation: The following specific public service and recreation impacts were found to be less than significant:

- Impact PSR-1: Fire Protection Services, FEIR pages 15-7, 8, 9
- Impact PSR-2: Police Protection Services, FEIR pages 15-9, 10
- Impact PSR-3: Schools, FEIR page 15-10
- Impact PSR-4: Parks and Recreational Services, FEIR page 15-10
- Impact PSR-5: Other Public Facilities, FEIR page 15-10

Chapter 16.0 Transportation: The following specific transportation impacts were found to be less than significant:

- Impact TRANS-4: Motor Vehicle Transportation Plans - Truck Routes, FEIR pages 16-23, 24
- Impact TRANS-5: Conflicts with Non-Motor Vehicle Transportation Plans, FEIR page 16-24
- Impact TRANS-7: Safety Hazards, FEIR pages 16-26, 27
- Impact TRANS-8: Emergency Access, FEIR page 16-28

Chapter 17.0 Utilities and Energy: The following specific utilities and energy impacts were found to be less than significant:

- Impact UTIL-1: Wastewater Services and Facilities, FEIR pages 17-10, 11
- Impact UTIL-2: Water Services and Facilities, FEIR pages 17-11, 12
- Impact UTIL-3: Stormwater Services and Facilities, FEIR page 17-12
- Impact UTIL-4: Solid Waste, FEIR page 17-12, 13
- Impact UTIL-5: Electrical and Telecommunications Facilities, FEIR page 17-13
- Impact UTIL-6: Project Energy Consumption, FEIR pages 17-13, 14, 15

The cumulative impacts of the project were evaluated in separate issue-specific sections of Chapter 18.0 of the Revised FEIR (FEIR). The project was found to have a less than cumulatively considerable contribution to cumulatively significant impacts within the following categories of environmental effects, as described in more detail in the EIR:

18.3.1 Aesthetics and Visual Resources: FEIR page 18-3.
18.3.2 Agricultural Resources: FEIR pages 18-3, 4.
18.3.3 Air Quality: FEIR pages 18-4, 5, 6
18.3.4 Biological Resources: FEIR pages 18-6, 7.
18.3.5 Cultural Resources and Tribal Cultural Resources: FEIR page 18-7.
18.3.6 Geology, Soils, and Mineral Resources: FEIR pages 18-7, 8.
18.3.7 Greenhouse Gas Emissions: FEIR pages 18-7, 8.
18.3.8 Hazards and Hazardous Materials: FEIR pages 18-8, 9.
18.3.10 Land Use, Population, and Housing: FEIR pages 18-10.
18.3.11 Noise: FEIR pages 18-10, 11, 12.
18.3.12 Public Services and Recreation: FEIR pages 18-12, 13.
18.3.13 Transportation: FEIR pages 18-13, 14, 15, 16.
18.3.14 Utilities and Energy: FEIR pages 18-17.

Each of the above-listed potential cumulative impacts were determined to be less than significant or less than cumulatively considerable for one of the following reasons:

The Revised FEIR determined that the impact is less than significant for the Mariposa Industrial Park project;

The Revised FEIR determined that the Project would have a less than cumulatively considerable contribution to the cumulative impact; or

The Revised FEIR determined that the impact is beneficial (would be reduced) for the Project.
3.0 FINDINGS REGARDING ALTERNATIVES

3.1 PROJECT ALTERNATIVES

The State CEQA Guidelines require that an EIR include a discussion of a reasonable range of alternatives to the proposed project or to the location of the project. Alternatives to the proposed project are addressed in Chapter 19.0 of the Revised FEIR.

When a Lead Agency finds that mitigation measures needed to reduce a significant effect to less than significant, or to substantially reduce it, are infeasible (CEQA Guidelines Section 15091, Finding 3), the Lead Agency must also describe the specific reasons for rejecting alternatives that could meet the same need. As discussed in Section 2.1, the City is making Finding 3 with regard to six environmental effects that could result from the project; these effects will not be sufficiently reduced by mitigation measures and are therefore considered significant and unavoidable. The City Council’s findings with regard to project alternatives are shown in the following sections.

An EIR is required to identify a range of reasonable alternatives to the project. The potential alternatives to the project include those that could feasibly accomplish most of the basic purposes of the project and could avoid or substantially lessen one or more of the significant effects. “Among the factors that may be taken into account when addressing the feasibility of alternatives are site suitability, economic viability, availability of infrastructure, general plan consistency, other plans or regulatory limitations, jurisdictional boundaries and whether the proponent can reasonably acquire, control or otherwise have access to the alternative site (or the site is already owned by the proponent).”

With the exception of the No Project Alternative, the alternatives discussed in the Revised FEIR are generally feasible but are unlikely to avoid or substantially lessen environmental effects of the project. Therefore, these alternatives are not specifically rejected by the City, but their environmental effects are not such that any of the alternatives should be considered “environmentally superior” to the project and therefore selected in lieu of the proposed project. The alternatives are discussed below.

3.2 PROJECT OBJECTIVES

The quantifiable objectives of the Mariposa Industrial Park project include annexation of the 203-acre project site into the Stockton city limits, pre-zoning of the site and the subsequent development of the site for industrial use. The Revised FEIR identifies the following objectives:

- Development of approximately 3.6 million square feet of industrial space together with associated site and utility improvements for lease to various potential tenants

To provide for industrial development of the site as contemplated by the Stockton General Plan 2040. Stockton General Plan Policy LU-4.1 encourages large-scale development proposals in appropriate locations that include significant numbers of higher-wage jobs and local revenue generation.
To take advantage of existing development-ready infrastructure and provide for project design flexibility in the allowable number and size of parcels and industrial structures, thereby maximizing the industrial development potential of the site.

To comply with the natural resource management objectives of the Stockton General Plan 2040 by placing new industrial development in an area where potential impacts to sensitive natural resources are or can be reduced or avoided through site design, development phasing, and landscaping.

### 3.3 ALTERNATIVES NOT SELECTED FOR FURTHER CONSIDERATION

Both the DEIR and Revised FEIR briefly considered several alternatives that were not addressed in detail; these alternatives were not considered “feasible” alternatives under CEQA. These alternatives, discussed in detail in Section 19.3 of the FEIR: 1) were clearly infeasible, or 2) did not have the ability to avoid or substantially lessen the significant environmental effects of the project. The alternatives considered are shown below.

**Alternative Sites.** Depending on the location, some impacts might be reduced by an alternative site, and in some cases new or more severe environmental impacts could occur. No clear opportunity to reduce environmental effects was identified, and the City declined to conduct further analysis.

**Alternative Site Design.** Site designs for the proposed project were considered but would not avoid or substantially lessen one or more of the potentially significant effects identified in this EIR. Given the lack of opportunity for reduction of environmental effects, this alternative was not analyzed further.

A NOP was circulated to agencies and the public as part of the effort to identify a reasonable range of alternatives to the proposed project. Additionally, the City held a public scoping meeting during the NOP review period. No specific alternatives were identified during the NOP public review process or scoping meeting.

### 3.4 FINDINGS REGARDING ALTERNATIVES ANALYZED IN EIR

The alternatives analysis provides a summary of the relative impact levels of significance associated with each alternative for each of the environmental issue areas analyzed in the Draft EIR. The environmental analysis for each of the alternatives is included at the project-level within each impact statement following the analysis for the proposed Project within Sections 3.1 through 3.14.
NO PROJECT ALTERNATIVE:

The No Project Alternative is discussed on page 19-5,6 and 7 of the Revised FEIR. The Revised EIR defines the “No Project” Alternative as no annexation to the City of Stockton, no industrial pre-zoning, and no industrial development as proposed by the project. The project site would continue to be used for agricultural activities consistent with the existing San Joaquin County zoning.

Since industrial development would not occur under this alternative, there would be no impacts associated with such development on the project site. Most environmental impacts associated with the proposed project would be avoided, particularly air pollutant and GHG emissions, noise, and traffic. However, this alternative would meet none of the objectives of the proposed project. It also would be inconsistent with both the City of Stockton General Plan, which anticipates industrial development of the project site. No annexation and development of the site also would mean that the City would not realize increase in revenue from property taxes, utility user taxes, license fees, and other taxes and fees. With no development, the site would offer only limited employment opportunities associated with agricultural work.

It is uncertain if agricultural operations on the project site, even those involving higher-value crops, would be viable in the long term, given its location in an area designated for industrial development under the Stockton General Plan and already extensively developed with industrial uses. Continued agricultural use may require agricultural chemicals such as pesticides, herbicides, and fertilizers, with the potential to affect nearby residential areas, contaminate project site soils and adjacent North Littlejohns Creek if not properly applied. Agricultural activities also could generate dust emissions to which nearby land uses, including residences, may be exposed.

Findings: Environmental benefits of this alternative over the proposed Project include the reduction of impacts to aesthetics and visual resources, agricultural resources, air quality, biological resources, cultural and tribal resources, geology and soils, greenhouse gases and climate change, hazards and hazardous materials, hydrology and water quality, land use and population, noise, transportation and circulation, and utilities.

While the City understands the environmental benefits of the No Project Alternative, this alternative would not achieve any of the Project objectives. Specifically, this alternative would not: permit industrial development of the site or any of the project’s attendant economic impacts. It is not a reasonable expectation for the property owner(s) to keep the Project site in the existing condition for the foreseeable future because of previous investments. For these reasons, this alternative is rejected.

The City Council hereby rejects the No Project Alternative because it would not meet the objectives of the project and could cause some environmental impacts that would not occur with the proposed project. The evidence in support of this finding is provided in Chapter 19.0 of the FEIR.
ALTERNATIVE INDUSTRIAL DEVELOPMENT:

This alternative proposes development of the project site other than the high-cube warehouses proposed by the project. For this alternative, it is assumed that the City would annex the project site and pre-zone the property as Limited Industrial (IL), the same as for the proposed project. The IL zone would be consistent with the existing Stockton General Plan designation for the site (Industrial). The IL zone is applied to areas appropriate for light manufacturing uses that may generate more nuisance impacts than are acceptable in commercial zoning districts and whose operations are conducted indoors.

Alternative industrial development would require extension of public services and utilities from the City to the project site as does the proposed project. Road improvements, including curb, gutter, and sidewalk improvements, would need to be made. Because of this, development under this alternative would have similar impacts to the proposed project, particularly related to traffic and noise. Ground disturbance impacts related to soil erosion, surface water quality, and drainage would be similar to the proposed project. Depending on the type of industrial activity located on the project site, this alternative may have new or more severe impacts than the proposed project involving use or storage of hazardous materials, generation of hazardous waste, or releases of hazardous materials to the environment which could have a more adverse impact in the vicinity than would occur under the proposed project. In addition, this alternative would not meet the objectives of the proposed project related to warehouse development.

Findings: The City Council hereby rejects the Alternative Industrial Development because it would not meet the objectives of the project and would cause similar effects as the project and could cause new and/or more severe environmental impacts than the proposed project. The evidence in support of this finding is provided in DEIR Chapter 19.0.

REDUCED PROJECT SITE DEVELOPMENT:

The Reduced Project Site Alternative is discussed on page 19-8 of the FEIR. Under this alternative, the project site would be annexed to the City of Stockton and pre-zoned as under the proposed project. Also, proposed development of the project site would be like the proposed project. However, the proposed warehouse development on the project site would be reduced in floor area. For the purposes of this analysis, it is assumed that only two buildings that total approximately 2,042,880 square feet in floor area would be constructed.

This alternative would be consistent with the objectives of the proposed project. As with the proposed project, it would contribute to increased City revenue potential, though at a lower level. Employment opportunities also would be created, again at a lower level than under the proposed project. The environmental impacts of the proposed project would be lessened by this alternative. Air pollutant and GHG emissions from both mobile and area emissions would be reduced, although a CalEEMod run indicates that ROG emissions would remain above their SJVAPCD significance threshold. The alternative would also reduce the amount of traffic that would be generated, along with attendant air quality and noise impacts. With the reduced development, a lower quantity of hazardous materials associated with industrial development would be used.
However, effects on other environmental issues would be the same as the proposed project, and mitigation would likely be required to reduce some of these impacts. Potentially more land would be left available for existing uses such as agriculture, although the existing walnut orchard would likely be removed as this area is favored for near-term development. Agricultural activities, as discussed under the No Project Alternative, could involve the use of agricultural chemicals that could contaminate the project site and nearby North Littlejohns Creek if not properly used. Also, agricultural activities could generate dust emissions to which nearby sensitive receptors could be exposed, and potential conflicts could occur between farm equipment and vehicle traffic.

**Findings:** The City Council hereby rejects the Reduced Development Alternative. Although the alternative could reduce the project’s land disturbance, traffic, air quality and noise effects, it could also have more adverse impacts in certain environmental issues, mainly related to ongoing potential agricultural use. This alternative would not meet project objectives to the extent the proposed project would. Further, this alternative would provide less economic growth and development as anticipated by the land use designation and policies of Stockton’s General Plan. This alternative is considered to have environmental effects that are generally equivalent to the proposed project, but the alternative is not considered “environmentally superior” to the project and need not be selected in lieu of the proposed project. The evidence in support of this finding is provided in Revised FEIR Chapter 19.0.

**ENVIRONMENTALLY SUPERIOR ALTERNATIVE:**

As the No Project Alternative would eliminate or avoid all potential environmental effects associated with the proposed project, it would be considered the environmentally superior alternative. However, this alternative would meet none of the project objectives, while it could generate adverse environmental impacts of its own.

CEQA Guidelines Section 15126.6(e)(2) requires that, if a No Project Alternative is identified as the environmentally superior alternative, then an EIR shall identify an environmentally superior alternative from the other alternatives. Most of the other alternatives analyzed in this Revised FEIR would involve environmental effects similar to the proposed project. The Reduced Development Alternative would involve some reduced impacts in certain issue areas, but would not effectively meet the objectives of the proposed project. Therefore, the Reduced Development Alternative would not be considered the environmentally superior alternative after the No Project Alternative.
4.0 STATEMENT OF OVERRIDING CONSIDERATIONS FOR THE MARIPOSA INDUSTRIAL PARK PROJECT

As described in detail in Section 2.0 of these Findings, the following six significant and unavoidable impacts could occur with implementation of the Project:

Impact AG-1: Conversion of Farmland
Impact AIR-2: Air Quality Plans and Standards-Operational Emissions
Impact AIR-3: Exposure of Sensitive Receptors to Criteria Pollutants
Impact GHG-1: Project GHG Construction Emissions and Consistency with Applicable Plans and Policies
Impact NOISE-1: Increase in Noise Levels in Excess of Standards - Traffic
Impact TRANS-6: Consistency with CEQA Guidelines Section 150645.3(b).

The adverse effects listed above, and described in detail in Section 2.0, are substantive issues of concern to the City of Stockton. The project is, however, consistent with City of Stockton land use designations and zoning and would implement important goals and policies of the General Plan while conforming with its applicable standards. The overall objective of the General Plan is to accommodate the City’s needs for growth over the foreseeable future. The proposed Project site has been designated for development of land uses that will generate jobs and tax revenue for the City, which could reduce the number of citizens commuting to areas outside of the City. Additionally, the Project would provide short-term employment opportunities during the design and construction process. Additionally, the proposed Project would generate tax and other revenue that would exceed public costs associated with the project.

Pursuant to CEQA Guidelines Section 15093, the City Council of the City of Stockton finds that the six potential environmental effects of the Mariposa Industrial Park project, as described above and in the referenced sections of F Revised EIR for the project, are potentially significant and cannot be avoided, mitigated to Less Than Significant or substantially reduced by the mitigation measures described in the Revised EIR and which will be required of the project.

The City also finds in Section 3.0 of this document that none of the project alternatives have the potential to avoid or substantially reduce the significant environmental effects of the project except the No Project Alternative, which is inconsistent with the project objectives.

The City Council hereby adopts and makes the following Statement of Overriding Considerations (SOC) with respect to Section 15093 of the CEQA Guidelines, which is shown in its entirety in Section 1.0. The SOC describes the anticipated economic, legal, social, technological and/or other benefits or considerations that warrant the City Council’s
decision to approve the project even though all of the environmental effects of the project are not fully mitigated.

In light of the whole record before it, the Stockton City Council specifically finds that the potentially significant and unavoidable environmental impacts of the Mariposa Industrial Park project are considered acceptable in light of overriding social, economic and other benefits or considerations related to the project, these overriding effects are listed below. The City Council finds that the social, economic and other benefits or considerations of the project outweigh the significant and unavoidable effects of the project. The City Council considers the following items to be the overriding social, economic and other benefits or considerations of the project.

1. The project site and surroundings are designated for urban industrial development by the Stockton General Plan 2040. The site area is within Stockton’s designated Urban Services Boundary, which is intended to be annexed and pre-zoned for urban development in the near future. In anticipation of eventual annexation and development, the project site is designated “Urban Reserve” by San Joaquin County.

2. Economic development and job creation, including the designation of sufficient land for ongoing development of job-generating land uses, are among the core objectives of the Stockton General Plan 2040.

3. The project is in compliance with Stockton General Plan 2040 policies supporting urban growth on lands with existing transportation and utility services, thereby preventing unnecessary urban expansion into other greenfield areas on the periphery of Stockton. The project site is surrounded by other areas designated for urban industrial development.

4. The General Plan 2040 EIR, considered and certified by the Stockton City Council before adopting the General Plan in 2018, disclosed a range of potential environmental impacts associated with planned development in accordance with the existing general plan designations. The project would make contributions to these previously identified impacts consistent with the analysis provided in the certified Stockton General Plan 2040 Environmental Impact Report (GPEIR). The significant impacts analyzed in the GPEIR include conversion of agricultural lands, emissions of criteria pollutants including oxides of nitrogen, greenhouse gas emissions and traffic and noise increases along Mariposa Road that would result from planned urban growth as a whole.

5. Proposed industrial development is within the allowable land use intensity for the City’s Industrial General Plan designation. Approval of the project would not confer any increase in the planned future industrial development intensity on the project site that is not already accounted for in the Stockton General Plan 2040 and the GPEIR.

6. The City is planning development of a new fire station to serve ongoing industrial development in the southern portion of the City. As provided in the proposed, the project applicant will provide $100,000 to fund formation of a Community Facilities District (CFD). The CFD will be responsible for construction and long-term operation of the fire station. The Development Agreement also commits the applicant to provide up to $3 million in funding for fire station construction and to pay the project’s fair share of operating costs in perpetuity.
7. The 2022 Economic Benefit Report on the project, prepared by Development Planning and Financing Group (DPFG), indicates that the project will produce significant economic benefits to the local economy, including impact fee benefits, construction benefits, employment benefits, earnings increases, and tax revenue generation.

8. DPFG estimates that construction of the project will generate approximately $580 million in construction economic activity, an estimated 7,422 construction jobs and $517.8 million in worker earnings over the project construction period.

9. Once constructed and in operation, DPFG estimates the project will generate an estimated $4.1 million annually in property tax revenues; $828,000 of this revenue will directly benefit the City of Stockton; an increase of $686,000 in revenues will be paid to the County of San Joaquin, and an additional $2.6 million in property tax revenues will accrue to other local agencies including the Stockton USD, SJ Delta Community College and San Joaquin County flood control agencies, among others.

10. The project will employ an estimated 3,062 full-time employees. New employee spending will generate an estimated $8 million in taxable sales, including $5.6 million within the City limits generating approximately $55,736 annually in sales tax revenue to the City.

11. The project is estimated to fund more than $6 million in development fees to the City and $1.3 million to the Stockton Unified School District. Of these, City development impact fees contribute to capital costs of new facilities or upgrades to existing streets, utilities, fire, police, medical, libraries and parks facilities required by new development.

12. The project is subject to the requirements of the Stockton Agricultural Lands Mitigation Program. The project will involve a substantial contribution of conservation easement-protected land or payment of in-lieu fees of approximately $1 million to the Mitigation Program as compensation for the agricultural land conversion impacts of the project.

13. The project will involve a contribution of more than $4.6 million in habitat conservation fees to the San Joaquin County Multi-Species Habitat Conservation Program.

14. The project will widen approximately 900 feet of Mariposa Road, including turning lanes, pedestrian sidewalks and bike lanes, at an estimated cost of approximately $6 million.

15. Except for the six significant and unavoidable impacts addressed in this document, all of the other potential environmental impacts of the project described in the Revised FEIR were determined to be less than significant or would be reduced to less than significant level with mitigation measures that will be incorporated into the project.

In addition to the above-listed social, economic and other benefits of the project, the City Council has also taken the following points into consideration:
16. The Revised FEIR considers a range of feasible alternatives to the proposed project. None of the alternatives would result in avoidance or a substantial reduction in the significant and unavoidable effects of the project.

17. The agricultural land conversion impacts of developing the project site were included in the analysis of this environmental concern in the Revised FEIR prepared and certified prior to adoption of the Stockton General Plan 2040 in 2018. Agricultural land conversion impacts were accepted by the City as significant and unavoidable in its Statement of Overriding Considerations adopted in conjunction with adoption of the General Plan in 2018.

18. While the Mariposa Industrial Revised FEIR considers Air Quality Plans and Standards- Operational Emissions impacts to be significant and unavoidable, these impacts were also addressed for planned urban development foreseen by the Stockton General Plan 2040 EIR and accepted in the Statement of Overriding Considerations adopted in conjunction with adoption of the General Plan.

19. The agencies commenting on the Mariposa Industrial Draft EIR have identified a range of potential air quality mitigation measures, which have been incorporated into the Revised Final EIR to the degree feasible. The means to reliably quantify the efficacy of these mitigation measures, considered “best available,” are not available at this time.

The City Council of the City of Stockton hereby finds in light of the whole record that the above-described economic, legal, social, technological and other benefits or considerations of the project outweigh the environmental effects of the project that may remain unmitigated or are considered to be unavoidable. These environmental effects of project implementation are, therefore, considered to be acceptable.

The City Council also finds that any environmental detriment caused by the proposed Project has been minimized to the extent feasible through the mitigation measures identified in the Revised FEIR and herein. Where mitigation of environmental impacts is not feasible, these impacts will be outweighed and counterbalanced by the significant economic, social, environmental, and other benefits to be generated within the region.
MITIGATION MONITORING/REPORTING PROGRAM

FOR THE

MARIPOSA INDUSTRIAL PARK

City of Stockton, CA

State Clearinghouse No: 2020120283
City of Stockton Project No. P20-0805

November 22, 2022

Prepared for:
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1.0 INTRODUCTION

This document is the Mitigation Monitoring/Reporting Program (MMRP) for the Mariposa Industrial Park project, as required by CEQA Guidelines Section 15097. The primary source document for the MMRP is the Environmental Impact Report for the Mariposa Industrial Park Project (SCH# 2020120283) (the "EIR"). When referenced as such, the “EIR” for the project includes the Public Review Draft EIR (the DEIR) dated August 24, 2021 and the certified Revised Final EIR (the FEIR) dated November 15, 2022, as well as any documents that have been incorporated into the DEIR and FEIR by reference.

1.1 PURPOSE AND SCOPE OF THIS DOCUMENT

The California Environmental Quality Act (CEQA) requires that a Lead Agency prepare and certify an Environmental Impact Report (EIR) when a proposed project may involve significant environmental effects, as defined by CEQA. Prior to project approval, the Lead Agency must adopt an MMRP that lists all mitigation measures identified in the certified EIR and describes responsibility for their implementation and/or monitoring. The mitigation measures are listed together with implementation and monitoring responsibility in the table following.

CEQA also requires that the Lead Agency make written findings specific to each of the significant environmental effects or potentially significant environmental effects of the project as described in the EIR. The “CEQA Findings” for the Mariposa Industrial Park project, including a Statement of Overriding Considerations, are contained in a separate document to be adopted by the Stockton City Council.

The proposed project, a summary of the project’s environmental review process, the environmental documentation prepared for the project, and mitigation measures that must be implemented in conjunction with the project are discussed below.

1.2 PROJECT DESCRIPTION

The proposed project involves annexation and pre-zoning of the project site and approval of plans for industrial development of approximately 203 acres of land located adjacent to and south of Mariposa Road. The project site, consisting of nine parcels, is in the San Joaquin County unincorporated area, adjacent to the southeastern limits of the City of Stockton. The site location is shown on the attached figures.

The project would involve the development of “high-cube” warehousing and storage buildings that are typically 200,000 square feet of floor area or greater. The conceptual site plan for the project site proposes seven buildings with a maximum height of 36 feet and floor area totaling 3.6 million square feet including ancillary office space. Project site
development would also include the construction of circulation and parking for light vehicles and trucks, utilities and landscaping. Access would be developed from Mariposa Road; improvements would include widening of Mariposa Road to accommodate turn pockets and acceleration/deceleration lanes.

1.3 ENVIRONMENTAL REVIEW OF THE PROJECT UNDER CEQA

The project’s environmental effects, mitigation measures needed to address these effects and alternatives to the project are discussed in detail the EIR prepared by the City of Stockton in accordance with the requirements of CEQA. EIR processing steps have included preparation and distribution of a Notice of Preparation, a scoping meeting, publication and distribution of a Draft EIR for public review, preparation of a Final EIR addressing comments received during the public review period for City Council certification, and preparation of a CEQA Findings document and this Mitigation Monitoring/Reporting Plan for adoption by the Stockton City Council. Additional detail regarding the CEQA processing of the project can be found in the Revised Final EIR, which is incorporated by reference below.

Figure 1
REGIONAL LOCATION MAP

PROJECT LOCATION

www.csac.counties.org
Figure 2

ASSESSOR PARCEL MAP

SOURCE: SAN JOAQUIN COUNTY ASSESSOR PARCEL OFFICE.

THE PROJECT INCLUDES PARCELS:
179-220-019, 018,017,016,015,014, 013, 012, 011, 010, 024, 046
PROPOSED ANNEXATION AND PREZONING BOUNDARY

PROPOSED PREZONING: AG-40 (COUNTY) TO IL LIGHT INDUSTRIAL

EXISTING CITY LIMITS

EXISTING ZONING: IL - LIGHT INDUSTRIAL

Figure 3
PROPOSED ANNEXATION AND PREZONING

BaseCamp Environmental
CONCEPTUAL SITE PLAN

SOURCE: Ware Malcomb

Figure 4

WARE MALCOMB
EXHIBIT 3 - MMRP

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2.0 MITIGATION MONITORING/REPORTING PROGRAM

CEQA requires more than just preparing environmental documents; it also requires the Lead Agency to change or place conditions on a project, or to adopt plans or ordinances for a broader class of projects, which would address the potentially significant or significant environmental effects of a project. To ensure that mitigation measures within the Lead Agency’s purview are actually implemented, CEQA requires the adoption of a mitigation monitoring and/or reporting program (MMRP). Specifically, CEQA Guidelines Section 15091(d) requires that a public agency, when making findings for the significant impacts of a project,

“shall also adopt a program for reporting on or monitoring the changes which it has either required in the project or made a condition of approval to avoid or substantially lessen significant environmental effects. These measures must be fully enforceable through permit conditions, agreements, or other measures.”

Mitigation measures that are not feasible, or are within the jurisdiction of other agencies, are addressed through the findings required by CEQA Guidelines Section 15091 and shown in the CEQA Findings document for the project.

The Revised FEIR for the Mariposa Industrial Park project sets forth a series of mitigation measures that are applicable to the project and will address the potentially significant effects of the project. The following table summarizes the potentially significant environmental effects that could result from approval of the Mariposa Industrial Park project as described in the EIR. The table identifies 1) each effect, 2) how each significant effect would be mitigated, 3) the responsibility for implementation of each mitigation measure, and 4) the responsibility for monitoring of each of the mitigation measures. The table follows the same sequence as the impact analysis in the EIR.

The mitigation measures shown in the table include those arising from the analysis and conclusions of the Draft EIR as well as additional mitigation measures resulting from public and agency comments on the Draft EIR, an initial version of the Final EIR dated February 28, 2022 and further discussion with the comment authors in the months leading up to this publication. The comments received on the EIR and the City’s responses to those comments are discussed in Chapter 22.0 of the Revised Final EIR.
4.0 AESTHETICS

Impact AES-3: Visual Character and Quality. This is a potentially significant impact.

<table>
<thead>
<tr>
<th>Impact</th>
<th>Implementation Responsibility</th>
<th>Monitoring/Reporting Responsibility</th>
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<tbody>
<tr>
<td>AES-1: New structures, landscaping, and site improvements shall conform with Section 5.02 of the City of Stockton Design Guidelines.</td>
<td>Applicant is responsible for incorporating these requirements into project plans and specifications.</td>
<td>CDD Building will be responsible to ensure that subject requirements are included in the approved plans and specifications.</td>
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</tbody>
</table>

Impact AES-4: Light and Glare. This is a potentially significant issue.

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<tr>
<th>Impact</th>
<th>Implementation Responsibility</th>
<th>Monitoring/Reporting Responsibility</th>
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</thead>
<tbody>
<tr>
<td>AES-2: The approved site plan shall conform with the most recent version of the California Green Building Standards Code (California Code of Regulations, Title 24, Part 11) adopted by the City of Stockton at the time of site plan approval, including compliance with Section 5.106.8, which establishes mandatory requirements for outdoor lighting systems of nonresidential development that are designed to minimize the effects of light pollution.</td>
<td>Applicant is responsible for incorporating these requirements into project plans and specifications.</td>
<td>CDD Building will be responsible to ensure that subject requirements are included in the approved plans and specifications.</td>
</tr>
<tr>
<td>AES-3: The approved site plan shall comply with the applicable provisions of the Stockton Municipal Code pertaining to lighting, including Sections 16.36.060(B) and 16.32.070, which require exterior lighting to be shielded and directed away from adjoining properties and public rights-of-way. Compliance shall be documented in a photometric (lighting) plan or other documentation acceptable to the City.</td>
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<tr>
<td>Impact/Mitigation Measures</td>
<td>Implementation Responsibility</td>
<td>Monitoring/Reporting Responsibility</td>
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<tr>
<td>AES-4: Prior to final approval, the project shall be submitted to the San Joaquin Council of Governments (SJCOG), acting in its capacity as the Airport Land Use Commission, for review of the compatibility of the project with Stockton Metropolitan Airport operations and conformance to the guidelines stipulated in the Airport Land Use Compatibility Plan for Stockton Metropolitan Airport.</td>
<td>CDD Planning staff is responsible for submitting project information to ALUC.</td>
<td>CDD Planning will be responsible for ensuring that ALUC review is completed, and any applicable requirements incorporated are into conditions of approval</td>
</tr>
</tbody>
</table>

5.0 AGRICULTURE

Conversion of Farmland. This is a significant impact.

AG-1: The project shall participate in and comply with the City’s Agricultural Lands Mitigation Program, under which developers of the property shall contribute agricultural mitigation land or shall pay the Agricultural Land Mitigation Fee to the City. Applicant is responsible for easement dedication or fee payment. CDD Planning will be responsible for ensuring that agricultural program compliance is completed.

6.0 AIR QUALITY

Air Quality Plans and Standards – Construction Emissions. This is a potentially significant issue.

AIR-1: Prior to the issuance of the first building permit, the applicant/developer shall demonstrate compliance with the SJVAPCD Rule 9510 (Indirect Source Review) to reduce growth in both NOx and PM10 emissions, as required by SJVAPCD and City requirements. Same as AIR-3 Same as AIR-3

AIR-2: The project shall comply with SJVAPCD Regulation VIII for the control of dust emissions during project construction. A project Dust Control Plan shall be Applicant is responsible for submittal of technical CDD Planning is responsible for review and acceptance of...
<table>
<thead>
<tr>
<th>Impact/Mitigation Measures</th>
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<tr>
<td>submitted to the SJVAPCD as required by Regulation VIII. Enforcement of Regulation VIII is</td>
<td>assessment.</td>
<td>assessment</td>
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<tr>
<td>the direct responsibility of the SJVAPCD. City Building inspectors shall monitor conformance</td>
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<td>with approved plans and specifications.</td>
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<td>AIR-3: Architectural Coatings: Construction plans shall require that architectural and</td>
<td>Applicant is responsible for</td>
<td>CDD Planning is responsible for</td>
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<tr>
<td>industrial maintenance coatings (e.g., paints) applied on the project site shall be</td>
<td>submittal of technical</td>
<td>ensuring compliance has been</td>
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<td>consistent with a VOC content of &lt;10 g/L. Developer or tenant is not expected to exercise</td>
<td>assessment.</td>
<td>completed.</td>
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<td>control over materials painted offsite.</td>
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<tr>
<td>AIR-4 SJVAPCD Regulation VIII Compliance: Construction plans and specifications shall</td>
<td>Applicant is responsible for</td>
<td>CDD Planning is responsible for</td>
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<tr>
<td>include a Dust Control Plan incorporating the applicable requirements of Regulation VIII,</td>
<td>compliance with AQ-2 and AQ-3</td>
<td>ensuring compliance has been</td>
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<td>which shall be submitted to the SJVAPCD for review and approval prior to beginning</td>
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<td>completed.</td>
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<td>construction in accordance with the requirements of Regulation VIII.</td>
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<tr>
<td>AIR-5: Construction Worker Trip Reduction: Project construction plans and specifications</td>
<td>Applicant is responsible for</td>
<td>CDD Planning is responsible for</td>
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<tr>
<td>will require contractor to provide transit and ridesharing information for construction</td>
<td>required analysis</td>
<td>ensuring compliance has been</td>
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<td>workers.</td>
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<td>completed.</td>
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<tr>
<td>AIR-6: Construction Meal Destinations: Project construction plans and specifications will</td>
<td>Applicant is responsible for</td>
<td>CDD Planning is responsible for</td>
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<tr>
<td>require the contractor to establish one or more locations for food or catering truck</td>
<td>Rule 9510 compliance and</td>
<td>ensuring compliance has been</td>
</tr>
<tr>
<td>service to construction workers and to cooperate with food service providers to provide</td>
<td>submittal of documentation to</td>
<td>completed.</td>
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<tr>
<td>consistent food service.</td>
<td>the City.</td>
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</table>

Mariposa Industrial Park, Findings and Mitigation Monitoring/Reporting Table

Page 3
<table>
<thead>
<tr>
<th>Impact/Mitigation Measures</th>
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<tbody>
<tr>
<td>AIR-7: To reduce impacts from construction-related diesel exhaust emissions, the Project should utilize the cleanest available off-road construction equipment, including the latest tier equipment (recommended by SJVAPCD).</td>
<td>Applicant is responsible for Regulation VIII compliance and submittal of documentation to the City.</td>
<td>CDD Planning is responsible for ensuring Regulation VIII compliance has been completed.</td>
</tr>
<tr>
<td>Air Quality Plans and Standards- Operational Emissions. This is a significant issue.</td>
<td>See AIR-3</td>
<td>See AIR-3</td>
</tr>
<tr>
<td>AIR-8: The project shall comply with the emission reduction requirements of SJVAPCD Rule 9510 for project operations.</td>
<td>Applicant is responsible for preparation and submittal of Dust Control Plan</td>
<td>SJVAPCD is responsible for review and approval of Dust Control Plan.</td>
</tr>
<tr>
<td>AIR-9: Prior to building occupancy, employers with 100 or more eligible employees shall submit an Employer Trip Reduction Implementation Plan (ETRIP) to the City for review and approval, as required by SJVAPCD Rule 9410. A copy of the ETRIP shall be provided to the SJVAPCD. Employers shall facilitate participation in the implementation of the ETRIP by providing information to its employees explaining methods for participation in the Plan and the purpose, requirements, and applicability of Rule 9410.</td>
<td>Applicant is responsible for preparation and submittal of ETRIP</td>
<td>CDD Planning is responsible for review and acceptance of ETRIP</td>
</tr>
<tr>
<td>AIR-10: The project shall comply with SJVAPCD Rule 4101, which prohibits emissions of visible air contaminants to the atmosphere and applies to any source operation that emits or may emit air contaminants.</td>
<td>Applicant and CDD Planning will responsible for VERA discussion and decision.</td>
<td>CDD Planning will be responsible for ensuring that VERA discussion occurred.</td>
</tr>
</tbody>
</table>
AIR-11: The project shall comply with SJVAPCD Rule 4601, which limits emissions of volatile organic compounds from architectural coatings by specifying storage, clean up and labeling requirements. (The project has agreed to abide by more stringent VOC emissions requirements. Applicant is responsible for incorporating these requirements into project plans and specifications. CDD Building will be responsible to ensure that subject requirements are included in plans and specifications.

AIR-12: The project shall comply with SJVAPCD Rule 4601, which limits emissions of volatile organic compounds from architectural coatings by specifying storage, clean up and labeling requirements. (The project has agreed to abide by more stringent VOC emissions requirements. See Construction AIR-1)

AIR-12: Solar Power: Owners, operators or tenants shall include with the building permit application, sufficient solar panels to provide power for the operation’s base power use at the start of operations and as base power use demand increases. Project sponsor shall include analysis of (a) projected power requirements at the start of operations and as base power demand increases corresponding to the implementation of the “clean fleet” requirements, and (b) generating capacity of the solar installation.

AIR-12 (continued): CDD shall verify the size and scope of the solar project based upon the analysis of the projected power requirements and generating capacity as well as the available solar panel installation space. The photovoltaic system shall include a battery storage system to serve the facility in the event of a power outage to the extent required by the 2022 or later California Building Standards Code.

AIR -12 (continued): In the event sufficient space is not available on the subject lot to accommodate the needed number of solar panels to produce the operation’s base or anticipated power use, the applicant shall demonstrate how all available space has been maximized (e.g., roof, parking areas, etc.). Areas which provide truck movement may be excluded from these calculations unless otherwise deemed acceptable by the supplied reports.

Applicant is responsible for compliance and submittal of documentation.

CDD Planning is responsible for review and acceptance of documentation.
AIR -12 (continued): The developer or tenant, or qualified solar provider engaged by the developer or tenant shall timely order all equipment and shall install the system when the City has approved building permits and the necessary equipment has arrived. The developer or tenant shall commence operation of the system when it has received permission to operate from the utility. The photovoltaic system owner shall be responsible for maintaining the system(s) at not less than 80% of the rated power for 20 years. At the end of the 20-year period, the building owner shall install a new photovoltaic system meeting the capacity and operational requirements of this measure, or continue to maintain the existing system, for the life of the project.

AIR -13: Emission Standards for Heavy-Duty Trucks: The following mitigation measures shall be implemented during all on-going business operations and shall be included as part of contractual lease agreement language to ensure the tenants/lessees are informed of all on-going operational responsibilities.

The property owner/tenant/lessee shall ensure that all heavy-duty trucks (Class 7 and 8) domiciled on the project site are model year 2014 or later from start of operations and shall expedite a transition to zero-emission vehicles, with the fleet fully zero-emission by December 31, 2025 or when commercially available for the intended application, whichever date is later.

A zero-emission vehicle shall ordinarily be considered commercially available if the vehicle is capable of serving the intended purpose and is included in California’s Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project, https://californiahvip.org/ or listed as available in the US on the Global Commercial Vehicle Drive to Zero inventory, https://globaldrivetozero.org/. The City shall be responsible for the final determination of commercial availability and may (but is not required to) consult with the California Air Resources Board before making such final determination. In order for the City to make a determination that such vehicles are commercially unavailable, the operator must submit documentation from a minimum of three (3) EV dealers identified on the californiahvip.org
AIR-14: Zero Emission Vehicles: The property owner/tenant/lessee shall utilize a "clean fleet" of vehicles/delivery vans/trucks (Class 2 through 6) as part of business operations as follows: For any vehicle (Class 2 through 6) domiciled at the project site, the following "clean fleet" requirements apply: (i) 33% of the fleet will be zero emission vehicles at start of operations, (ii) 65% of the fleet will be zero emission vehicles by December 31, 2023, (iii) 80% of the fleet will be zero emission vehicles by December 31, 2025, and (iv) 100% of the fleet will be zero emission vehicles by December 31, 2027.

"Domiciled at the project site" shall mean the vehicle is either (i) parked or kept overnight at the project site more than 70% of the calendar year or (ii) dedicated to the project site (defined as more than 70% of the truck routes (during the calendar year) that start at the project site even if parked or kept elsewhere).

Zero-emission heavy-duty trucks which require service can be temporarily replaced with model year 2014 or later trucks. Replacement trucks shall be used for only the minimum time required for servicing fleet trucks.

Website demonstrating the inability to obtain the required EVs or equipment needed within 6 months

"Domiciled at the project site shall mean the vehicle is either (i) parked or kept overnight at the project site more than 70% of the calendar year or (ii) dedicated to the project site (defined as more than 70% of the truck routes (during the calendar year) that start at the project site even if parked or kept elsewhere).

Zero-emission vehicles which require service can be temporarily replaced with alternate vehicles. Replacement vehicles shall be used for only the minimum time required for servicing fleet vehicles.

The property owner/tenant/lessee shall not be responsible to meet "clean fleet" requirements for vehicles used by common carriers operating under their own authority that provide delivery services to or from the project site.
<table>
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<tbody>
<tr>
<td>AIR-15: Demonstrate Compliance with Clean Fleet Requirements: The applicant, property</td>
<td>Applicant or tenant is responsible for compliance</td>
<td>CDD Planning is responsible for</td>
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<tr>
<td>owner, tenant, lessee, or other party operating the facility (the &quot;Operator&quot;) shall</td>
<td>and submittal of documentation</td>
<td>review and acceptance of documentation</td>
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<td>utilize the zero emission vehicles/trucks required to meet the &quot;clean fleet&quot;</td>
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<td>requirements in AMM AIR-2 (for Class 7 and 8 vehicles) and AMM AIR-3 (for Class 2</td>
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<td>through 6 vehicles) above. Within 30-days of occupancy, the Operator shall demonstrate</td>
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<td>to the satisfaction of CDD staff, that the applicable clean fleet requirements are being</td>
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<td>met.</td>
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<td>AIR-15 (continued): In the event that vehicles/trucks are not commercially available</td>
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<td>for the intended application, the &quot;clean fleet requirements&quot; may be adjusted as</td>
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<td>minimally as possible by the CDD to accommodate the unavailability of commercially</td>
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<td>available vehicles/trucks.</td>
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<td>AIR-15 (continued): The City shall quantify the air pollution and GHG emissions</td>
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<td>resulting from any modification of this condition. Within 12 months of failing to</td>
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<td>meet a &quot;clean fleet&quot; requirement the property owner/tenant/lessee shall implement a</td>
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<td>Voluntary Emissions Reduction Agreement (VERA) providing pound for pound mitigation of</td>
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<td>the criteria pollutant, toxic air contaminants, and GHG emissions quantified by the</td>
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<td>City through a process that develops, funds, and implements emission reduction projects,</td>
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<td>with the Air District serving a role of administrator of the emission reduction projects</td>
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<td>and verifier of the successful mitigation effort. The VERA shall prioritize projects</td>
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<td>in the South Stockton and surrounding area. Property owner/tenant/lessee shall</td>
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<td>continue to fund the VERA each year in an amount necessary to achieve pound for pound</td>
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<td>mitigation of emissions resulting from not meeting the clean fleet requirements until the</td>
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<td>owner/tenant/lessee fully complies.</td>
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<tr>
<td>AIR-15 (continued): The Operator shall implement the proposed measures after CDD</td>
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<td>review and approval. Any extension of time granted to implement this condition shall be</td>
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<td>limited to the shortest period of time necessary to allow for 100% electrification</td>
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<td>under the clean fleet requirements. The CDD staff may seek the recommendation of the</td>
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<td>California Air Resources Board in determining whether there has been a manufacturing</td>
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<td>disruption or insufficient vehicles/trucks.</td>
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<tr>
<td>AIR-16: Condition of Approved Compliance Report: The Operator shall submit a condition of approval compliance report within 30 days of, but not later than, the following dates: December 31, 2023, December 31, 2025, and December 31, 2027. The report shall outline clean fleet requirements applicable at each report interval and include documentation demonstrating compliance with each requirement. The City shall consider each report at a noticed public hearing and determine whether the Operator has complied with the applicable clean fleet requirements. If the Operator has not met each 100% clean fleet requirement by December 31, 2027, then the Operator shall submit subsequent reports every year until the 100% clean fleet requirement is implemented. The City shall consider each subsequent report at a noticed public hearing and determine whether the Operator has complied with the clean fleet requirements, including any minimal adjustments to the requirements by the CDD to accommodate the manufacturing disruption or unavailability of commercially available vehicles/trucks, as described in the previous paragraph. Notice of the above hearings shall be provided to all properties located within 1,000 feet of the project site and through the ASK Stockton list serve.</td>
<td>Applicant or tenant is responsible for preparation of compliance reports</td>
<td>CDD Planning is responsible for review and acceptance of compliance reports</td>
</tr>
<tr>
<td>AIR-16 (continued): After the 100% clean fleet requirement has been implemented and confirmed by the CDD, the Operator shall submit to the CDD an on-going compliance report every three years containing all necessary documentation to verify that the Operator is meeting the clean fleet requirements. At the time it confirms that the 100% clean fleet requirement has been implemented, the CDD will establish the due date for the first on-going compliance report. Each subsequent on-going compliance report shall be due within 30 days of, but not later than, the three-year anniversary of the preceding due date. The on-going compliance reports and accompanying documentation shall be made available to the public upon request.</td>
<td>Tenant or owner is responsible for use of</td>
<td>CDD Planning will be responsible for review and acceptance of compliance</td>
</tr>
<tr>
<td>AIR-17: Zero Emission Forklifts, Yard trucks and Yard Equipment: Owners, operators or tenants shall require all forklifts, yard trucks, and other equipment used for on-site movement of trucks, trailers and warehoused goods, as well as Mariposa Industrial Park, Findings and Mitigation Monitoring/Reporting Table</td>
<td>CDD Planning will be responsible for review and acceptance of compliance</td>
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<tr>
<td>landscaping maintenance equipment used on the site, to be electrically powered or zero- emission. The owner, operator or tenant shall provide on-site electrical charging facilities to adequately service electric vehicles and equipment.</td>
<td>complying equipment.</td>
<td>reports</td>
</tr>
<tr>
<td>AIR-18: Truck Idling Restrictions: Owners, operators or tenants shall be required to make their best effort to restrict truck idling onsite to a maximum of three minutes, subject to exceptions defined by CARB in the document: commercial_vehicle_idling_requirements_July 2016. Idling restrictions shall be enforced by highly-visible posting at the site entry, posting at other on-site locations frequented by truck drivers, conspicuous inclusion in employee training and guidance material and owner, operator or tenant direct action as required.</td>
<td>Tenant or owner is responsible for enforcement and signage.</td>
<td>CDD Planning will be responsible for review and acceptance of compliance reports</td>
</tr>
<tr>
<td>AIR-19: Electric Truck Charging: At all times during project operation, owners, operators or tenants shall be required to provide electric charging facilities on the project site sufficient to charge all electric trucks domiciled on the site and such facilities shall be made available for all electric trucks that use the project site.</td>
<td>Tenant or owner is responsible for use of complying equipment.</td>
<td>CDD Planning will be responsible for review and acceptance of compliance reports</td>
</tr>
<tr>
<td>AIR-20: Project Operations, Food Service: Owners, operators or tenants shall establish locations for food or catering truck service and cooperate with food service providers to provide consistent food service to operations employees.</td>
<td>Tenant or owner will be responsible for establishment of food service locations.</td>
<td>CDD Planning will be responsible for review and acceptance of compliance reports</td>
</tr>
<tr>
<td>AIR-21: Project Operations, Employee Trip Reduction: Owners, operators or tenants shall provide employees transit route and schedule information on systems serving the project area and coordinate ridesharing amongst employees.</td>
<td>Tenant or owner will be responsible for provision of the required information.</td>
<td>CDD Planning will be responsible for review and acceptance of compliance reports</td>
</tr>
<tr>
<td>AIR-22: Yard Sweeping: Owners, operators or tenants shall provide periodic yard and parking area sweeping to minimize dust generation.</td>
<td>Tenant or owner will be responsible for periodic yard sweeping.</td>
<td>CDD Planning will be responsible for review and acceptance of compliance reports</td>
</tr>
<tr>
<td>AIR-23: Diesel Generators: Owners, operators or tenants shall prohibit the use of</td>
<td>Tenant or owner will be</td>
<td>CDD Planning will be</td>
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<tr>
<td>Impact/Mitigation Measures</td>
<td>Implementation Responsibility</td>
<td>Monitoring/Reporting Responsibility</td>
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<td>diesel generators, except in emergency situations, in which case such generators shall have Best Available Control Technology (BACT) that meets CARB’s Tier 4 emission standards</td>
<td>responsible for compliance with prohibition.</td>
<td>responsible for review and acceptance of compliance reports</td>
</tr>
<tr>
<td>AIR-24: Truck Emission Control: Owners, operators or tenants shall ensure that trucks or truck fleets domiciled at the project site be model year 2014 or later, and maintained consistent with current CARB emission control regulations</td>
<td>Tenant or owner will be responsible for truck fleet records, inspection and maintenance.</td>
<td>CDD Planning will be responsible for review and acceptance of compliance reports</td>
</tr>
<tr>
<td>AIR-25: SmartWay: Owners, operators or tenants shall enroll and participate the in SmartWay program for eligible businesses</td>
<td>Tenant or owner will be responsible for SmartWay participation.</td>
<td>CDD Planning will be responsible for review and acceptance of compliance reports</td>
</tr>
<tr>
<td>AIR-26: Designated Smoking Areas: Owners, operators or tenants shall ensure that any outdoor areas allowing smoking are at least 25 feet from the nearest property line.</td>
<td>Tenant or owner will be responsible for smoking area designation.</td>
<td>CDD Planning will be responsible for review and acceptance of compliance reports</td>
</tr>
<tr>
<td>AIR-27: Project construction shall be subject to all adopted City building codes, including the adopted Green Building Standards Code, version July 2022 or later. Prior to the issuance of building permits, the applicant/developer shall demonstrate (e.g., provide building plans) that the proposed buildings are designed and will be built to, at a minimum, meet the Tier 2 advanced energy efficiency requirements of the Nonresidential Voluntary Measures of the California Green Building Standards code, Divisions A5.1, 5.2 and 5.5, Energy Efficiency as outlined under Section A5.203.1.2.</td>
<td>Applicant is responsible for incorporating these requirements into project plans and specifications.</td>
<td>CDD Building will be responsible to ensure that subject requirements are included in plans and specifications.</td>
</tr>
<tr>
<td>AIR-28: All tenant lease agreements for the project site shall include a provision requiring the tenant/lessee to comply with all applicable requirements of the MMRP, a copy of which shall be attached to each tenant/lease agreement.</td>
<td>Applicant is responsible for incorporating these requirements into project plans and specifications.</td>
<td>CDD Building will be responsible to ensure that subject requirements are included in plans and specifications.</td>
</tr>
</tbody>
</table>
Exposure of Sensitive Receptors to Criteria Pollutants. This is a significant issue.

AIR-29: The project applicant, to reduce carbon monoxide concentrations to an acceptable level, shall contribute fair-share costs to an improvement on the Mariposa Road and Carpenter Road intersection that would widen the northeast-bound Carpenter Road approach to include an exclusive northeast-bound-to northwest-bound left-turn lane, and a combined through/right-turn lane. (See also Transportation Improvement Measure TRANS-2 in Chapter 16.0, Transportation.)

Implement all mitigation measures for Impact: AIR-2, Mitigation Measures #s AIR-8 through AIR-28.

7.0 BIOLOGY

Special-Status Species and Habitats. This is a potentially significant issue.

BIO-1: The developer shall apply to the San Joaquin Council of Governments (SJCOG) for coverage under the San Joaquin County Multi-Species Open Space and Habitat Conservation Plan (SJMSCP). The project site shall be inspected by the SJMSCP biologist, who will recommend which Incidental Take Minimization Measures (ITMMs) set forth in the SJMSCP should be implemented. The project applicant shall pay the required SJMSCP fee, if any, and be responsible for the implementation of the specified ITMMs. Setbacks along North Littlejohns Creek shall be as specified in the SJMSCP-approved buffer reduction.

The applicant will be responsible for submitting the SJMSCP coverage application, payment of required fees and implementation of ITMMs. The ODS Engineer will be responsible for incorporating ITMM requirements in the project plans and specifications. The CDD Planning will verify that SJMSCP coverage has been obtained and that other mitigation measures have been implemented as required by ITMMs.
### Impact/Mitigation Measures

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<th>Impact/Mitigation Measures</th>
<th>Implementation Responsibility</th>
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<tbody>
<tr>
<td>Contractor will be responsible for adherence to the plans and specifications, hiring a qualified biologist if required and implementing the biologist recommendations.</td>
<td>Contractor will be responsible for adherence to the plans and specifications, hiring a qualified biologist if required and implementing the biologist recommendations.</td>
<td>Contractor will be responsible for adherence to the plans and specifications, hiring a qualified biologist if required and implementing the biologist recommendations.</td>
</tr>
</tbody>
</table>

**Waters of the U.S. and Wetlands. This is a potentially significant issue**

**BIO-2:** Prior to the start of construction work in the area where seasonal wetlands have been identified, the project developer shall conduct a wetland delineation identifying jurisdictional Waters of the U.S. and wetlands. The delineation shall be verified by the U.S. Army Corps of Engineers (Corps). The delineation shall be used to determine if any project work will encroach upon any jurisdictional water, thereby necessitating an appropriate permit. For any development work that may affect a delineated jurisdictional Water, the project developer shall obtain any necessary permits from the U.S. Army Corps of Engineers prior to the start of development work within these locations. Depending on the Corps permit issued, the project applicant shall also apply for a Section 401 Water Quality Certification from the Central Valley Regional Water Quality Control Board. If the seasonal wetlands are avoided, or if phased development occurs in areas where no wetlands have been identified, then this mitigation measure does not apply.

The applicant will be responsible for obtaining the required wetland delineation and verification, for proposing adequate mitigation, for obtaining required permits and providing proof of issuance to the City.

The CDD Planning will be responsible for ensuring that the wetland delineation has been completed, required permits have been issued and that specified mitigation measures are incorporated into project plans and specifications.

**BIO-3:** Prior to the start of construction work in North Littlejohns Creek, the project developer shall obtain any necessary permits from the California Department of Fish and Wildlife and the Central Valley Flood Protection Board. The project developer shall comply with all conditions attached to any required permit.

The applicant will be responsible for obtaining the required permits and providing proof of issuance to the City.

The CDD Planning will be responsible for ensuring that required permits have been issued.

**BIO-4:** Prior to the start of construction work in the area where seasonal wetlands

The applicant will be

The CDD Planning will be
### Impact/Mitigation Measures

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<th>Monitoring/Reporting Responsibility</th>
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</table>

* have been identified, the project developer shall obtain any necessary Waste Discharge Requirements from the Central Valley Regional Water Quality Control Board. Pursuant to the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan, the filling of seasonal wetlands containing vernal pool invertebrates shall be delayed until the wetlands are dry and SJCOG biologists can collect the surface soils from the wetlands, to store them for future use on off-site seasonal wetland creation on SJCOG preserve lands. If the seasonal wetlands are avoided, then this mitigation measure does not apply.

* responsible for obtaining Waste Discharge Requirements if necessary and for timing of fill in coordination with the SJCOG biologists.

* responsible for ensuring that Waste Discharge Requirements have been obtained and that seasonal wetland fill is coordinated with SJCOG.

### Fish and Wildlife Migration

**Implementation of Mitigation Measure BIO-1.**

As provided for BIO-1  
As provided for BIO-1

**Local Biological Requirements.** This is a potentially significant issue.

| BIO-5: If removal of any oak tree on the project site is required, a certified arborist shall survey the oak trees proposed for removal to determine if they are Heritage Trees as defined in Stockton Municipal Code Chapter 16.130. The arborist report with its findings shall be submitted to the City’s Community Development Department. If Heritage Trees are determined to exist on the property, removal of any such tree shall require a permit to be issued by the City in accordance with Stockton Municipal Code Chapter 16.130. The permittee shall comply with all permit conditions, including tree replacement at specified ratios. | The applicant will be responsible for surveying oak trees to be removed, preparation of an arborist report and obtaining permits for removal of Heritage trees, if any. | The CDD Planning will be responsible for review of the arborist report and ensuring that any necessary tree removal permits have been obtained. |
Archaeological and Tribal Cultural Resources. This is a potentially significant issue.

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<tr>
<th>Impact/Mitigation Measures</th>
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<th>Monitoring/Reporting Responsibility</th>
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<tbody>
<tr>
<td>CULT-1: As noted, the field surveys conducted by Solano Archaeological Services on the project site led to the recording of two potential historical resources: three transmission lines and the remains of a well. Both resources were evaluated on the criteria for listing on the California Register of Historical Resources (see Regulatory Framework above). Neither were determined to meet any of the criteria for such listing. Since these criteria are very similar to those for listing on the National Register of Historic Places, the resources also would not meet criteria for listing on the National Register of Historic Places. As such, the two resources are not considered to have historical value. The project would have no impact on historical resources. It should be noted that the project is unlikely to affect the three transmission lines in any case.</td>
<td>The applicant will be responsible for incorporating these requirements in the project plans and specifications. The Contractor will be responsible for reporting discoveries to the City, for hiring a qualified archaeologist to analyze the discovery and coordinate with Native American tribes as necessary, and for implementing the archaeologist’s treatment recommendations.</td>
<td>CDD Planning will be responsible for ensuring that cultural resource requirements have been incorporated into project plans and specifications and that discovery reports are properly documented.</td>
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Impact CULT-2: Archaeological and Tribal Cultural Resources

. This is a potentially significant issue.

<table>
<thead>
<tr>
<th>Impact CULT-2: Archaeological and Tribal Cultural Resources</th>
<th>Implementation Responsibility</th>
<th>Monitoring/Reporting Responsibility</th>
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</thead>
<tbody>
<tr>
<td>CULT-1: If any subsurface archaeological resources, including human burials and associated funerary objects, are encountered during construction, all construction activities within a 50-foot radius of the encounter shall be immediately halted until a qualified archaeologist can examine these materials and evaluate their significance. The City shall be immediately notified in the event of a discovery. If burial resources or tribal cultural resources are discovered, the City shall notify the appropriate tribal representative, who may examine the materials with the</td>
<td>The applicant and contractor will be responsible for suspending construction activity if human remains are encountered, reporting finds to the City and County Coroner and</td>
<td>CDD Planning will be responsible for responding to reports of burial or human remain finds as required, including notification of and coordination with Native American representatives.</td>
</tr>
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</table>

Mariposa Industrial Park, Findings and Mitigation Monitoring/Reporting Table
Impact/Mitigation Measures

archaeologist and advise the City as to their significance.

The archaeologist, in consultation with the tribal representative if contacted, shall recommend mitigation measures needed to reduce potential cultural resource effects to a level that is less than significant in a written report to the City, with a copy to the tribal representative. The City shall be responsible for implementing the report recommendations. Avoidance is the preferred means of disposition of tribal cultural resources. The contractor shall be responsible for retaining qualified professionals, implementing recommended mitigation measures, and documenting mitigation efforts in written reports to the City.

CULT-2: The project shall comply with the provisions of the City of Stockton Municipal Code Section 16.36.050. If a historical or archaeological resource or human remains may be impacted by the project, the Secretary of the Cultural Heritage Board shall be notified, any survey needed to determine the significance of the resource shall be conducted, and the proper environmental documents shall be prepared.

CULT-3: In the event that archaeological resources are discovered during any construction, construction activities shall cease, and the Community Development Department shall be notified so that the extent and location of discovered materials may be recorded by a qualified archaeologist, and disposition of artifacts may occur in compliance with State and federal law.

9.0 GEOLOGY, SOILS, AND MINERAL RESOURCES

Impact GEO-1: Faulting and Seismicity. This is a potentially significant issue.

GEO-1: The project shall obtain a Notice of Intent issued by the SWRCB for Applicant will be CDD Building and Public
## Impact/Mitigation Measures

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<tr>
<td>compliance with the Construction General Permit. The project shall prepare and implement a Storm Water Pollution Prevention Plan (SWPPP) including a site map, description of construction activities and identification of Best Management Practices (BMPs) that will prevent soil erosion and discharge of other construction-related pollutants</td>
<td>responsible for all activities related to the Construction General Permit and incorporation of these standards in project plans and specifications.</td>
<td>Works will be responsible for ensuring that project has complied with Construction General Permit</td>
</tr>
</tbody>
</table>

### GEO-2: Stockton Municipal Code Section 15.48.050

- The project applicant shall comply with Stockton Municipal Code Section 15.48.050, which requires construction activities to be designed and conducted to minimize discharge of sediment and all other pollutants and Section 15.48.070, which contains standards for implementation of Best Management Practices.

### Impact GEO-3: Soil Erosion. This is a potentially significant issue.

- GEO-3: The project applicant shall submit a geologic soils report, prepared by a registered civil engineer, in compliance with Stockton Municipal Code Section 16.192.020. The report’s recommendations shall be incorporated into the final design and construction plans.

- Applicant will be responsible for submittal of the soils report.

- CDD Building will be responsible for review and approval of the geotechnical report and project plans and specifications.

### GEO-4: Project plans and specifications shall comply with the most recent version of the California Building Code adopted by the City of Stockton at the time of project approval.

- Applicant will be responsible for preparation of plans and submittal of conforming plans and specifications.

- CDD Building will be responsible for review of project plans and specifications.

### Impact GEO-5: Paleontological Resources and Unique Geological Features. This is a potentially significant issue.

- GEO-5: If any subsurface paleontological resources are encountered during construction, all construction activities within a 50-foot radius of the encounter shall be immediately halted until a qualified paleontologist can examine these resources and recommend appropriate actions.

- The ODS will be responsible for incorporating the recommendations into the project plans and specifications.

- The City will be responsible for ensuring that paleontology requirements are met and that the project complies with relevant regulations.

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Mariposa Industrial Park, Findings and Mitigation Monitoring/Reporting Table  | Page 17
materials, initially evaluate their significance and, if potentially significant, recommend measures on the disposition of the resource. The City shall be immediately notified in the event of a discovery. The contractor shall be responsible for retaining qualified professionals, implementing recommended mitigation measures, and documenting mitigation efforts in written reports to the City.

10.0 GREENHOUSE GAS EMISSIONS

Impact GHG-1: Project GHG Construction Emissions and Consistency with Applicable Plans and Policies. This is a potentially significant impact.

GHG-1: The project shall implement the Off-Road Vehicles Best Management Practices specified in the Stockton Climate Action Plan. At least three (3) percent of the construction vehicle and equipment fleet shall be powered by electricity. Construction equipment and vehicles shall not idle their engines for longer than three (3) minutes.

AIR-2: The project applicant shall comply, as applicable, with the provisions of the California Air Resources Board’s Regulation for In-Use Off-Road Diesel Fueled

The applicant will be responsible for incorporating these requirements in the project plans and specifications. The contractor will be responsible for

The CDD Planning will be responsible for overseeing implementation of these requirements and review and acceptance of written reports.
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<th>Impact/Mitigation Measures</th>
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<tr>
<td>Fleets, which applies to all self-propelled off-road diesel vehicles 25 horsepower or</td>
<td>periodically reporting</td>
<td>compliance with these conditions</td>
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<td>greater used in California and most two-engine vehicles (except on-road two-engine</td>
<td>to the Community Development</td>
<td>Department.</td>
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<td>sweepers). These provisions include imposing limits on idling and requiring a written</td>
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<td>idling policy. It also requires fleets to reduce their emissions by retiring, replacing,</td>
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<td>or repowering older engines, or by installing Verified Diesel Emission Control Strategies</td>
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<td>(i.e., exhaust retrofits).</td>
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<tr>
<td>AIR-1: Comply with SJVAPCD Rule 9510 for project construction.</td>
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<td>AIR-2: Comply with SJVAPCD Regulation VIII for the control of dust emissions, submit a</td>
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<td>project Dust Control Plan.</td>
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<td>AIR-3: Architectural Coatings: VOC content of &lt;10 g/L.</td>
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<td>AIR-4: Comply with SJVAPCD:</td>
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<td>AIR-5: Provide transit and ridesharing information for construction workers.</td>
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<td>AIR-6: Contractor to locations for food or catering truck service to construction workers.</td>
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<td>AIR-7: Use cleanest available off-road construction equipment (recommended by SJVAPCD).</td>
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<tr>
<td>Impact GHG-2: Project GHG Operational Emissions and Consistency with Applicable Plans</td>
<td>As provided in Chapter 6.0</td>
<td>As provided in Chapter 6.0 Air</td>
</tr>
<tr>
<td>and Policies. This is a potentially significant impact.</td>
<td>Air Quality</td>
<td>Quality</td>
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<tr>
<td>AIR-8: Comply with SJVAPCD Rule 9510 requirements for project operations.</td>
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<td>AIR-9: Employers with 100 employees shall submit an Employer Trip.</td>
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<td>Impact/Mitigation Measures</td>
<td>Implementation Responsibility</td>
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Reduction Implementation Plan (ETRIP) to the City for review and approval.

AIR-10: Comply with SJVAPCD Rule 4101 prohibiting emissions of visible air contaminants.

AIR-11: Comply with SJVAPCD Rule 4601 limiting VOC emissions from architectural coatings.

AIR-12: Buildings to be solar ready, and install solar panels to provide power for operational base power use.

AIR-13: Emission standards for heavy-duty trucks (Class 7 and 8) domiciled on the project site; clean vehicle requirements.

AIR-14: Zero Emission Vehicles: Emission standards for vehicles/delivery vans/trucks (Class 2 through 6), clean vehicle requirements.

AIR-15: Demonstrate compliance with “clean fleet” requirements in AMM-2 and AMM-3 within 30-days of occupancy. Operator shall submit Clean Fleet condition of approval compliance report at December 31, 2023, 2025 and 2027, tri-annually afterward. In the event of a disruption in clean fleet supply, the applicant will implement a Voluntary Emissions Reduction Agreement (VERA).

AIR-16: Submittal of Clean Fleet condition of approval compliance report within 30 days of, but not later than, the following dates: December 31, 2023, December 31, 2025, and December 31, 2027.

AIR-17: Requirement for forklifts, yard trucks and yard equipment, all zero emission.

AIR-18: Limit truck idling to a maximum of three minutes.
<table>
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<tbody>
<tr>
<td>AIR-19: Operators to provide electric truck charging facility.</td>
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<td>AIR-20: Operators to provide locations for food or catering truck service.</td>
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<td>AIR-21: Operators to provide employees with alternative commute information.</td>
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<tr>
<td>AIR-22: Yard Sweeping: Operators to provide periodic yard and parking area sweeping to minimize dust generation.</td>
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<tr>
<td>AIR-23: Diesel Generators: Operators shall prohibit the use of diesel generators.</td>
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<tr>
<td>AIR-24: Emission controls for trucks or truck fleets domiciled at the project site.</td>
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<td>AIR-25: Operators participate in EPA SmartWay.</td>
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<td>AIR-26: Operators shall designate smoking areas at least 25 feet from the nearest property line.</td>
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<tr>
<td>AIR-27: Project construction is subject to adopted City building codes, including adopted Green Building Standards Code, Tier 2 advanced energy efficiency requirements for specified divisions.</td>
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<td>AIR-28: All tenant lease agreements for the project site shall include a provision requiring the tenant/lessee to comply with all applicable requirements of the MMRP, a copy of which shall be attached to each tenant/lease agreement.</td>
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## 11.0 HAZARDS

### Impact HAZ-1: Hazardous Material Transportation and Storage. This is a potentially significant issue.

HAZ-1: New business on the project site that may handle quantities of hazardous materials equal to or greater than 55 gallons of a liquid, 500 pounds of a solid, or 200 cubic feet of a compressed gas at any given time shall submit a Hazardous Materials Business Plan to the Certified Unified Program Agency (CUPA) of San Joaquin County. The Hazardous Materials Business Plan shall include an inventory of hazardous materials and hazardous wastes and an emergency response plan for incidents involving hazardous materials and wastes.

Applicant will be responsible for compliance with hazardous material regulations. The San Joaquin County CUPA will be responsible for monitoring compliance.

### Impact HAZ-2: Hazardous Materials Release. This is a potentially significant issue.

GEO-1: The project shall obtain a Notice of Intent issued by the SWRCB for compliance with the Construction General Permit. The project shall prepare and implement a Storm Water Pollution Prevention Plan (SWPPP) including a site map, description of construction activities and identification of Best Management Practices (BMPs) that will prevent soil erosion and discharge of other construction-related pollutants.

Applicant will be responsible for all activities related to the Construction General Permit. CDD Building and Public Works will be responsible for ensuring that project has complied with Construction General Permit.

GEO-2: The project applicant shall comply with Stockton Municipal Code Section 15.48.050, which requires construction activities to be designed and conducted to minimize discharge of sediment and all other pollutants and Section

Applicant will be responsible for incorporation of these. CDD Building and Public Works will be responsible for ensuring that project has
15.48.070, which contains standards for implementation of Best Management Practices.

Impact HAZ-4: Airport Hazards. This is a potentially significant issue.

HAZ-3: The project shall be submitted to the San Joaquin County Airport Land Use Commission for review of project-associated objects that exceed 100 feet in height

CDD Planning staff is responsible for submitting project information to ALUC.

CDD Planning will be responsible for ensuring that ALUC review is completed, and requirements incorporated into conditions of approval.

12.0 HYDROLOGY AND WATER QUALITY

Impact: HYDRO -1: Surface Water Resources and Quality. This is a potentially significant issue.

Implement storm water quality protections described in GEO-HYDRO-1: Industrial uses on the project shall obtain coverage under the Central Valley RWQCB Industrial General Permit program and implement pollution control measures using the best available technology economically achievable and best conventional pollutant control technology. All facility operators shall prepare, retain on site, and implement a SWPPP implementing applicable Industrial General Permit requirements, including a monitoring program.

As described in GEO-1

As described in GEO-1

Applicant will be responsible for obtaining coverage under the Industrial General Permit.

Municipal Utilities will be responsible for ensuring that Industrial Permit coverage is obtained.

13.0 LAND USE AND PLANNING
There are no potentially significant or significant impacts in this issue area.

### 14.0 NOISE

**Increase in Noise Levels in Excess of Standards-Traffic.** This is a significant issue.

NOISE-1: The applicant, the City of Stockton and other project developers impacting Mariposa Road traffic shall consider the use of noise-reducing pavement and utilize it where feasible in planned widening projects for Mariposa Road.

**Increase in Noise Levels in Excess of Standards-Other Project Noise.** This is a potentially significant issue

NOISE-2: Sound walls and/or berms 10 feet in height shall be required where existing residential uses or residentially zoned areas are located adjacent to the project site. Figure 3 of the project noise study (Figure 14-2 of the EIR, the DEIR) shows the locations of the recommended sound walls based on the proposed conceptual plan. Where openings in sound walls occur for access or emergency access, solid gates shall be installed. 10-foot sound walls are expected to provide a 10 dB reduction in noise levels. Site plan modifications, and/or additional noise analysis by a qualified acoustical consultant may warrant changes to these requirements, assuming that compliance with City noise standards is maintained.

NOISE-3: Project operation shall at all times comply with the provisions of Stockton Municipal Code Chapter 16.60, including:

Section 16.60.040, which states that new or expanded commercial, industrial, and other land use-related noise sources shall mitigate their noise levels such that

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<tbody>
<tr>
<td>There are no potentially significant or significant impacts in this issue area.</td>
<td>The applicant will be responsible for incorporating noise wall requirements in the project plans and specifications. The ODS will be responsible for retaining a noise consultant to review and recommend alternative noise wall requirements as appropriate.</td>
<td>The CDD Planning will be responsible for ensuring that noise wall requirements are met in project plans and specifications and for review and approval of any proposed noise wall modifications,</td>
</tr>
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they do not adversely impact noise-sensitive land uses (e.g., residences) and do not exceed City noise standards.

Increase in Noise Levels in Excess of Standards-Construction. This is a potentially significant issue.

NOISE-4: Construction activities associated with the project shall adhere to the requirements of the City of Stockton Municipal Code with respect to hours of operation. The applicant shall ordinarily limit construction activities to the hours of 7:00 a.m. to 7:00 p.m., Monday through Saturday. No construction shall occur on Sundays or national holidays without a written permit from the City. All construction equipment shall be in good working order and shall be fitted with factory-equipped mufflers.

NOISE-5: Project construction comply with the provisions of Stockton Municipal Code Chapter 16.60, including:

Section 16.60.030, which contains restrictions on construction noise, including operating or causing the operation of tools or equipment on private property used in alteration, construction, demolition, drilling, or repair work between the hours of 10:00 p.m. and 7:00 a.m. so that the sound creates a noise disturbance across a residential property line, except for emergency work of public service utilities. [Proposed EIR mitigation measure NOISE-2 more restrictive on construction days and hours.

The applicant will be responsible for incorporating these requirements in the project plans and specifications. The Contractor will be responsible for conformance with noise requirements.

The CDD Planning will be responsible for monitoring compliance with these requirements.

15.0 PUBLIC SERVICES AND RECREATION
Impact/Mitigation Measures

<table>
<thead>
<tr>
<th>Impact PSR-1: Fire Protection Services. This is a potentially significant issue.</th>
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<tbody>
<tr>
<td><strong>PSR-1:</strong> Project buildings shall include an Early Suppression, Fast Response (ESFR) fire sprinkler system.</td>
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<tr>
<td><strong>PSR-2:</strong> City departments, including Fire, Community Development, and Finance, together with industrial project proponents, shall develop and implement a plan for financing, construction and staffing of a new fire station in the vicinity of the project site. Development and implementation of the plan will involve a multi-year process helping the Department meet increasing service demands and to reduce response times. The project applicant shall contribute to the costs of constructing and staffing the new fire station in accordance with the adopted plan.</td>
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16.0 TRANSPORTATION

<table>
<thead>
<tr>
<th>TRANS-1: Motor Vehicle Transportation Plans – Intersections. Level of significance is not applicable under LOS analysis.</th>
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<tbody>
<tr>
<td><strong>TRANS-1:</strong> The project applicant should contribute fair-share costs to an improvement on the Mariposa Road and 8th Street/Farmington Road intersection that would split the northeast-bound combined through/right-turn lane into an exclusive northeast-bound through lane and a “free” northeast-bound-to-southeast-bound right-turn lane. Existing pavement width is considered adequate to accommodate this improvement.</td>
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<tr>
<td><strong>TRANS-2:</strong> The project applicant should contribute fair-share costs to an improvement on the Mariposa Road and Carpenter Road intersection that would</td>
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<tr>
<td>Impact/Mitigation Measures</td>
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<tr>
<td>widen the northeast-bound Carpenter Road approach to include an exclusive northeast-bound-to northwest-bound left-turn lane, and a combined through/right-turn lane. (See also Mitigation Measure AIR-1 in Chapter 6.0, Air Quality.)</td>
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</table>

**TRANS-2: Motor Vehicle Transportation Plans - Roadway Segments.** Level of significance is not applicable under LOS analysis.

| TRANS-3: The project applicant should contribute fair-share costs to an improvement on the segment of Mariposa Road from SR 99 to 8th Street/Farmington Road that would widen the portions of this roadway segment that are currently one lane in each direction to two lanes in each direction. | Owner or tenant will be responsible for implementing vanpool or shuttle program and submittal of documentation to the city | CDD Planning will be responsible for verifying that program is in place an operating |

**TRANS-6: Consistency with CEQA Guidelines Section 15064.3(b).** Level of significance is not applicable under LOS analysis.

| TRANS-1: The project shall provide "end-of-trip" facilities for bicycle riders to encourage the use of bicycling as a viable form of travel to destinations, especially to work. End-of-trip facilities shall include showers, secure bicycle lockers, and changing spaces. | Owner or tenant will be responsible for implementing vanpool or shuttle program and submittal of documentation to the city | CDD Planning will be responsible for verifying that program is in place an operating |
| TRANS-2: The project shall implement an employer-sponsored vanpool or shuttle. A vanpool will usually service employees' commute to work, while a shuttle will service nearby transit stations and surrounding commercial centers. Employer-sponsored vanpool programs entail an employer purchasing or leasing vans for employee use, and often subsidizing the cost of at least program administration. Scheduling is within the employer’s purview, and rider charges shall be set on the basis of vehicle and operating cost. | | |
| TRANS-3: The project shall implement SJVAPCD Rule 9410. Rule 9410, which requires employers with at least 100 employees to implement a trip reduction/transportation demand management program, or ETRIP. [See Air Quality section above.] ETRIP requirements are consistent with a Commute Trip Reduction program. | | |
program recommended by the traffic impact study as a mitigation measure. See also EIR Mitigation Measures TRANS-1 and TRANS-2, which require "end-of-trip" facilities and an employer-sponsored vanpool or shuttle.

17.0 UTILITIES AND ENERGY

Impact UTIL-4: Solid Waste. This is a potentially significant impact.

UTIL-1: As a Condition of Approval, the project applicant shall comply with the provisions of Stockton Municipal Code Sections 8.28.020 through 8.28.070 regarding construction and demolition waste. Permit applicants for the project shall be required to meet the waste diversion requirement of at least 50 percent of materials generated as discards by the project, regardless of whether the permit applicant performs the work or hires contractors, subcontractors, or others to perform the work. Applicant will be responsible for compliance with construction waste recycling requirements. CDD Building will be responsible for overseeing construction waste recycling.

Impact UTIL-6: Project Energy Consumption. This is a potentially significant impact.
<table>
<thead>
<tr>
<th>Impact/Mitigation Measures</th>
<th>Implementation Responsibility</th>
<th>Monitoring/Reporting Responsibility</th>
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<tbody>
<tr>
<td>UTIL-2: As a Condition of Approval, the project applicant shall comply with the most recent version of the California Energy Code adopted by the City of Stockton at the time of project approval.</td>
<td>Applicant will be responsible for incorporating Energy Code requirements in project plans and specifications.</td>
<td>CDD Building will be responsible for review and approval of building plans and specifications.</td>
</tr>
<tr>
<td>AIR-9: Employers with 100 employees shall submit an Employer Trip Reduction Implementation Plan (ETRIP) to the City for review and approval.</td>
<td></td>
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<tr>
<td>AIR-12: Buildings to be solar ready, and install solar panels to provide power for operational base power use.</td>
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Resolution No.

STOCKTON CITY COUNCIL

RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION WITH THE LOCAL AGENCY FORMATION COMMISSION FOR THE ANNEXATION OF ASSESSOR’S PARCEL NUMBERS 179-220-10; -11; -12; -13; -16; -17; -18; -19; and -24, ABUTTING PORTIONS OF MARIPosa ROAD WITH RELATED CITY SERVICES PLAN, INCLUDING DETACHMENT FROM THE MONTEZUMA FIRE DISTRICT, AND AN AMENDMENT TO THE SPHERE OF INFLUENCE AND MUNICIPAL SERVICE REVIEW REPORT

On October 19, 2020, the applicant, Greenlaw Partners, LLC submitted a request to, amongst other requests, to annex Assessor’s Parcel Numbers (APNs) 179-220-10; -11; -12; -13; -16; -17; -18; -19; -24, abutting portions of Mariposa Road; and

The petition for annexation is for the purposes of obtaining general city services as outlined in the City Services Plan; and

The subject territory will, upon annexation, be able to receive normal City services as required by section 56653 of the Cortese/Knox Local Government Reorganization Act of 1985; and

In accordance with section 56375(a)(7) of the Cortese/Knox Local Government Reorganization Act of 1985 and the policies of the San Joaquin County Local Agency Formation Commission, the City Council has concurrently with this resolution adopted an ordinance to prezone APNs 179-220-10; -11; -12; -13; -16; -17; -18; -19; -24 to Industrial, Limited (IL) Zone; and

The annexation action would also include the applicant’s requested detachment from the Montezuma Fire District. The detachment will be subject to an agreement by the developer to mitigate the district’s loss of property taxes. Future services will be provided by the City of Stockton; and

The General Plan illustrates the City’s anticipated 20-year growth within the approved planning boundaries. State law requires the City to prepare a Sphere of Influence and Municipal Service Review (SOI/MSR) report to assess services (fire, police, schools, utilities, etc.) for the anticipated General Plan growth. The SOI/MSR includes a section highlighting the City’s anticipated 10-year growth through pending project approvals and areas of interest; and

As the proposed annexation was not anticipated in the SOI/MSR 10-year Planning Horizon, the Applicant has proposed changes to include the Project as part of that analysis. As the 10-year growth plan merely illustrates potential growth within a 10-year
timeframe, it will not impact the City’s ability to service the project site as the project is consistent with the General Plan land use; and

On March 10, 2022, the Planning Commission held a duly noticed public hearing, pursuant to Stockton Municipal Code (SMC) section 16.116.040(D), to consider the proposed Prezoning, at which all interested parties had the opportunity to be heard; and

On March 10, 2022, and prior to acting on this request, the Planning Commission considered, and recommended adoption of an Environmental Impact Report (SCH #2020120283) prepared pursuant to the California Environmental Quality Act (CEQA); and

On April 19, 2022, the State of California Department of Justice Attorney General’s Office and the Sierra Club provided communication to staff related to concerns with the environmental effects of the project immediately before the public hearing was scheduled to occur. Based on the communication received, Staff elected to postpone the public hearing to a future date; and

The Attorney General’s Office and the Sierra Club presented additional mitigation measures which were evaluated and incorporated into the document where appropriate, however did not cause changes or reevaluation of the existing technical studies prepared, thus the DEIR was not required to be recirculated; and

On November 15, 2022, the City Council held a duly noticed public hearing pursuant to Stockton Municipal Code section 16.216.070, at which time all interested parties had the opportunity to be heard. After consideration of the project, the City Council considered and found no further environmental review is necessary under the California Environmental Quality Act (CEQA) pursuant to section 15183 (Projects Consistent with a Community Plan, General Plan, or Zoning); now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

Annexation:

Pursuant to Stockton Municipal Code section 16.216.070(H)(2), the following findings of fact are made to support the annexation request:

a) The subject territory is located within the urban services area of the City, as shown in Exhibit 2: Prezone Map and Legal Description.

b) APNs 179-220-10; -11; -12; -13; -16; -17; -18; -19; -24 have been prezoned, as described above.

c) The subject territory is contiguous to the existing City limits, as shown in Exhibit 2: Prezone Map and Legal Description.
d) The proposed annexation does not split a line of assessment and would, as described in the Environmental Impact Report prepared for the overall project, includes a future subdivision map application to ensure property ownership lines align with the City limit boundary established by the annexation. This finding is supported by San Joaquin County Local Formation Agency Commission Policy 10 (Definite and Certain Boundaries) which requires: (a) all boundaries shall be and certain and conform to lines of assessment or ownership; and (b) acknowledgement by the City of Stockton that the Commission may impose a condition on the annexation requiring the recordation of a parcel map to avoid creating remnants of legal lots.

e) The proposal does not create islands or areas in which it would not be easy to provide City services. The subject territory includes a corner parcel abutting two (2) public roads within the requisite infrastructure (e.g., water, sewer, stormwater) located within or in immediate proximity. The proposal utilizes said services without creating a feature that may make their delivery difficult to other areas.

f) The 2040 General Plan Land Use Map designates the subject site as Industrial. Pursuant to Table 2-1 (General Plan Relationship to Development Code) of the General Plan, the IL Zone is compatible with Industrial General Plan Land Use Map designation.

The proposed annexation would further the following General Plan policies:

- Goal LU-4: Attract and retain companies that offer high-quality jobs with wages that are competitive with the region and state.

- Policy LU-4.2: Attract employment- and tax-generating businesses that support the economic diversity of the City.

- Policy LU-6.2: Prioritize development and redevelopment of vacant, underutilized, and blighted infill areas.

Consistency of the annexation proposed with these policies is demonstrated through its ability to enable development of a new industrial land use in a vacant and contiguous location to the existing City limits.

Detachment and Rural Fire Agreements

A. The proposal is contiguous to existing County boundaries or other jurisdiction(s) party to the detachment or reorganization;

B. The County Surveyor has determined that the boundaries of the proposal are definite and certain;
C. The proposal does not split lines of assessment or ownership;

D. The proposal does not create islands or areas in which it would be difficult to provide appropriate services;

E. The proposal is consistent with the land uses, objectives, policies, and programs of the General Plan, any applicable specific plan or master development plan, and other adopted goals and policies of the City and other applicable jurisdiction(s); and

F. The City Manager is hereby authorized and directed to execute on behalf of the City, the Agreement between the City of Stockton, Greenlaw Partners, LLC, and/or current owner of the subject properties (APNs 179-220-10; -11; -12; -13; -16; -17; -18; -19; -24), and Montezuma Fire Protection District regarding detachment of property from the District to the City of Stockton, as illustrated on Exhibit 3 and incorporated herein by reference.

1. As referenced above, per SMC 16.216.070(H)(2), all findings of fact can be made to approve the annexation request.

2. The foregoing recitals are true and correct and incorporated here by reference; and

3. The City Council accepts the updated 2020 Sphere of Influence/Municipal Service Review report 10-year plan amendment; and

4. An Environmental Impact Report with Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program has been prepared for the project; and

5. The City Manager is authorized to file with the San Joaquin County Local Agency Formation Commission, as described in Exhibit 1 (City Services Plan), Exhibit 2 (Prezone Description and Annexation Boundary), and Exhibit 3 (City Services Plan), to execute a Detachment agreement on behalf of the City between the City of Stockton, the Applicant, and Montezuma Fire District regarding detachment of property from the District to the City of Stockton, and make an amendment to the 2020 Sphere of Influence/Municipal Service Review report 10-year plan (Exhibit 4).

6. The San Joaquin County Local Agency Formation Commission is hereby requested to approve the above-noted annexation of territory to the City of Stockton as depicted on Exhibit 2.
7. The City Manager is authorized to take whatever actions are necessary and appropriate to carry out the purpose and intent of this Resolution.

PASSED, APPROVED, and ADOPTED December 6, 2022.

_________________________
KEVIN J. LINCOLN II
Mayor of the City of Stockton

ATTEST:

_________________________
ELIZA R. GARZA, CMC
City Clerk of the City of Stockton
1.0 INTRODUCTION AND PROJECT INFORMATION

This report provides background information and analysis in support of the proposed Mariposa Industrial Park 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 Mariposa Industrial Park Annexation project proposes the annexation of nine parcels of land totaling approximately 203.5 acres into the City of Stockton (City), along with the adjacent Mariposa Road frontage. The proposed annexation area, hereinafter referred to as the “subject site,” is located along Mariposa Road north of North Littlejohns Creek (Figures 1 and 2). The Stockton city limits are on the southern boundary of the subject site. The parcels constituting the subject site are identified as Assessor’s Parcel Numbers (APNs) 179-220-10, -11, -12, -13, -16, -17, -18, -19, and -24.

The subject site is currently within the land use jurisdiction of San Joaquin County; it has a County General Plan designation of Agriculture-Urban Reserve and a zoning designation of AG-40 (General Agriculture; 40-acre minimum parcel size). The subject site is designated Industrial in the City of Stockton General Plan, as is much of the surrounding area (Figure 3), much of which has been developed for industrial use (Figure 5). The subject site is within the City of Stockton’s existing Sphere of Influence (Figure 4). The project includes a proposed amendment to the City’s Municipal Services Review document that will include the site within the City’s 10-year planning horizon.

The City has received and is processing an application for annexation, pre-zoning, and industrial development of the subject site, including preparation of an Environmental
Impact Report (EIR). The project proposes to pre-zone the subject site as IL – Industrial, Limited. These approvals, which will take effect upon annexation of the subject site to the City, would permit proposed development of approximately 3,616,870 square feet of high-cube warehousing or other light industrial land uses, off-site street and utility improvements, and associated on-site utility services and site improvements (Figure 6). Proposed pre-zoning and development are consistent with the existing Industrial designation under the City’s General Plan. The City has prepared an Environmental Impact Report (EIR) for the project.

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/from 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 shown below. The following sections of this report provides 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 2 and 3, the subject site is designated “Industrial” 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 4, the subject site is within the City’s Sphere of Influence and will be within the 10-year planning horizon upon adoption of a proposed amendment of the City’s Municipal Service Review.

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 industrial area and is designated for industrial development. As shown on Figure 5, the proposed annexation would permit a logical extension of existing ongoing industrial development in the southeast Stockton region.

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. All required City services and utilities are available to the subject site as described in Sections 3.0 and 5.0.

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, would be adequate to serve the subject site and planned industrial 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, which 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 COSMUD. COSMUD provides water to service areas in North Stockton and South Stockton; the subject site is in the South Stockton service area.

Sources of water provided by COSMUD 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, which was 37.6 percent of SEWD’s total supplies. The City currently uses 6,500 acre-feet per year from SEWD. By agreement, the City purchases 6,500 acre-feet of water per year from the Woodbridge Irrigation District 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 the water at a plant in north Stockton. This plant currently treats an average of 30 million gallons per day (mgd). The projected 2035 capacity of the DWSP is 60 mgd, with an annual production of approximately 50,000 acre-feet per year. 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 objectives 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 acre-feet per acre per year, equivalent to a groundwater yield of approximately 50,000 acre-feet per year. 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 seven active groundwater wells, with pump design flows ranging from 900 to 2,500 gallons per minute. There is also the South Stockton Aqueduct, which can supply surface water from the SEWD Water Treatment Plant.

The South Stockton water system distributes water from the DWSP, SEWD, and groundwater wells. The entire system is one pressure zone with the lowest elevation (5 feet above mean sea level) on the western side of the system and the highest elevation (30 feet above mean sea level) on the eastern side. Additionally, there are two tanks, each with a capacity of three million gallons, located near the Weston Ranch Subdivision in southwest Stockton. Distribution lines provide water service to the South Stockton area, serving
development that includes the existing Norcal Logistics Center and the CDCR facilities near the subject site.

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 trunk line runs along Mariposa Road. On-site lines would be installed to provide water to future development, and the on-site water system would connect to the Mariposa Road line. 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 UWMP. The existing water connection fee charged by COSMUD for non-residential development varies from approximately $2,264 to $156,828 or higher, depending on the size of the water meter.

The City prepared a Water Supply Assessment for the project in January 2021. The Water Supply Assessment was prepared in accordance with California Water Code sections 10910 through 10915, as established by Senate Bill (SB) 610, which requires detailed information regarding water supply availability to be provided to decision-makers prior to approval of specified large development projects. The project assessment projected potable demands for buildout of the project to be approximately 283 acre-feet per year. Pursuant to California Water Code Section 10910(4), and based on technical analyses, the Water Supply Assessment concluded that the COSMUD existing and additional planned future water supplies are sufficient to meet existing and future water demands associated with the project. Section 5.0, Availability of Adequate Water Supply, provides more detail on the Water Supply Assessment for the project.

3.2 WASTEWATER

The subject site is not presently connected to a wastewater collection and treatment system and contains no individual wastewater disposal systems. Should the annexation be approved, the subject site would be served by the City’s existing wastewater and collection 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 the City’s National Pollutant Discharge Elimination System (NPDES) Permit.

The City’s wastewater collection system is divided into 14 designated subareas or “systems.” The subject site would upon annexation be incorporated within Wastewater Collection System No. 8. Pump stations are located throughout Stockton and are integral to the sanitary sewer collection system. Most of the pump stations discharge to pressure lines that convey flow directly to the RWCF or to an available gravity sewer.

An existing 24-inch sanitary sewer main, oriented from south to north, is located along the western boundary of the subject site south of Marfargoa Road. At Marfargoa Road, this main terminates at a manhole, from where a 42-inch diameter main continues east to west.
along Marfargoa Road. On-site sewer lines will be installed to provide service to future development, and the on-site system would connect to the existing 42-inch diameter main.

The subject site is within the South of Calaveras Sanitary Connection fee area. The existing sewer connection fee in that area is $2,850 per single family residential unit equivalent.

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 subject site is within the North Littlejohns Creek watershed, which is tributary to French Camp Slough and the San Joaquin River. Most storm drains and pump stations within the service area have adequate capacity to collect stormwater drainage; however, North Littlejohns Creek flows at or near capacity that results in flooding of adjacent lands through most of its length during peak storm events. Recognizing this, stormwater detention infrastructure has been developed to serve existing industrial development in the area, such as the Norcal Logistics Center project north and west of the subject site.

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. Most storm drains and pump stations have adequate capacity to collect stormwater. Like other industrial development in the vicinity, subject site development will include new stormwater detention facilities, including an approximately seven-acre, on-site detention basin in the southern portion of the subject site. On-site runoff would be collected by a storm drainage system of inlets and lines and stored in the detention basin. The runoff in the basin would eventually be discharged through a metered outfall into North Littlejohns Creek, when capacity in the creek is available to avoid potential downstream flooding. On this basis, potential project impacts related to flooding are considered less than significant with implementation of proposed on-site storm drainage features and compliance with City standards.

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 the Central Valley Regional Water Quality Control Board (RWQCB) 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 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.

The City’s General Plan 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 requires collection of municipal refuse. This ordinance would apply to development on the subject site upon annexation. The City’s franchise haulers provide solid waste collection in Stockton. The waste provider bills the property owner monthly for collection service, based on the size of collection container utilized. Industrial 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 industrial waste within the City of Stockton limits: Republic Services and Waste Management.

Solid waste generated in the City of Stockton is disposed at existing County-owned and private landfill facilities. There is currently no shortage of space available at the County-owned landfills, with one estimated to have available capacity to 2048 and another to 2082.

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. To increase construction and demolition debris recycling, the City 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 vicinity of the subject site. 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 on request. Developer/utility company cost-sharing agreements to provide these services 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 would be the responsibility of the Stockton Police Department. The Police Department serves the area within City limits, covering more than 65 square miles. As of February 2021, the
Police Department consists of 486 sworn officers, 47 police telecommunicators, and 179 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 (Park) 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 Facilities Fee program. The City of Stockton has adopted a Public Facility Fee for police facilities payable upon issuance of a building permit. For warehouse/low density land uses, the fee is $62 per 1,000 square feet. Additionally, 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. City voters also approved Measure W, which instituted a one-quarter cent (0.25%) sales tax to provide funding for law enforcement and fire protection services.

### 3.7 FIRE PROTECTION

The subject site is currently within the Montezuma Fire Protection District, which serves approximately 10 square miles within unincorporated San Joaquin County located adjacent to the southeast portion of Stockton. The Stockton Metropolitan Airport is also within the Montezuma Fire District service area.

Should annexation occur, the subject site would be detached from the Montezuma Fire District, and fire protection services would be the responsibility of 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. Specific services provided include fire hydrant maintenance, training, fire dispatch, hazardous materials intervention, and weed abatement services. The Fire Department currently serves an area of about 86 square miles and has about 181 total personnel.

The Fire Department currently has twelve stations located throughout the greater Stockton metropolitan area. On July 1st 2022 the Stockton Fire Department will be reopening Fire Station 1 at 1818 S. Fresno Ave. increasing the total number of fire stations to 13. The closest station to the subject site is Station 12, located at 4010 East Main Street, approximately four miles to the north of the site. The station is equipped with one engine and one grass rig, and is staffed by a captain, an engineer, and a firefighter. Two of the staff are also paramedics. The response time from Station 12 to a standard structure fire call would be between three and four minutes. Response times to the industrial area within which the subject site is located are currently longer – approximately 7-8 minutes. This response time is within the industry standard for Rural/Semi-Urban responses.
Additionally, to address the long-term Fire Protection and eventual area urbanization, the City of Stockton is currently working to establish a Community Facilities District (CFD) to fund the construction of a new Stockton Fire Station in the Mariposa corridor. The new station will be staffed with 3 personnel from the ongoing CFD assessment.

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 accordance 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. 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.

A mitigation measure in the Mariposa Industrial Park EIR requires new development on the subject site to install Early Suppression Fast Response (ESFR) fire sprinkler systems. The purpose of the ESFR systems is to allow for a variety of commodities to be capable of meeting high-bay storage up to five feet below roof deck. They are considered the best engineered fire protection system that the National Fire Protection Association recognizes, capable of flowing up to 100 gallons per minute per nozzle. Their design purpose is to completely extinguish the fire rather than controlling the spread of fire. Testing results from nationally recognized testing agencies have proven this.

As with police facilities, capital costs of fire station expansion are accounted for by the City’s Public Facilities Fee program. The City of Stockton has adopted a Public Facility Fee for fire stations payable upon issuance of a building permit. For warehouse/low density land uses, the fee is $54 per 1,000 square feet. As with other Public Facility Fees, these fees would be payable upon issuance of a building permit. In addition, as noted, City voters approved Measure W, which instituted a one-quarter cent (0.25%) sales tax to provide funding for law enforcement and fire protection services.

3.8 SCHOOLS

The subject site is within the boundaries of the Stockton Unified School District (SUSD). The nearest public school to the subject site is Nightingale Charter School, a SUSD facility located at 1721 Carpenter Road approximately three miles to the northwest. SUSD experiences overcrowding in its schools but collects required school impact fees and coordinates with residential developers to ensure that sufficient capacity exists within the school system to accommodate residential-related student generation.

The subject site is proposed for industrial development and would result in no residential development or student generation. Nevertheless, the project would contribute developer fees from industrial development in accordance with State law. Based on a non-residential
development rate of $0.61 per square foot, the project would generate an estimated $1,296,177 in school impact fees. Project development will contribute to these fees in conjunction with building permit issuance.

3.9 PARKS AND RECREATION FACILITIES

The City of Stockton provides park and recreational services. The nearest City Park to the subject site is Ernie Shropshire Park, on Logan Lane approximately two miles to the west. Shropshire Park, a neighborhood park, is equipped with picnic tables, tot lots, a tennis court, a basketball court, and barbecue facilities. The Stockton General Plan establishes policies and standards for the size and siting of parklands.

San Joaquin County also provides parks and recreational facilities available to the public. The nearest County park is the Regional Sports Complex, a facility with softball and soccer fields adjacent to Stockton Metropolitan Airport, approximately 1.25 miles south of the site, adjacent to SR 99.

No new residential development is proposed on the subject site. Public Facility Fees for parklands are only assessed on new residential development; industrial development as proposed is exempt from parkland fees. However, industrial development would be subject to the payment of Public Facility Fees for community recreation centers. As with other Public Facility Fees, these fees would be payable upon issuance of a building permit. Additionally, Stockton’s voters approved Measure M, which instituted a one-quarter cent (0.25%) sales tax to provide funding for recreation and library services.

3.10 LIBRARIES

The public library system in the Stockton area is operated jointly by the City and San Joaquin County. The nearest library branch to the subject site is the Maya Angelou Branch Library at 2324 Pock Lane in Stockton, approximately 2.5 miles to the northwest. A new library is planned for construction in northeast Stockton adjacent to the Ronald McNair High School campus.

Capital costs of library expansion are accounted for by the City’s Public Facilities Fee program. The City of Stockton has adopted a Public Facility Fee for libraries payable upon issuance of a building permit. For warehouse/low density land uses, the fee is $56 per 1,000 square feet. Additionally, as noted, Stockton’s voters approved Measure M, which instituted a one-quarter cent (0.25%) sales tax to provide funding for recreation and library services.

3.11 MAINTENANCE OF PUBLIC FACILITIES/OTHER GOVERNMENTAL SERVICES

Mariposa Road, a public road abutting the northeastern boundary of the subject site, is currently maintained by San Joaquin County. This road is paved but does not have street improvements such as curb, gutter, and sidewalk. Proposed industrial development will require street improvements along the subject site frontage of Mariposa Road, including additional pavement width, curb, gutter, and sidewalk, all of which would be designed and constructed by the applicant pursuant to City of Stockton standards.
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 Public Facility Fees for street improvements and traffic signals to fund intersection and roadway segment improvements identified in the City’s Street Improvement Plan. For warehouse/low density land uses, street improvement fees are $931.50 per 1,000 square feet. Traffic signal fees would be $83.25 per 1,000 square feet. 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 subject site include Arch-Airport Road from State Route 99 to Pock Lane and a Bus Rapid Transit project on the Arch Road/Sperry Road corridor. Assuming future development is high-cube warehouses as anticipated, the Regional Transportation Impact Fee would be $450 per 1,000 square feet.

Measure K was passed by voters in 1990 and extended for another 30 years by voter approval in 2006. This measure instituted a one-half cent (0.50%) sales tax dedicated to transportation improvement projects in San Joaquin County. Measure K funding is allocated to specific projects including improved highways and local streets, new passenger rail service, regional and interregional bus routes, park-and-ride lots, new bicycle facilities, and railroad crossings by the San Joaquin Council of Governments. San Joaquin County and cities within the County share 35% of the sales tax revenue for local street repair. The local jurisdictions receive an annual funding allocation for local street repairs and safety and operations improvements. The local share of Measure K funds is distributed by formula based primarily on the City’s proportionate share of the overall County population.

4.0 FINANCING OF CITY SERVICES AND FISCAL EFFECTS

California Government Code Section 56653 requires that the required plan for services to a subject site include information on how the extension 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 would, generally speaking, be provided without major improvements to capital facilities. These concerns are addressed in the following 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 industrial structures, access, parking and other on-site improvements. These improvements would include off-site improvements to the frontage of Mariposa Road, any required extension of water and wastewater lines 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 Public Facilities Fees (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, and 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.

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

- Agricultural Land Mitigation Program
- 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 1 summarizes the estimated development-related fees for the proposed development of the subject site. These include development impact fees collected by other agencies, such as the Stockton Unified School District and SJCOG. This information is also in Exhibit 7 of this City Services Plan.

<table>
<thead>
<tr>
<th>FEE CATEGORY</th>
<th>ESTIMATED PROJECT FEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Fees</td>
<td>$5,997,979</td>
</tr>
<tr>
<td>Habitat/Open Space (SJCOG)</td>
<td>$3,533,371</td>
</tr>
<tr>
<td>School District Fees (SUSD)</td>
<td>$1,296,177</td>
</tr>
<tr>
<td><strong>TOTAL PROJECT DEVELOPMENT FEES</strong></td>
<td><strong>$10,827,527</strong></td>
</tr>
</tbody>
</table>
4.2 FINANCING OF GENERAL SERVICES

This section describes the anticipated revenues to the City of Stockton, which would be the main provider of services. As noted above, the design, engineering, and construction of these services and 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 Montezuma 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 it receives franchise 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 2 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 calculations. More detailed information regarding specific sources of revenues is provided below.

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 estimated assessed valuation on the subject site with proposed development is $325,518,300.

Approximately 60% 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 approximately 40% of the overall property tax revenue, which is divided between the County General Fund, the Montezuma 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).

Based upon information from the San Joaquin County Auditor-Controller’s Office, upon annexation, approximately 20% of total property tax revenue from the subject site would go to the City. Based on this and the anticipated valuation of the subject site once fully developed, the property tax amount that would be collected by the City would be approximately $821,298 (see Exhibit 3). Current property taxes paid to the County General Fund on the subject site are approximately $33,170.
### TABLE 2
ESTIMATED CITY OF STOCKTON GENERAL REVENUES
RESULTING FROM ANNEXATION AND BUILDOUT OF THE SUBJECT SITE

<table>
<thead>
<tr>
<th>General Fund Revenue Category</th>
<th>Total Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax</td>
<td>$827,985</td>
</tr>
<tr>
<td>Property Tax: Vehicle License Fee</td>
<td>$420,871</td>
</tr>
<tr>
<td>Document Transfer Tax</td>
<td>$11,295</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>$55,736</td>
</tr>
<tr>
<td>Prop. 172 Sales Tax</td>
<td>$13,934</td>
</tr>
<tr>
<td>Measure A Transaction Tax</td>
<td>$41,802</td>
</tr>
<tr>
<td>Franchise Tax</td>
<td>$66,262</td>
</tr>
<tr>
<td>Hotel/Motel Tax</td>
<td>$10,573</td>
</tr>
<tr>
<td>Business License</td>
<td>$38,710</td>
</tr>
<tr>
<td>Utility Users Tax</td>
<td>$137,119</td>
</tr>
<tr>
<td>Licenses and Permits</td>
<td>-</td>
</tr>
<tr>
<td>Revenue from Other Agencies</td>
<td>-</td>
</tr>
<tr>
<td>Motor Vehicle In-Lieu</td>
<td>-</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>-</td>
</tr>
<tr>
<td>Fire Contracts</td>
<td>-</td>
</tr>
<tr>
<td>Code Enforcement</td>
<td>-</td>
</tr>
<tr>
<td>Fines and Forfeitures</td>
<td>-</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>-</td>
</tr>
<tr>
<td>Transfers In</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td><strong>$1,624,287</strong></td>
</tr>
</tbody>
</table>

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 $11,295. 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 $420,871. 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%). The proposed development is not a commercial land use and therefore would not directly generate sales tax. However, employees working at the proposed development would generate sales tax revenue through local spending. It is estimated that sales tax generated by employee spending would be approximately $55,736. See Exhibit 4 for development of this estimate, along with Exhibit 6 for estimates of revenues from voter-approved measures.

In addition, the City collects sales tax revenue from Proposition 172, approved by California voters in 1993. Proposition 172 imposes a one-half cent sales tax to provide revenues for public safety services. It is estimated that sales tax generated by Proposition 172 would be approximately $13,934. See Exhibit 4 for development of this estimate.

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 2 above, future development on the subject site would generate an estimated $137,119 annually in utility user tax revenues. See Exhibit 5 for how the estimate of utility user tax revenue 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 $66,262 in franchise tax revenue annually (see Exhibit 1).

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 business license tax revenue of $38,710 (see Exhibit 1).

Other Revenue Sources

The City has a variety of other revenue sources, which are listed in the City’s budget. These include licenses and permits, fines and forfeitures, charges for services, motor vehicle in-lieu revenues, and revenues from fire service contracts, among others. Table 2 and Exhibit 1 list these other sources. No estimates were developed for subject site revenues from these
sources, in part because not all these revenue sources would be associated with annexation and development of the subject site.

4.2.2 Estimated Change in Annual Expenditures for City of Stockton

As discussed in Section 4.1, immediate and future capital costs of the project would be met through developer improvements to public road and utility systems and through payment of the City PFFs and connection fees. The project is industrial in nature and would not result in increases in the resident population of Stockton, with concurrent costs in providing City services. However, the addition of project-related employees would contribute to the “service population” of the City, which could contribute to service costs.

Preliminary work done for the Mariposa Industrial Park EIR indicates that impacts of proposed future development on the City’s water, sanitary sewer, and storm drainage systems would be less than significant. The City’s sanitary sewer system has adequate capacity to accommodate additional wastewater from the project, and existing sewer lines in the area can carry the anticipated flow. The City’s water system has sufficient supplies to satisfy potential project demand, and no new supplies would need to be obtained. In accordance with City requirements, the project developer would construct the necessary improvements and connections to the City’s water and sewer systems and storm drainage facilities to accommodate runoff in accordance with City standards. Expenses to operate the required City utilities to the subject site are expected to be minimal and would be covered by monthly utility billing to the project activities.

The Draft EIR also concluded that impacts of the Mariposa Industrial Park project on public services provided by the City, primarily fire and police protection, would be less than significant with the installation of the fire sprinkler systems required by the City. Expenses to provide City fire and police services to the subject site are also expected to be minimal.

The project would place an incremental demand on the City for future fire and police services, the project in and of itself would not result in a need for new or expanded fire facilities and services. Future capital costs for these services would ordinarily be met through payment of PFFs. However, the Stockton Fire Department is experiencing increased demand for fire protection and related services in the south Stockton industrial areas as a result of ongoing industrial and other development. City departments, including Fire, Community Development and Finance, together with industrial project proponents, are engaged in planning for financing, construction and staffing of a new fire station serving the south Stockton industrial areas, including the proposed project site. Development and implementation of the plan will involve a multi-year process helping the Department meet increasing service demands and reduce response times (Chief Edwards, pers. comm.). Nonetheless, the City and the Mariposa Industrial Park project applicant are in discussions as to how the proposed project could facilitate development of the new fire station.

The proposed annexation would include approximately 750 feet of Mariposa Road frontage. Improvements would be installed along this frontage and are likely to include widening, turn lanes, acceleration and/or deceleration lanes, shoulders, and intersection
improvements at the proposed entry, including street lighting and signage. The frontage improvements would be funded by the developer. The annexed frontage would increase costs to the City for ongoing maintenance. A rough approximation of the increased maintenance cost was 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 2020/21 budget for the City of Stockton, the City maintains 763 miles of streets at a cost of $12,996,825. Based on these figures, the additional cost to maintain the annexed frontage would be approximately $2,420 annually. This cost may increase if more of the segment of Mariposa Road fronting the subject site is annexed than proposed. Road maintenance costs are met from a variety of sources.

The project is not expected to result in additional costs for schools or parks and recreation, as the project would not increase the resident population. Nonetheless, the project would contribute to future school and park capital needs through payment of school mitigation fees and park and recreation PFFs.

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 by multiplying that factor by the increase in service population on the subject site. The per-unit cost factor would be $587.92. The expected increase in service population would be 1,531 (see Exhibit 2). Therefore, potential service costs to the City would be approximately $900,106. See Exhibit 8 for a development of the expenditure estimate for the subject site.

4.2.3 Overall Impact of Project on City Budget

As indicated in Table 2, proposed future development of the subject site is expected to generate approximately $1,624,287 in annual revenues to the City. With estimated annual expenditures of $900,106, 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 $5,997,979 in one-time impact 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.

4.3 PROPERTY TAX IMPACT TO THE MONTEZUMA FIRE DISTRICT

Based on information provided by the County Auditor-Controller’s Office, the Montezuma Fire District currently receives approximately 10.4 percent of the general one-percent property tax levy from the subject site. Based on the most current information from the County Auditor-Controller, this generates approximately $2,913 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.

In comments on another proposed annexation, the Fire Chief of the Montezuma Fire District stated that he looks for the Fire District to be made whole for any loss of revenue resulting from annexation. Also, 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. 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.
5.0 AVAILABILITY OF ADEQUATE WATER SUPPLY

As noted, California Government Code Section 56688(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.

As noted in Section 3.1, Domestic Water Supply, the City conducted a Water Supply Assessment for the proposed project in January 2021. Under SB 610, a Water Supply Assessment is required for a proposed industrial, manufacturing, or processing plant, or industrial park planned to house more than 1,000 persons, occupying more than 40 acres of land, or having more than 650,000 square feet of floor area. The purpose of the Water Supply Assessment is to demonstrate the sufficiency of the purveyor’s water supplies to satisfy the water demands of the proposed project, while still meeting the water purveyor’s existing and planned future uses. COSMUD is the purveyor for this project.

The Water Supply Assessment determined that COSMUD’s water supply would exceed the projected water demand by the amounts in the UWMP described above. Updated water use factors based on recent water consumption trends within the COSMUD service area were used to determine the projected water demand for the Proposed Project, which is equal to 283 acre-feet per year. Based on this information, the Water Supply Assessment concluded that the project could be adequately served by COSMUD from its existing and future water supplies without requiring additional supplies or entitlements.
PROPOSED ANNEXATION AND PREZONING BOUNDARY

PROPOSED PREZONING: AG-40 (COUNTY) TO IL LIGHT INDUSTRIAL

EXISTING CITY LIMITS

EXISTING ZONING: IL - LIGHT INDUSTRIAL

Figure 2

PROPOSED ANNEXATION AND PREZONING
Figure 4
SPHERE OF INFLUENCE/
10-YEAR PLANNING HORIZON

Source: City of Stockton, 2016; Placeworks, 2019; ESRI, 2019.

- 2030 Planning Horizon Areas
- City Limit
- Sphere of Influence
Figure 6
CONCEPTUAL SITE PLAN

SOURCE: Ware Malcomb
EXHIBITS 1-6

ESTIMATED PROJECT REVENUE SOURCES
## CITY OF STOCKTON – PROPOSED MARIPOSA INDUSTRIAL PARK
### CITY OF STOCKTON GENERAL FUND REVENUE SUMMARY

<table>
<thead>
<tr>
<th>General Fund Revenue Category</th>
<th>2021-22 City Budget</th>
<th>Revenue per Person</th>
<th>Service Population</th>
<th>Total Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax</td>
<td>$38,416,000</td>
<td>-</td>
<td>-</td>
<td>$827,985</td>
</tr>
<tr>
<td>Property Tax: Vehicle License Fee</td>
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<td>-</td>
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<td>Measure A Transaction Tax</td>
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<td>-</td>
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<td>Sales Tax</td>
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<td>Prop. 172 Sales Tax</td>
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<td>$13,934</td>
</tr>
<tr>
<td>Document Transfer Tax</td>
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<td>Franchise Tax</td>
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<td>Licenses and Permits</td>
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<td>-</td>
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<td>Revenue from Other Agencies</td>
<td>$3,253,496</td>
<td>$8.48</td>
<td>1,531</td>
<td>-</td>
</tr>
<tr>
<td>Motor Vehicle In-Lieu</td>
<td>$200,000</td>
<td>$0.52</td>
<td>1,531</td>
<td>-</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>$3,150,079</td>
<td>$8.21</td>
<td>1,531</td>
<td>-</td>
</tr>
<tr>
<td>Fire Contracts</td>
<td>$4,691,240</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Code Enforcement</td>
<td>$3,498,413</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fines and Forfeitures</td>
<td>$501,694</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>$11,026,889</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers In</td>
<td>$0</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td><strong>$250,248,936</strong></td>
<td><strong>--</strong></td>
<td><strong>--</strong></td>
<td><strong>$1,624,287</strong></td>
</tr>
</tbody>
</table>

# City of Stockton – Proposed Mariposa Industrial Park
## Land Use and Demographics Summary

### I. Non-Residential Land Uses

<table>
<thead>
<tr>
<th>Non-Residential Land Uses</th>
<th>Square Feet</th>
<th>Average Value (square foot)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial (Building 1)</td>
<td>900,000</td>
<td>$164</td>
</tr>
<tr>
<td>Industrial (Building 2)</td>
<td>1,224,880</td>
<td>$125</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2,124,880</strong></td>
<td><strong>$142</strong></td>
</tr>
</tbody>
</table>

### II. City Demographic Data

- City of Stockton Population [1]: 320,876
- City of Stockton Employees [2]: 125,248
- City of Stockton Persons Served [3]: 383,500

### III. Project Demographics

- Employees (Building 1): 2,450
- Employees (Building 2): 1,962
- Total Employees: 3,062
- Persons Served Population [4]: 1,531


[3] City population plus 50% of employees.
I. **GENERAL PROPERTY TAX ASSUMPTIONS**

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

<table>
<thead>
<tr>
<th>Public Agency</th>
<th>Property Tax Breakdown</th>
</tr>
</thead>
<tbody>
<tr>
<td>County General Fund</td>
<td>20.7%</td>
</tr>
<tr>
<td>Montezuma Fire Protection District</td>
<td>10.4%</td>
</tr>
<tr>
<td>School districts and other agencies</td>
<td>68.9%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Public Agency</th>
<th>Property Tax Breakdown</th>
</tr>
</thead>
<tbody>
<tr>
<td>County General Fund</td>
<td>20.2%</td>
</tr>
<tr>
<td>City of Stockton</td>
<td>16.7%</td>
</tr>
<tr>
<td>School districts and other agencies</td>
<td>63.1%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

II. **SECURED PROPERTY TAX ANALYSIS**

<table>
<thead>
<tr>
<th>Nonresidential Land Use Type</th>
<th>Square Feet</th>
<th>Estimated Valuation</th>
<th>1% General Property Tax</th>
<th>Property Tax to City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial</td>
<td>2,124,880</td>
<td>$410,710,000</td>
<td>$4,107,100</td>
<td>$821,298</td>
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</tbody>
</table>

III. **PROPERTY TAX TRANSFER ANALYSIS**

<table>
<thead>
<tr>
<th>Nonresidential Land Use Type</th>
<th>Property Turnover Rate</th>
<th>Estimated Assessed Valuation Turnover</th>
<th>Property Transfer Tax to City</th>
<th>Total Estimated Transfer Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial</td>
<td>5.00%</td>
<td>$20,535,000</td>
<td>0.055%</td>
<td>$11,295</td>
</tr>
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</table>
## IV. PROPERTY TAX VEHICLE LICENSE FEE ANALYSIS

<table>
<thead>
<tr>
<th>Nonresidential Land Use Type</th>
<th>Total City Assessed Valuation with Project[1]</th>
<th>Percent Change in Assessed Valuation</th>
<th>Total Property Tax In-Lieu of VLF Adopted Revenue[1]</th>
<th>Estimated Property Tax In-Lieu of MVF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial</td>
<td>$26,555,400,583</td>
<td>1.57%</td>
<td>$26,791,495</td>
<td>$420,871</td>
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</tbody>
</table>


I. **DIRECT SALES TAX ANALYSIS**

<table>
<thead>
<tr>
<th>Nonresidential Land Use Type</th>
<th>Taxable Spending per Employee per Day</th>
<th>Employees</th>
<th>Total Taxable Spending[1]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial (Building 1)</td>
<td>$10</td>
<td>2,450</td>
<td>$6,370,000</td>
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<tr>
<td>Industrial (Building 2)</td>
<td>$10</td>
<td>612</td>
<td>$1,592,344</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>--</td>
<td>3,062</td>
<td><strong>$7,962,344</strong></td>
</tr>
<tr>
<td>Leakage (30%)</td>
<td></td>
<td></td>
<td><strong>$2,388,703</strong></td>
</tr>
<tr>
<td>City of Stockton Capture (70%)</td>
<td></td>
<td></td>
<td><strong>$5,573,641</strong></td>
</tr>
</tbody>
</table>

**City of Stockton General Fund Sales and Use Tax Revenues:**

- City Taxable Spending Capture: $5,573,641
- City Share of Sales Tax: 1.00% $55,736
- **Project-Derived Sales Tax Revenue to City** $55,736

**Prop. 172 Sales Tax** 0.25% $13,934


EXHIBIT 5
CITY OF STOCKTON – PROPOSED MARIPOSA INDUSTRIAL PARK
UTILITY USERS TAX REVENUE ANALYSIS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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<tbody>
<tr>
<td></td>
<td>$89.95</td>
<td>1,531</td>
<td>$137,119</td>
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## EXHIBIT 6
CITY OF STOCKTON – PROPOSED MARIPOSA INDUSTRIAL PARK
VOTER APPROVED REVENUE ANALYSIS

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Project Taxable Spending [1]</th>
<th>Tax Rate</th>
<th>Project Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Joaquin County (Measure K) Sales Tax</td>
<td>$5,573,641</td>
<td>0.500%</td>
<td>$27,868</td>
</tr>
<tr>
<td>Stockton Safe Neighborhood Gang and Drug Prevention</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Police &amp; Fire (Measure W)</td>
<td>$5,573,641</td>
<td>0.250%</td>
<td>$13,934</td>
</tr>
<tr>
<td>Law Enforcement, Crime Prevention, Essential City</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services (Measure A)</td>
<td>$5,573,641</td>
<td>0.750%</td>
<td>$41,802</td>
</tr>
<tr>
<td>Library and Recreation - Strong Communities Special</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax (Measure M)</td>
<td>$5,573,641</td>
<td>0.250%</td>
<td>$13,934</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td>$97,539</td>
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</table>


### CITY OF STOCKTON – PROPOSED MARIPOSA INDUSTRIAL PARK
### PUBLIC FACILITY AND IMPACT FEE SUMMARY

<table>
<thead>
<tr>
<th>Fee Category</th>
<th>Estimated Project Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Impact Fees</td>
<td>$5,997,979</td>
</tr>
<tr>
<td>School District Fees (SUSD)</td>
<td>$3,533,371</td>
</tr>
<tr>
<td>Habitat/Open Space (SJCOG)</td>
<td>$1,296,177</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$10,827,527</strong></td>
</tr>
</tbody>
</table>

EXHIBIT 8  
CITY OF STOCKTON – PROPOSED MARIPOSA INDUSTRIAL PARK  
ESTIMATED PROJECT EXPENDITURES

I. CITY EXPENDITURES

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

II. PROJECT EXPENDITURE ANALYSIS

2020 City of Stockton Persons Served Population [2]: 391,332

City Expenditures per Person Served: $587.92

Persons Served Population on Subject Site [3]: 1,531

Total Subject Site Expenditures: $900,106

NOTES:
[1] Source: City of Stockton Fiscal Year 2019/20 Budget
EXHIBIT “A” - Annexation Legal & Prezoning Description

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE UNINCORPORATED AREA OF SAN JOAQUIN COUNTY, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:


THENCE ALONG THE SOUTHERLY BOUNDARY OF SAID PARCEL ONE AND ALSO ALONG THE EXISTING BOUNDARY OF THE STOCKTON CITY LIMIT LINE, (1) SOUTH 72° 09’ 06” EAST, 2410.37 FEET, TO THE SOUTHWEST CORNER OF SAID PARCEL ONE, SAID POINT ALSO BEING ALONG THE EASTERLY LINE OF THE “MAP OF SUBDIVISION NO. 4 CLARKADOTA FIG PLANTATIONS”, FILED IN BOOK 10 OF MAPS & PLATS, AT PAGE 38, SAN JOAQUIN COUNTY RECORDS;

(2) THENCE LEAVING SAID EXISTING BOUNDARY OF THE STOCKTON CITY LIMIT AND RUNNING ALONG SAID EASTERLY LINE OF THE “MAP OF SUBDIVISION NO. 4 CLARKADOTA FIG PLANTATIONS” NORTH 17° 09’ 06” WEST, 3940.90, TO THE NORTHEAST CORNER THEREOF, BEING A POINT ON THE NORTHERLY LINE OF SAID SECTION 59 OF THE C. M. WEBER GRANT,

(3) THENCE ALONG SAID NORTHERLY LINE OF SECTIONS 59 AND 69 OF SAID C. M. WEBER GRANT, NORTH 72° 09’ 06” EAST, 1691.35 FEET TO A POINT ON THE SOUTHWESTERLY RIGHT OF WAY LINE OF MARIPOSA ROAD,

(4) THENCE ALONG SAID SOUTHWESTERLY RIGHT OF WAY LINE, SOUTH 59° 53’ 28” EAST, TO THE WESTERLY LINE OF THE LANDS OF OCHOA, AS DESCRIBED IN THAT CERTAIN DOCUMENT RECORDED SEPTEMBER 12, 2008, AS DOCUMENT NO. 2008-149798, SAN JOAQUIN COUNTY RECORDS,

(5) THENCE ALONG SAID WESTERLY LINE OF OCHOA THE FOLLOWING TWO COURSES:
SOUTH 71° 52’ 14’’ EAST, 282.52 FEET, AND

(6) SOUTH 59° 48’ 18” WEST, 170.97 FEET, TO A POINT ON THE EASTERLY LINE OF THE LANDS OF MARIPOSA ROAD OWNERS, LLC, AS DESCRIBED IN THAT CERTAIN DOCUMENT
RECORDED DECEMBER 24, 2019, AS DOCUMENT NO. 2019-151974, SAN JOAQUIN COUNTY RECORDS,

(7) THENCE ALONG SAID EASTERLY LINE OF THE LANDS OF MARIPOSA ROAD OWNERS, LLC, SOUTH 17° 50’ 54” EAST, 1065.25 FEET, TO THE NORTHWESTERLY CORNER OF THE LANDS OF THE TOLENTINO TRUST AS DESCRIBED IN THAT CERTAIN DOCUMENT RECORDED FEBRUARY 25, 2019, AS DOCUMENT NO. 2019-019341, SAN JOAQUIN COUNTY RECORDS,

(8) THENCE ALONG THE NORTHERLY LINE OF SAID LANDS OF THE TOLENTINO TRUST, SOUTH 72° 29’ 06” WEST, 301.20 FEET, TO THE NORTHWESTERLY CORNER THEREOF,


(10) THENCE ALONG THE SOUTHERLY LINE OF THE LANDS OF LOT T TRUST, NORTH 72° 09’ 06” EAST, 301.20 FEET, TO THE SOUTHEASTERLY CORNER THEREOF, ALSO BEING A POINT ON THE EASTERLY LINE OF THE LANDS OF HOGGAN ESTATES. LLC, AS DESCRIBED IN THAT CERTAIN DOCUMENT RECORDED NOVEMBER 11, 2008, AS DOCUMENT NO. 2008-177643, SAN JOAQUIN COUNTY RECORDS,


CONTAINING 205.78 ACRES, MORE OR LESS.

FOR ASSESSMENT PURPOSES ONLY. THIS DESCRIPTION OF LAND IS NOT A LEGAL PROPERTY DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP ACT (GOVERNMENT CODE SECTION 66410) AND MAY NOT BE USED AS THE BASIS FOR AN OFFER FOR SALE OF THE LAND DESCRIBED.

EXHIBIT “B” A PLAT IS ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

KIER & WRIGHT CIVIL ENGINEERS & SURVEYORS, INC.

THIS DESCRIPTION WAS PREPARED BY ME OR UNDER MY DIRECTION.

__________________________
DEAN A. JURADO, P.L.S. NO. 9032    DATE
EXHIBIT "B" - ANNEXATION PLAT

California
San Joaquin County

LAFCO - Mariposa Industrial Park to The City of Stockton

EXHIBIT 2 - Prezone Description and Map

Date: February 2021

Sheet 1 of 2

Job No.: 420631
By: GKL
Scale: NTS

This plat was prepared by me or under my direction.

Dean J. Duradero, P.L.S. No. 9032
Dated This Day of ______, 2021.

AS THE BASIS FOR AN OFFER FOR SALE OF THE LAND DESCRIBED.

DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP ATTACHED MAY NOT BE USED FOR ASSESSMENT PURPOSES ONLY. THIS DESCRIPTION IS NOT A LEGAL PROPERTY.
Parcel Name: BNDRY-LOT - EXTERIOR BOUNDARY

Description:
- Process segment order counterclockwise: False
- Enable mapcheck across chord: False

North:2,159,029.1138'  East:6,364,979.3493'

Segment# 1: Line
- Course: S72° 09' 06"W
- Length: 2,410.37'
- North: 2,158,290.3393'  East: 6,362,684.9876'

Segment# 2: Line
- Course: N17° 50' 45"W
- Length: 3,940.90'
- North: 2,162,041.6211'  East: 6,361,477.2718'

Segment# 3: Line
- Course: N72° 09' 06"E
- Length: 1,691.35'
- North: 2,162,560.0172'  East: 6,363,087.2191'

Segment# 4: Line
- Course: S59° 53' 28"E
- Length: 902.57'
- North: 2,162,107.2475'  East: 6,363,868.0086'

Segment# 5: Line
- Course: S17° 52' 14"E
- Length: 282.52'
- North: 2,161,838.3584'  East: 6,364,428.9748'

Segment# 6: Line
- Course: S72° 09' 06"W
- Length: 301.20'
- North: 2,160,738.3892'  East: 6,364,102.4774'
North: 2,160,646.0719'  East: 6,364,142.2712'

Segment# 9: Line
Course: S17° 50' 54"E  Length: 717.85'
North: 2,159,962.7712'  East: 6,364,362.2911'

Segment# 10: Line
Course: N72° 09' 06"E  Length: 301.20'
North: 2,160,055.0885'  East: 6,364,648.9947'

Segment# 11: Line
Course: S17° 50' 54"E  Length: 1,077.85'
North: 2,159,029.1142'  East: 6,364,979.3539'

Perimeter: 12,862.03'  Area: 8,963,651.62 Sq.Ft.
Error Closure: 0.0046  Course: N85° 33' 42"E
Error North : 0.00036  East: 0.00460

Precision 1: 2,796,093.48
AGREEMENT BETWEEN THE CITY OF STOCKTON AND GREENLAW DEVELOPMENT, LLC, AND MONTEZUMA RURAL FIRE PROTECTION DISTRICT REGARDING ANNEXATION OF PROPERTY FROM THE DISTRICT TO THE CITY OF STOCKTON.

This Agreement is made and entered into this ___ day of ______, 2022, by and between the City of Stockton, a municipal corporation ("City"), and Greenlaw Development, LLC, a California limited liability company ("Applicant") and the Montezuma Rural Fire District ("District").

WITNESSETH

WHEREAS, Applicant and City desire to annex the property known as the Mariposa Industrial Park Project bearing assessor's parcel numbers 179-220-100, 179-220-110, 179-220-120, 179-220-130, 179-220-160, 179-220-170, 179-220-180, 179-220-190, and 179-220-240 (the "Property") into the City. The legal descriptions for the Property are attached hereto as Exhibit "A" and incorporated herein by this reference; and

WHEREAS, upon annexation, a detachment of that Property from the District that currently serves the Property occurs because the City will provide fire services once the Property is annexed; and

WHEREAS, upon annexation, the District will lose its share of the property tax previously allocated to it; and

WHEREAS, the Applicant and the District desire to ease the transition of lost revenue to the District and comply with the existing policies of the Local Agency Formation Commission.

NOW THEREFORE, it is mutually agreed by and between the City, the Applicant and the District as follows:

1. Upon annexation of the Property to the City and the detachment of the Property from the District, Applicant shall pay to the District a sum equal to the current tax revenue received by the District at the time of annexation, multiplied by fifteen (15) years with a 3% annual increase. The lump sum payment shall be paid by the Applicant prior to the recordation of the certificate of annexation.

2. The amount of property tax revenue to the District shall be based upon what is received for the year immediately preceding the annexation and detachment of the Property.

3. The lump sum payment shall be the amount of $__________ as detailed in the attached Exhibit "B" incorporated herein by this reference.

4. The provisions of the Agreement shall inure to the benefit of and bind the heirs, successors and assigns of the respective parties to this Agreement.

5. It is understood and agreed by and between the parties hereto that this Agreement shall be deemed and construed to be entered into and to be performed in the County of San Joaquin, State of California, and it is further understood and agreed by and between the parties hereto that the laws of the State of California shall govern the rights, obligations, duties...
and liabilities of the parties to the Agreement and also govern the interpretation of this Agreement. The District shall be afforded all rights and remedies provided by California law to enforce this Agreement and the covenants created herein.

6. Should any legal action be brought by a party for breach of this Agreement or to enforce any provision herein, the prevailing party of such action shall be entitled to reasonable attorneys' fees, court costs and such other costs as may be fixed by the Court in addition to any other remedies.

7. Any notice required by this Agreement shall be in writing and delivered postage prepaid as follows:

<table>
<thead>
<tr>
<th>TO APPLICANT:</th>
<th>TO DISTRICT:</th>
<th>TO CITY:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robert Mitchell Greenlaw Development, LLC 18301 Von Karman Ave, Ste. 301 Irvine, CA 92612</td>
<td>Chief Ed Martel Montezuma Rural Fire District 2405 South B Street Stockton, CA 95206</td>
<td>City Manager City of Stockton 425 North El Dorado Street Stockton, CA 95202</td>
</tr>
</tbody>
</table>

8. This Agreement may be amended in writing by the mutual agreement of all of the parties.

9. In consideration of the covenants, conditions and promises of Applicant to be performed as set forth in this Agreement, District shall not contest or otherwise oppose the annexation of the Property sought by Applicant.

IN WITNESS WHEREOF, the parties have executed the Agreement by their authorized representatives the day and year first above written.

GREENLAW DEVELOPMENT, LLC:

By: __________________________________________________

Its: __________________________________________________

MONTEZUMA RURAL FIRE DISTRICT

By: __________________________________________________

Its: __________________________________________________

CITY OF STOCKTON:

By: __________________________________________________

Its: __________________________________________________
EXHIBIT “B”
### Exhibit B

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>2,913.30</td>
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<tr>
<td>Year 2</td>
<td>3,000.70</td>
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<tr>
<td>Year 3</td>
<td>3,090.72</td>
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<tr>
<td>Year 4</td>
<td>3,183.44</td>
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<tr>
<td>Year 5</td>
<td>3,278.94</td>
</tr>
<tr>
<td>Year 6</td>
<td>3,377.31</td>
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<tr>
<td>Year 7</td>
<td>3,478.63</td>
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<td>Year 8</td>
<td>3,582.99</td>
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<tr>
<td>Year 9</td>
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<td>Year 12</td>
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<td>Year 13</td>
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<td>4,278.28</td>
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<tr>
<td>Year 15</td>
<td>4,406.63</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>54,184.22</strong></td>
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Inflator 3%
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<tr>
<th></th>
<th>OLD 1 PCT $</th>
<th>OLD 1 PCT %</th>
<th>NEW 1 PCT $</th>
<th>NEW 1 PCT %</th>
<th>DIFF 1 PCT $</th>
<th>DIFF 1 PCT %</th>
<th>DIFF DC $</th>
<th>SUM DIFF $</th>
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<tbody>
<tr>
<td>COUNTY GENERAL</td>
<td>6,392.78</td>
<td>0.207265</td>
<td>8,541.84</td>
<td>0.276942</td>
<td>2,149.06</td>
<td>0.069677</td>
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<td>2,149.06</td>
</tr>
<tr>
<td>ROAD DISTRICT 1</td>
<td>1,202.39</td>
<td>0.038984</td>
<td>-</td>
<td>-</td>
<td>(1,202.39)</td>
<td>(0.038984)</td>
<td>(1,202.39)</td>
<td>(1,202.39)</td>
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<tr>
<td>COUNTY LIBRARY</td>
<td>512.73</td>
<td>0.016624</td>
<td>-</td>
<td>-</td>
<td>(512.73)</td>
<td>(0.016624)</td>
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<td>(512.73)</td>
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EXHIBIT 3 - DRAFT MONTEZUMA AGREEMENT
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FIGURE -7: 10-YEAR PLANNING HORIZON ANNEXATION AREAS

Source: City of Stockton, 2016 Placeworks, revised February 22, 2022
ORDINANCE NO.

AN ORDINANCE AMENDING TITLE 16 OF THE STOCKTON MUNICIPAL CODE RELATED TO THE “ZONING MAP,” IN SECTION 16.16.030 OF THE STOCKTON MUNICIPAL CODE, TO PREZONE A PROPERTY TO INDUSTRIAL LIMITED (IL) LOCATED AT 5110, 5150, 5268, 5280, AND 5290 MARIPOSA ROAD, 4500 EAST CLARK ROAD, 4600 AND 4610 MARFARGOA DRIVE (APNS 179-220-10; -11; -12; -13; 16; -17; -18; -19; -24) (APPLICATION NO. P20-0805)

On October 19, 2020, the applicant, Greenlaw Partners, LLC submitted a request for a Development Agreement and Prezoning of Assessor's Parcel Numbers (APNs) 179-220-10; -11; -12; -13; -16; -17; -18; -19; -24 to the Industrial, Limited (IL) zoning designation for the purposes of future industrial development. The nine (9) legal parcels combined total approximately 203.48 acres and would be developed for future industrial and warehouse uses. While the design and size of the future buildings will be determined in the subsequent Site Plan Review and Design Review processes required prior to construction, at full buildout, these facilities could total approximately 3.6 million square feet distributed amongst seven (7) buildings; and

On March 10, 2022, the Planning Commission held a duly noticed public hearing, pursuant to Stockton Municipal Code (SMC) Section 16.116.040(D), to consider the proposed Prezoning, at which all times all interested parties had the opportunity to be heard; and

At the March 10, 2022 public hearing, and prior to acting on this request, the Planning Commission considered and recommended certification of an EIR (SCH #2020120283) prepared pursuant to the California Environmental Quality Act (CEQA); and

On December 6, 2022, the City Council held a duly noticed public hearing, pursuant to Stockton Municipal Code (SMC) Section 16.116.040(D), to consider the proposed Prezoning, at which all times all interested parties had the opportunity to be heard; and

On December 6, 2022, the City Council convened a public hearing regarding the Planning Commission's recommendation. In such meeting, the City Council considered the recommendations of the Planning Commission based on the findings indicated in said resolution; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

SECTION 1. FINDINGS AND INTENT

The City Council of the City of Stockton finds, pursuant to SMC Section 16.116.050(B), that:
A. The proposed Prezone action ensures and maintains internal consistency with the general land uses, objectives, policies, programs, and actions of all elements of the General Plan. The 2040 General Plan Land Use Map designates the subject site Industrial. Pursuant to Table 2-1 (General Plan Relationship to Development Code) of the General Plan, the IL Zone is compatible with the General Plan Land Use Map designation of Industrial.

B. The proposed Prezone action would not create any inconsistencies with SMC Title 16 (Development Code) since it pertains to the Zoning Map only. The text of Title 16 (Development Code) would remain unchanged under this action.

C. The proposed Prezone action would further the following General Plan policies:

   i. Goal LU-4: Attract and retain companies that offer high-quality jobs with wages that are competitive with the region and state.

   ii. Policy LU-4.2: Attract employment- and tax-generating businesses that support the economic diversity of the city.

   iii. Policy LU-6.2: Prioritize development and redevelopment of vacant, underutilized, and blighted infill areas.

D. The proposed Prezone action will not endanger, jeopardize, or otherwise constitute a hazard to the public convenience, health, interest, safety or general welfare of persons residing or working in the City because the IL Zone designation will, as noted above, be compatible with General Plan Land Use Map designation applicable to the site.

E. The proposed Prezone action complies with the California Environmental Quality Act (CEQA) and the City’s CEQA Guidelines, because an Environmental Impact Report (EIR) has been prepared and the analysis included therein demonstrates where feasible, application of mitigation measures that would reduce the impacts to a level of less than significant, and a Statement of Overriding Considerations has been prepared to accommodate additional significant effects that are unable to be mitigated, from either the Prezone action or other related actions constituting the project.

F. Based on the information included in the accompanying EIR, the subject site would be physically suitable (including access, provision of utilities, compatibility with adjoining land uses, and absence of physical constraints) for the requested zoning designation and anticipated land use development.
SECTION II. PREZONE CLASSIFICATION

G. That the Zoning Map, Exhibit 1, particularly referred to in SMC section 16.16.030, and by reference made a part hereof, said Code is hereby amended to provide an Industrial, Limited (IL) Zone designation for Assessor’s Parcel Numbers 179-220-10; -11; -12; -13; -16; -17; -18; -19; -24 upon annexation to the City of Stockton.

SECTION III. SEVERABILITY

If any part of this Ordinance is held invalid for any reason, such decision shall not affect the validity of the remaining portion of this Ordinance, and the City Council hereby declares that it would have passed the remainder of this Ordinance if such invalid portion thereof had been deleted.

SECTION IV. EFFECTIVE DATE

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

ADOPTED: ________________

EFFECTIVE: ________________

________________________
KEVIN J. LINCOLN II
Mayor of the City of Stockton

ATTEST:

________________________
ELIZA R. GARZA, CMC
City Clerk of the City of Stockton
EXHIBIT “A” - Annexation Legal & Prezoning Description

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE UNINCORPORATED AREA OF SAN JOAQUIN COUNTY, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:


THENCE ALONG THE SOUTHERLY BOUNDARY OF SAID PARCEL ONE AND ALSO ALONG THE EXISTING BOUNDARY OF THE STOCKTON CITY LIMIT LINE, (1) SOUTH 72° 09’ 06” EAST, 2410.37 FEET, TO THE SOUTHWEST CORNER OF SAID PARCEL ONE, SAID POINT ALSO BEING ALONG THE EASTERLY LINE OF THE “MAP OF SUBDIVISION NO. 4 CLARKADOTA FIG PLANTATIONS”, FILED IN BOOK 10 OF MAPS & PLATS, AT PAGE 38, SAN JOAQUIN COUNTY RECORDS;

(2) THENCE LEAVING SAID EXISTING BOUNDARY OF THE STOCKTON CITY LIMIT AND RUNNING ALONG SAID EASTERLY LINE OF THE “MAP OF SUBDIVISION NO. 4 CLARKADOTA FIG PLANTATIONS” NORTH 17° 09’ 06” WEST, 3940.90, TO THE NORTHEAST CORNER THEREOF, BEING A POINT ON THE NORTHERLY LINE OF SAID SECTION 59 OF THE C. M. WEBER GRANT,

(3) THENCE ALONG SAID NORTHERLY LINE OF SECTIONS 59 AND 69 OF SAID C. M. WEBER GRANT, NORTH 72° 09’ 06” EAST, 1691.35 FEET TO A POINT ON THE SOUTHWESTERLY RIGHT OF WAY LINE OF MARIPosa ROAD,

(4) THENCE ALONG SAID SOUTHWESTERLY RIGHT OF WAY LINE, SOUTH 59° 53’ 28” EAST, TO THE WESTERLY LINE OF THE LANDS OF OCHOA, AS DESCRIBED IN THAT CERTAIN DOCUMENT RECORDED SEPTEMBER 12, 2008, AS DOCUMENT NO. 2008-149798, SAN JOAQUIN COUNTY RECORDS,

(5) THENCE ALONG SAID WESTERLY LINE OF OCHOA THE FOLLOWING TWO COURSES: SOUTH 71° 52’ 14”’ EAST, 282.52 FEET, AND

(6) SOUTH 59° 48’ 18” WEST, 170.97 FEET, TO A POINT ON THE EASTERLY LINE OF THE LANDS OF MARIPosa ROAD OWNERS, LLC, AS DESCRIBED IN THAT CERTAIN DOCUMENT
RECORDED DECEMBER 24, 2019, AS DOCUMENT NO. 2019-151974, SAN JOAQUIN COUNTY RECORDS,

(7) THENCE ALONG SAID EASTERLY LINE OF THE LANDS OF MARIPOSA ROAD OWNERS, LLC, SOUTH 17° 50’ 54” EAST, 1065.25 FEET, TO THE NORTHWESTERLY CORNER OF THE LANDS OF THE TOLENTINO TRUST AS DESCRIBED IN THAT CERTAIN DOCUMENT RECORDED FEBRUARY 25, 2019, AS DOCUMENT NO. 2019-019341, SAN JOAQUIN COUNTY RECORDS,

(8) THENCE ALONG THE NORTHERLY LINE OF SAID LANDS OF THE TOLENTINO TRUST, SOUTH 72° 29’ 06” WEST, 301.20 FEET, TO THE NORTHWESTERLY CORNER THEREOF,


(10) THENCE ALONG THE SOUTHERLY LINE OF THE LANDS OF LOTT TRUST, NORTH 72° 09’ 06” EAST, 301.20 FEET, TO THE SOUTHEASTERLY CORNER THEREOF, ALSO BEING A POINT ON THE EASTERNLY LINE OF THE LANDS OF HOGGAN ESTATES, LLC, AS DESCRIBED IN THAT CERTAIN DOCUMENT RECORDED NOVEMBER 11, 2008, AS DOCUMENT NO. 2008-177643, SAN JOAQUIN COUNTY RECORDS,


CONTAINING 205.78 ACRES, MORE OR LESS.

FOR ASSESSMENT PURPOSES ONLY. THIS DESCRIPTION OF LAND IS NOT A LEGAL PROPERTY DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP ACT (GOVERNMENT CODE SECTION 66410) AND MAY NOT BE USED AS THE BASIS FOR AN OFFER FOR SALE OF THE LAND DESCRIBED.

EXHIBIT “B” A PLAT IS ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

KIER & WRIGHT CIVIL ENGINEERS & SURVEYORS, INC.

THIS DESCRIPTION WAS PREPARED BY ME OR UNDER MY DIRECTION.

______________________________
DEAN A. JURADO, P.L.S. NO. 9032 DATE
EXHIBIT "B" - ANNEXATION PLAT

DATE: February 2021

NOT TO SCALE

VICTIM MAP

STATE OF CALIFORNIA
LICENSED LAND SURVEYOR
DENN A. DURADO, PLS. NO. 9032
DATED THIS _ , 2021.

AS THE BASIS FOR AN OFFER FOR SALE OF THE LAND DESCRIBED.

DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP ATTACHED AND MAY NOT BE USED

FOR ASSESSMENT PURPOSES ONLY. THIS DESCRIPTION IS NOT A LEGAL PROPERTY

THIS PLAT WAS PREPARED BY ME OR UNDER MY DIRECTION.
Parcel Map Check Report

Client: Prepared by:
Client: Gary Lamb
KIER & WRIGHT
250 Cherry Lane, Suite 208
Date: 2/5/2021 12:16:37 PM

Parcel Name: BNDRY-LOT - EXTERIOR BOUNDARY
Description:
Process segment order counterclockwise: False
Enable mapcheck across chord: False

North: 2,159,029.1138' East: 6,364,979.3493'

Segment# 1: Line
Course: S72° 09' 06"W Length: 2,410.37'
North: 2,158,290.3393' East: 6,362,684.9876'

Segment# 2: Line
Course: N17° 50' 45"W Length: 3,940.90'
North: 2,162,041.6211' East: 6,361,477.2718'

Segment# 3: Line
Course: N72° 09' 06"E Length: 1,691.35'
North: 2,162,560.0172' East: 6,363,087.2191'

Segment# 4: Line
Course: S59° 53' 28"E Length: 902.57'
North: 2,162,107.2475' East: 6,363,868.0086'

Segment# 5: Line
Course: S17° 52' 14"E Length: 282.52'
North: 2,161,838.3584' East: 6,364,102.4774'

Segment# 6: Line
Course: S72° 09' 06"W Length: 301.20'

EXHIBIT 1 - Prezone Description and Map
North: 2,160,646.0719'  
East: 6,364,142.2712'

Segment# 9: Line
Course: S17° 50' 54"E  
North: 2,159,962.7712'  
Length: 717.85'
East: 6,364,362.2911'

Segment# 10: Line
Course: N72° 09' 06"E  
North: 2,160,055.0885'  
Length: 301.20'
East: 6,364,648.9947'

Segment# 11: Line
Course: S17° 50' 54"E  
North: 2,159,029.1142'  
Length: 1,077.85'
East: 6,364,979.3539'

Perimeter: 12,862.03'  
Area: 8,963,651.62Sq.Ft.
Error Closure: 0.0046  
Course: N85° 33' 42"E
Error North: 0.00036  
East: 0.00460

Precision 1: 2,796,093.48
ORDINANCE NO.

AN ORDINANCE APPROVING THE DEVELOPMENT AGREEMENT FOR THE MARIPOSA INDUSTRIAL PARK PROJECT

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

SECTION I. Findings

Pursuant to Stockton Municipal Code Section 16.128.080, the City Council of the City of Stockton hereby finds:

a. The Development Agreement is in the best interest of the City, as it would promote Industrial development and employment opportunities associated with those uses.

b. The Development Agreement complies with the City Development Code and other applicable ordinances and regulations, particularly the regulations of Chapter 16.128 pertaining to development agreements.

c. The Development Agreement is consistent with the general land uses, objectives, policies, and programs of the General Plan, any applicable specific plan or master development plan. The Development Agreement provides industrial development opportunities in Stockton, consistent with the General Plan goals and policies, including the creation of jobs.

d. The Development Agreement will not endanger, jeopardize, or otherwise constitute a hazard to the public convenience, health, interest, safety, or general welfare in that projects constructed pursuant to it are required to comply with all health and safety regulations, zoning requirements, infrastructure provision, and General Plan policies.

e. The Development Agreement complies with the conditions, requirements, restrictions, and terms of section 16.128.060(B) (Preparation and Content - Proposed Development Agreement).

f. The Development Agreement complies with the provisions of the California Environmental Quality Act (CEQA) and the City’s CEQA Guidelines in that evaluation of potential impacts have been completed and mitigation measures have been incorporated to mitigate all identified impacts to a less-than-significant level or a Statement of Overriding Considerations has been included.
SECTION II. Development Agreement

Pursuant to Stockton Municipal Code Section 16.128.070, the Stockton City Council has conducted a public hearing on December 6, 2022, and hereby approves the Development Agreement for the Mariposa Industrial Park Project, attached as Exhibit 1 in substantially the form to be executed, based on the above findings.

SECTION III. Effective Date

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

ADOPTED: _________________

EFFECTIVE: _________________

KEVIN J. LINCOLN II
Mayor of the City of Stockton

ATTEST:

ELIZA R. GARZA, CMC
City Clerk of the City of Stockton
DEVELOPMENT AGREEMENT

BY AND BETWEEN

CITY OF STOCKTON, a
California municipal corporation

AND

GREENLAW DEVELOPMENT, LLC
a California limited liability company

MARIPOSA INDUSTRIAL PARK PROJECT

Effective Date: _____________, 2022
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DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT ("Agreement") dated for reference purposes as of _____________, 2022 ("Agreement Date"), is entered into by and between GREENLAW DEVELOPMENT, LLC, a California limited liability company ("Developer") and the CITY OF STOCKTON, a California municipal corporation ("City"). Developer and City are sometimes referred to individually herein as a “Party” and collectively as the “Parties.”

RECITALS

This Agreement is entered into on the basis of the following facts, understandings and intentions of the Parties. The following recitals are a substantive part of this Agreement; capitalized terms used herein and not otherwise defined are defined in Article 1 of this Agreement.

A. In order to strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic costs and risks of development, the Legislature of the State of California enacted section 65864 et seq. of the Government Code ("Development Agreement Statute"), which authorizes a city and a developer having a legal or equitable interest in real property to enter into a binding, long-term development agreement, establishing certain development rights in the property.

B. In accordance with the Development Agreement Statute, the City Council has adopted a development agreement ordinance codified as Chapter 16.128 of the City’s Municipal Code ("Development Agreement Ordinance"), which authorizes the execution of development agreements and sets forth the required contents and form of those agreements. The provisions of the Development Agreement Statute and the City’s Development Agreement Ordinance are collectively referred to herein as the “Development Agreement Law.”

C. Developer holds a legal or equitable interest in that certain approximately 203-acre real property, as defined by Government Code subsections 65865(a) and (b), located within the unincorporated area of the County of San Joaquin (the “County”) commonly known as the Mariposa Industrial Park (the “Property”). The Property is currently comprised of nine (9) separate parcels bearing Assessors Parcel Numbers 179-220-100, 179-220-110, 179-220-120, 179-220-130, 179-220-160, 179-220-170, 179-220-180, 179-220-190, and 179-220-240. The Property is more particularly described and depicted in Exhibit A attached hereto and incorporated herein.

D. Not later than fourteen (14) days following its execution of this Agreement, the City will submit an application to the Local Agency Formation Commission ("LAFCO") to annex the Property into the City (the “Annexation Proceedings”). The potential environmental impacts from development of the Property were evaluated by the City, in compliance with the requirements of the California Environmental Quality Act ("CEQA"), in that certain Environmental Impact Report for the Mariposa Industrial Park (State Clearinghouse No. 2020120283) certified by the City on _____________, 2022 (the “MIP EIR”). Development of the Property as described in the MIP EIR, with the modifications shown on Exhibit B hereto, is referred to herein as the “Project.”

E. This Agreement sets forth, among other things, the applicable fees, policies and zoning requirements that apply to development of the Property, and is intended by the City
and Developer to provide Developer with vested rights to develop the Property in accordance with the terms and conditions of this Agreement. Consistent with the State policy expressed by Government Code section 65864, this Agreement is intended to reduce the uncertainty of the planning and entitlement process which can result in waste of resources and escalation of development costs; provide certain assurances to Developer that upon successful completion of the Annexation Proceedings Developer may proceed with development of the Property in accordance with the Project Approvals and Applicable Law (as defined herein) and subject to the terms of this Agreement; strengthen the public planning process; encourage private participation in comprehensive planning; and reduce the economic costs of development.

F. The Planning Commission on March 10, 2022, recommended, by adoption of Resolution No. 2022-03-10-0501-01 and 2022-03-10-0501-02, that the City Council take the following actions:

1. Make the appropriate written findings relating to significant environmental impacts, adopt a statement of overriding considerations, adopt a mitigation monitoring and reporting plan, and certify the MIP EIR, all in accordance with the applicable requirements of CEQA and the CEQA Guidelines.

2. Adopt an ordinance authorizing the City to execute this Agreement and allow structures of up to 100 feet tall on the Property

G. Prior to its approval of this Agreement, the City Council took the following actions to review and plan for the future development and use of the Property (collectively, the “Existing Approvals”):

3. Made written findings relating to significant environmental impacts, adopted a statement of overriding considerations, adopted a mitigation monitoring and reporting plan, and certified the MIP EIR, all in accordance with the applicable requirements of CEQA and the CEQA Guidelines.

4. Adopted Ordinance No. _______, authorizing the City to execute this Agreement and allowing for structures of up to 100 feet tall on the Property.

H. Under this Agreement, Developer will provide substantial public benefits to the City through its development of the Property and the Project as described herein, including:

1. The Project will, at no cost to the City, fund the preparation of a Rate and Method of Apportionment and other formation documents to support the formation of a Community Facilities District to support the design, construction, staffing, operation and maintenance of critical fire and police protection facilities for the Mariposa Industrial Park area and surrounding areas in south Stockton and its sphere of influence and, if the City establishes such Community Facilities District, the Property will participate in the Community Facilities District.

2. The Project will generate short-term construction jobs related to Property development, including Property grading, infrastructure and building construction, and long-term
employment-generating uses in the industrial components of the Project consistent with City objectives for creating employment opportunities for residents.

3. The Project will implement the City’s General Plan land use and economic development policies designed to attract employment- and tax-generating businesses that support and promote the economic diversity of the City (General Plan Policy LU-4.2).

I. As provided in Article 6 of this Agreement, the Parties intend to work in good faith to consider potential use of public financing under the Mello-Roos Community Facilities Act of 1982 (Government Code sections 53311 et seq.) (“Mello-Roos Act”) for certain Public Benefit Facilities needed in connection with the Project. The financing of such facilities through a Mello-Roos Act community facilities district would fulfill the express legislative goals of the Development Agreement Statute; strengthen the public planning process by linking development rights to financing of public facilities; encourage participation by private landowners in the comprehensive planning required by such financing; reduce economic risk and costs of development by spreading the costs of needed facilities over time; and allow Developer, in exchange for voluntary participation in such financing programs, to proceed with development in accordance with existing City policies, rules and regulations.

J. For the reasons recited herein, City and Developer have determined that the Project is a development for which this Agreement is appropriate. This Agreement will eliminate uncertainty regarding Project Approvals, thereby encouraging planning for, investment in, and commitment to use and development of the Property. Development of the Property in accordance with the terms of this Agreement will in turn provide substantial public benefits to the City, thereby achieving the goals and purposes for which the Development Agreement Law was enacted.

K. The terms and conditions of this Agreement have undergone review by City staff, the Planning Commission and the City Council at publicly noticed meetings, and have been found to be fair, just and reasonable, in conformance with the Development Agreement Law and consistent with the goals, policies, standards and land use designations specified in the General Plan, and consistent with the requirement under Government Code Section 65867.5, and further, the City Council finds that the economic interests of City’s citizens and the public health, safety and welfare will be best served by entering into this Agreement.

L. The City Council approved this Agreement by Ordinance No. __________, adopted by the City Council on ________________, 2022 (“Enacting Ordinance”).

NOW, THEREFORE, in consideration of the mutual promises, covenants and provisions set forth herein, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

ARTICLE 1.
DEFINITIONS

“Agreement” means this Development Agreement and all Exhibits hereto.
“Agreement Date” means the reference date identified in the preamble to this Agreement.

“Annexation Date” is defined in Section 2.1.

“Annexation Deadline” is defined in Section 2.1.

“Annexation Proceedings” is defined in Recital D.

“Annual Review” is defined in Section 10.1.

“Applicable City Regulations” is defined in Section 4.2.

“Applicable Law” means the Applicable City Regulations and all State and Federal laws and regulations applicable to the Property and the Project as such State and Federal laws are enacted, adopted and amended from time to time, as more particularly described in Section 4.5 (Changes in Applicable Law).

“Assignee” is defined in Section 13.3.

“Assignment” is defined in Section 13.2.

“Capital Financing and Debt Management Policy” means the City’s Debt Management Policy for Capital and Land Secured Financing, Policy Number 17.01.040, with an effective date of October 30, 2018, as it may be amended from time to time.

“CEQA” is defined in Recital D.

“CEQA Guidelines” means the State CEQA Guidelines (California Code of Regulations, Title 14, section 15000, et seq.), as amended from time to time.

“CFD” is defined in Section 7.2.2.

“Changes in Applicable Law” is defined in Section 4.5.

“City” means the City of Stockton, a California municipal corporation.

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

“City Manager” means the City’s City Manager or his or her designee.

“City Parties” means and includes City and its elected and appointed officials, officers, agents, employees, contractors and representatives.

“Claims” means liabilities, obligations, orders, claims, damages, fines, penalties and expenses, including attorneys’ fees and costs.

“Connection Fees” means those fees charged by City on a citywide basis or by a utility provider to utility users as a cost for connecting water, sanitary sewer, and other
applicable utilities, except for any such fee or portion thereof that constitutes an Impact Fee, as defined below.

“Consultant Fees” is defined in Section 5.3.

“Default” is defined in Section 14.1.

“Developer” means Greenlaw Development, LLC, and its permitted successors and assignees.

“Development Agreement Law” is defined in Recital B.

“Development Agreement Ordinance” is defined in Recital B.

“Development Agreement Statute” is defined in Recital A.

“Effective Date” means the date that this Agreement becomes effective as determined under Section 3.1.

“Enacting Ordinance” refers to the Ordinance identified in Recital L.

“Existing Approvals” is defined in Recital G.

“Extension Term” is defined in Section 3.2.2.

“Final” means the date on which (1) all applicable appeal periods for the filing of any administrative appeal challenging the issuance or effectiveness of each of the Existing Approvals and this Agreement shall have expired and no such appeal shall have been filed; (2) in the event of any administrative appeal or Litigation Challenge challenging any of the Existing Approvals and/or this Agreement, that the administrative appeal or Litigation Challenge is settled or there is a final determination or judgment upholding the Existing Approvals and this Agreement, as applicable, and the administrative appeal or Litigation Challenge is no longer subject to appeal.

“General Plan” means the Envision Stockton 2040 General Plan of the City of Stockton adopted by the City Council on December 4, 2018.

“Impact Fees” means the monetary amount charged by City in connection with a development project for the purpose of defraying all or a portion of the cost of mitigating the impacts of the development project or development of the public facilities related to the development project, including, any “fee” as that term is defined by Government Code section 66000(b). For purposes of this Agreement, a fee that meets both the definitions of an Impact Fee and an Exaction will be considered to be an Impact Fee. Impact Fees do not include Other Agency Fees.

“Impact Fee Lock Period” is defined in Section 5.1.

“Initial Term” is defined in Section 3.2.1.
“LAFCO” is defined in Recital D.

“Litigation Challenge” is defined in Section 9.1.1.

“Litigation Delay” is defined in Section 15.4.2.

“Major Modification” is defined in Section 12.2.

“Mello-Roos Act” is defined in Recital I.

“Minor Modification” is defined in Section 12.2.

“MIP EIR” is defined in Recital D.

“Mortgage” means any mortgage, deed of trust, security agreement, and other like security instrument encumbering all or any portion of the Property, or any of the Developer’s rights under this Agreement.

“Mortgagee” means the holder of any Mortgage, and any successor, assignee or transferee of any such Mortgage holder.


“New City Laws” means and includes any ordinances, resolutions, orders, rules, official policies, standards, specifications, guidelines or other regulations, which are promulgated or adopted by the City (including but not limited to any City agency, body, department, officer or employee) or its electorate (through their power of initiative or otherwise) after the Effective Date.

“Notice of Breach” is defined in Section 14.1.

“Party/Parties” is defined in the introductory paragraph preceding the Recitals of this Agreement.

“Permitted Delay” is defined in Section 15.4.1.

“PFF Credits” means credits for PFF Impact Fees as provided by Section 16.72.260 of the City of Stockton Municipal Code.

“PFF Impact Fees” means Impact Fees imposed by the City under the City’s Municipal Code, as it may be amended or replaced from time to time.

“Planning Commission” means the Planning Commission of the City of Stockton.

“Processing Fees” means all fees charged on a City-wide basis to cover the cost of City processing of Subsequent Approvals and further including any required supplemental or further environmental review, plan checking, inspection and monitoring at the rates which are in
effect at the time those permits, approvals, parcel and/or subdivision maps, entitlements, reviews or inspections are applied for or requested.

“Project” is defined in Recital D.

“Project Approvals” means the Existing Approvals and, when and as approved in accordance with the terms of this Agreement, the Subsequent Approvals.

“Property” is defined in Recital C.

“Subdivision Map Act” means California Government Code sections 66410 through 66499.58, as it may be amended from time to time.

“Subsequent Approvals” is defined in Section 8.1.

“Term” is defined in Section 3.2.1.

ARTICLE 2. LAFCO CONDITION; REPRESENTATIONS AND WARRANTIES

2.1 LAFCO Annexation. The Parties hereby acknowledge that pursuant to Government Code subsection 65865(b), this Agreement shall not become operative unless and until the Property is annexed to the City; provided, however, that the Parties’ obligations in this Section 2.1 shall be effective and binding on the Parties immediately upon the Effective Date. The Parties agree to cooperate diligently and in good faith to submit an annexation application to LAFCO as soon as practicable following the Effective Date. The Parties further agree that this Agreement shall automatically terminate if the Annexation Proceedings have not been successfully completed on or before the Annexation Deadline (defined below), and as a result of such termination this Agreement shall be entirely null and void. Subject to potential extension as provided herein, the “Annexation Deadline” shall be December 31, 2022. The Annexation Deadline shall be subject to automatic extension in the event of Litigation Challenge as provided in Section 15.4.2 and may also be extended by mutual agreement of the Parties, each in its sole and absolute discretion. To avoid uncertainty, the Parties acknowledge that the action which must occur to successfully complete the Annexation Proceedings by the Annexation Deadline is issuance of the Certificate of Completion by LAFCO. The date upon which LAFCO issues such Certificate of Completion shall be the “Annexation Date”. In the event this Agreement is terminated or deemed terminated as a result of the inability or failure to successfully complete the Annexation Proceedings by the Annexation Deadline then, upon request by either Party, City and Developer shall execute, acknowledge and record in the Official Records a memorandum of termination memorializing the termination of this Agreement.

2.2 City Representations and Warranties. City represents and warrants to Developer that:

2.2.1 Corporate Formation and Powers. City is a municipal corporation, and has all necessary powers under the laws of the State of California to enter into and perform the undertakings and obligations of City under this Agreement.
2.2.2 **Duly Authorized.** The execution and delivery of this Agreement and the performance of the obligations of City hereunder have been duly authorized by all necessary City Council action and all necessary approvals have been obtained.

2.2.3 **Valid Obligation.** This Agreement is a valid obligation of City and is enforceable in accordance with its terms.

The foregoing representations and warranties are made as of the Agreement Date. During the Term of this Agreement, City shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 2.2 not to be true, immediately give written notice of such fact or condition to Developer.

2.3 **Developer Representations and Warranties.** Developer represents and warrants to City that:

2.3.1 **Company Formation and Powers.** Developer is duly organized, validly existing and in good standing under the laws of the State of California and is authorized to conduct business in California and has all necessary powers under the laws of the State of California to own property and in all other respects enter into and perform the undertakings and obligations of Developer under this Agreement.

2.3.2 **Duly Authorized.** The execution and delivery of this Agreement and the performance of the obligations of Developer hereunder have been duly authorized by all necessary corporate, partnership or company action and all necessary shareholder, member or partner approvals, as applicable, have been obtained.

2.3.3 **Valid Obligation.** This Agreement is a valid obligation of Developer and is enforceable in accordance with its terms.

2.3.4 **Developer’s Property Interest.** Developer has a legal or equitable interest in each of the parcels comprising the Property.

2.3.5 **No Bankruptcy.** Developer has not (a) made a general assignment for the benefit of creditors; (b) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Developer’s creditors; (c) suffered the appointment of a receiver to take possession of all, or substantially all, of Developer’s assets; (d) suffered the attachment or other judicial seizure of all, or substantially all, of Developer’s assets; or (e) admitted in writing its inability to pay its debts as they come due.

The foregoing representations and warranties are made as of the Agreement Date. During the Term of this Agreement, Developer shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 2.3 not to be true, immediately give written notice of such fact or condition to City.
ARTICLE 3.
EFFECTIVE DATE AND TERM

3.1 Effective Date. The Effective Date of this Agreement ("Effective Date") shall be the later of (a) the date that is thirty (30) days after the date the Enacting Ordinance is adopted, or (b) the date this Agreement is fully executed by the Parties. Said date shall function as the Effective Date for purposes of this Agreement even if, as anticipated by the Parties, the Annexation Date occurs later. The Parties acknowledge that section 65868.5 of the Development Agreement Statute requires that this Agreement be recorded with the County Recorder no later than ten (10) days after the City enters into this Agreement, and that the burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to, all permitted successors in interest to the Parties to this Agreement. The City Clerk shall cause such recordation.

3.2 Term.

3.2.1 Initial Term of Agreement. Subject to extension for Litigation Delay as provided in Section 15.4.2 below, the "Initial Term" of this Agreement shall commence on the Annexation Date and shall expire on the tenth (10th) anniversary of the Annexation Date, unless extended or earlier terminated as provided herein. As used herein "Term" means the Initial Term, plus any Extension Term (defined below).

3.2.2 Extension of Initial Term. The Initial Term of this Agreement may be extended by mutual written agreement of the Parties from the date of expiration of the Initial Term until the date which is five (5) years following the expiration of the Initial Term ("Extension Term"), provided that at the end of the Initial Term: (a) Developer is not, at the time, in Default of any of its obligations hereunder following notice and expiration of applicable cure periods; and (b) the applicable Developer warranties and representations in Section 2.3 above continue to be true and correct. Following the expiration of the Term, or the earlier completion of development of the Project and satisfaction of all of Developer's obligations in connection therewith, this Agreement shall be deemed terminated and of no further force and effect.

3.2.3 Memorandum of Extension. If the Extension Term is granted, City and Developer agree to execute, acknowledge and record in the Official Records of San Joaquin County a memorandum evidencing approval of the Extension Term.

ARTICLE 4.
DEVELOPMENT RIGHTS; APPLICABLE LAWS

4.1 Vested Rights. The Property is hereby made subject to the provisions of this Agreement. Developer shall have the vested right to develop the Property in accordance with and subject to the Existing Approvals, the Subsequent Approvals, Applicable Law and this Agreement, which shall control the permitted uses, density and intensity of use of the Property, rate of development, and the maximum height (as amended by this Agreement) and size of buildings on the Property.
4.2 **Applicable City Regulations.** City and Developer acknowledge and agree that, per the Development Agreement Statute, City is restricted in its authority to limit its police power by contract and that the particular limitations, reservations and exceptions set forth in this Agreement are intended to reserve to City those selected police powers that cannot be so limited. Notwithstanding the foregoing reservations and exceptions, it is the intent of City and Developer that this Agreement be construed to provide Developer with rights afforded by law, including but not limited to, the Development Agreement Statute. Therefore, the laws, rules, regulations, official policies, standards and specifications of City applicable to the development of the Property and Project shall be, collectively, the following “**Applicable City Regulations**”:

4.2.1 **Project Approvals and Agreement.** Those rules, regulations, official policies, standards and specifications of the City set forth in the Project Approvals and this Agreement, including without limitation the right to construct structures of up to one hundred (100) feet tall on the Property;

4.2.2 **City Rules as of Effective Date.** With respect to matters not addressed by and not otherwise inconsistent with the Project Approvals and this Agreement, those laws, rules, regulations, official policies, standards and specifications (including City ordinances and resolutions) in force and effect on the Effective Date governing permitted uses, building locations, timing and manner of construction, densities, intensities of uses, heights (as set forth herein) and sizes, subdivisions and requirements for on- and off-site infrastructure and public improvements, including the City’s zoning development standards applicable to the Project and the Property. In the event of a conflict between the City Rules described in this Section 4.2.2 and the Project Approvals or this Agreement, such conflict shall be resolved in favor of the Project Approvals or this Agreement.

4.2.3 **Procedural Rules.** New City Laws that relate to hearing bodies, petitions, applications, notices, findings, records, hearings, reports, recommendations, appeals and any other matter of procedure imposed at any time, provided such New City Laws are uniformly applied on a City-wide basis to all substantially similar types of development projects and properties.

4.2.4 **Building Codes.** New City Laws that revise City’s uniform construction codes, including City’s building code, plumbing code, mechanical code, electrical code, fire code, grading code and other uniform construction codes, as of the date of permit issuance, provided, that such New City Laws are uniformly applied on a City-wide basis to all substantially similar types of development projects and properties;

4.2.5 **Public Health and Safety.** New City Laws that are necessary to protect physical health and safety of the public; provided, that such New City Laws are uniformly applied on a City-wide basis to all substantially similar types of development projects and properties;

4.2.6 **New City Laws Not in Conflict.** New City Laws that do not materially interfere with Developer’s vested rights under this Agreement or the Project Approvals;

4.2.7 **New City Laws Mandated by Changes in Applicable Law.** New City Laws mandated by Changes in Applicable Law as provided in Section 4.5 below; and
4.2.8 Other New City Laws. New City Laws that do not apply to the Property and/or the Project due to the limitations set forth above, but which the Parties mutually agree in writing shall be incorporated into the Applicable City Regulations.

4.3 Life of Project Approvals. The term of any and all Project Approvals shall automatically be extended for the longer of the Term of this Agreement or the term otherwise applicable to such Project Approvals. Without limiting the generality of the foregoing, pursuant to the Subdivision Map Act, any vesting or tentative maps heretofore or hereafter approved in connection with development of the Project or the Property shall be extended for the Term (and may be subject to other extensions provided under the Subdivision Map Act). In the event that this Agreement is terminated prior to the expiration of the Term, the term of any Project Approval and the vesting period for any subdivision map approved as a Project Approval shall be the term otherwise applicable to the approval, which shall commence to run on the date that the Project Approval was issued. If upon expiration or earlier termination of this Agreement and the Project Approvals, Developer has not developed the entirety of the Property consistent with this Agreement and the Project Approvals, then the City Council, in its discretion, at any time may change the underlying and use designations or entitlements applicable to the parcels comprising such Property consistent with all Applicable Laws and procedures.

4.4 Timing of Development. City and Developer acknowledge that Developer cannot at this time predict what portions of the Project will be included within any phase of the Project, when or the rate at which the phases will be developed or the order in which each phase will be developed. Such decisions can depend upon numerous factors that are not within the control of Developer, such as market orientation and demand, interest rates, absorption rates of residential units, availability of financing and other similar factors. In particular, and not in any limitation of any of the foregoing, since the California Supreme Court held in *Pardee Construction Co. v. The Town of Camarillo*, 37 Cal.3d 465 (1984), that the failure of the parties therein to consider and expressly provide for the timing of development resulted in a later-adopted initiative restricting the timing of development prevailing over such parties’ agreement, it is the desire to avoid that result by acknowledging that, except as otherwise provided for in this Agreement, Developer’s vested rights under this Agreement include the right to develop the Property and the Project in such order and at such rate and at such times as Developer deems appropriate in the exercise of its discretion, subject to the terms, requirements and conditions of the Existing Approvals and this Agreement, including provisions addressing required phasing of on- and off-site public improvements.

4.5 Changes in Applicable Law. As provided in Section 65869.5 of the Development Agreement Law, this Agreement shall not preclude the applicability to the Project of changes in laws, regulations, plans or policies, to the extent that such changes are specifically mandated and required by (i) changes in State or Federal laws or (ii) any regional governmental agency that, due to the operation of State law (and not the act of City through a memorandum of understanding, joint exercise of powers authority, or otherwise that is undertaken or entered into following the Effective Date) (“Changes in Applicable Law”). In the event Changes in Applicable Law prevent or preclude compliance with one or more provisions of this Agreement, the Parties shall meet and confer in good faith in order to determine whether such provisions of this Agreement shall be modified or suspended, or performance thereof delayed, as may be necessary to comply with Changes in Applicable Law. Following the meeting between the
Parties, the provisions of this Agreement may, to the extent legally feasible, and upon mutual agreement of the Parties, be modified or suspended, but only to the minimum extent necessary to comply with such Changes in Applicable Law. In such event, this Agreement together with any required modifications shall continue in full force and effect. Nothing in this Agreement shall preclude Developer from contesting by any available means (including administrative or judicial proceedings) such Changes in Applicable Law or their applicability to the Project.

ARTICLE 5.
CITY FEES AND FEE CREDITS

5.1 Impact Fees

For the period commencing on the Annexation Date and continuing until the 10th anniversary of the Annexation Date (“Impact Fee Lock Period”), Developer shall pay when due any and all PFF Impact Fees imposed by City at the time of the Annexation Date in accordance with the current City PFF Impact Fee Rate Table provided in this Section below:

CITY PFF IMPACT FEE RATE TABLE

<table>
<thead>
<tr>
<th>Public Facilities Fee Name</th>
<th>Warehouse/Low Density</th>
<th>High Cube Distribution (Building over 500ksf)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural Mitigation (Rate Per Net Parcel Area within Pay Zone Area. Note: May acquire the agricultural easement in lieu of paying fee)</td>
<td>$10,494.00</td>
<td>$10,494.00</td>
</tr>
<tr>
<td>Air Quality (Rate Per 1,000 sq.ft.)</td>
<td>$405</td>
<td>$405</td>
</tr>
<tr>
<td>City Office Space (Rate Per 1,000 sq.ft.)</td>
<td>$25.50</td>
<td>$25.50</td>
</tr>
<tr>
<td>Community Recreation Center (Rate Per 1,000 sq.ft.)</td>
<td>$23.25</td>
<td>$23.25</td>
</tr>
<tr>
<td>Fire Station (Rate Per 1,000 sq.ft.)</td>
<td>$54.00</td>
<td>$54.00</td>
</tr>
<tr>
<td>Libraries (Rate Per 1,000 sq.ft.)</td>
<td>$56.00</td>
<td>$56.00</td>
</tr>
<tr>
<td>Police (Rate Per 1,000 sq.ft.)</td>
<td>$62.00</td>
<td>$62.00</td>
</tr>
<tr>
<td>Street Improvement (Rate Per 1,000 sq.ft.)</td>
<td>$931.50</td>
<td>$390.17</td>
</tr>
<tr>
<td>Traffic Signal Fee (Rate Per 1,000 sq.ft.)</td>
<td>$108</td>
<td>$108</td>
</tr>
<tr>
<td>Surface Water (Rate Per square foot floor area divided by 0.60)</td>
<td>$0.228</td>
<td>$0.228</td>
</tr>
</tbody>
</table>
All City PFF Impact Fees are subject to a 3.5% Administrative Fee at the time of fee collection. On the first anniversary of the Annexation Date and every twelve (12) months thereafter until expiration of the Impact Fee Lock Period, all City PFF Impact Fee Rates are subject to a two percent (2%) inflationary increase adjustment. Developer agrees that City shall not be bound by the requirements of the Mitigation Fee Act (Government Code § 66000 et seq.) with respect to such Impact Fees. Developer hereby further waives and releases any claims it may have to challenge the legality of the imposition, use or expenditure of the Impact Fees collected by City during the Impact Fee Lock Period on the grounds that City’s imposition, use or expenditure of such fees violates one or more requirements or limitations imposed by the Mitigation Fee Act or any other provision of Applicable Law.

Following expiration of the Impact Fee Lock Period, City may charge and, subject to Developer’s right to pay under protest and pursue a challenge in law or equity to any new or increased Impact Fees, Developer shall pay any and all Impact Fees imposed by City, including new Impact Fees adopted after the Annexation Date; provided, however, City shall only require Developer to pay new Impact Fees (including increases in existing Impact Fees) that are uniformly applied by City to all substantially similar types of development projects and properties. To the extent Developer has earned PFF Credits for completed public improvements, City shall apply such accrued PFF Credits toward PFF Impact Fees payable by Developer until such PFF Credits are exhausted. Except as explicitly set forth in this Agreement, the application and administration of PFF Impact Fees to and for the Property shall be as set forth in the normally applicable requirements of the Stockton Municipal Code.

5.2 Other Applicable City Fees. Except as explicitly excluded by this Agreement, City may charge, and Developer agrees to pay, all Processing Fees, Connection Fees, and all pass-through fees collected by the City on behalf of other outside agencies, based on fee rates established by said outside agencies that are uniformly applied on a City-wide basis to all substantially similar types of development projects and properties.

5.3 Consultant Fees. In addition to charging the foregoing Processing Fees, City, in its reasonable discretion and following consultation with Developer, may contract with one or more outside inspectors, engineers or consultants to perform all or any portion of the monitoring, inspection, testing and evaluation services to be performed in connection with construction and development of the Project (“Consultant Fees”). Developer shall pay to City, within thirty (30) days following City’s written demand therefor and the City’s submission of invoices, the full amount of all Consultant Fees, plus a fifteen percent (15%) administration charge. The Consultant Fees, together with the associated administrative charge, shall be in addition to, and not in lieu of, the Processing Fees; provided, however, City agrees not to double-charge Developer (through the imposition of both a Processing Fee and Consultant Fee) for any individual monitoring, inspection, testing or evaluation service.
ARTICLE 6.
CFD FOR FIRE STATION FACILITY

6.1 CFD Formation. The Parties shall cooperate in good faith to establish a Community Facilities District consistent with the provisions of Section 7.2.2 of this Agreement, pursuant to the Mello-Roos Act and the City’s Capital Financing and Debt Management Policy for the design and construction of a fire station to provide fire protection services to the Property and surrounding areas within the City of Stockton and its sphere of influence, consistent with this Agreement, the Project Approvals and Applicable Law.

6.2 Funding for CFD Formation. Developer shall fund the analysis and preparation of a Rate and Method of Apportionment (“RMA”) and formation documents for a Community Facilities District (South Stockton Industrial/Commercial Services and Maintenance District) (the “CFD”) consistent with the provisions of Section 7.2.2, in an amount not to exceed one hundred thousand dollars ($100,000.00).

6.3 Developer’s Cooperation and Consent. Regarding formation of a Community Facilities District consistent with the provisions of Section 7.2.2 of this Agreement, Developer will (i) execute all necessary petitions and ballots and waive all election waiting and protest periods at City’s request; (ii) support City’s adoption of local policies related to use of said Community Facilities District financing; (iii) allow special tax liens to encumber the Property to accomplish the goals of the Community Facilities District; (iv) be deemed to have irrevocably consented to formation of the Community Facilities District, issuance of Community Facilities District bonds, and the imposition of a special tax against the Property at rates and pursuant to a method of apportionment appropriate to fund the debt service on any Community Facilities District bonds sold to finance the construction of the fire station; and (v) agree not to protest or object to formation of the Community Facilities District or levy of an appropriate special tax consistent therewith.

ARTICLE 7.
COMPLIANCE WITH LAWS; COMMUNITY BENEFITS

7.1 Compliance with Applicable Law. Developer, at its sole cost and expense, shall comply with requirements of, and obtain all permits and approvals required by Applicable Law, including requirements of regional, State and Federal agencies having jurisdiction over the Project.

7.2 Community Benefits. The Project will afford the City the following public benefits, which could not be secured from Developer in the absence of the Project and this Agreement:

7.2.1 The Project will generate short-term construction jobs related to the development of the Property and the Project, including Property grading, infrastructure and building construction, and long-term employment-generating uses in the industrial and office components of the Project, consistent with City objectives for creation of employment opportunities for residents.
7.2.2 Not later than thirty (30) days following the Effective Date of this Agreement, Developer shall pay to City $60,000 to fund the analysis and preparation of a Rate and Method of Apportionment ("RMA") and formation documents for a Community Facilities District (South Stockton Industrial/Commercial Services and Maintenance District) (the “CFD”). Should the costs of preparing the RMA and formation documents exceed $60,000, Developer shall provide additional funding, but the total of Developer’s funding for the RMA and the formation documents (including Developer’s $60,000 initial funding payment) shall not exceed $100,000.

The primary purposes of the CFD are to provide funding for the construction, staffing, equipment, and maintenance for a fire station with a police substation office (the “Station”). The current estimated construction cost for the Station is $10 million, and the total of the currently estimated annual staffing, equipment, and maintenance costs for the Station is $3.0 million ($2.2 million for staffing and $0.8 million for equipment and maintenance costs).

The annexation area for the CFD will include all currently unapproved commercial and industrial development and parcels within the service area of the Station, both within City limits and that may be annexed into City limits in the future. The CFD will be formed to levy a facilities special tax with a fixed duration, and a services special tax that will continue in perpetuity.

As a condition of the Project approval, Developer shall cooperate with City in the formation of the CFD, based on the RMA and formation documents and on the terms and conditions described above, and in compliance with the requirements of the Mello – Roos Community Facilities Act of 1982 (Government Code §§ 53311 et seq.), including without limitation affirmative votes and the recordation of a Notice of Special Tax Lien.

7.2.3 The Project will implement the City’s General Plan land use and economic development policies designed to attract tax-generating businesses that support the economic diversity of the City (General Plan Policy LU-4.2).

7.2.4 Developer will guarantee certain levels of funding for the Station. If on the fifth anniversary of the Annexation Date the CFD has not collected $1,500,000 in special taxes from all parcels within the CFD, then Developer is obligated to make a payment to the CFD, that payment amount being $1,500,000 less any special taxes already collected by the fifth anniversary of the Annexation Date. Additionally, if on the tenth anniversary of the Annexation Date the CFD has not collected $3,000,000 in special taxes from all parcels in the CFD, then Developer is obligated to make a payment to the CFD, that payment amount being $3,000,000 less all special taxes already collected by the tenth anniversary of the Annexation Date and less any payments previously made by Developer pursuant to this Section 7.2.4. Both the fifth and tenth anniversary payments are separate, independently occurring, obligations. Payments, if obligated, become due 30 days after the respective anniversary date. If the CFD has not been formed on the date that a Developer payment becomes due under this Section 7.2.4, then Developer shall make the payment or payments to the City.
ARTICLE 8.
COOPERATION AND IMPLEMENTATION

8.1 Subsequent Approvals. Certain subsequent land use approvals, entitlements, and permits other than the Existing Approvals (collectively, “Subsequent Approvals”), will be necessary or desirable for implementation of the Project. The Subsequent Approvals may include the following ministerial and discretionary applications and permits: amendments of the Existing Approvals, grading permits, building permits, sewer and water connection permits, certificates of occupancy, lot line adjustments, site plans, development plans, land use plans, building plans and specifications, parcel maps and/or subdivision maps, conditional use permits, design review, demolition permits, improvement agreements, encroachment permits, and any amendments to, or repealing of, any of the foregoing. In connection with any Subsequent Approval, the City shall exercise its discretion in accordance with Applicable Law, the Project Approvals and, as provided by this Agreement, including the reservations of authority set forth herein.

8.2 Processing Applications for Subsequent Approvals.

8.2.1 Processing Consistent with Vested Rights. With the Existing Approvals, City has made a final policy decision that the Project is in the best interests of the public health, safety and general welfare. Applications for Subsequent Ministerial Approvals that are consistent with this Agreement and the Existing Approvals shall be processed and considered in a manner consistent with the vested rights granted by this Agreement and shall be deemed to be tools to implement those final policy decisions, and shall be approved by City so long as they are consistent with this Agreement and the Existing Approvals. While City expressly reserves its discretion with respect to all Subsequent Discretionary Approvals, City agrees that it shall not use its authority in considering any application for a Subsequent Discretionary Approval to change the policy decisions reflected by the Existing Approvals, including changing the permitted uses of the Property or the permitted rate of development, or otherwise to prevent development of the Project as set forth in the Existing Approvals.

8.2.2 City Discretion. Nothing herein shall limit the ability of City to require the necessary reports, analysis or studies to assist in determining that the requested Subsequent Ministerial Approval is consistent with this Agreement and the Existing Approvals. If the City determines that an application for a Subsequent Ministerial Approval is not consistent with this Agreement or the Existing Approvals and should be processed as an application for a Subsequent Discretionary Approval rather than a Subsequent Ministerial Approval, the City shall specify in writing the reasons for such determination and may propose a modification which would be processed as a Subsequent Ministerial Approval. Developer shall then either modify the application to conform to this Agreement and the Existing Approvals, as the case may be, or the City shall process the application as an application for a Subsequent Discretionary Approval.

8.3 Mitigation Measures. Developer agrees to and shall comply with the mitigation measures attached hereto as Exhibit C and with all applicable mitigation measures in the MIP EIR, as described in the Mitigation Monitoring/Reporting Program approved by the City on December 6, 2022. Developer shall include in all tenant lease agreements for the project site a provision requiring the tenant/lessee to comply with all applicable requirements of the measures in this Section 8.3, a copy of which shall be attached to each tenant/lease agreement.
8.3.1 Prohibition on Cold Storage and Transport Refrigeration Units. Cold storage facilities are prohibited on the site and transport refrigeration units (TRUs) may not enter the site. Any future proposal to construct cold storage facilities on the site or to allow TRUs to enter the site shall require an amendment to this Agreement that shall be deemed and processed as a Major Modification to this Agreement, an application to the City for a conditional use permit, and be subject to review under the California Environmental Quality Act and Stockton Municipal Code Chapter 16.168.

8.3.2 Additional Construction Requirements. Construction plans shall include a 10-foot by 65-foot landscaped berm along the 623-lineal foot and 493-lineal foot portions of the west line of the site, located north and south of Marfargoa Road, as shown on Exhibit B. Landscaping of the berm shall include fast-growing evergreen trees to provide maximum visual screening, as determined by a qualified landscape architect. Construction plans shall also include a 10-foot wall along the 881-lineal foot and 1,316-lineal foot portions of the west line of the site, located north and south of Clark Drive, as shown on Exhibit B. Construction plans shall also identify a 60-foot “no truck” zone along the entire length of the west line of the site, as shown on Exhibit B. Construction plans shall also identify and prohibit building construction within a setback area located a minimum of 300 feet from the property line of residential properties along Marfargoa Road and Clark Drive, as shown on Exhibit B. Notwithstanding the foregoing, the stairwells of ancillary/accessory buildings may encroach into the 300-foot setback area.

8.3.3 Additional Signage Requirements. The City shall coordinate with the County to develop and install signage prohibiting non-emergency vehicle access to the project site from Clark Drive or Marfargoa Road. Developer will be responsible for the costs of the signage determined to be appropriate by the City and the County.

8.3.4 Additional Financial Contribution. Prior to the issuance of a grading permit, Developer will provide $200,000 to a non-profit organization serving disadvantaged residents of San Joaquin County approved by the City’s Community Development Director, to fund a program to reduce exposure to emissions and noise from vehicle and truck traffic and industrial operations, for residents located with within the geographic area bounded by Munford Avenue, Mariposa Road, Little John’s Creek and the SR99 Frontage Road. The program may fund or reimburse home air filtration systems, HVAC modifications, window replacements, weather stripping, or similar improvements; publicly available electric vehicle charging station(s); and/or air quality monitoring sensors with publicly available real time data (such as PurpleAir censors).

8.4 Other Agency Subsequent Approvals; Authority of City. Other public agencies not within the control of City may possess authority to regulate aspects of the development of the Property separately from or jointly with City, and this Agreement does not limit the authority of such other public agencies. Nevertheless, City shall be bound by, and shall abide by, its covenants and obligations under this Agreement in all respects when dealing with any such agency regarding the Property. City shall cooperate with Developer, to the extent appropriate and as permitted by law, in Developer’s efforts to obtain, as may be required, Other Agency Subsequent Approvals.
8.5 Subsequent CEQA Review. The City has certified the MIP EIR, which evaluates the environmental effects of full development, operation and use of the Project, and has imposed all feasible mitigation measures to reduce the significant environmental effects of the Project. The Parties understand and agree that the MIP EIR is intended to be used not only in connection with the Existing Approvals, but also, to the extent legally permitted, in connection with any necessary Subsequent Approvals.

ARTICLE 9.
THIRD PARTY LEGAL CHALLENGE, IMDEMNITY AND INSURANCE

9.1 Cooperation in the Event of Legal Challenge.

9.1.1 Cooperation by Parties. City and Developer shall cooperate in the defense of any court action or proceeding instituted by a third party or other governmental entity or official challenging the validity of any provision of this Agreement or the Project Approvals ("Litigation Challenge"), and the Parties shall keep each other informed of all developments relating to such defense, subject only to confidentiality requirements that may prevent the communication of such information.

9.1.2 Potential Joint Defense. If Developer desires to contest or defend a Litigation Challenge and the Parties determine to undertake a joint defense or contest of such Litigation Challenge: i) the Parties will cooperate in the joint defense or contest of such challenge; ii) Developer shall select the attorney(s) to undertake such defense, subject to City’s approval, which shall not be unreasonably withheld; iii) Developer will take the lead role in defending such Litigation Challenge; iv) upon Developer’s request, City shall enter into a joint defense agreement in a form reasonably acceptable to the City Attorney to facilitate the sharing of materials and strategies related to the defense of such Litigation Challenge without waiver of attorney client privilege; v) Developer shall reimburse City, within forty-five (45) days following City’s written demand therefor, which may be made from time to time during the course of such litigation, all reasonable costs incurred by City in connection with the Litigation Challenge.

9.1.3 Potential Separate Defense. If Developer desires to contest or defend any Litigation Challenge and if at any time one or both of the Parties determine that they require separate representation: i) Developer shall take the lead role in defending such Litigation Challenge; ii) Developer shall be separately represented by legal counsel of its choice; iii) in any action or proceeding, City shall be separately represented by the legal counsel of its choice, selected after consultation with Developer (including consultation as to the scope and budget for such separate representation), with reasonable costs of such representation to be paid by Developer; iv) Developer shall reimburse City, within forty-five (45) days following City’s written demand therefor, which may be made from time to time during the course of such litigation, all reasonable costs incurred by City in connection with the Litigation Challenge; v) prior to exceeding any previously established budget for the separate City legal representation, City shall confer with and obtain Developer’s input on any proposed budget augmentation or scope revision; and vi) upon Developer’s request, City shall enter into a joint defense agreement in a form reasonably acceptable to the City Attorney to facilitate the sharing of materials and strategies related to the defense of such Litigation Challenge without waiver of attorney client privilege.
9.1.4 Cost Awards and Proposed Settlements. Developer shall indemnify, defend, and hold harmless City Parties from and against any damages, attorneys’ fees or cost awards, assessed or awarded against City by way of judgment, settlement, or stipulation entered in connection with a Litigation Challenge. Any proposed settlement of a Litigation Challenge by a Party shall be subject to the approval of the other Party, such approval not to be unreasonably withheld, conditioned or delayed. If the terms of the proposed settlement would constitute an amendment or modification of this Agreement or any Project Approvals, the settlement shall not become effective unless such amendment or modification is approved by City in accordance with Applicable Law, and the City reserves its full legislative discretion with respect thereto.

9.2 Indemnity. Developer shall indemnify, at City’s request defend, and hold the City Parties harmless from and against any and all Claims arising directly as a result of Developer’s acts, omissions, negligence or willful misconduct in connection with Developer’s performance under this Agreement or arising directly as a result of Developer’s (or Developer’s contractors, subcontractors, agents, or employees) work performed in connection with the development of the Property or the Project, including without limitation, Claims involving bodily injury, death or property damage. Developer’s indemnification obligations set forth in this Section shall not apply to the extent any such Claims are the result of the negligence or willful misconduct of any City Party.

9.3 Insurance. Prior to commencement of construction of the Project, Developer shall procure and maintain, or cause its contractor(s) to procure and maintain, until the earlier of (a) the expiration of the Term; or (b) the completion of the Project, a commercial general liability policy in an amount not less than Five Million Dollars ($5,000,000) combined single limit, including contractual liability together with a comprehensive automobile liability policy in the amount of Two Million Dollars ($2,000,000), combined single limit. Such policy or policies shall be written on an occurrence form, so long as such form of policy is then commonly available in the commercial insurance marketplace and shall be placed with insurers with a current A.M. Best’s rating of no less than A:- VII or a rating otherwise approved by the City in its sole discretion. If Developer desires to satisfy the foregoing insurance requirements through its contractor, then Developer shall require in its construction contract with the general contractor that said general contractor comply with all of the requirements of this Section 9.3. Developer or its contractor shall furnish at City’s request appropriate certificate(s) of insurance evidencing the insurance coverage required hereunder, and City Parties shall be named as additional insured parties in such policies. The certificate of insurance shall contain a statement of obligation on the part of the carrier to notify City of any material change, cancellation or termination of the coverage at least thirty (30) days in advance of the effective date of any such material change, cancellation or termination ten (10) days advance notice in the case of cancellation for nonpayment of premiums) where the insurance carrier provides such notice to the Developer. Coverage provided hereunder by Developer, or its contractor shall be primary insurance and shall not be contributing with any insurance, self-insurance or joint self-insurance maintained by City, and the policy shall contain such an endorsement. The insurance policy or the endorsement shall contain a waiver of subrogation for the benefit of City.
ARTICLE 10.
ANNUAL REVIEW

10.1 Annual Review. As required by California Government Code Section 65865.1 and pursuant to Section 16.128.110 of the Development Agreement Ordinance, the City of Stockton Planning Commission shall review this Agreement and all actions taken pursuant to the terms of this Agreement with respect to the development of the Project every twelve (12) months at a duly noticed public hearing to determine good faith compliance with this Agreement ("Annual Review"). Specifically, the Annual Review shall be conducted for the purposes of determining good faith compliance with the terms and/or conditions of this Agreement. Each Annual Review shall also document the status of Project development. In the event the Planning Commission recommends modification or termination of this Agreement in connection with such Annual Review, the action to effectuate such modification or termination must be taken by City Council.

10.2 Conduct of Annual Review. The annual review shall be conducted as provided in this Section 10.2. By December 1st of each year, Developer shall provide documentation of its good faith compliance with this Agreement during the calendar year, including a completed annual review form in a form reasonably specified by City from time to time. The information required to be provided as part of the annual review may include, among other items, the status of Project construction and the status of building permit issuances. If the City Manager finds good faith compliance by Developer with the terms of this Agreement, Developer shall be notified in writing and the review for that period shall be concluded. If the City Manager is not satisfied that Developer is performing in accordance with the terms and conditions of this Agreement, the City Manager shall prepare a written report specifying why the Developer may not be in good faith compliance with this Agreement, refer the matter to the City Council, and notify Developer in writing at least fifteen (15) business days in advance of the time at which the matter will be considered by the City Council. This notice shall include the time and place of the City Council’s public hearing to evaluate good faith compliance with this Agreement, a copy of the City Manager’s report and recommendations, if any, and any other information reasonably necessary to inform Developer of the nature of the proceeding. The City Council shall conduct a public hearing at which Developer must submit evidence that it has complied in good faith with the terms and conditions of this Agreement. Developer shall be given an opportunity to be heard at the hearing. The findings of the City Council on whether Developer has complied with this Agreement for the period under review shall be based upon substantial evidence in the record. If the City Council determines, based upon substantial evidence, that Developer has complied in good faith with the terms and conditions of this Agreement, the review for that period shall be concluded. If the City Council determines, based upon substantial evidence in the record, that Developer has not complied in good faith with the terms and conditions of this Agreement, or there are significant questions as to whether Developer has complied with the terms and conditions of this Agreement, the City Council, at its option, may continue the hearing and may notify Developer of the City’s intent to meet and confer with Developer within thirty (30) days of such determination, prior to taking further action. Following such meeting, the City Council shall resume the hearing in order to further consider the matter and to make a determination regarding Developer’s good faith compliance with the terms and conditions of this Agreement. In the event City determines Developer is not in good faith compliance with the terms and conditions of this Agreement, the City Council shall determine the appropriate action to be taken.
Agreement, City may give Developer a written Notice of Breach, in which case the provisions of Article 14, below, shall apply.

10.3 Failure to Conduct Annual Review. Failure of City to conduct an annual review shall not constitute a waiver by the City of its rights to otherwise enforce the provisions of this Agreement nor shall Developer have or assert any defense to such enforcement by reason of any such failure to conduct an annual review.

ARTICLE 11.
MORTGAGEE PROTECTION

11.1 Mortgagee Protection. Neither entering into this Agreement nor a breach hereof shall defeat, render invalid, diminish or impair the lien of any Mortgage made in good faith and for value. Nothing in this Agreement shall prevent or limit Developer, at its sole discretion, from granting one or more Mortgages encumbering all or a portion of Developer’s interest in the Property or portion thereof or improvement thereon as security for one or more loans or other financing, but all of the terms and conditions contained in this Agreement shall be binding upon and effective against and shall run to the benefit of Mortgagee who acquires title or possession to the Property, or any portion thereof, by foreclosure, trustee’s sale, deed in lieu of foreclosure or otherwise. Developer shall provide the City with a copy of the deed of trust or mortgage within ten (10) days after its recording in the official records of San Joaquin County; provided, however, that Developer’s failure to provide such document shall not affect any Mortgage, including without limitation, the validity, priority or enforceability of such Mortgage.

11.2 Mortgagee Not Obligated. No Mortgagee (including one who acquires title or possession to the Property, or any portion thereof, by foreclosure, trustee’s sale, deed in lieu of foreclosure or otherwise) shall have any obligation to construct or complete construction of improvements, or to guarantee such construction or completion; provided, however, that a Mortgagee shall not be entitled to devote the Property to any use except in full compliance with this Agreement and the other Project Approvals nor to construct any improvements thereon or institute any uses other than those uses or improvements provided for or authorized by this Agreement, or otherwise under the Project Approvals. Except as otherwise provided in this Section 11.2, all of the terms and conditions contained in this Agreement and the other Project Approvals shall be binding upon and effective against and shall run to the benefit of any person or entity, including any Mortgagee, who acquires title or possession to the Property, or any portion thereof.

11.3 Notice of Default to Mortgagee. If City receives a notice from a Mortgagee requesting a copy of any Notice of Default given Developer hereunder and specifying the address for service thereof, then City agrees to use its diligent, good faith efforts to deliver to such Mortgagee, concurrently with service thereon to Developer, any Notice of Default given to Developer. Each Mortgagee shall have the right during the same period available to Developer to cure or remedy, or to commence to cure or remedy, the event of Default claimed or the areas of noncompliance set forth in City’s Notice of Default. If a Mortgagee is required to obtain possession in order to cure any Default, the time to cure shall be tolled so long as the Mortgagee is attempting to obtain possession, including by appointment of a receiver or foreclosure, but in
no event may this period exceed 120 days from the date the City delivers the Notice of Default to Developer.

11.4 No Supersede. Nothing in this Article 11 shall be deemed to supersede or release a Mortgagee or modify a Mortgagee’s obligations under any subdivision or public improvement agreement or other obligation incurred with respect to the Project outside this Agreement, nor shall any provision of this Article 11 constitute an obligation of City to such Mortgagee, except as to the notice requirements of Section 11.3.

ARTICLE 12.
AMENDMENT OF AGREEMENT AND PROJECT APPROVALS

12.1 Amendment by Written Consent. Except as otherwise expressly provided herein (including Article 10 relating to City’s annual review and Article 14 relating to termination in the event of a breach), this Agreement may be terminated, modified or amended only by mutual written consent of the Parties hereto or their successors in interest or assignees and in accordance with the provisions of Government Code sections 65967, 65867.5 and 65868, and City Municipal Code Section 16.128.

12.2 Major Modifications to Agreement. Any amendment to this Agreement which affects or relates to (a) the Term; (b) permitted uses of the Property; (c) provisions for the reservation or dedication of land; (d) conditions, terms restrictions or requirements for subsequent discretionary actions; (e) the type, location, density and intensity of the use of the Property or the maximum height or size of proposed buildings; or (f) providing of community benefits by Developer, shall be deemed a “Major Modification” and shall require giving of notice and a public hearing before the Planning Commission and City Council. In addition, any modifications or changes to the County-requested Project modifications described in Exhibit B hereto shall be deemed a Major Modification for which the County shall be given notice in accordance with Stockton Municipal Code section 16.128.120, and an opportunity to comment thereon. Any amendment which is not a Major Modification shall be deemed a “Minor Modification” and shall not, except to the extent otherwise required by Applicable Law, require notice of public hearing before the Parties may execute an amendment hereto. The City Manager or his or her designee shall have the authority to determine if an amendment is a Major Modification or a Minor Modification.

12.3 Minor Modifications. The City Manager or his or her designee shall have the authority to review and approve amendments to this Agreement provided that such amendments are not Major Modifications. No public notice shall be required for a Minor Modification.

12.4 Requirement for Writing. No modification, amendment or other change to this Agreement or any provision hereof shall be effective for any purpose unless specifically set forth in a writing which refers expressly to this Agreement and is signed by duly authorized representatives of both City and Developer.

ARTICLE 13.
ASSIGNMENT

13.1 General. Because of the necessity to coordinate development of the entirety
of the Property pursuant to plans for the Project, certain restrictions on the right of Developer to assign or transfer its interest under this Agreement with respect to the Property, or any portion thereof, are necessary in order to assure the achievement of the goals, objectives and public benefits of the Project and this Agreement. Developer agrees to and accepts the restrictions set forth in this Article 13 as reasonable and as a material inducement to City to enter into this Agreement.

13.2 Notice of Assignment. Developer shall provide the City with written notice of any proposed transfer or assignment of Developer’s rights or obligations hereunder (each, an “Assignment”) at least thirty (30) days prior to such Assignment and request City’s consent to such Assignment, as provided herein. Each such notice of proposed Assignment shall be accompanied by evidence of the corporate, limited liability company or other legal entity’s existence and good standing and a proposed form of Assignee’s assumption of Developer’s obligations hereunder substantially in the form of Exhibit D, which would be recorded in the Official Records of San Joaquin County concurrent with the transfer. Developer shall pay the actual costs borne by City in connection with its review of the proposed Assignment, including the costs incurred by the City Attorney’s Office.

13.3 Assignment Processing. Notwithstanding any other limitations in this Article 13, Developer may, upon provision of Notice, execution of an agreement documenting such Assignment in accordance with Section 13.2, and provision of evidence of entity formation and good standing, at any time, assign its rights and obligations under this Agreement with respect to all or any portion of the Property without the consent of City to any person, partnership, joint venture, firm, company, corporation or other entity (any of the foregoing, an “Assignee”) acquiring all or a portion of the Property.

13.4 Release of Transferring Developer. Upon a transfer of all or a portion of the Property, Developer shall be released from any further liability or obligations hereunder with respect to the portion so transferred and the Assignee shall be deemed to be the Developer under this Agreement with respect to such transferred Property as specified in the assignment and assumption agreement provided: (i) neither Developer nor Assignee is in default under this Agreement at the time of such transfer; (ii) Developer and Assignee have executed and acknowledged and delivered to City for recordation in the Official Records of the County an assignment and assumption agreement substantially in the form of Exhibit C attached hereto; and (iii) the Assignee has expressly assumed for the benefit of City the obligations of Developer as to the portion of the Property so transferred. No release of Developer shall be effective unless and until each of the above conditions have been met. Notwithstanding anything to the contrary contained in this Agreement, if an Assignee Defaults under this Agreement, such Default shall not constitute a Default by Developer (or any other Assignee) with respect to any other portion of the Property hereunder and shall not entitle City to terminate or modify this Agreement with respect to such other portion of the Property.

13.5 Partial Assignment. Subject to the limitations set forth in this Article 13, in the event of a transfer of a portion of the Property, Developer shall have the right to assign its rights, duties and obligations under this Agreement that are applicable to the transferred portion, and retain all rights, duties and obligations applicable to the retained portions of the Property. Upon Developer’s request, City, at Developer’s expense, shall cooperate with Developer and any
proposed Assignee to allocate rights, duties and obligations under this Agreement and the Project Approvals between the assigned portion of the Property and the retained Property. Assignee shall succeed to the rights, duties and obligations of Developer only with respect to the parcel or parcels, or portion of the Property so purchased, transferred, ground leased or assigned, and Developer shall continue to be obligated under this Agreement with respect to any remaining portions of the Property retained by Developer and not assigned.

13.6 Successive Assignment. In the event there is more than one Assignment under the provisions of this Article 13, the provisions of this Article 13 shall apply to each successive Assignment and Assignee.

13.7 Other Permitted Transfers. The provisions in this Article 13 shall not be deemed to prohibit or otherwise restrict Developer from (i) granting easements or licenses or modifying existing easements to facilitate development of the Property consistent with the Project Approvals; (ii) encumbering the Property or any portion hereof or of the improvements thereon by a Mortgage securing financing with respect to the Property or Project; or (iii) transferring all or a portion of the Property pursuant to a foreclosure, conveyance in lieu of foreclosure, or other remedial action in connection with a Mortgage, or to any transferee from a Mortgagee or owner of the Property upon foreclosure or after a conveyance in lieu of foreclosure.

ARTICLE 14.
DEFAULT; REMEDIES; TERMINATION

14.1 Breach and Default. Subject to Permitted Delays or by mutual consent in writing, and except as otherwise provided by this Agreement, breach of, failure, or delay by either Party to perform any term or condition of this Agreement shall constitute a “Default.” In the event of any alleged Default of any term, condition, or obligation of this Agreement, the Party alleging such Default shall give the defaulting Party notice in writing specifying the nature of the alleged Default and the manner in which the Default may be satisfactorily cured (“Notice of Breach”). The defaulting Party shall cure the Default within thirty (30) days following receipt of the Notice of Breach, provided, however, if the nature of the alleged Default is non-monetary and such that it cannot reasonably be cured within such thirty (30) day period, then the commencement of the cure within such time period, and the diligent prosecution to completion of the cure thereafter at the earliest practicable date, shall be deemed to be a cure, provided that if the cure is not diligently prosecuted to completion, then no additional cure period shall be provided. If the alleged failure is cured within the time provided above, then no Default shall exist and the noticing Party shall take no further action to exercise any remedies available hereunder. If the alleged failure is not cured, then a Default shall exist under this Agreement and the non-defaulting Party may exercise any of the remedies available under this Agreement. Further, as provided in Section 13.6 above, following transfer of all or any portion of the Property and an assignment or a partial assignment of this Agreement to an Assignee, a Default by such Assignee under this Agreement shall not constitute a Default by Developer (or any other Assignee) and shall not entitle City to terminate or modify this Agreement with respect to any portion of the Property retained by Developer.

14.2 Withholding of Permits. In the event of a Default by Developer (where the determination of such Default has been made by the City Council based on substantial evidence presented at a noticed public hearing), City shall have the right to refuse to issue any permit or
other Subsequent Approvals to which Developer would otherwise have been entitled pursuant to this Agreement until such Default is cured. This provision is in addition to and shall not limit any actions that City may take to enforce the conditions of the Project Approvals.

14.3 **Termination.** In the event of a Default by a Party, the non-defaulting Party shall have the right to terminate this Agreement upon giving notice of intent to terminate pursuant to Government Code section 65868 and regulations of City implementing such section. Following notice of intent to terminate, the matter shall be scheduled for consideration and review in the manner set forth in Government Code section 65867 and City regulations implementing said section. Following consideration of the evidence presented in said review before the City Council, a Party alleging Default by the other Party may give written notice of termination of this Agreement to the other Party. Termination of this Agreement shall be subject to the provisions of Section 14.9. Where Developer is the defaulting Party and Developer has previously conveyed portions of the Property and partially assigned this Agreement to one or more third party transferees, City’s right to terminate this Agreement shall be limited to those portion(s) of the Property then owned by Developer.

14.4 **Specific Performance for Violation of a Condition.** If City issues a Project Approval pursuant to this Agreement in reliance upon a specified condition being satisfied by Developer in the future, and if Developer then fails to satisfy such condition, City, in addition to its other rights and remedies available under public improvement agreements, performance bonds or other instruments, shall be entitled to specific performance for the purpose of causing Developer to satisfy such condition.

14.5 **Legal Actions.**

14.5.1 **Institution of Legal Actions.** In addition to any other rights or remedies and subject to the limitation of damages in Section 14.7, a Party may institute legal action to cure, correct or remedy any Default, to enforce any covenants or agreements herein, to enjoin any threatened or attempted violation thereof, or to obtain any other remedies consistent with the purpose of this Agreement. Any such legal action shall be brought in the Superior Court for San Joaquin County, California, except for actions that include claims in which the Federal District Court for the Eastern District of the State of California has original jurisdiction, in which case the Eastern District of the State of California shall be the proper venue.

14.5.2 **Acceptance of Service of Process.** In the event that any legal action is commenced by Developer against City, service of process on City shall be made by personal service upon the City Clerk of City or in such other manner as may be provided by law. In the event that any legal action is commenced by City against Developer, service of process on Developer shall be made by personal service upon Rob Mitchell, Greenlaw Development, LLC, who is an agent of Developer for service of process, or in such other manner as may be provided by law.

14.6 **Rights and Remedies Are Cumulative.** The rights and remedies of the Parties are cumulative, and the exercise by a Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the
same Default or any other Default by the other Party, except as otherwise expressly provided herein.

14.7 **No Money Damages.** In no event shall a Party, or its boards, commissions, officers, agents or employees, be liable in money damages, including without limitation, actual, consequential or punitive damages, for any Default under this Agreement. It is expressly understood and agreed that the sole legal remedy available to a Party for a breach or violation of this Agreement by the other Party shall be an action in mandamus, specific performance or other injunctive or declaratory relief to enforce the provisions of this Agreement by the other Party, or to terminate this Agreement. This limitation on damages shall not preclude actions by a Party to enforce payments of monies or the performance of obligations requiring an obligation of money from the other Party under the terms of this Agreement including, but not limited to, obligations to pay attorneys’ fees and obligations to advance monies or reimburse monies. In connection with the foregoing provisions, each Party acknowledges, warrants and represents that it has been fully informed with respect to, and represented by counsel of such Party’s choice in connection with, the rights and remedies of such Party hereunder and the waivers herein contained, and after such advice and consultation has presently and actually intended, with full knowledge of such Party’s rights and remedies otherwise available at law or in equity, to waive and relinquish such rights and remedies to the extent specified herein, and to rely to the extent herein specified solely on the remedies provided for herein with respect to any breach of this Agreement by the other Party.

14.8 **Surviving Provisions.** In the event this Agreement is terminated, neither Party shall have any further rights or obligations hereunder, except for those obligations of City and Developer set forth in Sections 9.1 and 9.2.

ARTICLE 15.
MISCELLANEOUS PROVISIONS

15.1 **Incorporation of Recitals, Exhibits and Introductory Paragraph.** The Recitals contained in this Agreement, the introductory paragraph preceding the Recitals, and the Exhibits attached hereto are incorporated into this Agreement as if fully set forth herein.

15.2 **Covenants Binding on Successors and Assigns and Run with Land.** Except as otherwise more specifically provided in this Agreement, this Agreement and all of its provisions, rights, powers standards, terms, covenants and obligations, shall be binding upon the Parties and their respective successors (by merger, consolidation, or otherwise) and assigns, and all other persons or entities acquiring the Property, or any interest therein, and shall inure to the benefit of the Parties and their respective successors and assigns, as provided in Government Code Section 65868.5.

15.3 **Notice.** Any notice, demand or request which may be permitted, required or desired to be given in connection herewith shall be given in writing and directed to the City and Developer as follows:
If to the City:  
City Clerk  
City of Stockton  
425 N. El Dorado St, 1st Floor  
Stockton, CA 95202  
Telephone: (209) 937-8458  
Email: City.Clerk@StocktonCA.gov

with copies to:  
City Manager  
City of Stockton  
425 N. El Dorado St, 2nd Floor  
Stockton, CA 95202  
Telephone: (209) 937-8212  
Email: City.Manager@StocktonCA.gov

and:  
City Attorney  
City of Stockton  
425 N. El Dorado St, 1st Floor  
Stockton, CA 95202  
Telephone: (209) 937-8333  
Email: City.Attorney@StocktonCA.gov

If to Developer:  
Greenlaw Development, LLC  
Attention: Rob Mitchell  
18301 Von Karman Avenue, Suite 301  
Irvine, CA 92612  
Telephone: (949) 331-1353  
Email: rob@greenlawpartners.com

with a copy to:  
Thia Cochran  
Cochran Law Group  
18301 Von Karman Avenue, Suite 301  
Irvine, CA 92612  
Telephone: (949) 833-9600  
Email: thia@cochranlawgroup.com

Notices are deemed effective if delivered by: (a) certified mail, return receipt requested; (b) commercial courier, with delivery to be effective upon verification of receipt; or (c) email, upon actual receipt at the email addresses listed above. Any Party may change its respective address for notices by providing written notice (including email) of such change to the other Parties.

15.4 Permitted and Litigation Related Delays.

15.4.1 Permitted Delay. Performance by either Party of an obligation hereunder shall be excused during any period of “Permitted Delay.” Permitted Delay shall mean delay beyond the reasonable control of a Party caused by (a) calamities, including without limitation earthquakes, floods, and fire; (b) civil commotion; (c) riots or terrorist acts; (d) strikes or other forms of material labor disputes; (e) shortages of materials or supplies; or (f) vandalism.
A Party’s financial inability to perform or obtain financing or adverse economic conditions generally shall not be grounds for claiming a Permitted Delay. The Party claiming a Permitted Delay shall notify the other Party of its intent to claim a Permitted Delay, the specific grounds of the same and the anticipated period of the Permitted Delay within thirty (30) business days after the occurrence of the conditions which establish the grounds for the claim. If notice by the Party claiming such extension is sent to the other Party more than thirty (30) days after the commencement of the cause, the period shall commence to run only thirty (30) days prior to the giving of such notice. The period of Permitted Delay shall last no longer than the conditions preventing performance. In no event shall any Permitted Delay extend the Term of this Agreement.

15.4.2 Litigation Delay. If, as a result of a Litigation Challenge, the Annexation Proceedings cannot be completed by the initial Annexation Deadline of two years following the Agreement Date as specified in Section 2.1 above, then the Annexation Deadline shall be extended for the period of the Litigation Challenge but in no event more than 12 months beyond the initial Annexation Deadline as specified in Section 2.1. If, following the Annexation Date, this Agreement or any of the Existing Approvals are still not Final as a result of a Litigation Challenge (a “Litigation Delay”), then the Initial Term of this Agreement and the time within which each Party shall be required to perform any act under this Agreement shall be extended by the period of time between the Annexation Date and the date on which the Existing Approvals and this Agreement all become Final, subject to an outside date that is 36 months after the Annexation Date, at which point there shall be no further extension of the Term as a result of any Litigation Delay, unless approved by the City Council in its sole, absolute discretion.

15.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

15.6 Waivers. Notwithstanding any other provision in this Agreement, any failures or delays by any Party in asserting any of its rights and remedies under this Agreement shall not operate as a waiver of any such rights or remedies, or deprive any such Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies. A Party may specifically and expressly waive in writing any condition or breach of this Agreement by the other Party, but no such waiver shall constitute a further or continuing waiver of any preceding or succeeding breach of the same or any other provision. Consent by one Party to any act by the other Party shall not be deemed to imply consent or waiver of the necessity of obtaining such consent for the same or similar acts in the future.

15.7 Construction of Agreement. All Parties have been represented by counsel in the preparation and negotiation of this Agreement and this Agreement shall be construed according to the fair meaning of its language. The rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement. Unless the context clearly requires otherwise, (a) the plural and singular numbers shall each be deemed to include the other; (b) the masculine, feminine, and neuter genders shall each be deemed to include the others; (c) “shall,” “will,” or “agrees” are mandatory, and “may” is permissive; (d) “or” is not
exclusive; (e) “includes” and “including” are not limiting; and (f) “days” means calendar days unless specifically provided otherwise.

15.8 **Headings.** Section headings in this Agreement are for convenience only and are not intended to be used in interpreting or construing the terms, covenants, or conditions of this Agreement.

15.9 **Severability.** If any term or provision of this Agreement, or the application of any term or provision of this Agreement to a specific situation, is found to be invalid, or unenforceable, in whole or in part for any reason, the remaining terms and provisions of this Agreement shall continue in full force and effect unless an essential purpose of this Agreement would be defeated by loss of the invalid or unenforceable provisions, in which case any Party may terminate this Agreement by providing written notice thereof to the other Party.

15.10 **Time is of the Essence.** Time is of the essence of this Agreement. All references to time in this Agreement shall refer to the time in effect in the State of California.

15.11 **Extension of Time Limits.** The time limits set forth in this Agreement may be extended by mutual consent in writing of the Parties in accordance with the provisions of this Agreement.

15.12 **Signatures.** The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of Developer and City.

15.13 **Entire Agreement.** This Agreement (including all exhibits attached hereto, each of which is fully incorporated herein by reference), integrates all of the terms and conditions mentioned herein or incidental hereto, and constitutes the entire understanding of the Parties with respect to the subject matter hereof, and all prior or contemporaneous oral agreements, understandings, representations and statements, and all prior written agreements, understandings, representations, and statements are terminated and superseded by this Agreement.

15.14 **Estoppel Certificate.** Developer or its lender may, at any time, and from time to time, deliver written notice to the City requesting the City to certify in writing that: (a) this Agreement is in full force and effect; (b) this Agreement has not been amended or modified or, if so amended or modified, identifying the amendments or modifications; and (c) Developer is not in Default of the performance of its obligations, or if in Default, to describe therein the nature and extent of any such Defaults. Developer shall pay, within thirty (30) days following receipt of City’s invoice, the actual costs borne by City in connection with its review of the proposed estoppel certificate, including the costs expended by the City Attorney’s Office in connection therewith. The Community Development Director shall be authorized to execute any certificate requested by Developer hereunder. The form of estoppel certificate shall be in a form reasonably acceptable to the City Attorney. The Community Development Director shall execute and return such certificate within thirty (30) days following Developer’s request therefor. Developer and City acknowledge that a certificate hereunder may be relied upon by tenants, assignees, investors, partners, bond counsel, underwriters, bond holders and Mortgagees. The request shall clearly indicate that failure of the City to respond within the thirty-day period will lead to a second and
final request. Failure to respond to the second and final request within fifteen (15) days of receipt thereof shall be deemed approval of the matters set forth in the estoppel certificate.

15.15 **Recordation of Termination.** Upon completion of performance of the Parties or termination of this Agreement, a written statement acknowledging such completion or termination shall be recorded by City in the Official Records of San Joaquin County.

15.16 **City Approvals and Actions.** Whenever a reference is made herein to an action or approval to be undertaken by City, the City Manager or his or her designee is authorized to act on behalf of City, unless specifically provided otherwise or the context requires otherwise.

15.17 **Negation of Partnership.** The Parties specifically acknowledge that the Project is a private development, that no Party to this Agreement is acting as the agent of any other in any respect hereunder, and that each Party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. None of the terms or provisions of this Agreement shall be deemed to create a partnership between or among the Parties in the businesses of Developer, the affairs of the City, or otherwise, or cause them to be considered joint venturers or members of any joint enterprise.

15.18 **No Third-Party Beneficiaries.** This Agreement is made and entered into for the sole protection and benefit of the signatory Parties and their successors and assigns, including Mortgagees. No other person shall have any right of action based upon any provision in this Agreement.

15.19 **Standard for Consents and Approvals.** In cases where the written consent or approval of a party is required hereunder and a standard of review and/or timeline for the granting or withholding of such consent or approval is not set forth, such consent or approval shall not be unreasonably withheld, conditioned or delayed.

15.20 **Governing State Law.** This Agreement shall be construed in accordance with the laws of the State of California, without reference to its choice of law provisions.

15.21 **Exhibits.** The following exhibits are attached to this Agreement and are hereby incorporated herein by this reference for all purposes as if set forth herein in full:

- Exhibit A-1: Property Description
- Exhibit A-2: Site Map
- Exhibit B: Project Modifications
- Exhibit C: Mitigation Monitoring/Reporting Program
- Exhibit D: Form of Assignment and Assumption Agreement

[**SIGNATURES ON FOLLOWING PAGE**]
IN WITNESS WHEREOF, City and Developer have executed this Agreement as of the Effective Date.

CITY:

CITY OF STOCKTON,
a California municipal corporation

By: _________________________________

[Signature must be notarized]

ATTEST:

By: _________________________________

Eliza R. Garza, City Clerk

APPROVED AS TO FORM:

By: _________________________________

Lori M. Asuncion, City Attorney

DEVELOPER:

By: _________________________________

Name: ________________________________

Its: _________________________________

By: _________________________________

Name: ________________________________

Its: _________________________________

[Signatures must be notarized]
EXHIBIT A-1

[Property Description – To be Inserted]
EXHIBIT A-2

[Site Map – To be Inserted]
EXHIBIT B

[Project Modifications – To be Inserted]
ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT ("Assignment Agreement") is entered into as of the ____ day of __________, 20__, by and among Greenlaw Development, LLC, a California limited liability company, ("Assignor"), ____________________________, a ___________________ ("Assignee"), and the City of Stockton, a municipal corporation ("City").

RE Imported Content

A. Assignor has entered into a Development Agreement with City effective ____________, (Recorder’s Document No. ________) ("Development Agreement"), to facilitate the development and use of that certain real property consisting of approximately 120 acres within the City of Stockton, County of San Joaquin, State of California, which is legally described in Exhibit A-1 to the Development Agreement and shown on the map attached to the Development Agreement as Exhibit A-2 ("Site"). Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Development Agreement.

B. Assignor is the fee owner of the Site, designated as APNs ____________, more particularly described in Attachment 1 attached hereto and incorporated herein ("Property").

C. Assignor desires to transfer its interest in the Property to Assignee concurrently with execution of this Assignment Agreement and Assignee desires to so acquire such interest in the Property from Assignor.

D. Article 13 of the Development Agreement provides that Assignor may assign its rights and obligations under the Development Agreement to another party, provided that the Assignor shall have provided to City at least thirty (30) days prior written notice and provided
that the assignor and the assignee document the assignment in an agreement substantially in the form of this Assignment Agreement.

E. Assignor has provided the required written notice to City of its intent to enter into an assignment and assumption agreement as required by Section 13.2 of the Development Agreement.

F. Assignor desires to assign to Assignee and Assignee desires to assume all rights and obligations of Assignor under the Development Agreement [or describe portion of rights and obligations assigned in case of partial assignment]. Upon execution of this Assignment Agreement and transfer to Assignee of legal title to the Property, Assignor desires to be released from any and all obligations under the Development Agreement with respect to the Property.

AGREEMENT

NOW, THEREFORE, Assignor, Assignee and City hereby agree as follows:

1. Assignment by Assignor. Assignor hereby assigns, transfers and grants to Assignee, and its successors and assigns, all of Assignor’s rights, title and interest and obligations, duties, responsibilities, conditions and restrictions under the Development Agreement with respect to the Property (collectively, “Rights and Obligations”).

2. Acceptance and Assumption by Assignee. Assignee, for itself and its successors and assigns, hereby accepts such assignment and assumes all such Rights and Obligations, whether accruing before or on or after the Assignment Agreement Effective Date (defined in Section 16 below). Assignee agrees, expressly for the benefit of City, to comply with, perform and execute all of the Rights and Obligations of Developer with respect to the Property arising from or under the Development Agreement.

3. Release of Assignor. Assignee and City hereby fully release Assignor from all Rights and Obligations. Both Assignor and Assignee acknowledge that this Assignment Agreement is intended to fully assign all of Assignor’s Rights and Obligations to Assignee, and it is expressly understood that Assignor shall not retain any Rights and Obligations whatsoever with respect to the Property.

4. Substitution of Assignor. Assignee hereafter shall be substituted for and replace Assignor in the Development Agreement with respect to the Property. Whenever the term “Developer” appears in the Development Agreement with respect to the Property, it shall hereafter mean Assignee.

5. Assignor and Assignee Agreements, Indemnifications and Waivers.

a. Assignee represents and warrants to City as follows:

(i) Assignee is a ________________ duly formed within and in good standing under the laws of the State of ________________. The copies of
the documents evidencing the formation of Assignee, which have been delivered to City, are true and complete copies of the originals, as amended to the date of this Assignment Agreement. Assignee has full right, power and lawful authority to undertake all obligations as provided herein and the execution, performance and delivery of this Assignment Agreement by Assignee has been fully authorized by all requisite actions on the part of Assignee.

(ii) Assignee’s execution, delivery and performance of its obligations under this Assignment Agreement will not constitute a default or a breach under any contract, agreement or order to which Assignee is a party or by which it is bound.

(iii) Assignee has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Assignee’s creditors, (iii) suffered the appointment of a receiver to take possession of all, or substantially all, of Assignee’s assets, (iv) suffered the attachment or other judicial seizure of all, or substantially all, of Assignee’s assets, (v) admitted in writing its inability to pay its debts as they come due, or (vi) made an offer of settlement, extension or composition to its creditors generally.

(iv) As of the Assignment Agreement Effective Date, Assignee will own fee simple title to the Property.

b. Assignor and Assignee hereby acknowledge and agree that the City has not made, and will not make, any representation or warranty that the assignment and assumption of the Development Agreement provided for hereunder will have any particular tax implications for Assignor or Assignee.

c. Assignor and Assignee each hereby waives and releases and each hereby agrees to indemnify and hold City harmless from any and all damages, liabilities, causes of action, claims or potential claims against City (including attorneys’ fees and costs) arising out of this Assignment Agreement.

d. Assignor acknowledges and agrees that the Rights and Obligations with respect to the Property have been fully assigned to Assignee by this Assignment Agreement and, accordingly, that Assignee shall have the exclusive right to assert any claims against City with respect to such Rights and Obligations. Accordingly, without limiting any claims of Assignee under the Development Agreement, Assignor hereby waives any claims or potential claims by Assignor against City to the extent arising solely out of the Rights and Obligations with respect to the Property.

6. **Development Agreement in Full Force and Effect.** Except as specifically provided herein with respect to the assignment, all the terms, covenants, conditions and
provisions of the Development Agreement are hereby ratified and shall remain in full force and effect.

7. **Recording.** Assignor shall cause this Assignment Agreement to be recorded in the Official Records of San Joaquin County, California, and shall promptly provide conformed copies of the recorded Assignment Agreement to Assignee and City.

8. **Successors and Assigns.** Subject to the restrictions on transfer set forth in the Development Agreement, all of the terms, covenants, conditions and provisions of this Assignment Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors and assigns, pursuant to Article 13 and Section 15.2 of the Development Agreement.

9. **Assignee Address for Notices.** The address of Assignee for the purpose of notices, demands and communications under Section 15.3 of the Development Agreement shall be:

   _________________________________
   _________________________________
   _________________________________
   _________________________________
   Attention: ______________________
   Telephone: _____________________

   With a copy to:

   _________________________________
   _________________________________
   _________________________________
   _________________________________
   Attention: ______________________
   Telephone: _____________________

10. **Applicable Law/Venue.** This Assignment Agreement shall be construed and enforced in accordance with the laws of the State of California, without reference to its choice of law provisions. Any legal actions under this Assignment Agreement shall be brought only in the Superior Court of the County of San Joaquin State of California.

11. **Interpretation.** All parties have been represented by counsel in the preparation and negotiation of this Assignment Agreement and this Assignment Agreement shall be construed according to the fair meaning of its language. The rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Assignment Agreement. Unless the context clearly requires otherwise: (a) the plural and singular numbers shall each be deemed to include the other; (b) the masculine, feminine, and neuter genders shall each be deemed to include the others; (c) “shall,” “will,” or “agrees” are mandatory, and “may” is permissive; (d) “or” is not exclusive; and (e) “includes” and “including” are not limiting.
12. **Headings.** Section headings in this Assignment Agreement are for convenience only and are not intended to be used in interpreting or construing the terms, covenants or conditions of this Assignment Agreement.

13. **Severability.** Except as otherwise provided herein, if any provision(s) of this Assignment Agreement is (are) held invalid, the remainder of this Assignment Agreement shall not be affected, except as necessarily required by the invalid provisions, and shall remain in full force and effect unless amended or modified by mutual consent of the parties.

14. **Counterparts.** This Assignment Agreement may be executed in one or more counterparts, each of which shall be deemed to constitute an original, but all of which, when taken together, shall constitute one and the same instrument, with the same effect as if all of the parties to this Assignment Agreement had executed the same counterpart.

15. **City Consent.** City is executing this Assignment Agreement for the limited purpose of consenting to the assignment and assumption and clarifying that there is privity of contract between City, on the one hand, and Assignee on the other, with respect to the Development Agreement.

16. **Effective Date.** The Effective Date of this Assignment Agreement shall be the date upon which Assignee obtains fee title to or a ground lease for the Property and Assignor delivers evidence of the transfer to City (“Assignment Agreement Effective Date”). For the purposes of this Section, the evidence of transfer shall consist of a duly recorded deed or ground lease, and title report.

[SIGNATURES FOLLOW ON SEPARATE PAGES]

---
IN WITNESS WHEREOF, Assignor, Assignee and City have entered into this Assignment Agreement as of the date first above written.

ASSIGNOR

_____________________________, a

_____________________________ By:

Name: ____________________________

Its: ______________________________ [Signature must be notarized]

ASSIGNEE

___________________________________, a

______________________________________ By:

Name: ______________________________

Its: ________________________________ [Signature must be notarized]

SIGNATURES CONTINUED ON NEXT PAGE
CITY
CITY OF STOCKTON, a municipal corporation

By: ___________________________, City Manager

[Signature must be notarized]

ATTEST:

By: ___________________________, City Clerk

APPROVED AS TO FORM:

By: ___________________________, City Attorney
EXHIBIT A

Property Legal Description

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE UNINCORPORATED AREA OF SAN JOAQUIN COUNTY, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:


THENCE ALONG THE SOUTHERLY BOUNDARY OF SAID PARCEL ONE AND ALSO ALONG THE EXISTING BOUNDARY OF THE STOCKTON CITY LIMIT LINE, (1) SOUTH 72° 09’ 06” EAST, 2410.37 FEET, TO THE SOUTHWEST CORNER OF SAID PARCEL ONE, SAID POINT ALSO BEING ALONG THE EASTERLY LINE OF THE “MAP OF SUBDIVISION NO. 4 CLARKADOTA FIG PLANTATIONS”, FILED IN BOOK 10 OF MAPS & PLATS, AT PAGE 38, SAN JOAQUIN COUNTY RECORDS;

(2) THENCE LEAVING SAID EXISTING BOUNDARY OF THE STOCKTON CITY LIMIT AND RUNNING ALONG SAID EASTERLY LINE OF THE “MAP OF SUBDIVISION NO. 4 CLARKADOTA FIG PLANTATIONS” NORTH 17° 09’ 06” WEST, 3940.90, TO THE NORTHEAST CORNER THEREOF, BEING A POINT ON THE NORTHERLY LINE OF SAID SECTION 59 OF THE C. M. WEBER GRANT,

(3) THENCE ALONG SAID NORTHERLY LINE OF SECTIONS 59 AND 69 OF SAID C. M. WEBER GRANT, NORTH 72° 09’ 06” EAST, 1691.35 FEET TO A POINT ON THE SOUTHWESTERLY RIGHT OF WAY LINE OF MARIPOSA ROAD,

(4) THENCE ALONG SAID SOUTHWESTERLY RIGHT OF WAY LINE, SOUTH 59° 53’ 28” EAST, TO THE WESTERLY LINE OF THE LANDS OF OCHOA, AS DESCRIBED IN THAT CERTAIN DOCUMENT RECORDED SEPTEMBER 12, 2008, AS DOCUMENT NO. 2008-149798, SAN JOAQUIN COUNTY RECORDS,

(5) THENCE ALONG SAID WESTERLY LINE OF OCHOA THE FOLLOWING TWO COURSES: SOUTH 71° 52’ 14”’ EAST, 282.52 FEET, AND

(6) SOUTH 59° 48’ 18” WEST, 170.97 FEET, TO A POINT ON THE EASTERLY LINE OF THE LANDS OF MARIPOSA ROAD OWNERS, LLC, AS DESCRIBED IN THAT CERTAIN DOCUMENT

1
RECORDED DECEMBER 24, 2019, AS DOCUMENT NO. 2019-151974, SAN JOAQUIN
COUNTY RECORDS,

(7) THENCE ALONG SAID EASTERLY LINE OF THE LANDS OF MARIPOSA ROAD OWNERS, LLC,
SOUTH 17° 50’ 54” EAST, 1065.25 FEET, TO THE NORTHWESTERLY CORNER OF THE
LANDS OF THE TOLENTINO TRUST AS DESCRIBED IN THAT CERTAIN DOCUMENT
RECORDED FEBRUARY 25, 2019, AS DOCUMENT NO. 2019-019341, SAN JOAQUIN
COUNTY RECORDS,

(8) THENCE ALONG THE NORTHERLY LINE OF SAID LANDS OF THE TOLENTINO TRUST,
SOUTH 72° 29’ 06” WEST, 301.20 FEET, TO THE NORTHWESTERLY CORNER THEREOF,

(9) THENCE ALONG THE WESTERLY LINE OF THE LANDS OF THE TOLENTINO TRUST, AND
ALONG THE WESTERLY LINE OF THE LANDS OF LOTT TRUST, AS DESCRIBED IN THAT
CERTAIN DOCUMENT RECORDED AUGUST 11, 2008, AS DOCUMENT NO. 2008-130946,
SAN JOAQUIN COUNTY RECORDS, SOUTH 17° 50’ 54” EAST, 717.85 FEET, TO THE
SOUTHWESTERLY CORNER OF SAID LANDS OF LOTT TRUST,

(10) THENCE ALONG THE SOUTHERLY LINE OF THE LANDS OF LOTT TRUST, NORTH 72° 09’
06” EAST, 301.20 FEET, TO THE SOUTHEASTERLY CORNER THEREOF, ALSO BEING A
POINT ON THE EASTERLY LINE OF THE LANDS OF HOGGAN ESTATES, LLC, AS DESCRIBED
IN THAT CERTAIN DOCUMENT RECORDED NOVEMBER 11, 2008, AS DOCUMENT NO.
2008-177643, SAN JOAQUIN COUNTY RECORDS,

(11) THENCE ALONG SAID EASTERLY LINE OF THE LANDS OF LEWIS, AND THE EASTERN LINE
OF THE LANDS OF HOGGAN ESTATES, LLC, AS DESCRIBED IN THAT CERTAIN DOCUMENT
RECORDED JANUARY 14, 2005, AS DOCUMENT NO. 2005-010345, SAN JOAQUIN
COUNTY RECORDS, SOUTH 17° 50’ 24” EAST, 1077.85 FEET, TO THE POINT OF
BEGINNING.

CONTAINING 205.78 ACRES, MORE OR LESS.

FOR ASSESSMENT PURPOSES ONLY. THIS DESCRIPTION OF LAND IS NOT A LEGAL PROPERTY
DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP ACT (GOVERNMENT CODE SECTION 66410)
AND MAY NOT BE USED AS THE BASIS FOR AN OFFER FOR SALE OF THE LAND DESCRIBED.
City of Stockton, CA makes no claims and no warranties, expressed or implied, concerning the validity or accuracy of the GIS data presented on this map.

Geometry updated 01/19/2022
Data updated 01/03/2022

Print map scale is approximate. Critical layout or measurement activities should not be done using this resource.
NOTES:

- THERE SHALL BE NO COLD STORAGE FACILITIES OR REFRIGERATED TRUCKS ALLOWED ON THE PROJECT SITE WITHOUT FURTHER ANALYSIS OF THE POTENTIAL AIR QUALITY AND NOISE IMPACTS ASSOCIATED WITH SUCH FACILITIES AND TRUCKS.

- THE BERM AND WALL DEPICTED ON THIS EXHIBIT B SHALL BE CONSTRUCTED PRIOR TO THE OCCUPANCY OF ANY STRUCTURES ON THE PROJECT SITE.

- NO TRUCK TRAILER CIRCULATION OR PARKING SHALL BE ALLOWED IN THE NO TRUCK ZONE DEPICTED ON THIS EXHIBIT B.
Resolution No.

STOCKTON CITY COUNCIL

RESOLUTION APPROVING A SETTLEMENT AGREEMENT WITH THE SIERRA CLUB AND GREENLAW PARTNERS, LLC AND A MEMORANDUM OF UNDERSTANDING WITH THE STATE OF CALIFORNIA DEPARTMENT OF JUSTICE FOR A PROPOSED INDUSTRIAL DEVELOPMENT AT 5110, 5150, 5268, 5280, AND 5290 MARIPOSA ROAD, 4500 EAST CLARK ROAD, AND 4600 AND 4610 MARFARGOA DRIVE (APPLICATION NO. P20-0805)

On October 19, 2020, the applicant, Greenlaw Partners, LLC submitted a request for a Development Agreement and Prezoning of Assessor’s Parcel Numbers (APNs) 179-220-10; -11; -12; -13; -16; -17; -18; -19; -24 to the Industrial, Limited (IL) zoning designation for the purposes of future industrial development; and

On December 14, 2020, a Notice of Preparation (NOP) was distributed for public review and comment, to evaluate if an Environmental Impact Report (EIR) would be required for the project, and what should be evaluated. The State Clearinghouse subsequently transmitted the NOP to State agencies on December 16, 2020. The City’s NOP period closed on January 12, 2021, and the State Clearinghouse review period closed on January 14, 2021; and

A Draft Environmental Impact Report (EIR) was prepared for the project, in accordance with the California Environmental Quality Act (CEQA) and distributed locally and through the State Clearinghouse for agency and public comments between August 24, 2021, through October 7, 2021. The Draft EIR identified potentially significant environmental impacts which could occur from development of the Project, and where feasible, application of mitigation measures that would reduce the impacts to a level of less than significant; and

The Draft EIR addressed environmental impacts associated with the proposed Project that are known to the City, and that were raised during the NOP process, or that were raised during the preparation of the Draft EIR. A Mitigation Monitoring and Reporting Program has been prepared as well as a Statement of Overriding Consideration (SOC) for environmental effects of the project that are unable to be fully mitigated; and

On March 10, 2022, the Planning Commission conducted a public hearing on the application, in compliance with SMC Section 16.88.040, at which point all persons wishing to be heard were provided such opportunity, and prior to acting on this request, the Planning Commission considered and recommended certification of a Final EIR (SCH #2020120283) prepared pursuant to the California Environmental Quality Act (CEQA); and
On April 19, 2022, the State of California Department of Justice Attorney General’s Office and the Sierra Club provided communication to staff related to concerns with the environmental effects of the project immediately before the City Council public hearing for April 19, 2022, was scheduled to occur. Based on the communication received, Staff elected to postpone the public hearing to a future date; and

The Attorney General’s Office and the Sierra Club presented additional mitigation measures which were evaluated and incorporated into the document where appropriate, however they did not trigger changes or reevaluation of the existing technical studies prepared, thus the DEIR was not required to be recirculated; and

Following discussion and negotiations between the Sierra Club, the State of California Attorney General’s Office, the City, and the Applicant, an agreement was reached; and

A Settlement Agreement memorializing the terms agreed to by the Sierra Club, the City, and the Applicant was drafted and reviewed by all parties; and

A Memorandum of Understanding memorializing the terms agreed to by the State of California Attorney General’s Office and the City was drafted and reviewed by both parties; and

On December 6, 2022, the City Council convened a public hearing regarding the Planning Commission’s decision. The City Council considered the requested recommendations of the Planning Commission based on the findings indicated in said resolution; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The foregoing recitals are true and correct and are incorporated by this reference.

2. Based on its review of the entire record herein, the City Council finds:

   a. A Final Environmental Impact Report with Statement of Overriding Considerations, Findings, and Mitigation Monitoring and Reporting Program has been prepared for the project.

   b. A Settlement Agreement with the Sierra Club and applicant is approved and incorporated by this reference as Exhibit 1.

   c. A Memorandum of Understanding with the State of California Department of Justice Attorney General is approved and incorporated by this reference in Exhibit 2.
d. The City Manager and City Attorney are authorized to take whatever actions are necessary and appropriate to carry out the purpose and intent of this Resolution.

PASSED, APPROVED, and ADOPTED December 6, 2022.

____________________________
KEVIN J. LINCOLN II
Mayor of the City of Stockton

ATTEST:

____________________________
ELIZA R. GARZA, CMC
City Clerk of the City of Stockton
SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release of All Claims ("Agreement") is entered into by and between the Sierra Club, a California nonprofit public benefit association, the City of Stockton ("City"), a municipal services corporation, and Greenlaw Development, LLC, a California limited liability company ("Developer"), (collectively referred to as "Parties" or singularly "Party"), to terminate fully and finally all disputes concerning the matters set forth below.

RECITALS

WHEREAS, Developer, proposes to develop an approximately 203-acre site in the South Stockton area commonly known as the Mariposa Industrial Park for light industrial land uses (the "Project"). The conceptual site plan proposes construction and operation of 3,616,870 square feet of warehouse and ancillary office uses, approximately 1,831 auto parking spaces, 1,107 truck and trailer parking spaces, and related infrastructure. Developer has applied to the City for the following project approvals: (1) adoption of a Resolution certifying the Mariposa Industrial Park Environmental Impact Report (SCH #2020120283) ("EIR"), including a Statement of Overriding Considerations, and adoption of a Mitigation Monitoring and Reporting Program ("MMRP"); and (2) adoption of an Ordinance for the Pre-zoning of APNs 179-220-10; -11; -12; -13; -16; -17; -18; -19; and -24 (the "Property") to Industrial, Limited (IL); and (3) adoption an Ordinance for a Development Agreement; and (4) adoption of a Resolution authorizing the filing of an annexation application with the San Joaquin Local Agency Formation Commission (collectively the "Project Approvals"); and

WHEREAS, The Sierra Club and the California Attorney General submitted comments on the EIR requesting that additional air quality and other mitigation measures be included in the EIR and MMRP for the Project and that a fund to mitigate impacts on affected residents be created; and

WHEREAS, the Parties wish to resolve fully and finally all disputes which may exist between the Parties concerning the Project Approvals.

NOW, THEREFORE, based upon the foregoing recitals and the terms, conditions, covenants, and agreements contained above and incorporated in full below, the Parties agree as follows:

AGREEMENT

For good and valuable consideration, the receipt of which is acknowledged by each Party hereto, the Parties promise and agree as follows:

1. If the City approves the Project, and (i) the certified EIR and adopted MMRP include all of the Mitigation Measures in the attached Mariposa Industrial Project Enhanced Measures, and (ii) the authorized Development Agreement includes all of the revised terms in the attached Mariposa Industrial Project Enhanced Measures, then (iii) neither the Sierra Club nor any of its affiliates will file any complaints, claims, grievances, special proceedings or any other actions against the City or Developer with any state,
federal, or local agency or court challenging the Project Approvals or the proposed annexation of the Project site to the City of Stockton. If an affiliate of the Sierra Club is determined to have made a challenge to the Project Approvals or the proposed annexation of the Project site to the City of Stockton in violation of this Section 1, such violation shall constitute a breach of this Agreement by the Sierra Club.

2. The City will draft and consider a comprehensive Warehouse Sustainability Ordinance for future projects that establishes development standards for the construction of industrial warehousing and distribution facilities that exceed 100,000 square feet subject to periodic review for consistency with current regulatory agency recommendations before December 31, 2023. The City may incorporate the addition of warehouse sustainability requirements through its current Development Code revision/update process, provided that the ordinance is considered before December 31, 2023. City staff shall recommend adoption of the ordinance.

3. The City agrees that the Mitigation Measures in the attached Mariposa Industrial Project Enhanced Measures are designed to mitigate potentially significant environmental impacts of warehouse projects. If, prior to adopting the Warehouse Sustainability Ordinance, the City considers approving a project that proposes to develop industrial warehousing or distribution facilities that exceed 100,000 square feet, the City shall include all such applicable measures from the Mariposa Industrial Project Enhanced Measures in any Environmental Impact Report or Mitigated Negative Declaration for the project and consider requiring the project to comply with them.

4. Developer agrees to comply with the attached Mariposa Industrial Project Enhanced Measures and will comply with all applicable City building code requirements.

5. If the City approves the Project, the City will coordinate with the County of San Joaquin to develop and install signage prohibiting non-emergency vehicle access to the project site from Clark Drive or Marfargoa Road. Developer will be responsible for the costs of signage determined to be appropriate by the City and the County.

6. Developer shall pay Sierra Club $34,350 as reimbursement for Sierra Club’s attorney’s fees and costs incurred in the administrative phase of the Project Approvals. Payment shall be made to the Shute, Mihaly & Weinberger LLP trust account. Developer shall make this payment within ten (10) days of the expiration of the statute of limitations set forth in Section 21167 of the Public Resources Code on actions or proceedings to attack, review, set aside, void, or annul the City of Stockton’s determination of CEQA compliance for the Project Approvals, provided that no such action or proceeding has been initiated by the Sierra Club or its affiliates.

7. This Agreement shall be effective and binding upon the Parties only after the execution of both (1) this Agreement by all parties, and (2) the execution of a Memorandum of Understanding between the California Attorney General and the City relating to the City considering an ordinance to establish development standards for industrial warehouse land uses.
8. Miscellaneous.

a. Exclusive Remedies. The Parties’ sole and exclusive remedy for breach of this Agreement shall be an action for specific performance or injunction. In no event shall any Party be entitled to monetary damages for breach of this Agreement. In addition, no legal action for specific performance or injunction shall be brought or maintained until: (a) the non-breaching Party provides written notice to the breaching Party which explains with particularity the nature of the claimed breach, and (b) within thirty (30) days after receipt of said notice, the breaching Party fails to cure the claimed breach or, in the case of a claimed breach which cannot be reasonably remedied within a thirty (30) day period, the breaching Party fails to commence to cure the claimed breach within such thirty (30) day period, and thereafter diligently complete the activities reasonably necessary to remedy the claimed breach.

b. All notices and other communications required to be provided pursuant to this Agreement shall be by electronic mail and by first class mail to the following persons at the following addresses:

**SIERRA CLUB:**

Margo Praus  
Delta-Sierra Group  
P.O. Box 9258  
Stockton, CA 95208  
margopraus@msn.com

with copy to:

Sierra Club  
Aaron Isherwood, Coordinating Attorney  
2101 Webster St., Suite 1300  
Oakland, CA 94612  
aaron.isherwood@sierraclub.org

with copy to:

Shute, Mihaly & Weinberger LLP  
Heather Minner  
396 Hayes Street  
San Francisco, CA 94102  
minner@smwlaw.com
GREENLAW DEVELOPMENT, LLC:

Greenlaw Partners
18301 Von Karmen Avenue, Suite 250
Irvine, CA 92612
Attn: Rob Mitchell
Email: rob@greenlawpartners.com

with copy to:

Cochran Law Group
18301 Von Karman Avenue, Suite 270
Irvine, California 92612
Attn: Thia Cochran
Email: thia@cochranlawgroup.com

with copy to:

Law Office of Daniel P. Doporto
Daniel P. Doporto
3478 Buskirk Avenue, Suite 1000
Pleasant Hill, CA 94523
Email: ddoporto@doportolaw.com

CITY OF STOCKTON:

City Attorney’s Office
425 N. El Dorado Street
Stockton, CA 95202
City.attorney@stocktonca.gov

with copy to:

City Manager’s Office
425 N. El Dorado Street
Stockton, CA 95202
City.manager@stocktonca.gov

c. Binding on Successors. The terms, covenants, and conditions of this Agreement shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, successors and assignees of the respective Parties. Developer shall record a copy of this Agreement against the Property. Developer will provide a copy of the recorded Agreement to Sierra Club within fifteen (15) days of such recording. The Parties shall give notice to all other Parties of any successor or assignee to the Party.
d. Non-Admission of Liability. The Parties acknowledge and agree that this Agreement is a settlement of disputed claims. Neither the fact that the Parties have settled nor the terms of this Agreement shall be construed in any manner as an admission of any liability by any Party.

e. Assistance of Counsel. The Parties each specifically represent that they have consulted to their satisfaction with and received independent advice from their respective counsel prior to executing this Agreement concerning the terms and conditions of this Agreement.

f. Waiver. Failure to insist on compliance with any term, covenant or condition contained in this Agreement shall not be deemed a waiver of that term, covenant or condition, nor shall any waiver or relinquishment of any right or power contained in this Agreement at any one time or more times be deemed a waiver or relinquishment of any right or power at any other time or times.

g. Severability. Should any portion, word, clause, phrase, sentence or paragraph of this Agreement be declared void or unenforceable, such portion shall be considered independent and severable from the remainder, the validity of which shall remain unaffected.

h. Governing Law and Venue. This Agreement is made and entered into in the State of California, and shall in all respects be interpreted, enforced and governed under the laws of said State without giving effect to conflicts of laws principles. Any action to enforce, invalidate, or interpret any provision of this Agreement shall be brought in San Joaquin County Superior Court.

i. Entire Agreement. This Agreement constitutes the entire agreement between the Parties who have executed it and supersedes any and all other agreements, understandings, negotiations, or discussions, either oral or in writing, express or implied between the Parties to this Agreement. No representation, inducement, promise, agreement or warranty not contained in this Agreement, including, but not limited to, any purported supplements, modifications, waivers, or terminations of this Agreement shall be valid or binding, unless executed in writing by all of the Parties to this Agreement.

j. Each of the signatories hereto represents and warrants that he or she is competent and authorized to enter into this Agreement on behalf of the Party for whom he or she purports to sign.

k. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be considered an original but all of which shall constitute on agreement.

[SIGNATURES COMMENCE ON FOLLOWING PAGE]
IN WITNESS WHEREOF, the undersigned execute this Settlement Agreement and Release, and hereby agree to all terms and condition herein, on the dates set forth below.

SIERRA CLUB

By: [Signature]
Name: Marlo Praus
Its: Chair, Delta-Sierra Group
Date: 11-11-2022

GREENLAW DEVELOPMENT, LLC

By: [Signature]
Name: Rob Mitchell
Its: Partner
Date: 11/20/22

CITY OF STOCKTON

By: _______________________
Name: _______________________
Its: _______________________
Date: _______________________

APPROVED AS TO FORM

By: _______________________
Name: _______________________
City Attorney
Date: _______________________

Attachment (1): Mariposa Industrial Project Enhanced Measures 1380968.7
The Final EIR Mitigation Measures will be revised to include the following:

**AMM AIR-1:** Solar Power: Owners, operators or tenants shall include with the building permit application, sufficient solar panels to provide power for the operation’s base power use at the start of operations and as base power use demand increases. Project sponsor shall include analysis of (a) projected power requirements at the start of operations and as base power demand increases corresponding to the implementation of the “clean fleet” requirements, and (b) generating capacity of the solar installation.

AMM AIR -1 (continued): CDD shall verify the size and scope of the solar project based upon the analysis of the projected power requirements and generating capacity as well as the available solar panel installation space. The photovoltaic system shall include a battery storage system to serve the facility in the event of a power outage to the extent required by the 2022 or later California Building Standards Code.

AMM AIR -1 (continued): In the event sufficient space is not available on the subject lot to accommodate the needed number of solar panels to produce the operation’s base or anticipated power use, the applicant shall demonstrate how all available space has been maximized (e.g., roof, parking areas, etc.). Areas which provide truck movement may be excluded from these calculations unless otherwise deemed acceptable by the supplied reports.

AMM AIR -1 (continued): The developer or tenant, or qualified solar provider engaged by the developer or tenant shall timely order all equipment and shall install the system when the City has approved building permits and the necessary equipment has arrived. The developer or tenant shall commence operation of the system when it has received permission to operate from the utility. The photovoltaic system owner shall be responsible for maintaining the system(s) at not less than 80% of the rated power for 20 years. At the end of the 20-year period, the building owner shall install a new photovoltaic system meeting the capacity and operational requirements of this measure, or continue to maintain the existing system, for the life of the project.
EMM AIR-1: Prior to the issuance of the first building permit, the applicant/developer shall demonstrate compliance with the SJVAPCD Rule 9510 (Indirect Source Review) to reduce growth in both NOx and PM10 emissions, as required by SJVAPCD and City requirements.

AMM AIR-1: Architectural Coatings: Construction plans shall require that architectural and industrial maintenance coatings (e.g., paints) applied on the project site shall be consistent with a VOC content of <10 g/L. Developer or tenant is not expected to exercise control over materials painted offsite by a third party.

AMM AIR-3: Construction Worker Trip Reduction: Project construction plans and specifications will require contractor to provide transit and ridesharing information for construction workers.

AMM AIR-2: SJVAPCD Regulation VIII Compliance: Construction plans and specifications shall include a Dust Control Plan incorporating the applicable requirements of Regulation VIII, which shall be submitted to the SJVAPCD for review and approval prior to beginning construction in accordance with the requirements of Regulation VIII.

AMM AIR-2: Emission Standards for Heavy-Duty Trucks: The following mitigation measures shall be implemented during all on-going business operations and shall be included as part of contractual lease agreement language to ensure the tenants/lessees are informed of all on-going operational responsibilities.

The property owner/tenant/lessee shall ensure that all heavy-duty trucks (Class 7 and 8) domiciled on the project site are model year 2014 or later from start of operations and shall expedite a transition to zero-emission vehicles, with the fleet fully zero-emission by December 31, 2025 or when commercially available for the intended application, whichever date is later.

A zero-emission vehicle shall ordinarily be considered commercially available if the vehicle is capable of serving the intended purpose and is included in California’s Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project, https://californiahvip.org/ or listed as available in the US on the Global Commercial Vehicle Drive to Zero inventory,
https://globaldrivetozero.org/. The City shall be responsible for the final determination of commercial availability, based on all the facts and circumstances at the time the determination is made, and may (but is not required to) consult with the California Air Resources Board before making such final determination. In order for the City to make a determination that such vehicles are commercially unavailable, the operator must submit documentation from a minimum of three (3) EV dealers identified on the californiahvip.org website demonstrating the inability to obtain the required EVs or equipment needed within 6 months.

"Domiciled at the project site shall mean the vehicle is either (i) parked or kept overnight at the project site more than 70% of the calendar year or (ii) dedicated to the project site (defined as more than 70% of the truck routes (during the calendar year) that start at the project site even if parked or kept elsewhere).

Zero-emission heavy-duty trucks which require service can be temporarily replaced with model year 2014 or later trucks. Replacement trucks shall be used for only the minimum time required for servicing fleet trucks.

AMM AIR-3: Zero Emission Vehicles: The property owner/tenant/lessee shall utilize a "clean fleet" of vehicles/delivery vans/trucks (Class 2 through 6) as part of business operations as follows: For any vehicle (Class 2 through 6) domiciled at the project site, the following "clean fleet" requirements apply: (i) 33% of the fleet will be zero emission vehicles at start of operations, (ii) 65% of the fleet will be zero emission vehicles by December 31, 2023, (iii) 80% of the fleet will be zero emission vehicles by December 31, 2025, and (iv) 100% of the fleet will be zero emission vehicles by December 31, 2027.

"Domiciled at the project site" shall mean the vehicle is either (i) parked or kept overnight at the project site more than 70% of the calendar year or (ii) dedicated to the project site (defined as more than 70% of the truck routes (during the calendar year) that start at the project site even if parked or kept elsewhere).

Zero-emission vehicles which require service can be temporarily replaced with alternate vehicles. Replacement vehicles shall be used for only the minimum time required for servicing fleet vehicles.

The property owner/tenant/lessee shall not be responsible to meet "clean fleet" requirements for vehicles used by common carriers operating under their own authority that provide delivery services to or from the project site.
AMM AIR-4: Demonstrate Compliance with Clean Fleet Requirements: The applicant, property owner, tenant, lessee, or other party operating the facility (the "Operator") shall utilize the zero emission vehicles/trucks required to meet the "clean fleet" requirements in AMM AIR-2 (for Class 7 and 8 vehicles) and AMM AIR-3 (for Class 2 through 6 vehicles) above. Within 30-days of occupancy, the Operator shall demonstrate to the satisfaction of CDD staff, that the applicable clean fleet requirements are being met.

AMM AIR-4 (continued): In the event that vehicles/trucks are not commercially available for the intended application, the "clean fleet requirements" may be adjusted as minimally as possible by the CDD to accommodate the unavailability of commercially available vehicles/trucks.

AMM AIR 4 (continued) The City shall quantify the air pollution and GHG emissions resulting from any modification of this condition. Within 12 months of failing to meet a “clean fleet” requirement the property owner/tenant/lessee shall implement a Voluntary Emissions Reduction Agreement (VERA) providing pound for pound mitigation of the criteria pollutant, toxic air contaminants, and GHG emissions quantified by the City through a process that develops, funds, and implements emission reduction projects, with the Air District serving a role of administrator of the emission reduction projects and verifier of the successful mitigation effort. The VERA shall prioritize projects in the South Stockton and surrounding area. Property owner/tenant/lessee shall continue to fund the VERA each year in an amount necessary to achieve pound for pound mitigation of emissions resulting from not meeting the clean fleet requirements until the owner/tenant/lessee fully complies.

AMM AIR-4 (continued): The Operator shall implement the proposed measures after CDD review and approval. Any extension of time granted to implement this condition shall be limited to the shortest period of time necessary to allow for 100% electrification under the clean fleet requirements. The CDD staff may seek the recommendation of the California Air Resources Board in determining whether there has been a manufacturing disruption or insufficient vehicles/trucks commercially available for the intended application.

AMM AIR-4 (continued): Construction Meal Destinations: Project construction plans and specifications will require the contractor to establish one or more locations for food or catering truck service to construction workers and to cooperate with food service providers to provide consistent food service.
AMM AIR-5: Condition of Approved Compliance Report: The Operator shall submit a condition of approval compliance report within 30 days of, but not later than, the following dates: December 31, 2023, December 31, 2025, and December 31, 2027. The report shall outline clean fleet requirements applicable at each report interval and include documentation demonstrating compliance with each requirement. The City shall consider each report at a noticed public hearing and determine whether the Operator has complied with the applicable clean fleet requirements. If the Operator has not met each 100% clean fleet requirement by December 31, 2027, then the Operator shall submit subsequent reports every year until the 100% clean fleet requirement is implemented. The City shall consider each subsequent report at a noticed public hearing and determine whether the Operator has complied with the clean fleet requirements, including any minimal adjustments to the requirements by the CDD to accommodate the manufacturing disruption or unavailability of commercially available vehicles/trucks, as described in the previous paragraph. Notice of the above hearings shall be provided to all properties located within 1,000 feet of the project site and through the ASK Stockton list serve.

AMM AIR-5 (continued): After the 100% clean fleet requirement has been implemented and confirmed by the CDD, the Operator shall submit to the CDD an on-going compliance report every three years containing all necessary documentation to verify that the Operator is meeting the clean fleet requirements. At the time it confirms that the 100% clean fleet requirement has been implemented, the CDD will establish the due date for the first on-going compliance report. Each subsequent on-going compliance report shall be due within 30 days of, but not later than, the three-year anniversary of the preceding due date. The on-going compliance reports and accompanying documentation shall be made available to the public upon request.

AMM AIR-6: Zero Emission Forklifts, Yard trucks and Yard Equipment: Owners, operators or tenants shall require all forklifts, yard trucks, and other equipment used for on-site movement of trucks, trailers and warehoused goods, as well as landscaping maintenance equipment used on the site, to be electrically powered or zero-emission. The owner, operator or tenant shall provide on-site electrical charging facilities to adequately service electric vehicles and equipment.

AMM AIR-7: Truck Idling Restrictions: Owners, operators or tenants shall be required to make their best effort to restrict truck idling onsite to a maximum of three minutes, subject to exceptions defined by CARB in the document: commercial_vehicle_idling_requirements_July 2016. Idling restrictions shall be enforced by highly-visible posting at the
site entry, posting at other on-site locations frequented by truck drivers, conspicuous inclusion in employee training and guidance material and owner, operator or tenant direct action as required.

AMM AIR-8: Electric Truck Charging: At all times during project operation, owners, operators or tenants shall be required to provide electric charging facilities on the project site sufficient to charge all electric trucks domiciled on the site and such facilities shall be made available for all electric trucks that use the project site.

AMM AIR-9: Project Operations, Food Service: Owners, operators or tenants shall establish locations for food or catering truck service and cooperate with food service providers to provide consistent food service to operations employees.

AMM AIR-10: Project Operations, Employee Trip Reduction: Owners, operators or tenants shall provide employees transit route and schedule information on systems serving the project area and coordinate ridesharing amongst employees.

AMM AIR-11: Yard Sweeping: Owners, operators or tenants shall provide periodic yard and parking area sweeping to minimize dust generation

AMM AIR-12: Diesel Generators: Owners, operators or tenants shall prohibit the use of diesel generators, except in emergency situations, in which case such generators shall have Best Available Control Technology (BACT) that meets CARB’s Tier 4 emission standards.

AMM AIR-13: Truck Emission Control: Owners, operators or tenants shall ensure that trucks or truck fleets domiciled at the project site be model year 2014 or later, and maintained consistent with current CARB emission control regulations.

AMM AIR-14: All tenant lease agreements for the project site shall include a provision requiring the tenant/lessee to comply with all applicable requirements of the MMRP, a copy of which shall be attached to each tenant/lease agreement.

AMM AIR-14 (continued): SmartWay: Owners, operators or tenants shall enroll and participate the in SmartWay program for eligible businesses

AMM AIR-15: Designated Smoking Areas: Owners, operators or tenants shall ensure that any outdoor areas allowing smoking are at least 25 feet from the nearest property line.

AMM AIR 16: Project construction shall be subject to all adopted City building codes, including the adopted Green Building Standards Code, version July 2022 or later. Prior to the issuance of building permits, the applicant/developer
shall demonstrate (e.g., provide building plans) that the proposed buildings are designed and will be built to, at a minimum, meet the Nonresidential Voluntary Measures of the California Green Building Standards code, Divisions A5.1, 5.2 and 5.5, including but not limited to the Tier 2 standards in those Divisions, where applicable, such as the Tier 2 advanced energy efficiency requirements as outlined under Section A5.203.1.2.

EMM AG-1: The project shall participate in and comply with the City’s Agricultural Lands Mitigation Program, under which developers of the property shall contribute agricultural mitigation land or shall pay the Agricultural Land Mitigation Fee to the City.

The City and Applicant will revise the proposed Development Agreement to provide the following:

In the DA text and in Exhibit B, to clarify that cold storage facilities are prohibited on the site and transport refrigeration units (TRUs) may not enter the site. In the DA text provide that any future proposal to construct cold storage facilities on the site or to allow TRUs to enter the site would require an amendment to the Development Agreement that shall be deemed and processed as a Major Modification to the Development Agreement, an application to the City for a conditional use permit, and be subject to review under the California Environmental Quality Act and Stockton Municipal Code Chapter 16.168.

Section 8.3 of the DA will be revised as follows:

8.3 Mitigation Measures. Developer agrees to and shall comply with all applicable mitigation measures attached hereto as Exhibit C and with all applicable mitigation measures in the MIP EIR, as described in the Mitigation Monitoring/Reporting Program approved by the City on ____________, 2023. Developer shall include in all tenant lease agreements for the project site a provision requiring the tenant/lessee to comply with all applicable requirements of the measures in this Section 8.3, a copy of which shall be attached to each to each tenant/lease agreement.

Section 10.1 of the DA will be revised as follows:

10.1 Annual Review. As required by California Government Code Section 65865.1 and pursuant to Section 16.128.110 of the Development Agreement Ordinance, the City of Stockton Planning Commission shall review
this Agreement and all actions taken pursuant to the terms of this Agreement with respect to the development of the Project every twelve (12) months at a duly-noticed public hearing to determine good faith compliance with this Agreement ("Annual Review"). Specifically, the Annual Review shall be conducted for the purposes of determining good faith compliance with the terms and/or conditions of this Agreement, including compliance with the mitigation measures in Section 8.3 of this Agreement. Each Annual Review shall also document the status of Project development. In the event the Planning Commission recommends modification or termination of this Agreement in connection with such Annual Review, the action to effectuate such modification or termination must be taken by City Council.

In the DA text, to require the City to coordinate with the County to develop and install signage prohibiting non-emergency vehicle access to the project site from Clark Drive or Marfargoa Road. The Applicant will be responsible for the costs of the signage determined to be appropriate by the City and the County.

In the text, to require the following:

Construction plans shall include a 10-foot by 65-foot landscaped berm along the 623-lineal foot and 493-lineal foot portions of the west line of the site, located north and south of Marfargoa Road, which will be required by and shown on Exhibit B to the Development Agreement. Landscaping of the berm shall include fast-growing evergreen trees to provide maximum visual screening, as determined by a qualified landscape architect. Construction plans shall also include a 10-foot wall along the 881-lineal foot and 1,316-lineal foot portions of the west line of the site, located north and south of Clark Drive, which will be required by and shown on Exhibit B to the Development Agreement. Construction plans shall also identify a 60-foot “no truck” zone along the entire length of the west line of the site, which will be required by and shown on Exhibit B to the Development Agreement. Construction plans shall also identify and prohibit building construction within a setback area located a minimum of 300 feet from the property line of residential properties along Marfargoa Road and Clark Drive. Notwithstanding the foregoing, the stairwells of ancillary/accessory buildings may encroach into the 300-foot setback area.

In the text, to provide that, prior to the issuance of a grading permit, the Applicant will provide $200,000 to a non-profit organization serving disadvantaged residents of San Joaquin County approved by the City’s Community Development Director, to fund a program to reduce exposure to emissions and noise from vehicle and truck traffic and industrial operations, for residents located within the geographic area bounded by Munford Avenue, Mariposa Road, Little John’s Creek and the SR99 Frontage Road. The program may fund or reimburse home air filtration systems, HVAC.
modifications, window replacements, weather stripping, or similar improvements; publicly available electric vehicle charging station(s); and/or air quality monitoring censors with publicly available real time data (such as PurpleAir censors).
MEMORANDUM OF AGREEMENT

This Memorandum of Agreement (“Agreement”) is entered into by and between the City of Stockton (“City”), and Rob Bonta, Attorney General of California, on behalf of the People of the State of California (“Attorney General”), and it is dated and effective as of the date that the last Party signs (“Effective Date”). The City, and the Attorney General are referred to as the “Parties.”

RECITALS

WHEREAS areas of the City, including south Stockton, have disproportionately suffered from the environmental impacts of industrial land uses located nearby residences and other sensitive receptors such as schools, parks, and hospitals. According to CalEnviroScreen, a tool used to identify communities exposed to high levels of pollution, south Stockton’s neighborhoods are exposed to pollution burdens in the top 10% of all communities in California, with some communities registering in the top 1%.

WHEREAS because of the extremely high levels of air pollution to which this environmental justice community is disproportionately exposed, the California Air Resources Board (CARB) has designated the area of south Stockton to the northwest of the Project as a top priority for reductions in emissions and improvements in air quality under AB 617. In 2021, CARB approved Stockton’s Community Emissions Reduction Program (CERP) after an extensive public process. The CERP includes projected investments of over $32 million in emission reduction incentives and a variety of other clean air projects in the south Stockton AB 617 community area and additional measures to reduce exposure to air pollution for sensitive receptors.

WHEREAS in recent years, the proliferation of e-commerce and rising consumer expectations of rapid shipping have contributed to a boom in warehouse development. California, with its ports, population centers, and transportation network, has found itself at the center of this trend.

WHEREAS in response to project applications consistent with this demand, the City has approved millions of square feet of warehouse and logistics space, substantial amounts of which have been or will be constructed in the south Stockton community.

WHEREAS the Attorney General has previously submitted letters to the City regarding concerns with significant environmental impacts being created by such warehouse and distribution facility projects, including the Sanchez Hoggan Annexation Project and the South Stockton Commerce Center Project.

WHEREAS the City seeks to minimize additional environmental impacts from new warehouse and distribution facility development sited in south Stockton and throughout the City.

WHEREAS the California Environmental Quality Act (CEQA), Public Resources Code section 21000 et seq. and California Code of Regulations, Title 14, Division 6, Chapter 3, Sections 15000-15387, requires, amongst other things, that the City impose feasible mitigation measures on applicable projects to minimize any significant environmental impacts. The California Supreme Court has determined that CEQA requires a lead agency “to implement all mitigation measures unless those measures are truly infeasible.” Sierra Club v. Cty. of Fresno (2018) 6 Cal.5th 502, 524–25 (citing City of San Diego v. Board of Trustees of California State University (2015) 61 Cal.4th 945, 967).

WHEREAS on August 24, 2021, the City released the Draft Environmental Impact Report (EIR) for the Mariposa Industrial Park Project. Public comments submitted on the Draft EIR, including comments from the Attorney General’s Office and the Sierra Club, raised concerns that the project’s
significant environmental impacts were not sufficiently disclosed, analyzed, and mitigated as required by CEQA.

WHEREAS on February 28, 2022, the City released the Final EIR for the Mariposa Industrial Park Project. In response, once again stakeholders, including the Attorney General’s Office and the Sierra Club, raised concerns regarding the project, including the lack of feasible mitigation as required under CEQA.

WHEREAS the City, the Attorney General’s Office, and the Sierra Club have been engaged in good-faith negotiations regarding additional feasible mitigation measures to reduce the potentially significant environmental impacts that the Mariposa Industrial Park Project may create.

WHEREAS as a result of those good-faith negotiations the City has proposed to require additional feasible mitigation measures on the Mariposa Industrial Park Project to further reduce the project’s significant environmental impacts, as identified in the amended Mariposa Industrial Park Final Environmental Impact Report (“Revised Final EIR” State Clearinghouse No. 2020120283). The City Council intends to soon consider adopting: (1) a Resolution certifying that Revised Final EIR together with the adoption of CEQA Findings including a Statement of Overriding Considerations and adoption of a Mitigation Monitoring and Reporting Program (“MMRP”); (2) an Ordinance for the Pre-Zoning of APNs 179-220-10, -12, -13, -16, -17, -18, -19, and -24 (the “Property”) to Industrial, Limited; (3) an Ordinance for a Development Agreement; and (4) a Resolution authorizing the filing of an annexation application with the San Joaquin Local Agency Formation Commission (collectively the “Project Approvals”).

WHEREAS the City has embarked on a comprehensive update to Title 16 of the City’s Municipal Code, known as the Development Code, that is intended to produce a user-friendly Development Code, serving as an effective tool to implement the General Plan, shape future growth, and help realize the community’s vision of promoting investment in downtown Stockton and historically underserved areas, preserving and enhancing neighborhood character, and improving community health and safety. The City anticipates adopting and publishing a new updated Development Code in 2023.

WHEREAS the City seeks to establish an ordinance applicable to future warehouse and distribution facility development projects (“warehouse ordinance”) in order to set minimum development standards to mitigate environmental impacts from those projects. Such a warehouse ordinance will also provide clarity to stakeholders, including developers and the general public, regarding the requirements needed to construct warehouse and distribution facilities in the City.

AGREEMENT

Either as part of the aforementioned ongoing Development Code amendment process or as a separate, stand-alone process, City staff shall propose a warehouse ordinance to identify and apply all feasible mitigation measures to qualifying warehouse and distribution facility projects to minimize their potentially significant environmental impacts. The proposed warehouse ordinance shall be scheduled for consideration by the City Council before December 31, 2023.

The warehouse ordinance proposed to the City Council shall apply to qualifying facilities engaged in logistics use, which is defined as any warehouse or wholesaling and distribution land use which entails facilities to be used for the storage of farm products, furniture, household goods, or other commercial goods of any nature for distribution to wholesalers and/or retailers, including cold storage. Qualifying facilities do not include self-storage or mini-storage facilities offered for rent or lease to the...
general public. Qualifying facilities shall include, at minimum, projects with a building or buildings totaling 100,000 square feet or larger.

In preparing and proposing the warehouse ordinance, City staff shall consider including at minimum the conditions included in Exhibit A. To the extent that the conditions included in Exhibit A are not included in the warehouse ordinance proposed for approval by City Council, City staff shall explain: (1) why such conditions are infeasible as defined under CEQA; (2) what alternative conditions are being proposed for inclusion in-lieu of any such omitted conditions; and (3) how such alternative conditions reduce potentially significant environmental impacts.

If the City enters into this Agreement and adopts the Project Approvals, including all of the Mariposa Industrial Project Enhanced Measures attached to the City’s and Developer’s separate settlement agreement with the Sierra Club, then the Attorney General shall not file any complaints, claims, grievances, special proceedings, legal challenges, or take any other actions against the City with any state, federal, or local agency or court challenging the City Council’s adoption of the Project Approvals or the proposed annexation of the Property to the City of Stockton (the “AG Obligation”).

GENERAL TERMS AND CONDITIONS

1. Agreement Term. This Agreement shall remain in effect until the City implements and complies with the commitment pursuant to the agreed-on deadline set forth herein.

2. Default. The Parties agree and acknowledge that time is of the essence for City staff to propose and for the City Council to consider adopting a warehouse ordinance before the December 31, 2023, deadline set forth in this Agreement. The Parties stipulate that the Superior Court in and for San Joaquin County shall have jurisdiction over the Parties and this Agreement to enforce the provisions of the Agreement until performance in full of all terms of the Agreement. The Court shall have full authority to enforce the Agreement as if the Parties had entered the Agreement as a stipulated judgment pursuant to Code of Civil Procedure, section 664.6. Nothing in this Agreement prevents the Attorney General from seeking any and all remedies for non-compliance with the Agreement.

3. No Waiver. This Agreement does not in any way limit or waive the Attorney General’s jurisdiction, capacity, authorization, obligation, right, or discretion to determine whether any City action or failure to act complies with CEQA or any other law except as expressly provided in the AG Obligation above.

4. Amendment. No addition to or modification of any term or provision of this Agreement will be effective unless set forth in writing and signed by an authorized representative of each of the Parties.

5. Signing Authority. By signing this Agreement, the persons executing the Agreement represent that they have the capacity and authority to execute the Agreement as the representative of their respective agency and to bind their respective agency to the terms of this Agreement.

6. Entire Agreement. This Agreement contains the entire agreement of the Parties with respect to the subject matter of this Agreement, and supersedes all prior negotiations, discussions, agreements, commitments, and understandings with respect thereto.

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

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

9. Severability. If a court should find any term, covenant, or condition of this Agreement to be invalid or unenforceable, the remainder of the Agreement shall remain in full force and effect.
10. Representation by Counsel. Each of the Parties affirmatively represents that it has been represented throughout this matter by attorneys of its own choosing. Each Party has read this Agreement and has had the terms used herein and the consequences thereof explained by its attorneys of choice. This Agreement is freely and voluntarily executed and agreed to by each Party after having been apprised of all relevant information and data furnished by its attorneys of choice. Each Party in executing this Agreement does not rely upon any inducements, promises, or representations made by any other Party except as set forth herein.

11. Counterparts and Electronic Signatures. This Agreement may be executed with counterpart signatures, each of which shall be deemed an original. The Agreement will be binding upon the receipt of original, facsimile, or electronically communicated signatures.

DATED: December ___, 2022

ROB BONTA
Attorney General of California
CHRISTIE VOSBURG
Supervising Deputy Attorney General

SCOTT LICHTIG
Deputy Attorney General
Attorneys for the People of the State of California

DATED: December ___, 2022

CITY OF STOCKTON

HARRY BLACK
City Manager
EXHIBIT A

In preparing and proposing the warehouse ordinance, City staff shall consider including at minimum the following conditions on qualifying facilities. To the extent that the following conditions are not included in the warehouse ordinance proposed for approval by City Council, City staff shall explain: (1) why such conditions are infeasible as defined under CEQA; (2) what alternative conditions are being proposed for inclusion in-lieu of any such omitted conditions; and (3) how such alternative conditions reduce potentially significant environmental impacts:

Construction Mitigation:

- San Joaquin Valley Air Pollution Control District (SJVAPCD) Regulation VIII Compliance: Construction plans and specifications shall include a Dust Control Plan incorporating the applicable requirements of Regulation VIII, which shall be submitted to the SJVAPCD for review and approval prior to beginning construction in accordance with the requirements of Regulation VIII.

- Construction Vehicles & Equipment:
  - The use of electric-powered, battery-powered, natural gas, or hybrid construction equipment and vehicles are required during construction if commercially available. If substantial evidence is provided by the permittee or its contractor that such equipment is not commercially available, including a description of commercially reasonable efforts to secure such equipment, diesel-powered construction equipment greater than 50 horsepower meeting the highest rated California Air Resources Board (CARB) Tier technology available at the time of construction may be used. Prior to permit issuance, the construction contractor shall submit an equipment list confirming equipment used is compliant with the highest CARB Tier at the time of construction. Equipment proposed for use that does not meet the highest CARB Tier in effect at the time of construction, shall only be approved for use at the discretion of Stockton’s Community Development Department (CDD) and shall require proof from the construction contractor that, despite reasonable best efforts to obtain the highest CARB Tier equipment, such equipment was unavailable.
  - All off-road equipment with a power rating below 19 kilowatts (e.g., plate compactors, pressure washers) used during construction of the qualifying facility(ies) shall be electric powered.
  - Subject to all other idling restrictions, off-road diesel-powered equipment shall not be left in the “on position” for more than 10 hours per day.

- Owners, operators or tenants of qualifying facilities shall provide “cool roof” specifications in construction plans verifying that the proposed roof will utilize cool roofing materials with an aged reflectance and thermal emittance values that are equal to or greater than those specified in the current edition of the CALGreen Building Standards Code, Table A5.106.11.2.3 for Tier 1 and the City’s Green Building Standards within Chapter 15.72 of the Stockton Municipal Code.

- Temporary electrical hookup to the construction yard and associated work areas shall be required.

- The idling of heavy construction equipment for more than 5 minutes shall be prohibited. The owners, operators or tenants shall provide verification that construction specifications establish a
five-minute idling limit for all heavy-duty construction equipment utilized during construction of
the proposed qualifying facility(ies). Signage shall be posted throughout the construction site
regarding the idling time limit, and the construction contractor shall maintain a log for review.
The log shall verify that construction equipment operators are advised of the idling time limit at
the start of each construction day. Idling limits shall be noted in the construction specifications.
The maintenance of logs documenting compliance shall be required.

- The construction contractors shall maintain on the construction site an inventory of construction
equipment, maintenance records, and datasheets, including design specifications and emission
control tier classifications.

- Architectural and industrial maintenance coatings (e.g., paints) applied on the qualifying
facility(ies) shall be consistent with a VOC content of <10 g/L. Developer or tenant is not
expected to exercise control over materials painted offsite by a third party.

- Qualifying facilities shall require the construction contractor to establish one or more locations
for food or catering truck service to construction workers and to cooperate with food service
providers to provide consistent food service.

- Qualifying facilities shall require the construction contractor to provide transit and ridesharing
information for construction workers.

Site Design:

- Qualifying facilities shall be constructed in compliance with the most current edition of all
adopted City building codes, including the adopted Green Building Standards Code. Prior to the
issuance of building permits, the applicant/developer of the qualifying facility(ies) shall
demonstrate (e.g., provide building plans) that the proposed buildings are designed and will be
built to, at a minimum, meet the Tier 2 advanced energy efficiency requirements of the
Nonresidential Voluntary Measures of the California Green Building Standards code, Divisions
A5.1, A5.2 and A5.5, Energy Efficiency as outlined under Section A5.203.1.2.

- Qualifying facilities and their associated loading docks must be located no closer than 300 feet
from sensitive receptors, and the City staff should consider the public health and safety benefits
of requiring a larger buffer, up to 1,000 ft. All such setbacks will be measured from the loading
dock or any building edge, whichever is closer, to the property line of any nearby sensitive
receptors using the straight-line method. The setbacks and buffers required in this ordinance shall
prevail over any less-stringent standards in the City’s Development Code. Sensitive receptor shall
be defined as any residence including private homes, condominiums, apartments, and living
quarters, schools, preschools, daycare centers, correctional facilities, parks/recreation facilities,
in-home daycares, and health facilities such as hospitals, long term care facilities, retirement and
nursing homes.

- Qualifying facilities must include an onsite landscaped buffer, measured from the property line of
all adjacent sensitive receptors. The width of the buffer shall be proportionate to the height of the
warehouse building with specified minimums as set forth below unless infeasible. Landscaping
shall be installed at the periphery of the qualifying facility(ies) site along adjacent rights of way
and the landscaping buffer area shall not include the right of way itself. Landscape buffers shall
not be required on interior boundaries of the qualifying facility(ies).
The width of the buffer shall be set at a 2:1 ratio for all warehouses—for every 1 foot of building height, the buffer shall be 2 feet. The landscaping portion of this buffer shall not be less than 50% of this buffer, but may include areas to be used for bioswales, retention/detention areas and/or other stormwater and water quality management areas.

The buffer area(s) shall include, at a minimum, a solid decorative wall(s) adjacent to sensitive receptors, natural ground landscaping, and solid screen buffering trees, as described below, unless there is an existing solid block wall. Onsite buffer areas shall not include deceleration lanes or right-turn lanes. To the extent allowed by other applicable City codes, policies and regulations the height of the decorative wall shall be at least 14 feet, except in buffer areas adjacent to sensitive receptors. For areas adjacent to sensitive receptors, the decorative wall shall be a minimum of 14 to 18 feet to the extent otherwise permitted by city codes, policies and regulations.

Trees shall be used as part of the solid screen buffering treatment. Trees used for this purpose shall be evergreen, drought tolerant, and shall be spaced in two rows along the length of the buffer, with trees in each row offset, and each tree no greater than 15 feet on center. Spacing up to 20 feet may be allowed if wide canopy trees are used sufficient to create wall of vegetation that filters warehouse pollution. The property owner, tenant, operator, and any successors in interest shall maintain these trees for the duration of ownership, ensuring any unhealthy or dead trees are replaced with a similar tree as soon as possible.

All landscaping shall be drought tolerant, and to the extent feasible, species with low biogenic emissions. Palm trees shall not be utilized.

All landscaping areas shall be properly irrigated for the life of the qualifying facility(ies) to allow for plants and trees to maintain growth with no undue pruning.

Operational Mitigation

- Solar Power/Battery Energy Storage Systems:
  - The building permit application for qualifying facilities must demonstrate sufficient solar panels to provide power for the operation’s base power use at the start of operations and as base power use demand increases. The application shall include analysis of plans to meet (a) projected power requirements at the start of operations and as base power demand increases corresponding to the implementation of the “clean fleet” requirements, and (b) generating capacity of the solar installation.
  - The photovoltaic system(s) shall include a battery energy storage system to serve the qualifying facility(ies) in the event of a power outage to the extent required by the most current edition of the California Building Standards Code.
  - Stockton’s Community Development Department (CDD) shall verify the size and scope of the solar project based upon the analysis of the projected power requirements and generating capacity as well as the available solar panel installation space.
  - In the event sufficient space is not available on the subject lot to accommodate the needed number of solar panels to produce the operation’s base or anticipated power use, the applicant of the qualifying facility(ies) shall demonstrate how all available space has
been maximized (e.g., roof, parking areas, etc.) for photovoltaic and battery energy storage system use. Areas which provide truck movement may be excluded from these calculations unless otherwise deemed acceptable by the supplied reports and applicable building standards.

- The owners, operators or tenants, or qualified solar system contractor engaged by the developer or tenant, shall install the system when the City has approved building permits and the necessary equipment has arrived. The tenant/operator of the qualifying facility(ies) shall commence operation of the system only when it has received permission to operate from the utility. The photovoltaic system owner shall be responsible for maintaining the system(s) at not less than 80% of the rated power for 20 years. At the end of the 20-year period, the owners, operators or tenants shall install a new photovoltaic system meeting the capacity and operational requirements of this measure, or continue to maintain the existing system, for the life of the qualifying facility(ies).

- Electric Vehicles (EV): The following mitigation measures shall be implemented during all on-going business operations and shall be included as part of contractual lease agreement language to ensure the tenants/operators of the qualifying facility(ies) are informed of all on-going operational responsibilities.

  - Heavy-Duty EV Trucks: The property owners, operators or tenants of the qualifying facility(ies) shall ensure that all heavy-duty trucks (Class 7 and 8) domiciled on site are model year 2014 or later from start of operations and shall expedite a transition to zero-emission vehicles, with the fleet fully zero-emission by December 31, 2025, or when commercially available for the intended application, whichever date is later.

  - Medium-Duty EV Vehicles: The property owners, operators or tenants of the qualifying facility(ies) shall utilize a "clean fleet" of vehicles/delivery vans/trucks (Class 2 through 6) as part of business operations as follows: For any vehicle (Class 2 through 6) domiciled on site, the following "clean fleet" requirements apply: (i) 33% of the fleet will be zero emission vehicles at start of operations, (ii) 65% of the fleet will be zero emission vehicles by December 31, 2023, (iii) 80% of the fleet will be zero emission vehicles by December 31, 2025, and (iv) 100% of the fleet will be zero emission vehicles by December 31, 2027.

    - "Domiciled on site" shall mean the vehicle is either (i) parked or kept overnight at the qualifying facility(ies) more than 70% of the calendar year or (ii) dedicated to the qualifying facility(ies) site (defined as more than 70% of the truck routes during the calendar year that start at the qualifying facility(ies) site even if parked or kept elsewhere). The tenant/operator of the qualifying facility(ies) shall not be responsible to meet "clean fleet" requirements for vehicles used by common carriers operating under their own authority that provide delivery services to or from the qualifying facility(ies) site.

    - Zero-emission vehicles which require service can be temporarily replaced with alternate vehicles. Replacement vehicles shall be used for only the minimum time required for servicing fleet vehicles.
A zero-emission vehicle shall ordinarily be considered commercially available if the vehicle is capable of serving the intended purpose and is included in California’s Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project, https://californiahvip.org/ or listed as available in the US on the Global Commercial Vehicle Drive to Zero inventory, https://globaldrivetozero.org/. The City shall be responsible for the final determination of commercial availability, based on all the facts and circumstances at the time the determination is made. In order for the City to make a determination that such vehicles are commercially unavailable, the operator must submit documentation from a minimum of three (3) EV dealers identified on the californiahvip.org website demonstrating the inability to obtain the required EVs or equipment needed within 6 months.

The tenant/operator of the qualifying facility(ies) shall utilize the zero emission vehicles/trucks required to meet the "clean fleet" requirements. Within 30 days of issuance of the final certificate of occupancy, the tenant/operator shall demonstrate to the satisfaction of CDD staff, that the applicable clean fleet requirements are being met. In the event that there is a disruption in the manufacturing of zero emission vehicles/trucks or that sufficient vehicles/trucks are not commercially available for the intended application, the "clean fleet requirements" may be adjusted as minimally as possible by the CDD to accommodate the manufacturing disruption or unavailability of commercially available vehicles/trucks.

The tenant/operator of the qualifying facility(ies) shall implement the proposed measures after CDD review and approval. Any extension of time granted to implement this condition shall be limited to the shortest period of time necessary to allow for 100% electrification under the clean fleet requirements. The CDD staff may seek the recommendation of the California Air Resources Board in determining whether there has been a manufacturing disruption or insufficient vehicles/trucks commercially available for the intended application.

Within 12 months of failing to meet a “clean fleet” requirement, the tenant/operator of the qualifying facility(ies) shall implement a Voluntary Emissions Reduction Agreement (VERA) providing pound for pound mitigation of the criteria pollutant, toxic air contaminants, and GHG emissions quantified by the City through a process that develops, funds, and implements emission reduction projects, with the Air District serving a role of administrator of the emission reduction projects and verifier of the successful mitigation effort. The VERA shall prioritize projects in the area surrounding the new qualifying facility(ies). The tenant/operator shall continue to fund the VERA each year in an amount necessary to achieve pound for pound mitigation of emissions resulting from not meeting the clean fleet requirements until the owner/tenant/lessee fully complies.

- At all times during operation, and to the extent the applicable utility authorizes and has capacity to support, the tenant/operator of the qualifying facility(ies) shall be required to provide electric charging facilities on site sufficient to charge all electric trucks domiciled on the site, and such facilities shall be made available for all electric trucks that use the qualifying facility(ies).

- The tenant/operator of the qualifying facility(ies) shall require all forklifts, yard trucks, and other equipment used for on-site movement of trucks, trailers and warehoused goods, as well as landscaping maintenance equipment used on the site, to be electrically powered or zero-emission.
The tenant/operator shall provide on-site electrical charging facilities to adequately service such electric vehicles and equipment.

- **EV Compliance Reporting:**
  - The tenant/operator of the qualifying facility(ies) shall procure the zero emission vehicles/trucks required to meet the "clean fleet" requirements above. Within 30 days of issuance of the final certificate of occupancy, the tenant/operator shall submit a condition of approval compliance report outlining compliance with each clean fleet requirement applicable and including documentation demonstrating compliance with each requirement. The tenant/operator shall submit similar reports every two years thereafter until full compliance with the applicable clean fleet requirements is achieved. The City shall consider each report at a noticed public hearing and determine whether the tenant/operator has complied with the applicable clean fleet requirements. If the tenant/operator has not met each 100% clean fleet requirement by December 31, 2027, then the tenant/operator shall submit reports annually until the 100% clean fleet requirement is implemented. The City shall consider each subsequent report at a noticed public hearing and determine whether the Operator has complied with the clean fleet requirements, including any minimal adjustments to the requirements by the CDD to accommodate the manufacturing disruption or unavailability of commercially available vehicles/trucks, as described above. Notice of the above hearings shall be provided to all properties located within 1,000 feet of the qualifying facility(ies) site and through the ASK Stockton list serve.
  - After the 100% clean fleet requirement has been implemented and confirmed by the CDD, the tenant/operator shall submit to the CDD an on-going compliance report every three years containing all necessary documentation to verify that the clean fleet requirements are being met. At the time it confirms that the 100% clean fleet requirement has been implemented, the CDD will establish the due date for the first on-going compliance report. Each subsequent on-going compliance report shall be due within 30 days of, but not later than, the three-year anniversary of the preceding due date. The on-going compliance reports and accompanying documentation shall be made available to the public upon request.

- For qualifying facilities at which cold storage and associated transport refrigeration units (TRUs) are proposed or may be a future use, unless the owner of the facility records a covenant on the title of the underlying property ensuring that the property cannot be used to provide cold storage, a conduit shall be installed during construction of the building shell from the electrical room to 100% of the loading dock doors that have potential to serve the refrigerated space. If tenant improvement building permits are issued for any such cold storage space, electric plug-in units shall be installed at every dock door servicing the cold storage space to allow TRUs to plug in and truck operators with TRUs shall be required to utilize the electric plug-in units when at loading docks serving such refrigerated space.

- Prior to the issuance of the first building permit, the applicant/developer shall demonstrate compliance with the SJVAPCD Rule 9510 (Indirect Source Review) to reduce growth in both NOx and PM10 emissions, as required by SJVAPCD and City requirements.
• The tenant/operator of the qualifying facility(ies) shall enroll and participate in the SmartWay program for eligible businesses.

• Truck Routes and Ingress/Egress:
  o Entry gates into the loading dock/truck court area of the qualifying facility(ies) shall be sufficiently positioned to ensure all trucks and other vehicles are contained onsite and inside the property line. Queuing, or circling of vehicles, on public streets immediately pre- or post-entry to an industrial commerce facility is strictly prohibited unless queuing occurs in a deceleration lane or right turn lane exclusively serving the qualified facility(ies).
  
  o Applicants shall submit to the CDD, and obtain approval of, all turning templates to verify truck turning movements at entrance and exit driveways and street intersection adjacent to industrial buildings prior to entitlement approval. Unless not physically possible, truck entries shall be located on collector streets (or streets of a higher commercial classification), and vehicle entries shall be designed to prevent truck access on streets that are not collector streets (or streets of a higher commercial classification), including, but not limited to, by limiting the width of vehicle entries.
  
  o Prior to issuance of certificate of occupancy, the tenant/operator of the qualifying facility(ies) shall establish and submit for approval to the CDD a truck routing plan to and from the State Highway System based on the City’s latest Truck Route Map. The plan shall describe the operational characteristics of the use of the tenant/operator, including, but not limited to, hours of operations, types of items to be stored within the building, and proposed truck routing to and from the proposed facility(ies) to designated truck routes that avoids passing sensitive receptors, to the greatest extent possible. The plan shall include measures, such as signage and pavement markings, queuing analysis and enforcement, for preventing truck queuing, circling, stopping, and parking on public streets. The tenant/operator shall be responsible for enforcement of the plan. A revised plan shall be submitted to the CDD prior to a business license being issued by the City for any new tenant/operator of the property. The CDD shall have discretion to determine if changes to the plan are necessary including any additional measures to alleviate truck routing and parking issues that may arise during the life of the facility(ies). Signs and drive aisle pavement markings shall clearly identify the onsite circulation pattern to minimize unnecessary on-site vehicular travel.
  
  o The tenant/operator of the qualifying facility(ies) shall post signs, that may be required by the City, in prominent locations inside and outside of the building indicating that off-site parking for any employee, truck, or other operation related vehicle is strictly prohibited. City may require facility operator to post signs on surface or residential streets indicating that off-site truck parking is prohibited by City ordinance and/or the Truck Routing Plan.
  
  o Signs shall be installed, as required by the City, at all qualifying facility(ies) truck exit driveways directing truck drivers to the truck route as indicated in the Truck Routing Plan and State Highway System.
  
  o Upon commencement of operations, the tenant/operator of the qualifying facility(ies) shall be required to restrict truck idling onsite to a maximum of three minutes, subject to exceptions defined by CARB’s commercial vehicle idling requirements. The facility must
post highly-visible signs identifying these idling restrictions at the site entry and at other on-site locations frequented by truck drivers and include these restrictions in employee training and guidance material.

- Signs at the qualifying facility(ies) shall be installed, as required by the City, in public view with contact information for a local designated representative who works for the facility(ies) operator and who is designated to receive complaints about excessive dust, fumes, or odors, and truck and parking complaints for the site, as well as contact information for the San Joaquin Valley Air Pollution Control District’s on-line complaint system and its complaint call-line: 1-800-281-7003. Any complaints made to the facility(ies) operator’s designee shall be answered within 72 hours of receipt.

• Workforce-Related Mitigation:

  - Prior to issuance of occupancy permits, the applicant/developer shall demonstrate to the satisfaction of the City, that the proposed parking areas for employee passenger automobiles are designed and will be built to accommodate EV charging stations, at no cost to employees. At minimum, the parking areas and the number of EV charging stations for employee passenger automobiles shall equal the Tier 1 Nonresidential Voluntary Measures of the California Green Building Standards Code, Section A5.106.5.3.1.

  - Prior to issuance of occupancy permits, the applicant/developer shall demonstrate to the satisfaction of the City, that the proposed parking areas for passenger automobiles are designed and will be built to provide parking for low-emitting, fuel-efficient, and carpool/van vehicles. At minimum, the number of preferential parking spaces for passenger automobiles shall equal the Tier 1 Nonresidential Voluntary Measures of the California Green Building Standards Code, Section A5.106.5.1.1.

  - The tenant/operator of the qualifying facility(ies) shall establish locations for food or catering truck service and cooperate with food service providers to provide consistent food service to operations employees.

  - The tenant/operator of the qualifying facility(ies) shall provide employees transit route and schedule information on systems serving the qualifying facility(ies) area and coordinate ridesharing amongst employees.

  - Designated Smoking Areas: The tenant/operator of the qualifying facility(ies) shall ensure that any outdoor areas allowing smoking are at least 25 feet from the nearest property line.

• Yard Sweeping: Owners, operators or tenants of the qualifying facility(ies) shall provide periodic yard and parking area sweeping to minimize dust generation

• Diesel Generators: Owners, operators or tenants of the qualifying facility(ies) shall prohibit the use of diesel generators, except in emergency situations (including when the utility delays a facility’s new electrical service connection), in which case such generators shall have Best Available Control Technology (BACT) that meets CARB’s Tier 4 emission standards.
Additional Mitigation

- To the extent a qualifying facility seeks and secures a Development Agreement with/from the City, the applicant, or its successor in interest, and the City shall comply with Government Code section 65865.1 and Stockton Development Code section 16.128.110. The City shall schedule a public hearing at the Planning Commission, with notice to all affected parties, at least every 12 months after approval of the Development Agreement, to receive and discuss the annual report on the status of the qualifying facility(ies)’s compliance with the Development Agreement. At those same hearings, the City shall review all the qualifying facility(ies)’s mitigation measures and conditions of approval for compliance.

- Applicants seeking one or more discretionary permits for proposed qualifying facility(ies) shall engage in a community outreach effort to engage the existing community in determining issues of concern that can be addressed through site design and other means during the land use entitlement process. Suggested outreach efforts include but are not limited to, hosting community meetings, making presentations at advisory and community councils, and hosting job fairs.
MARIPOSA INDUSTRIAL PARK ANNEXATION PROJECT (P20-0805)

Stockton City Council Agenda Item 16.2 December 6, 2022
DESCRIPTION AND LOCATION

- PC Recommendation on a Prezone, Development Agreement, MOU, Settlement Agreement, and Environmental Document.

- Annexation of nine undeveloped parcels totaling ±203.48-acres at the South of Mariposa Road, East of 99.

- Prezone County land to Industrial, Limited (IL)

- Development of up to 7 buildings totaling ±3.6 million square feet (SQFT) of warehouses.
GENERAL PLAN- INDUSTRIAL (BLUE)
CURRENT ZONING - COUNTY (NO CITY ZONE)
EXISTING/PROPOSED INDUSTRIAL USES
SITE PLAN* EVALUATED IN THE EIR

*FOR ANALYSIS PURPOSES ONLY
DEVELOPMENT AGREEMENT (DA)

- Annexation should be filed December 31, 2022 (effective)
- Term Limits: 10-years from annexation date with possible 5-year extension.
- City Impact Fee Lock.
- Maximum building height allowed to 100-ft (Exceeds 60ft maximum in Industrial, Limited zone)
- Initiate Formation of Community Facilities District and financial contribution for new Fire Station/ Police Substation.
An Environmental Impact Report (EIR) was prepared to identify potential environmental effects (SCH #2020120283).

A scoping and neighborhood meeting was held.

The Draft EIR received six (6) comment letters which were evaluated and incorporated appropriately.

Negotiations with the Sierra Club and Attorney General occurred to strengthen mitigation measures.

The Final EIR includes a Mitigation and Monitoring Reporting Program, Findings, and a Statement of Overriding Consideration (SOC).
The Draft EIR indicated the project would result in six Significant and Unavoidable Impacts (SUI).

A Statement of Overriding Consideration (SOC) for these impacts must be approved for consideration of the Project.

The attached SOC concluded:

• Any project alternative would result in an SUI for the project area consistent with the General Plan EIR SOC for land use impacts.

• The project will comply with standards and mitigation measures to minimize impacts and provide public benefits.

• Jobs generated by the project are consistent with City economic policies (±3,000 full-time jobs).

• ±1.6 million in total annual revenue to City (property and income).
March 10, 2022

- Comments heard during the hearing
  - 7 written comments
  - 3 oral comments
- Planning Commission unanimous recommendation in support of project
• The Project is consistent with General Plan and other industrial warehouse uses in the region.

• The Project was reviewed by applicable agencies, impacts addressed in Mitigation Monitoring and Reporting Program.

• Statement of Overriding Considerations concluded impacts are unavoidable for the project area regardless of request
  • Public benefits
  • Consistent with General Plan
  • Economic generator
  • Creation of jobs

• The project requires City Council, LAFCo, and Site Plan and Design Review approval, and building permits, before construction can begin.
RECOMMENDATION

Staff recommends the City Council:

• Adopt a Resolution Certifying the Environmental Impact Report (SCH #2020120283), Mitigation Monitoring and Reporting Program, and Statement of Overriding Considerations; and,

• Adopt an Ordinance for the Pre-zoning of APNs 179-220-10; -11; -12; -13; -16; -17; -18; -19; -24 to Industrial, Limited (IL); and

• Adopt an Ordinance to approve a Development Agreement.

• Adopt a Resolution approving a Settlement Agreement and Memorandum of Understanding; and

• Adopt a Resolution Authorizing the Filing of an Application for Annexation of the Project Site.
STRONG COMMUNITIES ADVISORY COMMITTEE ANNUAL REPORT OF REVENUES AND EXPENDITURES FOR FISCAL YEAR 2020-21

RECOMMENDATION

This item is an informational item submitting the Strong Communities Advisory Committee Annual Report for Fiscal Year 2020-21 to the City Council.

Summary

Stockton’s voters approved a one-quarter cent sales tax dedicated to enhancing City recreation and library programs, services, and facilities known as Strong Communities (Measure M) on November 8, 2016. The measure also established a citizens’ advisory committee to determine whether expenditures were made consistent with program guidelines and to provide an annual report to the City Council and the public.

The Strong Communities Advisory Committee Annual Report for Fiscal Year (FY) 2020-21 (Attachment A), as approved by the Strong Communities Advisory Committee on November 7, 2022, is presented to the City Council in compliance with the program guidelines.

DISCUSSION

Background

Stockton’s voters approved Strong Communities (Measure M) November 8, 2016. This one-quarter cent (0.25%) transaction and use tax (sales tax) went into effect on April 1, 2017. Strong Communities is a special tax dedicated to enhancing City recreation and library programs, services, and facilities. The ordinance authorizing the tax requires an audit performed by an independent certified public accountant and the establishment of an advisory committee to ensure proper use of the revenues. The Strong Communities Advisory Committee has the responsibility to determine whether expenditures were made consistent with the ordinance. Furthermore, the Council Policy establishing the advisory committee requires an annual report to be submitted to the City Council.

The attached Strong Communities Annual Report for Fiscal Year (FY) 2020-21 (Attachment A) is presented to the City Council for review in compliance with the ordinance and committee policy.

Present Situation

Total tax revenues in FY 2020-21 were $14,035,859. The Strong Communities expenditures totaled $7,713,581 in FY 2020-21. Recreation and Library Programs represented 56% of all expenses, 33%
was spent on capital projects, with the remaining 11% used for City administration and the State of California fees charged for collecting the tax revenues.

The City used Strong Communities funds to achieve the following:

- Developed and implemented safe curbside delivery services
- Created an eCard for immediate access to the Library’s digital resources
- Implemented a robust and modern messaging system for patron holds and information
- Increased sports programming by including free programs for youth, community center-based camp programs, and special events to engage residents in arts and social activities
- Offered slate of online virtual programs including arts and crafts, story-times, sports tips and drills, book clubs, and highlighted community resources
- Conducted two Esports Tournaments for youth and adults
- Replaced in-person activities with virtual “grab and go” events
- Redesigned and implemented curriculum-based afterschool programs focusing on academic and social development
- 1,200 families participated in community center Eggstravaganza and Halloween “drive through” events
- 1,800 families enjoyed in-person community events, including National Night Out, Fall Harvest, and Holiday Workshops
- Repaired and re-secured outfield and infield fencing at Louis Park
- Completed pre-planning for Stockton Soccer Complex (field lighting, additional restroom building, parking, food truck pads, and playground)
- Completed pre-planning for Misty Holt Singh Softball Complex (scoreboard installation, new maintenance yard, new entry/exit gate)
- Broke ground on the Northeast Library & Community Center
- Staff distributed 5,000 meals per month through the community centers
- Expanded concerts to other neighborhoods throughout the City, North and South Stockton
- Completed staff training for “Alive and Free” with Stockton Police Department and the Office of Violence Prevention
- Library partnered with 2 additional school districts to provide access to the Library’s Overdrive eBook collection for area students
- Implemented virtual class visits to promote online homework help, test preparation, and research resources
- Won an Action on Behalf of Children Award for Library virtual programming to youth during the pandemic

The financial information included in this Annual Report is based on the annual audit. The City received an unmodified (clean) opinion. Staff reported the FY 2020-21 audited Schedule of Revenues, Expenditures, and Change in Fund Balance to the Council Audit Committee and to the City Council in March 2022. The Strong Communities Advisory Committee discussed the FY 2020-21 Annual Report for presentation to the Council and the public and approved the report at its November 7, 2022 meeting.
FINANCIAL SUMMARY

There is no financial impact from the presentation of this report.

Attachment A - Strong Communities Advisory Committee Annual Report FY 2020-21
STRONG COMMUNITIES
ADVISORY COMMITTEE
ANNUAL REPORT
FISCAL YEAR 2020-21

Program information available at:
www.stocktonca.gov/recreation
www.ssjcpl.org

ATTACHMENT A
STRONG COMMUNITIES PRIORITIES

- Enhance safe after-school and summer programs for children and teens
- Enhance public computer access/wireless connectivity
- Enhance evening and weekend hours at libraries and community centers
- Preserve and expand existing library and recreation programs
- Extend services to under-served areas of the City

SHARING THE CITY OF STOCKTON’S PROGRESS

When voters approved Strong Communities (Measure M) in November 2016 by a margin of 76%, they sent a strong message that Library and Recreation services in the City of Stockton should be a priority for our youth and families. This, the fiscal year (FY) 2020-21 annual report, shares the progress toward achieving those priorities and the plans for the future. Increasing open hours, expanding access, and planning new and renovated facilities are just a few of the positive changes that have been undertaken since the Strong Communities Initiative passed. Within this report you will find detailed information about those key initiatives along with a transparent accounting of how revenues have been spent and how staff is planning expenditures over the 16-year lifespan of the Initiative. With the direction of the City Council and input from the Strong Communities Advisory Board, staff commits to providing services, facilities and programs that will enhance the quality of life for Stockton residents.

MEASURE M

Measure M is a local ¼ cent sales tax passed by voters on November 8, 2016 and effective April 1, 2017. Revenues from the Measure M/Strong Communities Initiative are dedicated specifically to City of Stockton Library and Recreation programs, services, and facilities.

“Building resilient communities by cultivating healthy bodies and curious minds.”
GUIDING PRINCIPLES AND ACCOMPLISHMENTS IN FY 2020-21

RESTORE SERVICES:
- Developed and implemented safe curbside delivery services
- Created an eCard for immediate access to the Library’s digital resources
- Implemented a robust and modern messaging system for patron holds and information
- Increased sports programming by including free programs for youth, community center-based camp programs and special events to engage residents in arts and social activities
- Offered slate of online virtual programs including arts and crafts, story-times, sports tips and drills, book clubs, and highlighted community resources
- Conducted two Esports Tournaments for youth and adults
- Replaced in-person activities with virtual “grab and go” events
- Redesigned and implemented curriculum-based afterschool programs focusing on academic and social development
- 1,200 families participated in community center Eggstravaganza and Halloween “drive through” events
- 1,800 families enjoyed in-person community events including National Night Out, Fall Harvest and Holiday Workshops

IMPROVE ASSETS WHENEVER POSSIBLE:
- Repaired and re-secured outfield and infield fencing at Louis Park
- Completed pre-planning for Stockton Soccer Complex (field lighting, additional restroom building, parking, food truck pads and playground)
- Completed pre-planning for Misty Holt Singh Softball Complex (scoreboard installation, new maintenance yard, new entry/exit gate)

FOCUS ON UNDERSERVED AREAS:
- Broke ground on the Northeast Library & Community Center
- Staff distributed 5,000 meals per month through the community centers
- Expanded concerts to other neighborhoods throughout the City, North and South Stockton
- Completed staff training for “Alive and Free” with Stockton Police Department and the Office of Violence Prevention

LEVERAGE PARTNERSHIPS:
- Library partnered with 2 additional school districts to provide access to the Library’s Overdrive eBook collection for area students
- Implemented virtual class visits to promote online homework help, test preparation and research resources
- Won an Action on Behalf of Children Award for Library virtual programming to youth during the pandemic

GOALS FOR FY 2021-22
- Work to implement “Alive and Free” with Stockton Police Department and the Office of Violence Prevention.
- Deploy library and recreation programs to the most under-served parts of the community
- Develop an operational plan for the new Northeast Library and Recreation Community Center
- Utilize $8.5 million of State grant funds to renovate McKinley Park
- Complete Stockton Soccer Complex restroom and play area maintenance
- Reintroduce theatre program through Community Centers
- Hotspot and Chromebook lending for the City
- Release RFP to select a vendor for design proposals for the Chavez Library Renovation
- Award design contract for Victory Park Pool
A LOOK AT THE NUMBERS

FY 2020-21 EXPENDITURES

Total: $7,713,581
- Recreation: $2,286,746 (30%)
- Library: $2,009,163 (26%)
- Administration: $828,397 (11%)
- Capital Projects: $2,589,276 (33%)

GENERAL FUND
CONTRIBUTION FY 2020-21:
- LIBRARY: $3,984,500
- RECREATION: $3,840,500
- TOTAL: $7,825,000

MEASURE M TAX TOTAL FY 2020-21:
- $13,932,748
- INTEREST: $103,111
- TOTAL REVENUE: $14,035,859

ATTACHMENT A

stocktonca.gov/measurem
Program information available at:
stocktonca.gov/recreation
ssjcpl.org

ADVISORY COMMITTEE FY 20-21
Motecuzoma Sanchez  Ernesto Gonzalez
Miguel Guillen  Kevin Redick  Jose Ruiz
Sofia Colon

1) Measure M Tax Revenue: There is a variance of $87,073 between the audited Measure M Tax Revenues and the revenues by quarter due to an incorrect allocation in FY 2019-20 identified by the City’s sales tax consultant that was corrected in subsequent receipts in FY 2020-21.

2) Interest Revenue: The reported Interest revenue amount of $103,111 includes a negative entry of $217,057 representing the change in the value of investments at 6/30/21, consistent with Generally Accepted Accounting Principles. The actual interest earnings realized in FY2020-21 were $320,168.
File #: 22-1181, Version: 1

COUNCIL COMMITTEE/BOARD AND COMMISSION MINUTES

RECOMMENDATION

Information item only. No action required.
MINUTES
COUNCIL AUDIT COMMITTEE
MEETING OF JUNE 13, 2022

425 N. El Dorado Street, Stockton, CA

1. CALL TO ORDER/ROLL CALL - 4:01 PM

Roll Call
Present:
   Daniel Wright
   Susan Lenz
   Sol Jobrack

2. PUBLIC COMMENT

None

3. ITEM(S) FOR DISCUSSION

3.1 22-0612 APPROVAL OF MINUTES

   Legislation Text
   Attachment A - 2022-03-14 Minutes

Approve Motion 2022-06-13-0301 approving the minutes from the Council Audit Committee meeting of March 14, 2022.

Moved by: Daniel Wright, seconded by Sol Jobrack.

Vote: Motion carried 3-0

Yes: Daniel Wright, Susan Lenz, and Sol Jobrack.

3.2 22-0609 APPROVE BY MOTION THE INTERNAL AUDIT STATUS REPORT

   Legislation Text
   Attachment A - COS Internal Audit Status Report 06-06-2022


Moved by: Sol Jobrack, seconded by Daniel Wright.

Vote: Motion carried 3-0

Yes: Daniel Wright, Susan Lenz, and Sol Jobrack.

3.3 22-0610 APPROVE BY MOTION THE CAPITAL ASSETS INTERNAL CONTROLS INTERNAL AUDIT

   Legislation Text
   Attachment A - COS Internal Audit Status Report 06-06-2022

Approve Motion 2022-06-13-0303 approving the Capital Assets Internal Controls Internal Audit, dated June 6, 2022.

Moved by: Daniel Wright, seconded by Sol Jobrack.

Vote: Motion carried 3-0

Yes: Daniel Wright, Susan Lenz, and Sol Jobrack.
Approve Motion 2022-06-13-0303 approving the Capital Assets Internal Controls Internal Audit, dated June 7, 2022.

Moved by: Sol Jobrack, seconded by Daniel Wright.

Vote: Motion carried 3-0

Yes: Daniel Wright, Susan Lenz, and Sol Jobrack.

3.4 22-0611 APPROVE BY MOTION THE FISCAL YEAR 22-23 INTERNAL AUDIT PROGRAM

Approve Motion 2022-06-13-0304 approving the Fiscal Year 22-23 Internal Audit Program, dated June 13, 2022.

Moved by: Sol Jobrack, seconded by Daniel Wright.

Vote: Motion carried 3-0

Yes: Daniel Wright, Susan Lenz, and Sol Jobrack.

4. FUTURE ITEMS/COMMITTEE MEMBER COMMENTS

Vice Chair Wright - update on the next meeting date

Member Jobrack - thanked staff

Chair Lenz - progress on findings, good report; thanked staff

5. ADJOURNMENT - 4:31 PM

ELIZA R. GARZA, CMC
STOCKTON CITY CLERK
MINUTES
COUNCIL WATER COMMITTEE
MEETING OF JUNE 9, 2022

Council Chamber, City Hall, 425 N. El Dorado St. Stockton, CA

1. CALL TO ORDER/ROLL CALL 4:00 PM

   Roll Call
   Present:
       Daniel Wright
       Sol Jobrack
   Absent:
       Kimberly Warmsley.

2. PUBLIC COMMENT

   None

3. ITEM(S) FOR DISCUSSION

3.1 22-0573 CONSIDERATION OF DRAFT STAFF REPORT - AWARD A PROFESSIONAL SERVICES AGREEMENT TO GEOSYNTEC CONSULTANTS, INC. TO PERFORM A GEOTECHNICAL INVESTIGATION FOR THE DELTA WATER TREATMENT PLANT GROUNDWATER RECHARGE PROJECT; AND FORWARD A RECOMMENDATION TO THE CITY COUNCIL

   Legislation Text
   Attachment A - Draft Staff Report
   Attachment B - Draft Proposed Resolution
   Attachment C - Draft Exhibit 1
   Attachment D - Draft Exhibit 2
   PowerPoint

   Approve Resolution 2022-06-09-0301 forwarding the Draft Staff Report - Award a Professional Services Agreement to Geosyntec Consultants, Inc. to Perform a Geotechnical Investigation for the Delta Water Treatment Plant Groundwater Recharge Project to the City Council for consideration and approval.

   Moved by: Sol Jobrack, seconded by Daniel Wright.

   Vote: Motion carried 2-0

   Yes: Daniel Wright, and Sol Jobrack.
   Absent: Kimberly Warmsley.

3.2 22-0572 CONSIDERATION OF DRAFT STAFF REPORT - ADOPT AN ORDINANCE AMENDING TITLE 13 CHAPTER 13.28 (WATER CONSERVATION)
AND TITLE 13 CHAPTER 13.32 (WATER SHORTAGE EMERGENCIES) OF THE STOCKTON MUNICIPAL CODE, AND APPROVE A RESOLUTION DECLARING A STAGE 2 WATER SHORTAGE EMERGENCY; AND FORWARD A RECOMMENDATION TO THE CITY COUNCIL

Legislation Text
Attachment A - Draft Staff Report
Attachment B - Draft Attachment A - EO Drought March - 2022
Attachment C - Draft Attachment B - SWRCB Resolution 2022 Emergency Regulation
Attachment D - Draft Attachment C - SMC 13.28 and 13.32 Redline
Attachment E - Draft Proposed Resolution - Water Shortage Conservation
Attachment F - Draft Exhibit 1 - SMC 13.25 and 13.32

PowerPoint

Approve Resolution 2022-06-09-0302 forwarding the Draft Staff Report - Adopt an Ordinance Amending Title 13 Chapter 13.28 (Water Conservation) and Title 13 Chapter 13.32 (Water Shortage Emergencies) of the Stockton Municipal Code, and Approve a Resolution Declaring a Stage 2 Water Shortage Emergency; to the City Council for consideration and approval.

Moved by: Sol Jobrack, seconded by Daniel Wright.

Vote: Motion carried 2-0

Yes: Daniel Wright, and Sol Jobrack.
Absent: Kimberly Warmsley.

3.3 22-0574 CONSIDERATION OF DRAFT STAFF REPORT - ADOPT A RESOLUTION APPROVING SUBMITTAL OF A GRANT APPLICATION TO THE DEPARTMENT OF WATER RESOURCES DELTA WATER QUALITY AND FISH FACILITIES PROGRAM; AND FORWARD A RECOMMENDATION TO THE CITY COUNCIL

Legislation Text
Attachment A - Draft Staff Report
Attachment B - Draft Proposed Resolution

PowerPoint

Approve Resolution 2022-06-09-0303 forwarding the Draft Staff Report - Adopt a Resolution approving submittal of a Grant Application to the Department of Water Resources Delta Water Quality and Fish Facilities program to the City Council for consideration and approval.

Moved by: Sol Jobrack, seconded by Daniel Wright.

Vote: Motion carried 2-0

Yes: Daniel Wright, and Sol Jobrack.
Absent: Kimberly Warmsley.

3.4 22-0571 CALIFORNIA STATE WATER RESOURCES CONTROL BOARD WATER AND WASTEWATER ARREARAGE PAYMENT PROGRAM UPDATE

Legislation Text

Information only. No action taken

4. FUTURE ITEMS/COMMITTEE MEMBER COMMENTS

Chair Wright - no July meeting

5. ADJOURNMENT - 4:53 PM

Eliza R. Garza, CMC
City Clerk
1. CALL TO ORDER/ROLL CALL - 4:07 PM

Roll Call
Present:
   Daniel Wright
Absent:
   Sol Jobrack, and Kimberly Warmsley.

Note: This meeting was held according to Council Policy 3.06.010(5)(I) : The Council Committee meeting may be conducted with one member present in which case, the Committee recommendations shall be submitted to the City Council as a Minority Council Committee Report.

2. PUBLIC COMMENT

None

3. ITEM(S) FOR DISCUSSION

3.1 22-0349 APPROVAL OF COMMITTEE MINUTES

RECOMMENDATION Approve the minutes from the Council Water Committee meetings of January 13, 2022 and June 9, 2022

Legislation Text
Attachment A - 2022-01-13 Minutes for Approval
Attachment B - 2002-06-09 Minutes

Note: This item was tabled until the next Council Water Committee meeting

3.2 22-0707 CONSIDERATION OF DRAFT STAFF REPORT - PUBLIC HEARING FOR APPROVAL OF THE RESOLUTION ADOPTING THE REVISED EASTERN SAN JOAQUIN GROUNDWATER SUBBASIN GROUNDWATER SUSTAINABILITY PLAN

Legislation Text
Attachment A - Draft Staff Report
Attachment B - Draft Attachment A - January 28, 2022 Letter from DWR
Attachment C - Draft Attachment B - Technical Memorandums 1, 2, 3 and 4
Attachment D - Draft Attachment C - Eastern San Joaquin Amended GSP 90-Day Notice Final Letter
Approve Motion 2022-07-14-0302 approving forwarding, as a Minority Council Committee Report, the Draft Staff Report - Public Hearing for Approval of the Resolution Adopting the Revised Eastern San Joaquin Groundwater Subbasin Groundwater Sustainability Plan to the City Council for consideration and approval.

Moved by: Daniel Wright, seconded by Daniel Wright.

Vote: Motion carried 1-0

Yes: Daniel Wright.

4. FUTURE ITEMS/COMMITTEE MEMBER COMMENTS

None

5. ADJOURNMENT - 4:19 PM

[Signature]

ELIZA R. GARZA, CMC
STOCKTON CITY CLERK
MINUTES
MEASURE W OVERSIGHT COMMITTEE
MEETING OF MAY 26, 2022

Council Chamber, City Hall

1. CALL TO ORDER/ROLL CALL - 3:33 PM

Roll Call
Present:
    Robert Bivens
    Joseph Curtis
    Destiny Easter
    Phillip Herrera
Absent:
    Lawanda Ivy.

2. CITIZENS COMMENTS/ANNOUNCEMENTS

None

3. ADOPTION OF COMMITTEE MINUTES

3.1 21-0587 APPROVAL OF COMMITTEE MINUTES

Legislation Text

Attachment A - 2021-06-09 Minutes
Attachment B - 2021-09-07 Minutes
Attachment C - 2022-02-15 Minutes

Approve Motion 2022-05-26-0301 approving the minutes from the Measure W Oversight Committee meetings of June 9, 2021, September 7, 2021, and February 15, 2022

Moved by: Robert Bivens, seconded by Destiny Easter.

Vote: Motion carried 4-0

Yes: Robert Bivens, Joseph Curtis, Destiny Easter, and Phillip Herrera.
Absent: Lawanda Ivy.

4. ITEMS FOR DISCUSSION

4.1 22-0548 NOMINATION AND SELECTION OF CHAIR AND VICE CHAIR

Legislation Text

PowerPoint
Approve Motion 2022-05-26-0401-01 electing Phillip Herrera to serve as Chair of the Measure W Oversight Committee

Moved by: Robert Bivens, seconded by Joseph Curtis.

Vote: Motion carried 4-0

Yes: Robert Bivens, Joseph Curtis, Destiny Easter, and Phillip Herrera.
Absent: Lawanda Ivy.

Approve Motion 2022-05-26-0401-02 electing Destiny Easter to serve as Vice Chair of the Measure W Oversight Committee

Moved by: Robert Bivens, seconded by Joseph Curtis.

Vote: Motion carried 4-0

Yes: Robert Bivens, Joseph Curtis, Destiny Easter, and Phillip Herrera.
Absent: Lawanda Ivy.

4.2 22-0499 MEASURE W PROGRAM UPDATES

Information item only. No action taken.

Legislation Text

Measure W Program Updates 5-26-2022

PowerPoint

4.3 22-0500 PRESENTATION OF FISCAL YEAR 2021-22 FIRST QUARTER MEASURE W REVENUES AND EXPENDITURES

Information item only. No action taken.

Legislation Text

Attachment A Measure W FY2021-22 Budget Update

PowerPoint

4.4 22-0501 REVIEW AND DISCUSS MEASURE W PROPOSED BUDGET FOR FISCAL YEAR 2022-23

Informational item only. No action taken.

Legislation Text

Attachment A - FY 2022-23 Proposed Budget

Attachment B - Sales Tax California Forecast

5. DISCUSSION OF ITEMS FOR THE NEXT AGENDA

Member Bivens - high school training program to build workforce; diversity update
6. BOARD/COMMISSION COMMUNICATIONS, COMMENTS

Chair Herrera - clarify percentages in attachments for future meetings

7. ADJOURNMENT - 4:23 PM

ELIZA R. GARZA, CMC
STOCKTON CITY CLERK
1. CALL TO ORDER/ROLL CALL -5:32 PM

   Roll Call
   Present:
       Brenda Jones
       Waqar Rizvi
       Jeff Sanguinetti
       Gerardo Garcia
   Absent:
       Anne Mallett, Brando Villapudua, and Xavier Mountain.

2. PLEDGE TO FLAG

   The Pledge of Allegiance was led by Commissioner Rizvi

3. ADOPTION OF CONSENT CALENDAR

3.1 22-0381 REQUEST FOR A ONE-YEAR TIME EXTENSION FOR AN APPROVED TENTATIVE MAP FOR TRA VIGNE WEST DEVELOPMENT PROJECT (TENTATIVE MAP APPLICATION NO. P22-0125)

RECOMMENDATION

   Staff recommends that the Planning Commission adopt a resolution approving a one-year time extension for the Tra Vigne West Development project tentative map.

   Legislation Text
   Attachment A - Approved City Council Resolution
   Attachment B - Location Map, General Plan and Zoning
   Attachment C - Approved Tentative Map
   Attachment D - Applicant Request
   Proposed Resolution - Recommending Approval
   Exhibit 1 - Tentative Subdivision Map

   Note: This item was pulled by staff from the agenda

   Around the Bench Memo
4. PUBLIC COMMENT

None

5. PUBLIC HEARINGS/ENVIRONMENTAL ASSESSMENTS

5.1 22-0398 REQUEST FOR A USE PERMIT AND WAIVER FOR THE OFF-SALE OF BEER, WINE, AND DISTILLED SPIRITS AT A PROPOSED LIQUOR STORE, LOCATED AT 2701 E HAMMER LANE IN SUITE 117 (P22-0044) (APN 090-580-07)

Legislation Text

Attachment A - Location, General Plan and Zoning Maps
Attachment B - Proposed Floor Plan
Attachment C - Crime Reporting Data
Resolution - Recommending Approval
Approved Resolution 2022-05-12-0501
Exhibit 1

Chenda Tung, Applicant - spoke to the item

Approve Motion 2022-05-12-0501

Approving the request for the off-sale of beer, wine and distilled spirits at a proposed liquor store at 2701 East Hammer Lane, Suite 117, based on the findings and subject to the conditions in the proposed resolution.

Moved by: Waqar Rizvi, seconded by Gerardo Garcia.

Vote: Motion carried 4-0

Yes: Brenda Jones, Waqar Rizvi, Jeff Sanguinetti, and Gerardo Garcia.
Absent: Anne Mallett, Brando Villapudua, and Xavier Mountain.

6. NEW BUSINESS

None

7. UNFINISHED BUSINESS

None

8. REPORTS/COMMUNICATIONS/INFORMATIONAL ITEMS

Michael McDowell, Deputy Director Community Development - Planning Commissioner training, May 20, 2022, Institute for Local Government
9. COMMISSIONERS COMMENTS

None

10. ADJOURNMENT - 6:15 PM

[Signature]

STEPHANIE OCASIO
SECRETARY, COMMUNITY DEVELOPMENT DEPARTMENT