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**SAN JOAQUIN  
LOCAL AGENCY FORMATION COMMISSION**

**LAFCo**

509 W. WEBER AVENUE SUITE 420 □ STOCKTON, CA 95203

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**Local Agency Formation Commission Meeting Agenda  
Thursday, August 13, 2020 9:00 A. M.**

**In accordance with the Governor's Executive Order N-33-20, and for the period in which the Order remains in effect, the San Joaquin Local Agency Formation Commission will be closed to the public.**

**To accommodate the public during this period of time that the Board's Chambers are closed to the public, the San Joaquin Local Agency Formation Commission has arranged for members of the public to observe and address the meeting telephonically.**

**TO ATTEND BY TELECONFERENCE: Toll-Free Dial-In Number: 877-778-1806  
Conference Code: 891949**

**Download Agenda Packet and Materials at: [www.sjgov.org/commission/lafco](http://www.sjgov.org/commission/lafco)**

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Call to Order  
Announce Date and Time of Meeting for the Record  
Roll Call  
Pledge of Allegiance

**CONSENT ITEMS**

1. MEETING MINUTES OF JULY 9, 2020  
*(Action by All Members)*  
Approve Summary Minutes of the regular meeting.
  
2. OUT-OF-AGENCY SERVICE REQUEST  
Request from the City of Stockton to provide out-of-agency sewer service outside the City boundary under Government Code §56133 to 1908 E. Twelfth Street, 7317 S. Newcastle Road, 7485 S. Newcastle Road, and out-of-agency water service for 10500 Harlan Road in Stockton.

**PUBLIC HEARING**

3. FINAL MUNICIPAL SERVICE REVIEW (MSR) AND SPHERE OF INFLUENCE (SOI) FOR THE CITY OF STOCKTON (LAFCo 10-20)  
*(Action by Regular Members)*  
Public Hearing to receive testimony and comments on the Final MSR and SOI Update for the the City of Stockton.

4. SANCHEZ REORGANIZATION TO THE CITY OF STOCKTON (L AFC 13-20)  
*(Action by Regular Members)*  
Request to annex approximately 149.01 acres to the City of Stockton with concurrent detachment from the San Joaquin County Resource Conservation District, Central San Joaquin Water Conservation District and Colledgeville Rural Fire Protection District.
5. HOGGAN REORGANIZATION TO THE CITY OF STOCKTON (L AFC 14-20)  
*(Action by Regular Members)*  
Request to annex approximately 20.76 acres to the City of Stockton with concurrent detachment from the San Joaquin County Resource Conservation District and Montezuma Rural Fire Protection District.

#### **ACTION ITEMS**

6. RESULTS OF PROTEST HEARING FOR BYRON - BETHANY IRRIGATION DISTRICT AND THE WEST SIDE IRRIGATION DISTRICT CONSOLIDATION  
*(Action by Regular Members)*  
Report from the Executive Officer on the results from the protest hearing held on August 4, 2020.

#### **PUBLIC COMMENTS**

7. Persons wishing to address the Commission on matters not otherwise on the agenda

#### **EXECUTIVE OFFICER COMMENTS**

8. Comments from the Executive Officer

#### **COMMISSIONER COMMENTS**

9. Comments, Reports, or Questions from the LAFCO Commissioners

#### **ADJOURNMENT**

# LAFCo

509 W. WEBER AVENUE SUITE 420 STOCKTON, CA 95203

**SUMMARY MINUTES  
July 9, 2020**

**TELECONFERENCE**

Chairman Andrade called the meeting to order at 9:02 a.m.

MEMBERS PRESENT: Commissioner Patti, Johnson, Villapudua and Chairman Andrade

MEMBERS ABSENT: Commissioner Krumeich

ALTERNATE MEMBERS PRESENT: Commissioners Breitenbucher, Morowit and Winn

ALTERNATE MEMBERS ABSENT: None

OTHERS PRESENT: James E. Glaser, Executive Officer; Rod Attebery, Legal Counsel; and Mitzi Stites, Commission Clerk

**CONSENT ITEMS**

A motion was made by Commissioner Johnson and seconded by Commissioner Patti to approve the Consent Calendar.

Roll Call Vote:

Ayes: Commissioners Breitenbucher, Johnson, Patti, Villapudua and Chairman Andrade

Nos: None

Absent: Commissioner Krumeich

A motion was made by Commissioner Johnson and seconded by Commissioner Patti to approve the out-of-agency service requests to properties located at 359 S. Olive Avenue and 1227 S. Oro Avenue in Stockton.

Roll Call Vote:

Ayes: Commissioners Breitenbucher, Johnson, Patti, Villapudua and Chairman Andrade

Nos: None

Absent: Commissioner Krumeich

### **PUBLIC HEARING**

3. WACKERLY AND SINGH REORGANIZATION TO THE CITY OF MANTECA (LAFC 08-20)  
*(Action by Regular Members)*  
Request to annex approximately 19.65 acres to the City of Manteca with concurrent detachments from the Lathrop-Manteca Fire Protection District and the San Joaquin County Resource Conservation District.

Mr. Glaser, Executive Officer, presented background information on the request from the City of Manteca for annexation of 19.65 acres consisting of two parcels and a section of a roadway to the City of Manteca. The reorganization includes detachment from the Lathrop-Manteca Fire District and the San Joaquin County Resource Conservation District. The annexation area is located at the southeast intersection of Woodward Avenue and Airport Way, Manteca. The applicant plans to develop 60 single-family detached residential homes on the Wackerly property. The Singh property is currently developed for use as a Sikh Temple. The proposed annexation area is uninhabited and has 100% owner-consent.

A Resolution of Application was approved by City Council on February 4, 2020 authorizing an application submittal to LAFCo for annexation of 13.08 acres (Wackerly property). After further consideration, the City agreed that a more logical and orderly City boundary should include the addition of the Singh property. The property owner consented to the annexation and on May 5, 2020 the City Council approved an amendment to the annexation application to include the additional 5.83 acre site. The proposed annexation will also include a portion of Airport Way adjacent to the Singh property.

The Commission approved a Municipal Service Review and Sphere of Influence for the City of Manteca in July 2015. The proposed annexation site is within the 10-year Planning Horizon.

It is recommended that the Commission approve Resolution No. 1429 approving annexation of 19.65 acres to the City of Manteca with concurrent detachments from the Lathrop-Manteca Fire District and the San Joaquin County Resource Conservation District.

Chairman Andrade opened the Public Hearing.

Chairman Andrade opened the floor to Commissioner Comments.

Commissioner Johnson requested clarification on the resolution number. The Staff Report shows Resolution Number 1428 but the Resolution itself has 1429.

James Glaser, Executive Officer stated that the correct Resolution is 1429.

Chairman Andrade closed the floor to Commissioner Comments.

Chairman Andrade opened the floor to Public Comments.

Doug Ledeboer, representing KDH Group, wanted to thank staff for the detailed report and looks forward in working with the community. Mr. Ledeboer asked the Commission to approve this project.

Chairman Andrade closed the Public Hearing.

A motion was made by Commissioner Villapudua and seconded by Commissioner Johnson to approve Resolution No. 1429, approving the Wackerly and Singh Reorganization to the City of Manteca.

Roll Call Vote:

Ayes: Commissioners Breitenbucher, Johnson, Patti, Villapudua and Chairman Andrade

Nos: None

Absent: Commissioner Krumeich

### **PUBLIC COMMENTS**

4. Persons wishing to address the Commission on matters not otherwise on the agenda.

No one came forward.

### **EXECUTIVE OFFICER COMMENTS**

5. Executive Officer Comments

James Glaser, Executive Officer, informed the Commission that there will be an August meeting. The City of Stockton has prepared a MSR/SOI Update as well as several large annexations. The Sanchez annexation is a large industrial project that would permit 2.7 million square feet of warehousing and the Hoggan annexation is another industrial project that would permit development of 300,000 square feet of warehousing or other light industrial uses.

Staff is reviewing several applications including the consolidation of Stockton East Water District and Central San Joaquin Water Conservation District, two more projects with the City of Stockton, one with the City of Ripon and staff continues to be in communication with the City of Tracy regarding the Avenues annexation.

### **COMMISSIONER COMMENTS**

6. Comments, Reports, or Questions from the LAFCO Commissioners

Commissioner Breitenbucher hoped everyone had a happy July 4<sup>th</sup> holiday.

## **CLOSED SESSION**

7. Open Session Disclosure Regarding Closed Session  
Items pursuant to Government Code  
Section 54957.7
  
8. CLOSED SESSION
  - a. Conference with Legal Counsel-Existing Litigation pursuant to Government  
Code Section 54956.9(a)  
Name of Case: Pacific Gas and Electric v. San Joaquin LAFCo and South San  
Joaquin Irrigation District (San Joaquin County Superior Court Case No. 39-  
2015-00321743-CU-JR-STK)
  
  - b. Conference with Legal Counsel-Existing Litigation pursuant to  
Government Code Section 54956.9(a)  
Name of Case: Tracy Rural County Fire Protection District with the City of Tracy  
as named Real Party of Interest v. San Joaquin LAFCo (San Joaquin County  
Superior Court Case No. 2019-9687)
  
9. Open Session Report on Closed Session pursuant to Government Code Section  
54957.

Rod Atteberry stated that with Covid-19 all court briefings and court hearings have been put on hold.

There was no Closed Session.

The meeting adjourned at 9:24 a.m.

## **ADJOURNMENT**

# **LAFCo**

509 W. WEBER AVENUE SUITE 420 □ STOCKTON, CA 95203

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## **EXECUTIVE OFFICER'S REPORT**

August 13, 2020

TO: LAFCo Commissioners

FROM: James E. Glaser, Executive Officer

SUBJECT: **CITY OF STOCKTON OUT-OF-AGENCY SERVICE REQUEST**

### **Recommendation**

It is recommended that the Commission approve the request from the City of Stockton to provide out-of-agency sewer service under the Government Code §56133 to properties located at 1908 E. Twelfth Street, 7317 S. Newcastle Road, 7485 S. Newcastle Road, and out-of-agency water service to 10500 Harlan Road, Stockton.

### **Background**

Government Code Section §56133 states that the Commission may authorize a city or special district to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence in anticipation of a later change of organization and that prior to providing new or extended service, the city or district must first receive approval from LAFCo. The Commission adopted a policy that conditions their approval for out-of-agency service requiring the recordation of an agreement with the landowner consenting to annexation of their property when annexation becomes feasible.

The City of Stockton submitted a request for approval to extend sanitary sewer service to single-family residences and an out-of-agency water service to an industrial use outside the city limits but within the City's sphere of influence. A vicinity map is attached showing the location of the out-of-agency request. Connection to City sewer lines and water lines are available to the properties and the property owners have paid the appropriate connection fees to the City. The request for out-of-agency service is in compliance with the Government Code §56133 and Commission policies. Staff recommends approval of the attached Resolution 1430 approving out-of-agency services.

Attachment: Resolution No. 1430  
Vicinity Map

**Resolution No. 1430**

**BEFORE THE SAN JOAQUIN LOCAL AGENCY FORMATION COMMISSION  
APPROVING AN OUT-OF-AGENCY SANITARY SEWER SERVICE FROM THE  
CITY OF STOCKTON TO 1908 E. TWELFTH STREET, 7317 S. NEWCASTLE ROAD,  
7485 S. NEWCASTLE ROAD AND OUT-OF-AGENCY WATER SERVICE FOR 10500  
HARLAN ROAD IN STOCKTON.**

WHEREAS, the above-reference requests have been filed with the Executive Officer of the San Joaquin Local Agency Formation Commission pursuant to §56133 of the California Government Code.

NOW THEREFORE, the San Joaquin Local Agency Formation Commission DOES HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

Section 1. Said out-of-agency service request is hereby approved.

Section 2. The proposal is found to be Categorically Exempt from CEQA.

Section 3. The proposal is subject to the following conditions:

- a. Prior to connection to the city sewer or water, the City of Stockton shall record a covenant and agreement with the property owners to annex to the City of Stockton in a form acceptable to the Executive Officer.
- b. This approval and conditions apply to current and future property owners.

PASSED AND ADOPTED this 13<sup>th</sup> day of August, by the following roll call votes:

AYES:

NOES:

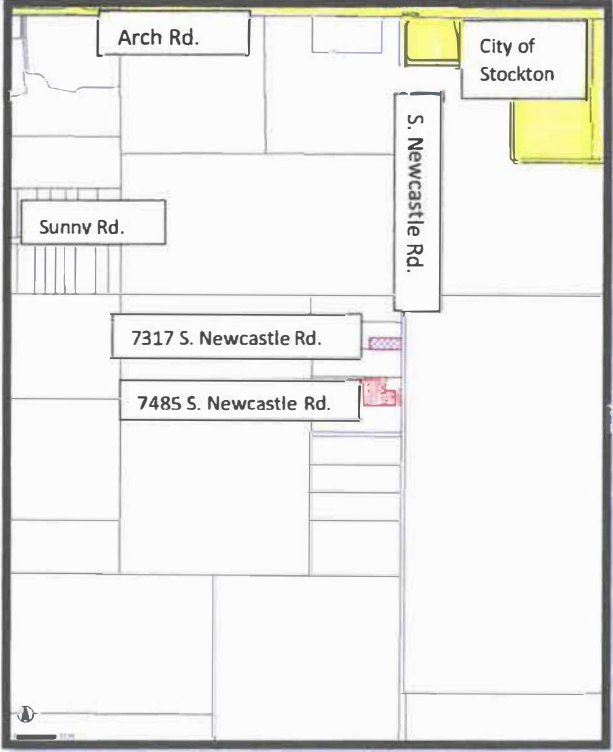
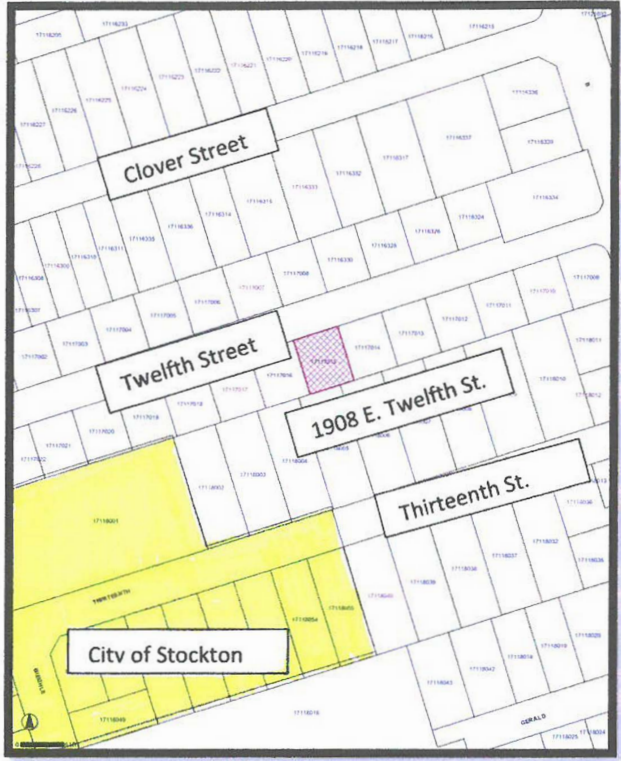
ABSENT:

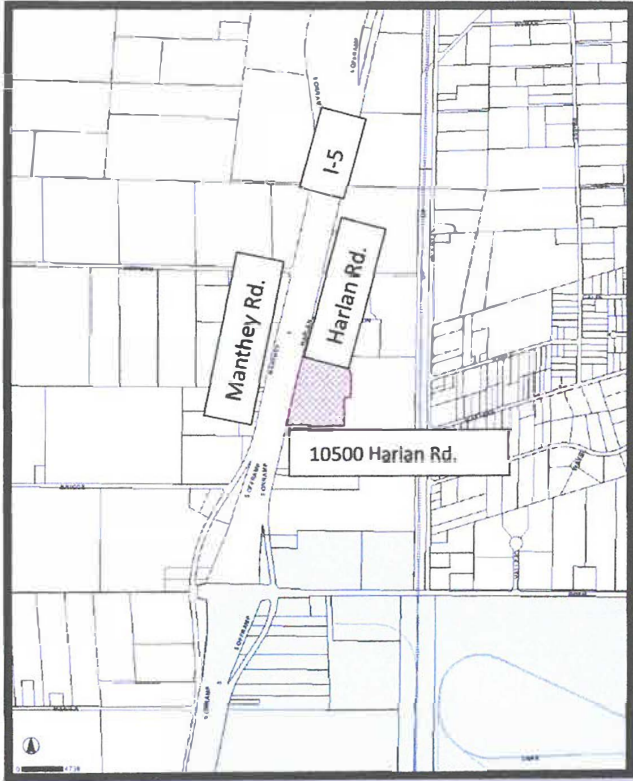
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Jesus Andrade, Chairman  
San Joaquin Local Agency  
Formation Commission

Res. No. 1430  
08-13-20







# **LAFCo**

509 W. WEBER AVENUE SUITE 420 STOCKTON, CA 95203

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## **EXECUTIVE OFFICER'S REPORT**

August 13, 2020

TO: LAFCo Commissioners

FROM: James E. Glaser, Executive Officer

SUBJECT: **Final Municipal Service Review/ Sphere of Influence Plan  
City of Stockton**

### **Recommendation**

It is recommended that the Commission approve the Final Municipal Service Review and Sphere of Influence Update for the City of Stockton. Attached are two separate resolutions for Commission's consideration.

### **Background**

A Municipal Service Review (MSR) is a comprehensive review of an agency intended to obtain information about the agency's ability to provide services. Its purpose is to evaluate the provision of services from a comprehensive perspective and recommend actions, when necessary, to promote the efficient provision of those services. Service reviews are intended to serve as a tool to help LAFCo, the public and other agencies better understand the public service structure and evaluate options for the provision of efficient and effective public services that the agency currently provides. State law requires that LAFCo update Spheres of Influence and prepare a Municipal Service Review in conjunction with that update.

The MSR is required by the Cortese-Knox-Hertzberg Act to have six categories, as defined by the San Joaquin LAFCo "Service Review Policies" December 14, 2012. Each of these categories requires a written determination. The six categories are as follows:

- Growth and Population Projections for the Affected Area
- The Location and Characteristics of any Disadvantage Unincorporated Communities within or Contiguous to the Sphere of Influence
- Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs and Deficiencies
- Financial Ability of Agencies to Provide Services

- Status of and Opportunities for Shared Facilities
- Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies

In determining a sphere of influence, the Commission is required to consider and make written determinations with respect to the following factors (Government Code Section 56425):

- The Present and Planned Land Uses in the Area, Including Agricultural and Open Space Lands.
- The Present and Probable Need for Public Facilities and Services in the Area
- The Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide
- The Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines that they are Relevant to the Agency
- The Present and Probable Need for those Public Facilities and Services within any Disadvantaged Unincorporated Communities (DUCs) within the Sphere of Influence

The Sphere of Influence and Municipal Service Review for the City of Stockton was last updated in February 2019 and was approved by the Commission for a 10-year planning period. This MSR/SOI was intended to represent an “interim” plan consistent with the City’s 2035 General Plan adopted in 2007. These documents were needed as the City had several pending annexation applications. The City has now completed the process of updating its General Plan (Envision Stockton 2040 General Plan Update). As a result, a new MSR/SOI is needed to reflect the newly adopted General Plan.

The City’s new General Plan, entitled Envision Stockton 2040 General Plan Update, included a comprehensive evaluation of the City’s planning boundaries, including the SOI. The Plan’s key objectives was to support the community’s vision and to support the City’s Climate Action Plan. Highlights of the Plan are:

- Increases the allowable residential densities and intensity of development downtown and in the surrounding greater downtown area
- Improved infill policies
- Reduces the amount of agricultural land that could be developed with urban uses
- Creation of an AG belt between Stockton and Lodi in collaboration with Lodi, the County, and property owners
- Provides guidance for re-evaluating the City’s public infrastructure to determine the sustainability of capital and ongoing maintenance costs
- Developed recommendations for updating backbone infrastructure plans to reflect the adopted land use plan including an Infrastructure Financing Strategy

The City’s Sphere of Influence has been divided into two planning horizons: 0-10 years (2020 to 2030) and 11-20 years (2021 to 2040) as depicted on Figure 2-7. The City has shown several Unincorporated County Islands in the 10-year planning horizon. This was a subject of discussion by the Commission in January 2019. The report also provides a comprehensive discussion of Disadvantaged Unincorporated Communities (some of which include the islands). The report concludes that the City has existing or planned infrastructure and the financial means to provide services to the Sphere of Influence.

Stockton's population is expected to grow to a total population of 432,627 by 2040, an overall increase of 102,898, which equates to an annualized growth rate of 1.44 percent. Employment in Stockton is projected to grow to 149,924 by 2040, an overall increase of 29,540 which equates to annualized growth rate of 1.16 percent.

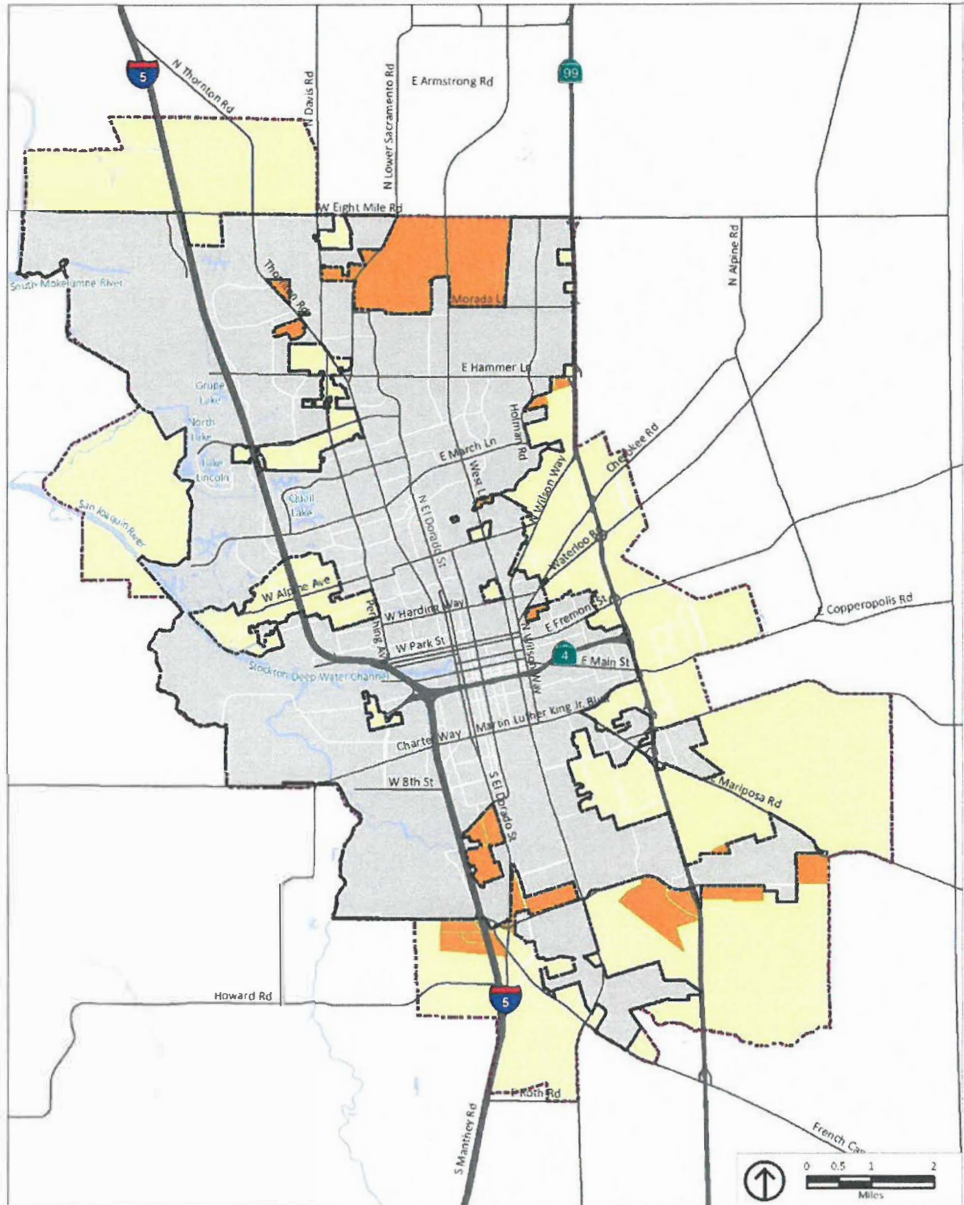
The implication of SB-5, regarding 200-year flood protection is also addressed. A number of local agencies, including several reclamation districts, are working with the U.S. Army Corps of Engineers on the Lower San Joaquin River Feasibility Study. The study is a multi-year \$10 million study that will help determine improvements needed to reach or exceed the 200-year level of flood protection. The Lower San Joaquin Feasibility Study will reach the part of San Joaquin County along the San Joaquin River up to and through Stockton including the Lodi Waste Water Treatment Plant. In addition, the study includes the watersheds east of Stockton and covers nearly 140 miles of levees. Some of the developments proposed in Stockton will provide their own level of flood protection.

The document has been transmitted to the surrounding jurisdictions and fire protection districts. LAFCo has not yet received any comments.

Attached for Commission's consideration are two separate resolutions.

Attachments: Resolution No. 1431  
Resolution No. 1432  
Final Municipal Service Review and Sphere of Influence Update dated August 13, 2020 (previously transmitted to the Commission)

**FIGURE 2-7: 10-YEAR PLANNING HORIZON ANNEXATION AREAS**



Source: City of Stockton, 2016; Placeworks, 2019; ESRI, 2019.

- 2030 Planning Horizon Areas
- City Limit
- Sphere of Influence

**Resolution No. 1431**

**Before the San Joaquin Local Agency Formation Commission  
Approving the City of Stockton Municipal Service Review**

WHEREAS, Section 56430 of the Government Code requires the Commission to conduct a service review of the municipal services provided in the county or other appropriate area designated by the Commission; and

WHEREAS, the Commission must prepare written statements of its determinations with respect to six specific topics; and

WHEREAS, the Commission held a public hearing telephonically on the Municipal Service Review on August 20, 2020, pursuant to notice of hearing which was posted, and published in accordance with State Law; and

WHEREAS, at said hearing the Commission heard and received evidence, both oral and written regarding the Municipal Service Review, and all persons were given an opportunity to be heard; and

WHEREAS, this Commission has duly considered the City of Stockton Municipal Service Review dated August 13, 2020; and

NOW, THEREFORE, the San Joaquin Local Agency Formation Commission DOES HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

Section 1. Certifies that the proposal is found to be exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15262 of the CEQA Guidelines.

Section 2. The determinations required by Section 56430 of the Government Code have been made within the final Municipal Service Review dated May 10, 2018 and are incorporated herein by reference.

Section 3. The City of Stockton Municipal Service Review is hereby approved.

Section 4. The Executive Officer is hereby authorized and directed to distribute copies of the adopted Municipal Service Review and this Resolution to affected agencies and Interested parties.

PASSED AND ADOPTED this 13<sup>th</sup> day of August 2020 by the following roll call votes:

AYES:

NOES:

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Jesus Andrade, Chairman  
San Joaquin Local Agency  
Formation Commission



**Resolution No. 1432**

**Before the San Joaquin Local Agency Formation Commission  
Approving the City of Stockton Sphere of Influence Update**

WHEREAS, Section 56425 of the Government Code requires the Commission to review and update each Sphere of Influence every five years; and

WHEREAS, Section 56076 of the Government Code provides that “Sphere of Influence” means a plan for the probable physical boundaries and service area of a local governmental agency; and

WHEREAS, the Commission must prepare written statements of its determinations with respect to five specific factors; and

WHEREAS, a Municipal Service Review in compliance with Section 56430 of the Government Code has been prepared in conjunction with this Sphere of Influence Update; and

WHEREAS, the Commission held a public hearing on the Sphere of Influence Update on August 13, 2020 telephonically, pursuant to notice of hearing which was posted and published in accordance with State Law; and

WHEREAS, at said hearing the Commission heard and received evidence, both oral and written regarding the Sphere of Influence update, and all persons present were given an opportunity to be heard; and

WHEREAS, this Commission has duly considered the City of Stockton Interim Sphere of Influence Update; and

NOW, THEREFORE, the San Joaquin Local Agency Formation Commission DOES HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

Section 1. Certifies that the proposal is found to be exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15262 of the CEQA Guidelines.

Section 2. The determinations required by Section 56428 of the Government Code have been made and are within the Sphere of Influence Update and are incorporated herein by reference.

Section 3. The City of Stockton Sphere of Influence Update is hereby approved and is depicted in Exhibit A, attached.

Section 4. The Executive Officer is hereby authorized and directed to distribute copies of the adopted Sphere of Influence Update and this resolution to affected agencies and interested parties.

PASSED AND ADOPTED this 13<sup>th</sup> day of August 2020 by the following roll call votes:

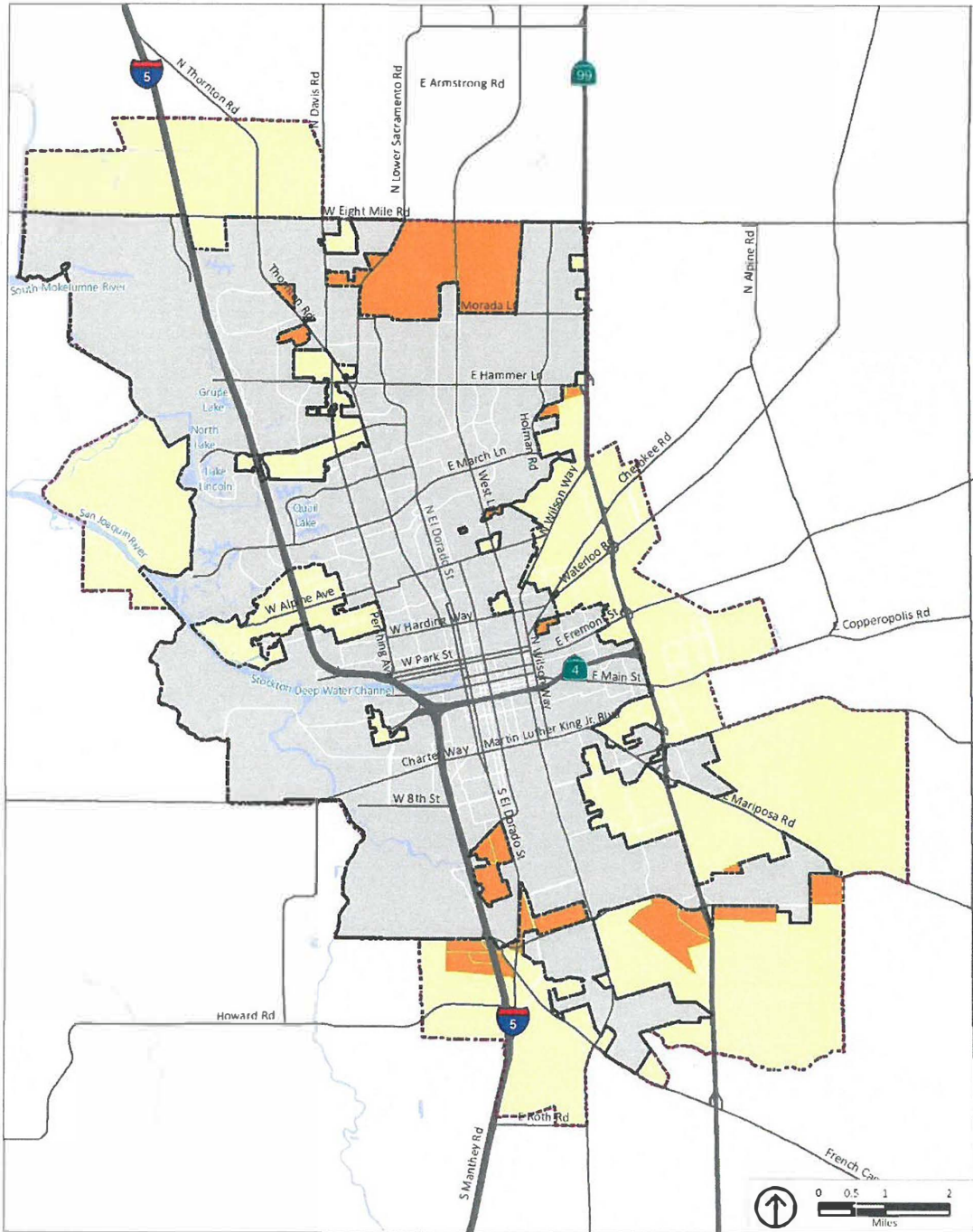
AYES:

NOES:

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Jesus Andrade, Chairman  
San Joaquin Local Agency  
Formation Commission

**Exhibit A**  
**City of Stockton Sphere of Influence**  
**(including 10-year Planning Horizon)**



Source: City of Stockton, 2016; Placeworks, 2019; ESRI, 2019.

- 2030 Planning Horizon Areas
- City Limit
- Sphere of Influence

# Municipal Service Review and Sphere of Influence Update for the City of Stockton

Public Hearing  
August 13, 2020

San Joaquin Local Agency Formation Commission

## MSRs and SOIs

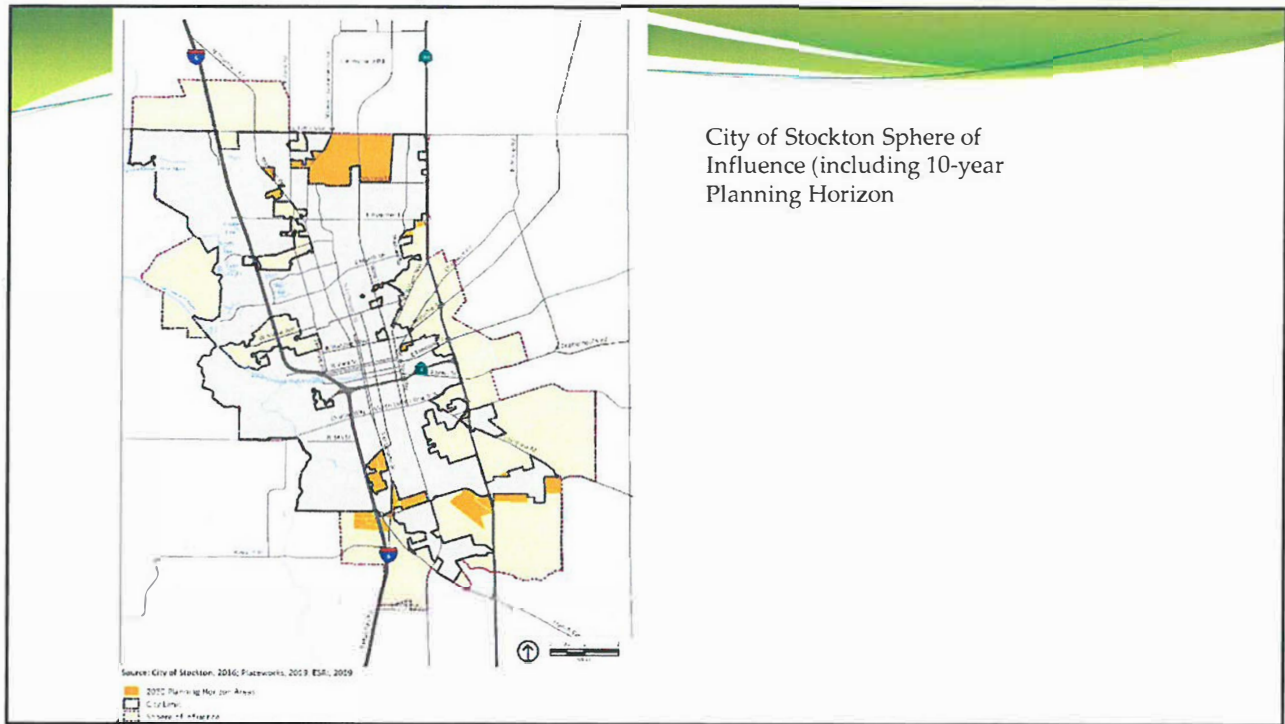
- Municipal Service Reviews evaluate the provision of services and recommends actions to promote efficient provision of services
- Spheres of Influence are required to be updated every five years
- Sphere horizons or planning increments should depict the agency's logical boundary at time periods of between 5 and 10 years and at the end of a 30-year time frame
- MSRs should be prepared prior to or in conjunction with the Sphere update
- The Commission is required to make written determinations for the MSR and SOI

## MSR Determinations

1. Growth & population projections
2. Location and characteristics of any disadvantaged unincorporated communities (DUCs) within or contiguous to the SOI
3. Present & planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies
4. Financial ability to provide services
5. Status of and opportunities for shared facilities
6. Accountability for community service needs, including governmental structure and operational efficiencies

## SOI Determinations

1. Present and planned land uses including agricultural and open space lands
2. Present and probable need for public facilities and services
3. Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide
4. Existence of social or economic communities of interest
5. Present and probable need for those public facilities and services within any DUCs within the sphere



## Background

- MSR/SOI for the City of Stockton last updated in February 2019 and was approved by the Commission for a 10-year planning period
- The MSR/SOI was intended to represent an “interim” plan consistent with the City 2035 General Plan adopted in 2007
- The City completed its Envision Stockton 2040 General Plan and this new MSR/SOI reflects the newly adopted General Plan

## Highlights of Envision Stockton 2040 General Plan

- Increases allowable residential densities and intensity of development downtown and the surrounding greater downtown area
- Improve infill policies
- Reduces the amount of agricultural lands that can be developed to urban uses
- Creates an AG belt between Stockton and Lodi
- Provides guidance for re-evaluating the City's public infrastructure for sustainability of capital and ongoing maintenance costs
- Developed recommendation for updating backbone infrastructure plans to reflect the adopted land use plan including Infrastructure Financing Strategy

## Summary of the City's MSR/SOI Update

- The SOI consists of two planning horizons: 0-10 years (2020-2030) and 11-20 years (2021 to 2040)
- Several unincorporated islands are within the 10-year planning horizon
- Contains a comprehensive discussion on Disadvantage Unincorporated Communities (DUCs)
- MSR concludes that the City has existing or planned infrastructure and the financial means to provide services within the SOI
- Population is expected to grow to 432,627 by 2040, an annual growth of 1.44%
- Employment is projected to grow by 1.16% each year

## Summary of the City's MSR/SOI Update

- The MSR addresses SB-5 regarding the 200-year flood protection
- Multiple agencies are working with the Army Corps of Engineers on the Lower San Joaquin River Feasibility Study
- The study will help determine improvements needed to reach or exceed the 200-year level of flood protection
- Study also includes watersheds in east Stockton and nearly 140 miles of levees

## Recommendation

It is recommended that the Commission approve the Final MSR and SOI Update for the City of Stockton.



# **LAFCo**

509 West Weber Avenue Suite 420 STOCKTON, CA 95203

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## **EXECUTIVE OFFICER’S REPORT**

- PROJECT:** **SANCHEZ REORGANIZATION TO THE CITY OF STOCKTON (L AFC 13-20)**
- PROPOSAL:** To annex 149.01 acres to the City of Stockton with concurrent detachments from the Colledgeville Fire Protection District, Central San Joaquin Water Conservation District, and the San Joaquin County Resource Conservation District.
- APPLICANT:** City of Stockton
- LOCATION:** Northwest corner of Arch Road and Austin Road, adjacent to the city limits (Exhibit A: Vicinity Map)
- PURPOSE:** The City proposes development of the parcel as IL-limited industrial of approximately 2.8 million square feet of high-cube warehousing or other light industrial uses
- PROCESS:** Proposed annexation area is not inhabited and has 100% owner-consent

### **RECOMMENDATION**

It is recommended that the Commission approve Resolution No. 1433 approving the annexation of 149.01 acres to the City of Stockton with concurrent detachments from the Colledgeville Fire Protection District, Central San Joaquin Water Conservation District, and San Joaquin County Resource Conservation District.

### **BACKGROUND**

A Resolution of Application was approved by the City of Stockton on June 23, 2020 authorizing an application submittal to LAFCo for the annexation of 149.01 acres and the adjacent portions of Arch Road and Austin Road to the City (Exhibit B: Resolution 2020-06-23-1501-02). The City Council approved a pre-zoning of the project site to Industrial, Limited (IL) which would allow the development of industrial buildings that would accommodate mainly “high cube” warehouses. Development of the site would include four industrial buildings with a total building area of 2,796.948 square feet, parking areas with a total of 2, 726 parking stalls and 154 trailer parking stalls. Seven acres would be used for a detention basin to collect storm water runoff (Exhibit C: Justification of Proposal).

The proposed annexation site is within the City’s Sphere of Influence and 10-year planning horizon and is adjacent to the City boundary. The Envision Stockton 2040 General Plan

designates the annexation area as Industrial. The site is located in a developing industrial area and is a logical extension of existing ongoing industrial development along the Arch Road corridor.

**ENVIRONMENTAL**

The City of Stockton certified a Final Environmental Impact Report (State Clearinghouse No. 2020020006) with a Statement of Overriding Considerations and adopted a Mitigation Monitoring and Reporting Program for the project on June 23, 2020. LAFCo, as a Responsible Agency must consider the City’s environmental report and make findings upon approval of the project. (Exhibit D: Resolution 2020-06-23-1501-01).

**PROPERTY TAX EXCHANGE**

Pursuant to the Revenue and Taxation Code, the City and County must have an agreement in place that would determine the exchange of property tax revenues from jurisdictional changes. A County/Stockton master tax sharing agreement is in place providing for a County 80% and City 20% split of property taxes

**FACTORS**

The Cortese-Knox-Hertzberg Local Government Reorganization Act requires fifteen factors to be considered by a LAFCO when evaluating a proposal for a change in organization or reorganization to a City. Factors to be considered shall include, but are not limited to the following (Government Code Sections 56668):

**(a) *Population and population density, likelihood of significant growth during the next 10 years***

The project includes the annexation of 149.01 acres for the development of industrial uses. The subject site remains in active agricultural use for row crops but is surrounded by lands that have been converted to industrial uses and large-scale institutional development. There are no residential uses in the area, however it is anticipated that the area will be further developed for industrial uses as the area is within the City’s sphere of influence and 10-year planning horizon.

**(b) *The need for organized services and present cost and adequacy of governmental services community***

Essential governmental services which are provided to the subject area at the present time, and which will be provided after the proposal is finalized, are indicated in the following chart:

SERVICE	CURRENT PROVIDER	AFTER ANNEXATION
Law Enforcement	County Sheriff’s Office	City
Fire Protection	Collegeville Fire District	City/Contract with Montezuma Fire District
Water	None	City
Sewer	None	City
Drainage	None	City
Irrigation	Central San Joaquin Water Conservation District	City

Schools	Stockton Unified School District	Stockton Unified School District
Planning	County	City

City ordinances and resolutions are in place to ensure that required public facilities fees are paid and that services can be maintained at appropriate levels for the project. The City has conditioned its approval of the project making the developer of the project responsible for the design and construction of required improvements in accordance to City standards. A Municipal Service Review (MSR) and SOI Update which includes development of the Sanchez project indicates that the project can adequately be served by the City.

**(c) The effect of the proposed action and of alternative actions, adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.**

The proposed action will not have an effect on any social interests or any effect on economic interests, as the area will no longer be utilized for agricultural purposes. There will be no effect of the proposed action on the local governmental structure of the county.

**(d) The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Section 56377.**

Section 56377 requires that the Commission, in reviewing proposals that would reasonably induce, facilitate, or lead to the conversion of existing open-space lands to uses other than open-space uses, to consider the following policies and priorities:

(1) Development of land for other than open-space uses shall be guided away from existing prime agricultural lands towards areas containing nonprime agricultural land unless that action would not promote the planned, orderly, and efficient development of the area; and

(2) Development of existing vacant or non-prime agricultural lands for urban uses within the jurisdiction or within the sphere of influence should be encouraged before any proposal is approved which would allow for or lead to the development of existing open-space lands for non-open space uses outside of the jurisdiction or sphere of influence.

The City's Agricultural Land Conversion Statement (Exhibit E) has been submitted with its annexation application. The City identified that the Sanchez property consists of two types of soils, Stockton clay and Jacktone clay. Stockton clay meets the definition for prime agricultural land, however, Jacktone clay is not considered prime agriculture land and makes up 83% of the total parcel.

To address LAFCo's policy and Government Code Section 56377, the City completed an inventory of vacant industrial land within the Stockton city limits (Exhibit F: Vacant Lands Inventory). The City found that of approximately 351 vacant parcels within the City limits, only 42 parcels are larger than 5 acres with the largest vacant parcel being 73.39 acres. The City determined that this parcel is unsuitable to accommodate the proposed project. Additionally, the General Plan has designated the subject site and surrounding vicinity for industrial development and the proposed project will continue to promote the planned, orderly, and efficient development of the area.

(e) ***The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.***

Agricultural lands are defined as land that are currently used for the purpose of producing an agricultural commodity for commercial purposes. The subject site remains in active agricultural use for row crops but is surrounded by lands that have been converted to industrial uses and large-scale institutional development. The Sanchez property is currently zoned by San Joaquin County as AG-40 (Agriculture-Urban Reserve). This zone is established to preserve agricultural lands for the continuation of commercial agricultural enterprises until such time as it is annexed and pre-zoned by the City. The City has included the site within its 10-year planning horizon in anticipation for development. To mitigate the loss of agricultural lands the parcel is subject to the City's Agricultural Lands Mitigation Program. The program requires the developers of the property to dedicate an agricultural conservation easement at a 1:1 ratio or pay the Agricultural Land Mitigation Fee. Also, the project will be required to participate in the San Joaquin Multi-Species Habitat Conservation and Open Space Plan (SJMSCP) which would require fee payments for conversion, part of which would be used to conserve agricultural lands. Compliance with the Agricultural Lands Mitigation Program and the SJMSCP would partially compensate for the impact of agricultural land conversion.

**Williamson Act**

The Sanchez property has been under a Williamson Act contract WA-94-16 since February 3, 1995. The Williamson Act, also known as the California Land Conservation Act of 1965, enables local governments to enter into contracts with private landowners for the purpose of restricting specific parcels of land to agricultural or related open space use. In return, landowners receive property tax assessments which are much lower than normal because they are based upon farming and open space uses as opposed to full market value. A minimum term of a Williamson Act contract is ten years and is automatically renewed at the end of a ten-year period. A landowner may exit out of the contract by initiating the process of term nonrenewal and the contract will expire at the end of the ten-year term. A landowner can also opt to cancel the contract which would involve payment of a fee by the landowner equal to 12.5 percent of the full market value of the property. A Notice of Nonrenewal to initiate cancellation of the Williamson Contract was recorded on February 28, 2020. The City Council held a public hearing and approved the cancellation request on June 23, 2020 (Exhibit G: Resolution Cancelling WA Contract). Final cancellation of the contract can take effect after annexation approval.

(f) ***The definiteness and certainty of the boundaries of the territory.***

The proposed annexation area is one assessor parcel consistent with LAFCO's policy

(g) ***A regional transportation plan adopted pursuant to Section 65080 and consistency with city or county general and specific plans.***

The 2018 Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS) serves as the region's long-range transportation plan and provides guidance for decisions about transportation spending priorities. The Plan was adopted by the San Joaquin Council of Governments (COG) Board on June 28, 2018. The proposal is consistent with the City's General Plan and other applicable planning documents.

(h) ***The proposal's consistency with city or county general and specific plans***

The Envision Stockton 2040 General Plan designates the annexation area as Industrial and the property was pre-zoned as IL for the development of industrial uses.

**(i) *The sphere of influence of any local agency, which may be applicable to the proposal being received.***

The Sanchez property is within the Colleeville Fire Protection District and the Central San Joaquin Water Conservation District and will be detached these districts upon annexation. Upon annexation the site will automatically be annexed into the Stockton East Water District pursuant to special legislation.

**(j) *The comments of any affected local agency or other public agency.***

The proposal was distributed to local and affected agencies for their review and comment. (Exhibit H: Comment Letters)

Environmental Health Department: The agency recommends that existing wells to be abandoned and any geotechnical drilling be destroyed or conducted under permit and inspection by EHD.

The developer and City will coordinate the removal of the existing wells in compliance with all county standards. The applicant shall be required to remove the wells prior to Final Map approval.

County Public Works Department: No comment.

**(k) *The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.***

The City will extend municipal services to the proposed annexation area. As required by Government Code § 56653 the City submitted a plan for providing services (Exhibit I: City Services Plan). GC 56653 requires that the plan address the following: 1) an enumeration and description of services to be provided; 2) the level and range of those services; 3) an indication of when those services can feasibly be extended; 4) improvements or upgrading of services or other conditions that would be imposed or required by the annexation; and 5) how the services will be financed. Detailed information can be found in the City's Services Plan.

Water: 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. The South Stockton water system distributes water from the Delta Water Supply Project, Stockton East Water District, and groundwater wells. Water service to the annexation site can be provided by connection to an existing 16-inch diameter trunk line which runs east/west in Arch Road, and a north/south line which runs in Logistics Drive. The developer would be required to pay appropriate connection fees upon issuance of a building permit and will be billed for water usage on a monthly basis.

Stormwater: The subject site is within the North Littlejohns Creek watershed. 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. The subject site will include new stormwater

detention facilities including a seven-acre on-site detention basin. Runoff would be collected in the basin by an on-site storm drainage system of inlets and lines. Collected runoff would be stored and eventually discharged to Weber Slough when capacity in the slough is available to avoid potential downstream flooding. Any costs associated with new facilities must be met or offset by the project.

Sewer: The City will provide wastewater collection and treatment upon annexation. 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 design flow capacity of 55 mgd and an average daily flow rate of 31.7 mgd. Treated effluent from the RWCF is dechlorinated and discharged to the San Joaquin River. There are existing sanitary sewer lines greater than 18 inches in diameter located along Arch Road and within the northern portion of the Norcal Logistics Center site. Smaller mains, between 10 and 18 inches in diameter, have been installed throughout Norcal Logistics Center site. These lines lead to an existing City pump station located along Arch Road near the SR 99 interchange. On-site sewer lines will be installed to provide service to future development and the on-site system would connect to the existing larger sewer lines. The developer would be required to pay appropriate connection fees upon issuance of a building permit and will be billed for water usage on a monthly basis.

Police: Law enforcement services are currently provided by the County Sheriff's Office and will be provided by the City's Police Department (SPD) upon annexation. As of 2017 the police department consisted of 485 sworn officers, 41 police telecommunicators, and 186 civilian staff. It is the department's policy to respond to all emergency calls within three to five minutes. Funding for capital costs will be provided by the collection Public Facility Fees. Funding for law enforcement, crime prevention services, and other essential services come from Measure A revenues, a three-quarter cent sales tax approved by the voters in 2014.

Fire: The project site will detach from the Colledgeville Rural Fire District and fire services will be provided by the City. The nearest station to the annexation site is located at 44010 East Main Street, approximately four miles to the north of the site. Response times to the annexation site is approximately 10-12 minutes. The developer of the site has negotiated a service agreement with Montezuma Fire District to provide fire protection to the subject site for an annual fee along with an initial fee. The Montezuma Fire District operates from stations located at the Stockton Metropolitan Airport and at 2405 South B Street.

It is Commission's policy to consider any significant adverse effects that may be caused by an annexation, (i.e. a negative impact on a special districts' budget) and if adequate mitigation has been provided. The proposed annexation will result in an annual loss of property tax revenue to the Colledgeville Rural Fire District in the amount of \$94.38. The Developer has entered into an agreement to mitigate the fire district's loss by paying a lump sum to the District consisting of the current tax revenue plus a 3% annual increase for the next 15 years.

**(k) *Timely availability of water supplies adequate for projected needs as specified in Government Code Section 65352.5.***

The City prepared a Statement of Timely Availability of Water Supplies. The City's Urban Water Management Plan (UWMP) that evaluates potential population growth and the availability of water based on existing water use patterns determined that water supplies would exceed demands for average, single dry year, and multiple dry years from 2020 to 2040. The UWMP considered water usage from the development using the average

usage per industrial connection and concluded that sufficient water supplies existed for the development.

**(m) *The extent to which the proposal will affect a city and the county in achieving their respective fair share of the regional housing needs***

The proposed annexation site has been rezoned as IL-Industrial Limited which will allow for development of 2.8 million square feet of high-cube warehousing or other light industrial uses. Residential uses are not permitted under this zoning classification and therefore would not contribute to the achievement of fair housing needs.

**(n) *Any information or comments from the landowner or owners, voters, or residents of the affected territory.***

No information or comments have been received from landowners, voters, or residents of the affected territory.

**(o) *Any information relating to existing land use designations.***

There is no other land use information related to this project.

**(p) *The extent to which the proposal will promote environmental justice. This means the fair treatment and meaningful involvement of people of all races, cultures, incomes and national origins with respect to the location of public facilities and the provision of public services to ensure a healthy environment for all people such that the effects of pollution are not disproportionately borne by any particular populations or communities.***

The City of Stockton received comments to the Draft EIR from the State Department of Justice (DOJ). In their letter the State expressed concerns regarding additional air pollution from the proposed development of both the Hoggan and Sanchez properties to the neighboring low-income residential areas, the youth correctional facility, and the adult medical and mental health and correctional facilities. The populations housed in these facilities are already at high risk and experience preexisting health conditions that may be adversely impacted. The State offered a list of mitigation measures for the City to consider reducing the negative effects.

In response, the City made an agreement with DOJ on additional air quality measures to address environmental justice concerns. This included a revision to the existing Green House Gas Mitigation Measure and 20 additional improvement measures. The mitigation measures were approved by City Council on June 23, 2020. The City is continuing to partner with the DOJ and other responsible and trustee agencies to determine best practices and standards for future project reviews.

## **DISCUSSION**

The Cortese-Knox-Hertzberg Reorganization Act of 2000 provides guidance to local LAFCo's in the review of proposals for reorganizations. This staff report provides a summary of the review factors for consideration by the Commission in its review of the annexation proposal. The project represents a logical extension of the City boundary and provides for the orderly development of this area of the City. The proposed development has been addressed in the City's General Plan and the MSR/SOI Plan approved by the Commission indicating that adequate services can be provided by the city. The City Services Plan addressed in more detail how the services will be provided.

Fire service has been adequately addressed by agreement with Montezuma Fire District to provide fire service for the Sanchez property. This agreement in place expected response times to the annexation site would be greatly reduced.

Environmental Justice issues have been satisfied with the adoption of the additional mitigation measures and the City's continuing partnership with the DOJ and other responsible and trustee agencies to determine best practices and standards.

The developer has initiated the process to exit out of the Williamson Act contract by recordation of a Notice of Nonrenewal. The landowner may wait until the expiration of the term of the contract or cancel the contract sooner by payment of appropriate fees. The cancellation of the contract needs to occur prior to development of the property.

- Attachments: LAFCO Resolution No. 1433
- Exhibit A: Vicinity Map
  - Exhibit B: City Resolution 2020-06-23-1501-02
  - Exhibit C: Justification of Proposal
  - Exhibit D: City Resolution 2020-06-23-1501-01
  - Exhibit E: Agricultural Land Conversion Statement
  - Exhibit F: Stockton Vacant Industrial Lands
  - Exhibit G: City Resolution 2020-06-23-1501-03
  - Exhibit H: Referral Comments
  - Exhibit I: City Services Plan



RESOLUTION NO. 1433

**BEFORE THE SAN JOAQUIN LOCAL AGENCY FORMATION COMMISSION APPROVING  
THE SANCHEZ REORGANIZATION TO THE CITY OF STOCKTON  
WITH CONCURRENT DETACHMENTS FROM THE COLLEGEVILLE RURAL FIRE  
DISTRICT, CENTRAL SAN JOAQUIN WATER CONSERVATION DISTRICT, AND THE SAN  
JOAQUIN COUNTY RESOURCE CONSERVATION DISTRICT (L AFC 13-20)**

WHEREAS, the above entitled proposal was initiated by resolution by the City of Stockton and on July 10, 2010 the Executive Officer certified the application filed for processing in accordance with the Local Government Reorganization Act of 2000; and

WHEREAS, the Commission held a telephonically public hearing on the proposed reorganization on August 13, 2020, pursuant to notice of hearing which was published, posted, and mailed in accordance with State law; and

WHEREAS, in accordance with Governor's Executive Order N33-20, LAFCo has arranged for members of the public to observe and address the meeting telephonically.

WHEREAS, at said hearing the Commission heard and received evidence, both oral and written regarding the proposal and all persons were given an opportunity to address the hearing telephonically; and

WHEREAS, the City of Stockton certified and adopted an Environmental Impact Report (State Clearinghouse No. 2020020006) with a Statement of Overriding Considerations and adopted a Mitigation Monitoring and Reporting Program for the Sanchez Reorganization Project;

WHEREAS, the subject territory is uninhabited and has 100% owner consent;

WHEREAS, the subject territory is under Williamson Act Contract WA-94-16;

WHEREAS, the Commission has, in evaluating the proposal considered the report submitted by the Executive Officer, the factors set forth in Section 56668 of the California Government Code and testimony and evidence presented at the public hearing held on August 13, 2020.

NOW, THEREFORE, the San Joaquin Local Agency Formation Commission DOES HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

Section 1. Certifies that, as a Responsible Agency, the Commission has independently reviewed and considered the Environmental Impact Report (State Clearinghouse No. 2020020006) with a Statement of Overriding Considerations and adopted a Mitigation Monitoring and Reporting Program as certified by the City of Stockton.

Section 2. Finds that the proposal is uninhabited and has 100% owner consent.

Section 3. Finds that a Notice of Nonrenewal for Williamson Act Contract WA-94-16 has been recorded by the landowner.

Section 4. Finds that the City of Stockton has a Williamson Act Ordinance in place and will succeed to the Contract.

Section 5. Approves the annexation of the Sanchez Reorganization to the City of Stockton with concurrent detachments from the Colledgeville Rural Fire Protection District, Central San Joaquin Water Conservation District and the San Joaquin County Resource Conservation District with the boundary description attached hereto as Exhibit A.

Section 6. Finds, pursuant to Government Code Section 56856.5, the reorganization is necessary to provide services to a planned, well-ordered, and efficient urban development pattern that includes appropriate consideration of the reservation of open-space lands within those urban development patterns.

PASSED AND ADOPTED this 13<sup>th</sup> day of August 2020 by the following roll call vote:

AYES:

NOES:

ABSENT:

---

JESUS ANDRADE, CHAIRMAN  
San Joaquin Local Agency  
Formation Commission



# SANCHEZ REORGANIZATION TO THE CITY OF STOCKTON

PUBLIC HEARING

AUGUST 13, 2020

SAN JOAQUIN LOCAL AGENCY FORMATION COMMISSION

# PROPOSAL

- Annexation of 149.01 acres to the City of Stockton, including portions of Arch Road and Austin Roads fronting the annexation site
- Detachment from Colledgeville Fire District, Central San Joaquin Water Conservation District, and the San Joaquin County Resource Conservation District
- City proposes development of the parcel as IL-Limited Industrial for approximately 2.8 million square feet of high-cube warehousing or other light industrial uses
- Located at the northwest corner of Arch Road and Austin Road
- Annexation is uninhabited and has 100% owner consent



Vicinity Map  
Sanchez  
Reorganization

## BACKGROUND

- City Council approved an application submittal to LAFCo, rezoned the annexation site, and certified an EIR and Statement of Overriding Consideration and adopted a Mitigation Monitoring and Reporting Program for the Sanchez annexation
- The site was considered for annexation in the City's MSR and is within the 10-year planning sphere
- A Master Tax Sharing Agreement is in place providing for a County/City split of 80%/20% for property tax revenues
- The annexation site is in a developing industrial area and a logical extension of existing industrial development for the area

## REVIEW FACTORS

### GOVERNMENT CODE SECTION 56668

- Population and likelihood of significant growth in the next 10 years
  - Annexation site is currently in agricultural uses
  - Site is surrounded by existing industrial development and institutional development
  - Development of the site will continue the pattern of industrial development planned for this area of Stockton

## REVIEW FACTORS

### GOVERNMENT CODE SECTION 56668

- Agricultural Land Conversion
  - The parcel consists of Stockton Clay and Jackson Clay. Stockton Clay is considered Prime Agricultural Land.
  - The subject site is subject to the City's Agricultural Lands Mitigation Program and the San Joaquin Multi-Species Habitat Conservation and Open Space Plan
    - Requires dedication of an agricultural conservation easement at a 1:1 ratio or pay the agricultural land mitigation fees and habitat conversion fees
  - A vacant industrial land survey was conducted to determine if other non-prime agricultural lands are available
    - The survey found only 42 parcels are larger than 5 acres with the largest being about 74 acres
    - It was determined that the 74 acre parcel is unsuitable to accommodate the proposed project
  - The General Plan has designated the site industrial and development will continue to promote the planned, orderly and efficient development in the area



## WILLIAMSON ACT

- Proposed site has been under a Williamson Act Contract since 1995
- Williamson Act lands are restricted to agricultural or related open space uses while under contract
- Contracts are for 10-year periods and are renewed at the end of the term
- Landowners receive property tax assessments that are lower than normal because they are based on farming and open space uses as opposed to full market value
- A landowner may terminate the contract by filing a Notice of Nonrenewal and the contract will expire at the end of the 10-year term or pay required fees to cancel the contract
- A Notice of Nonrenewal was recorded on February 28, 2020
- City Council approved cancellation on June 23, 2020
- Final cancellation of the contract can take effect after annexation approval

## REVIEW FACTORS

### GOVERNMENT CODE SECTION 56668

- Provision of Services
  - Water and sewer service are available by connection to existing lines near the project site
  - An onsite storm drainage collection and detention system will be required
  - Developer would be required to pay connection and monthly usage fees for service

## FIRE SERVICE

- Site will detach from the Collegeville Fire District and the City will be responsible for fire service
- Nearest City fire station is located 4 miles north of the site resulting in a 10-12 minute response time
- A service agreement has been negotiated with the Montezuma Fire District to provide fire service for an annual fee and an initial fee
- Agreement will be effective until such time as the City can provide an efficient response time
- The Developer has entered an agreement with Montezuma to mitigate the loss of property tax revenue

## ENVIRONMENTAL JUSTICE

- Concerns were expressed regarding adverse impacts of air pollution from the proposed development to neighboring low-income residential areas and the youth correction facility, and the adult medical and correctional facilities in the vicinity of the project site
- The State recommended mitigation measures for consideration to reduce the impacts
- In response the City adopted a revision to its Green House Gas Mitigation Measures and 20 additional improvement measures
- The City will continue to partner with the DOJ and other responsible and trustee agencies to determine best practices and standards for development

## DISCUSSION

- The proposal is consistent with the Envision Stockton 2040 General Plan, its Municipal Service Review and Sphere of Influence Plan
- Municipal services can be adequately provided by the City
- An agreement with the Montezuma Fire District will greatly reduce response times for fire protection
- Environmental Justice concerns addressed with the adoption of additional mitigation measures
- The project represents a logical extension of the City Boundary and orderly development of the area

## RECOMMENDATION

- It is recommended that the Commission approved Resolution No. 1433 approving annexation of the Sanchez Reorganization to the City of Stockton

LAFCO 19-\_\_\_\_  
SANCHEZ PROPERTY ANNEXATION  
TO CITY OF STOCKTON  
ANNEXATION NO. \_\_\_\_

EXHIBIT "A"

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE UNINCORPORATED AREA OF SAN JOAQUIN COUNTY, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEING A PORTION OF SECTIONS 27 AND 26, TOWNSHIP 1 NORTH, RANGE 7 EAST, MOUNT DIABLO BASE AND MERIDIAN AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**BEGINNING** AT THE NORTH QUARTER CORNER OF SAID SECTION 27 (T1N, R7E), SAID POINT ALSO BEING THE NORTHWESTERLY CORNER OF THE PARCEL OF LAND DESCRIBED IN THAT CERTAIN GRANT DEED TO ANTHONY A. SANCHEZ AND STEVEN A. SANCHEZ, CO-TRUSTEES UNDER THE WILL OF ROBERTA SANCHEZ, TRUST B, RECORDED MAY 18, 2018, AS DOCUMENT NO. 2018-055198, SAN JOAQUIN COUNTY RECORDS;

THENCE ALONG THE NORTHERLY LINE OF SAID SANCHEZ TRUST PARCEL AND THE NORTHERLY LINE OF SECTION 27, SOUTH 89° 58' 14" EAST, 1753.79 FEET TO THE NORTHWESTERLY CORNER OF THE PARCEL OF LAND DESCRIBED IN THAT CERTAIN GRANT DEED TO BURLINGTON NORTH AND SANTA FE RAILWAY COMPANY, RECORDED APRIL 15, 2003, AS DOCUMENT NO. 2003-079581, SAN JOAQUIN COUNTY RECORDS;

THENCE ALONG THE LINE COMMON TO THE SAID PARCELS THE FOLLOWING THREE (3) COURSES:

- 1) ALONG THE ARC OF A NON-TANGENT 1100.08 FOOT RADIUS CURVE TO THE LEFT, THE CENTER OF WHICH BEARS NORTH 51° 41' 41" EAST, THROUGH A CENTRAL ANGLE OF 50° 02' 54", AN ARC DISTANCE OF 960.93 FEET,
- 2) SOUTH 88°21' 13" EAST, 11.31 FEET, TO A POINT ON THE WESTERLY RIGHT OF WAY LINE OF AUSTIN ROAD, A 60-FOOT-WIDE PUBLIC RIGHT OF WAY AT THIS POINT, AND
- 3) ALONG SAID LINE NORTH 00° 16' 34" WEST, 417.32 FEET, TO A POINT ALONG THE NORTHERLY LINE OF SAID SECTION 27 (T1N, R7E).

THENCE ALONG SAID NORTHERLY LINE SOUTH 89° 58' 14" EAST, 60.00 FEET TO THE NORTHEASTERLY CORNER OF SAID SECTION 27 (T1N, R7E), SAID POINT ALSO BEING ON THE EASTERLY RIGHT OF WAY LINE OF AUSTIN ROAD, A 60-FOOT-WIDE PUBLIC RIGHT OF WAY AT THIS POINT;

THENCE ALONG SAID EASTERLY RIGHT OF WAY LINE AND ALSO BEING THE EASTERLY LINE OF SAID SECTION 27 (T1N, R7E), SOUTH 00° 16' 34" EAST, 2064.98 FEET, TO AN ANGLE POINT IN SAID EASTERLY RIGHT OF WAY LINE;

THENCE LEAVING SAID EASTERLY LINE OF SECTION 27 (T1N R7E) AND CONTINUING ALONG SAID EASTERLY RIGHT OF WAY LINE, SOUTH 03° 01' 17" EAST, 626.36 FEET, TO A POINT OF INTERSECTION WITH THE SAID EASTERLY RIGHT OF WAY LINE AND THE EXTENSION OF THE SOUTHERLY RIGHT OF WAY LINE OF ARCH ROAD, A 72' WIDE PUBLIC RIGHT OF WAY;

THENCE LEAVING SAID EASTERLY RIGHT OF WAY LINE OF AUSTIN ROAD, AND ALONG SAID EXTENSION AND THE SOUTHERLY RIGHT OF WAY LINE OF ARCH ROAD, SOUTH 89° 59' 12" WEST, 2685.13 FEET, TO A POINT OF INTERSECTION WITH THE SAID SOUTHERLY RIGHT OF WAY LINE AND THE EXTENSION OF THE WESTERLY LINE OF SAID SANCHEZ TRUST PARCEL (2018-055198 OR), SAID POINT ALSO BEING ON THE NORTH-SOUTH CENTERLINE OF SAID SECTION 27 (T1N, R7E);

THENCE LEAVING SAID SOUTHERLY RIGHT OF WAY LINE OF ARCH ROAD, AND ALONG SAID EXTENSION, THE WESTERLY LINE OF SAID SANCHEZ TRUST PARCEL (2018-055198 OR) AND THE CENTERLINE OF SAID SECTION 27, NORTH 00° 16' 03" WEST, 2692.46 FEET, TO THE **POINT OF BEGINNING.**

CONTAINING 158.69 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.

\_\_\_\_\_  
GARY K. LAMB, P.L.S. 6627

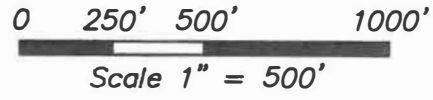
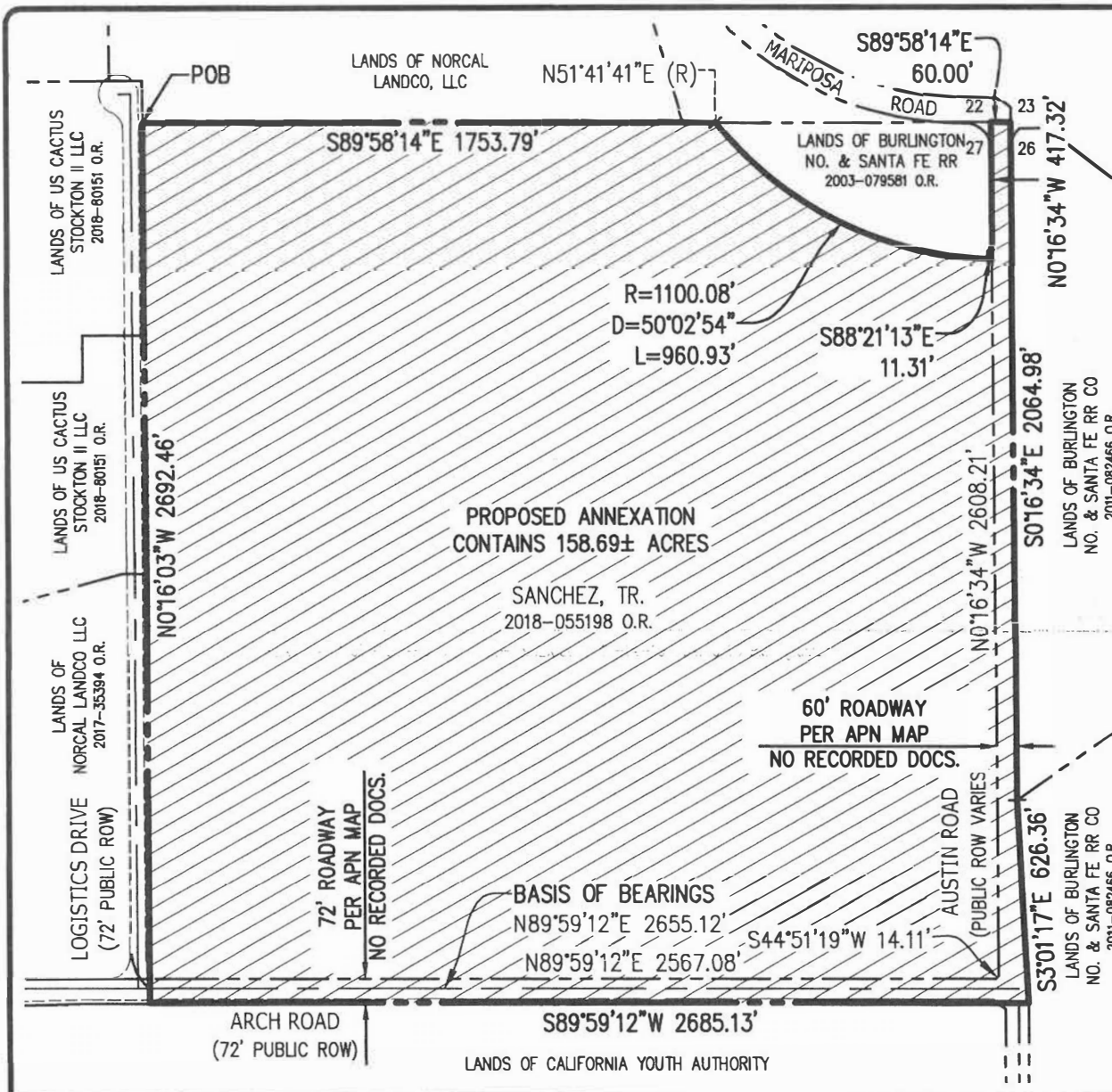
\_\_\_\_\_  
DATE

THIS DESCRIPTION CONFORMS TO THE LAFCO REQUIREMENTS.

\_\_\_\_\_  
JAMES E. HART, P.L.S. 8657  
COUNTY SURVEYOR

\_\_\_\_\_  
DATE





**BASIS OF BEARINGS**

THE BEARING OF NORTH 89° 59' 12" EAST, TAKEN ON THE CENTER LINE OF ARCH ROAD AS SHOWN ON THAT CERTAIN RECORD OF SURVEY, FILED FOR RECORD ON DECEMBER 30, 2008, IN BOOK 37 OF SURVEYS, AT PAGE 18, SAN JOAQUIN COUNTY RECORDS, WAS TAKEN AS THE BASIS FOR ALL BEARINGS SHOWN HEREON.

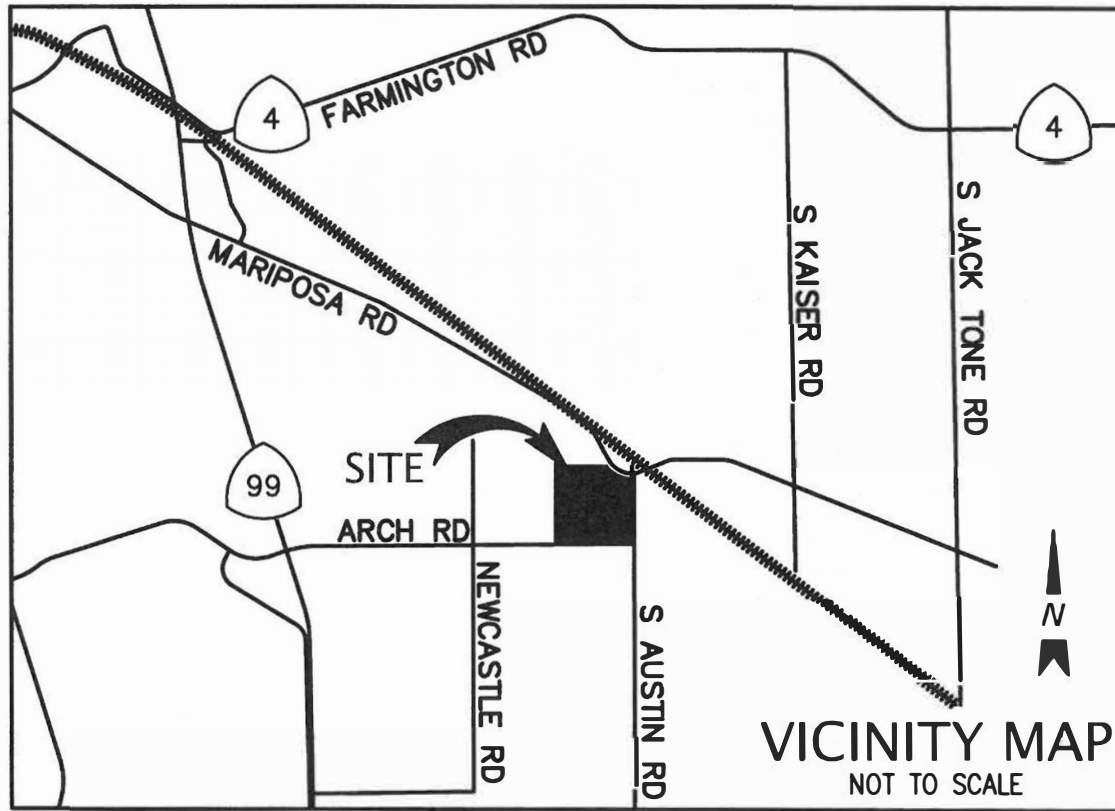
**LEGEND**

- APN ASSESSOR'S PARCEL NO.
- O.R. OFFICIAL RECORDS
- POB POINT OF BEGINNING
- ROW RIGHT OF WAY
- TR. TRUST
- (T) TOTAL
- (R) RADIAL BEARING

**KIER+WRIGHT**  
 250 Cherry Lane, Suite 107, 208 Manteca, CA 95337  
 Phone: (209) 328-1123  
 www.kierwright.com

**EXHIBIT "B"**  
**LAFCO 19-**  
**CITY OF STOCKTON ANNEXATION NO. \_\_\_\_\_**  
 UNINCORPORATED SAN JOAQUIN COUNTY CALIFORNIA

DATE	NOV., 2019
SCALE	1" = 500'
BY	GKL
JOB NO.	A07567-103
SHEET	2 OF 2



THIS PLAT WAS PREPARED BY ME OR UNDER MY DIRECTION.  
 FOR ASSESSMENT PURPOSES ONLY, THIS DESCRIPTION IS NOT A LEGAL PROPERTY  
 DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP ACT AND MAY NOT BE USED  
 AS THE BASIS FOR AN OFFER FOR SALE OF THE LAND DESCRIBED.

DATED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2019.

\_\_\_\_\_  
 GARY K. LAMB, P.L.S. NO. 6627



THIS DESCRIPTION CONFORMS TO THE LAFCO REQUIREMENTS.

DATED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2019.

\_\_\_\_\_  
 JAMES E. HART, COUNTY SURVEYOR  
 P.L.S. NO. 8657



**KIER+WRIGHT**

250 Cherry Lane, Suite 107, 208  
 Manteca, CA 95337

Phone: (209) 328-1123  
 www.kierwright.com

**EXHIBIT "B"**  
**LAFCO 19-\_\_\_\_\_**  
**CITY OF STOCKTON ANNEXATION NO. \_\_\_\_\_**

UNINCORPORATED

SAN JOAQUIN COUNTY

CALIFORNIA

DATE	NOV., 2019
SCALE	NTS
BY	GKL
JOB NO.	A07567-103
SHEET	1 OF 2

EXHIBIT A

Resolution No. **2020-06-23-1501-02**

## **STOCKTON CITY COUNCIL**

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### **RESOLUTION AUTHORIZING THE FILING WITH THE LOCAL AGENCY FORMATION COMMISSION OF THE PROPOSED SANCHEZ-HOGGAN PROJECT (P19-0691) TO THE CITY OF STOCKTON WITH RELATED CITY SERVICES PLAN FOR ASSESSOR'S PARCEL NUMBERS 181-100-09 AND 179-200-27, INCLUDING DETACHMENT OF THE COLLEGEVILLE AND MONTEZUMA RURAL FIRE DISTRICTS**

The proposed Sanchez-Hoggan Project ("project") also includes an annexation request for two parcels totaling ±169.77 acres, a prezone to Industrial, Limited (IL), a request to cancel an existing Williamson Act contract, a Tentative Parcel Map (TPM) to subdivide one parcel into four, and an Environment Impact Report with Mitigation Monitoring and Reporting Program; and

The annexation area includes Assessor Parcel Number (APN) 181-100-09, which is the 149.01-acre Sanchez property, and APN 179-200-27, which is the 20.76-acre Hoggan property. Also proposed for annexation is the segment of Arch Road adjacent to the Sanchez property and the segment of Austin Road from the intersection with Arch Road to the intersection with Mariposa Road; and

The project site is within the City of Stockton's Sphere of Influence (SOI). The proposed project would result in the annexation of the project site to the City of Stockton, along with the roadway right-of-way for the adjoining S. Austin Road and Arch Road. The total annexation area would be approximately 169.77 acres. The proposed project includes property owner-initiated annexation for all parcels APN 181-100-09 and 179-200-27. The annexation application, if approved by City Council, would then be filed with the San Joaquin Local Agency Formation Commission (LAFCO) for action; and

As current County zoning for all parcels is AG-40, the San Joaquin LAFCO will require the project site to be prezoned by the City of Stockton in conjunction with the proposed annexation. The City's pre zoning would zone the sites to Industrial, Limited (IL) and is included in a separate ordinance to be adopted by the Stockton City Council. The pre zoning would go into effect upon completion of the annexation process; and

The LAFCO action would also include the applicant's requested detachment from two existing districts. The Montezuma and the Collegeville Rural Fire Districts. The Sanchez parcel is currently serviced by the Collegeville Rural Fire District, while the Hoggan parcel is serviced by the Montezuma Rural Fire District. The detachments will be subject to an agreement by the developer to mitigate the District's loss of current property taxes. Future services will be provided by the City of Stockton; and

Based upon LAFCO 's updated Service Review Policies, a three-party agreement

between CT Reality, the City, and each Rural Fire Protection District (Collegeville and Montezuma), has been developed to allow the developer to make up for the District's loss of property tax revenue as a result of the property's annexation. These Agreements do not obligate the City to make any payments to the developer or District; therefore, there is no direct financial impact to the General Fund or any other unrestricted fund; and

On June 12, 2020, a public notice for the subject application was published in the local newspaper in accordance with Stockton Municipal Code (SMC) Section 16.88.030; and

On June 23, 2020, the City Council 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; now, therefore,

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

1. The foregoing recitals are true and correct and incorporated here by reference; and

2. An Environmental Impact Report with Statemen tof Overriding Considerations and Mitigation Monitoring and Reporting Program has been prepared for the project; and

**Annexation**

- A. The subject property is located within the urban services area of the City;
- B. The property has been prezoned with City of Stockton zoning designation of IL (Industrial, Limited);
- C. The subject territory is contiguous to existing City limits;
- D. The proposed annexation does not split a line of assessment or ownership and would as described in the Environmental Impact Report prepared for the overall project, ensure property ownership lines align with the City Limit boundary established by the annexation. This finding is supported by San Joaquin Local Agency Formation 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 map to avoid creating remnants of legal lots;
- E. The proposal does not create islands or areas in which it would be difficult to provide City services. The subject territory has existing arterial roadways with utilities that border it on two sides. Annexation of the subject territory represents a natural extension urban development and utilizes said existing roadways and

utilities without creating a feature that may make their delivery difficult to other areas; and

- F. The proposed annexation of the project development site to the City is consistent with applicable goals and policies related to annexation of lands. The project is located within the Sphere of Influence, and the annexation site is located adjacent to the City boundary. The project site is planned for urban development under the General Plan. All necessary public services and infrastructure will be provided. Costs of the project development, as well as ongoing maintenance costs related to public improvements, are addressed through project analysis documentation, and would not result in an adverse financial impact to the City.

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);
- F. The City Manager is hereby authorized and directed to execute on behalf of the City, the Agreement between the City of Stockton, the CT Reality and/or current owner of Sanchez property (APN 181-100-09), and Colleeville Rural 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; and
- G. The City Manager is hereby authorized and directed to execute on behalf of the City, the Agreement between the City of Stockton, the CT Reality, and Montezuma Rural Fire Protection District regarding detachment of property From the District to the City of Stockton, as illustrated on Exhibit 4 and incorporated herein by reference.

3. Based on its review of the entire record herein, including the June 23, 2020, City Council staff report, all supporting, referenced, and incorporated documents, and all comments received, the City Council authorizes the City Manager to file an annexation application with the San Joaquin Local Agency Formation Commission, for annexation of certain property and detachment from the Colleeville and Montezuma Fire Protection

Attachment 6- Hoggan Annex Reso



Districts with mitigation agreements, including the City Services Plan, annexation boundary attached as Exhibits 1 (Annexation Legal Descriptions), Exhibit 2 (City Service Plan), Exhibit 3 (Collegeville Mitigation Agreement), Exhibit 4 (Montezuma Mitigation Agreement), all of which are incorporated by this reference.

PASSED, APPROVED, and ADOPTED June 23, 2020.



MICHAEL D. TUBBS  
Mayor of the City of Stockton

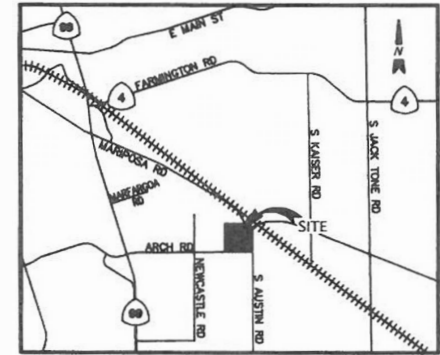
ATTEST:



ELIZA R. GARZA, CMC  
City Clerk of the City of Stockton



0 250' 500' 1000'  
Scale 1" = 500'



**VICINITY MAP**

NOT TO SCALE

**LEGEND**

APN	ASSESSORS PARCEL NUMBER
A/UR	AGRICULTURE URBAN RESERVE
AG-40	GENERAL AGRICULTURE
GP	GENERAL PLAN
IL	LIMITED/LIGHT INDUSTRIAL
SJC	SAN JOAQUIN COUNTY

APN 179-250-430-000  
CITY OF STOCKTON  
GP: INDUSTRIAL  
ZONE: IL

CITY OF STOCKTON  
SAN JOAQUIN COUNTY  
APN 179-220-290-000  
CITY OF STOCKTON  
GP: INDUSTRIAL  
ZONE: IL

APN 181-100-080-000  
SJC  
GP: A/UR  
ZONE: AG-40

APN 181-100-090-000

**EXISTING SJC**  
GP: A/UR  
ZONE: AG-40

**PROPOSED CITY OF STOCKTON**  
GP: INDUSTRIAL  
ZONE: IL

APN 181-100-160-000  
CITY OF STOCKTON  
GP: INDUSTRIAL  
ZONE: IL

APN 181-100-170-000  
CITY OF STOCKTON  
GP: INDUSTRIAL  
ZONE: IL

APN 181-100-180-000  
CITY OF STOCKTON  
GP: INDUSTRIAL  
ZONE: IL

LOGISTICS DRIVE  
(PUBLIC ROW)  
CITY OF STOCKTON  
SAN JOAQUIN COUNTY

SOUTH AUSTIN ROAD  
(PUBLIC ROW)

ARCH ROAD  
(PUBLIC ROW)



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**PREZONE EXHIBIT**

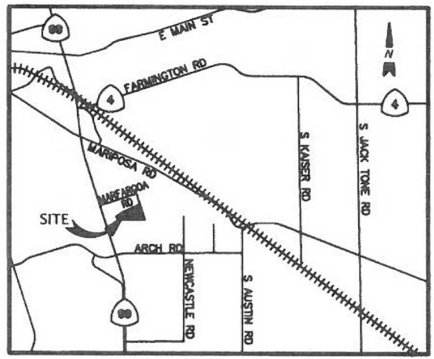
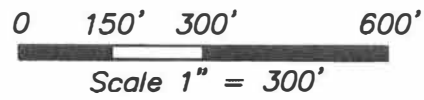
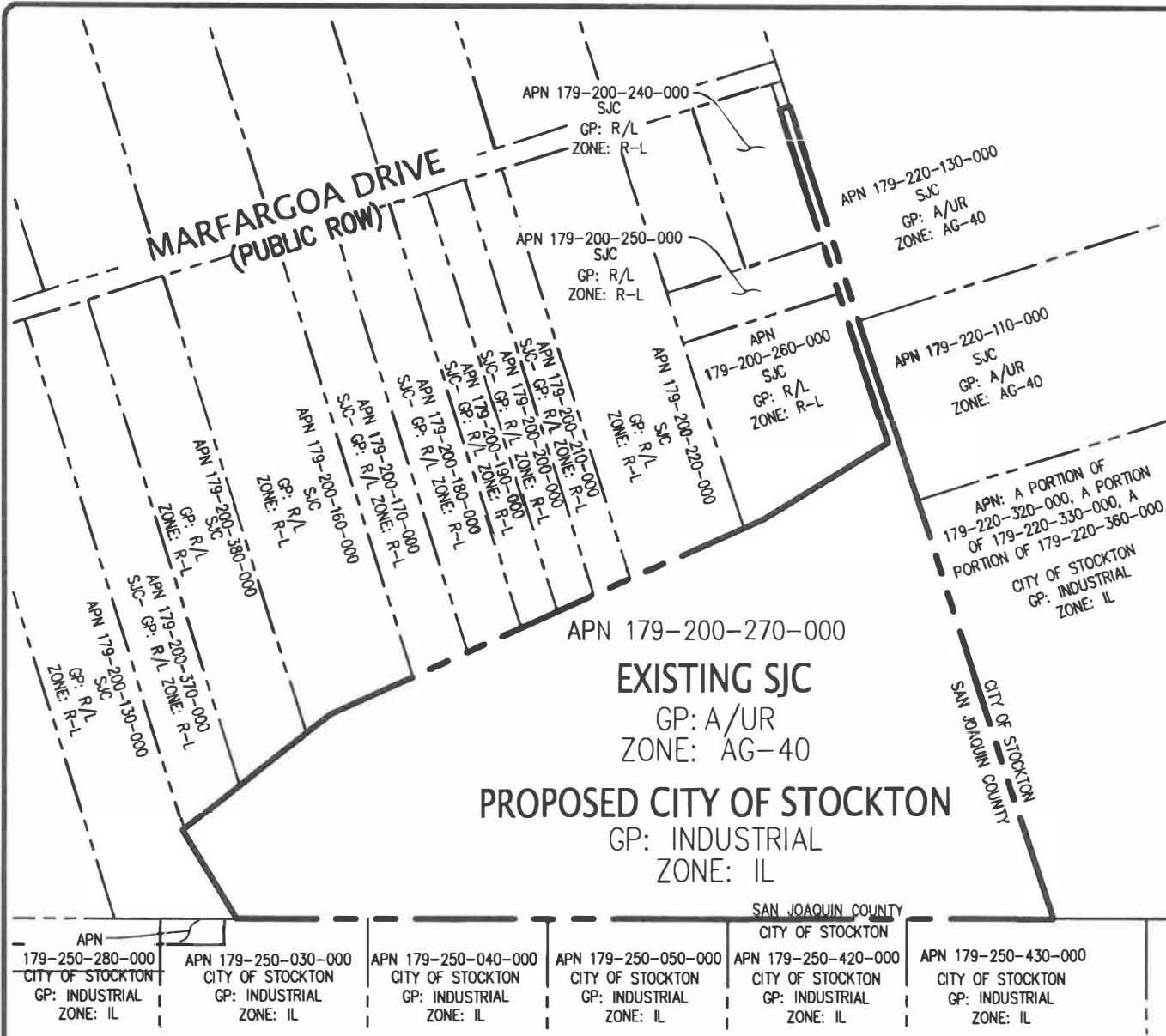
**FOR ANNEXATION OF APN 181-100-090-000**

STOCKTON,

SAN JOAQUIN COUNTY

CALIFORNIA

DATE	NOV., 2019
SCALE	1" = 500'
BY	DAJ
JOB NO.	A07567-103
SHEET	1 OF 1



**VICINITY MAP**

NOT TO SCALE

**LEGEND**

APN	ASSESSORS PARCEL NUMBER
A/UR	AGRICULTURE URBAN RESERVE
AG-40	GENERAL AGRICULTURE
GP	GENERAL PLAN
IL	LIMITED/LIGHT INDUSTRIAL
R/L	LOW DENSITY RESIDENTIAL
SJC	SAN JOAQUIN COUNTY

APN 179-250-280-000 CITY OF STOCKTON GP: INDUSTRIAL ZONE: IL	APN 179-250-030-000 CITY OF STOCKTON GP: INDUSTRIAL ZONE: IL	APN 179-250-040-000 CITY OF STOCKTON GP: INDUSTRIAL ZONE: IL	APN 179-250-050-000 CITY OF STOCKTON GP: INDUSTRIAL ZONE: IL	APN 179-250-420-000 CITY OF STOCKTON GP: INDUSTRIAL ZONE: IL	APN 179-250-430-000 CITY OF STOCKTON GP: INDUSTRIAL ZONE: IL
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Phone: (209) 328-1123  
www.kierwright.com

**PREZONE EXHIBIT  
FOR ANNEXATION OF APN 179-200-270-000**

STOCKTON, SAN JOAQUIN COUNTY CALIFORNIA

DATE	NOV., 2019
SCALE	1" = 300'
BY	DAJ
JOB NO.	A07567-103
SHEET	1 OF 1



# Attachment 6- Hoggan Annex Reso

LAFCO 19-\_\_\_\_  
SANCHEZ PROPERTY ANNEXATION  
TO CITY OF STOCKTON  
ANNEXATION NO. \_\_\_\_\_

## EXHIBIT "A"

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE UNINCORPORATED AREA OF SAN JOAQUIN COUNTY, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEING A PORTION OF SECTIONS 27 AND 26, TOWNSHIP 1 NORTH, RANGE 7 EAST, MOUNT DIABLO BASE AND MERIDIAN AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**BEGINNING** AT THE NORTH QUARTER CORNER OF SAID SECTION 27 (T1N, R7E), SAID POINT ALSO BEING THE NORTHWESTERLY CORNER OF THE PARCEL OF LAND DESCRIBED IN THAT CERTAIN GRANT DEED TO ANTHONY A. SANCHEZ AND STEVEN A. SANCHEZ, CO-TRUSTEES UNDER THE WILL OF ROBERTA SANCHEZ, TRUST B, RECORDED MAY 18, 2018, AS DOCUMENT NO. 2018-055198, SAN JOAQUIN COUNTY RECORDS;

THENCE ALONG THE NORTHERLY LINE OF SAID SANCHEZ TRUST PARCEL AND THE NORTHERLY LINE OF SECTION 27, SOUTH 89° 58' 14" EAST, 1753.79 FEET TO THE NORTHWESTERLY CORNER OF THE PARCEL OF LAND DESCRIBED IN THAT CERTAIN GRANT DEED TO BURLINGTON NORTH AND SANTA FE RAILWAY COMPANY, RECORDED APRIL 15, 2003, AS DOCUMENT NO. 2003-079581, SAN JOAQUIN COUNTY RECORDS;

THENCE ALONG THE LINE COMMON TO THE SAID PARCELS THE FOLLOWING THREE (3) COURSES:

- 1) ALONG THE ARC OF A NON-TANGENT 1100.08 FOOT RADIUS CURVE TO THE LEFT, THE CENTER OF WHICH BEARS NORTH 51° 41' 41" EAST, THROUGH A CENTRAL ANGLE OF 50° 02' 54", AN ARC DISTANCE OF 960.93 FEET,
- 2) SOUTH 88°21' 13" EAST, 11.31 FEET, TO A POINT ON THE WESTERLY RIGHT OF WAY LINE OF AUSTIN ROAD, A 60-FOOT-WIDE PUBLIC RIGHT OF WAY AT THIS POINT, AND
- 3) ALONG SAID LINE NORTH 00° 16' 34" WEST, 417.32 FEET, TO A POINT ALONG THE NORTHERLY LINE OF SAID SECTION 27 (T1N, R7E).

THENCE ALONG SAID NORTHERLY LINE SOUTH 89° 58' 14" EAST, 60.00 FEET TO THE NORTHEASTERLY CORNER OF SAID SECTION 27 (T1N, R7E), SAID POINT ALSO BEING ON THE EASTERLY RIGHT OF WAY LINE OF AUSTIN ROAD, A 60-FOOT-WIDE PUBLIC RIGHT OF WAY AT THIS POINT;

THENCE ALONG SAID EASTERLY RIGHT OF WAY LINE AND ALSO BEING THE EASTERLY LINE OF SAID SECTION 27 (T1N, R7E), SOUTH 00° 16' 34" EAST, 2064.98 FEET, TO AN ANGLE POINT IN SAID EASTERLY RIGHT OF WAY LINE;

Attachment 6- Hoggan Annex Reso

THENCE LEAVING SAID EASTERLY LINE OF SECTION 27 (T1N R7E) AND CONTINUING ALONG SAID EASTERLY RIGHT OF WAY LINE, SOUTH 03° 01' 17" EAST, 626.36 FEET, TO A POINT OF INTERSECTION WITH THE SAID EASTERLY RIGHT OF WAY LINE AND THE EXTENSION OF THE SOUTHERLY RIGHT OF WAY LINE OF ARCH ROAD, A 72' WIDE PUBLIC RIGHT OF WAY;

THENCE LEAVING SAID EASTERLY RIGHT OF WAY LINE OF AUSTIN ROAD, AND ALONG SAID EXTENSION AND THE SOUTHERLY RIGHT OF WAY LINE OF ARCH ROAD, SOUTH 89° 59' 12" WEST, 2685.13 FEET, TO A POINT OF INTERSECTION WITH THE SAID SOUTHERLY RIGHT OF WAY LINE AND THE EXTENSION OF THE WESTERLY LINE OF SAID SANCHEZ TRUST PARCEL (2018-055198 OR), SAID POINT ALSO BEING ON THE NORTH-SOUTH CENTERLINE OF SAID SECTION 27 (T1N, R7E);

THENCE LEAVING SAID SOUTHERLY RIGHT OF WAY LINE OF ARCH ROAD, AND ALONG SAID EXTENSION, THE WESTERLY LINE OF SAID SANCHEZ TRUST PARCEL (2018-055198 OR) AND THE CENTERLINE OF SAID SECTION 27, NORTH 00° 16' 03" WEST, 2692.46 FEET, TO THE **POINT OF BEGINNING.**

CONTAINING 158.69 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.

\_\_\_\_\_  
GARY K. LAMB, P.L.S. 6627

\_\_\_\_\_  
DATE

THIS DESCRIPTION CONFORMS TO THE LAFCO REQUIREMENTS.

\_\_\_\_\_  
JAMES E. HART, P.L.S. 8657  
COUNTY SURVEYOR

\_\_\_\_\_  
DATE

# San Joaquin Local Agency Formation Commission

509 West Weber Avenue      Stockton, CA 95203  
209-468-3198      FAX 209-468-3199

## JUSTIFICATION OF PROPOSAL

Please complete the following information to process an application under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000: (Indicate N/A if Not Applicable)

**SHORT TITLE OF THE PROPOSAL:**      Sanchez Annexation (P19-0691)

**TYPE OF PROPOSAL**

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> City Incorporation | <input type="checkbox"/> Sphere of Influence Amendment   | <input type="checkbox"/> District Formation   |
| <input type="checkbox"/> Consolidation      | <input type="checkbox"/> Sphere of Influence Update  | <input type="checkbox"/> Annexation           |
| <input type="checkbox"/> Detachment         | <input type="checkbox"/> Addition of Services  | <input type="checkbox"/> District Dissolution |
|   | <input checked="" type="checkbox"/> Reorganization (involving an Annexation and Detachment(s)) |   |

**AGENCY CHANGES RESULTING FROM THIS PROPOSAL**

Agency or Agencies gaining territory: *City of Stockton*

Agency or Agencies losing territory:      *San Joaquin County Resource Conservation District,  
Collegeville Fire Protection District, and Central San Joaquin  
Water Conservation District*

**NOTIFICATION**

Please indicate the names, addresses and telephone numbers of all Applicants, Applicant's Agents, and all affected Agencies who are to receive the hearing notice and the Executive Officer's Report:

<u>Name</u>	<u>Mailing Address</u>	<u>Telephone</u>
	<i>CT Realty Investors, 4343 Von Karman Avenue, Suite 200, Newport Beach, CA 92660,</i>	<i>949-929-2412</i>
	<i>Michael D. Hakeem, Hakeem, Ellis and Marengo, 3414 Brookside Road, Suite 100, Stockton, CA 95219,</i>	<i>209-474-2800</i>
	<i>Harry E. Black, City Manager, City of Stockton, 425 N El Dorado Street, 2nd Floor, Stockton, CA 95202,</i>	<i>209-937-8212</i>
	<i>Matt Diaz, Planning Manager, City of Stockton Department of Community Development, 345 N El Dorado Street, Stockton, CA 95202</i>	<i>209-937-8444</i>

(Attach a separate sheet if necessary.)

**PROJECT INFORMATION**

Please provide project-related information for the following questions:

1. Do the proposed boundaries create an island of non-agency territory?  Yes  No
2. Do the proposed boundaries split lines of assessment or ownership?  Yes  No
3. Does the proposal involve public rights-of-way or easements?  Yes  No
4. Does the proposal involve public land or land assessed by the State?  Yes  No
5. Does any part of the proposal involve land under a Williamson Act Contract or Farmland Security Zone?  Yes  No
6. Does any part of the proposal involve land with a Wildlife/Habitat Easement or Agricultural Land Conservation Easement?  Yes  No

7. List the affected Assessor Parcel Numbers, Owners of record and Parcel Sizes:

<u>APN</u>	<u>Owner</u>	<u>Acreage</u>
181-100-09;	Steven Sanchez;	149.01-acre project site- 158-acre with Right-of-Ways

(Attach a separate sheet if necessary)

8. Physical Location of Proposal: 6001 Austin Road, northwest corner of Arch Road and Austin Road  
(Street or Road, distance from and name of Cross Street, quadrant of City)

9. Has an application been filed for an underlying project (such as Development Plan, Conditional Use Permit, or Tentative Subdivision Map)?  Yes  No

If Yes, please attach a Project Site Plan or Tentative Subdivision Map **Included** .

If No, please provide an estimate of when development will occur: \_\_\_\_\_

10. List those public services or facilities which will be provided to the affected territory as a result of the proposed action:

*City of Stockton Public Street Access, Police Protection Services, Fire Protection Services, Potable Water System, Wastewater System, Storm Drainage System, Solid Waste Collection*

11. Indicate which of these services or facilities will require main line extensions or facility upgrades in order to serve the affected territory:

*Short extensions of water, wastewater and storm drainage lines from adjacent industrial development in the City of Stockton*

12. Provide any other justification that will assist the Commission in reviewing the merits of this request. (Attach a separate sheet if necessary)

*Annexation site is located within City of Stockton Sphere of Influence, designated Industrial and adjacent to existing industrial development within the City.*

**INDEMNIFICATION AGREEMENT**

As part of this application, applicant and real property in interest, if different, agreed to defend, indemnify, hold harmless, and release the San Joaquin Local Agency Formation Commission, its agents, officers, attorneys, and employees from any claim, action, or proceeding brought against any of the above, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it. This indemnification obligation shall include, but not be limited to, damages, costs, expenses, attorney's fees, or expert witness fees that may be asserted by any person or entity, including the applicant, arising out of or in connection with the approval of this application, whether or not there is concurrent passive or active negligence on the part of the San Joaquin Local Agency Formation Commission, its agents, officers, attorneys, or employees.

Executed at Stockton, California on July, 6 2020

APPLICANT

REAL PARTY IN INTEREST  
(If different from Applicant)

Signature: 

Signature: 

Title: \_\_\_\_\_

Title: Property Owner

**SUBMITTALS**


In order for this application to be processed, the following information needs to be provided:

- 1 Two copies of this Justification of Proposal, completed and signed with original signatures.
- 2 Five prints of a full-scale proposal map showing the affected territory and its relationship to the affected jurisdiction (Refer to Guide for Preparation).
- 3 Five copies of an 8.5" x 11" or 11" x 17" reduction of the proposal map.
- 4 Three copies of a metes and bounds description of the affected territory.
- 5 One certified copy of the City Council and/or Special District Board Resolution of Application, or a petition making application to LAFCo (as appropriate).
- 6 Written permission from each affected property owner (or signature form).
- 7 One copy of the project environmental document (One Compact Disc if more than 25 pages).
- 8 One copy of the project Notice of Determination.
- 9 Three 8.5" x 11" copies of the Vicinity Map (if not included on the proposal map).
- 10 One copy of the plan for providing services along with a schematic diagram of water, sewer and storm drainage systems (refer to Government Code Section 56653).
- 11 One copy of the Pre-Zoning map or description (as required by Section 56375).
- 12 One copy of the Statement of Open Space (Ag) Land Conversion (refer to Section 56377);
- 13 One Copy of the Statement of Timely Availability of Water Supplies (refer to Section 56668(k)).
- 14 One copy of the Statement of Fair Share Housing Needs (if residential land uses are included in the proposal) (refer to Section 56668(l)).
- 15 One copy of the project design (site plan, development plan, or subdivision map).
- 16 One copy of the Residential Entitlement matrix form (if residential land uses are included in the proposal), and
17. Filing and processing fees in accordance with the LAFCo Fee Schedule and the State Board of Equalization Fee Schedule

Additional information may be required during staff review of the proposal.

**CERTIFICATION**

The undersigned hereby certifies that all LAFCo filing requirements will be met and that the statements made in this application are complete and accurate to the best of my knowledge.



Date: July 7, 2020

(Signature)  
Print or Type Name: William Crew

Daytime Telephone: (209) 937-8090

**\*LAFCO FINDINGS**

**GENERAL STANDARDS FOR ANNEXATION AND DETACHMENT**

These standards govern LAFCo determinations regarding annexations and detachments to and from all agencies. The annexations or detachments must be consistent with the general policies set forth in these Policies and Procedures.

1. **Spheres and Municipal Service Reviews:** The annexation or detachment must be consistent with the internal planning horizon of the sphere of influence. The land subject to annexation shall normally lie within the first planning increment (5-10 year) boundary. The annexation must also consider the applicable Municipal Service Review. An annexation shall be approved only if the Municipal Services Review and the Sphere of Influence Plan demonstrates that adequate services can be provided with the timeframe needed by the inhabitants of the annexed area. If detachment occurs, the sphere will be modified.
  - a. LAFCo generally will not allow spheres of influence to be amended concurrently with annexation proposals.
  - b. Proposed annexations of land that lie outside of the first planning horizon (5-10 year) are presumed to be inconsistent with the Sphere Plan. In such a case the agency must first request LAFCo to consider a sphere amendment pursuant to the above policies. If the amendment is approved, the agency may then proceed with the annexation proposal. A change of organization or reorganization will not be approved solely because an area falls within the SOI of any agency.
  - c. As an exception to the presumed inconsistency mentioned above, Master Plan and Specific Plan developments may span several planning horizons of the sphere of influence. Annexation of the entire project area may be desirable in order to comprehensively plan and finance infrastructure and provide for amenity-based improvements. In these cases, no amendment of the planning horizon is necessary provided project phasing is recognized in the Sphere of Influence Plan.

*Evidence:* The proposed parcel is part of the Sanchez-Hoggan Annexation Project (hereafter "Project") is within the City of Stockton's Sphere of Influence and is designated as Industrial by the Envision Stockton 2040 General Plan. Also, the proposed project boundary is shown within the proposed Municipal Services Review and the Sphere of Influence Plan (MSR/SOI) 10-Year Development Projection for anticipated inclusion into the City Limits. The project site is contiguous with the City Limits and can be adequately serviced by the City.

2. **Plan for Services:** Every proposal must include a Plan for Services that addresses the items identified in Section 56653 of the Government Code. The Plan for Services must be consistent with the Municipal Service Review of the Agency. Proponents must demonstrate that the City or special District is capable of meeting the need for services.

*Evidence:* The City Service Plan (CSP) reflects the Envision Stockton 2040 General Plan and the revised MSR/SOI plan. The CSP has been reviewed

*by all applicable City departments for compliance with existing standards and levels of service. In accordance with Stockton Municipal Code (SMC) section 16.216.070 (Annexation Process), the updated CSP was reviewed by the City's Development Review Committee (DRC) on April 27, 2020, for compliance with the current General Plan and SOI/MSR. After review, the DRC found the CSP to comply and recommended approval for submittal to Lafco for annexation.*

3. **Contiguity:** Territory proposed to be annexed to a city must be contiguous to the annexing City or District unless specifically allowed by statute. Territory is not contiguous if the only connection is a strip of land more than 300 feet long and less than 200 wide, that width to be exclusive of highways. The boundaries of a proposed annexation or reorganization must not create or result in areas that are difficult to serve.

*Evidence: The proposed annexation boundary will be contiguous with the existing city limits. See figure below.*

4. **Development within Jurisdiction:** Development of existing vacant or non-prime agricultural lands for urban uses within the existing jurisdiction or within the sphere of influence should be encouraged before any proposal is approved which would allow for or lead to the development of existing open space lands for non-open space uses which are outside of the existing jurisdiction of the local agency or outside of the existing sphere of influence of the local agency. (Section 56377)

*Evidence: The proposed project site is currently designated for agricultural uses under the San Joaquin County General Plan and Zoning Ordinance. The sanchez parcel is currently under Williamson Act Contract. In February, 2020 the applicant recorded a Notice of NonRenewal and on June 23, 2020 the City Council approved the cancellation request consistent with Title 16 (development code) and State Law. Upon annexation into the City of Stockton, all taxes will be paid and the contract officially cancelled. The project site is designated as Industrial (I) in the City's recent General Plan Update, and the applicant is seeking an Industrial Limited (IL) zoning designation for the site.*

5. **Progressive Urban Pattern:** Annexations to agencies providing urban services shall be progressive steps toward filling in the territory designated by the affected agency's adopted sphere of influence. Proposed growth shall be from inner toward outer areas.

*Evidence: Due to the City of Stockton's proximity to a major shipping Port, regional airport, Freeway, rail line, and location in the central valley, the City's industrial market has continued to grow in recent years. This demand has led to low vacancy rates and lack of larger accommodating facilities. The vacancy rate for 50,000 square foot and greater Class A and B high-cube space in the Stockton submarket remained low at 3.2 percent, while the vacancy rate for Class A high-cube 100,000 square foot and greater space was 1.0 percent for the submarket.*

*The City of Stockton currently has ±351 vacant parcels zoned for Industrial use. The average industrial parcel size is 2.2-acre with the larges size parcel ±73-acres in size (Exhibit-1).*

6. **Piecemeal Annexation:** Prohibited LAFCo requires annexations and detachments to be consistent with the schedule for annexation that is contained in the agency’s Sphere of Influence Plan. LAFCo will modify small piece-meal or irregular annexations, to include additional territory in order to promote orderly annexation and logical boundaries, while maintaining a viable proposal. In such cases, detailed development plans may not be required for those additional areas but compliance with CEQA is required.

Evidence: *The original City Service Plan (CSP) has been updated to reflect the Envision Stockton 2040 General Plan and the revised MSR/SOI plan. The CSP has been reviewed by all applicable City departments for compliance to existing standards and levels of ser ice. In accordance with Stockton Municipal Code (SMC) section 16.216.070 (Annexation Process), the updated CSP was reviewed by the City’s Development Review Committee (DRC) on April 27, 2020 for compliance with the current General Plan and SOI/MSR. After review, the DRC found the CSP to comply and recommended approval for submittal to Lafco for annexation. The proposed project is intended to develop industrial uses consistent with the General Plan Industrial designation, the prezone Limited Industrial (IL) designation, as well as the surrounding industrial uses.*

7. **Annexations to Eliminate Islands:** Proposals to annex islands or to otherwise correct illogical distortion of boundaries will normally be approved unless they would violate another provision of these standards. In order to avoid the creation of an island or to encourage the elimination an existing island, detailed development plans may not be required for the remnant areas.

Evidence: *The proposed annexation will not result in a new unincorporated island nor will it expand or enlarge an existing. The proposed project site consists of one parcel that is contiguous with the current city limit and will be included within the annexation request.*

8. **Annexations that Create Islands:** An annexation will not be approved if it will result in the creation of an island of unincorporated territory of otherwise cause or further the distortion of existing boundaries. The Commission may nevertheless approve such an annexation where it finds that the application of this policy would be detrimental to the orderly development of the community and that a reasonable effort has been made to include the island in the annexation but that inclusion is not feasible at this time.

Evidence: *The proposed annexation will not result in a new unincorporated island nor will it expand or enlarge an existing. The proposed project site consists of one parcel that that is contiguous with the current city limit*



9. **Substantially Surrounded:** For the purpose of applying the provisions of the Cortese-Knox-Hertzberg Act regarding island annexation without protest hearings (Section 56375.5), the subject Page 3 of 4 territory of an annexation proposal shall be deemed “substantially surrounded” if it is within the sphere of influence of the affected City and two-thirds (66-2/3%) of its boundary is surrounded by the affected City.

*Evidence:* The property owner consent forms were submitted with this application. To this date, none of the property owners included within the boundary of the proposed project site have rejected the request to annex into the City of Stockton.

10. **Definite and Certain Boundaries:** All boundaries shall be definite and certain and conform to lines of assessment or ownership. The Commission’s approval of boundary change proposals containing split parcels will typically be subject to a condition requiring the recordation of a parcel map, lot line adjustment or other instrument to avoid creating remnants of legal lots.

*Evidence:* A tentative parcel map for this application was approved by the Stockton planning commission for the parcel on May 28, 2020. All new parcels will be included within the proposed boundary expansion for the existing sanchez parcel. Future subdivision will be subject to the Subdivision Map Act and the City of Stockton land division requirements.

11. **Service Requirements:** An annexation shall not be approved merely to facilitate the delivery of one or a few services to the detriment of the delivery of a larger number of services or service more basic to public health and welfare.

*Evidence:* The City of Stockton has become a major supplier of goods within the state and region. These suppliers rely on the numerous means of transportation within the City via Port, rail lines, freeways, and airport, as well as proximity to large industrial space. As the City is has become is short supply of large vacant industrial space needed to keep pace with the goods movement in the region, additional space is required to meet demands. The proposed project intends to develop the site similar to the surrounding industrial uses and provide a much-needed warehouse and distribution service to the region. As highlighted in the City staff reports (Exhibit-2) at full buildout, the proposed development could result in approximately 3 million square feet of building space and yield between 1,200 and 1,500 employment positions.

12. **Adverse Impact of Annexation on the Other Agencies:** LAFCo will consider any significant adverse effects upon other service recipients or other agencies serving the area and may condition any approval to mitigate such impacts. Significant adverse effects shall include the effect of proposals that negatively impact special districts’ budgets or services or require the continuation of services without the provision of adequate funding. LAFCo will not approve detachments from special districts or annexations that fail to provide

adequate mitigation of the adverse impact on the District. LAFCo may determine an appropriate temporary mitigation, if any, and impose that temporary mitigation to the extent it is within its powers. If the needed mitigation is not within LAFCo's authority and approval would, in the opinion of the Commission, seriously impair the District's operation, the Commission may choose to deny the application.

*Evidence: The Stockton Fire Department (SFD) participates in the California Disaster and Civil Defense Master Mutual Aid Agreement (MMAA). This agreement allows the City to share resources with all fire department agencies in San Joaquin County and request assistance from the county districts when additional services are required. The City currently provides most of the fire services within and around the city boundaries, since some of the county fire districts suffer from reduced staffing, supply shortages, or operate on a temporary basis. The existing mutual aid agreement allows the city and county agencies to share resources when needed. Also, the SFD has formal, reciprocal agreements as follows:*

- *Woodbridge Fire Protection District: Automatic aid for reported vehicle accidents and vegetation fires on Interstate 5 north of Eight Mile Road to Highway 12.*
- *City of Lodi Fire Department: Automatic aid for engine and truck company services and station coverage for confirmed working fires within the City of Lodi.*
- *Cosumnes Fire Department in Elk Grove: Regional automatic aid for technical emergency response services, including, but not limited to, technical rescue, hazardous materials management, and dive/water rescue.*

*Additional, the City also maintains several auto aid agreements with some of the county fire districts; however, the City currently does not wish to enter into additional auto aid agreements. Since the city and county departments do not have similar staffing and resources, an auto aid agreement would be an unbalanced commitment. This can often divert services to areas outside of the City with limited staffing, which can delay the response for life and safety calls at the portion of the City the apparatus covers typically. Lastly, the City is currently improving the dispatch process to reduce response times and effectively manage resources when a request for services come in. The Stockton Fire Department and American Medical Response (AMR) are providing advanced life support (ALS) in the City. AMR also provides ALS service in county areas surrounding Stockton. Depending on the severity of the medical call, an AMR ambulance may be sent to the call or both the Stockton Fire Department and AMR ambulance. This response model would not need to be modified.*

*This project has been reviewed and approved by various City departments and outside agencies. An agreement has been made with the Rural Fire Districts (Collegeville and Montezuma) and were approved by the Stockton City Council on June 23, 2020. A three-party agreemnt for temporary fire services has been made with the City, the applicant, and Montezuma for enhanced response time assistance.*

13. **District's Proposal to Provide new, different, or Divestiture of a Particular Function or Class of Services:** In addition to the plan for services specified in Section 2 of these

Policies and Procedures any application for a new, different, or divestiture of a service shall also include the requirements outlined in Section 56824.12 of the Government Code. Applications for such request will be considered a change of organization and shall follow the requirements of such an application as outlined in the Cortese-Knox-Hertzberg Act and within these policies and procedures. The factors enumerated in Sections 56668 and 56824.14 of the Government Code shall be considered by the Commission at the time of consideration of the application for such functions.

*Evidence: As illustrated in Exhibit-1, the applicant is unable to locate existing industrially zoned land within the Stockton City Limits that could accommodate a tenant consistent with the current industrial market. The proposed project site is located within the City's sphere of influence and will rely on city services.*

- 14. Disadvantaged Unincorporated Communities:** Disadvantaged Unincorporated Communities (DUCs) are those territories shown in Exhibit A or as may be shown in a city municipal service review and sphere of influence plan. The Commission shall not approve an annexation to a city or any territory greater than 10 acres where there exists a disadvantaged unincorporated community (DUC) that is contiguous to the area of proposed annexation, unless a concurrent application to annex all or a portion of the DUC to the subject city has been filed. An application to annex a DUC shall not be required if either of the following applies:
- a. A prior application for annexation of the territory has been made in the preceding five years.
  - b. The Commission finds, based upon written evidence, that a majority of the registered voters within the DUC are opposed to annexation.
  - c. Written evidence can be a scientific survey conducted by an academic institution or professional polling company.

*Evidence: The proposed project site is not within or adjacent to a disadvantage unincorporated community (DUC). The nearest DUC would be the Mariposa unincorporated Community. This DUC is not continuous with the proposed site.*



DUCs (CDP)		DUCs (Island)		DUCs (Fringe)	
	1. August		6. Boggs Tract		18. Charter Way Community
	2. French Camp		7. Sperry Tract		19. State Route 88 Community
	3. Garden Acres		8. East Interstate 5 Community		20. Sunny Road Community
	4. Kennedy		9. Fremont St. Community		City Limits
	5. Taft Mosswood		10. Holt Ave/Pershing Ave Community		
			11. Mariposa Road Community		
			12. North Oaks Community		
			13. West Lane Community		
			14. Pershing Ave Community		
			15. Waller-Childress Community		
			16. Rose Terrace		
			17. West Interstate 5 Community		

N

15. **Protest Procedures:** The Commission delegates the conducting authority functions and responsibilities to the LAFCo Executive Officer pursuant to Government Code Section 57000.

**Evidence:** *No protest letters have been received from the property owners included in the application.*

**CITY ANNEXATIONS**

1. **Annexation of Streets:** Annexations shall reflect the logical allocation of streets and rights of way as follows:
  - a. Territory should be included within the annexation to assure that the City reasonably assumes the burden of providing adequate roads to the property to be annexed. LAFCo will require cities to annex streets where adjacent lands that are in the City will generate additional traffic or where the annexation will isolate sections of county road. Cities shall include all contiguous public roads that can be included without fragmenting governmental responsibility by alternating City and county road jurisdiction over short section of the same roadway.
  - b. When a street is a boundary line between two cities the centerline of the street may be used as the boundary or may follow a boundary reached by agreement of the affected cities.

*Evidence:* The current proposal illustrates all properties that are, and will be, within the Stockton City Limits. This includes the one parcel included in the project boundaries and the adjacent right-of-way which currently serves industrial uses in the surrounding areas.

2. **Pre-zoning Required:** The Cortese-Knox-Hertzberg Act requires the City to pre-zone territory to be annexed, and prohibits subsequent changes to the General Plan and /or pre-zoning designations for a period of two years after completion of the annexation, unless the city council makes a finding at a public hearing consistent with the provisions of Governments Code Section 56375(e). In instances where LAFCo amends a proposal to include additional territory, the Commission’s approval of the annexation will be conditioned upon the pre-zoning of the new territory.

*Evidence:* On June 23, 2020, the Stockton City Council adopted Ordinance which prezoned the proposed project site as Industrial, Limited (IL). The adopted General Plan includes the site within the Sphere of Influence (SOI) and designates the site as Industrial. A copy of the Ordinance is included within this application.

Resolution No. **2020-06-23-1501-01**  
**STOCKTON CITY COUNCIL**

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**RESOLUTION CERTIFYING THE ENVIRONMENTAL IMPACT REPORT, STATEMENT OF OVERRIDING CONSIDERATION, AND MITIGATION MONITORING AND REPORTING PROGRAM FOR THE PROPOSED SANCHEZ-HOGGAN PROJECT ASSESSOR'S PARCEL NUMBERS 181-100-09 AND 179-200-27 (P19-0691)**

CT Realty (hereafter "Applicant") proposes to establish an industrial and warehouse uses on the subject parcels (APN 181-100-09 and 179-200-27). A tentative parcel map and site plan has been proposed for the Sanchez parcel (APN 181-100-09) at the northwest corner of Arch Road and South Austin Road. The proposed industrial center would be integrated and similar to the adjacent NorCal Logistics Industrial Center (P12-110) that abuts the two proposed project parcels. The industrial and warehouse uses would consists of a pad for future building construction, parking lot areas, landscaping, lighting, drainage facilities, with loading and service areas. While the design and size of the industrial buildings will be determined during the subsequent Design Review process required prior to construction, at full buildout, these facilities could total approximately 3 million square feet and could employ between 1,200 and 1,500 employees; and

A Draft EIR was prepared for the project, in accordance with the California Environmental Quality Act (CEQA). 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, were raised during the Notice of Preparation (NOP) process or raised during preparation of the Draft EIR. The Draft EIR discussed potentially significant impacts associated with aesthetics, agricultural resources, air quality, biological resources, cultural and tribal resources, geology and soils, greenhouse gases and climate change, hazards, hydrology and water quality, land use, population and housing, noise, public services and recreation, transportation and circulation, and utilities. After analysis, the mitigation measure were applied to lessen any significant impacts that resulted from the annexation, prezone, or tentative parcel map request; and

Additionally, the traffic generated from the Market Driven Analysis indicates there is a potentially significant environmental impact where mitigation measures were deemed not to be feasible. This results in the creation of potentially significant environmental impacts and will require a Statement of Overriding Considerations (SOC). A Statement of Overriding Considerations is needed to accommodate the Market Driven Analysis (MDA). The MDA reflects current industrial market patterns and goes beyond typical anticipated traffic patterns of the surrounding industrial uses identified in the Institute of

Transportation Engineers (ITE) Trip Generation Manual. Although SOC is for a market driven analysis to attract a tenant, no significant environmental effects would result from Annexation or Prezone action or other related actions constituting the Project.; and

At the conclusion of the Draft EIR reivew period, eight comment letters were received as part of the review process and summarized below:

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<i>Affiliation</i>	<i>Affiliation</i>	<i>Individual or Signatory</i>	<i>Topic(s)</i>
April 21, 2020	State Clearinghouse	N/A (submittal worksheet)	Documents close of review period, notification of State agencies submitting comments
April 9, 2020	CA Department of Toxic Substances Control	Gavin McCreary	General list of subjects that should be addressed in the EIR. No comment specific to project.
April 16, 2020	State Water Resources Control Board	Nicholas White	General description of SWRCB regulatory authority and subjects that should be addressed in the EIR. No comment specific to project.
March 11, 2020	San Joaquin Valley Air Pollution Control District	Sharla Yang	Request for further information on EIR air quality analysis.
March 13, 2020	United Auburn Indian Community	Anna Starkey	Tribal Cultural Resources should be addressed in a standalone chapter of the EIR.
March 5, 2020	Northern Valley Yokuts Tribe	Katherine Perez	Request to participate in project planning and analysis, request for cultural resource documents and statement of sensitivity to treatment of Tribal Cultural Resources if encountered during construction.
April 24, 2020	CA Air Resources Board	Stanley Armstrong	Potential new pollution in disadvantaged communities, technical questions regarding EIR air quality analysis, request that Health Risk Assessment be performed.
April 24, 2020	San Joaquin Valley Air Pollution Control District	Sharla Yang	Concern for heavy truck emissions and mitigation, emissions from off-road equipment, VERA mitigation agreement, Ambient Air Quality Analysis, and request for Health Risk Assessment, compliance with District rules.

No new significant environmental impacts or issues, beyond those already covered in the Sanchez-Hoggan Project DEIR, were raised during the comment 45-day period. Responses to comments received during the comment period do not involve any new significant impacts or add "significant new information" that would require recirculation of the DEIR pursuant to the California Environmental Quality Act (CEQA) Guidelines section 15088.5. Pursuant to CEQA Guidelines section 15088, all substantive comments are



responded to in the Final EIR; 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. All impact issue areas will be less than significant with mitigation. For this a Mitigation Monitoring and Reporting Program has also been prepared; and

In accordance with CEQA Guidelines section 15092, the City Council 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 City Council is requested to certify the EIR and adopt the Statement of Overriding Considerations per the CEQA findings; and

On May 28, 2020, 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. After presentations and discussion, the Planning Commission voted 7-0 recommending the City Council Certify the environmental documents; and

On June 12, 2020, a public notice for the subject application was published in local newspaper in accordance with Stockton Municipal Code (SMC) Section 16.88.030; and

On June 23, 2020, the City Council 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; now, therefore,

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

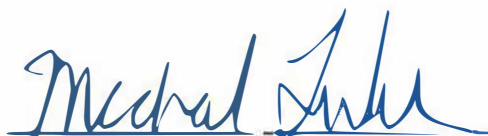
1. The foregoing recitals are true and correct and are incorporated by this reference.
2. Based on its review of the entire record herein, the City Council recommends:
  - a. A Draft EIR was prepared for the project, in accordance with the California Environmental Quality Act (CEQA).
  - b. The Draft 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. A Statement of Overriding Considerations (SOC) is needed for the Project to address the Market Driven Analysis (MDA). The MDA reflects current industrial market patterns and goes beyond typical anticipated traffic patterns of the surrounding industrial uses identified in the Institute of Transportation Engineers (ITE) Trip

Generation Manual. The MDA is to attract new industrial uses that will benefit the economic wellbeing and insure industrial and employment market demands are met in the region. Although SOC is for a market driven analysis to attract a tenant, no significant environmental effects would result from Annexation or Prezone action or other related actions constituting the Project.

- d. Aside from the SOC, all other potentially significant effects were identified and paired with feasible mitigation measures to reduce them to less than significant levels.

3. Based on its review of the entire record herein, including the June 23, 2020, City Council staff report, all supporting, referenced, and incorporated documents, and all comments received, the City Council certifies the Sanchez-Hoggan Project Environmental Impact Report and adopt a Statement of Overriding Consideration and Mitigation Monitoring and Reporting Program.

PASSED, APPROVED, and ADOPTED June 23, 2020.



MICHAEL D. TUBBS  
Mayor of the City of Stockton

ATTEST:



  
ELIZA R. GARZA, GMC  
City Clerk of the City of Stockton

**CEQA FINDINGS AND  
MITIGATION MONITORING/REPORTING PROGRAM**

**FOR THE**

**SANCHEZ-HOGGAN ANNEXATION**

**City of Stockton, CA**

**State Clearinghouse No: 2020020006**

**May 2020**

**Prepared for:  
CITY OF STOCKTON  
345 N. El Dorado Street  
Stockton, CA 95202  
(209) 937-7564**

TABLE OF CONTENTS

	Page
1.0 INTRODUCTION	1-1
2.0 FINDINGS OF THE LEAD AGENCY WITH REGARD TO SIGNIFICANT ENVIRONMENTAL EFFECTS OF THE PROJECT	2-1
3.0 MITIGATION MONITORING/REPORTING PROGRAM	3-1

APPENDIX

MITIGATION MONITORING/REPORTING PROGRAM TABLE

## 1.0 INTRODUCTION

This document sets forth the findings of the City of Stockton (the "City") relating to the Sanchez-Hoggan Annexation Project as required by CEQA Guidelines sections 15091-15093. This document also describes the Mitigation Monitoring/Reporting Program (MMRP) for the project as required by CEQA Guidelines Section 15097. The primary source document for the findings and MMRP is the *Environmental Impact Report for the Sanchez-Hoggan EIR* (SCH# 2020020006) (the "EIR"). When referenced as such, the EIR includes the Public Review Draft EIR (the DEIR) dated March 6, 2020 and the Final EIR (the FEIR) dated April 2020 for the project, as well as any documents that have been incorporated into the DEIR and FEIR by reference.

### 1.1 PURPOSE AND SCOPE OF THIS DOCUMENT

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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 make specified written findings prior to project approval. If the Lead Agency 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 Considerations; this is the case for the proposed project, and the Statement of Overriding Considerations is contained in a separate document. The Lead Agency must also adopt a MMRP that lists all mitigation measures identified in the EIR and describes their implementation and/or monitoring.

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 findings and MMRP for the project are described in subsequent sections of this document, as follows:

2.0 Findings of the Lead Agency With Regard to the Significant Environmental Effects of the Project

3.0 Mitigation Monitoring/Reporting Program

A table detailing the Lead Agency's findings with respect to each of the significant or potentially significant effects of the project, the applicable CEQA findings and the various provisions of the MMRP are shown in the Appendix.

## 1.2 PROJECT DESCRIPTION

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The project proposes the annexation of approximately 169.77 acres into the City of Stockton. The annexation area consists of two properties: the 149.01-acre Sanchez property and the 20.76-acre Hoggan property. Both properties are in the San Joaquin County unincorporated area, adjacent to the southeastern limits of the City of Stockton. In conjunction with annexation, the City would pre-zone the entire project site IL - Industrial, Limited. The project also includes a Tentative Parcel Map for the Sanchez property, along with cancellation of the existing Williamson Act contract on that property.

Upon annexation, the Sanchez property would be developed with industrial buildings that would accommodate mainly “high cube” warehouses. A site plan for this property proposes the construction of four industrial buildings with a total building area of 2,796,948 square feet. Property development also would provide parking areas with a total of 2,726 automobile parking stalls and 154 trailer parking stalls. Approximately seven acres would be used for a detention basin at the northwest corner of the property to collect storm water runoff, which would be discharged into Weber Slough. Access would be available from Logistics Drive and Austin Road adjacent to the property, as well as from an access point on Mariposa Road north of the property. The EIR also considers different anticipated development intensities and site designs for the Sanchez property.

The Hoggan property would be developed with one high-cube warehouse approximately 290,440 square feet in floor area, along with parking areas for 237 automobiles and 41 trailers. Two detention basins to collect runoff would be installed on the west and east sides of the property, which would be sent to the drainage system of the Norcal Logistics Center. Access would be provided by a new extension from Frontier Way to the south and from the adjacent Norcal Logistics Center site.

The City is responsible for the primary local government approvals for the project. Other agencies from whom permits or approvals would be required include the San Joaquin LAFCo, San Joaquin County Department of Public Works, the State Water Resources Control Board, the Regional Water Quality Control Board, the Central Valley Flood Protection Board, the U.S. Army Corps of Engineers, and the California Department of Fish and Wildlife.

## 1.3 ENVIRONMENTAL REVIEW OF THE PROJECT UNDER CEQA

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The potential environmental effects of the project, mitigation measures necessary to address these effects and alternatives to the project are discussed in detail an EIR prepared by the City of Stockton in accordance with the requirements of CEQA. In addition to preparing the EIR document, the City has conducted the EIR process in conformance with CEQA requirements. EIR process steps have included preparation and distribution of a Notice of Preparation, holding 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 and preparation of this CEQA Findings and Mitigation Monitoring/Reporting Plan for adoption by the Stockton City Council.

The City issued a Notice of Preparation (NOP) of the EIR on January 29, 2020; the NOP was circulated for agency review as required by CEQA. Detailed information on the content, circulation and comments received by the City on the Notice of Preparation is contained in Appendix A of the DEIR; the DEIR is incorporated herein by reference. The City provided public notice and conducted a scoping meeting for the project on February 19, 2020.

The Public Review Draft EIR (DEIR) was prepared by the City and distributed for agency and public comment during the period from March 6, 2020 to April 22, 2020. Documentation of the distribution process is detailed in the FEIR, which, is also incorporated into this document by reference, below.

The City received written comments on the DEIR. In response to this input, the City has prepared the FEIR, which incorporates the DEIR by reference, displays a summary the EIR includes all comments received on the DEIR, provides the City's responses to those comments, and makes any required revisions to the DEIR.

The DEIR and the FEIR for the Sanchez-Hoggan Annexation project are hereby incorporated by reference. Copies of these documents, specifically cited below, are available for review at the offices of City of Stockton Community Development Department, Planning Division, 345 N. El Dorado Street, Stockton, California 95202.

BaseCamp Environmental, 2020a. Public Review Draft Environmental Impact Report, Sanchez-Hoggan Annexation. SCH #2020020006. March 6, 2020

BaseCamp Environmental, 2020b. Final Environmental Impact Report, Sanchez and Hoggan Annexation. SCH #2020020006. April 2020

## 1.4 REQUIRED FINDINGS

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CEQA requires that, prior to approval of a project, the Lead Agency make specified findings related to each of the significant or potentially significant environmental effects considered in the EIR. The EIR considered the range of potential environmental effects, including those listed in the CEQA Guidelines Appendix G Environmental Checklist. Most of these potential environmental effects were found, on analysis, to have no effect or less than significant environmental effects. These potential effects do not require City findings under CEQA. All of these potential but less than significant effects are listed in the following Section 2.1.

The Sanchez-Hoggan Annexation EIR identifies several significant or potentially significant effects on the environment and the mitigation measures needed to reduce those effects to a less than significant level. The City's findings with respect to each of these environmental effects are set forth in Section 2.2 and the Appendix of this document.

It is anticipated that the City will certify the EIR, adopt the EIR mitigation measures and approve the project in conjunction with its adoption of this document. With these approvals in place, all but one of the project environmental effects will be reduced to a Less Than Significant level.

The project would involve one potentially significant and unavoidable environmental effect. The EIR describes a development option for the Sanchez property that would be allowable under the proposed pre-zoning. This option, described as the Market Driven Project, would involve a higher-intensity industrial development of a portion of the Sanchez property that would result in additional traffic generation and potential for a significant traffic effect. This potential effect could be mitigated, but mitigation measures are not feasible and therefore a Statement of Overriding Considerations is required. The Statement of Overriding Considerations is described in a separate document cited below.

BaseCamp Environmental, 2020c. Statement of Overriding Considerations, Sanchez and Hoggan Annexation. SCH #2020020006. May 2020.

The findings for the Sanchez-Hoggan project described below are based upon substantial evidence, comprised primarily of the information, analysis and mitigation measures described in the DEIR and 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, as shown in the MMRP table in the Appendix.



## 2.0 FINDINGS OF THE LEAD AGENCY WITH REGARD TO ENVIRONMENTAL EFFECTS

### 2.1 ENVIRONMENTAL EFFECTS OF THE PROJECT THAT ARE LESS THAN SIGNIFICANT AND REQUIRE NO FINDINGS

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The following items were evaluated in the EIR and were determined to have no effect or a less than significant effect on the environment and do not require findings under CEQA.

It should be noted that some of these potential environmental effects, including air quality, agricultural land conversion, noise and traffic, were identified in the Sanchez Hoggan Annexation Draft EIR as subjects not requiring further analysis under CEQA. These and other environmental these subjects were addressed on a city-wide level in the City's General Plan and General Plan EIR adopted in December 2018. Where any of these subjects were, after consideration of all feasible mitigation measures, considered significant and unavoidable, they were addressed in the CEQA Findings and Statement of Overriding Considerations adopted by the City in conjunction with the General Plan. The General Plan EIR and findings document were incorporated by reference into the Sanchez Hoggan Annexation EIR on page 1-4 of the Draft EIR.

#### 4.0 AESTHETICS AND VISUAL RESOURCES

- Impact AES-1: Scenic Vistas
- Impact AES-2: Scenic Resources
- Impact AES-3: Visual Character and Quality
- Impact AES-4: Light and Glare

#### 5.0 AGRICULTURAL RESOURCES

- Impact AG-1: Conversion of Farmland
- Impact AG-2: Agricultural Zoning and Williamson Act
- Impact AG-3: Indirect Conversion of Agricultural Lands

#### 6.0 AIR QUALITY

- Impact AIR-1: Air Quality Plans and Standards, Construction Standards
- Impact AIR-2: Air Quality Plans and Standards, Operational Standards
- Impact AIR-3: Exposure of Sensitive Receptors to Pollutants
- Impact AIR-4: Exposure of Sensitive Receptors to Toxic Air Contaminants
- Impact AIR-5: Odors and Other Emissions

## 7.0 BIOLOGICAL RESOURCES

Impact BIO-2: Riparian and Other Sensitive Habitats

## 8.0 CULTURAL RESOURCES AND TRIBAL CULTURAL RESOURCES

Impact CULT-1 Historical Resources

## 9.0 GEOLOGY, SOILS, AND MINERAL RESOURCES

Impact GEO-1: Faulting and Seismicity

Impact GEO-2: Other Geologic Hazards

Impact GEO-3: Soil Erosion

Impact GEO-6: Access to Mineral Resources

## 10.0 GREENHOUSE GAS EMISSIONS

Impact GHG-2: Project GHG Operational Emissions and Consistency with Applicable Plans and Policies.

## 11.0 HAZARDS AND HAZARDOUS MATERIALS

Impact HAZ-1: Hazardous Material Transportation and Storage

Impact HAZ-2: Hazardous Material Releases

Impact HAZ-3: Hazardous Material Sites

Impact HAZ-4: Airport Hazards

Impact HAZ-5: Interference with Emergency Vehicle Access and Evacuations

Impact HAZ-6: Wildfire Hazards

## 12.0 HYDROLOGY AND WATER QUALITY

Impact HYDRO-1: Surface Water Resources and Quality

Impact HYDRO-2: Groundwater Resources and Quality

Impact HYDRO-3: Drainage Patterns and Runoff

Impact HYDRO-4: Release of Pollutants in Flood, Tsunami, and Seiche Zones

Impact HYDRO-5: Consistency with Water Quality and Groundwater Management Plans

## 13.0 LAND USE, POPULATION, AND HOUSING

Impact LUP-1: Division of Communities

Impact LUP-2: Conflict with Applicable Plans, Policies, and Regulations

Impact LUP-3: Inducement of Population Growth

Impact LUP-4: Displacement of Housing and People

## 14.0 NOISE

Impact NOISE-1: Increase in Noise Levels in Excess of Standards-Traffic

Impact NOISE-2: Increase in Noise Levels in Excess of Standards-Other Project Noise

Impact NOISE-4: Groundborne Vibrations

Impact NOISE-5: Airport and Airstrip Noise

## 15.0 PUBLIC SERVICES AND RECREATION

- Impact PSR-2: Police Protection Services
- Impact PSR-3: Schools
- Impact PSR-4: Parks and Recreational Services
- Impact PSR-5: Other Public Facilities

## 16.0 TRANSPORTATION

- Impact TRANS-1: Consistency with CEQA Guidelines
- Impact TRANS-3: Motor Vehicle Transportation Plans-Roadway Segments
- Impact TRANS-4: Motor Vehicle Transportation Plans-Ramp Junctions
- Impact TRANS-5: Motor Vehicle Transportation Plans-Truck Routes.
- Impact TRANS-6: Conflicts with Non-Motor Vehicle Transportation Plans
- Impact TRANS-7: Safety Hazards
- Impact TRANS-8: Emergency Access

## UTILITIES AND ENERGY

- Impact UTIL-1: Wastewater Services and Facilities
- Impact UTIL-2: Water Services and Facilities
- Impact UTIL-3: Stormwater Services and Facilities
- Impact UTIL-4: Solid Waste
- Impact UTIL-5: Energy and Communications Systems
- Impact UTIL-6: Project Energy Consumption

## 2.2 ENVIRONMENTAL EFFECTS OF THE PROJECT THAT REQUIRE FINDINGS

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The environmental effects that were found by the EIR 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 findings with respect to each of these significant effects. The City's findings, and the evidence in support of those findings, are detailed in the Mitigation Monitoring/Findings table shown in the Appendix. All of the following environmental effects would be reduced to a less than significant level with mitigation measures.

- Impact BIO-1: Special-Status Species and Habitats
- Impact BIO-3: State and Federally Protected Wetlands
- Impact BIO-4: Migratory Fish and Wildlife Habitats
- Impact BIO-5: Local Biological Requirements
- Impact CULT-2: Archaeological and Tribal Cultural Resources
- Impact CULT-3: Human Burials
- Impact GEO-4: Expansive Soils

Impact GEO-5: Paleontological Resources and Unique Geological Features

Impact GHG1: Project GHG Construction Emissions and Consistency with Applicable Plans and Policies

Impact NOISE-3: Increase in Noise Levels in Excess of Standards-Construction

Impact PSR-1: Fire Protection Service

Impact TRANS-2: Motor Vehicle Transportation Plans - Intersections

The EIR indicates that the proposed project would involve one potentially significant and unavoidable effect, which is a variation on Impact TRANS-2: Motor Vehicle Transportation Plans – Intersections that addresses a possible project scenario described in the DEIR as the Market Driven Project. In order to address this effect, findings related to alternatives and a Statement of Overriding Consideration for the project are provided in a separate document as noted above.

## 2.3 FINDINGS TABLE

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The City's findings with respect to each of the significant or potentially significant environmental effects of the project are detailed in the Mitigation Monitoring/Findings table shown in the Appendix. The findings consider each of the significant or potentially significant environmental effects of the project on an individual basis. Each environmental effect is briefly identified, all of the mitigation measures identified in the EIR are listed, and the significance of each environmental effect after application of the mitigation measures is identified. Following this, the City's finding with respect to the environmental effect, and the location of source information for the City's finding, are identified.

The findings are based upon the whole of the information and analysis included in the EIR and, in particular, on the implementation of the project mitigation measures identified in the EIR as described in the following Mitigation Monitoring/Reporting Plan. As described in the MMRP, implementation of the mitigation measures will be accomplished through incorporation in permits and approvals as well as project improvement plans and specifications. Implementation of mitigation measures will be ensured through monitoring of project activities by the Stockton Community Development Department. Section 5.0 of this document adopts the MMRP.

Potential findings for the significant and potentially significant effects of the project are prescribed in Sections 15091 of the State CEQA Guidelines. The three potential findings as they apply to the significant effects of the project are listed below. The findings are listed by number reference only in the appended table describing findings for the individual significant effects.

*Finding 1 Changes or alterations to the project have been required of, or incorporated into, the project that will avoid or substantially lessen the significant environmental effect, as identified in the Final EIR. (This is*

the finding made by the City for all but one of the significant or potentially significant environmental effects identified in the EIR.)

*Finding 2 Changes or alterations to the project that would avoid or substantially lessen the subject environmental effect are within the responsibility and jurisdiction of another public agency and not the City. Such changes or alterations have been adopted by such other agency, or can and should be adopted by such other agency. (This finding is applied to one of the environmental effects identified in the EIR.)*

*Finding 3 Mitigation measures or alternatives that would avoid or substantially lessen the subject environmental effect are infeasible as a result of specific economic, legal, social, technological or other considerations. (This finding is applied to one of the environmental effects identified in the EIR and is the subject of the City's Statement of Overriding Considerations.)*

### 3.0 MITIGATION MONITORING/REPORTING PROGRAM

CEQA requires more than just preparing environmental documents; it also requires the governmental agency to change or place conditions on a project, or to adopt plans or ordinances for a broader class of projects, which would address potential environmental impacts. 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. The Sanchez Hoggan Annexation involves one such mitigation measure. The Council's certification of the EIR, and the approval of the project together with adoption of this document, will initiate implementation of the Mitigation Monitoring/Reporting Program for the project.

The EIR sets forth several mitigation measures that will be applicable to the project. The table shown in the Appendix summarizes the environmental effects that could result from approval of the proposed 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, 4) the responsibility for monitoring of the mitigation measures, and 5) the City's CEQA finding, the significance of the effect with mitigation and the source material for the finding. The table follows the same sequence as the impact analysis in the EIR. Reporting actions required to ensure that the mitigation measures are implemented are also described in the table.

The significance determination for each environmental effect evaluated in the EIR was based on one or more criteria for significance developed from guidance contained in the CEQA Guidelines, or other “significance thresholds” established by federal, state, regional, or local agencies:

- A “Significant” effect is a substantial adverse change in the environment (CEQA Guidelines Section 15382).
- A “Cumulatively Significant” effect is a substantial adverse change in the environment, which results from cumulative development in the City of Stockton.
- A “Potentially Significant” effect is one that is likely to cause future substantial adverse changes to the environment.

- A “Significant and Unavoidable” effect is one for which there is no known or feasible mitigation.
- A “Not Significant” effect is one that may be adverse but does not exceed the defined significance threshold.

Attachment 9- Sanchez Reso EIR

Impact/Mitigation Measures	Implementation Responsibility	Monitoring/Reporting Responsibility	CEQA Finding, Significance with Mitigation, Sources
<p><b>4.0 AESTHETICS</b></p>			
<p>There are no significant or potentially significant impacts in this issue area.</p>			
<p><b>5.0 AGRICULTURE</b></p>			
<p>There are no significant or potentially significant impacts in this issue area.</p>			
<p><b>6.0 AIR QUALITY</b></p>			
<p>There are no significant or potentially significant impacts in this issue area.</p>			
<p><b>7.0 BIOLOGY</b></p>			
<p>Special-Status Species and Habitats. This is a potentially significant issue</p>			
<p>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.</p>	<p>The ODS will be responsible for the SJMSCP coverage application, payment of any required fees and implementation of ITMMs. The ODS' Engineer will be responsible for incorporating ITMM requirements in the project plans and specifications. The Contractor will be responsible for adherence to the plans and specifications, hiring a qualified biologist if</p>	<p>The Community Development Department will verify that SJMSCP coverage has been obtained and that other mitigation measures have been implemented as required by ITMMs.</p>	<p>1, NS Rationale: DEIR, Pages 7-15 to 7-18</p>



Attachment 9- Sanchez Reso EIR

Impact/Mitigation Measures	Implementation Responsibility	Monitoring/Reporting Responsibility	CEQA Finding, Significance with Mitigation, Sources
	required and implementing the biologist' recommendations.		
<p>BIO-2 Prior to issuance of City permits for the proposed pump station and outfall, the project applicant shall delineate wetland areas, obtain required federal and state permits and demonstrate that the project would result in "no net loss" of wetlands and/or Waters of the U.S. Wetland mitigation necessary to make this demonstration shall be included in the project or project conditions of approval</p>	<p>The ODS will be responsible for obtaining the required wetland delineation, for proposing adequate mitigation, for making required permit application submittals and providing proof of issuance to the City.</p>	<p>The City will be responsible for ensuring that required permits have been issued and that specified mitigation measures are incorporated into project plans and specifications.</p>	<p>1, NS Rationale: DEIR, Pages 7-18, 7-19</p>
<p>BIO-3: If vegetation removal or construction commences during the general avian nesting season (February 1 through September 15), a pre-construction survey for all species of nesting birds is recommended. If active nests are found, work in the vicinity of the nests shall be delayed until the young have fledged.</p>	<p>The ODS will be responsible for retaining a qualified biologist to conduct the nesting survey, if needed, and providing a copy of the survey report to the City.</p>	<p>The City will be responsible for ensuring that the survey, if required, has been completed and that the biologist's recommendations are incorporated into project plans and specifications.</p>	<p>1, NS Rationale: DEIR, Pages 7-19, 7-20</p>
<p>BIO-4: Project development on the Hoggan property (APN 179-200-27) shall avoid removal of existing oak trees to the extent feasible. If removal of oak trees 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.</p>	<p>The ODS will be responsible for an oak tree survey, for determining which if any trees need to be removed, for retaining a qualified arborist and submitting the arborist report to the City and for application to the City for removal of trees, as required.</p>	<p>The City will be responsible for ensuring that the required survey, tree avoidance and tree removal permitting have been completed prior to approval of grading permits for areas containing oak trees.</p>	<p>1, NS Rationale: DEIR, Page 7-20</p>

Attachment 9- Sanchez Reso EIR

Impact/Mitigation Measures	Implementation Responsibility	Monitoring/Reporting Responsibility	CEQA Finding, Significance with Mitigation, Sources
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**8.0 CULTURAL RESOURCES**

Historical and Archaeological Resources. This is a potentially significant issue.

<p>CULT-1: Prior to construction, construction personnel shall receive brief "tailgate" training by a qualified archaeologist in the identification of buried cultural resources, including human remains, and protocol for notification should such resources be discovered during construction work. A Yokuts tribal representative shall be invited to this training to provide information on potential tribal cultural resources.</p>	<p>The ODS' Engineer will be responsible for incorporating these requirements in the project plans and specifications and ensuring that they are implemented by the contractor.</p>	<p>The City will be responsible for ensuring that the required tailgate meeting will occur before approval of grading permits.</p>	<p>1, NS Rationale: DEIR, Pages 8-8, 8-9</p>
<p>CULT-2: If any subsurface historical or 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, 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, and if burial resources or tribal cultural resources are discovered, the City shall notify the appropriate Native American representatives. The contractor shall be responsible for retaining qualified professionals, implementing recommended mitigation measures and documenting mitigation efforts in written reports to the City.</p>	<p>The contractor will be responsible for suspending construction, reporting finds to the City and retaining a qualified archaeologist to evaluate the find and provide a written report to the City. The City will be responsible for notifying Native American representatives.</p>	<p>The City will be responsible for responding to reports of archaeological finds as required, including notification of Native American representatives.</p>	<p>1, NS Rationale: DEIR, Pages 8-8, 8-9</p>
<p>CULT-3: If tribal cultural resources other than human remains and associated funerary objects are encountered, the City shall be immediately notified of the find, and the City shall notify the Yokuts tribal representative. The qualified archaeologist and tribal representative shall examine the materials and determine their "uniqueness" or significance as tribal cultural resources and 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 Yokuts tribal representative. The City will be responsible for implementing the report</p>	<p>The ODS' Engineer 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</p>	<p>The City will be responsible for notifying other agencies as required and for ensuring that the archaeologist's recommendations are implemented.</p>	<p>1, NS Rationale: DEIR, Pages 8-8, 8-9</p>

Attachment 9- Sanchez Reso EIR

Impact/Mitigation Measures	Implementation Responsibility	Monitoring/Reporting Responsibility	CEQA Finding, Significance with Mitigation, Sources
<p>recommendations. Avoidance is the preferred means of disposition of tribal cultural resources.</p>	<p>the discovery and for implementing the archaeologist's treatment recommendations.</p>		
<p>CULT-4: 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 Yokuts 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.</p>	<p>The ODS' Engineer 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 for implementing the archaeologist's treatment recommendations.</p>	<p>The City will be responsible for notifying other agencies as required, for overseeing project conformance with applicable codes and for ensuring that the archaeologist's and/or Most Likely Descendant's recommendations are implemented</p>	<p>1, NS Rationale: DEIR, Pages 8-9, 8-10</p>
<p><b>9.0 GEOLOGY, SOILS, AND MINERAL RESOURCES</b></p>			
<p>Impact GEO-4: Expansive Soils. This is a potentially significant impact.</p>			
<p>GEO-1: Prior to site development plan approval, a site-specific, design-level geotechnical study shall be completed for the proposed construction areas. The study shall include an evaluation of potential geologic and soil hazards, including the presence of expansive soils. The study shall recommend design and construction features to reduce the potential impact of identified hazards on the proposed development if the hazard is considered significant. The recommendations included in the study shall be incorporated in design and construction documents and implemented during development.</p>	<p>The ODS' Engineer will be responsible for obtaining the geotechnical study and incorporating relevant requirements in the project plans and specifications. The Contractor will be responsible for adherence to the plans and specifications.</p>	<p>The City will be responsible for ensuring that the geotechnical has been completed and that its recommendations are incorporated into project plans and specifications.</p>	<p>1, NS Rationale: DEIR Page 9-9</p>

Attachment 9- Sanchez Reso EIR

Impact/Mitigation Measures	Implementation Responsibility	Monitoring/Reporting Responsibility	CEQA Finding, Significance with Mitigation, Sources
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Impact GEO-5: Paleontological Resources and Unique Geological Features. This is a potentially significant impact.

<p>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.</p>	<p>The ODS' Engineer 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 paleontologist to analyze the discovery and for implementing the paleontologist's treatment recommendations.</p>	<p>The City will be responsible for ensuring that the paleontologist's recommendations are implemented.</p>	<p>1, NS Rationale: DEIR Pages 9-9, 9-10</p>
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**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.

<p>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.</p>	<p>The ODS' Engineer will be responsible for incorporating these requirements in the project plans and specifications. The contractor will be responsible for reporting compliance with these conditions in regular reports to the Community Development Department.</p>	<p>The City will be responsible for overseeing implementation of these requirements and review and acceptance of written reports.</p>	<p>1, NS Rationale: DEIR Pages 10-9, 10-10</p>
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Attachment 9- Sanchez Reso EIR

Impact/Mitigation Measures	Implementation Responsibility	Monitoring/Reporting Responsibility	CEQA Finding, Significance with Mitigation, Sources
<b>11.0 HAZARDS</b>			
FEIR: Potential contamination of roadside areas with aurally-deposited lead.			
HAZ-1: The applicant shall conduct limited soil testing along sections of Arch Road and Austin Road for the presence of lead-based compounds that exceed state health standards and take precautions as needed to prevent exposure of construction workers or the public from any associated health risks.	The applicant will be responsible for obtaining the required testing and submitting results to the Community Development Department. The applicant will be responsible for remediation that may result from test results.	The City will be responsible for overseeing implementation of these requirements and review and acceptance of written reports.	1, NS Rationale: FEIR Pages 4-2, 4-3
<b>12.0 HYDROLOGY AND WATER QUALITY</b>			
There are no potentially significant or significant impacts in this issue area.			
<b>13.0 LAND USE AND PLANNING</b>			
There are no potentially significant or significant impacts in this issue area.			
<b>14.0 NOISE</b>			
Impact NOISE-2: Increase in Noise Levels in Excess of Standards - Other Project Noise. This is a potentially significant issue.			
NOISE-1: Construction activities shall adhere to the requirements of the City of Stockton Municipal Code with respect to hours of operation. The City shall limit construction activities on the Hoggan property to the hours of 7:00 a.m. to 10:00 p.m., Monday through Saturday, except for concrete pouring related to building construction. No construction shall occur on Sundays or national holidays without a written permit from the city. All equipment shall be in good working	The Project Engineer will be responsible for incorporating these requirements in the project plans and specifications. The Contractor will be responsible for	The Community Development Department will be responsible for monitoring compliance with these requirements.	1, NS Rationale: DEIR Pages 14-10 to 14-12

Attachment 9- Sanchez Reso EIR

Impact/Mitigation Measures	Implementation Responsibility	Monitoring/Reporting Responsibility	CEQA Finding, Significance with Mitigation, Sources
<p>order and shall be fitted with factory-equipped mufflers.</p> <p>Should the project necessitate construction outside of the specified hours, the applicant shall request the Community Development Director's approval of such activities. The applicant shall accompany the request with evidence that the proposed activity will not create a noise disturbance across a residential property line.</p>	<p>implementing noise requirements.</p> <p>The ODS will be responsible for requesting and justifying authorization to exceed noise control requirements.</p>	<p>The Community Development Director will be responsible for authorizing noise control requirement exceedance based on the evidence submitted by the ODS.</p>	
<p><b>15.0 PUBLIC SERVICES AND RECREATION</b></p>			
<p>Impact PSR-1: Fire Protection Service. This is a potentially significant issue.</p>			
<p>PSR-1: The developer shall incorporate Early Suppression Fast Response fire sprinkler systems in the project building design and construction. The Stockton Fire Department shall review and approve such systems prior to their installation.</p>	<p>The ODS and its engineer will be responsible for ESFR design and coordination with the Stockton Fire Department.</p>	<p>The Community Development Department will be responsible for ensuring that ESFR requirements are properly included in project plans.</p>	<p>1, NS Rationale: DEIR Page 15-7</p>
<p><b>16.0 TRANSPORTATION</b></p>			
<p>Impact TRANS-2: Motor Vehicle Transportation Plans-Intersections. This is a potentially significant and unavoidable impact associated with the Market Driven Project.</p>			
<p>TRANS-1: The project applicant shall contribute fair-share costs to the installation of a traffic signal at the intersection of Arch Road and Frontier Way and related improvements. If needed to meet short-term traffic needs, the City may require applicant to design and construct the signal, subject to reimbursement. The project applicant shall submit a traffic analysis for the City's approval to determine if the intersection improvements can be aligned with development related impacts should the proposed site be constructed in phases.</p>	<p>The ODS will be responsible for payment of proportionate share costs or signal design and construction as appropriate.</p>	<p>The Public Works Department will be responsible for determining that appropriate proportionate share costs are paid, for determining if signalization improvements need to be made, and for approval of plans and specifications.</p>	<p>3, SU Rationale: DEIR Pages 16-17 to 16-20 See separate Statement of Overriding Considerations</p>

Attachment 9- Sanchez Reso EIR

Impact/Mitigation Measures	Implementation Responsibility	Monitoring/Reporting Responsibility	CEQA Finding, Significance with Mitigation, Sources
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<p><b>17.0 UTILITIES AND ENERGY</b></p>
<p>There are no potentially significant or significant impacts in this issue area.</p>

**STATEMENT OF OVERRIDING CONSIDERATIONS**

**FOR THE**

**SANCHEZ-HOGGAN ANNEXATION**

**City of Stockton, CA**

**State Clearinghouse No: 2020020006**

**May 2020**

**Prepared for:  
CITY OF STOCKTON  
345 N. El Dorado Street  
Stockton, CA 95202  
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TABLE OF CONTENTS

	Page
1.0 INTRODUCTION	1-1
2.0 STATEMENT OF OVERRIDING CONSIDERATIONS	2-1
3.0 FINDINGS REGARDING ALTERNATIVES	3-1

## 1.0 INTRODUCTION

This document sets forth the Statement of Overriding Considerations of the City of Stockton (the "City") as to one of the environmental impacts of the Sanchez-Hoggan Annexation Project as prescribed in California Environmental Quality Act (CEQA) Guidelines. The one impact, described below, is considered "significant and unavoidable."

This Statement of Overriding Considerations is closely related to the overall CEQA Findings and Mitigation Monitoring/Reporting Program, which addresses the effectiveness of mitigation measures with respect to all of the other environmental effects of the project, as required by CEQA Guidelines Sections 15091-15093 and 15097; however, the CEQA Findings and Mitigation Monitoring/Reporting Program is a separate standalone document.

### 1.1 APPLICABLE CEQA REQUIREMENTS

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CEQA requires that a Lead Agency prepare an Environmental Impact Report (EIR) when a proposed project may involve significant environmental effects. Prior to approval of the project, the Lead Agency must certify that the EIR was completed in compliance with CEQA and that the Lead Agency reviewed and considered the EIR before approving the project.

The Sanchez-Hoggan project involves annexation of approximately 169.77 acres into the City of Stockton for the purposes of industrial development. The annexation area consists of two properties: the 149.01-acre Sanchez property and the 20.76-acre Hoggan property. The project is described in more detail in the referenced EIR and the CEQA Findings and Mitigation Monitoring/Reporting Program for the project, referenced below.

The City of Stockton prepared an EIR documenting the potential environmental effects of the project, mitigation measures necessary to address these effects and alternatives to the project. The City conducted public review of the EIR and the remainder of the EIR process in conformance with CEQA requirements. These activities are described in more detail in Final EIR and the CEQA Findings and Mitigation Monitoring/Reporting Program for the project.

When an EIR identifies significant or potentially significant environmental effects, CEQA requires that the Lead Agency make specified written findings prior to project approval. For the Sanchez-Hoggan project, these written findings are contained in the CEQA Findings and Mitigation Monitoring/Reporting Program, a separate document to be considered for adoption by the City of Stockton.

When an EIR finds that mitigation measures are not feasible for one or more of the significant environmental effects of the project, CEQA Guidelines Section 15093

provides that the Lead Agency must also adopt a Statement of Overriding Considerations before approving the project.

#### 15093. STATEMENT OF OVERRIDING CONSIDERATIONS

(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 final 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 Section 15091.

The EIR for the project concludes that one of the transportation impacts, of an option for development of the project, known as the Market Driven Project, is significant and that feasible mitigation measures are not available that would reduce that impact to a less than significant level. This document constitutes the Statement of Overriding Considerations addressing the one significant and unavoidable impact of the project, as described in more detail below.

The DEIR, the FEIR and the CEQA Findings and Mitigation Monitoring/Reporting Program for the project are hereby incorporated by reference. Copies of these documents, specifically cited below, are available for review at the offices of City of Stockton Community Development Department, Planning Division, 345 N. El Dorado Street, Stockton, California 95202.

BaseCamp Environmental, 2020a. Public Review Draft Environmental Impact Report, Sanchez-Hoggan Annexation. SCH #2020020006. March 6, 2020

BaseCamp Environmental, 2020b. Final Environmental Impact Report, Sanchez and Hoggan Annexation. SCH #2020020006. May 2020.

BaseCamp Environmental, 2020c. CEQA Findings and Mitigation Monitoring/Reporting Program, Sanchez and Hoggan Annexation. SCH #2020020006. May 2020.

## 1.2 SIGNIFICANT AND UNAVOIDABLE IMPACT

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The project would involve one potentially significant and unavoidable environmental effect related to a development option for the Sanchez property that would be allowable under the proposed pre-zoning. This option, described as the Market Driven Project,

would involve a higher-intensity industrial development of a portion of the Sanchez property that would result in additional traffic generation and potential for a significant traffic effect. This potential effect could be mitigated, but mitigation measures are not feasible; mitigation would require action by the California Department of Transportation, uncertain funding, and an uncertain amount of time, at least several years, to implement. This effect and proposed and potential mitigation measures are described in Chapter 16.0 Transportation of the DEIR.

In that the Market Driven Project may result from project approval, if it elects to approve the project, the City must adopt a Statement of Overriding Considerations addressing its reasons for approving the project despite the fact that it would involve a significant environmental effect that is not mitigated. The City's Statement of Overriding Considerations and related information is presented in Section 2.0 below. When a City proposes to adopt a Statement of Overriding Considerations, it is also required to make findings with respect to the alternatives to the proposed project. These findings are set forth in Section 3.0 of this document.

The Statement of Overriding Considerations for the proposed project is based upon substantial evidence, including information, analysis and mitigation measures described in the EIR, information incorporated into these documents by reference and other information detailed in in the Statement itself.

## 2.0 STATEMENT OF OVERRIDING CONSIDERATIONS

Pursuant to CEQA Guidelines Section 15093, the City finds that the potential traffic effects of the Market Driven Project of the project described in Section 1.2 and Chapter 16.0 of the DEIR are potentially significant and will not be mitigated to Less Than Significant by the available mitigation measures. The City also finds in Section 3.0 that none of the project alternatives have the potential to reduce the significant environmental effects of the project except the No Project Alternative, which is entirely inconsistent with the project objectives.

As a result, the City Council hereby adopts and makes the following Statement of Overriding Considerations (SOC) with respect to Section 15093 of the CEQA Guidelines, shown in its entirety above. 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.

The City Council specifically finds that the potential traffic effects of the Market Driven Project are considered acceptable in light of overriding social, economic and other benefits or considerations related to the project, as described below. That is, the social, economic and other benefits or considerations of the project outweigh the potential traffic effect of the project. The City Council considers the following items to be the overriding social, economic and other benefits or considerations of the project.

- 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.
- Economic development and job creation are among the core objectives of the Stockton General Plan.
- The project is in compliance with Stockton General Plan 2040 policies supporting infill growth on lands with existing transportation and utility services, thereby preventing unnecessary urban expansion into greenfield areas on the periphery of Stockton.
- The General Plan 2040 EIR, considered and certified by the Stockton City Council before adopting the General Plan, disclosed potential traffic increases that would result from planned urban growth, and which would result in significant level of service impacts to roadway and freeway segments.
- 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.

- The proposed project is expected to result in a minimum of 2,000 new jobs that will provide economic and social benefits residents of the City of Stockton and the Stockton Metropolitan Area.
- Protects and supports ongoing expansion of the Stockton Metropolitan Airport and related aviation facilities from encroachment by incompatible land use, helping to ensure that future development within the Airport Influence Area is consistent with the policies adopted by the San Joaquin County Airport Land Use Commission.
- The applicant estimates that the project will generate approximately \$6.5 million in school and other impact fees payable to the City during the building permit process. The project will provide an additional estimated \$7.3 million in regional revenue to local agencies including SJCOG habitat fees and air pollution control district fees. With an overall real property value exceeding \$250 million, the project will generate more than \$2.5 million perpetual property tax revenue to the County, City and other local agencies.
- 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 to the Mitigation Program compensation for agricultural land conversion impacts of the project and other new development.
- The project will involve a contribution of more than \$2 million in habitat conservation fees to the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan.
- The project will connect more than ½ mile of new pedestrian sidewalks, and complete segments of Arch Road and Austin Road, important local industrial access network. These improvements include a new municipal bus stop, improving transit access to the project area, and new signalized intersections.
- All potential project impacts were determined to be less than significant or would be reduced to less than significant level with proposed mitigation measures, except for the potential traffic impact of the Market Driven Project. Mitigation measures are identified and included in the attached Mitigation Monitoring and Reporting Plan that would reduce all but one of the significant or potentially significant environmental effects of the project to Less Than Significant.
- The DEIR considered a range of feasible alternatives to the proposed project. None of the alternatives would result in a reduction in the potential traffic effects of the project.

The previously-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.

## 3.0 FINDINGS REGARDING 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 were addressed in Chapter 19.0 of the DEIR. 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 (Finding 3), the Lead Agency must also describe the specific reasons for rejecting alternatives that could meet the same need. The City is making Finding 3 with regard to transportation effects with the Market Driven Project that could result from the project; this effect will not be sufficiently reduced by mitigation measures. Consequently, the City Council makes the following findings with regard to project alternatives.

Chapter 20.0 of the EIR evaluated several alternatives to the proposed project. These alternatives, described below, are generally feasible but are unlikely to avoid or substantially lessen the transportation effect described above, or other 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.

### 3.1 ALTERNATIVES NOT ADDRESSED IN DETAIL

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The DEIR considered several alternatives but did not address them in detail as they were not considered “feasible” alternatives under CEQA. These “Alternative Not Addressed In Detail: 1) would not meet most of the basic objectives of the project, or 2) were clearly infeasible, or 3) did not have the ability to avoid or substantially lessen the significant environmental effects of the project as discussed below. Other than the “No Project” Alternative, which would prohibit any development on the proposed project site, none of these alternatives would reduce the Market Driven Project’s transportation effects, and some alternatives may have more adverse environmental impacts than the proposed project.

### 3.2 NO PROJECT ALTERNATIVE

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The DEIR defined the “No Project” Alternative as no annexation to the City of Stockton, no development as proposed by the project, and no future urban development of the project site. Under the No Project Alternative, it is presumed that the project site would remain in agricultural production, as the project site is designated for agricultural uses under current County zoning, and the Sanchez property has been recently used for agricultural activities. Given its size, it is probable that the Sanchez property could be

farmed for economic benefit; the Hoggan property may be more difficult to economically farm with its size and location.

This alternative would avoid most of the potential adverse environmental effects of the proposed project, including the transportation impacts of the Market Driven Project. However, this alternative would meet none of the objectives of the proposed project. It also would be inconsistent with both the City of Stockton and San Joaquin County General Plans, which anticipate the eventual urban development of the project site. The potential agricultural use may require agricultural chemicals such as pesticides, herbicides, and fertilizers, which could contaminate the soils and adjacent streams if not properly applied. Agricultural activities also could generate dust emissions to which nearby land uses may be exposed. Agricultural equipment and vehicles moved to and from the fields could disrupt the flow of vehicle traffic in the area, particularly that of heavy-duty trucks, but agricultural use would not involve any substantial light vehicle and truck traffic in comparison to the proposed project, and the significant and unavoidable traffic effect of the Market Driven Project would be avoided. If the Hoggan property is not used for agriculture, this may have adverse aesthetic impacts as it may continue to attract illegal dumping, as has been observed there. If neither property is used for agriculture, grasses and weeds would likely grow on the project site and would require ongoing maintenance to avoid a potential fire hazard.

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 DEIR Chapter 19.0.

### 3.3 ALTERNATIVE SANCHEZ PROPERTY DEVELOPMENT

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This alternative assumes that the City would annex the Sanchez property and pre-zone the property as General Industrial rather than the proposed Industrial, Limited. The General Industrial zone would allow a wide range of industrial land uses, including uses that may be conducted outdoors or associated with nuisance or hazardous impacts. The Hoggan property is assumed to develop as described in the proposed project, which is primarily for warehouse use.

Development under this alternative would have similar impacts to the proposed project. Ground disturbance impacts related to soil erosion, surface water quality, and drainage would be similar. Potentially significant impacts would be similar, particularly related to traffic, noise, soil erosion, and drainage. However, this alternative would not meet the objectives of the proposed project related to warehouse development. Depending on the type of industrial activity located on the Sanchez property, this alternative may have new or more severe impacts than the proposed project, particularly on air quality, hazardous materials and water quality. Impacts on agricultural land conversion would be the same as under the proposed project.

The City Council hereby rejects the Alternative Sanchez Property Development because it would not meet the objectives of the project and could cause environmental impacts



that are more adverse than the proposed project. The evidence in support of this finding is provided in DEIR Chapter 19.0.

### 3.4 ALTERNATIVE HOGGAN PROPERTY LIGHT INDUSTRIAL DEVELOPMENT

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This alternative assumes that the City would annex the Hoggan property and pre-zone the property as Limited Industrial. The Limited Industrial zone generally allows light manufacturing uses that are conducted indoors as well as warehousing and distribution. The Sanchez property is assumed to develop as described in the proposed project, which is primarily for warehouse use.

Development under this alternative would have similar impacts to the proposed project. Ground disturbance impacts related to soil erosion, surface water quality, and drainage would be similar. Potentially significant impacts would be similar, particularly related to traffic, soil erosion, and drainage. However, the alternative may or may not meet the objective of furthering development of the Norcal Logistics Center, which is focused on logistics. In addition, given the location of nearby rural residences, environmental impacts of the alternative may be more severe on issues such as air quality and noise. Impacts on agricultural land conversion would be the same as under the proposed project.

The City Council accepts the Alternative Hoggan Property Light Industrial Development as a potential alternative to the project. It could meet the objectives of the project but is incapable of reducing the potential environmental effects of the project. This alternative is considered to have environmental effects that are 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 DEIR Chapter 19.0.

### 3.5 HOGGAN TRUCK/TRAILER STORAGE AREA ALTERNATIVE

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This alternative proposes development of the Hoggan property as an auxiliary truck/trailer storage area for approved industrial development on the adjacent Norcal Logistics Center property. Development of the Hoggan property in this use could make as many as 489 truck and trailer parking spaces available to support the adjacent industrial development in the Norcal Logistics Center. Other features of this alternative would remain the same as the proposed project.

In general, development under this alternative would have similar impacts to those of the proposed project. Potential impacts related to biology, cultural resources, soil erosion and drainage would be similar to the proposed project. With no structures proposed, the project may have a reduced effect on views from the nearby rural residences. As the storage area would involve traffic primarily between the site and adjacent Norcal Logistics Center warehousing and distribution uses, it would not by itself be a significant

traffic generator. This alternative would be consistent with the objective of the expansion and further development of the Norcal Logistics Center.

However, this alternative would involve additional truck and trailer movements between the Hoggan property, thereby increasing noise and air quality impacts in the area. This alternative would be somewhat contrary to the stated objectives of the project in that the amount of warehouse development generated by the project would be reduced. Also, impacts on agricultural land conversion would be the same as under the proposed project.

The City Council accepts the Hoggan Truck/Trailer Storage Alternative as a potential alternative to the project. This alternative use would be consistent with the objectives of the project; this alternative would incrementally reduce the traffic generation associated with the project but would not meaningfully reduce this or other potential environmental effects. 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 DEIR Chapter 19.0.

### 3.6 REDUCED DEVELOPMENT ALTERNATIVE

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This alternative would involve approval of a scaled-down version of the proposed project that would permit substantially less development on the Sanchez property. As described in the DEIR, potential development would be reduced to approximately 2.5 million square feet of warehouse uses. All reductions would occur on the Sanchez property; the Hoggan property would be developed as described under the proposed project. The alternative would not involve any substantial change in urban infrastructure.

The proposed land use pattern would be maintained but reduced in intensity. This alternative would not substantially change the “footprint” of proposed industrial development, and environmental impacts in general would be reduced from those under the proposed project, although mitigation would still most likely be required for impacts of this alternative on biological resources, cultural resources, soils, hydrology, and construction noise as they are with the proposed project. The alternative would not result in any reduction in potential effects on agricultural land conversion. The alternative would reduce the traffic generation associated with the project. However, whether this alternative would eliminate the significant and unavoidable impacts identified with the Market Driven Project is not known.

The City Council accepts the Reduced Development Alternative as a potential alternative to the project. This alternative use would be consistent with the objectives of the project; this alternative would incrementally reduce the traffic generation associated with the project but would not meaningfully reduce this or other potential environmental effects. 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 DEIR Chapter 19.0.

**AGRICULTURAL LAND CONVERSION STATEMENT  
SANCHEZ ANNEXATION  
TO THE CITY OF STOCKTON**

**July 3, 2020**

**INTRODUCTION**

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The Sanchez Annexation Project proposes annexation of one parcel totaling approximately 149 acres (the “subject site”) to the City of Stockton. The subject site is located at the northwest corner of Arch Road and Austin Road, adjacent to the existing city limits (Figures 1 and 2). The subject site is currently used for agriculture. However, the Stockton General Plan designates the site “Industrial” (Figure 3). The subject site is planned and was pre-zoned by the City of Stockton for light industrial development on June 23, 2020.

The San Joaquin County Local Agency Formation Commission (LAFCo) is the agency responsible for review and approval of annexation and other government organization and reorganization projects. Additional information related to the project is provided in the Environmental Impact Report for the Sanchez-Hoggan Annexation, which has been prepared and certified by the City of Stockton.

For proposals that could reasonably be expected to induce, facilitate, or lead to the conversion of existing open-space lands to other uses, California Government Code Section 56377 requires that the responsible LAFCo consider the consistency of the project with the following policies:

- a) Development or use of land other than open-space uses shall be guided away from existing prime agricultural lands in open-space use and towards areas containing non-prime agricultural lands, unless that action would not promote the planned orderly, efficient development of an area.
- b) Development of existing vacant or non-prime agricultural land for urban uses within the existing jurisdiction of a local agency or within the sphere of influence of a local agency should be encouraged before any proposal is approved which would allow for or lead to the development of existing open-space lands for non-open space uses which are outside of the existing jurisdiction of the local agency or outside the existing sphere of influence of the local agency.

This Agricultural Land Conversion Statement describes 1) existing and historical agricultural use on and near the subject site; 2) State and local agricultural land programs and policies and their applicability to the subject site, 3) the agricultural land conversion impacts of the project as described in the EIR, and 4) consistency of the proposed annexation with Government Code Sections 56377(a) and (b).

## AGRICULTURE BACKGROUND INFORMATION

Existing Agricultural and Other Land Uses on and Near the Subject Site: The subject site and surrounding areas historically have been used for agriculture. In recent years, urban development, consisting of light industrial/warehouse development and correctional facilities, has displaced most agricultural uses in the project area. The subject site remains in active agricultural use for row crops but is surrounded by lands converted to non-open space uses.

There are no agricultural lands adjacent to or near the subject site. Surrounding lands are developed or have been approved for industrial and large-scale institutional development. These include the California Department of Corrections and Rehabilitation's Health Care Facility and correctional centers to the south, the BNSF Intermodal facility to the east, and the Norcal Logistics Center to the north and west (Figure 4).

The subject site is currently zoned by San Joaquin County as AG-40 (Agriculture-Urban Reserve). AG-40 (General Agriculture; 40-acre minimum parcel size). This zone is established to preserve agricultural lands for the continuation of commercial agricultural enterprises until such time as it is annexed and pre-zoned by the City. The San Joaquin County General Plan has designated the subject site as Agricultural-Urban Reserve, which is applied to lands currently undeveloped or used for agricultural production that are in the logical path of development around an urban community.

Stockton General Plan: The area surrounding the subject site is designated Industrial by the Stockton General Plan. The subject site is within the City's Sphere of Influence and within the 10-year horizon for future development. The Stockton General Plan seeks to preserve agricultural lands where feasible, or to mitigate for conversion of agricultural lands. Action LU-5.3B seeks to coordinate with San Joaquin County and property owners in unincorporated areas to preserve agricultural land and open space areas in the unincorporated county that contribute to maintaining clear boundaries between cities. Action LU-5.3C maintains the City's agricultural conservation program (see above) that requires either dedication of an agricultural conservation easement at a 1:1 ratio or payment of an in-lieu agricultural mitigation fee for the conversion of Prime Farmland, Farmland of Statewide Importance, or Unique Farmland, as defined by the State's Farmland Monitoring and Mapping Program. It is also a primary goal of the Stockton General Plan to attract and retain companies that offer high-quality jobs with wages that are competitive in the region and state.

FMMP Designations: Important Farmland Maps, prepared by the California Department of Conservation as part of the Farmland Mapping and Monitoring Program (FMMP), designate the viability of lands for farmland use, based on the physical and chemical properties of the soils. The maps categorize farmland, in decreasing order of soil quality, as Prime Farmland, Farmland of Statewide Importance, Unique Farmland, and Farmland of Local Importance. Collectively, these categories, along with Grazing Land, are referred to as "agricultural lands" by the FMMP. CEQA Guidelines Appendix G, the Environmental Checklist generally used for environmental impact analysis, the first three categories of farmland are designated "Farmland" and is considered the main agricultural lands of concern. According to the 2016 Important Farmland Map of San Joaquin County, the subject site contains Prime Farmland and Farmland of Statewide Importance, both of which are considered "Farmland" of concern.

Soils: Soil quality for agricultural use is described by the Natural Resources Conservation Service (NRCS) soil capability rating. Capability class ratings are designated by the numbers I through VIII; the higher numbers indicate progressively greater limitations and narrower choices for practical use. Capability Class I and II soils are usually considered “Prime.”

There are two soil types within the subject site: Stockton clay and Jacktone clay. Stockton clay is a Class IV soil when not irrigated, which involves very severe limitations for agriculture. With irrigation, Stockton clay is a Class II soil and is considered a Prime Farmland soil. Portions of the western and southern areas of the subject site have Stockton clay soils. Jacktone clay is also a Class IV soil when not irrigated. However, when irrigated, Jacktone clay is a Class III soil, which also has severe limitations that reduce the choice of plants or that require special conservation practices, or both. Jacktone clay is the predominant soil type on the subject site.

#### AGRICULTURAL LAND POLICIES AND PROGRAMS

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California Williamson Act: The Land Conservation Act of 1965, commonly known as the Williamson Act, was enacted to help preserve farmland in California. Under the Williamson Act, a contract is executed between landowners and local governments to voluntarily restrict development on property in exchange for lower property tax assessments based on the existing agricultural land use. The subject site is currently under a Williamson Act contract with San Joaquin County. On annexation to the City, the City will succeed to the contract. A Notice of Non-Renewal was recorded for the subject site on February 28, 2020 (Document No. 2020-02601). The project applicants have applied to the City of Stockton for cancellation of the contract when annexation is effective, subject to the consent of the California Department of Conservation. Cancellation of a Williamson Act contract requires findings of consistency with a set of California Government Code requirements, which were analyzed in the certified project EIR; the EIR indicated that such findings could be made.

Stockton Agricultural Lands Mitigation Program: The City of Stockton adopted an Agricultural Lands Mitigation Program in 2007. The program requires projects that convert agricultural land to non-agricultural use 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 pay an established in-lieu fee. Agricultural mitigation lands and fees are to be dedicated to a qualifying management entity such as the Central Valley Farmland Trust. Currently, the agricultural land mitigation fee for warehouse/low density development is \$10,494 per acre of net parcel area. Dedication of mitigation land or payment of fees will be required in conjunction with development of the subject site.

Right to Farm Ordinance: The City of Stockton has adopted a "Right to Farm" Ordinance (Stockton Municipal Code Section 16.36.040). Under this ordinance, no agricultural activity, operation, or facility, or appurtenances thereof conducted or maintained for commercial purposes, and in a manner generally consistent with recognized minimum customs and standards, shall be or become a private or public nuisance due to any changed conditions in or about any land proximately located to any farming operation.

San Joaquin County Multi-Species Habitat Conservation and Open Space Plan: The City of Stockton is a participant in the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP). The SJMSCP provides for avoidance and compensatory mitigation of

biological impacts. The SJMSCP involves payment of fees for conversion of habitat lands to urban uses; fees are then used to purchase, preserve and improve habitat lands. Many habitat easements under the SJMSCP program protect agricultural lands needed for protection of Swainson's hawk or other sensitive species that are dependent on these lands. As a result, the SJMSCP results in the preservation of agricultural lands in perpetuity. Development of the subject site will be subject to SJMSCP fees, which are currently \$13,399 per gross acre.

## **AGRICULTURAL LAND CONVERSION IMPACTS**

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The agricultural land impacts of the project are described in detail in Chapter 5.0 of the EIR for the Sanchez-Hoggan Annexation Project, which includes the subject site. The EIR was prepared and released for public review in March 2020 and certified by the City on June 23, 2020.

The subject site contains approximately 149 acres of Prime Farmland and Farmland of Statewide Importance. Proposed annexation and development of the subject site would convert Farmland, as defined in CEQA Guidelines Appendix G, to a non-agricultural use. The EIR identifies this as a significant impact.

Conversion of agricultural lands in conjunction with urban development was identified as a significant effect in the EIR for the Envision Stockton General Plan 2040. Despite the identification of all feasible mitigation measures, agricultural land conversion, including conversion resulting from industrial development in the subject site and project area, was identified as a significant and unavoidable adverse effect. A Statement of Overriding Considerations for this issue was adopted by the Stockton City Council in conjunction with adoption of the General Plan and the certification of its EIR in 2018. This Statement of Overriding Considerations remains operative.

CEQA Guidelines Section 15152(d) states that where an EIR has been prepared and certified for a plan such as the Stockton General Plan, an EIR on a later project should be limited to effects which 1) were not examined as significant effects on the environment in the prior EIR, or 2) are susceptible to substantial reduction or avoidance by the choice of specific revisions in the project, by the imposition of conditions, or other means. The Sanchez-Hoggan EIR discussion of the potential agricultural land conversion impacts on the subject site was limited pursuant to CEQA Guidelines Section 15152(d).

The Sanchez-Hoggan EIR notes that the subject site would be subject to the City's Agricultural Lands Mitigation Program, thereby requiring developers of the property to contribute agricultural mitigation land or to pay the Agricultural Land Mitigation Fee. Also, the project will be required to participate in the SJMSCP, which would require fee payments for conversion, part of which would be used to conserve agricultural lands. Compliance with the Agricultural Lands Mitigation Program and the SJMSCP would partially compensate for the impact of agricultural land conversion on the subject site.

The subject site is in an area with a mix of agriculture and urban development. The 2016 Important Farmland Map of San Joaquin County indicates that agricultural lands in this area consist of Prime Farmland, Farmland of Statewide Importance, and Farmland of Local Importance. However, the subject site is also in an area designated by the Stockton General Plan for urban development and which has existing development and extensions of urban infrastructure. The project site is within

the City's Sphere of Influence, as set forth in the City's interim Municipal Service Review. Proposed development on the subject site would support existing and planned light industrial development in the area, particularly the Norcal Logistics Center site. The project would not involve any activity that would indirectly convert agricultural land beyond the designated light industrial lands to non-agricultural uses. The project EIR concluded that project impacts on indirect conversion of agricultural lands would be less than significant.

#### **CONSISTENCY WITH GOVERNMENT CODE SECTION 56377(A)**

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*GC 56377(a) Development or use of land other than open-space uses shall be guided away from existing prime agricultural lands in open-space use and towards areas containing non-prime agricultural lands, unless that action would not promote the planned orderly, efficient development of an area.*

The proposed annexation is consistent with this policy. The City Community Development Department has prepared and submitted to LAFCo an inventory of vacant and developable land within the existing City limits. The largest identified vacant parcel is 76 acres in size and, even at that size, the parcel is unsuitable to accommodate the proposed project.

Lands within the adopted Sphere of Influence for the City of Stockton are entirely composed of Important Farmland as defined by Appendix G of the CEQA Guidelines. Where non-prime agricultural lands (i.e., not Important Farmland) exist within the Sphere of Influence, they are remote from existing access roads and urban services and not of adequate size to accommodate the proposed project.

Directing the proposed project to another site would not promote the planned orderly, efficient development of the Arch Road industrial area. The Stockton General Plan designates the subject site and vicinity for industrial development., The general project area in southern and southeastern Stockton is the main area designated for larger industrial and warehouse development. The only other major industrial area is the Port of Stockton, which is substantially developed.

Industrial development of the site will fulfill the purposes and land use designations of the General Plan. Industrial development that will result from the proposed cancellation will contribute to development of a community that provides both jobs and housing opportunities as well as quality of life, as described in the General Plan. The site is included in the current Stockton Sphere of Influence and Urban Service Area Boundary.

Light industrial and warehousing development has already occurred in the vicinity of the subject site. As shown on Figure 4, the Arch Road area is already substantially developed or approved for industrial development, and there are no undeveloped agricultural lands adjacent to the subject site. Proposed industrial development of the subject site would be consistent with existing, approved, and planned development in the area. Shifting planned industrial development to another site would be contrary to the City's plan for orderly development of the Arch Road area, which is the result of the development history and completion of major road and utility infrastructure improvements in the Arch Road corridor.

**CONSISTENCY WITH GOVERNMENT CODE SECTION 56377(B)**

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*GC 56377(b) Development of existing vacant or non-prime agricultural land for urban uses within the existing jurisdiction of a local agency or within the sphere of influence of a local agency should be encouraged before any proposal is approved which would allow for or lead to the development of existing open-space lands for non-open space uses which are outside of the existing jurisdiction of the local agency or outside the existing sphere of influence of the local agency.*

As discussed above, there are no parcels of sufficient size to support the proposed development located within the Stockton City limits. The subject site is within the existing Stockton Sphere of Influence and 10-year horizon for future development; therefore, development there should be encouraged. There is little or no non-prime agricultural land available within the Stockton Sphere of Influence that would be available for industrial development.

**CONCLUSIONS RELATED TO AGRICULTURAL LAND CONVERSION**

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While the subject site contains prime agricultural land, the City of Stockton has previously analyzed impacts of converting this and other agricultural lands to urban use. After applying all available mitigation measures, the City has determined that potential agricultural land conversion impacts are significant and unavoidable and has adopted a Statement of Overriding Considerations with respect to that effect.

The proposed annexation is consistent with the adopted Stockton General Plan. The subject site is adjacent to the existing City limits on two sides and surrounded by existing or approved industrial or large-scale institutional development. There are no other agricultural lands adjacent to or near the site. Planned development of the site would promote the planned orderly, efficient development of the area.

There are no parcels of suitable size within the existing City limits that would support development of the proposed industrial use. There are no lands within the Stockton Sphere of Influence that are non-prime, suitably designated, and served with adequate road and utility infrastructure to serve the proposed development.



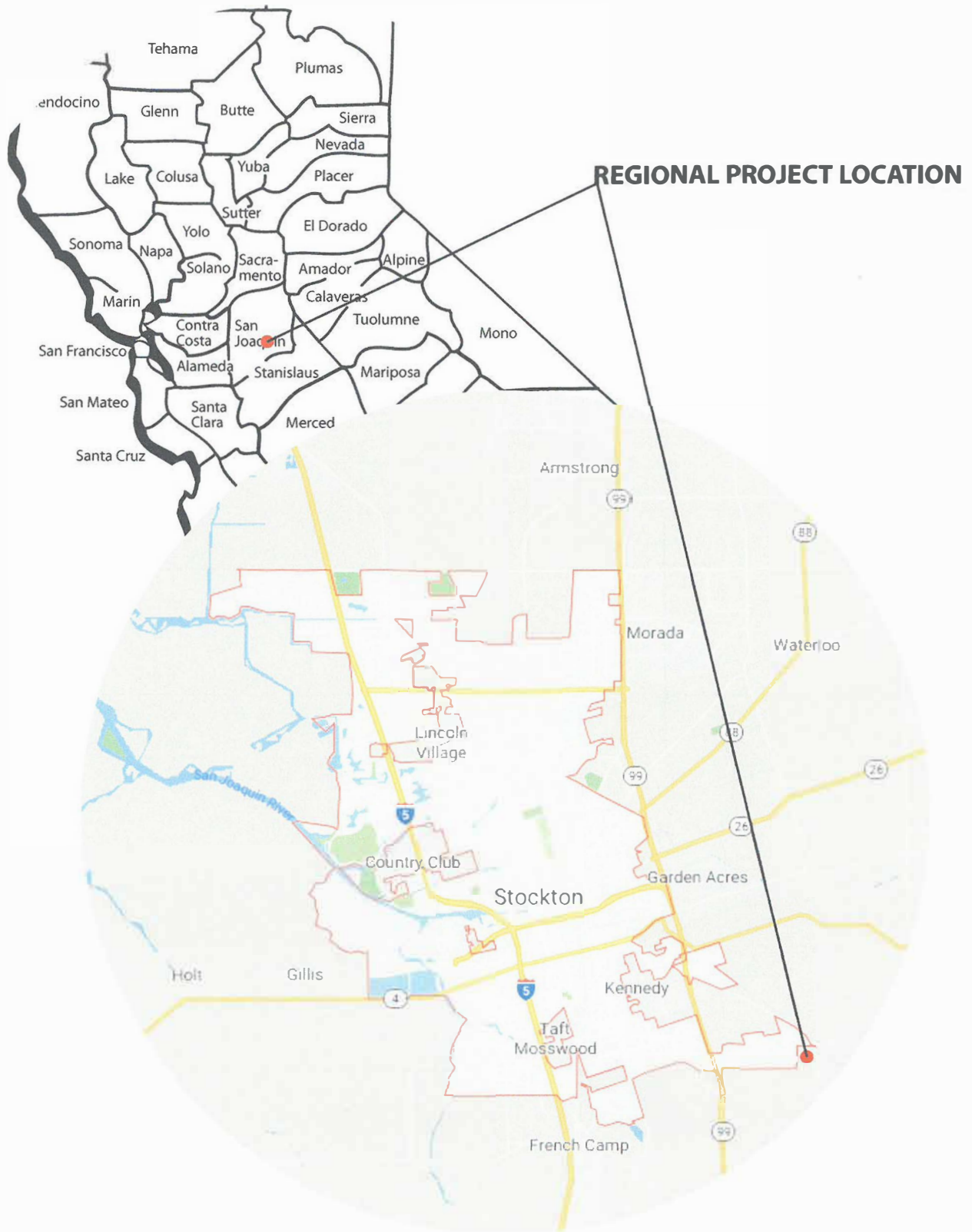
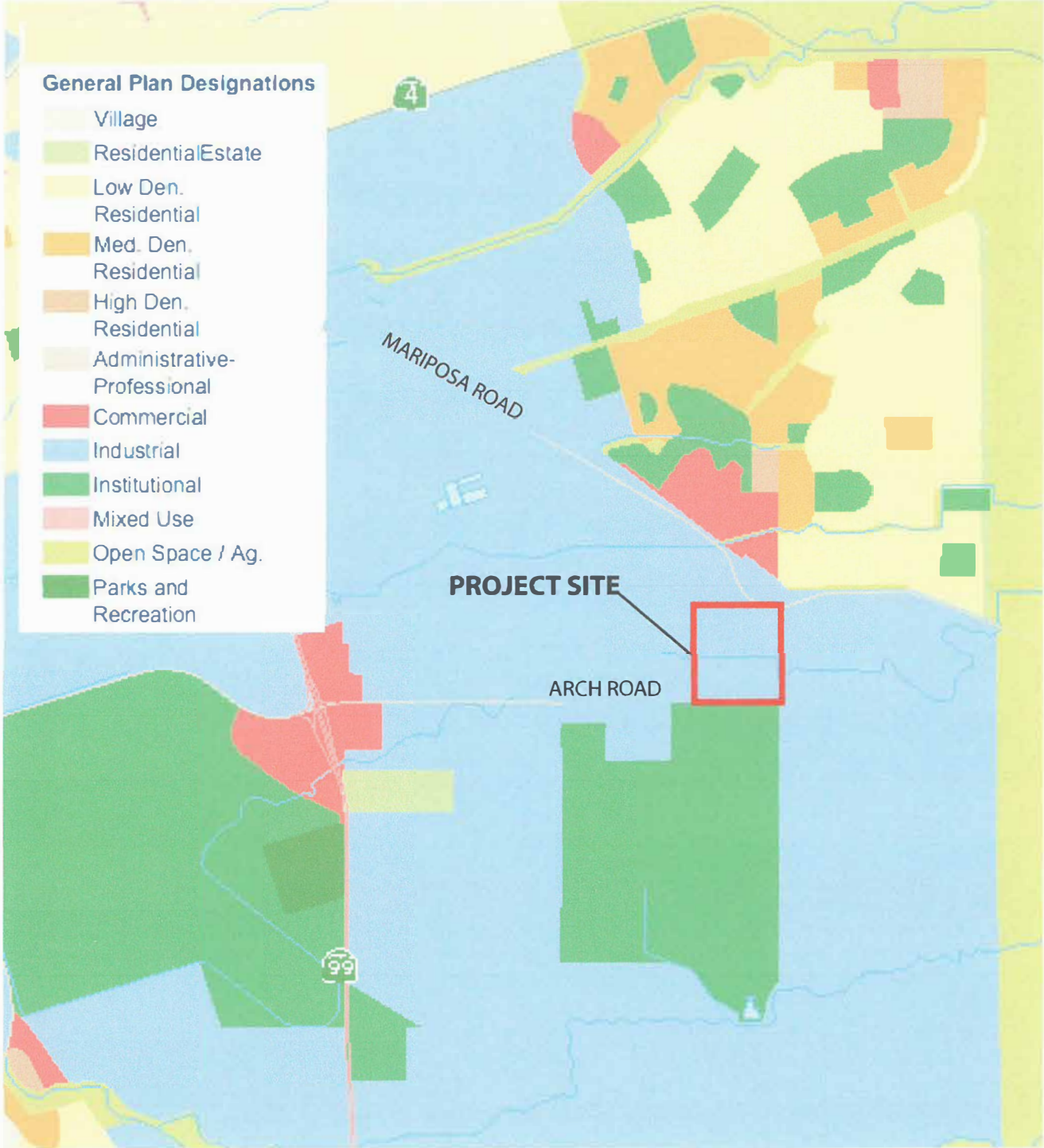


Figure 1  
REGIONAL PROJECT LOCATION



SOURCE: Google Maps

Figure 2  
AERIAL PHOTO



SOURCE: City of Stockton



Figure 3  
STOCKTON GENERAL PLAN DESIGNATIONS

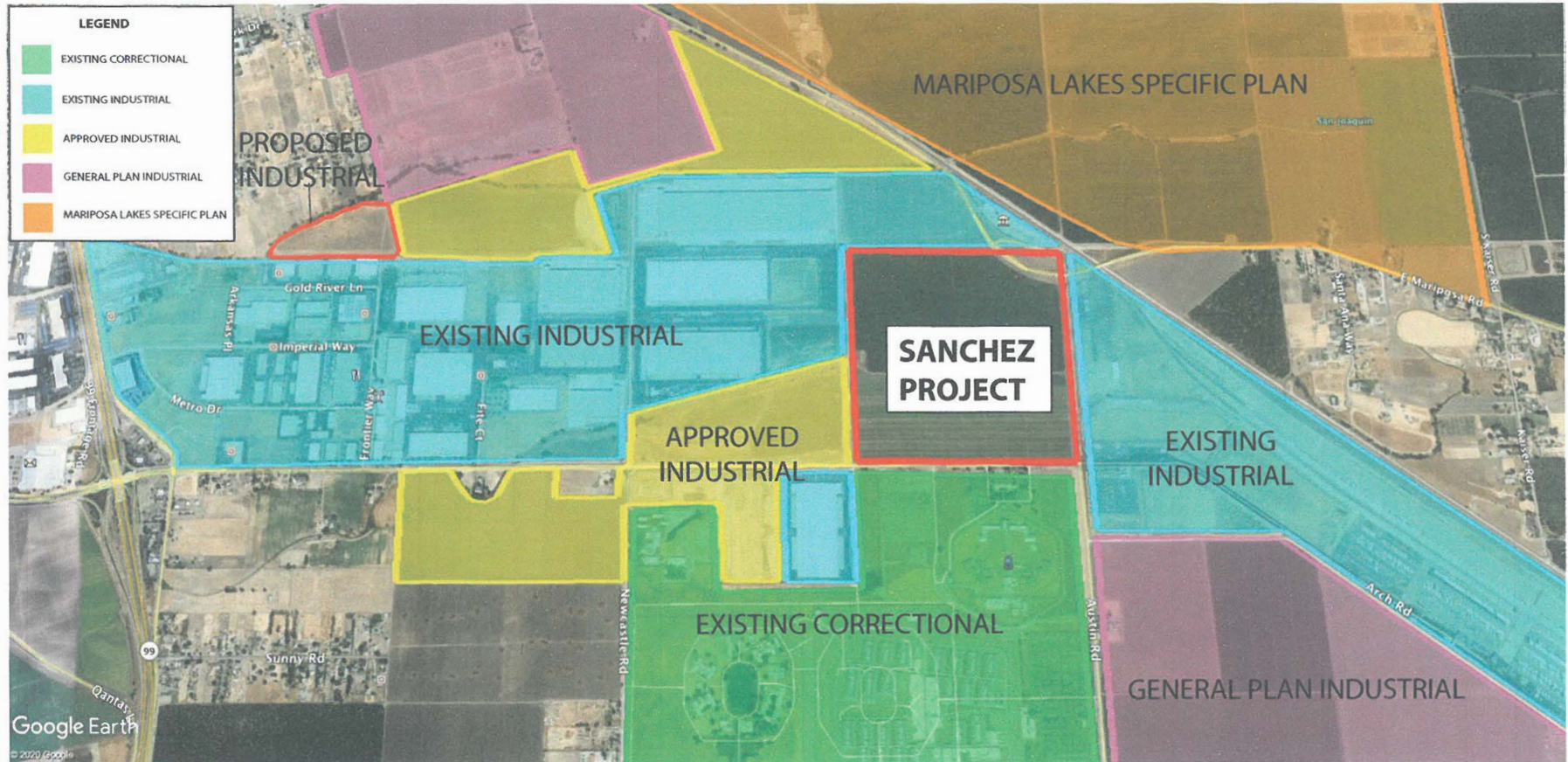
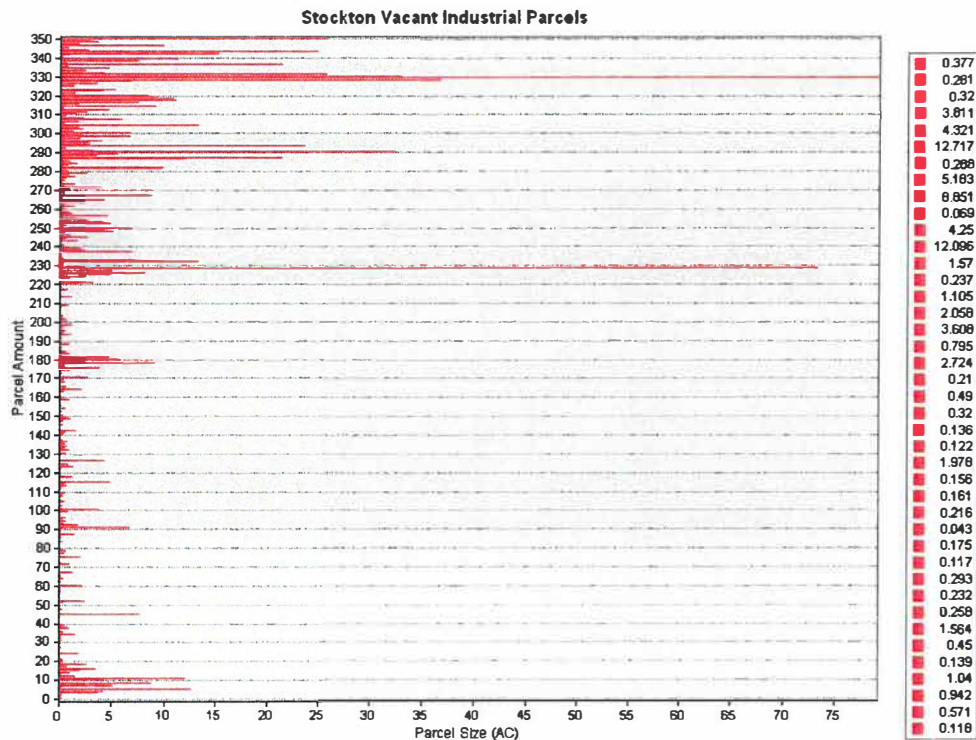


Figure 4  
SANCHEZ PROJECT AREA INDUSTRIAL DEVELOPMENT

In June 2020, Stockton planning staff completed the following inventory of vacant industrial land in with the Stockton City Limit. The parcels highlighted in red are identified as “vacant-industrial” per the 2020 San Joaquin County Assessors Tax Information (code 300, 301, 302, 307). These parcels do not contain existing entitlements or permits that would prohibit new applications from proposing development.

The graph below shows the parcel size in acres for each of the parcels listed as vacant. Of the ±351 listed parcels within the City Limits, only 15-parcels are larger than 10-acres in size, with an average parcel size of 2.55-acres for the entire survey area. The largest parcel listed as vacant is ±73.39-acres (APN 16307035), while the smallest is ±0.04-acres (APN 13731007).



Attached is the full extent of vacant industrial lands within the City as well as a parcel survey. The images below show vacant industrial lands within various Neighborhood Areas within the Stockton City Limits.

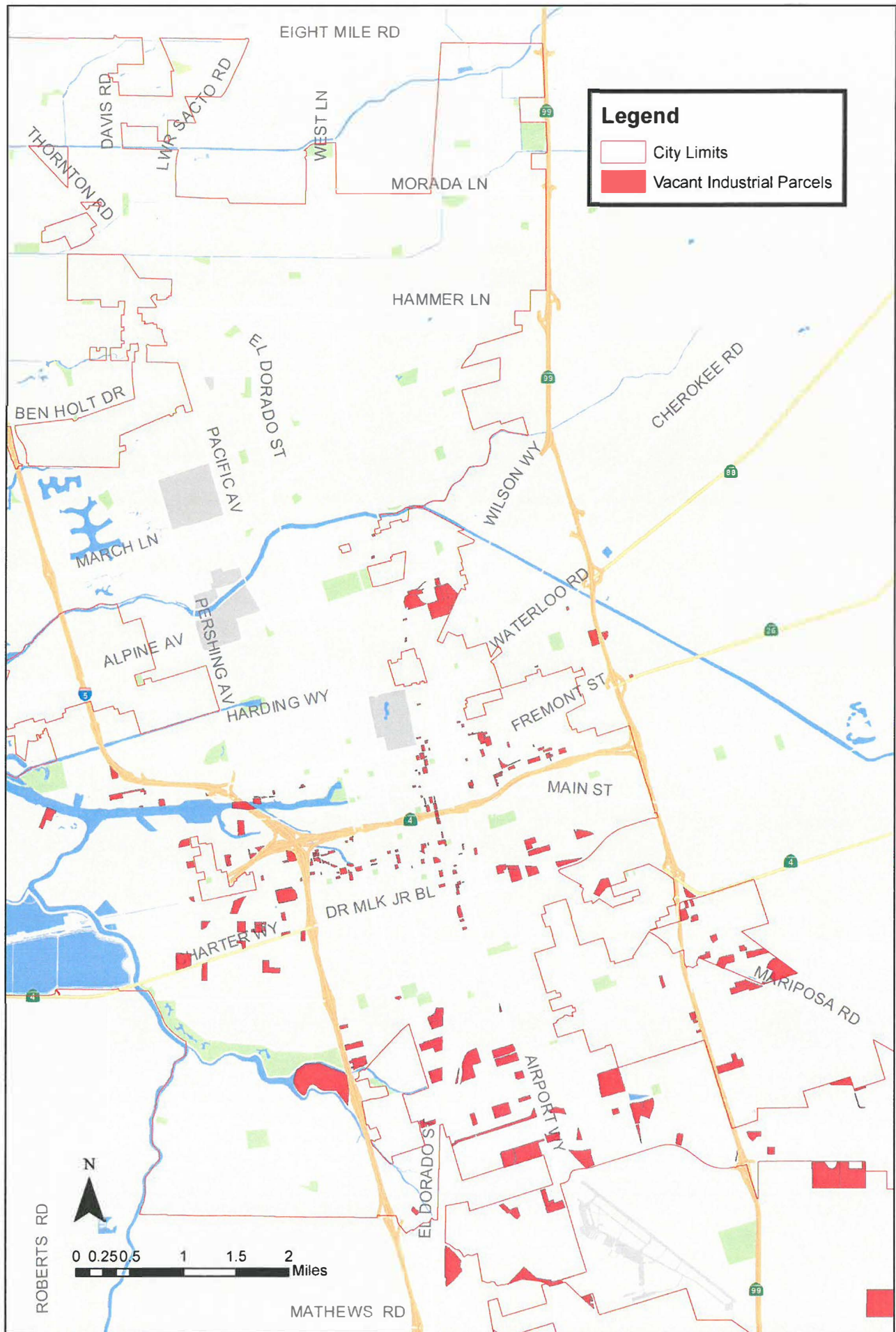
ATTACHMENTS

- Attachment-1: Stockton Citywide Vacant Industrial Lands
- Attachment-2: Parcel Survey of Vacant Industrial Lands.

**Neighborhoods: 2-Midtown and 3-East Stockton**



# Stockton Vacant Industrial Parcels

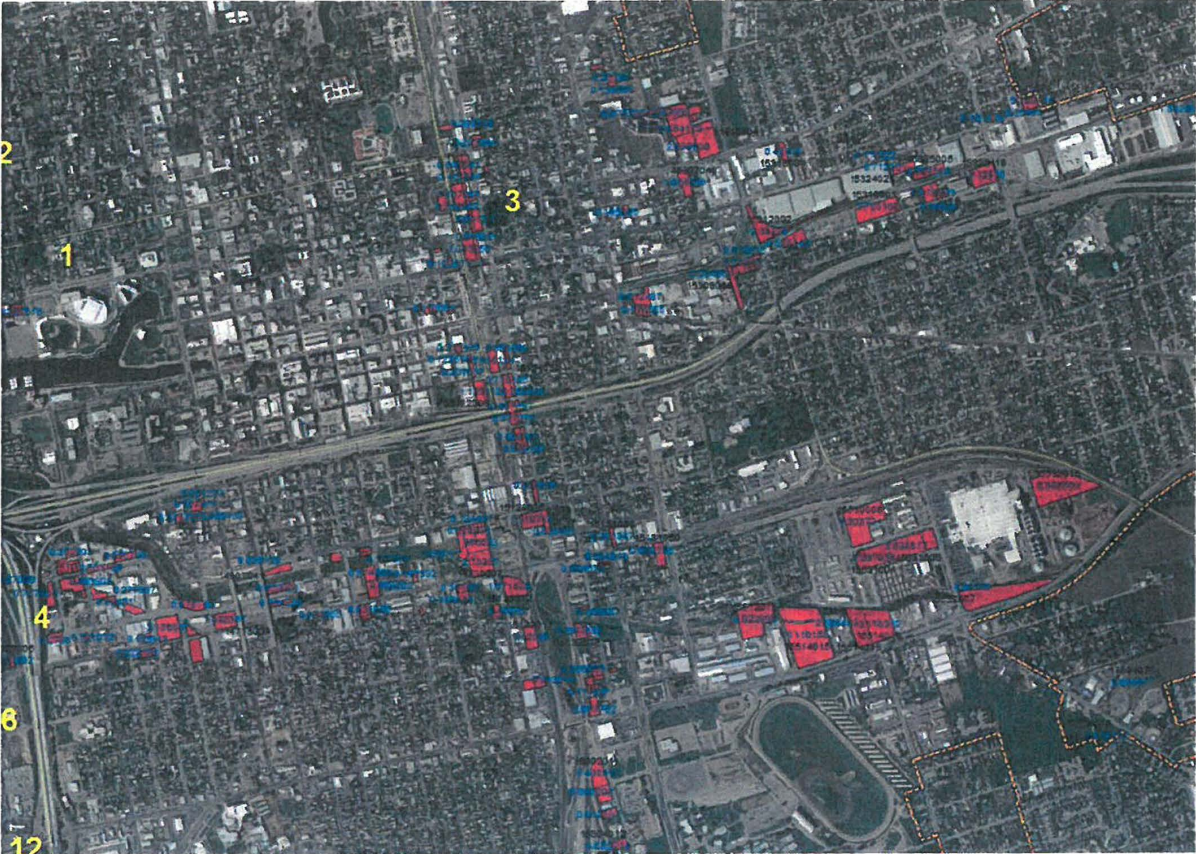


**Neighborhoods;** 1-Downtown; 4-South Stockton; 5-Boggs Tract; 6- The Port and Mount Diablo Waterfront; 12- West Ranch





Neighborhoods: 1-Downtown; 3- East Stockton; 4-South Stockton



**Neighborhoods: 3-East Stockton; 4-South Stockton**



**Neighborhoods:** 4-South Stockton; 6- The Port and Mount Diablo Waterfront; 11-Industrial Annex; 12-  
Weston Ranch/Van Buskrirk



Resolution No. **2020-06-23-1501-03**  
**STOCKTON CITY COUNCIL**

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**RESOLUTION RECOMMENDING THE CITY COUNCIL APPROVE WILLIAMSON ACT CANCELLATION REQUEST FOR THE PROPOSED SANCHEZ-HOGGAN PROJECT ASSESSOR'S PARCEL NUMBERS 181-100-09 (P19-0691)**

The proposed Sanchez-Hoggan Project ("project") also includes an annexation request for two parcels totaling ±169.77 acres, a prezone to Industrial, Limited (IL), a request to cancel an existing Williamson Act contract, a Tentative Parcel Map (TPM) to subdivide one parcel into four, and an Environment Impact Report with Mitigation Monitoring and Reporting Program; and

The proposed project includes property owner-initiated annexation for all parcels APN 181-100-09 and 179-200-27. As current County zoning for all parcels is AG-40, the San Joaquin Local Agency Formation Commission (LAFCo) will require the project site to be pre-zoned by the City of Stockton in conjunction with the proposed annexation. The City's pre-zoning would zone the sites to Industrial, Limited (IL) and is included in a separate ordinance to be adopted by the Stockton City Council. The pre-zoning would go into effect upon completion of the annexation process; and

The proposed parcel APN 181-100-09 (Sanchez parcel) is current within a Williamson Contract. The 2040 General Plan envisions the project site and surrounding areas to include industrial uses. To accommodate this change, the General Plan Environmental Impact Report (GPEIR) analysis and projected the cancellation of the existing WA contracts within the General Plan planning area. As shown in GPEIR Figure 4.2-4, the Sanchez parcel was anticipated to have its WA contract cancelled in order to convert the land from agricultural to industrial, as shown in the General Plan land use map. Therefore, the WA cancellation request is consistent with the General Plan vision for the propose project area; and

The Notice of Nonrenewal was recorded on February 28, 2020. If the tentative cancellation is approved by the City Council, the approval will be forwarded to the California Department of Conservation (DOC). The final cancellation will take effect after the annexation is approved by LAFCO, and the new legal description identifying the new boundaries are recorded with the property and given to the City, and DOC for records and the City Council approves the final certificate of cancellation; and

On June 12, 2020, a public notice for the subject application was published in the local newspaper in accordance with Stockton Municipal Code (SMC) Section 16.88.030; and

On June 23, 2020, the City Council 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; now, therefore,

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

1. The foregoing recitals are true and correct and incorporated here by reference; and
2. An Environmental Impact Report with Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program has been prepared for the project; and
3. Based on its review of the entire record herein, the City Council makes the following findings.

**Findings for Williamson Act Contract Cancellation (California Government Code Section 51282)**

The cancellation is consistent with the purposes of the Williamson Act.

- 1) The cancellation is for land on which a Notice of Nonrenewal has been served pursuant to section 51245 of the Government Code.

*Evidence: This finding can be made because the landowner has served a Notice of Nonrenewal pursuant to section 51245 of the Government Code. The Notice of Nonrenewal was recorded on February 28, 2020, as Document Number 2020-026016 in San Joaquin County.*

- 2) The cancellation is not likely to result in the removal of adjacent lands from agricultural use.

*Evidence: This finding can be made because there are no agricultural lands adjacent to the cancellation site; the property is nearly surrounded by approved and built out industrial and large-scale institutional development. The California Health Care Facility is to the south, and the BNSF Intermodal facility is to the east, and the Norcal Logistics Center is to the north and west.*

- 3) The cancellation on is for an alternative use, which is consistent with the applicable provisions of the City of Stockton's General Plan.

*Evidence: This finding can be made because the cancellation will facilitate an approval for annexation into the City, for Pre- Zoning to Industrial, Limited (IL), and for a Tentative Parcel Map to permit an Industrial project. Industrial uses are permitted use within the City of Stockton IL zone and will be consistent with the General Plan. The Envision Stockton 2040 General Plan designates the cancellation site "Industrial," which permits a wide variety of*

*industrial uses, including warehousing and distribution, light manufacturing, offices and other compatible uses. The proposed Industrial Limited zoning district is identified as consistent with the Industrial general plan designation, and the proposed warehousing and distribution development of the site is allowed by-right in this zoning district (Stockton Municipal Code 16.20.020). The City's utility master plans for the site and vicinity adopted with the General Plan are designed to accommodate planned industrial development.*

- 4) The cancellation will not result in disadvantageous patterns of urban development.

*Evidence: This finding can be made because the underlying infill project is in an area designated by the City for industrial development, and existing approved and/or built out industrial area surrounds the project site. Industrial development of the site will fulfill the purposes and land use designations of the General Plan. The planned industrial development that will result from the proposed cancellation will contribute to the development of a community that provides both jobs and housing opportunities as well as the quality of life as described in the General Plan. The site is included in the Stockton Sphere of Influence and Urban Service Area Boundary.*

- 5) There is no proximate non-contracted land which is both available and suitable for the use which is proposed the contracted land be put, or, development of the contracted land would provide more contiguous patterns of urban development of proximate non-contracted land.

*Evidence: The proposed project is for a parcel of land that is surrounded by other approved or built out industrial uses. There is no other proximate non-contracted land which is the required size of this parcel ( $\pm 150$ -acres) and no other land that would provide a more contiguous pattern of urban development given that this is an infill industrial project. There are six properties within a mile of the site that are designated for Industrial use and are not under Williamson Act contracts. Of the six sites, four are unsuitable for the proposed use. Two that are potentially suitable would not provide more contiguous patterns of urban development.*

- *Site 1 consists of approximately 320 acres located north and west of the Norcal Logistics Center. Adjacent to City boundary and accessible via existing arterial roads, but availability of utility services is uncertain. The site is adjacent to a DUC to the west. Development of this site would involve extension of urbanization into relatively undeveloped areas along Mariposa Road and would not provide a more contiguous pattern of urban development.*
- *Site 2 consists of approximately 300-400 acres located within the Mariposa Lakes Specific Plan area 1-2 miles north of the site. The site is adjacent to the City boundary and adjacent to SR 4. Development of this site would involve extension of urbanization into relatively undeveloped areas along SR 4 and*

would not provide a more contiguous pattern of urban development.

- Site 3 consists of approximately 40 acres located northeast of the BNSF intermodal facility. This site is not a suitable alternative to the proposed project; it is isolated from other development and is too small to accommodate the proposed industrial use.
- Site 4 consists of approximately 100 acres located south of BNSF and ½ mile east of Austin Road. This site is not a suitable alternative to the proposed project; it has no urban road access or near-term utility availability.
- Site 5 consists of approximately 80 acres adjacent to and south of Arch Road. This site is suitable but was approved by the City of Stockton for industrial development as the First Industrial Archtown project in 2005. The Archtown project is actively being processed for annexation and is not available to the cancellation applicant.
- Site 6 consists of approximately 100 acres located west of Newcastle Road and south of the Archtown site. This site is not a suitable alternative to the proposed project; it has no urban road access or near-term utility availability and has adjacent rural residential areas to the west and south.

**In addition, Stockton Municipal Code (SMC) 16.236.030.B.3 Cancellation of Williamson Act contract. Findings.**

The Council may grant cancellation of the contract only if the findings in subsection (B)(3)(a)(i) or (ii) of this section, can be made in a positive manner:

The cancellation is consistent with the purposes of the Williamson Act. This finding can only be made if the cancellation is:

- 1) For property on which a Notice of Nonrenewal has been served in compliance with State law (Government Code § 51245) and SMC Section 16.236.020 (Nonrenewal of Williamson Act contract);

*Evidence: The landowner has served a Notice of Nonrenewal pursuant to section 51245 of the Government Code. The Notice of Nonrenewal was recorded on February 28) 2020 as Document Number 2020-026016 in San Joaquin County.*

- 2) Not likely to result in the removal of adjoining lands from agricultural use;

*Evidence: The project site and surrounding areas are designated for industrial uses and non-agricultural businesses surround the project site (Figure 1). The nearest viable agricultural lands are approximately 1,000- feet from the proposed project site. The approved Norcal Industrial Center borders the project site to the west and north. The California Health Care Facility is to the south and the BNSF Intermodal facility is to the east and the Norcal Logistics Center is to the north and west.*

- 3) For an alternative use of land which is consistent with the general land uses, objectives, policies, and programs of the General Plan and any applicable specific plan;

*Evidence: This finding can be made because the cancellation has been applied for to facilitate an approval for an annexation into the City and for a Pre-Zoning to Industrial, Limited (IL) and for a Tentative Parcel Map to permit an Industrial project. Industrial uses are a permitted use within the City of Stockton IL zone and will be consistent with the General Plan. The property is nearly completely surrounded by approved and/or built out industrial and large-scale institutional development. The California Health Care Facility is to the south and the BNSF Intermodal facility is to the east and the Norcal Logistics Center is to the north and west. The owner has indicated that agricultural uses are no longer viable at the site due to the surrounding non-agricultural uses that abut the project site.*

- 4) Intended to ensure/maintain a contiguous pattern of urban development;

*Evidence: The project site and surrounding areas are designated for industrial uses and non-agricultural businesses surround the project site. The nearest viable agricultural lands are approximately 1,000- feet from the proposed project site. The approved Norcal Industrial Center borders the project site to the west and north. The California Health Care Facility is to the south and the BNSF Intermodal facility is to the east and the Norcal Logistics Center is to the north and west.*

- 5) In an area which has no noncontracted land available and suitable for the proposed use which is intended for the subject property, or development of the contracted land would provide for a more contiguous pattern of urban development than would development of the available noncontracted land; and

*Evidence: The project site and surrounding areas are designated for industrial uses and non-agricultural businesses surround the project site (Figure 1-2). The nearest viable agricultural lands are approximately 1,000- feet from the proposed project site. The nearest viable agricultural lands are approximately 1,000- feet from the proposed project site. The approved Norcal Industrial Center borders the project site to the west and north. The California Health Care Facility is to the south and the BNSF Intermodal facility is to the east and the Norcal Logistics Center is to the north and west.*

- 6) In compliance with the provisions of this chapter.

*Evidence: The proposed cancellation request is consistent with the provision of Title 16 (Development Code) of the City of Stockton's Municipal Code. Per SMC Section 16.236.020, the notice of nonrenewal was filed and the department of conservation and San Joaquin County have been notified. The cancellation will be brought before the Stockton City Council on June 23, 2020 and again in September of 2020, once the annexation is approved by LAFCO.*



The cancellation is in the public interest. This finding can only be made if:


- 1) Other public considerations substantially outweigh the objectives of the Williamson Act; and

*Evidence: The proposed industrial use is consistent with the envisioned industrial land uses for the area. These uses are intended to compliment the City's growing warehousing business market and will employ 1,200 to 1,500 workers at full buildout.*



- 2) There is no proximate noncontracted land in the area which is available and suitable for the proposed use which is intended for the subject property, or development of the contracted land would provide for a more contiguous pattern of urban development than would development of any proximate noncontracted land.

*Evidence: The project site and surrounding areas are designated for industrial uses and non-agricultural businesses surround the project site. The nearest viable agricultural lands are approximately 1,000- feet from the proposed project site.*

PASSED, APPROVED, and ADOPTED June 23, 2020.

  
MICHAEL D. TUBBS  
Mayor of the City of Stockton

ATTEST:

  
  
ELIZA R. GARZA, CMC  
City Clerk of the City of Stockton



## Environmental Health Department

Wayne Fox, REHS, Interim Director

PROGRAM COORDINATORS

Robert McClellon, REHS

Jeff Carruesco, REHS, RDI

Willy Ng, REHS

Muniappa Naidu, REHS

Michael Kith, REHS

Melissa Nissim, REHS

July 13, 2020

To: San Joaquin Local Agency Formation Commission  
Attention: Elizabeth Contreras (econtreras@sjgov.org)

From: Aaron Gooderham; (209) 616-3062 ✓  
Environmental Health Specialist

RE: Sanchez Annexation Project, LAFC 13-20  
**6001 South Austin Road**

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The San Joaquin County Environmental Health Department (EHD) recommends the following conditions as a part of developing this project:

- 1) Any existing wells to be abandoned shall be destroyed under permit and inspection by the EHD (San Joaquin County Development Title, Section 9-1110.3 & 9-1110.4)
- 2) Any geotechnical drilling shall be conducted under permit and inspection by The Environmental Health Department (San Joaquin County Development Title, Section 9-1115.3 and 9-1115.6).



**Department of Public Works**

**Fritz Buchman, Interim Director of Public Works**

*Alex Chetley, Interim Deputy Director/Development*

*Jim Stone, Deputy Director/Operations*

*Najee Zarif, Interim Deputy Director/Engineering*

*Kristi Rhea, Public Works Business Administrator*

July 21, 2020

MEMORANDUM

TO: James E. Glaser, Executive Officer  
LAFCo  
CONTACT PERSON: Liz Contreras, LAFCo Analyst

FROM: Jayna Rutz, Interim Engineering Services Manager *JR*  
Development Services Division

SUBJECT: SANCHEZ REORGANIZATION TO THE CITY OF STOCKTON (LAFC 13-20)  
To annex 149.01 acres to the City of Tracy.

LOCATION: Northwest corner of the intersection of Arch Road and Austin Road, east Stockton  
(APN 181-100-09)

COMMENTS:

- **No comments**

AC:SC

X:\LAFCO\LAFCo Referrals\Sanchez Reorganization to the City of Stockton (LAFC 13-20)\Comments to LAFCo (LAFC 03-20).doc

1810 East Hazelton Avenue | Stockton, California 95205 | T 209 468 3000 | F 209 468 2999

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**ADMINISTRATIVE REVIEW DRAFT  
ANNEXATION REPORT  
SANCHEZ ANNEXATION  
ANNEXATION FILE NO. \_\_\_\_\_**

July 20, 2020

## 1.0 INTRODUCTION AND PROJECT INFORMATION

This report provides background information and analysis in support of the proposed Sanchez 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 Sanchez Annexation project proposes the annexation of one parcel of approximately 149.01 acres into the City of Stockton (City), along with approximately 2,655 linear feet of adjacent Arch Road right-of-way and approximately 2,225 linear feet of adjacent Austin Road right-of-way. The proposed annexation area, hereinafter referred to as the “subject site,” is located at the northwest corner of Arch Road and Austin Road, adjacent to the Stockton city limits. (Figures 1 and 2). The subject site is identified as Assessor’s Parcel Number (APN) 181-100-09.

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 also within the City of Stockton’s existing Sphere of Influence and within the 10-year planning horizon designated in the City’s adopted Municipal Service Review. The subject site is designated Industrial in the City of Stockton General Plan, as is much of the surrounding area.

The City has received and processed an application for annexation, pre-zoning, a tentative parcel map, and industrial development of the subject site, including preparation of an Environmental Impact Report (EIR). The City certified the EIR and approved proposed annexation on June 23, 2020. The City has also approved a Tentative Parcel Map and pre-zoning of the subject site as IL – Industrial, Limited. These approvals will take effect upon annexation of the subject site to the City; these approvals would permit proposed development of approximately 2.8 million 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 3). Proposed pre-zoning and development are consistent with the City's existing Industrial general plan designation.

## 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, the 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 1 through 4, 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 5, the subject site is within the City's Sphere of Influence and 10-year planning horizon.*

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

*As noted above, the project is in a developing industrial area and is designated for industrial development. As shown on Figure 6, the proposed annexation would permit a logical extension of existing ongoing industrial development along the Arch Road corridor.*

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

*As discussed in Section 1.0 and the above findings, the subject site is adjacent to the City boundary and represents a logical extension of those boundaries along the developing Arch Road corridor. All required City services and utilities are available to the subject site as described in Sections 3.0 and 5.0 and as shown on Figure 7.*

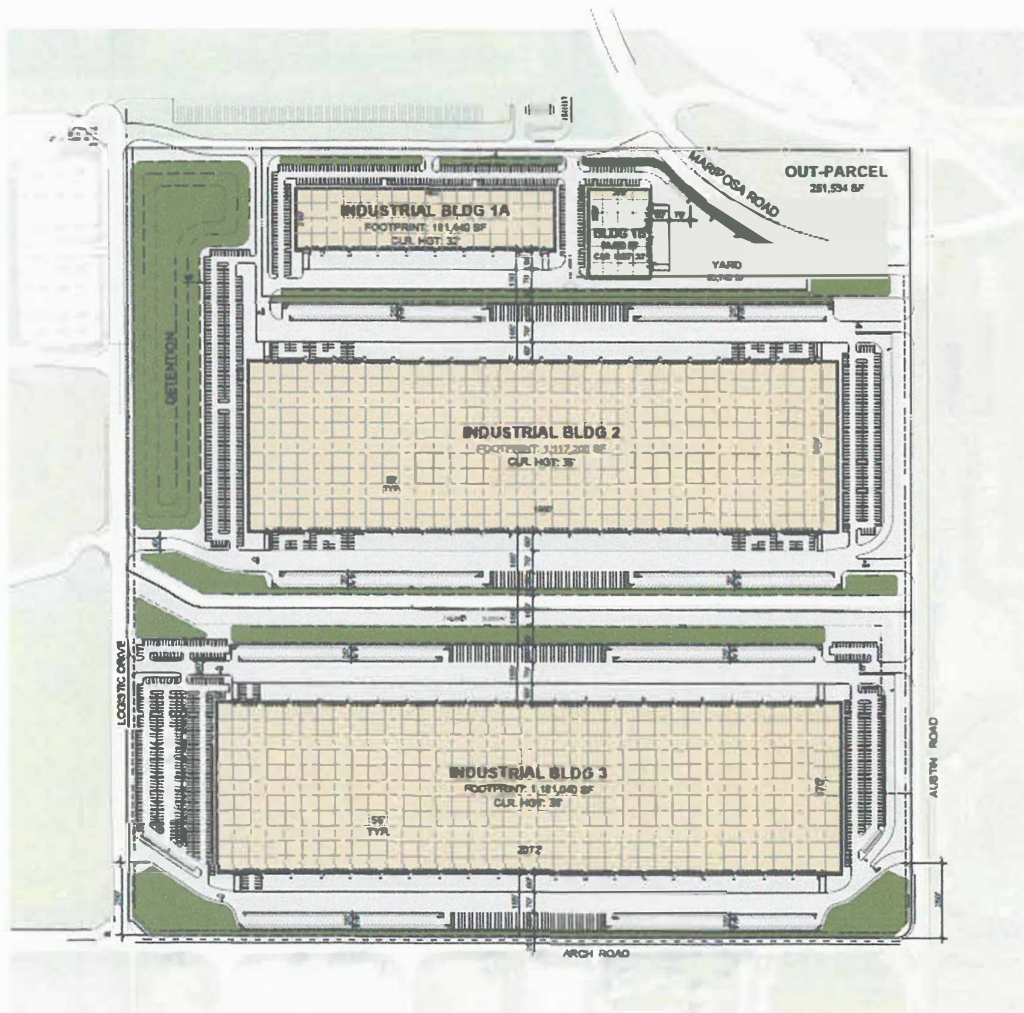




SOURCE: Google Maps

BaseCamp Environmental

Figure 2  
AERIAL PHOTO



OVERALL PROJECT DATA	
SITE AREA	4,728,000 SF
WAREHOUSE	4,728,000 SF
OFFICE	1,181,040 SF
TRAILER	1,181,040 SF
LANDSCAPE	1,181,040 SF
YARD	1,181,040 SF
OUT-PARCEL	251,534 SF
TOTAL BUILDING AREA	7,240,654 SF
WAREHOUSE	4,728,000 SF
OFFICE	1,181,040 SF
TRAILER	1,181,040 SF
LANDSCAPE	1,181,040 SF
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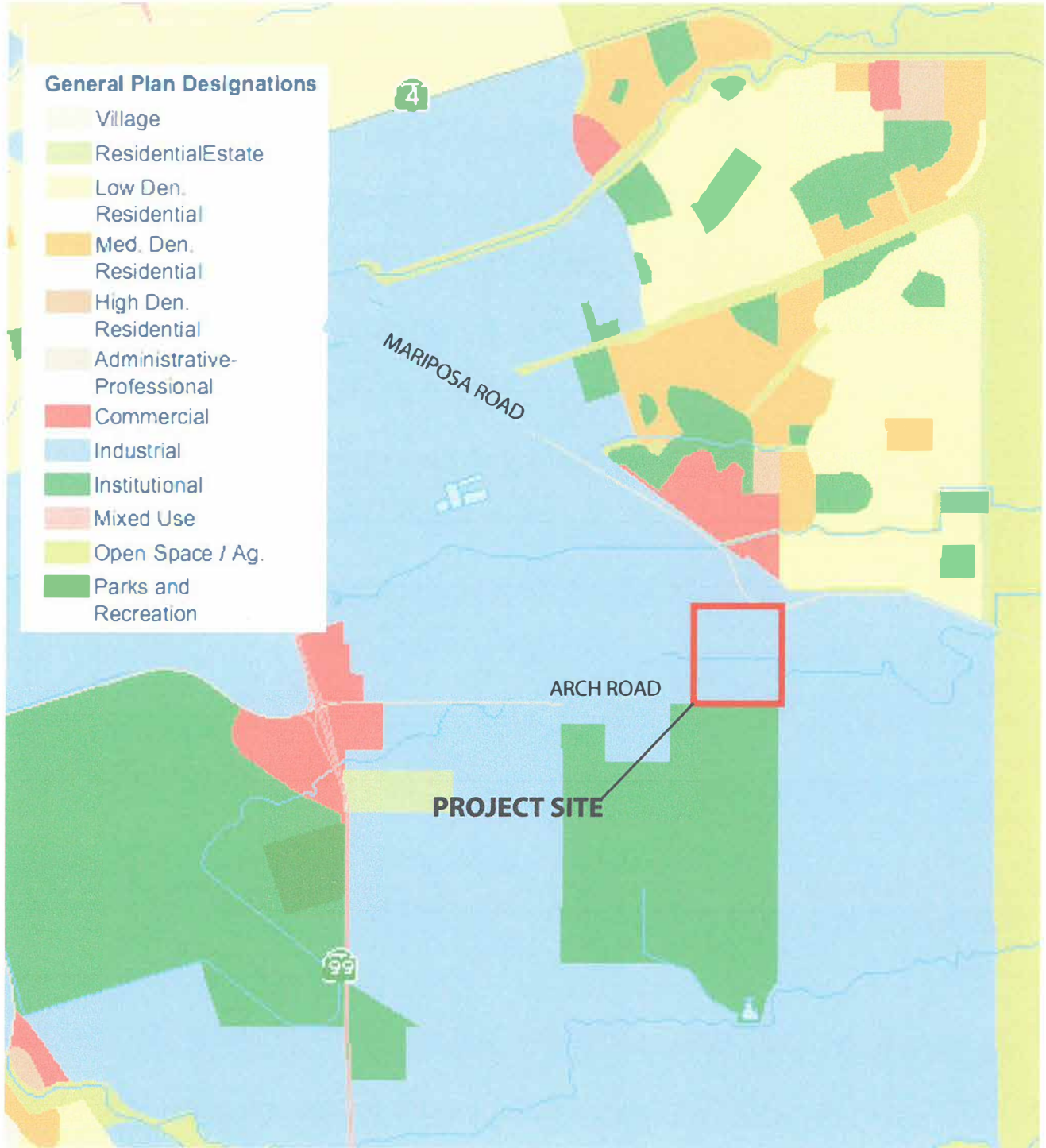
DEVELOPMENT STANDARDS	
MIN. LOT	10,000 SF
MIN. SETBACK	5 FT
MIN. FRONT	5 FT
MIN. SIDE	5 FT
MIN. REAR	5 FT
MIN. YIELD	100,000 SF
MIN. TRUCK	100,000 SF
MIN. OFFICE	100,000 SF
MIN. TRAILER	100,000 SF
MIN. LANDSCAPE	100,000 SF
MIN. YARD	100,000 SF
MIN. OUT-PARCEL	251,534 SF
MIN. TOTAL BUILDING AREA	7,240,654 SF

SOURCE: WARE MALCOMB



Figure 3  
SANCHEZ SITE PLAN





**SOURCE:** City of Stockton

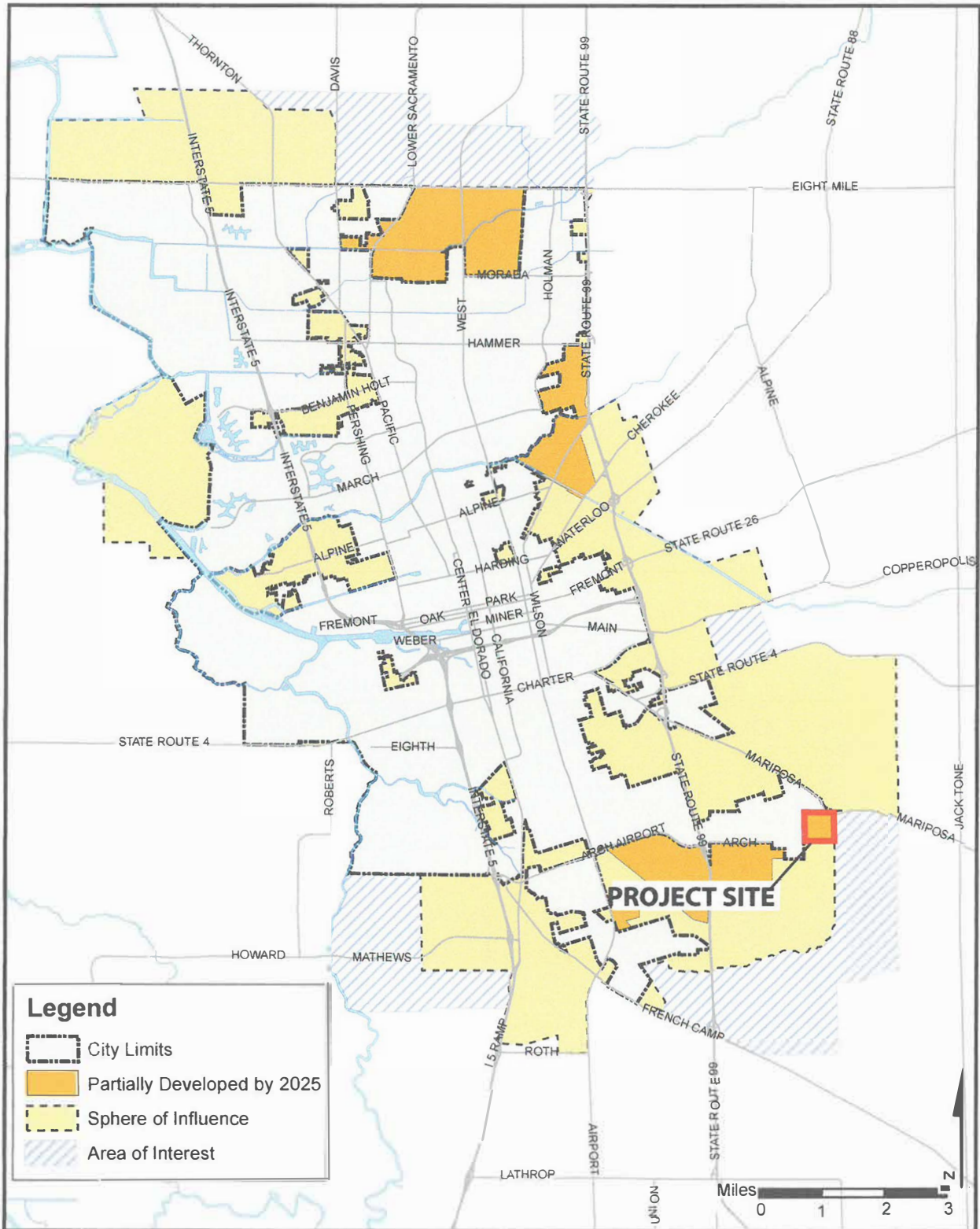
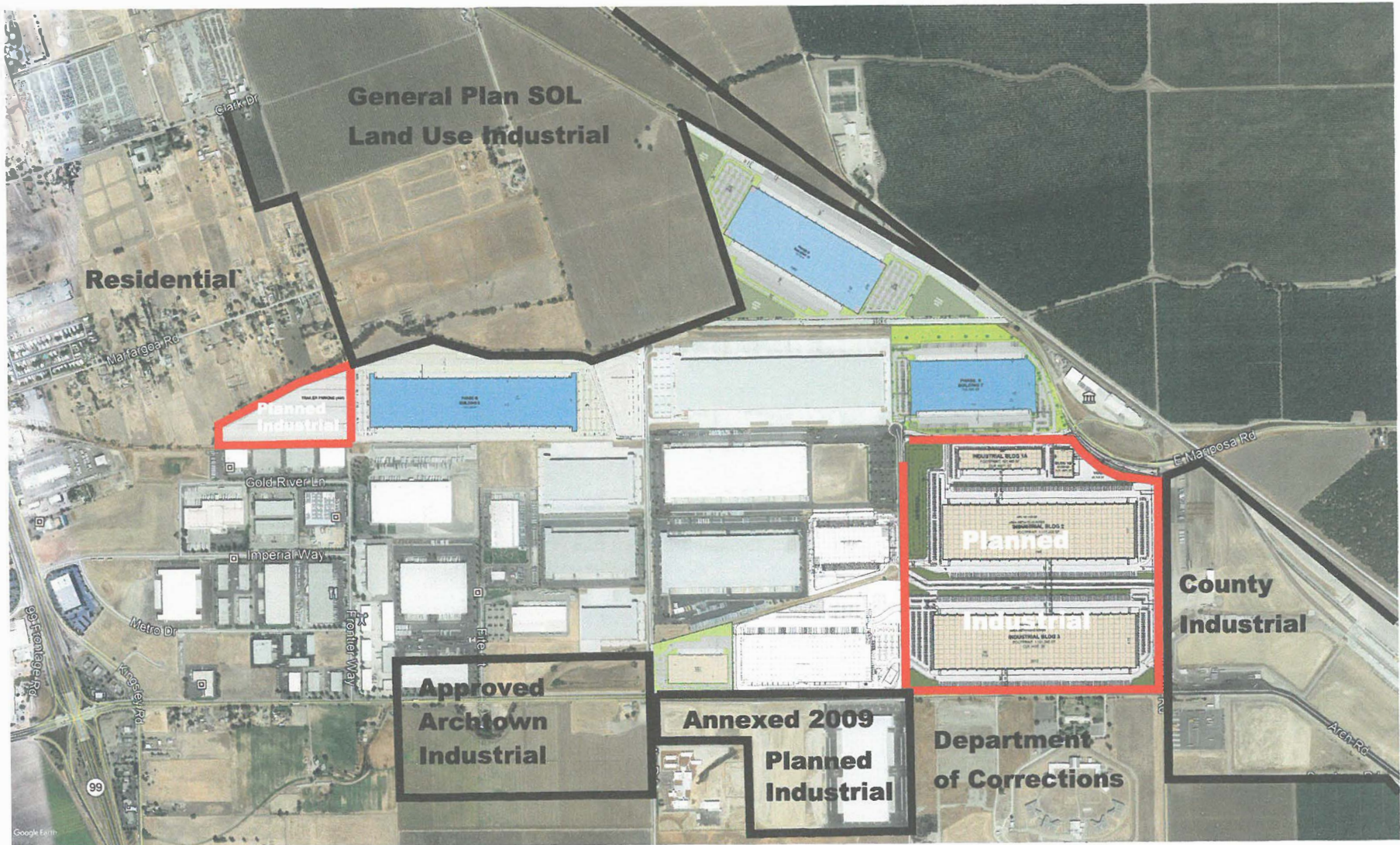


Figure 5  
 SPHERE OF INFLUENCE AND 10-YEAR  
 HORIZON (STOCKTON MSR)





### 3.0 CITY SERVICES PLAN

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

- (a) An enumeration and description of the services to be extended to the affected territory.
- (b) The level and range of those services.
- (c) An indication of when those services can feasibly be extended to the affected territory.
- (d) An indication of any improvements or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.
- (e) Information with respect to how those services will be financed.

The following City Services Plan meets the above requirements (a) through (d) with respect to annexation of the subject site. The subject site would require extension of existing City services, including public safety and utilities. Overall, existing public services, with improvements proposed as part of the project and illustrated on Figure 7, 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. Section 4.0 will meet requirement (e) above.

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

#### 3.1 DOMESTIC WATER SERVICE

Water systems in the City of Stockton Metropolitan Area use a combination of treated surface water and pumped groundwater from City wells. Stockton water purveyors include the City of Stockton Municipal Utilities Department (COSMUD), California Water Service Company, and San Joaquin County maintenance districts. Should the annexation be approved, water service to the subject site would be provided by 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 plans to use 6,000 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 15 million gallons per day (mgd). The projected 2035 capacity of the DWSP is 90 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 U.S. Fish and Wildlife Service and California Department of Fish and Wildlife restrictions.

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 16-inch diameter trunk line runs east/west beneath Arch Road, and a north/south line runs beneath

Logistics Drive. On-site lines would be installed to provide water to future development, and the on-site water system would connect to the Arch Road and Logistics Drive lines. Proposed points of connection are shown on Figure 7. 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 \$2,218 to \$28,359, depending on the size of the water meter. For purposes of the fiscal analysis shown in Section 4.0, a water meter size of two inches is assumed, the connection fee for which is approximately \$13,633. In addition, a DWSP surface water fee is applied, ranging from approximately \$5,223 to \$278,544, again depending on water meter size. For a two-inch water meter, the DWSP fee would be \$28,258. The EIR for the Sanchez-Hoggan Annexation indicated that four buildings would be in place at full development of the subject site, so the total water connection fees from development would be \$54,532, and total DWSP fees would be \$113,032. Water connection fees are payable upon issuance of a building permit. In addition, the City bills the property owner for water service on a monthly basis.

### 3.2 WASTEWATER

The subject site is not 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.

Existing sanitary sewer lines greater than 18 inches in diameter are located along Arch Road and within the northern portion of the Norcal Logistics Center site. Smaller mains, between 10 and 18 inches in diameter, have been installed throughout the Norcal Logistics Center site. These lines lead to an existing City pump station located along Arch Road near the SR 99 interchange. On-site sewer lines will be installed to provide service to future development, and the on-site system would connect to the existing larger sewer lines as shown on Figure 7.

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.

For this project, the sewer connection fee, based on a residential unit equivalency of 93.23 units, would be approximately \$293,302 (see Exhibit 7 for how estimate was derived). Sanitary sewer connection fees are payable upon issuance of a building permit. As with potable water, the City bills the property owner for sanitary sewer service on a monthly basis.

### **3.3 STORM DRAINAGE**

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

The subject site is within the North Littlejohns Creek watershed. 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. Runoff would be collected in the basin by an on-site storm drainage system of inlets and lines. Collected runoff would be stored and eventually discharged to Weber Slough when capacity in the slough is available to avoid potential downstream flooding. On this basis, the project EIR considered potential project impacts related to flooding to be less than significant with implementation of proposed on-site storm drainage features and compliance with City standards. The locations of proposed storm drainage facilities are shown on Figure 7.

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 for collection service on a monthly basis, 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. In order 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 September 2017, the

Police Department consisted of 485 sworn officers, 41 police telecommunicators, and 186 civilian staff. The staffing level is determined each year by the Stockton City Council and is subject to change as the Council, City Manager, and Chief of Police determine the needs of the city.

The service area is organized into six Community Policing Districts, one of which (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. Assuming 2,796,948 square feet of future industrial development on the subject site, an estimated \$173,411 in Public Facility Fees for police facilities would be generated. Additionally, in November 2014, Stockton's voters approved Measure A, which instituted a three-quarter cent (0.75%) sales tax to provide funding for law enforcement, crime prevention services, and other essential City services.

### **3.7 FIRE PROTECTION**

The subject site is currently within the Colledgeville Rural Fire District. Along with the subject site, the Colledgeville Rural Fire District serves the BNSF Intermodal Facility, the O.H. Close Youth Correctional Facility, the California Health Care Facility, and portions of the rural community of Colledgeville.

Should annexation occur, the subject site would be detached from the Colledgeville Rural 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 has twelve stations located throughout the greater Stockton metropolitan area. 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 10-12 minutes. The project developer has signed a service agreement with the Montezuma Fire District, which has stations closer to the subject site, to provide temporary fire protection services to new development on the subject site for an annual fee, along with an

initial fee. The agreement would be terminated, with 90 days written notice, when the City has the capacity to provide fire protection services to the subject site in conformity with relevant response-time parameters.

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

A mitigation measure in the Sanchez-Hoggan Annexation 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. Using the same development assumptions for police facility expansion, an estimated \$151,035 in Public Facility Fees for fire stations would be generated by future development.

### **3.8 SCHOOLS**

The subject site is within the boundaries of the Stockton Unified School District (SUSD). The nearest public school to the 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

\$1,706,138 in total 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. For warehouse/low density land uses, this fee would be \$23.25 per 1,000 square feet. An estimated \$56,638 in Public Facility Fees for community recreation centers would be generated. As with other Public Facility Fees, these fees would be payable upon issuance of a building permit.

### **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. An estimated \$156,629 in Public Facility Fees for libraries would be generated by future development on the subject site.

### **3.11 MAINTENANCE OF PUBLIC FACILITIES/OTHER GOVERNMENTAL SERVICES**

Logistics Drive, a public road abutting the western boundary of the subject site, is currently maintained by the City of Stockton. This road already has street improvements, including curb, gutter, and sidewalk along both sides of the street. Proposed industrial development will require street improvements along the subject site frontage of Arch Road and Austin Road, including additional pavement width, curb, gutter, and sidewalk, all of which would be designed and constructed by the applicant according 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, which would generate approximately \$2,605,357 in street improvement fees. Traffic signal fees would be \$83.25 per 1,000 square feet, which would generate an additional \$232,846. 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 \$440 per 1,000 square feet, so future development would generate approximately \$1,230,657 in RTIFs.

Measure K was passed by voters in 1990 and extended for another 30 years by voter approval in 2006. This measure instituted a 1/2-cent sales tax dedicated to transportation improvement projects in San Joaquin County. Measure K 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 thirty-five percent (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. Since the proposed annexation and development is not expected to change the City's population, there would be no substantial change in Measure K revenue directed to the City.

#### **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 frontages of Arch Road and Austin 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.

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

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

- Agricultural Land Mitigation Program
- Air quality
- County facilities
- Habitat/Open Space for San Joaquin Council of Governments (SJCOG)
- Surface water for SEWD (\$0.283 per square feet of retail/0.30)
- Related administrative costs

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



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

<b>FEE CATEGORY</b>	<b>ESTIMATED PROJECT FEES</b>
<b>City of Stockton Fees</b>	
Community Recreation Center	\$56,638
City Office Space	\$71,322
Fire Stations	\$151,035
Libraries	\$156,629
Parkland	\$0
Police Stations	\$173,411
Street Improvement	\$2,605,357
Sewer Connection	\$265,710
Water Connection	\$54,532
Delta Water Supply	\$113,032
Regional Transportation	\$1,230,657
Traffic Signal	\$232,846
<b>TOTAL CITY CAPITAL FEES</b>	<b>\$5,111,169</b>

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

<b>FEE</b>	<b>ESTIMATED PROJECT FEES</b>
Agricultural Land Mitigation	\$1,408,715
Air Quality	\$1,132,764
County Facilities	\$307,664
Surface Water	\$382,622
Administration	\$176,319
School Impact Fees (SUSD)	\$1,706,138
Habitat/Open Space (SJCOG)	\$1,996,585
<b>TOTAL OTHER FEES</b>	<b>\$7,110,807</b>



## 4.2 FINANCING OF GENERAL SERVICES

The anticipated revenues to the City of Stockton, which would be the main provider of services, is presented here, along with the anticipated fees that be collected for capital improvements supporting these 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 Colledgeville Rural 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 3 below. Revenue estimates were generated primarily on a person-served basis, which accounts for project-related population and employee growth. Please see the attached Exhibits 1-6 for more information regarding the derivation of Table 3 calculations. More detailed information regarding specific sources of revenues is provided below

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

<b>CATEGORY</b>	<b>AMOUNT</b>
<b>Property Taxes</b>	
Secured Property Tax	\$151,035
Unsecured Property Tax	\$15,104
Property Transfer Tax	\$6,922
Property Tax in-Lieu of Motor Vehicle Fees	\$289,484
<b>Other Revenue Sources</b>	
Sales Tax	\$0
Utility Users Tax	\$82,151
Franchises	\$32,052
Business Licenses	\$151,069
Document Transfer	\$2,595

<b>CATEGORY</b>	<b>AMOUNT</b>
Motor Vehicle Licenses	\$0
Investment Proceeds	\$7,612
Fire Contracts	\$10,399
Code Enforcement	\$8,486
Charges for Services	\$4,917
Fines & Forfeitures	\$838
Revenues from Other Agencies	\$5,496
Licenses & Permits	\$1,102
Sale of Fixed Assets	\$701
Miscellaneous Other Revenues	\$0
Indirect Cost Allocations	\$12,630
Refunds & Reimbursements	\$3,451
Rents/Leases/Concessions	\$8,468
Loan Repayment	\$1,184
<b>TOTAL</b>	<b>\$796,686</b>

### Property Tax

Property tax rates are set at 1% of assessed property value. The potential property tax revenues resulting from the project were based on information provided by the project applicant and the current City/County Revenue Sharing Agreement for annexations. As shown in Exhibit 3, the estimated assessed valuation on the subject site with proposed development is \$251,725,320.

Approximately 70% of every property tax dollar from the subject site is allocated among the Stockton Unified School District, San Joaquin Delta Community College, the State's educational fund, and other agencies. This leave an "available share" of approximately 30% of the overall property tax revenue, which is currently divided between the County, the Collegenille Rural Fire District, and other County agencies. This division of the property tax is the basis for estimating the property tax the City will receive upon annexation and development of the subject site (see Exhibit 3).

### *Secured Property Tax*

Based upon information from the San Joaquin County Auditor-Controller's Office, upon annexation, approximately 6% of total property tax revenue from the subject site would go to the City. Based on this information, the City's share of the total secured property tax amount after annexation and development would be \$151,035. Current property taxes paid to the County on the subject site are approximately \$3,874.

### *Unsecured Property Taxes*

Unsecured property taxes are derived from property that is not real estate such as business equipment, boats, aircraft, and possessory interests. For this analysis, it is assumed that the unsecured property tax is 10% of the secured property tax and that the amount of unsecured property tax the City would receive after annexation and development of the subject site would be \$15,104.

### *Other Property Taxes*

Property transfer taxes are taxes charged as a percentage of the value of property that has a transfer of title. It is estimated that the amount of property transfer tax the City would receive after annexation of the subject site would be \$6,922. 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 \$289,484. 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%). Since industrial/warehouse development is proposed on the subject site, no taxable sales activity and no sales tax revenue to the City would be generated.

### Utility User Tax

A utility user tax is levied against utility charges for all non-public users of gas, electric, water, telephone, and cable television services. This tax is 6% of a customer's monthly bill. As noted in Table 3 above, future development on the subject site would generate an estimated \$82,151 annually in utility user tax revenues. See Exhibits 1 and 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 \$32,052 in franchise tax revenue annually (see Exhibits 1 and 5).

### Business License Tax

The City of Stockton assesses a business registration fee and a license tax on any person engaged in or carrying on any profession, trade, calling, occupation, or business in the City. Beyond a registration fee of \$24, businesses are assessed at varying rates based typically on their gross receipts; gross receipts information for the annexation area is unknown. Future development on the subject site is estimated to yield an annual revenue of \$151,609 (see Exhibits 1 and 5).

### Other Revenue Sources

The City has a variety of other revenue sources, which are listed in the City's budget. These include document transfer fees, licenses and permits, fines and forfeitures, rents/leases and concessions, sales of fixed assets, investment proceeds, and revenues from fire service contracts and from other agencies, among others. Exhibits 1 and 5 list these other sources. Not all these revenue sources would be associated with annexation and development of the subject site. However, to simplify the analysis, revenues from each of these sources have been estimated based upon the service population anticipated to be on the subject site at full development. Estimated revenues from these other sources would be \$68,329.

#### 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.

The EIR for the Sanchez-Hoggan Annexation concluded 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 EIR also concluded that impacts of the Sanchez-Hoggan Annexation 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. As noted, the developer has entered into a temporary fire services agreement with the Montezuma Fire District, which will avoid short-term increases in City costs related to fire protection. While the project would place an incremental demand for City fire and police

services, no new or expanded services would be required as a result of the project. Future capital costs for these services would be met through payment of PFFs.

The proposed annexation would include the segments of Arch Road and Austin Road that front the subject site, approximately 0.50 miles of Arch Road and approximately 0.42 miles of Austin Road. Widening and other frontage improvements to these sections would be funded by the developer. The annexed segments would increase costs to the City for ongoing road maintenance. A rough approximation of the increased maintenance cost associated with these road sections 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 2019/20 budget for the City of Stockton, the City maintains 763 miles of streets at a cost of \$6,911,421. Based on these figures, the additional cost to maintain the annexed segments would be approximately \$8,334 annually. 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 \$592.78. The expected increase in service population would be 911 (see Exhibit 2). Therefore, potential service costs to the City would be approximately \$540,023. 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 3, proposed future development of the subject site is expected to generate approximately \$796,686 in annual revenues to the City. With estimated annual expenditures of \$540,023, 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 \$5,111,169 in one-time capital facility fees to the City to cover expenses associated with new or expanded public facilities and services. Additional fees would be paid to SUSD and SJCOG.

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

### 4.3 PROPERTY TAX IMPACT TO THE COLLEGEVILLE RURAL FIRE DISTRICT

Based on information provided by the County Auditor-Controller's Office, the Colleeville Rural Fire District currently receives approximately 2.4 percent of the general one-percent property tax levy on the subject site, which generates approximately \$92 of property tax revenue annually for the Fire District. This amount is based on current valuation of the

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

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

## 5.0 AVAILABILITY OF ADEQUATE WATER SUPPLY

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

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

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

The UWMP indicated that industrial activities used 723 acre-feet of water per year in 2015. In that same year, there were 21 industrial connections to the City's water system. While water usage can vary greatly among industrial activities, for this analysis it is assumed that

industrial water usage on the subject site would be the average per industrial connection – approximately 34.4 acre-feet per year per connection. This is considered a conservative assumption, as warehouse uses proposed on the subject site generally do not use as much water as other types of industrial activities. One connection is assumed for the subject site.

Based on these assumptions, water demand from development on the subject site would be 33.4 acre-feet per year. Again, this is considered a conservative estimate. When compared with the difference in water supply and demand described above, the City would have sufficient water supply for proposed future development on the subject site, even in multiple dry years. Water can be readily provided from existing sources, without the need to acquire additional supplies or water rights. Again, the estimated water demand is considered conservative, as proposed land uses would likely use less water.

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

**EXHIBITS 1-6**  
**ESTIMATED PROJECT REVENUE SOURCES**



**EXHIBIT 1**  
**CITY OF STOCKTON – PROPOSED SANCHEZ ANNEXATION**  
**CITY OF STOCKTON GENERAL FUND REVENUE SUMMARY**

**I. CITY DEMOGRAPHIC DATA**

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

**II. CITY REVENUE SOURCES**

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

**NOTES:**

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

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

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

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

AV – Assessed Valuation; NA – Not applicable

**EXHIBIT 2**  
**CITY OF STOCKTON – PROPOSED SANCHEZ ANNEXATION**  
**LAND USE AND DEMOGRAPHICS SUMMARY**

**I. RESIDENTIAL LAND USES**

<b>Residential Land Uses</b>	<b>Number of Units [1]</b>	<b>Persons per Household [2]</b>	<b>Residential Population</b>
Residential	0	3.39	0

**II. NON-RESIDENTIAL LAND USES**

<b>Non-Residential Land Uses</b>	<b>Square Feet</b>	<b>Sq. Ft. per Employee [1]</b>	<b>Number of Employees</b>
Industrial	2,796,948	1,843	1,518

**III. PROJECT DEMOGRAPHICS**

Residential Population	0
Direct Employees	1,518
Persons Served Population [3]	911

**NOTES:**

[1] Source: Table B1. Summary table: total and means of floorspace, number of workers, and hours of operation, 2012. U.S. Energy Information Administration, revised December 2016.

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

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

\* All figures subject to rounding.

**EXHIBIT 3  
CITY OF STOCKTON – PROPOSED SANCHEZ ANNEXATION  
PROPERTY TAX REVENUE**

**I. GENERAL PROPERTY TAX ASSUMPTIONS**

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

<b>Public Agency</b>	<b>Property Tax Breakdown</b>
County General Fund and other local agencies	27.4%
Collegeville Rural Fire District	2.4%
School districts and other agencies	70.2%
<b>TOTAL</b>	<b>100.00%</b>

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

<b>Public Agency</b>	<b>Property Tax Breakdown</b>
County General Fund	23.8%
City of Stockton	6.0%
School districts and other agencies	70.2%
<b>TOTAL</b>	<b>100.00%</b>

**II. SECURED PROPERTY TAX ANALYSIS**

<b>Nonresidential Land Use Type</b>	<b>Square Feet</b>	<b>Valuation per Square Foot [2]</b>	<b>Estimated Assessed Valuation</b>	<b>Total Secured Property Tax</b>
Industrial	2,796,948	\$90.00	\$251,725,320	\$151,035

**III. UNSECURED PROPERTY TAX ANALYSIS**

<b>Nonresidential Land Use Type</b>	<b>Square Feet</b>	<b>Unsecured Tax (as % of Secured Tax)</b>	<b>Total Secured Property Tax</b>	<b>Total Unsecured Property Tax</b>
Industrial	2,796,948	10.00%	\$151,035	\$15,104

**IV. PROPERTY TAX TRANSFER ANALYSIS**

<b>Nonresidential Land Use Type</b>	<b>Square Feet</b>	<b>Property Turnover Rate [3]</b>	<b>Property Transfer Tax to City [4]</b>	<b>Total Property Transfer Tax</b>
Industrial	2,796,948	5.00%	0.055%	\$6,922

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

<b>Nonresidential Land Use Type</b>	<b>Square Feet</b>	<b>Total Assessed Valuation</b>	<b>Property Tax In-Lieu of MVF per \$1,000 Assessed Value [5]</b>	<b>Total Property Tax In-Lieu of MVF</b>
Industrial	2,796,948	\$251,725,320	\$1.15	\$289,484

**NOTES:**

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

[2] Source: First Industrial Realty Trust. Range of valuation for industrial properties from \$90 to \$100 per square feet, so lowest value in range used to provide conservative estimates.

[3] Based on typical OTA baseline assumptions.

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

[5] Based on City of Stockton Assessed Valuation and In-Lieu of MVF revenue items in City of Stockton Fiscal Year 2019/20 Budget. Assessed valuation for properties in City \$21,362,446,000. See Exhibit I for In-Lieu of MVF.

\* All figures subject to rounding.

EXHIBIT 4  
CITY OF STOCKTON – PROPOSED SANCHEZ ANNEXATION  
SALES TAX REVENUE ANALYSIS

**I. DIRECT SALES TAX ANALYSIS**

<b>Nonresidential Land Use Type</b>	<b>Taxable Sales per Square Foot</b>	<b>Estimated Taxable Sales Displacement</b>	<b>Total Sales Tax Revenue</b>
Industrial	NA	NA	\$0

**NOTES:**

NA – not applicable

**EXHIBIT 5**  
**CITY OF STOCKTON – PROPOSED SANCHEZ ANNEXATION**  
**MULTIPLE REVENUE ANALYSIS**

<b>General Fund Revenue Type</b>	<b>Revenue Projection Basis [1]</b>	<b>Multiplier Factor [2]</b>	<b>Estimated Project Revenue</b>
Utility Users Tax	Persons Served	\$90.22	\$82,151
Franchises	Persons Served	35.20	\$32,052
Business Licenses	Per Employee	99.90	\$151,609
Document Transfer	Persons Served	2.85	\$2,595
Motor Vehicle License	Per Capita	0.49	0
Investment Proceeds	Persons Served	8.36	\$7,612
Fire Contracts	Persons Served	11.42	\$10,399
Code Enforcement	Persons Served	9.32	\$8,486
Charges for Services	Persons Served	5.40	\$4,917
Fines & Forfeitures	Persons Served	0.92	\$838
Revenues from Other Agencies	Persons Served	6.53	\$5,946
Licenses & Permits	Persons Served	1.21	\$1,102
Sale of Fixed Assets	Persons Served	0.77	\$701
Miscellaneous Other Revenues	Persons Served	0	0
Indirect Cost Allocation	Persons Served	13.87	\$12,630
Refunds & Reimbursements	Persons Served	3.79	\$3,451
Rents/Leases/Concessions	Persons Served	9.30	\$8,468
Loan Repayment	Persons Served	1.30	\$1,184
<b>TOTALS</b>	--	--	<b>\$334,141</b>

**NOTES:**

[1] See Exhibit 2.

[2] See Exhibit 1.

\* All figures subject to rounding.

**EXHIBIT 6**  
**CITY OF STOCKTON – PROPOSED SANCHEZ ANNEXATION**  
**PROJECTED RECURRING GENERAL FUND REVENUE**

<b>CATEGORY</b>	<b>AMOUNT</b>	<b>PERCENT OF TOTAL</b>
<b>Property Taxes [1]</b>		
Secured Property Tax	\$151,035	18.96%
Unsecured Property Tax	\$15,104	1.90%
Property Transfer Tax	\$6,922	0.87%
Property Tax in-Lieu of Motor Vehicle Fees	\$289,484	36.34%
<b>Sales Taxes [2]</b>		
Direct Sales Tax	\$0	0.00%
<b>Other Revenue Sources [3]</b>		
Utility Users Tax	\$82,151	10.31%
Franchises	\$32,052	4.02%
Business Licenses	\$151,609	19.03%
Document Transfer	\$2,595	0.33%
Motor Vehicle Licenses	0	0.00%
Investment Proceeds	\$7,612	0.96%
Fire Contracts	\$10,399	1.31%
Code Enforcement	\$8,486	1.07%
Charges for Services	\$4,917	0.62%
Fines & Forfeitures	\$838	0.11%
Revenues from Other Agencies	\$5,946	0.75%
Licenses & Permits	\$1,102	0.14%
Sale of Fixed Assets	\$701	0.09%
Miscellaneous Other Revenues	0	0.00%
Indirect Cost Allocations	\$12,630	1.59%
Refunds & Reimbursements	\$3,451	0.43%
Rents/Leases/Concessions	\$8,468	1.06%
Loan Repayment	\$1,184	0.15%
<b>TOTAL</b>	<b>\$796,686</b>	<b>100.00%</b>

**NOTES:**

[1] See Exhibit 3.

[2] See Exhibit 4.

[3] See Exhibit 5.

\* All figures subject to rounding.

**EXHIBIT 7**  
**PUBLIC FACILITY AND IMPACT FEE SUMMARY**



**EXHIBIT 7  
CITY OF STOCKTON – PROPOSED SANCHEZ ANNEXATION  
PUBLIC FACILITY AND IMPACT FEE SUMMARY**

<b>FEE CATEGORY</b>	<b>FEE RATE</b>	<b>ESTIMATED PROJECT FEES</b>
<b>City of Stockton Fees [1]</b>		
Agricultural Land Mitigation	\$10,494/acre of net parcel	\$1,408,715
Air Quality	\$405/1,000 sq. ft.	\$1,132,764
City Office Space	\$25.50/1,000 sq. ft.	\$71,322
Community Recreation Center	\$23.25/1,000 sq. ft.	\$56,638
County Facilities	\$110/1,000 sq. ft.	\$307,664
Fire Stations	\$54/1,000 sq. ft.	\$151,035
Libraries	\$56/1,000 sq. ft.	\$156,629
Parkland	N/A	\$0
Police Stations	\$62/1,000 sq. ft.	\$173,411
Street Improvement	\$931.50/1,000 sq. ft.	\$2,605,357
Surface Water	\$0.228/(sq. ft./0.6)	\$382,622
Administration (2.5% of total fees above)	--	\$161,154
<b>SUBTOTAL</b>		<b>\$6,607,312</b>
Sewer Connection	\$2,850/SFU equivalent [2]	\$265,710
Water Connection	2-inch meter	\$54,532
Delta Water Supply	2-inch meter	\$113,032
Administration (3.5% of total fees above)	--	\$15,165
<b>SUBTOTAL</b>		<b>\$448,439</b>
Regional Transportation	\$440/1,000 sq. ft.	\$1,230,657
Traffic Signal	\$83.25/1,000 sq. ft.	\$232,846
<b>SUBTOTAL</b>		<b>\$1,463,503</b>
<b>TOTAL CITY PUBLIC FACILITY AND IMPACT FEES</b>		<b>\$8,519,253</b>
<b>Fees by Other Agencies</b>		
School Impact Fees (SUSD)	\$0.61/square foot	\$1,706,138
Habitat/Open Space (SJCOG)	\$13,399/acre	\$1,996,585

**NOTES:**

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

[2] For warehouse land use >50,000 sq. ft., single-family unit (SFU) equivalent is square footage times 0.01 gallons/day divided by 300.

*\* All figures subject to rounding.*

**EXHIBIT 8**  
**ESTIMATED PROJECT EXPENDITURES**

**I. CITY EXPENDITURES**

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

**II. PROJECT EXPENDITURE ANALYSIS**

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

City Expenditures per Person Served: \$592.78

Persons Served Population on Subject Site [3]: 911

**Total Subject Site Expenditures: \$540,023**

**NOTES:**

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

[2] See Exhibit 1.

[3] See Exhibit 2.

# **LAFCo**

509 West Weber Avenue Suite 420 STOCKTON, CA 95203

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## **EXECUTIVE OFFICER'S REPORT**

- PROJECT:** HOGGAN REORGANIZATION TO THE CITY OF STOCKTON (L AFC 14-20)
- PROPOSAL:** To annex 20.76 acres to the City of Stockton with concurrent detachments from the Montezuma Fire District and the San Joaquin County Resource Conservation District.
- APPLICANT:** City of Stockton
- LOCATION:** Between Marfargoa Drive and existing development along the north side of Gold River Drive, adjacent to the City limits (Exhibit A: Vicinity Map)
- PURPOSE:** The City proposes development of the parcel as IL-limited industrial of approximately 290,000 square feet of high-cube warehousing or other light industrial uses
- PROCESS:** Proposed annexation area is uninhabited and has 100% owner-consent

### **RECOMMENDATION**

It is recommended that the Commission approve Resolution No. 1434 approving the annexation of 20.76 acres to the City of Stockton with concurrent detachments from the Montezuma Fire District and San Joaquin County Resource Conservation District.

### **BACKGROUND**

A Resolution of Application was approved by the City of Stockton on June 23, 2020 authorizing an application submittal to LAFCo for the annexation of 20.76 acres to the City (Exhibit B: Resolution 2020-06-23-1501-02). The City Council approved a pre-zoning of the project site to Industrial, Limited (IL) which would allow the development of an industrial building that would accommodate mainly "high cube" warehouses. The proposed development of the site includes an industrial building with a total building area of 290,000 square feet and a storm drainage detention basin (Exhibit C: Justification of Proposal).

The proposed annexation site is within the City's Sphere of Influence and with the approval of the City's Municipal Service Review (MSR) and Sphere of Influence Update the site will be in the 10-year planning horizon and can be considered for annexation. The Envision Stockton 2040 General Plan designates the annexation area as Industrial. The site is located in a developing industrial and is a logical extension of existing ongoing industrial development in the area.

**ENVIRONMENTAL**

The City of Stockton certified a Final Environmental Impact Report (State Clearinghouse No. 2020020006) with a Statement of Overriding Consideration and adopted Mitigation Monitoring and Reporting Program for the project on June 23, 2020. LAFCo, as a Responsible Agency must consider the City’s environmental report and make findings upon approval of the project. (Exhibit D: Resolution 2020-06-23-1501-01).

**PROPERTY TAX EXCHANGE**

Pursuant to the Revenue and Taxation Code, the City and County must have an agreement in place that would determine the exchange of property tax revenues from jurisdictional changes. A County/Stockton master tax sharing agreement is in place providing for a County 80% and City 20% split of property taxes affected by the annexation.

**FACTORS**

The Cortese-Knox-Hertzberg Local Government Reorganization Act requires fifteen factors to be considered by a LAFCO when evaluating a proposal for a change in organization or reorganization to a City. Factors to be considered shall include, but are not limited to the following (Government Code Sections 56668):

**(a) *Population and population density, likelihood of significant growth during the next 10 years***

The project includes the annexation of 20.76 acres for the development of industrial uses. The subject site is currently vacant. To the north of the site is an unincorporated rural residential subdivision and mobile home park. To the south of the site is industrial development. It is anticipated that the area east of the project site will be further developed for industrial uses as this area is within the City’s boundary and designated for industrial uses.

**(b) *The need for organized services and present cost and adequacy of governmental services community***

Essential governmental services which are provided to the subject area at the present time and which will be provided after the proposal is finalized, are indicated in the following chart:

SERVICE	CURRENT PROVIDER	AFTER ANNEXATION
Law Enforcement	County Sheriff’s Office	City
Fire Protection	Montezuma Fire District	City/Contract with Montezuma Fire District
Water	None	City
Sewer	None	City
Drainage	None	City
Irrigation	Stockton East Water District	Stockton East Water District
Schools	Stockton Unified School District	Stockton Unified School District
Planning	County	City

City ordinances and resolutions are in place to ensure that required public facilities fees are paid and that services can be maintained at appropriate levels for the project. The City has

conditioned its approval of the project making the developer of the project responsible for the design and construction of required improvements in accordance to City standards. The MSR and SOI Update which includes development of the Hoggan project indicated that the project can adequately be served by the City.

- (c) ***The effect of the proposed action and of alternative actions, adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.*** The proposed action will not have an effect on any social interests or any effect on economic interests as the parcel is currently vacant. There will be no effect of the proposed action on the local governmental structure of the county.

The City has identified that the residential subdivision to the north of the proposed annexation area meets the criteria for a Disadvantage Unincorporated Community (DUC). A DUC is defined as an area of inhabited territory located within an unincorporated area of a County in which the annual median household income is less than 80 percent of the statewide median household income. In 2012, the Commission adopted policies for annexations that are contiguous to a DUC which state that an annexation application will not be approved unless there is a concurrent application to annex all or a portion of the DUC. A concurrent application is not required if a prior application for the territory to be annexed has been made in the last 10 years or if the Commission finds, based on written evidence, that a majority of the registered voters within the DUC are opposed to an annexation. Two surveys were conducted on February 26-29 and March 6-8, 2020. It was determined that a majority of the population opposed an expansion of the annexation area to the City (Exhibit E: Polling Summary)

- (d) ***The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Section 56377.***

Section 56377 requires that the Commission, in reviewing proposals that would reasonably induce, facilitate, or lead to the conversion of existing open-space lands to uses other than open-space uses, to consider the following policies and priorities:

- (1) Development of land for other than open-space uses shall be guided away from existing prime agricultural lands towards areas containing nonprime agricultural land unless that action would not promote the planned, orderly, and efficient development of the area; and
- (2) Development of existing vacant or non-prime agricultural lands for urban uses within the jurisdiction or within the sphere of influence should be encouraged before any proposal is approved which would allow for or lead to the development of existing open-space lands for non-open space uses outside of the jurisdiction or sphere of influence.

The City's Agricultural Land Conversion Statement (Exhibit F) has been submitted with its annexation application. The City identified that the Hoggan property consists of Stockton clay which meets the definition for prime agricultural land (Cortese-Knox Hertzberg definition). The site however is currently vacant and has not been used for agriculture for years. The soil designation does not subject the project to the City's Agricultural Mitigation Ordinance because it is farmland of local importance according to Stockton's ordinance.

To address LAFCo's policy and Government Code Section 56377 the City completed an inventory of vacant industrial land within the Stockton city limits. The City found that of approximately 351 vacant parcels within the City limits, only 42 parcels are larger than 5 acres and only three vacant parcels were of similar size then the Hoggan property of 20.76 acre. The Hoggan site is within an area designated for industrial uses by the City's General Plan and the proposed development will continue to promote the planned, orderly, and efficient development of the area (Exhibit G-Vacant Industrial Land Survey).

(e) ***The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.***

Agricultural lands are defined as land that are currently used for the purpose of producing an agricultural commodity for commercial purposes. The subject site is currently vacant and has not been used for agriculture in years. It is surrounded by lands that have been converted to industrial uses or have been approved mostly for industrial development. The Hoggan property is currently zoned by San Joaquin County as AG-40 (Agriculture-Urban Reserve). AG-40 (General Agriculture; 40-acre minimum parcel size). This zone is established to preserve agricultural lands for the continuation of commercial agricultural enterprises until such time as it is annexed and pre-zoned by the City. The City has included the site within its 10-year planning horizon in anticipation for development. To mitigate the loss of agricultural and the annexation site is subject to the City's Agricultural Lands Mitigation Program. The program requires the developers of property to dedicate an agricultural conservation easement at a 1:1 ratio or pay the Agricultural Land Mitigation Fee if the property qualifies. Also, the project will be required to participate in the San Joaquin Multi-Species Habitat Conservation and Open Space Plan (SJMSCP) which would require fee payments for conversion, part of which would be used to conserve agricultural lands. In this case, the SJMSCP would partially compensate for the impact of agricultural land conversion on the subject site.

(f) ***The definiteness and certainty of the boundaries of the territory.***

The parcel, APN 179-200-27, proposed for annexation is one assessor parcel consistent with LAFCo's policy in terms of a definitive boundary. However, the parcel consists of a 20 ft by 700 ft stem leading north up to Marfargoa Drive. The stem is presently a dirt (and rutted) road that serves two or three residents. This long stem and access to Marfargoa Drive makes for a very poor and illogical city boundary which would be very difficult to serve. After consultation with the Applicant and City, the Applicant committed to removal of the stem via a boundary line adjustment and provide access to the parcel with a dedicated street access from Frontier Street or Newcastle Road which are already within the City boundary (Exhibit H: City Letter of Agreement). The applicant respectfully requests that the application be approved at this time and the recording of the Notice of Completion be withheld until the proposed condition is satisfied. Staff supports this proposal and feels that this arrangement would alleviate any potential adverse effects.

(g) ***A regional transportation plan adopted pursuant to Section 65080 and consistency with city or county general and specific plans.***

The 2018 Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS) serves as the region's long-range transportation plan and provides guidance for decisions about transportation spending priorities. The Plan was adopted by the San Joaquin Council of Governments (COG) Board on June 28, 2018. The proposal is consistent with the City's General Plan and other applicable planning documents.

(h) **The proposal's consistency with city or county general and specific plans**  
The Envision Stockton 2040 General Plan designates the annexation area as Industrial and the property was rezoned as IL for the development of industrial uses.

(i) **The sphere of influence of any local agency, which may be applicable to the proposal being received.**

The Hoggan property is within the Montezuma Rural Fire Protection District and will be detached upon annexation. The site is also within the Stockton East Water District and will remain in the District as all lands within the Stockton City limits are automatically annexed into Stockton East Water District pursuant to special legislation.

(j) **The comments of any affected local agency or other public agency.**

The proposal was distributed to local and affected agencies for their review and comment. (Exhibit I: Comment Letters)

Environmental Health Department: The agency recommends that existing wells to be abandoned and any geotechnical drilling be destroyed or conducted under permit and inspection by EHD.

County Public Works Department: Recommends no access via Marfargoa Road for the pre-zoned industrial development.

(k) **The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.**

The City will extend municipal services to the proposed annexation area. As required by Government Code § 56653 the City submitted a plan for providing services (Exhibit J). GC 56653 requires that the plan address the following: 1) an enumeration and description of services to be provided; 2) the level and range of those services; 3) an indication of when those services can feasibly be extended; 4) improvements or upgrading of services or other conditions that would be imposed or required by the annexation; and 5) how the services will be financed. Detailed information can be found in the City's Services Plan.

Water: 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. The South Stockton water system distributes water from the Delta Water Supply Project, Stockton East Water District, and groundwater wells. Water service to the annexation site can be provided by connection to existing water lines on Frontier Way and Gold River Lane, and the Norcal Logistics Center site has water lines. On-site lines would be installed to provide water to future development, and the on-site water system would connect to the existing water lines in the area. The developer would be required to pay appropriate connection fees upon issuance of a building permit and will be billed for water usage on a monthly basis.

Stormwater: The subject site is within the North Littlejohns Creek watershed. 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. The Hoggan property is located inside the 100-year floodplain with determined average flood depths ranging from 1 to 3 feet. The City has determined that the depth of flooding would likely be one foot. Development of the project site would be subject to the City's Flood Damage Prevention Ordinance which serves to ensure flood protection. The Ordinance requires new construction to be elevated at a minimum of two feet, construction must be floodproofed so that the structure is watertight, the building must be anchored to prevent flotation or collapse, and construction must be certified by a registered professional engineer or architect. The Hoggan property will consist of an on-site storm drainage collection and detention system to collect runoff to be detained and eventually discharged into North Littlejohns Creek.

Sewer: The City will provide wastewater collection and treatment upon annexation. 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 design flow capacity of 55 mgd and an average daily flow rate of 31.7 mgd. Treated effluent from the RWCF is dechlorinated and discharged to the San Joaquin River. There are existing sanitary sewer lines greater than 18 inches in diameter located within the northern portion of the Norcal Logistics Center Site. Smaller mains, between 10 and 18 inches in diameter, have been installed throughout Norcal Logistics Center site and along Frontier Way. These line lead to an existing City pump station located along Arch Road near the SR 99 interchange. On-site sewer lines will be installed to provide service to future development and the on-site system would connect to the existing larger sewer lines. The developer would be required to pay appropriate connection fees upon issuance of a building permit and will be billed for usage on a monthly basis.

Police: Law enforcement services are currently provided by the County Sheriff's Office and will be provided by the City's Police Department (SPD) upon annexation. As of 2017 the police department consisted of 485 sworn officers, 41 police telecommunicators, and 186 civilian staff. It is the department's policy to respond to all emergency calls within three to five minutes. Funding for capital costs will be provided by the collection Public Facility Fees. Funding for law enforcement, crime prevention services, and other essential services come from Measure A revenues, a three-quarter cent sales tax approved by the voters in 2014.

Fire: The project site will detach from the Montezuma Fire District and fire services will be provided by the City. The nearest station to the annexation site is located at 44010 East Main Street, approximately four miles to the north of the site. Response times to the annexation site is anticipated to be approximately 10-12 minutes. The developer of the site and the City has negotiated a service agreement with Montezuma Fire District to provide fire protection to the subject site for an annual fee along with an initial fee (Exhibit J: Agreement for Fire Protection Service) until such time as the City can provide an efficient response time. The Montezuma Fire District operates from stations located at the Stockton Metropolitan Airport and at 2405 South B Street.

It is Commission's policy to consider any significant adverse effects that may be caused by an annexation, (i.e. a negative impact on a special districts' budget) and if adequate mitigation has been provided. The proposed annexation will result in an annual loss of property tax revenue to the Montezuma Fire District in the amount of \$684.84. The Developer has entered into an agreement to mitigate the fire district's loss by paying a lump

sum to the District consisting of the current tax revenue plus a 3% annual increase for the next 15 years.

**(k) *Timely availability of water supplies adequate for projected needs as specified in Government Code Section 65352.5.***

The City prepared a Statement of Timely Availability of Water Supplies. The City prepared an Urban Water Management Plan (UWMP) that evaluates potential population growth and the availability of water based on existing water use patterns. The UWMP determined that water supplies would exceed demands for average, single dry year, and multiple dry years from 2020 to 2040. The UWMP also considered water usage from the development using the average usage per industrial connection. The UWMP concluded that sufficient water supplies existed for the development.

**(m) *The extent to which the proposal will affect a city and the county in achieving their respective fair share of the regional housing needs***

The proposed annexation site has been rezoned as IL-Industrial Limited with will allow for development of 290,000 square feet of high-cube warehousing or other light industrial uses. Residential uses are not permitted under this zoning classification and therefore would not contribute to the achievement of fair housing needs.

**(n) *Any information or comments from the landowner or owners, voters, or residents of the affected territory.***

No information or comments have been received from landowners, voters, or residents of the affected territory.

**(o) *Any information relating to existing land use designations.***

There is no other land use information related to this project.

**(p) *The extent to which the proposal will promote environmental justice. This means the fair treatment and meaningful involvement of people of all races, cultures, incomes and notional origins with respect to the location of public facilities and the provision of public services to ensure a healthy environment for all people such that the effects of pollution are not disproportionately borne by any particular populations or communities.***

The City of Stockton received comments to the Draft EIR for the Sanchez-Hoggan Annexation project from the State Department of Justice (DOJ). In their letter, the State expressed concerns regarding additional air pollution from the proposed development on the Hoggan property to the neighboring low-income residential areas, the youth correctional facility, and the adult medical and mental health and correctional facilities. The populations housed in these facilities are already at high risk and experience preexisting health conditions that may be adversely impacted. The State offered a list of mitigation measures for the City to consider reducing the negative effects.

In response, the City made an agreement with DOJ on additional air quality measures to address environmental justice concerns. This included a revision to the existing Green House Gas Mitigation Measure and 20 additional improvement measures. The mitigation measures were approved by City Council on June 23, 2020. The City is continuing to partner with the DOJ and other responsible and trustee agencies to determine best practices and standards for future project reviews.

## **DISCUSSION**

The Cortese-Knox-Hertzberg Reorganization Act of 2000 provides guidance to local LAFCo's in the review of proposals for reorganizations. This staff report provides a summary of the review factors for consideration by the Commission in its review of the annexation proposal. The project represents a logical extension of the City boundary and provides for the orderly development of this area of the City. The proposed development has been addressed in the City's General Plan and the MSR/SOI Plan approved by the Commission indicating that adequate services can be provided by the city. The City Services Plan addressed in more detail how the services will be provided.

Fire service has been adequately addressed by agreement with Montezuma Fire District to provide fire service for the Sanchez property. With an agreement for fire service in place, expected response times to the annexation site would be greatly reduced. Imposition of a condition to require removal of the stem and to acquire dedicated street frontage to a City street will alleviate any boundary issues.

Environmental Justice issues have been satisfied with the adoption of the additional mitigation measures and the City's continuing partnership with the DOJ and other responsible and trustee agencies to determine best practices and standards for future project reviews.

- Attachments: LAFCO Resolution No. 1434
- Exhibit A: Vicinity Map
  - Exhibit B: Resolution 2020-06-23-1501-02
  - Exhibit C: Justification of Proposal
  - Exhibit D: Resolution 2020-06-23-1501-01
  - Exhibit E: Polling Summary
  - Exhibit F: Agricultural Land Conversion Statement
  - Exhibit G: Vacant Industrial Land Survey
  - Exhibit H: City Letter of Agreement
  - Exhibit I: Comment Letters
  - Exhibit J: City Services Plan

RESOLUTION NO. 1434

**BEFORE THE SAN JOAQUIN LOCAL AGENCY FORMATION COMMISSION APPROVING  
THE HOGGAN REORGANIZATION TO THE CITY OF STOCKTON  
WITH CONCURRENT DETACHMENTS FROM THE MONTEZUMA FIRE DISTRICT AND THE  
SAN JOAQUIN COUNTY RESOURCE CONSERVATION DISTRICT (L AFC 14-20)**

WHEREAS, the above entitled proposal was initiated by resolution by the City of Stockton and on July 10, 2010 the Executive Officer certified the application filed for processing in accordance with the Local Government Reorganization Act of 2000; and

WHEREAS, the Commission held a telephonic public hearing on the proposed reorganization on August 13, 2020, pursuant to notice of hearing which was published, posted, and mailed in accordance with State law; and

WHEREAS, in accordance with Governor's Executive Order N33-20, LAFCo has arranged for members of the public to observe and address the meeting telephonically.

WHEREAS, at said hearing the Commission heard and received evidence, both oral and written regarding the proposal and all persons were given an opportunity to address the hearing telephonically; and

WHEREAS, the City of Stockton certified and adopted an Environmental Impact Report (State Clearinghouse No. 2020020006) with a Statement of Overriding Considerations and adopted a Mitigation Monitoring and Reporting Program for the Hoggan Reorganization Project;

WHEREAS, the subject territory is uninhabited and has 100% owner consent;

WHEREAS, the proposed parcel, APN 179-20-027, consists of a stem road to Marfargoa Drive that provides access to residential properties;

WHEREAS, the Commission has, in evaluating the proposal considered the report submitted by the Executive Officer, the factors set forth in Section 56668 of the California Government Code and testimony and evidence presented at the public hearing held on August 13, 2020.

NOW, THEREFORE, the San Joaquin Local Agency Formation Commission DOES HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

Section 1. Certifies that, as a Responsible Agency, the Commission has independently reviewed and considered the Environmental Impact Report (State Clearinghouse No. 2020020006) with a Statement of Overriding Considerations and adopted a Mitigation Monitoring and Reporting Program as certified by the City of Stockton.

Section 2. Finds that the proposal is uninhabited and has 100% owner consent.

Section 3. Approves the annexation of the Hoggan Reorganization to the City of Stockton with concurrent detachments from the Montezuma Fire District and the San Joaquin County Resource Conservation District with the following conditions:

- a. Applicant shall be required to abandon the existing stem road to Marfargoa Road
- b. Applicant shall be required to confirm dedicated street frontage to the City of Stockton on either Frontier Way or Newcastle Road

Section 4. The Executive Officer shall be instructed to withhold filing the Certificate of Completion until the conditions specified in Section 3 have been satisfied and a map and legal description has been approved by the County Surveyor.

Section 5. Finds, pursuant to Government Code Section 56856.5, the reorganization is necessary to provide services to a planned, well-ordered, and efficient urban development pattern that includes appropriate consideration of the reservation of open-space lands within those urban development patterns.

PASSED AND ADOPTED this 13<sup>th</sup> day of August 2020 by the following roll call vote:

AYES:

NOES:

ABSENT:

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Jesus Andrade, Chairman  
San Joaquin Local Agency  
Formation Commission

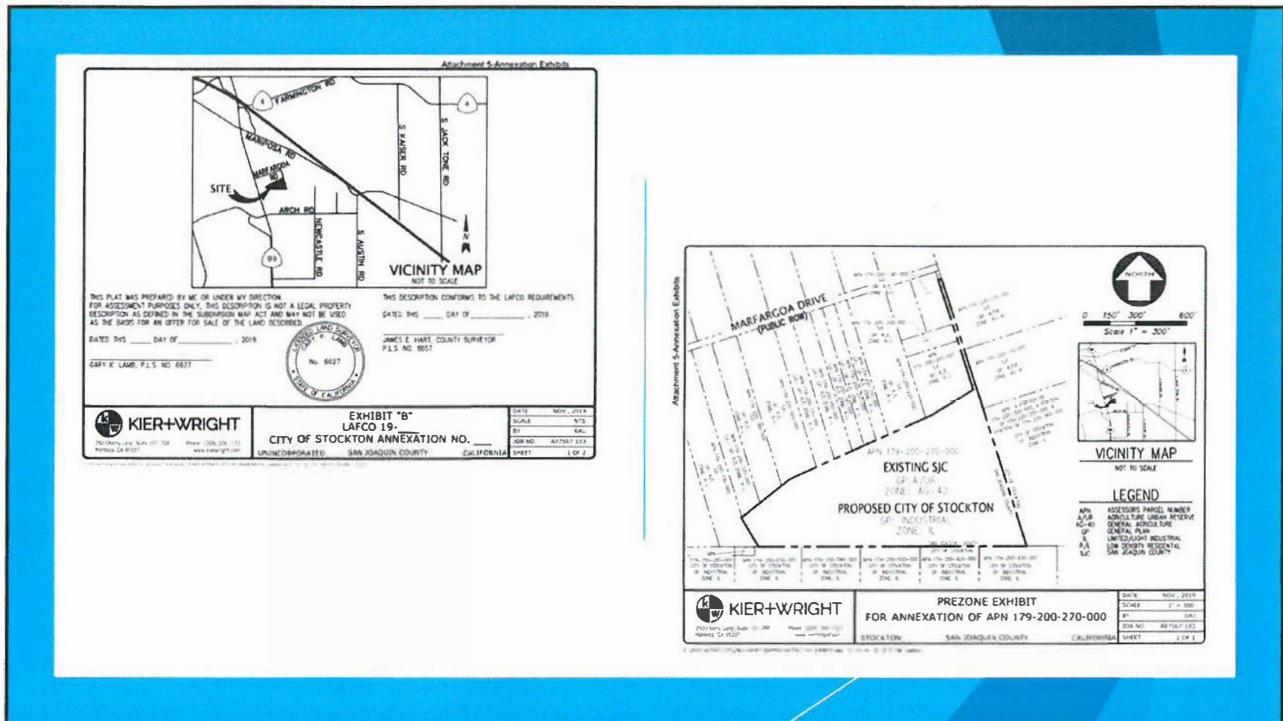
# HOGGAN REORGANIZATION TO THE CITY OF STOCKTON

PUBLIC HEARING  
AUGUST 13, 2020

San Joaquin Local Agency  
Formation Commission

## Proposal

- ▶ Annexation of 20.76 acres to the City of Stockton
- ▶ Detachment from Montezuma Fire District and San Joaquin County Resource Conservation District
- ▶ City proposes development of the parcel as IL-Limited Industrial for approximately 290,000 square feet of high-cube warehousing or other light industrial uses
- ▶ Located between Marfargoa Drive and existing development along the north side of Gold River Drive
- ▶ Annexation is uninhabited and has 100% owner consent



## Background

- ▶ City Council approved an application submittal to LAFCo, prezoned the annexation site, and certified an EIR and Statement of Overriding Consideration and adopted a Mitigation Monitoring and Reporting Program for the Hoggan annexation
- ▶ The site was considered for annexation to the City's MSR and is within the 10-year planning sphere
- ▶ A Master Tax Sharing Agreement is in place providing for a County/City split of 80%/20% for property tax revenues
- ▶ The annexation site is in a developing industrial area and a logical extension of existing industrial development for the area

## Review Factors

### Government Code Section 56668

- ▶ Population and likelihood of significant growth in the next 10 years
  - ▶ Annexation site is currently vacant
  - ▶ Site is surrounded by existing unincorporated rural residential home to the north and existing industrial development to the south
  - ▶ The area east of the site is within the City limits and is designated for industrial uses
  - ▶ Development of the site will continue the pattern of industrial development planned for this area of Stockton

## Review Factors

### Government Code Section 56668

- ▶ Effect of the proposed action on adjacent areas
  - ▶ Rural subdivision to the north has been identified as a Disadvantaged Unincorporated Community (DUC)
  - ▶ A DUC is defined as inhabited unincorporated territory where the annual median household income is less than 80% of the statewide median household income
  - ▶ Commission adopted policies requiring a concurrent application to annex all or a portion of the DUC unless:
    - ▶ An application has been filed within the last 10 years; or
    - ▶ Written evidence determines that a majority of registered voters oppose an annexation
  - ▶ The City provided written evidence of a survey showing a majority opposed the expansion of the annexation to include their lands



## Review Factors

### Government Code Section 56668

- ▶ Agricultural Land Conversion
  - ▶ The parcel consists of Stockton Clay and is considered Prime Agricultural Land
  - ▶ A vacant industrial land survey determined that only 3 parcels exist that were of similar size
  - ▶ The annexation site is subject to the Multi-Species Habitat Conservation and Open Space Plan
  - ▶ The General Plan has designated the site industrial and development will continue to promote the planned, orderly and efficient development in the area

## Review Factors

### Government Code Section 56668

- ▶ Definiteness and certainty of boundaries of the territory
  - ▶ One assessor parcel
  - ▶ Parcel consists of a 20 ft by 700 ft stem that makes for a very poor and illogical city boundary difficult to serve
  - ▶ Applicant committed to removal of the stem via a boundary line adjustment
  - ▶ Access to the parcel will be provided by a dedicated street access from Frontier Street or Newcastle Road already in the City limits
  - ▶ Applicant requests approval of the annexation and the recording of the Certificate of Completion be withheld until the proposed condition has been satisfied

## Review Factors

### Government Code Section 56668

- ▶ Provision of Services
  - ▶ Water and sewer service are available by connection to existing lines near the project site
  - ▶ Site is in the 100-year floodplain and development is subject to the City's Flood Damage Prevention Ordinance
  - ▶ An onsite storm drainage collection and detention system will be required
  - ▶ Developer would be required to pay connection and monthly usage fees for service

## Fire Service

- ▶ Site will detach from the Montezuma Fire District and the City is responsible for fire service
- ▶ Nearest City fire station is located 4 miles north of the site resulting in a 10-12 minute response time
- ▶ A service agreement has been negotiated with the Montezuma Fire District to provide fire service for an annual fee and an initial fee
- ▶ Agreement will be effective until such time as the City can provide an efficient response time
- ▶ The Developer has entered an agreement with Montezuma to mitigate the loss of property tax revenue

## Environmental Justice

- ▶ Concerns were expressed regarding adverse impacts of air pollution from the proposed development to neighboring low-income residential areas and the youth correction facility, and the adult medical and correctional facilities in the vicinity of the project site
- ▶ The State recommended mitigation measures for consideration to reduce the impacts
- ▶ In response the City adopted a revision to its Green House Gas Mitigation Measures and 20 additional improvement measures
- ▶ The City will continue to partner with the DOJ and other responsible and trustee agencies to determine best practices and standards for development

## Discussion

- ▶ The proposal is consistent with the Envision Stockton 2040 General Plan, its Municipal Service Review and Sphere of Influence Plan
- ▶ Municipal services can be adequately provided by the City
- ▶ An agreement with the Montezuma Fire District will greatly reduce response times for fire protection
- ▶ Imposition of a condition to require removal of the stem and to acquire dedicated street frontage to a City street alleviates any boundary issues
- ▶ Environmental Justice concerns addressed with the adoption of additional mitigation measures
- ▶ The project represent a logical extension of the City Boundary and orderly development of the area

## Recommendation

It is recommended that the Commission approved Resolution No. 1434 approving annexation of the Hoggan Reorganization to the City of Stockton.



SOURCE: Google Maps



Figure 2  
AERIAL PHOTO

Resolution No. **2020-06-23-1501-02**

**STOCKTON CITY COUNCIL**

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**RESOLUTION AUTHORIZING THE FILING WITH THE LOCAL AGENCY FORMATION COMMISSION OF THE PROPOSED SANCHEZ-HOGGAN PROJECT (P19-0691) TO THE CITY OF STOCKTON WITH RELATED CITY SERVICES PLAN FOR ASSESSOR'S PARCEL NUMBERS 181-100-09 AND 179-200-27, INCLUDING DETACHMENT OF THE COLLEGEVILLE AND MONTEZUMA RURAL FIRE DISTRICTS**

The proposed Sanchez-Hoggan Project ("project") also includes an annexation request for two parcels totaling ±169.77 acres, a prezone to Industrial, Limited (IL), a request to cancel an existing Williamson Act contract, a Tentative Parcel Map (TPM) to subdivide one parcel into four, and an Environment Impact Report with Mitigation Monitoring and Reporting Program; and

The annexation area includes Assessor Parcel Number (APN) 181-100-09, which is the 149.01-acre Sanchez property, and APN 179-200-27, which is the 20.76-acre Hoggan property. Also proposed for annexation is the segment of Arch Road adjacent to the Sanchez property and the segment of Austin Road from the intersection with Arch Road to the intersection with Mariposa Road; and

The project site is within the City of Stockton's Sphere of Influence (SOI). The proposed project would result in the annexation of the project site to the City of Stockton, along with the roadway right-of-way for the adjoining S. Austin Road and Arch Road. The total annexation area would be approximately 169.77 acres. The proposed project includes property owner-initiated annexation for all parcels APN 181-100-09 and 179-200-27. The annexation application, if approved by City Council, would then be filed with the San Joaquin Local Agency Formation Commission (LAFCO) for action; and

As current County zoning for all parcels is AG-40, the San Joaquin LAFCO will require the project site to be prezoned by the City of Stockton in conjunction with the proposed annexation. The City's pre zoning would zone the sites to Industrial, Limited (IL) and is included in a separate ordinance to be adopted by the Stockton City Council. The pre zoning would go into effect upon completion of the annexation process; and

The LAFCO action would also include the applicant's requested detachment from two existing districts. The Montezuma and the Collegeville Rural Fire Districts. The Sanchez parcel is currently serviced by the Collegeville Rural Fire District, while the Hoggan parcel is serviced by the Montezuma Rural Fire District. The detachments will be subject to an agreement by the developer to mitigate the District's loss of current property taxes. Future services will be provided by the City of Stockton; and

Based upon LAFCO 's updated Service Review Policies, a three-party agreement

between CT Reality, the City, and each Rural Fire Protection District (Collegeville and Montezuma), has been developed to allow the developer to make up for the District's loss of property tax revenue as a result of the property's annexation. These Agreements do not obligate the City to make any payments to the developer or District; therefore, there is no direct financial impact to the General Fund or any other unrestricted fund; and

On June 12, 2020, a public notice for the subject application was published in the local newspaper in accordance with Stockton Municipal Code (SMC) Section 16.88.030; and

On June 23, 2020, the City Council 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; now, therefore,

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

1. The foregoing recitals are true and correct and incorporated here by reference; and

2. An Environmental Impact Report with Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program has been prepared for the project; and

**Annexation**

- A. The subject property is located within the urban services area of the City;
- B. The property has been rezoned with City of Stockton zoning designation of IL (Industrial, Limited);
- C. The subject territory is contiguous to existing City limits;
- D. The proposed annexation does not split a line of assessment or ownership and would as described in the Environmental Impact Report prepared for the overall project, ensure property ownership lines align with the City Limit boundary established by the annexation. This finding is supported by San Joaquin Local Agency Formation 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 map to avoid creating remnants of legal lots;
- E. The proposal does not create islands or areas in which it would be difficult to provide City services. The subject territory has existing arterial roadways with utilities that border it on two sides. Annexation of the subject territory represents a natural extension urban development and utilizes said existing roadways and

utilities without creating a feature that may make their delivery difficult to other areas; and

- F. The proposed annexation of the project development site to the City is consistent with applicable goals and policies related to annexation of lands. The project is located within the Sphere of Influence, and the annexation site is located adjacent to the City boundary. The project site is planned for urban development under the General Plan. All necessary public services and infrastructure will be provided. Costs of the project development, as well as ongoing maintenance costs related to public improvements, are addressed through project analysis documentation, and would not result in an adverse financial impact to the City.

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);
- F. The City Manager is hereby authorized and directed to execute on behalf of the City, the Agreement between the City of Stockton, the CT Reality and/or current owner of Sanchez property (APN 181-100-09), and Colledgeville Rural 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; and
- G. The City Manager is hereby authorized and directed to execute on behalf of the City, the Agreement between the City of Stockton, the CT Reality, and Montezuma Rural Fire Protection District regarding detachment of property From the District to the City of Stockton, as illustrated on Exhibit 4 and incorporated herein by reference.

3. Based on its review of the entire record herein, including the June 23, 2020, City Council staff report, all supporting, referenced, and incorporated documents, and all comments received, the City Council authorizes the City Manager to file an annexation application with the San Joaquin Local Agency Formation Commission, for annexation of certain property and detachment from the Colledgeville and Montezuma Fire Protection



Attachment 6- Hoggan Annex Reso



Districts with mitigation agreements, including the City Services Plan, annexation boundary attached as Exhibits 1 (Annexation Legal Descriptions), Exhibit 2 (City Service Plan), Exhibit 3 (Collegeville Mitigation Agreement), Exhibit 4 (Montezuma Mitigation Agreement), all of which are incorporated by this reference.

PASSED, APPROVED, and ADOPTED June 23, 2020.



MICHAEL D. TUBBS  
Mayor of the City of Stockton

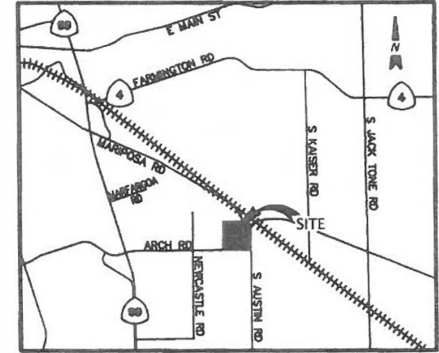
ATTEST:



ELIZA R. GARZA, SAC  
City Clerk of the City of Stockton



0 250' 500' 1000'  
Scale 1" = 500'

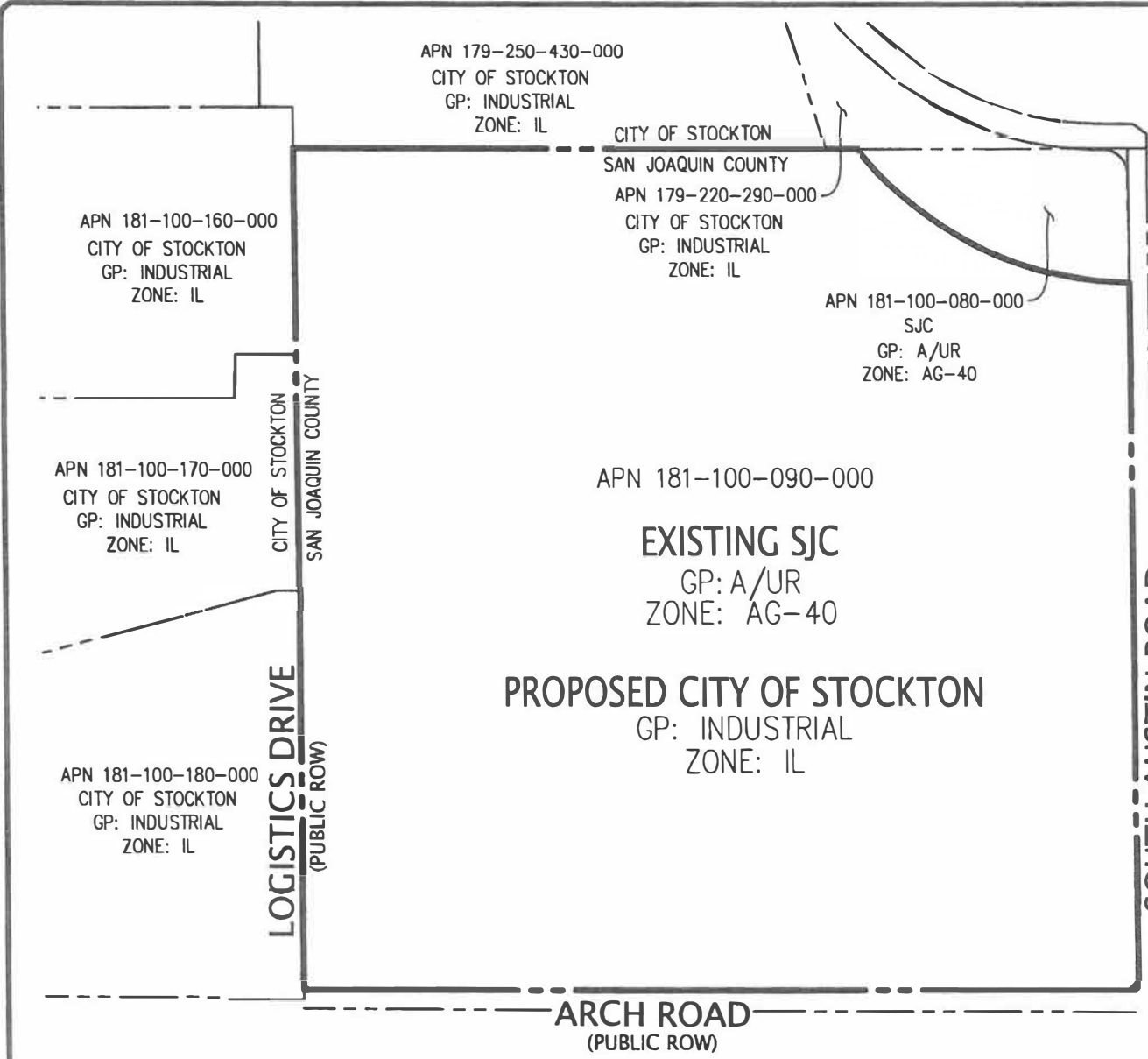


**VICINITY MAP**

NOT TO SCALE

**LEGEND**

APN	ASSESSORS PARCEL NUMBER
A/UR	AGRICULTURE URBAN RESERVE
AG-40	GENERAL AGRICULTURE
GP	GENERAL PLAN
IL	LIMITED/LIGHT INDUSTRIAL
SJC	SAN JOAQUIN COUNTY



SOUTH AUSTIN ROAD  
(PUBLIC ROW)

LOGISTICS DRIVE  
(PUBLIC ROW)



**KIER+WRIGHT**

250 Cherry Lane, Suite 107, 208  
Manteca, CA 95337

Phone: (209) 328-1123  
www.kierwright.com

**PREZONE EXHIBIT**

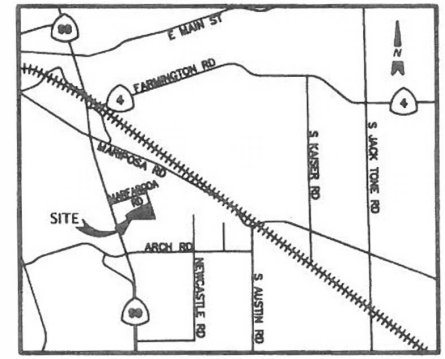
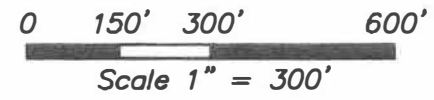
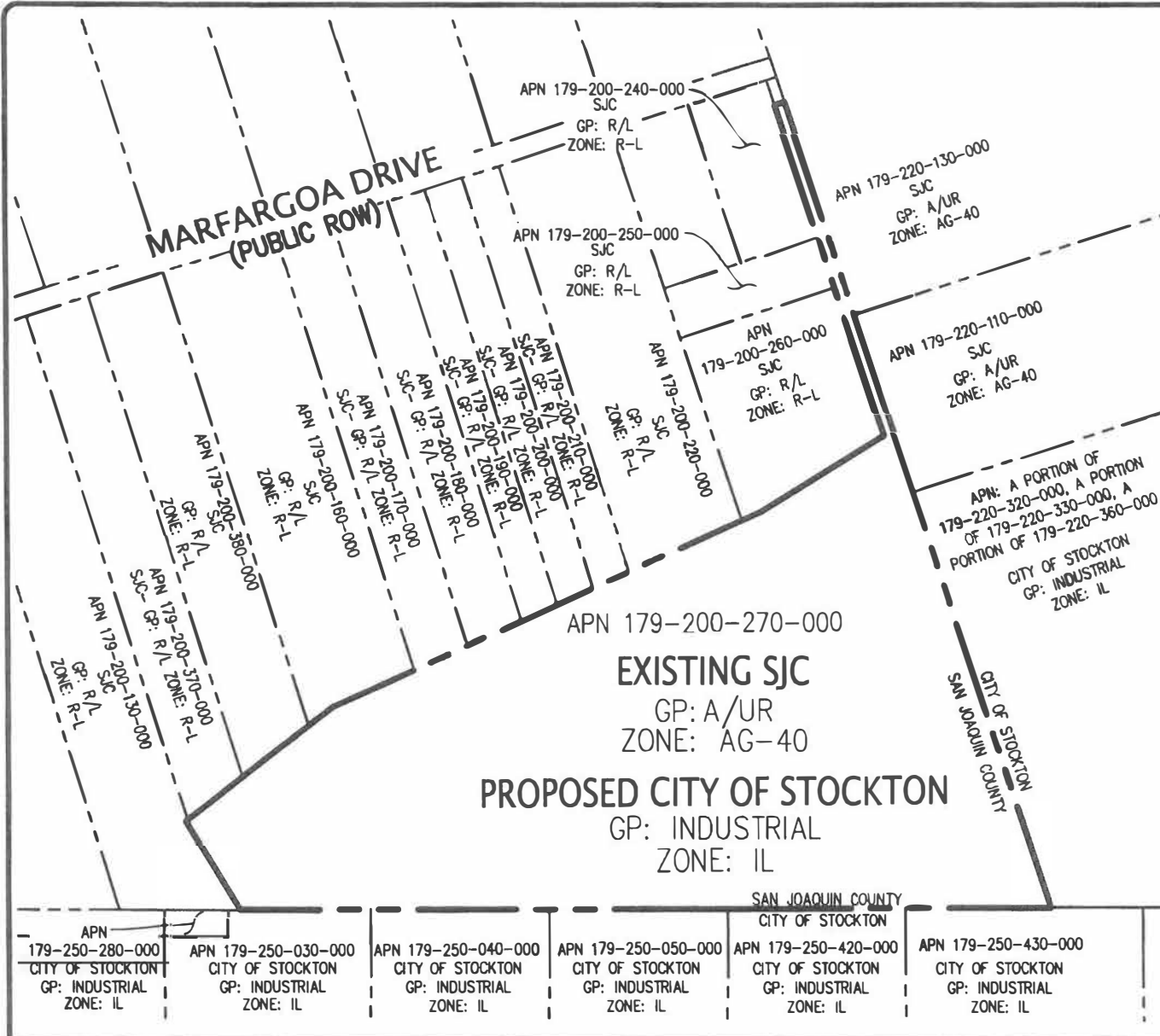
**FOR ANNEXATION OF APN 181-100-090-000**

STOCKTON,

SAN JOAQUIN COUNTY

CALIFORNIA

DATE	NOV., 2019
SCALE	1" = 500'
BY	DAJ
JOB NO.	A07567-103
SHEET	1 OF 1



**VICINITY MAP**

NOT TO SCALE

**LEGEND**

APN	ASSESSORS PARCEL NUMBER
A/UR	AGRICULTURE URBAN RESERVE
AG-40	GENERAL AGRICULTURE
GP	GENERAL PLAN
IL	LIMITED/LIGHT INDUSTRIAL
R/L	LOW DENSITY RESIDENTIAL
SJC	SAN JOAQUIN COUNTY



**KIER+WRIGHT**

250 Cherry Lane, Suite 107, 208 Manteca, CA 95337  
Phone: (209) 328-1123  
www.kierwright.com

**PREZONE EXHIBIT  
FOR ANNEXATION OF APN 179-200-270-000**

STOCKTON, SAN JOAQUIN COUNTY CALIFORNIA

DATE	NOV., 2019
SCALE	1" = 300'
BY	DAJ
JOB NO.	A07567-103
SHEET	1 OF 1

## Attachment 6- Hoggan Annex Reso

LAFCO 19-\_\_\_\_  
SANCHEZ PROPERTY ANNEXATION  
TO CITY OF STOCKTON  
ANNEXATION NO. \_\_\_\_\_

### EXHIBIT "A"

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE UNINCORPORATED AREA OF SAN JOAQUIN COUNTY, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEING A PORTION OF SECTIONS 27 AND 26, TOWNSHIP 1 NORTH, RANGE 7 EAST, MOUNT DIABLO BASE AND MERIDIAN AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**BEGINNING** AT THE NORTH QUARTER CORNER OF SAID SECTION 27 (T1N, R7E), SAID POINT ALSO BEING THE NORTHWESTERLY CORNER OF THE PARCEL OF LAND DESCRIBED IN THAT CERTAIN GRANT DEED TO ANTHONY A. SANCHEZ AND STEVEN A. SANCHEZ, CO-TRUSTEES UNDER THE WILL OF ROBERTA SANCHEZ, TRUST B, RECORDED MAY 18, 2018, AS DOCUMENT NO. 2018-055198, SAN JOAQUIN COUNTY RECORDS;

THENCE ALONG THE NORTHERLY LINE OF SAID SANCHEZ TRUST PARCEL AND THE NORTHERLY LINE OF SECTION 27, SOUTH 89° 58' 14" EAST, 1753.79 FEET TO THE NORTHWESTERLY CORNER OF THE PARCEL OF LAND DESCRIBED IN THAT CERTAIN GRANT DEED TO BURLINGTON NORTH AND SANTA FE RAILWAY COMPANY, RECORDED APRIL 15, 2003, AS DOCUMENT NO. 2003-079581, SAN JOAQUIN COUNTY RECORDS;

THENCE ALONG THE LINE COMMON TO THE SAID PARCELS THE FOLLOWING THREE (3) COURSES:

- 1) ALONG THE ARC OF A NON-TANGENT 1100.08 FOOT RADIUS CURVE TO THE LEFT, THE CENTER OF WHICH BEARS NORTH 51° 41' 41" EAST, THROUGH A CENTRAL ANGLE OF 50° 02' 54", AN ARC DISTANCE OF 960.93 FEET,
- 2) SOUTH 88°21' 13" EAST, 11.31 FEET, TO A POINT ON THE WESTERLY RIGHT OF WAY LINE OF AUSTIN ROAD, A 60-FOOT-WIDE PUBLIC RIGHT OF WAY AT THIS POINT, AND
- 3) ALONG SAID LINE NORTH 00° 16' 34" WEST, 417.32 FEET, TO A POINT ALONG THE NORTHERLY LINE OF SAID SECTION 27 (T1N, R7E).

THENCE ALONG SAID NORTHERLY LINE SOUTH 89° 58' 14" EAST, 60.00 FEET TO THE NORTHEASTERLY CORNER OF SAID SECTION 27 (T1N, R7E), SAID POINT ALSO BEING ON THE EASTERLY RIGHT OF WAY LINE OF AUSTIN ROAD, A 60-FOOT-WIDE PUBLIC RIGHT OF WAY AT THIS POINT;

THENCE ALONG SAID EASTERLY RIGHT OF WAY LINE AND ALSO BEING THE EASTERLY LINE OF SAID SECTION 27 (T1N, R7E), SOUTH 00° 16' 34" EAST, 2064.98 FEET, TO AN ANGLE POINT IN SAID EASTERLY RIGHT OF WAY LINE;

Attachment 6- Hoggan Annex Reso

THENCE LEAVING SAID EASTERLY LINE OF SECTION 27 (T1N R7E) AND CONTINUING ALONG SAID EASTERLY RIGHT OF WAY LINE, SOUTH 03° 01' 17" EAST, 626.36 FEET, TO A POINT OF INTERSECTION WITH THE SAID EASTERLY RIGHT OF WAY LINE AND THE EXTENSION OF THE SOUTHERLY RIGHT OF WAY LINE OF ARCH ROAD, A 72' WIDE PUBLIC RIGHT OF WAY;

THENCE LEAVING SAID EASTERLY RIGHT OF WAY LINE OF AUSTIN ROAD, AND ALONG SAID EXTENSION AND THE SOUTHERLY RIGHT OF WAY LINE OF ARCH ROAD, SOUTH 89° 59' 12" WEST, 2685.13 FEET, TO A POINT OF INTERSECTION WITH THE SAID SOUTHERLY RIGHT OF WAY LINE AND THE EXTENSION OF THE WESTERLY LINE OF SAID SANCHEZ TRUST PARCEL (2018-055198 OR), SAID POINT ALSO BEING ON THE NORTH-SOUTH CENTERLINE OF SAID SECTION 27 (T1N, R7E);

THENCE LEAVING SAID SOUTHERLY RIGHT OF WAY LINE OF ARCH ROAD, AND ALONG SAID EXTENSION, THE WESTERLY LINE OF SAID SANCHEZ TRUST PARCEL (2018-055198 OR) AND THE CENTERLINE OF SAID SECTION 27, NORTH 00° 16' 03" WEST, 2692.46 FEET, TO THE **POINT OF BEGINNING**.

CONTAINING 158.69 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.

\_\_\_\_\_  
GARY K. LAMB, P.L.S. 6627

\_\_\_\_\_  
DATE

THIS DESCRIPTION CONFORMS TO THE LAFCO REQUIREMENTS.

\_\_\_\_\_  
JAMES E. HART, P.L.S. 8657  
COUNTY SURVEYOR

\_\_\_\_\_  
DATE

**San Joaquin**  
**Local Agency Formation Commission**  
509 West Weber Avenue Stockton, CA 95203  
209-468-3198 FAX 209-468-3199

**JUSTIFICATION OF PROPOSAL**

Please complete the following information to process an application under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000: (Indicate N/A if Not Applicable)

**SHORT TITLE OF THE PROPOSAL:** Sanchez Annexation (P19-0691)

**TYPE OF PROPOSAL**

- City Incorporation
- Sphere of Influence Amendment
- District Formation
- Consolidation
- Sphere of Influence Update
- Annexation
- Detachment
- Addition of Services
- District Dissolution
- Reorganization (involving an Annexation and Detachment(s))

**AGENCY CHANGES RESULTING FROM THIS PROPOSAL**

Agency or Agencies gaining territory: *City of Stockton*

Agency or Agencies losing territory: *San Joaquin County Resource Conservation District and Montezuma Fire Protection District*

**NOTIFICATION**

Please indicate the names, addresses and telephone numbers of all Applicants, Applicant's Agents, and all affected Agencies who are to receive the hearing notice and the Executive Officer's Report:

<u>Name</u>	<u>Mailing Address</u>	<u>Telephone</u>
	<i>CT Realty Investors, 4343 Von Karman Avenue, Suite 200, Newport Beach, CA 92660,</i>	<i>949-929-2412</i>
	<i>Michael D. Hakeem, Hakeem, Ellis and Marengo, 3414 Brookside Road, Suite 100, Stockton, CA 95219,</i>	<i>209-474-2800</i>
	<i>Harry E. Black, City Manager, City of Stockton, 425 N El Dorado Street, 2nd Floor, Stockton, CA 95202,</i>	<i>209-937-8212</i>
	<i>Matt Diaz, Planning Manager, City of Stockton Department of Community Development, 345 N El Dorado Street, Stockton, CA 95202</i>	<i>209-937-8444</i>

(Attach a separate sheet if necessary.)

**PROJECT INFORMATION**

Please provide project-related information for the following questions:

- 1. Do the proposed boundaries create an island of non-agency territory?  Yes  No
- 2. Do the proposed boundaries split lines of assessment or ownership?  Yes  No
- 3. Does the proposal involve public rights-of-way or easements?  Yes  No
- 4. Does the proposal involve public land or land assessed by the State?  Yes  No
- 5. Does any part of the proposal involve land under a Williamson Act Contract or Farmland Security Zone?  Yes  No
- 6. Does any part of the proposal involve land with a Wildlife/Habitat Easement or Agricultural Land Conservation Easement?  Yes  No

7. List the affected Assessor Parcel Numbers, Owners of record and Parcel Sizes:  
APN                      Owner                      Acreage

*179-20-027 NorCal LandCo, LLC 20.76 acres*  
 (Attach a separate sheet if necessary)

8. Physical Location of Proposal: *4496 E Marfargoa Drive, Stockton, CA 95215, 0.7 miles east of SR 99, southeast quadrant of Stockton*  
 (Street or Road, distance from and name of Cross Street, quadrant of City)

9. Has an application been filed for an underlying project (such as Development Plan, Conditional Use Permit, or Tentative Subdivision Map)?  Yes  No

If Yes, please attach a Project Site Plan or Tentative Subdivision Map **Site plan included** .

If No, please provide an estimate of when development will occur: **Quarter 1, 2021**

10. List those public services or facilities which will be provided to the affected territory as a result of the proposed action:

*City of Stockton Public Street Access, Police Protection Services, Fire Protection Services, Potable Water System, Wastewater System, Storm Drainage System, Solid Waste Collection*

11. Indicate which of these services or facilities will require main line extensions or facility up-grades in order to serve the affected territory:

*Short extensions of water, wastewater and storm drainage lines from adjacent industrial development in the City of Stockton*

12. Provide any other justification that will assist the Commission in reviewing the merits of this request. (Attach a separate sheet if necessary)

*Annexation site is located within City of Stockton Sphere of Influence, designated Industrial and adjacent to existing industrial development within the City.*

**INDEMNIFICATION AGREEMENT**

As part of this application, applicant and real property in interest, if different, agreed to defend, indemnify, hold harmless, and release the San Joaquin Local Agency Formation Commission, its agents, officers, attorneys, and employees from any claim, action, or proceeding brought against any of the above, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it. This indemnification obligation shall include, but not be limited to, damages, costs, expenses, attorney's fees, or expert witness fees that may be asserted by any person or entity, including the applicant, arising out of or in connection with the approval of this application, whether or not there is concurrent passive or active negligence on the part of the San Joaquin Local Agency Formation Commission, its agents, officers, attorneys, or employees.

Executed at Stockton, California, on July 7, 2020.

APPLICANT City of Stockton

REAL PARTY IN INTEREST  
(If different from Applicant)

Signature: [Signature]

Signature: [Signature]

Title: City Designee: Stockton CD Director

Title: NORCAL LANDCO, LLC Property Owner

**SUBMITTALS**

In order for this application to be processed, the following information needs to be provided:

1. Two copies of this Justification of Proposal, completed and signed with original signatures;
2. Five prints of a full-scale proposal map showing the affected territory and its relationship to the affected jurisdiction (Refer to Guide for Preparation);
3. Five copies of an 8.5" x 11" or 11" x 17" reduction of the proposal map;
4. Three copies of a metes and bounds description of the affected territory;
5. One certified copy of the City Council and/or Special District Board Resolution of Application, or a petition making application to LAFCo (as appropriate);
6. Written permission from each affected property owner (or signature form);
7. One copy of the project environmental document (One Compact Disc if more than 25 pages);
8. One copy of the project Notice of Determination;
9. Three 8.5" x 11" copies of the Vicinity Map (if not included on the proposal map);
10. One copy of the plan for providing services along with a schematic diagram of water, sewer and storm drainage systems (refer to Government Code Section 56653);
11. One copy of the Pre-Zoning map or description (as required by Section 56375);
12. One copy of the Statement of Open Space (Ag) Land Conversion (refer to Section 56377);
13. One Copy of the Statement of Timely Availability of Water Supplies (refer to Section 56668(k));
14. One copy of the Statement of Fair Share Housing Needs (if residential land uses are included in the proposal) (refer to Section 56668(l));
15. One copy of the project design (site plan, development plan, or subdivision map);
16. One copy of the Residential Entitlement matrix form (if residential land uses are included in the proposal); and
17. Filing and processing fees in accordance with the LAFCo Fee Schedule and the State Board of Equalization Fee Schedule.

Additional information may be required during staff review of the proposal.

**CERTIFICATION**

The undersigned hereby certifies that all LAFCo filing requirements will be met and that the statements made in this application are complete and accurate to the best of my knowledge.

[Signature]  
(Signature)

Date: July 7, 2020

Print or Type Name: William Crew

Daytime Telephone: (209) 937-8090



## \*LAFCO FINDINGS

### GENERAL STANDARDS FOR ANNEXATION AND DETACHMENT

These standards govern LAFCo determinations regarding annexations and detachments to and from all agencies. The annexations or detachments must be consistent with the general policies set forth in these Policies and Procedures.

1. **Spheres and Municipal Service Reviews:** The annexation of detachment must be consistent with the internal planning horizon of the sphere of influence. The land subject to annexation shall normally lie within the first planning increment (5-10 year) boundary. The annexation must also consider the applicable Municipal Service Review. An annexation shall be approved only if the Municipal Services Review and the Sphere of Influence Plan demonstrates that adequate services can be provided with the timeframe needed by the inhabitants of the annexed area. If detachment occurs, the sphere will be modified.
  - a. LAFCo generally will not allow spheres of influence to be amended concurrently with annexation proposals.
  - b. Proposed annexations of land that lie outside of the first planning horizon (5-10 year) are presumed to be inconsistent with the Sphere Plan. In such a case the agency must first request LAFCo to consider a sphere amendment pursuant to the above policies. If the amendment is approved, the agency may then proceed with the annexation proposal. A change of organization or reorganization will not be approved solely because an area falls within the SOI of any agency.
  - c. As an exception to the presumed inconsistency mentioned above, Master Plan and Specific Plan developments may span several planning horizons of the sphere of influence. Annexation of the entire project area may be desirable in order to comprehensively plan and finance infrastructure and provide for amenity-based improvements. In these cases, no amendment of the planning horizon is necessary provided project phasing is recognized in the Sphere of Influence Plan.

*Evidence: The proposed parcel is part of the Sanchez-Hoggan Annexation Project (hereafter "Project") is within the City of Stockton's Sphere of Influence and is designated as Industrial by the Envision Stockton 2040 General Plan. Also, the proposed project boundary is shown within the Municipal Services Review and the Sphere of Influence Plan (MSR/SOI) 10-Year Development Projection for anticipated inclusion into the City Limits. The MSR/SOI was approved by the Stockton City Council on July 14, 2020. The project site is contiguous with the City Limits and can be adequately serviced by the City.*

2. **Plan for Services:** Every proposal must include a Plan for Services that addresses the items identified in Section 56653 of the Government Code. The Plan for Services must be consistent with the Municipal Service Review of the Agency. Proponents must demonstrate that the City or special District is capable of meeting the need for services.

*Evidence: The City Service Plan (CSP) reflects the Envision Stockton 2040 General Plan and the revised MSR/SOI plan. The CSP has been reviewed*

by all applicable City departments for compliance with existing standards and levels of service. In accordance with Stockton Municipal Code (SMC) section 16.216.070 (Annexation Process), the updated CSP was reviewed by the City's Development Review Committee (DRC) on April 27, 2020, for compliance with the current General Plan and SOI/MSR. After review, the DRC found the CSP to comply and recommended approval for submittal to Lafco for annexation.

3. **Contiguity:** Territory proposed to be annexed to a city must be contiguous to the annexing City or District unless specifically allowed by statute. Territory is not contiguous if the only connection is a strip of land more than 300 feet long and less than 200 wide, that width to be exclusive of highways. The boundaries of a proposed annexation or reorganization must not create or result in areas that are difficult to serve.

Evidence: *The proposed annexation boundary will be contiguous with the existing city limits.*

4. **Development within Jurisdiction:** Development of existing vacant or non-prime agricultural lands for urban uses within the existing jurisdiction or within the sphere of influence should be encouraged before any proposal is approved which would allow for or lead to the development of existing open space lands for non-open space uses which are outside of the existing jurisdiction of the local agency or outside of the existing sphere of influence of the local agency. (Section 56377)

Evidence: *The proposed project site is currently designated for agricultural uses under the San Joaquin County General Plan and Zoning Ordinance. The hoggan parcel is not currently under Williamson Act Contract. The project site is designated as Industrial (I) in the City's recent General Plan Update, and the applicant is seeking an Industrial Limited (IL) zoning designation for the site.*

5. **Progressive Urban Pattern:** Annexations to agencies providing urban services shall be progressive steps toward filling in the territory designated by the affected agency's adopted sphere of influence. Proposed growth shall be from inner toward outer areas.

Evidence: *Due to the City of Stockton's proximity to a major shipping Port, regional airport, Freeway, rail line, and location in the central valley, the City's industrial market has continued to grow in recent years. This demand has led to low vacancy rates and lack of larger accommodating facilities. The vacancy rate for 50,000 square foot and greater Class A and B high-cube space in the Stockton submarket remained low at 3.2 percent, while the vacancy rate for Class A high-cube 100,000 square foot and greater space was 1.0 percent for the submarket.*

*The City of Stockton currently has ±351 vacant parcels zoned for Industrial use. The average industrial parcel size is 2.2-acre with the largest size parcel ±73-acres in size (Exhibit-1).*

6. **Piecemeal Annexation:** Prohibited LAFCo requires annexations and detachments to be consistent with the schedule for annexation that is contained in the agency's Sphere of Influence Plan. LAFCo will modify small piece-meal or irregular annexations, to include additional territory in order to promote orderly annexation and logical boundaries, while maintaining a viable proposal. In such cases, detailed development plans may not be required for those additional areas but compliance with CEQA is required.

Evidence: *The original City Service Plan (CSP) has been updated to reflect the Envision Stockton 2040 General Plan and the revised MSR/SOI plan. The CSP has been reviewed by all applicable City departments for compliance to existing standards and levels of service. In accordance with Stockton Municipal Code (SMC) section 16.216.070 (Annexation Process), the updated CSP was reviewed by the City's Development Review Committee (DRC) on April 27, 2020 for compliance with the current General Plan and SOI/MSR. After review, the DRC found the CSP to comply and recommended approval for submittal to Lafco for annexation. The proposed project is intended to develop industrial uses consistent with the General Plan Industrial designation, the prezone Limited Industrial (IL) designation, as well as the surrounding industrial uses.*

7. **Annexations to Eliminate Islands:** Proposals to annex islands or to otherwise correct illogical distortion of boundaries will normally be approved unless they would violate another provision of these standards. In order to avoid the creation of an island or to encourage the elimination an existing island, detailed development plans may not be required for the remnant areas.

Evidence: *The proposed annexation will not result in a new unincorporated island nor will it expand or enlarge an existing. The proposed project site consists of one parcel that is contiguous with the current city limit and will be included within the annexation request.*

8. **Annexations that Create Islands:** An annexation will not be approved if it will result in the creation of an island of unincorporated territory of otherwise cause or further the distortion of existing boundaries. The Commission may nevertheless approve such an annexation where it finds that the application of this policy would be detrimental to the orderly development of the community and that a reasonable effort has been made to include the island in the annexation but that inclusion is not feasible at this time.

Evidence: *The proposed annexation will not result in a new unincorporated island nor will it expand or enlarge an existing. The proposed project site consists of one parcel that is contiguous with the current city limit.*

9. **Substantially Surrounded:** For the purpose of applying the provisions of the Cortese-Knox-Hertzberg Act regarding island annexation without protest hearings (Section 56375.5), the subject Page 3 of 4 territory of an annexation proposal shall be deemed

“substantially surrounded” if it is within the sphere of influence of the affected City and two-thirds (66-2/3%) of its boundary is surrounded by the affected City.

*Evidence: The property owner consent forms were submitted with this application. To this date, none of the property owners included within the boundary of the proposed project site have rejected the request to annex into the City of Stockton.*

- 10. Definite and Certain Boundaries:** All boundaries shall be definite and certain and conform to lines of assessment or ownership. The Commission’s approval of boundary change proposals containing split parcels will typically be subject to a condition requiring the recordation of a parcel map, lot line adjustment or other instrument to avoid creating remnants of legal lots.

*Evidence: A site plan was submitted with the application. Since site plan review is ministerial, the environmental review was included for the hoggan parcel. The EIR is included in the annexation submittal items. Future subdivision will be subject to the Subdivision Map Act and the City of Stockton land division requirements.*

- 11. Service Requirements:** An annexation shall not be approved merely to facilitate the delivery of one or a few services to the detriment of the delivery of a larger number of services or service more basic to public health and welfare.

*Evidence: The City of Stockton has become a major supplier of goods within the state and region. These suppliers rely on the numerous means of transportation within the City via Port, rail lines, freeways, and airport, as well as proximity to large industrial space. As the City is has become is short supply of large vacant industrial space needed to keep pace with the goods movement in the region, additional space is required to meet demands. The proposed project intends to develop the site similar to the surrounding industrial uses and provide a much-needed warehouse and distribution service to the region. As highlighted in the City staff reports (Exhibit-2) at full buildout, the proposed development could result in approximately 3 million square feet of building space and yield between 1,200 and 1,500 employment positions.*

- 12. Adverse Impact of Annexation on the Other Agencies:** LAFCo will consider any significant adverse effects upon other service recipients or other agencies serving the area and may condition any approval to mitigate such impacts. Significant adverse effects shall include the effect of proposals that negatively impact special districts’ budgets or services or require the continuation of services without the provision of adequate funding. LAFCo will not approve detachments from special districts or annexations that fail to provide adequate mitigation of the adverse impact on the District. LAFCo may determine an appropriate temporary mitigation, if any, and impose that temporary mitigation to the extent it is within its powers. If the needed mitigation is not within LAFCo’s authority and approval would, in the opinion of the Commission, seriously impair the District’s operation, the Commission may choose to deny the application.

*Evidence: The Stockton Fire Department (SFD) participates in the California Disaster and Civil Defense Master Mutual Aid Agreement (MMAA). This agreement allows the City to share resources with all fire department agencies in San Joaquin County and request assistance from the county districts when additional services are required. The City currently provides most of the fire services within and around the city boundaries, since some of the county fire districts suffer from reduced staffing, supply shortages, or operate on a temporary basis. The existing mutual aid agreement allows the city and county agencies to share resources when needed. Also, the SFD has formal, reciprocal agreements as follows:*

- Woodbridge Fire Protection District: Automatic aid for reported vehicle accidents and vegetation fires on Interstate 5 north of Eight Mile Road to Highway 12.*
- City of Lodi Fire Department: Automatic aid for engine and truck company services and station coverage for confirmed working fires within the City of Lodi.*
- Cosumnes Fire Department in Elk Grove: Regional automatic aid for technical emergency response services, including, but not limited to, technical rescue, hazardous materials management, and dive/water rescue.*

*Additional, the City also maintains several auto aid agreements with some of the county fire districts; however, the City currently does not wish to enter into additional auto aid agreements. Since the city and county departments do not have similar staffing and resources, an auto aid agreement would be an unbalanced commitment. This can often divert services to areas outside of the City with limited staffing, which can delay the response for life and safety calls at the portion of the City the apparatus covers typically. Lastly, the City is currently improving the dispatch process to reduce response times and effectively manage resources when a request for services come in. The Stockton Fire Department and American Medical Response (AMR) are providing advanced life support (ALS) in the City. AMR also provides ALS service in county areas surrounding Stockton. Depending on the severity of the medical call, an AMR ambulance may be sent to the call or both the Stockton Fire Department and AMR ambulance. This response model would not need to be modified.*

*This project has been reviewed and approved by various City departments and outside agencies. An agreement has been made with the Rural Fire Districts (Collegeville and Montezuma) and were approved by the Stockton City Council on June 23, 2020. A three-party agreement for temporary fire services has been made with the City, the applicant, and Montezuma for enhanced response time assistance.*

- 13. District's Proposal to Provide new, different, or Divestiture of a Particular Function or Class of Services:** In addition to the plan for services specified in Section 2 of these Policies and Procedures any application for a new, different, or divestiture of a service shall also include the requirements outlined in Section 56824.12 of the Government Code. Applications for such request will be considered a change of organization and shall follow the requirements of such an application as outlined in the Cortese-Knox-Hertzberg Act and within these policies and procedures. The factors enumerated in Sections 56668 and

56824.14 of the Government Code shall be considered by the Commission at the time of consideration of the application for such functions.

*Evidence: As illustrated in Exhibit-1, the applicant is unable to locate existing industrially zoned land within the Stockton City Limits that could accommodate a tenant consistent with the current industrial market. The proposed project site is located within the City's sphere of influence and will rely on city services.*

- 14. Disadvantaged Unincorporated Communities:** Disadvantaged Unincorporated Communities (DUCs) are those territories shown in Exhibit A or as may be shown in a city municipal service review and sphere of influence plan. The Commission shall not approve an annexation to a city or any territory greater than 10 acres where there exists a disadvantaged unincorporated community (DUC) that is contiguous to the area of proposed annexation, unless a concurrent application to annex all or a portion of the DUC to the subject city has been filed. An application to annex a DUC shall not be required if either of the following applies:
- a. A prior application for annexation of the territory has been made in the preceding five years.
  - b. The Commission finds, based upon written evidence, that a majority of the registered voters within the DUC are opposed to annexation.
  - c. Written evidence can be a scientific survey conducted by an academic institution or professional polling company.

*Evidence: The Hoggan parcel is adjacent to a defined Disadvantage Unincorporated Community (DUC). Per state law (Government Code Section 56375), the Applicant must make a good faith effort to the residents of the DUC on whether they would like to be included within the adjacent annexation request. In March of 2020, the survey was conducted by the Applicant, asking all registered voters within the DUC whether they would like to be incorporated into the City of Stockton. The survey concluded that a majority of the residents preferred to remain part of the county and did not wish to expand the annexation to include their community.*

Resolution No. **2020-06-23-1501-01**  
**STOCKTON CITY COUNCIL**

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**RESOLUTION CERTIFYING THE ENVIRONMENTAL IMPACT REPORT, STATEMENT OF OVERRIDING CONSIDERATION, AND MITIGATION MONITORING AND REPORTING PROGRAM FOR THE PROPOSED SANCHEZ-HOGGAN PROJECT ASSESSOR'S PARCEL NUMBERS 181-100-09 AND 179-200-27 (P19-0691)**

CT Realty (hereafter "Applicant") proposes to establish an industrial and warehouse uses on the subject parcels (APN 181-100-09 and 179-200-27). A tentative parcel map and site plan has been proposed for the Sanchez parcel (APN 181-100-09) at the northwest corner of Arch Road and South Austin Road. The proposed industrial center would be integrated and similar to the adjacent NorCal Logistics Industrial Center (P12-110) that abuts the two proposed project parcels. The industrial and warehouse uses would consists of a pad for future building construction, parking lot areas, landscaping, lighting, drainage facilities, with loading and service areas. While the design and size of the industrial buildings will be determined during the subsequent Design Review process required prior to construction, at full buildout, these facilities could total approximately 3 million square feet and could employ between 1,200 and 1,500 employees; and

A Draft EIR was prepared for the project, in accordance with the California Environmental Quality Act (CEQA). 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, were raised during the Notice of Preparation (NOP) process or raised during preparation of the Draft EIR. The Draft EIR discussed potentially significant impacts associated with aesthetics, agricultural resources, air quality, biological resources, cultural and tribal resources, geology and soils, greenhouse gases and climate change, hazards, hydrology and water quality, land use, population and housing, noise, public services and recreation, transportation and circulation, and utilities. After analysis, the mitigation measure were applied to lessen any significant impacts that resulted from the annexation, prezone, or tentative parcel map request; and

Additionally, the traffic generated from the Market Driven Analysis indicates there is a potentially significant environmental impact where mitigation measures were deemed not to be feasible. This results in the creation of potentially significant environmental impacts and will require a Statement of Overriding Considerations (SOC). A Statement of Overriding Considerations is needed to accommodate the Market Driven Analysis (MDA). The MDA reflects current industrial market patterns and goes beyond typical anticipated traffic patterns of the surrounding industrial uses identified in the Institute of





<i>Affiliation</i>	<i>Affiliation</i>	<i>Individual or Signatory</i>	<i>Topic(s)</i>
April 21, 2020	State Clearinghouse	N/A (submittal worksheet)	Documents close of review period, notification of State agencies submitting comments
April 9, 2020	CA Department of Toxic Substances Control	Gavin McCreary	General list of subjects that should be addressed in the EIR. No comment specific to project.
April 16, 2020	State Water Resources Control Board	Nicholas White	General description of SWRCB regulatory authority and subjects that should be addressed in the EIR. No comment specific to project.
March 11, 2020	San Joaquin Valley Air Pollution Control District	Sharla Yang	Request for further information on EIR air quality analysis.
March 13, 2020	United Auburn Indian Community	Anna Starkey	Tribal Cultural Resources should be addressed in a standalone chapter of the EIR.
March 5, 2020	Northern Valley Yokuts Tribe	Katherine Perez	Request to participate in project planning and analysis, request for cultural resource documents and statement of sensitivity to treatment of Tribal Cultural Resources if encountered during construction.
April 24, 2020	CA Air Resources Board	Stanley Armstrong	Potential new pollution in disadvantaged communities, technical questions regarding EIR air quality analysis, request that Health Risk Assessment be performed.
April 24, 2020	San Joaquin Valley Air Pollution Control District	Sharla Yang	Concern for heavy truck emissions and mitigation, emissions from off-road equipment, VERA mitigation agreement, Ambient Air Quality Analysis, and request for Health Risk Assessment, compliance with District rules.

No new significant environmental impacts or issues, beyond those already covered in the Sanchez-Hoggan Project DEIR, were raised during the comment 45-day period. Responses to comments received during the comment period do not involve any new significant impacts or add "significant new information" that would require recirculation of the DEIR pursuant to the California Environmental Quality Act (CEQA) Guidelines section 15088.5. Pursuant to CEQA Guidelines section 15088, all substantive comments are

responded to in the Final EIR; 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. All Impact Issue areas will be less than significant with mitigation. For this a Mitigation Monitoring and Reporting Program has also been prepared; and

In accordance with CEQA Guidelines section 15092, the City Council 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 City Council is requested to certify the EIR and adopt the Statement of Overriding Considerations per the CEQA findings; and

On May 28, 2020, 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. After presentations and discussion, the Planning Commission voted 7-0 recommending the City Council Certify the environmental documents; and

On June 12, 2020, a public notice for the subject application was published in local newspaper in accordance with Stockton Municipal Code (SMC) Section 16.88.030; and

On June 23, 2020, the City Council 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; now, therefore,

**BE IT RESOLVED BY THE CITY COUNCIL 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 City Council recommends:

- a. A Draft 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. A Statement of Overriding Considerations (SOC) is needed for the Project to address the Market Driven Analysis (MDA). The MDA reflects current industrial market patterns and goes beyond typical anticipated traffic patterns of the surrounding industrial uses identified in the Institute of Transportation Engineers (ITE) Trip

Generation Manual. The MDA is to attract new industrial uses that will benefit the economic wellbeing and insure industrial and employment market demands are met in the region. Although SOC is for a market driven analysis to attract a tenant, no significant environmental effects would result from Annexation or Prezone action or other related actions constituting the Project.

- d. Aside from the SOC, all other potentially significant effects were identified and paired with feasible mitigation measures to reduce them to less than significant levels.



3. Based on its review of the entire record herein, including the June 23, 2020, City Council staff report, all supporting, referenced, and incorporated documents, and all comments received, the City Council certifies the Sanchez-Hoggan Project Environmental Impact Report and adopt a Statement of Overriding Consideration and Mitigation Monitoring and Reporting Program.

PASSED, APPROVED, and ADOPTED June 23, 2020.



MICHAEL D. TUBBS  
Mayor of the City of Stockton

ATTEST:

ELIZA R. GARZA, *CMC*  
City Clerk of the City of Stockton

**CEQA FINDINGS AND  
MITIGATION MONITORING/REPORTING PROGRAM**

**FOR THE**

**SANCHEZ-HOGGAN ANNEXATION**

**City of Stockton, CA**

**State Clearinghouse No: 2020020006**

**May 2020**

**Prepared for:  
CITY OF STOCKTON  
345 N. El Dorado Street  
Stockton, CA 95202  
(209) 937-7564**

TABLE OF CONTENTS

	Page
1.0 INTRODUCTION	1-1
2.0 FINDINGS OF THE LEAD AGENCY WITH REGARD TO SIGNIFICANT ENVIRONMENTAL EFFECTS OF THE PROJECT	2-1
3.0 MITIGATION MONITORING/REPORTING PROGRAM	3-1

APPENDIX

MITIGATION MONITORING/REPORTING PROGRAM TABLE

## 1.0 INTRODUCTION

This document sets forth the findings of the City of Stockton (the "City") relating to the Sanchez-Hoggan Annexation Project as required by CEQA Guidelines sections 15091-15093. This document also describes the Mitigation Monitoring/Reporting Program (MMRP) for the project as required by CEQA Guidelines Section 15097. The primary source document for the findings and MMRP is the *Environmental Impact Report for the Sanchez-Hoggan EIR* (SCH# 2020020006) (the "EIR"). When referenced as such, the EIR includes the Public Review Draft EIR (the DEIR) dated March 6, 2020 and the Final EIR (the FEIR) dated April 2020 for the project, as well as any documents that have been incorporated into the DEIR and FEIR by reference.

### 1.1 PURPOSE AND SCOPE OF THIS DOCUMENT

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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 make specified written findings prior to project approval. If the Lead Agency 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 Considerations; this is the case for the proposed project, and the Statement of Overriding Considerations is contained in a separate document. The Lead Agency must also adopt a MMRP that lists all mitigation measures identified in the EIR and describes their implementation and/or monitoring.

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 findings and MMRP for the project are described in subsequent sections of this document, as follows:

#### 2.0 Findings of the Lead Agency With Regard to the Significant Environmental Effects of the Project

#### 3.0 Mitigation Monitoring/Reporting Program

A table detailing the Lead Agency's findings with respect to each of the significant or potentially significant effects of the project, the applicable CEQA findings and the various provisions of the MMRP are shown in the Appendix.

## 1.2 PROJECT DESCRIPTION

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The project proposes the annexation of approximately 169.77 acres into the City of Stockton. The annexation area consists of two properties: the 149.01-acre Sanchez property and the 20.76-acre Hoggan property. Both properties are in the San Joaquin County unincorporated area, adjacent to the southeastern limits of the City of Stockton. In conjunction with annexation, the City would pre-zone the entire project site IL - Industrial, Limited. The project also includes a Tentative Parcel Map for the Sanchez property, along with cancellation of the existing Williamson Act contract on that property.

Upon annexation, the Sanchez property would be developed with industrial buildings that would accommodate mainly “high cube” warehouses. A site plan for this property proposes the construction of four industrial buildings with a total building area of 2,796,948 square feet. Property development also would provide parking areas with a total of 2,726 automobile parking stalls and 154 trailer parking stalls. Approximately seven acres would be used for a detention basin at the northwest corner of the property to collect storm water runoff, which would be discharged into Weber Slough. Access would be available from Logistics Drive and Austin Road adjacent to the property, as well as from an access point on Mariposa Road north of the property. The EIR also considers different anticipated development intensities and site designs for the Sanchez property.

The Hoggan property would be developed with one high-cube warehouse approximately 290,440 square feet in floor area, along with parking areas for 237 automobiles and 41 trailers. Two detention basins to collect runoff would be installed on the west and east sides of the property, which would be sent to the drainage system of the Norcal Logistics Center. Access would be provided by a new extension from Frontier Way to the south and from the adjacent Norcal Logistics Center site.

The City is responsible for the primary local government approvals for the project. Other agencies from whom permits or approvals would be required include the San Joaquin LAFCo, San Joaquin County Department of Public Works, the State Water Resources Control Board, the Regional Water Quality Control Board, the Central Valley Flood Protection Board, the U.S. Army Corps of Engineers, and the California Department of Fish and Wildlife.

## 1.3 ENVIRONMENTAL REVIEW OF THE PROJECT UNDER CEQA

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The potential environmental effects of the project, mitigation measures necessary to address these effects and alternatives to the project are discussed in detail an EIR prepared by the City of Stockton in accordance with the requirements of CEQA. In addition to preparing the EIR document, the City has conducted the EIR process in conformance with CEQA requirements. EIR process steps have included preparation and distribution of a Notice of Preparation, holding 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 and preparation of this CEQA Findings and Mitigation Monitoring/Reporting Plan for adoption by the Stockton City Council.

The City issued a Notice of Preparation (NOP) of the EIR on January 29, 2020; the NOP was circulated for agency review as required by CEQA. Detailed information on the content, circulation and comments received by the City on the Notice of Preparation is contained in Appendix A of the DEIR; the DEIR is incorporated herein by reference. The City provided public notice and conducted a scoping meeting for the project on February 19, 2020.

The Public Review Draft EIR (DEIR) was prepared by the City and distributed for agency and public comment during the period from March 6, 2020 to April 22, 2020. Documentation of the distribution process is detailed in the FEIR, which, is also incorporated into this document by reference, below.

The City received written comments on the DEIR. In response to this input, the City has prepared the FEIR, which incorporates the DEIR by reference, displays a summary the EIR includes all comments received on the DEIR, provides the City's responses to those comments, and makes any required revisions to the DEIR.

The DEIR and the FEIR for the Sanchez-Hoggan Annexation project are hereby incorporated by reference. Copies of these documents, specifically cited below, are available for review at the offices of City of Stockton Community Development Department, Planning Division, 345 N. El Dorado Street, Stockton, California 95202.

BaseCamp Environmental, 2020a. Public Review Draft Environmental Impact Report, Sanchez-Hoggan Annexation. SCH #2020020006. March 6, 2020

BaseCamp Environmental, 2020b. Final Environmental Impact Report, Sanchez and Hoggan Annexation. SCH #2020020006. April 2020

## 1.4 REQUIRED FINDINGS

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CEQA requires that, prior to approval of a project, the Lead Agency make specified findings related to each of the significant or potentially significant environmental effects considered in the EIR. The EIR considered the range of potential environmental effects, including those listed in the CEQA Guidelines Appendix G Environmental Checklist. Most of these potential environmental effects were found, on analysis, to have no effect or less than significant environmental effects. These potential effects do not require City findings under CEQA. All of these potential but less than significant effects are listed in the following Section 2.1.



The Sanchez-Hoggan Annexation EIR identifies several significant or potentially significant effects on the environment and the mitigation measures needed to reduce those effects to a less than significant level. The City's findings with respect to each of these environmental effects are set forth in Section 2.2 and the Appendix of this document.

It is anticipated that the City will certify the EIR, adopt the EIR mitigation measures and approve the project in conjunction with its adoption of this document. With these approvals in place, all but one of the project environmental effects will be reduced to a Less Than Significant level.

The project would involve one potentially significant and unavoidable environmental effect. The EIR describes a development option for the Sanchez property that would be allowable under the proposed pre-zoning. This option, described as the Market Driven Project, would involve a higher-intensity industrial development of a portion of the Sanchez property that would result in additional traffic generation and potential for a significant traffic effect. This potential effect could be mitigated, but mitigation measures are not feasible and therefore a Statement of Overriding Considerations is required. The Statement of Overriding Considerations is described in a separate document cited below.

BaseCamp Environmental, 2020c. Statement of Overriding Considerations, Sanchez and Hoggan Annexation. SCH #2020020006. May 2020.

The findings for the Sanchez-Hoggan project described below are based upon substantial evidence, comprised primarily of the information, analysis and mitigation measures described in the DEIR and 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, as shown in the MMRP table in the Appendix.

## 2.0 FINDINGS OF THE LEAD AGENCY WITH REGARD TO ENVIRONMENTAL EFFECTS

### 2.1 ENVIRONMENTAL EFFECTS OF THE PROJECT THAT ARE LESS THAN SIGNIFICANT AND REQUIRE NO FINDINGS

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The following items were evaluated in the EIR and were determined to have no effect or a less than significant effect on the environment and do not require findings under CEQA.

It should be noted that some of these potential environmental effects, including air quality, agricultural land conversion, noise and traffic, were identified in the Sanchez Hoggan Annexation Draft EIR as subjects not requiring further analysis under CEQA. These and other environmental these subjects were addressed on a city-wide level in the City's General Plan and General Plan EIR adopted in December 2018. Where any of these subjects were, after consideration of all feasible mitigation measures, considered significant and unavoidable, they were addressed in the CEQA Findings and Statement of Overriding Considerations adopted by the City in conjunction with the General Plan. The General Plan EIR and findings document were incorporated by reference into the Sanchez Hoggan Annexation EIR on page 1-4 of the Draft EIR.

#### 4.0 AESTHETICS AND VISUAL RESOURCES

- Impact AES-1: Scenic Vistas
- Impact AES-2: Scenic Resources
- Impact AES-3: Visual Character and Quality
- Impact AES-4: Light and Glare

#### 5.0 AGRICULTURAL RESOURCES

- Impact AG-1: Conversion of Farmland
- Impact AG-2: Agricultural Zoning and Williamson Act
- Impact AG-3: Indirect Conversion of Agricultural Lands

#### 6.0 AIR QUALITY

- Impact AIR-1: Air Quality Plans and Standards, Construction Standards
- Impact AIR-2: Air Quality Plans and Standards, Operational Standards
- Impact AIR-3: Exposure of Sensitive Receptors to Pollutants
- Impact AIR-4: Exposure of Sensitive Receptors to Toxic Air Contaminants
- Impact AIR-5: Odors and Other Emissions

## 7.0 BIOLOGICAL RESOURCES

Impact BIO-2: Riparian and Other Sensitive Habitats

## 8.0 CULTURAL RESOURCES AND TRIBAL CULTURAL RESOURCES

Impact CULT-1 Historical Resources

## 9.0 GEOLOGY, SOILS, AND MINERAL RESOURCES

Impact GEO-1: Faulting and Seismicity

Impact GEO-2: Other Geologic Hazards

Impact GEO-3: Soil Erosion

Impact GEO-6: Access to Mineral Resources

## 10.0 GREENHOUSE GAS EMISSIONS

Impact GHG-2: Project GHG Operational Emissions and Consistency with Applicable Plans and Policies.

## 11.0 HAZARDS AND HAZARDOUS MATERIALS

Impact HAZ-1: Hazardous Material Transportation and Storage

Impact HAZ-2: Hazardous Material Releases

Impact HAZ-3: Hazardous Material Sites

Impact HAZ-4: Airport Hazards

Impact HAZ-5: Interference with Emergency Vehicle Access and Evacuations

Impact HAZ-6: Wildfire Hazards

## 12.0 HYDROLOGY AND WATER QUALITY

Impact HYDRO-1: Surface Water Resources and Quality

Impact HYDRO-2: Groundwater Resources and Quality

Impact HYDRO-3: Drainage Patterns and Runoff

Impact HYDRO-4: Release of Pollutants in Flood, Tsunami, and Seiche Zones

Impact HYDRO-5: Consistency with Water Quality and Groundwater Management Plans

## 13.0 LAND USE, POPULATION, AND HOUSING

Impact LUP-1: Division of Communities

Impact LUP-2: Conflict with Applicable Plans, Policies, and Regulations

Impact LUP-3: Inducement of Population Growth

Impact LUP-4: Displacement of Housing and People

## 14.0 NOISE

Impact NOISE-1: Increase in Noise Levels in Excess of Standards-Traffic

Impact NOISE-2: Increase in Noise Levels in Excess of Standards-Other Project Noise

Impact NOISE-4: Groundborne Vibrations

Impact NOISE-5: Airport and Airstrip Noise

## 15.0 PUBLIC SERVICES AND RECREATION

Impact PSR-2: Police Protection Services

Impact PSR-3: Schools

Impact PSR-4: Parks and Recreational Services

Impact PSR-5: Other Public Facilities

## 16.0 TRANSPORTATION

Impact TRANS-1: Consistency with CEQA Guidelines

Impact TRANS-3: Motor Vehicle Transportation Plans-Roadway Segments

Impact TRANS-4: Motor Vehicle Transportation Plans-Ramp Junctions

Impact TRANS-5: Motor Vehicle Transportation Plans-Truck Routes.

Impact TRANS-6: Conflicts with Non-Motor Vehicle Transportation Plans

Impact TRANS-7: Safety Hazards

Impact TRANS-8: Emergency Access

## UTILITIES AND ENERGY

Impact UTIL-1: Wastewater Services and Facilities

Impact UTIL-2: Water Services and Facilities

Impact UTIL-3: Stormwater Services and Facilities

Impact UTIL-4: Solid Waste

Impact UTIL-5: Energy and Communications Systems

Impact UTIL-6: Project Energy Consumption

## 2.2 ENVIRONMENTAL EFFECTS OF THE PROJECT THAT REQUIRE FINDINGS

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The environmental effects that were found by the EIR 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 findings with respect to each of these significant effects. The City's findings, and the evidence in support of those findings, are detailed in the Mitigation Monitoring/Findings table shown in the Appendix. All of the following environmental effects would be reduced to a less than significant level with mitigation measures.

Impact BIO-1: Special-Status Species and Habitats

Impact BIO-3: State and Federally Protected Wetlands

Impact BIO-4: Migratory Fish and Wildlife Habitats

Impact BIO-5: Local Biological Requirements

Impact CULT-2: Archaeological and Tribal Cultural Resources

Impact CULT-3: Human Burials

Impact GEO-4: Expansive Soils

Impact GEO-5: Paleontological Resources and Unique Geological Features

Impact GHG1: Project GHG Construction Emissions and Consistency with Applicable Plans and Policies

Impact NOISE-3: Increase in Noise Levels in Excess of Standards-Construction

Impact PSR-1: Fire Protection Service

Impact TRANS-2: Motor Vehicle Transportation Plans - Intersections

The EIR indicates that the proposed project would involve one potentially significant and unavoidable effect, which is a variation on Impact TRANS-2: Motor Vehicle Transportation Plans – Intersections that addresses a possible project scenario described in the DEIR as the Market Driven Project. In order to address this effect, findings related to alternatives and a Statement of Overriding Consideration for the project are provided in a separate document as noted above.

## 2.3 FINDINGS TABLE

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The City's findings with respect to each of the significant or potentially significant environmental effects of the project are detailed in the Mitigation Monitoring/Findings table shown in the Appendix. The findings consider each of the significant or potentially significant environmental effects of the project on an individual basis. Each environmental effect is briefly identified, all of the mitigation measures identified in the EIR are listed, and the significance of each environmental effect after application of the mitigation measures is identified. Following this, the City's finding with respect to the environmental effect, and the location of source information for the City's finding, are identified.

The findings are based upon the whole of the information and analysis included in the EIR and, in particular, on the implementation of the project mitigation measures identified in the EIR as described in the following Mitigation Monitoring/Reporting Plan. As described in the MMRP, implementation of the mitigation measures will be accomplished through incorporation in permits and approvals as well as project improvement plans and specifications. Implementation of mitigation measures will be ensured through monitoring of project activities by the Stockton Community Development Department. Section 5.0 of this document adopts the MMRP.

Potential findings for the significant and potentially significant effects of the project are prescribed in Sections 15091 of the State CEQA Guidelines. The three potential findings as they apply to the significant effects of the project are listed below. The findings are listed by number reference only in the appended table describing findings for the individual significant effects.

*Finding 1 Changes or alterations to the project have been required of, or incorporated into, the project that will avoid or substantially lessen the significant environmental effect, as identified in the Final EIR. (This is*

the finding made by the City for all but one of the significant or potentially significant environmental effects identified in the EIR.)

*Finding 2 Changes or alterations to the project that would avoid or substantially lessen the subject environmental effect are within the responsibility and jurisdiction of another public agency and not the City. Such changes or alterations have been adopted by such other agency, or can and should be adopted by such other agency. (This finding is applied to one of the environmental effects identified in the EIR.)*

*Finding 3 Mitigation measures or alternatives that would avoid or substantially lessen the subject environmental effect are infeasible as a result of specific economic, legal, social, technological or other considerations. (This finding is applied to one of the environmental effects identified in the EIR and is the subject of the City's Statement of Overriding Considerations.)*

### 3.0 MITIGATION MONITORING/REPORTING PROGRAM

CEQA requires more than just preparing environmental documents; it also requires the governmental agency to change or place conditions on a project, or to adopt plans or ordinances for a broader class of projects, which would address potential environmental impacts. 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. The Sanchez Hoggan Annexation involves one such mitigation measure. The Council's certification of the EIR, and the approval of the project together with adoption of this document, will initiate implementation of the Mitigation Monitoring/Reporting Program for the project.

The EIR sets forth several mitigation measures that will be applicable to the project. The table shown in the Appendix summarizes the environmental effects that could result from approval of the proposed 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, 4) the responsibility for monitoring of the mitigation measures, and 5) the City's CEQA finding, the significance of the effect with mitigation and the source material for the finding. The table follows the same sequence as the impact analysis in the EIR. Reporting actions required to ensure that the mitigation measures are implemented are also described in the table.

The significance determination for each environmental effect evaluated in the EIR was based on one or more criteria for significance developed from guidance contained in the CEQA Guidelines, or other “significance thresholds” established by federal, state, regional, or local agencies:

- A “Significant” effect is a substantial adverse change in the environment (CEQA Guidelines Section 15382).
- A “Cumulatively Significant” effect is a substantial adverse change in the environment, which results from cumulative development in the City of Stockton.
- A “Potentially Significant” effect is one that is likely to cause future substantial adverse changes to the environment.

- A “Significant and Unavoidable” effect is one for which there is no known or feasible mitigation.
- A “Not Significant” effect is one that may be adverse but does not exceed the defined significance threshold.



Attachment 9- Sanchez Reso EIR

Impact/Mitigation Measures	Implementation Responsibility	Monitoring/Reporting Responsibility	CEQA Finding, Significance with Mitigation, Sources
<p><b>4.0 AESTHETICS</b></p>			
<p>There are no significant or potentially significant impacts in this issue area.</p>			
<p><b>5.0 AGRICULTURE</b></p>			
<p>There are no significant or potentially significant impacts in this issue area.</p>			
<p><b>6.0 AIR QUALITY</b></p>			
<p>There are no significant or potentially significant impacts in this issue area.</p>			
<p><b>7.0 BIOLOGY</b></p>			
<p>Special-Status Species and Habitats. This is a potentially significant issue</p>			
<p>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.</p>	<p>The ODS will be responsible for the SJMSCP coverage application, payment of any required fees and implementation of ITMMs. The ODS' Engineer will be responsible for incorporating ITMM requirements in the project plans and specifications. The Contractor will be responsible for adherence to the plans and specifications, hiring a qualified biologist if</p>	<p>The Community Development Department will verify that SJMSCP coverage has been obtained and that other mitigation measures have been implemented as required by ITMMs.</p>	<p>1, NS Rationale: DEIR, Pages 7-15 to 7-18</p>

Attachment 9- Sanchez Reso EIR

Impact/Mitigation Measures	Implementation Responsibility	Monitoring/Reporting Responsibility	CEQA Finding, Significance with Mitigation, Sources
	required and implementing the biologist' recommendations.		
<p>BIO-2 Prior to issuance of City permits for the proposed pump station and outfall, the project applicant shall delineate wetland areas, obtain required federal and state permits and demonstrate that the project would result in "no net loss" of wetlands and/or Waters of the U.S. Wetland mitigation necessary to make this demonstration shall be included in the project or project conditions of approval</p>	<p>The ODS will be responsible for obtaining the required wetland delineation, for proposing adequate mitigation, for making required permit application submittals and providing proof of issuance to the City.</p>	<p>The City will be responsible for ensuring that required permits have been issued and that specified mitigation measures are incorporated into project plans and specifications.</p>	<p>1, NS Rationale: DEIR, Pages 7-18, 7-19</p>
<p>BIO-3: If vegetation removal or construction commences during the general avian nesting season (February 1 through September 15), a pre-construction survey for all species of nesting birds is recommended. If active nests are found, work in the vicinity of the nests shall be delayed until the young have fledged.</p>	<p>The ODS will be responsible for retaining a qualified biologist to conduct the nesting survey, if needed, and providing a copy of the survey report to the City.</p>	<p>The City will be responsible for ensuring that the survey, if required, has been completed and that the biologist's recommendations are incorporated into project plans and specifications.</p>	<p>1, NS Rationale: DEIR, Pages 7-19, 7-20</p>
<p>BIO-4: Project development on the Hoggan property (APN 179-200-27) shall avoid removal of existing oak trees to the extent feasible. If removal of oak trees 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.</p>	<p>The ODS will be responsible for an oak tree survey, for determining which if any trees need to be removed, for retaining a qualified arborist and submitting the arborist report to the City and for application to the City for removal of trees, as required.</p>	<p>The City will be responsible for ensuring that the required survey, tree avoidance and tree removal permitting have been completed prior to approval of grading permits for areas containing oak trees.</p>	<p>1, NS Rationale: DEIR, Page 7-20</p>

Impact/Mitigation Measures	Implementation Responsibility	Monitoring/Reporting Responsibility	CEQA Finding, Significance with Mitigation, Sources
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8.0 CULTURAL RESOURCES			
Historical and Archaeological Resources. This is a potentially significant issue.			
<p>CULT-1: Prior to construction, construction personnel shall receive brief “tailgate” training by a qualified archaeologist in the identification of buried cultural resources, including human remains, and protocol for notification should such resources be discovered during construction work. A Yokuts tribal representative shall be invited to this training to provide information on potential tribal cultural resources.</p>	<p>The ODS’ Engineer will be responsible for incorporating these requirements in the project plans and specifications and ensuring that they are implemented by the contractor.</p>	<p>The City will be responsible for ensuring that the required tailgate meeting will occur before approval of grading permits.</p>	<p>1, NS Rationale: DEIR, Pages 8-8, 8-9</p>
<p>CULT-2: If any subsurface historical or 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, 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, and if burial resources or tribal cultural resources are discovered, the City shall notify the appropriate Native American representatives. The contractor shall be responsible for retaining qualified professionals, implementing recommended mitigation measures and documenting mitigation efforts in written reports to the City.</p>	<p>The contractor will be responsible for suspending construction, reporting finds to the City and retaining a qualified archaeologist to evaluate the find and provide a written report to the City. The City will be responsible for notifying Native American representatives.</p>	<p>The City will be responsible for responding to reports of archaeological finds as required, including notification of Native American representatives.</p>	<p>1, NS Rationale: DEIR, Pages 8-8, 8-9</p>
<p>CULT-3: If tribal cultural resources other than human remains and associated funerary objects are encountered, the City shall be immediately notified of the find, and the City shall notify the Yokuts tribal representative. The qualified archaeologist and tribal representative shall examine the materials and determine their “uniqueness” or significance as tribal cultural resources and 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 Yokuts tribal representative. The City will be responsible for implementing the report</p>	<p>The ODS’ Engineer 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</p>	<p>The City will be responsible for notifying other agencies as required and for ensuring that the archaeologist’s recommendations are implemented.</p>	<p>1, NS Rationale: DEIR, Pages 8-8, 8-9</p>

Attachment 9- Sanchez Reso EIR

Impact/Mitigation Measures	Implementation Responsibility	Monitoring/Reporting Responsibility	CEQA Finding, Significance with Mitigation, Sources
recommendations. Avoidance is the preferred means of disposition of tribal cultural resources.	the discovery and for implementing the archaeologist's treatment recommendations.		
<p>CULT-4: 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 Yokuts 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.</p>	<p>The ODS' Engineer 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 for implementing the archaeologist's treatment recommendations.</p>	<p>The City will be responsible for notifying other agencies as required, for overseeing project conformance with applicable codes and for ensuring that the archaeologist's and/or Most Likely Descendant's recommendations are implemented</p>	<p>1, NS Rationale: DEIR, Pages 8-9, 8-10</p>
<p><b>9.0 GEOLOGY, SOILS, AND MINERAL RESOURCES</b></p>			
<p>Impact GEO-4: Expansive Soils. This is a potentially significant impact.</p>			
<p>GEO-1: Prior to site development plan approval, a site-specific, design-level geotechnical study shall be completed for the proposed construction areas. The study shall include an evaluation of potential geologic and soil hazards, including the presence of expansive soils. The study shall recommend design and construction features to reduce the potential impact of identified hazards on the proposed development if the hazard is considered significant. The recommendations included in the study shall be incorporated in design and construction documents and implemented during development.</p>	<p>The ODS' Engineer will be responsible for obtaining the geotechnical study and incorporating relevant requirements in the project plans and specifications. The Contractor will be responsible for adherence to the plans and specifications.</p>	<p>The City will be responsible for ensuring that the geotechnical has been completed and that its recommendations are incorporated into project plans and specifications.</p>	<p>1, NS Rationale: DEIR Page 9-9</p>

Sanchez-Hoggan Annexation EIR, Findings and Mitigation Monitoring/Reporting Table

Attachment 9- Sanchez Reso EIR

Impact/Mitigation Measures	Implementation Responsibility	Monitoring/Reporting Responsibility	CEQA Finding, Significance with Mitigation, Sources
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Impact GEO-5: Paleontological Resources and Unique Geological Features. This is a potentially significant impact.

<p>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.</p>	<p>The ODS' Engineer 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 paleontologist to analyze the discovery and for implementing the paleontologist's treatment recommendations.</p>	<p>The City will be responsible for ensuring that the paleontologist's recommendations are implemented.</p>	<p>1, NS Rationale: DEIR Pages 9-9, 9-10</p>
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**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.

<p>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.</p>	<p>The ODS' Engineer will be responsible for incorporating these requirements in the project plans and specifications. The contractor will be responsible for reporting compliance with these conditions in regular reports to the Community Development Department.</p>	<p>The City will be responsible for overseeing implementation of these requirements and review and acceptance of written reports.</p>	<p>1, NS Rationale: DEIR Pages 10-9, 10-10</p>
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Attachment 9- Sanchez Reso EIR

Impact/Mitigation Measures	Implementation Responsibility	Monitoring/Reporting Responsibility	CEQA Finding, Significance with Mitigation, Sources
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11.0 HAZARDS

FEIR: Potential contamination of roadside areas with aerially-deposited lead.

<p>HAZ-1: The applicant shall conduct limited soil testing along sections of Arch Road and Austin Road for the presence of lead-based compounds that exceed state health standards and take precautions as needed to prevent exposure of construction workers or the public from any associated health risks.</p>	<p>The applicant will be responsible for obtaining the required testing and submitting results to the Community Development Department. The applicant will be responsible for remediation that may result from test results.</p>	<p>The City will be responsible for overseeing implementation of these requirements and review and acceptance of written reports.</p>	<p>1, NS Rationale: FEIR Pages 4-2, 4-3</p>
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12.0 HYDROLOGY AND WATER QUALITY

There are no potentially significant or significant impacts in this issue area.

13.0 LAND USE AND PLANNING

There are no potentially significant or significant impacts in this issue area.

14.0 NOISE

Impact NOISE-2: Increase in Noise Levels in Excess of Standards - Other Project Noise. This is a potentially significant issue.

<p>NOISE-1: Construction activities shall adhere to the requirements of the City of Stockton Municipal Code with respect to hours of operation. The City shall limit construction activities on the Hoggan property to the hours of 7:00 a.m. to 10:00 p.m., Monday through Saturday, except for concrete pouring related to building construction. No construction shall occur on Sundays or national holidays without a written permit from the city. All equipment shall be in good working</p>	<p>The Project Engineer will be responsible for incorporating these requirements in the project plans and specifications. The Contractor will be responsible for</p>	<p>The Community Development Department will be responsible for monitoring compliance with these requirements.</p>	<p>1, NS Rationale: DEIR Pages 14-10 to 14-12</p>
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Attachment 9- Sanchez Reso EIR

Impact/Mitigation Measures	Implementation Responsibility	Monitoring/Reporting Responsibility	CEQA Finding, Significance with Mitigation, Sources
<p>order and shall be fitted with factory-equipped mufflers.</p> <p>Should the project necessitate construction outside of the specified hours, the applicant shall request the Community Development Director's approval of such activities. The applicant shall accompany the request with evidence that the proposed activity will not create a noise disturbance across a residential property line.</p>	<p>implementing noise requirements.</p> <p>The ODS will be responsible for requesting and justifying authorization to exceed noise control requirements.</p>	<p>The Community Development Director will be responsible for authorizing noise control requirement exceedance based on the evidence submitted by the ODS.</p>	
<b>15.0 PUBLIC SERVICES AND RECREATION</b>			
Impact PSR-1: Fire Protection Service. This is a potentially significant issue.			
<p>PSR-1: The developer shall incorporate Early Suppression Fast Response fire sprinkler systems in the project building design and construction. The Stockton Fire Department shall review and approve such systems prior to their installation.</p>	<p>The ODS and its engineer will be responsible for ESFR design and coordination with the Stockton Fire Department.</p>	<p>The Community Development Department will be responsible for ensuring that ESFR requirements are properly included in project plans.</p>	<p>1, NS Rationale: DEIR Page 15-7</p>
<b>16.0 TRANSPORTATION</b>			
Impact TRANS-2: Motor Vehicle Transportation Plans-Intersections. This is a potentially significant and unavoidable impact associated with the Market Driven Project.			
<p>TRANS-1: The project applicant shall contribute fair-share costs to the installation of a traffic signal at the intersection of Arch Road and Frontier Way and related improvements. If needed to meet short-term traffic needs, the City may require applicant to design and construct the signal, subject to reimbursement. The project applicant shall submit a traffic analysis for the City's approval to determine if the intersection improvements can be aligned with development related impacts should the proposed site be constructed in phases.</p>	<p>The ODS will be responsible for payment of proportionate share costs of signal design and construction as appropriate.</p>	<p>The Public Works Department will be responsible for determining that appropriate proportionate share costs are paid, for determining if signalization improvements need to be made, and for approval of plans and specifications.</p>	<p>3, SU Rationale: DEIR Pages 16-17 to 16-20 See separate Statement of Overriding Considerations</p>

Attachment 9- Sanchez Reso EIR

Impact/Mitigation Measures	Implementation Responsibility	Monitoring/Reporting Responsibility	CEQA Finding, Significance with Mitigation, Sources
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<p><b>17.0 UTILITIES AND ENERGY</b></p>
<p>There are no potentially significant or significant impacts in this issue area.</p>



**STATEMENT OF OVERRIDING CONSIDERATIONS**

FOR THE

**SANCHEZ-HOGGAN ANNEXATION**

City of Stockton, CA

State Clearinghouse No: 2020020006

May 2020

Prepared for:  
CITY OF STOCKTON  
345 N. El Dorado Street  
Stockton, CA 95202  
(209) 937-7564

TABLE OF CONTENTS

	Page
1.0 INTRODUCTION	1-1
2.0 STATEMENT OF OVERRIDING CONSIDERATIONS	2-1
3.0 FINDINGS REGARDING ALTERNATIVES	3-1

## 1.0 INTRODUCTION

This document sets forth the Statement of Overriding Considerations of the City of Stockton (the "City") as to one of the environmental impacts of the Sanchez-Hoggan Annexation Project as prescribed in California Environmental Quality Act (CEQA) Guidelines. The one impact, described below, is considered "significant and unavoidable."

This Statement of Overriding Considerations is closely related to the overall CEQA Findings and Mitigation Monitoring/Reporting Program, which addresses the effectiveness of mitigation measures with respect to all of the other environmental effects of the project, as required by CEQA Guidelines Sections 15091-15093 and 15097; however, the CEQA Findings and Mitigation Monitoring/Reporting Program is a separate standalone document.

### 1.1 APPLICABLE CEQA REQUIREMENTS

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CEQA requires that a Lead Agency prepare an Environmental Impact Report (EIR) when a proposed project may involve significant environmental effects. Prior to approval of the project, the Lead Agency must certify that the EIR was completed in compliance with CEQA and that the Lead Agency reviewed and considered the EIR before approving the project.

The Sanchez-Hoggan project involves annexation of approximately 169.77 acres into the City of Stockton for the purposes of industrial development. The annexation area consists of two properties: the 149.01-acre Sanchez property and the 20.76-acre Hoggan property. The project is described in more detail in the referenced EIR and the CEQA Findings and Mitigation Monitoring/Reporting Program for the project, referenced below.

The City of Stockton prepared an EIR documenting the potential environmental effects of the project, mitigation measures necessary to address these effects and alternatives to the project. The City conducted public review of the EIR and the remainder of the EIR process in conformance with CEQA requirements. These activities are described in more detail in Final EIR and the CEQA Findings and Mitigation Monitoring/Reporting Program for the project.

When an EIR identifies significant or potentially significant environmental effects, CEQA requires that the Lead Agency make specified written findings prior to project approval. For the Sanchez-Hoggan project, these written findings are contained in the CEQA Findings and Mitigation Monitoring/Reporting Program, a separate document to be considered for adoption by the City of Stockton.

When an EIR finds that mitigation measures are not feasible for one or more of the significant environmental effects of the project, CEQA Guidelines Section 15093

provides that the Lead Agency must also adopt a Statement of Overriding Considerations before approving the project.

#### 15093. STATEMENT OF OVERRIDING CONSIDERATIONS

(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 final 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 Section 15091.

The EIR for the project concludes that one of the transportation impacts, of an option for development of the project, known as the Market Driven Project, is significant and that feasible mitigation measures are not available that would reduce that impact to a less than significant level. This document constitutes the Statement of Overriding Considerations addressing the one significant and unavoidable impact of the project, as described in more detail below.

The DEIR, the FEIR and the CEQA Findings and Mitigation Monitoring/Reporting Program for the project are hereby incorporated by reference. Copies of these documents, specifically cited below, are available for review at the offices of City of Stockton Community Development Department, Planning Division, 345 N. El Dorado Street, Stockton, California 95202.

BaseCamp Environmental, 2020a. Public Review Draft Environmental Impact Report, Sanchez-Hoggan Annexation. SCH #2020020006. March 6, 2020

BaseCamp Environmental, 2020b. Final Environmental Impact Report, Sanchez and Hoggan Annexation. SCH #2020020006. May 2020.

BaseCamp Environmental, 2020c. CEQA Findings and Mitigation Monitoring/Reporting Program, Sanchez and Hoggan Annexation. SCH #2020020006. May 2020.

## 1.2 SIGNIFICANT AND UNAVOIDABLE IMPACT

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The project would involve one potentially significant and unavoidable environmental effect related to a development option for the Sanchez property that would be allowable under the proposed pre-zoning. This option, described as the Market Driven Project,

would involve a higher-intensity industrial development of a portion of the Sanchez property that would result in additional traffic generation and potential for a significant traffic effect. This potential effect could be mitigated, but mitigation measures are not feasible; mitigation would require action by the California Department of Transportation, uncertain funding, and an uncertain amount of time, at least several years, to implement. This effect and proposed and potential mitigation measures are described in Chapter 16.0 Transportation of the DEIR.

In that the Market Driven Project may result from project approval, if it elects to approve the project, the City must adopt a Statement of Overriding Considerations addressing its reasons for approving the project despite the fact that it would involve a significant environmental effect that is not mitigated. The City's Statement of Overriding Considerations and related information is presented in Section 2.0 below. When a City proposes to adopt a Statement of Overriding Considerations, it is also required to make findings with respect to the alternatives to the proposed project. These findings are set forth in Section 3.0 of this document.

The Statement of Overriding Considerations for the proposed project is based upon substantial evidence, including information, analysis and mitigation measures described in the EIR, information incorporated into these documents by reference and other information detailed in in the Statement itself.

## 2.0 STATEMENT OF OVERRIDING CONSIDERATIONS

Pursuant to CEQA Guidelines Section 15093, the City finds that the potential traffic effects of the Market Driven Project of the project described in Section 1.2 and Chapter 16.0 of the DEIR are potentially significant and will not be mitigated to Less Than Significant by the available mitigation measures. The City also finds in Section 3.0 that none of the project alternatives have the potential to reduce the significant environmental effects of the project except the No Project Alternative, which is entirely inconsistent with the project objectives.

As a result, the City Council hereby adopts and makes the following Statement of Overriding Considerations (SOC) with respect to Section 15093 of the CEQA Guidelines, shown in its entirety above. 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.

The City Council specifically finds that the potential traffic effects of the Market Driven Project are considered acceptable in light of overriding social, economic and other benefits or considerations related to the project, as described below. That is, the social, economic and other benefits or considerations of the project outweigh the potential traffic effect of the project. The City Council considers the following items to be the overriding social, economic and other benefits or considerations of the project.

- 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.
- Economic development and job creation are among the core objectives of the Stockton General Plan.
- The project is in compliance with Stockton General Plan 2040 policies supporting infill growth on lands with existing transportation and utility services, thereby preventing unnecessary urban expansion into greenfield areas on the periphery of Stockton.
- The General Plan 2040 EIR, considered and certified by the Stockton City Council before adopting the General Plan, disclosed potential traffic increases that would result from planned urban growth, and which would result in significant level of service impacts to roadway and freeway segments.
- 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.

- The proposed project is expected to result in a minimum of 2,000 new jobs that will provide economic and social benefits residents of the City of Stockton and the Stockton Metropolitan Area.
- Protects and supports ongoing expansion of the Stockton Metropolitan Airport and related aviation facilities from encroachment by incompatible land use, helping to ensure that future development within the Airport Influence Area is consistent with the policies adopted by the San Joaquin County Airport Land Use Commission.
- The applicant estimates that the project will generate approximately \$6.5 million in school and other impact fees payable to the City during the building permit process. The project will provide an additional estimated \$7.3 million in regional revenue to local agencies including SJCOG habitat fees and air pollution control district fees. With an overall real property value exceeding \$250 million, the project will generate more than \$2.5 million perpetual property tax revenue to the County, City and other local agencies.
- 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 to the Mitigation Program compensation for agricultural land conversion impacts of the project and other new development.
- The project will involve a contribution of more than \$2 million in habitat conservation fees to the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan.
- The project will connect more than ½ mile of new pedestrian sidewalks, and complete segments of Arch Road and Austin Road, important local industrial access network. These improvements include a new municipal bus stop, improving transit access to the project area, and new signalized intersections.
- All potential project impacts were determined to be less than significant or would be reduced to less than significant level with proposed mitigation measures, except for the potential traffic impact of the Market Driven Project. Mitigation measures are identified and included in the attached Mitigation Monitoring and Reporting Plan that would reduce all but one of the significant or potentially significant environmental effects of the project to Less Than Significant.
- The DEIR considered a range of feasible alternatives to the proposed project. None of the alternatives would result in a reduction in the potential traffic effects of the project.

The previously-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.

### 3.0 FINDINGS REGARDING 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 were addressed in Chapter 19.0 of the DEIR. 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 (Finding 3), the Lead Agency must also describe the specific reasons for rejecting alternatives that could meet the same need. The City is making Finding 3 with regard to transportation effects with the Market Driven Project that could result from the project; this effect will not be sufficiently reduced by mitigation measures. Consequently, the City Council makes the following findings with regard to project alternatives.

Chapter 20.0 of the EIR evaluated several alternatives to the proposed project. These alternatives, described below, are generally feasible but are unlikely to avoid or substantially lessen the transportation effect described above, or other 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.

#### 3.1 ALTERNATIVES NOT ADDRESSED IN DETAIL

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The DEIR considered several alternatives but did not address them in detail as they were not considered “feasible” alternatives under CEQA. These “Alternative Not Addressed In Detail: 1) would not meet most of the basic objectives of the project, or 2) were clearly infeasible, or 3) did not have the ability to avoid or substantially lessen the significant environmental effects of the project as discussed below. Other than the “No Project” Alternative, which would prohibit any development on the proposed project site, none of these alternatives would reduce the Market Driven Project’s transportation effects, and some alternatives may have more adverse environmental impacts than the proposed project.

#### 3.2 NO PROJECT ALTERNATIVE

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The DEIR defined the “No Project” Alternative as no annexation to the City of Stockton, no development as proposed by the project, and no future urban development of the project site. Under the No Project Alternative, it is presumed that the project site would remain in agricultural production, as the project site is designated for agricultural uses under current County zoning, and the Sanchez property has been recently used for agricultural activities. Given its size, it is probable that the Sanchez property could be



farmed for economic benefit; the Hoggan property may be more difficult to economically farm with its size and location.

This alternative would avoid most of the potential adverse environmental effects of the proposed project, including the transportation impacts of the Market Driven Project. However, this alternative would meet none of the objectives of the proposed project. It also would be inconsistent with both the City of Stockton and San Joaquin County General Plans, which anticipate the eventual urban development of the project site. The potential agricultural use may require agricultural chemicals such as pesticides, herbicides, and fertilizers, which could contaminate the soils and adjacent streams if not properly applied. Agricultural activities also could generate dust emissions to which nearby land uses may be exposed. Agricultural equipment and vehicles moved to and from the fields could disrupt the flow of vehicle traffic in the area, particularly that of heavy-duty trucks, but agricultural use would not involve any substantial light vehicle and truck traffic in comparison to the proposed project, and the significant and unavoidable traffic effect of the Market Driven Project would be avoided. If the Hoggan property is not used for agriculture, this may have adverse aesthetic impacts as it may continue to attract illegal dumping, as has been observed there. If neither property is used for agriculture, grasses and weeds would likely grow on the project site and would require ongoing maintenance to avoid a potential fire hazard.

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 DEIR Chapter 19.0.

### 3.3 ALTERNATIVE SANCHEZ PROPERTY DEVELOPMENT

---

This alternative assumes that the City would annex the Sanchez property and pre-zone the property as General Industrial rather than the proposed Industrial, Limited. The General Industrial zone would allow a wide range of industrial land uses, including uses that may be conducted outdoors or associated with nuisance or hazardous impacts. The Hoggan property is assumed to develop as described in the proposed project, which is primarily for warehouse use.

Development under this alternative would have similar impacts to the proposed project. Ground disturbance impacts related to soil erosion, surface water quality, and drainage would be similar. Potentially significant impacts would be similar, particularly related to traffic, noise, soil erosion, and drainage. However, this alternative would not meet the objectives of the proposed project related to warehouse development. Depending on the type of industrial activity located on the Sanchez property, this alternative may have new or more severe impacts than the proposed project, particularly on air quality, hazardous materials and water quality. Impacts on agricultural land conversion would be the same as under the proposed project.

The City Council hereby rejects the Alternative Sanchez Property Development because it would not meet the objectives of the project and could cause environmental impacts

that are more adverse than the proposed project. The evidence in support of this finding is provided in DEIR Chapter 19.0.

### 3.4 ALTERNATIVE HOGGAN PROPERTY LIGHT INDUSTRIAL DEVELOPMENT

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This alternative assumes that the City would annex the Hoggan property and pre-zone the property as Limited Industrial. The Limited Industrial zone generally allows light manufacturing uses that are conducted indoors as well as warehousing and distribution. The Sanchez property is assumed to develop as described in the proposed project, which is primarily for warehouse use.

Development under this alternative would have similar impacts to the proposed project. Ground disturbance impacts related to soil erosion, surface water quality, and drainage would be similar. Potentially significant impacts would be similar, particularly related to traffic, soil erosion, and drainage. However, the alternative may or may not meet the objective of furthering development of the Norcal Logistics Center, which is focused on logistics. In addition, given the location of nearby rural residences, environmental impacts of the alternative may be more severe on issues such as air quality and noise. Impacts on agricultural land conversion would be the same as under the proposed project.

The City Council accepts the Alternative Hoggan Property Light Industrial Development as a potential alternative to the project. It could meet the objectives of the project but is incapable of reducing the potential environmental effects of the project. This alternative is considered to have environmental effects that are 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 DEIR Chapter 19.0.

### 3.5 HOGGAN TRUCK/TRAILER STORAGE AREA ALTERNATIVE

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This alternative proposes development of the Hoggan property as an auxiliary truck/trailer storage area for approved industrial development on the adjacent Norcal Logistics Center property. Development of the Hoggan property in this use could make as many as 489 truck and trailer parking spaces available to support the adjacent industrial development in the Norcal Logistics Center. Other features of this alternative would remain the same as the proposed project.

In general, development under this alternative would have similar impacts to those of the proposed project. Potential impacts related to biology, cultural resources, soil erosion and drainage would be similar to the proposed project. With no structures proposed, the project may have a reduced effect on views from the nearby rural residences. As the storage area would involve traffic primarily between the site and adjacent Norcal Logistics Center warehousing and distribution uses, it would not by itself be a significant

traffic generator. This alternative would be consistent with the objective of the expansion and further development of the Norcal Logistics Center.

However, this alternative would involve additional truck and trailer movements between the Hoggan property, thereby increasing noise and air quality impacts in the area. This alternative would be somewhat contrary to the stated objectives of the project in that the amount of warehouse development generated by the project would be reduced. Also, impacts on agricultural land conversion would be the same as under the proposed project.

The City Council accepts the Hoggan Truck/Trailer Storage Alternative as a potential alternative to the project. This alternative use would be consistent with the objectives of the project; this alternative would incrementally reduce the traffic generation associated with the project but would not meaningfully reduce this or other potential environmental effects. 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 DEIR Chapter 19.0.

### 3.6 REDUCED DEVELOPMENT ALTERNATIVE

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This alternative would involve approval of a scaled-down version of the proposed project that would permit substantially less development on the Sanchez property. As described in the DEIR, potential development would be reduced to approximately 2.5 million square feet of warehouse uses. All reductions would occur on the Sanchez property; the Hoggan property would be developed as described under the proposed project. The alternative would not involve any substantial change in urban infrastructure.

The proposed land use pattern would be maintained but reduced in intensity. This alternative would not substantially change the “footprint” of proposed industrial development, and environmental impacts in general would be reduced from those under the proposed project, although mitigation would still most likely be required for impacts of this alternative on biological resources, cultural resources, soils, hydrology, and construction noise as they are with the proposed project. The alternative would not result in any reduction in potential effects on agricultural land conversion. The alternative would reduce the traffic generation associated with the project. However, whether this alternative would eliminate the significant and unavoidable impacts identified with the Market Driven Project is not known.

The City Council accepts the Reduced Development Alternative as a potential alternative to the project. This alternative use would be consistent with the objectives of the project; this alternative would incrementally reduce the traffic generation associated with the project but would not meaningfully reduce this or other potential environmental effects. 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 DEIR Chapter 19.0.

March 9, 2020

### Polling Summary

Survey research was conducted from February 26-29, 2020 and March 6-8, 2020. The study utilized survey research sampling a universe of 400 residents of San Joaquin County, California. The survey was administered by calls to landline telephones and in-person questionnaires. Respondents answered five questions which included a residency question, proposed development question, and 3 demographic questions. The survey received 114 responses with 114 full completions. The margin of error for this study is +/- 8% with 95% confidence.

### Analysis

The results indicate that a majority of the population **oppose** the proposed industrial development project. The results were well outside the margin of error with 95% and 99% confidence. The result occurs in both the raw and weighted averages. The weighted average took into account the over-sampling/under-sampling of racial groups, age categories, and gender.

There were a few notable findings in the data set. Fifty percent of African Americans favored the proposed industrial development while large majorities of every other race opposed the development. This finding deserves a closer look as it might suggest that these views are the result of community organizing efforts or a strong desire for jobs in the African American demographic. Younger residents were more likely to be for industrial development while older residents were more likely to be against the development. No age group reports a favorable rating higher than 30%. Men and women were strongly opposed to the proposal with neither category favoring the proposal above 30%. The findings suggest that gender had no impact. In summary, the proposed industrial development is widely unpopular across the sample population. Additional attention should be paid to the reasons for support/opposition to fully understand the decision making processes of this population.

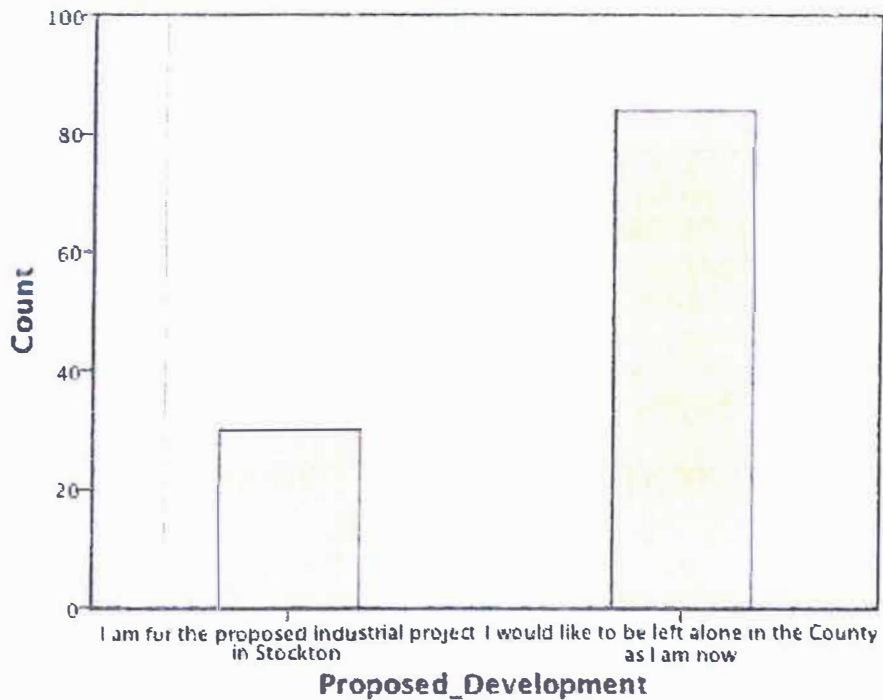
\*Updated with additional survey data on March 9, 2020.



**Polling Results**

Q2. Would you want your property to be taken into the City of Stockton with a proposed industrial project or would you prefer to be left alone in the County as you are now?

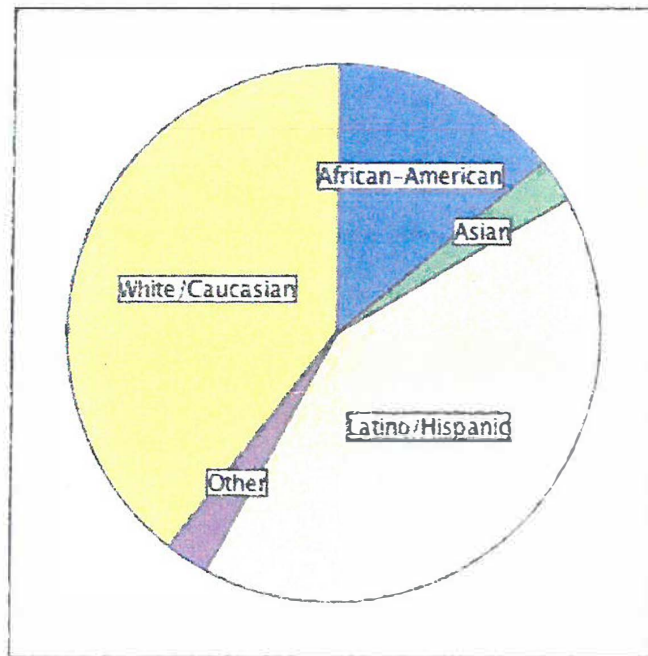
Proposed Development	Raw	Weighted
For	26.3	24.7
Against	73.7	75.3





Q3. What race do you identify yourself as?

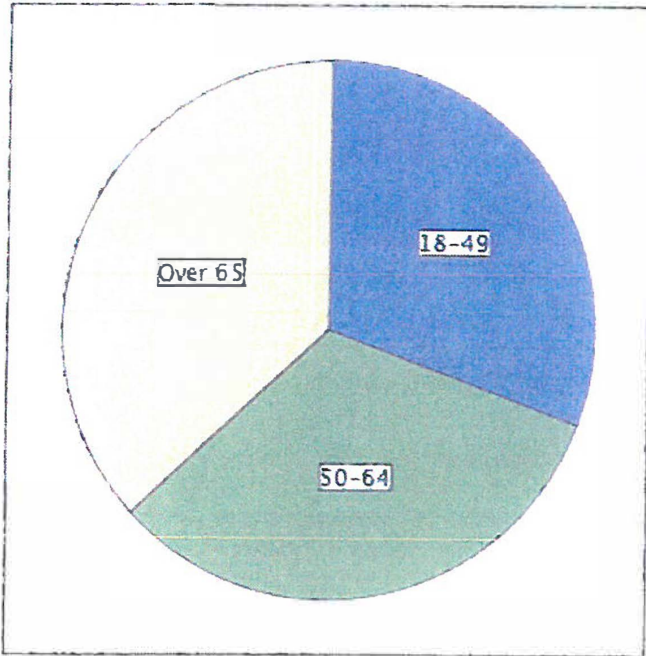
Race	Result
African-American	14.0
Asian	2.6
Latino/Hispanic	41.2
Other	2.6
White	39.5





Q4. How old are you?

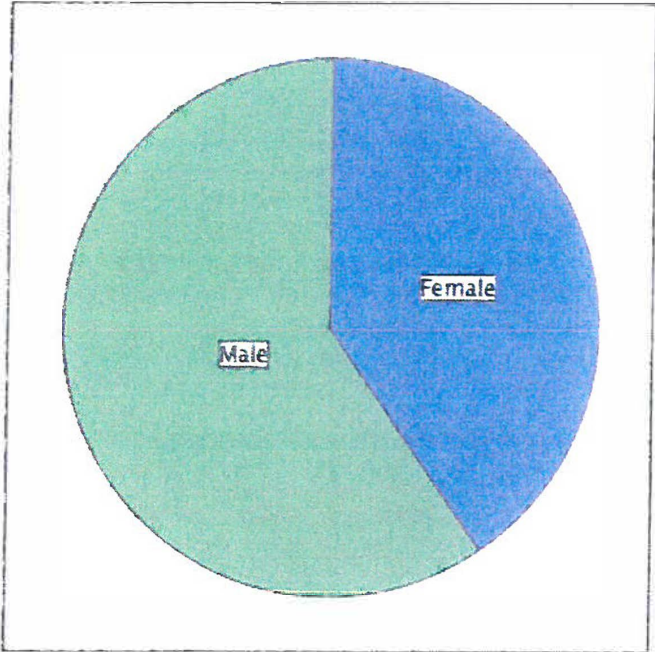
Age	Result
17	18-49 30.7
20	50-64 32.5
23	Over 65 36.8





Q5. What is your gender?

Gender	Result
Male	59.6
Female	40.4







**Crosstabs**

<b><u>Proposed Development</u></b>			
	<u>Category</u>	<u>Count</u>	<u>Valid Percent</u>
<u>Valid</u>	<u>I am for the proposed industrial project in Stockton</u>	<b>30</b>	<b>26.3</b>
	<u>I would like to be left alone in the County as I am now</u>	<b>84</b>	<b>73.7</b>
	<u>Total</u>	<b>114</b>	<b>100.0</b>



**Proposed Development/Race Crosstab**

<u>Race</u>			
	<u>Category</u>	<u>Count</u>	<u>Valid Percent</u>
<u>Valid</u>	<u>African-American</u>	<b>16</b>	<b>14.0</b>
	<u>Asian</u>	<b>3</b>	<b>2.6</b>
	<u>Latino/Hispanic</u>	<b>47</b>	<b>41.2</b>
	<u>Other</u>	<b>3</b>	<b>2.6</b>
	<u>White/Caucasian</u>	<b>45</b>	<b>39.5</b>
	<u>Total</u>	<b>114</b>	<b>100.0</b>

**Proposed Development/Age Crosstab**

<u>Age</u>			
	<u>Category</u>	<u>Count</u>	<u>Valid Percent</u>
<u>Valid</u>	<u>18-49</u>	<b>35</b>	<b>30.7</b>
	<u>50-64</u>	<b>37</b>	<b>32.5</b>
	<u>Over 65</u>	<b>42</b>	<b>36.8</b>
	<u>Total</u>	<b>114</b>	<b>100.0</b>

**Proposed Development/Gender Crosstab**

<u>Gender</u>			
	<u>Category</u>	<u>Count</u>	<u>Valid Percent</u>
<u>Valid</u>	<u>Female</u>	<b>46</b>	<b>40.4</b>
	<u>Male</u>	<b>68</b>	<b>59.6</b>
	<u>Total</u>	<b>114</b>	<b>100.0</b>

**AGRICULTURAL LAND CONVERSION STATEMENT  
HOGGAN ANNEXATION  
TO THE CITY OF STOCKTON**

**July 20, 2020**

## INTRODUCTION

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The Hoggan Annexation Project proposes annexation of one parcel totaling approximately 21 acres (the “subject site”) to the City of Stockton. The subject site is located north of Gold River Lane and south of and adjacent to North Littlejohns Creek, adjacent to the existing city limits (Figures 1 and 2). The subject site is currently vacant. The Stockton General Plan designates the site “Industrial” (Figure 3). The subject site is planned and was pre-zoned by the City of Stockton for light industrial development on June 23, 2020.

The San Joaquin County Local Agency Formation Commission (LAFCo) is the agency responsible for review and approval of annexation and other government organization and reorganization projects. Additional information related to the project is provided in the Environmental Impact Report (EIR) for the Sanchez-Hoggan Annexation Project, which has been prepared and certified by the City of Stockton.

For proposals that could reasonably be expected to induce, facilitate, or lead to the conversion of existing open-space lands to other uses, California Government Code Section 56377 requires that the responsible LAFCo consider the consistency of the project with the following policies:

- a) Development or use of land other than open-space uses shall be guided away from existing prime agricultural lands in open-space use and towards areas containing non-prime agricultural lands, unless that action would not promote the planned orderly, efficient development of an area.
- b) Development of existing vacant or non-prime agricultural land for urban uses within the existing jurisdiction of a local agency or within the sphere of influence of a local agency should be encouraged before any proposal is approved which would allow for or lead to the development of existing open-space lands for non-open space uses which are outside of the existing jurisdiction of the local agency or outside the existing sphere of influence of the local agency.

This Agricultural Land Conversion Statement describes 1) existing and historical agricultural use on and near the subject site; 2) State and local agricultural land programs and policies and their applicability to the subject site, 3) the agricultural land conversion impacts of the project as described in the EIR, and 4) consistency of the proposed annexation with Government Code Sections 56377(a) and (b).

## AGRICULTURE BACKGROUND INFORMATION

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Existing Agricultural and Other Land Uses on and Near the Subject Site: The subject site and surrounding areas historically have been used for agriculture. In recent years, urban development, consisting of light industrial/warehouse development and correctional facilities, has displaced most agricultural uses in the project area. The subject site is currently vacant and has not been used for agriculture in years.

There are no active agricultural operations adjacent to or near the subject site. Surrounding lands are developed or have been approved mostly for industrial development. These include development along Gold River Lane to the south and the Norcal Logistics Center to the east (Figure 4). Rural residences are located across North Littlejohns Creek to the north, but no agricultural activity occurs at these residences.

The subject site is currently zoned by San Joaquin County as AG-40 (Agriculture-Urban Reserve). AG-40 (General Agriculture; 40-acre minimum parcel size). This zone is established to preserve agricultural lands for the continuation of commercial agricultural enterprises until such time as it is annexed and pre-zoned by the City. The San Joaquin County General Plan has designated the subject site as Agricultural-Urban Reserve, which is applied to lands currently undeveloped or used for agricultural production that are in the logical path of development around an urban community.

Stockton General Plan: The area surrounding the subject site is designated Industrial by the Stockton General Plan. The subject site is within the City's Sphere of Influence. It is currently outside the 10-year horizon for future development; however, the subject site will be within the 10-year horizon with adoption of the Final Municipal Service Review for the City. The Stockton General Plan seeks to preserve agricultural lands where feasible, or to mitigate for conversion of agricultural lands. Action LU-5.3B seeks to coordinate with San Joaquin County and property owners in unincorporated areas to preserve agricultural land and open space areas in the unincorporated county that contribute to maintaining clear boundaries between cities. Action LU-5.3C maintains the City's agricultural conservation program (see above) that requires either dedication of an agricultural conservation easement at a 1:1 ratio or payment of an in-lieu agricultural mitigation fee for the conversion of Prime Farmland, Farmland of Statewide Importance, or Unique Farmland, as defined by the State's Farmland Monitoring and Mapping Program. It is also a primary goal of the Stockton General Plan to attract and retain companies that offer high-quality jobs with wages that are competitive in the region and state.

FMMP Designations: Important Farmland Maps, prepared by the California Department of Conservation as part of the Farmland Mapping and Monitoring Program (FMMP), designate the viability of lands for farmland use, based on the physical and chemical properties of the soils. The maps categorize farmland, in decreasing order of soil quality, as Prime Farmland, Farmland of Statewide Importance, Unique Farmland, and Farmland of Local Importance. Collectively, these categories, along with Grazing Land, are referred to as "agricultural lands" by the FMMP. CEQA Guidelines Appendix G, the Environmental Checklist generally used for environmental impact analysis, the first three categories of farmland are designated "Farmland" and is considered the main agricultural lands of concern. According to the 2016 Important Farmland Map of San Joaquin County, the subject site contains Farmland of Local Importance, which is considered "agricultural

land” under the FMMP but is not considered “Farmland” of concern either by CEQA Guidelines Appendix G or by the City’s agricultural mitigation program (see below).

Soils: Soil quality for agricultural use is described by the Natural Resources Conservation Service (NRCS) soil capability rating. Capability class ratings are designated by the numbers I through VIII; the higher numbers indicate progressively greater limitations and narrower choices for practical use. Capability Class I and II soils are usually considered “Prime.” The soil type within the subject site is Stockton clay. Stockton clay is a Class IV soil when not irrigated and a Class II soil when irrigated. With irrigation, Stockton clay is considered a Prime Farmland soil.

Under the Cortese-Knox-Hertzberg Act, which sets forth procedures for annexations, one of the definitions of “prime agricultural land” is “Land that qualifies, if irrigated, for rating as class I or class II in the USDA Natural Resources Conservation Service land use capability classification, whether or not land is actually irrigated, provided that irrigation is feasible” (Government Code Section 56064(a)). Since Stockton clay is a Class II soil when irrigated, the Hoggan property has prime agricultural land as defined by Government Code Section 56064(a).

## **AGRICULTURAL LAND POLICIES AND PROGRAMS**

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California Williamson Act: The Land Conservation Act of 1965, commonly known as the Williamson Act, was enacted to help preserve farmland in California. Under the Williamson Act, a contract is executed between landowners and local governments to voluntarily restrict development on property in exchange for lower property tax assessments based on the existing agricultural land use. The subject site is not under a Williamson Act contract with San Joaquin County.

Stockton Agricultural Lands Mitigation Program: The City of Stockton adopted an Agricultural Lands Mitigation Program in 2007 and amended it in 2013. The program applies to agricultural land that would be converted to non-agricultural uses. “Agricultural land” is defined by the program as “important farmland” as defined by the FMMP, which includes prime farmland, farmland of statewide importance, and unique farmland. Projects that convert agricultural land to non-agricultural use shall 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 shall pay an established in-lieu fee. Agricultural mitigation lands and fees are to be dedicated to a qualifying management entity such as the Central Valley Farmland Trust. Currently, the agricultural land mitigation fee for warehouse/low density development is \$10,494 per acre of net parcel area. Dedication of mitigation land or payment of fees will be required in conjunction with development of the converted land. The subject site has been designated by the FMMP as Farmland of Local Importance, which is not agricultural land that is covered by the program.

Right to Farm Ordinance: The City of Stockton has adopted a "Right to Farm" Ordinance (Stockton Municipal Code Section 16.36.040). Under this ordinance, no agricultural activity, operation, or facility, or appurtenances thereof conducted or maintained for commercial purposes, and in a manner generally consistent with recognized minimum customs and standards, shall be or become a private or public nuisance due to any changed conditions in or about any land proximately located to any farming operation.

San Joaquin County Multi-Species Habitat Conservation and Open Space Plan: The City of Stockton is a participant in the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP). The SJMSCP provides for avoidance and compensatory mitigation of biological impacts. The SJMSCP involves payment of fees for conversion of habitat lands to urban uses; fees are then used to purchase, preserve and improve habitat lands. Many habitat easements under the SJMSCP program protect agricultural lands needed for protection of Swainson's hawk or other sensitive species that are dependent on these lands. As a result, the SJMSCP results in the preservation of agricultural lands in perpetuity. Development of the subject site will be subject to SJMSCP fees, which are currently \$13,399 per gross acre.

## AGRICULTURAL LAND CONVERSION IMPACTS

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The agricultural land impacts of the project are described in detail in Chapter 5.0 of the EIR for the Sanchez-Hoggan Annexation Project, which includes the subject site. The EIR was prepared and released for public review in March 2020 and certified by the City on June 23, 2020.

The subject site contains approximately 21 acres of Farmland of Local Importance. Proposed annexation and development of the subject site would not convert Farmland, as defined in CEQA Guidelines Appendix G, to a non-agricultural use. The EIR identifies this impact as less than significant.

Conversion of agricultural lands in conjunction with urban development was identified as a significant effect in the EIR for the Envision Stockton General Plan 2040. Despite the identification of all feasible mitigation measures, agricultural land conversion, including conversion resulting from industrial development in the subject site and project area, was identified as a significant and unavoidable adverse effect. A Statement of Overriding Considerations for this issue was adopted by the Stockton City Council in conjunction with adoption of the General Plan and the certification of its EIR in 2018. This Statement of Overriding Considerations remains operative.

CEQA Guidelines Section 15152(d) states that where an EIR has been prepared and certified for a plan such as the Stockton General Plan, an EIR on a later project should be limited to effects which 1) were not examined as significant effects on the environment in the prior EIR, or 2) are susceptible to substantial reduction or avoidance by the choice of specific revisions in the project, by the imposition of conditions, or other means. The Sanchez-Hoggan EIR discussion of the potential agricultural land conversion impacts on the subject site was limited pursuant to CEQA Guidelines Section 15152(d).

As noted, the subject site would not be subject to the City's Agricultural Lands Mitigation Program, thereby not requiring developers of the property to contribute agricultural mitigation land or to pay the Agricultural Land Mitigation Fee. However, the project will be required to participate in the SJMSCP, which would require fee payments for conversion, part of which would be used to conserve agricultural lands.

The subject site is in an area with a mix of agriculture and urban development. The 2016 Important Farmland Map of San Joaquin County indicates that agricultural lands in this area consist of Prime Farmland, Farmland of Statewide Importance, and Farmland of Local Importance. However, the subject site is also in an area designated by the Stockton General Plan for urban development and

which has existing development and extensions of urban infrastructure. The project site is within the City's Sphere of Influence, as set forth in the City's interim Municipal Service Review. Proposed development on the subject site would support existing and planned light industrial development in the area, particularly the Norcal Logistics Center site. The project would not involve any activity that would indirectly convert agricultural land beyond the designated light industrial lands to non-agricultural uses. The project EIR concluded that project impacts on indirect conversion of agricultural lands would be less than significant.

#### CONSISTENCY WITH GOVERNMENT CODE SECTION 56377(A)

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*GC 56377(a) Development or use of land other than open-space uses shall be guided away from existing prime agricultural lands in open-space use and towards areas containing non-prime agricultural lands, unless that action would not promote the planned orderly, efficient development of an area.*

As noted, the subject site contains Stockton clay soils, which makes the site a "prime agricultural land" as defined by the Cortese-Knox-Hertzberg Act. However, this designation applies only when the land is irrigated, and only if irrigation is feasible. "Feasible," as defined by the Cortese-Knox-Hertzberg Act, means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, legal, social, and technological factors (Government Code Section 56038.5). It would be feasible technologically to install irrigation facilities, especially since a well exists at the southeast corner of the Hoggan property.

However, the subject site has not been used for agricultural production for years, and there are currently no other irrigation facilities on the site. In addition, the economic feasibility of conducting agricultural operations on the Hoggan property would be questionable due to restricted access. The property is currently accessible only via a 20-foot wide strip extending north to Marfargoa Drive, which may not be suitable for agricultural use and would require improvements to the existing crossing of North Littlejohns Creek. It also should be noted that the Hoggan property is adjacent to existing and proposed development to the south and east and to rural residences across North Littlejohns Creek to the north. As noted below, continued agricultural use would not promote the planned orderly, efficient development of the area.

The City Community Development Department has prepared and submitted to LAFCo an inventory of vacant and developable land within the existing City limits. Potential suitable properties in the general vicinity of the project site are few, and the notable vacant lands are approved for industrial development and already controlled by the project owners or other industrial development concerns. Other potentially available parcels are not adjacent to existing development and are not served by existing public street access and utilities.

Lands within the adopted Sphere of Influence for the City of Stockton are entirely composed of Important Farmland as defined by Appendix G of the CEQA Guidelines. Where non-prime agricultural lands (i.e., not Important Farmland) exist within the Sphere of Influence, they are remote from existing access roads and urban services and not of adequate size to accommodate the proposed project.

Directing the proposed project to another site would not promote the planned orderly, efficient development of the Arch Road industrial area. The Stockton General Plan designates the subject

site and vicinity for industrial development. The general project area in southern and southeastern Stockton is the main area designated for larger industrial and warehouse development. The only other major industrial area is the Port of Stockton, which is substantially developed.

Industrial development of the site will fulfill the purposes and land use designations of the General Plan. Industrial development that will result from the proposed cancellation will contribute to development of a community that provides both jobs and housing opportunities as well as quality of life, as described in the General Plan. The site is included in the current Stockton Sphere of Influence and Urban Service Area Boundary.

Light industrial and warehousing development has already occurred in the vicinity of the subject site. As shown on Figure 4, the Arch Road area is already substantially developed or approved for industrial development, and there are no undeveloped agricultural lands adjacent to the subject site. Proposed industrial development of the subject site would be consistent with existing, approved, and planned development in the area. Shifting planned industrial development to another site would be contrary to the City's plan for orderly development of the Arch Road area, which is the result of the development history and completion of major road and utility infrastructure improvements in the Arch Road corridor.

#### CONSISTENCY WITH GOVERNMENT CODE SECTION 56377(B)

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*GC 56377(b) Development of existing vacant or non-prime agricultural land for urban uses within the existing jurisdiction of a local agency or within the sphere of influence of a local agency should be encouraged before any proposal is approved which would allow for or lead to the development of existing open-space lands for non-open space uses which are outside of the existing jurisdiction of the local agency or outside the existing sphere of influence of the local agency.*

As discussed above, there are no available and similarly situated parcels with adequate urban road access and utility service to support the proposed Hoggan development located within the Stockton City limits. The subject site is within the existing Stockton Sphere of Influence and will be included in the 10-year horizon for future development; therefore, development there should be encouraged. There is little or no non-prime agricultural land available within the Stockton Sphere of Influence that would be available for industrial development.

#### CONCLUSIONS RELATED TO AGRICULTURAL LAND CONVERSION

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While the subject site contains prime agricultural land as defined by the Cortese-Knox-Hertzberg Act, it does not contain "important farmland" as defined by CEQA Guidelines Appendix G or by the City's Agricultural Lands Mitigation Program. The proposed annexation is consistent with the adopted Stockton General Plan. The subject site is adjacent to the existing City limits, surrounded on two sides by existing or approved industrial development, and is separated from other developed areas by North Littlejohns Creek. There are no active agricultural lands adjacent to or near the site. Planned development of the site would promote the planned orderly, efficient development of the area.

There are no parcels of suitable size within the existing City limits that would support development of the proposed industrial use. There are no lands within the Stockton Sphere of Influence that are



non-prime agricultural, suitably designated, and served with adequate road and utility infrastructure to serve the proposed development.

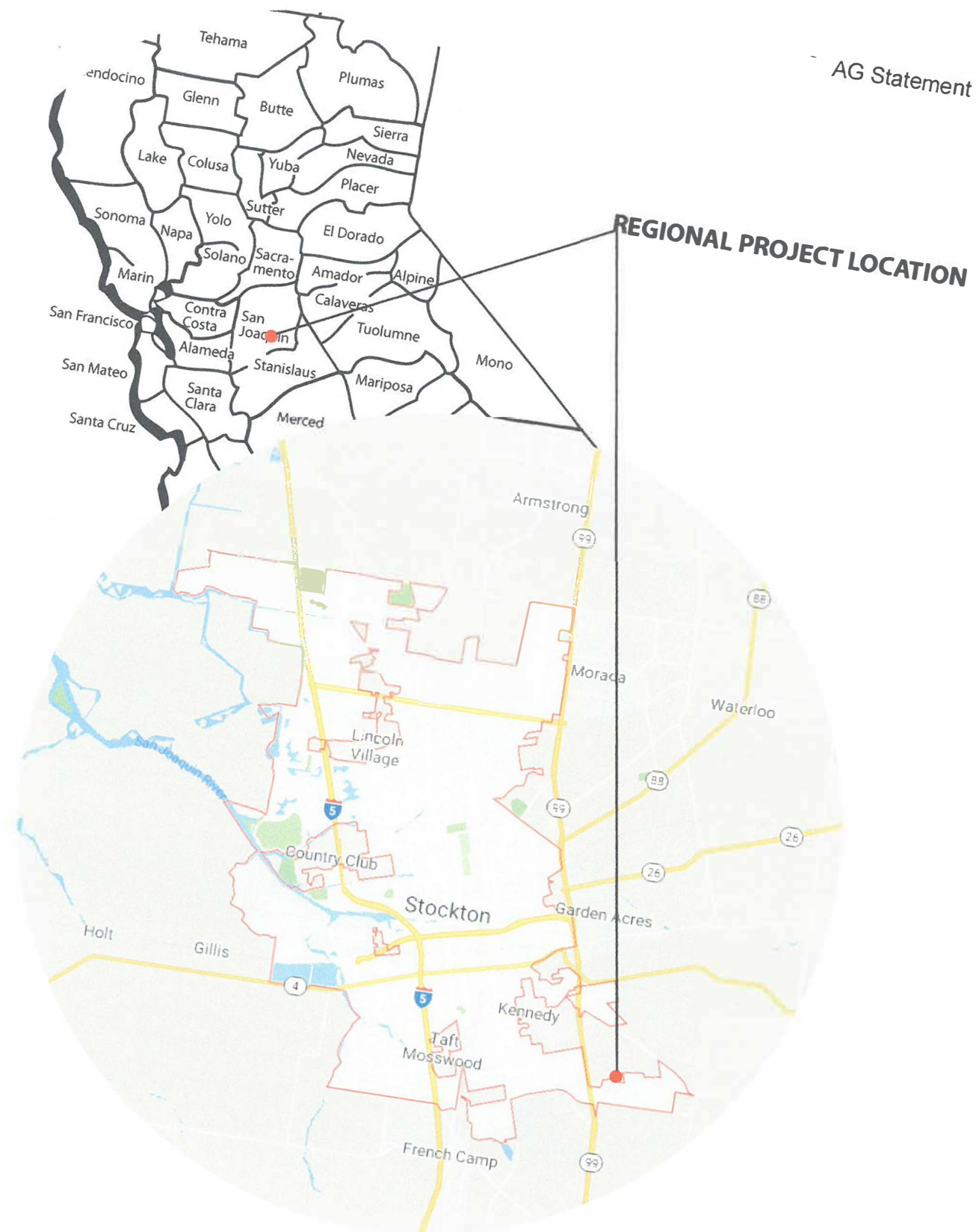
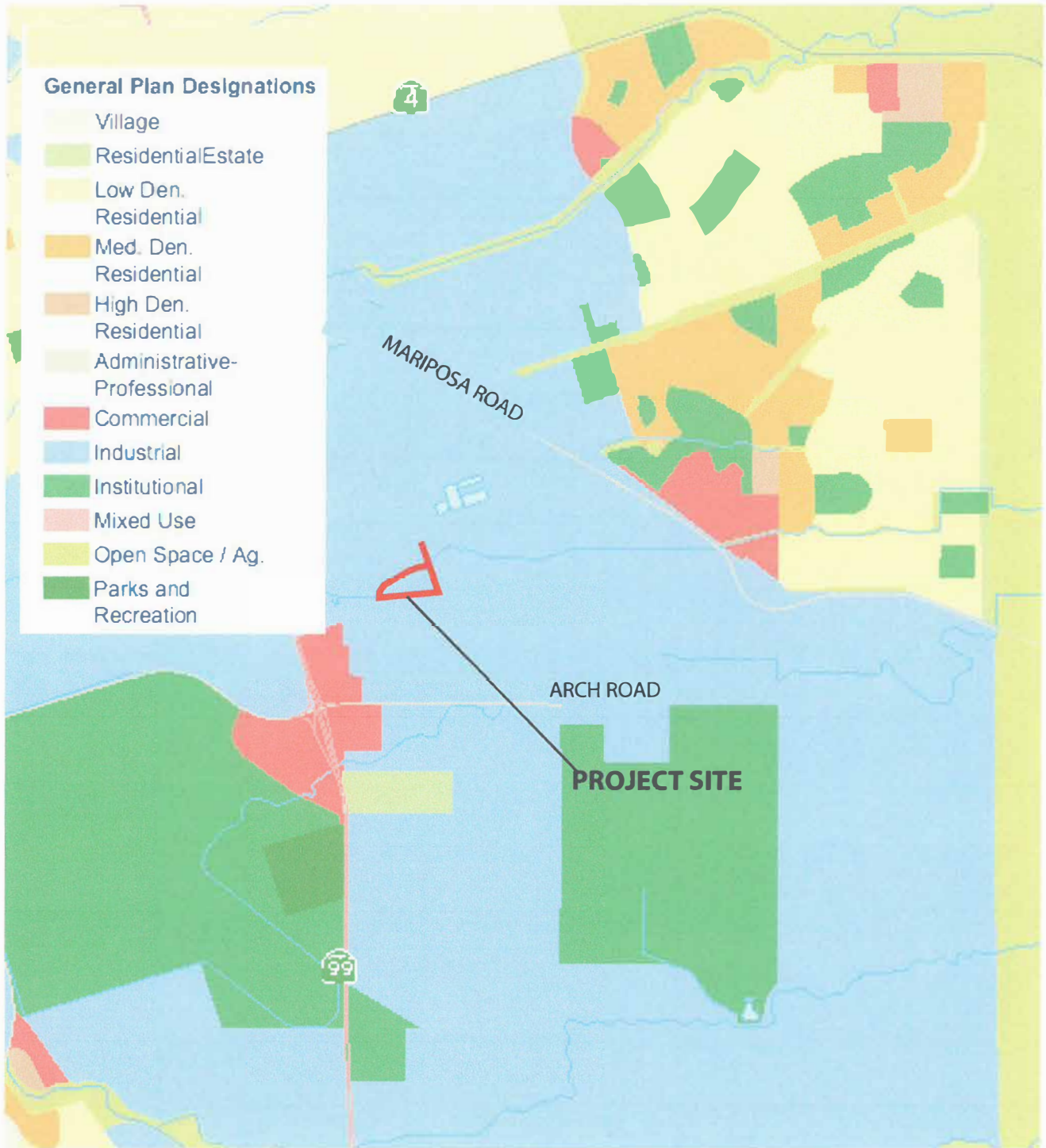


Figure 1  
REGIONAL PROJECT LOCATION



SOURCE: Google Maps

Figure 2  
AERIAL PHOTO



SOURCE: City of Stockton

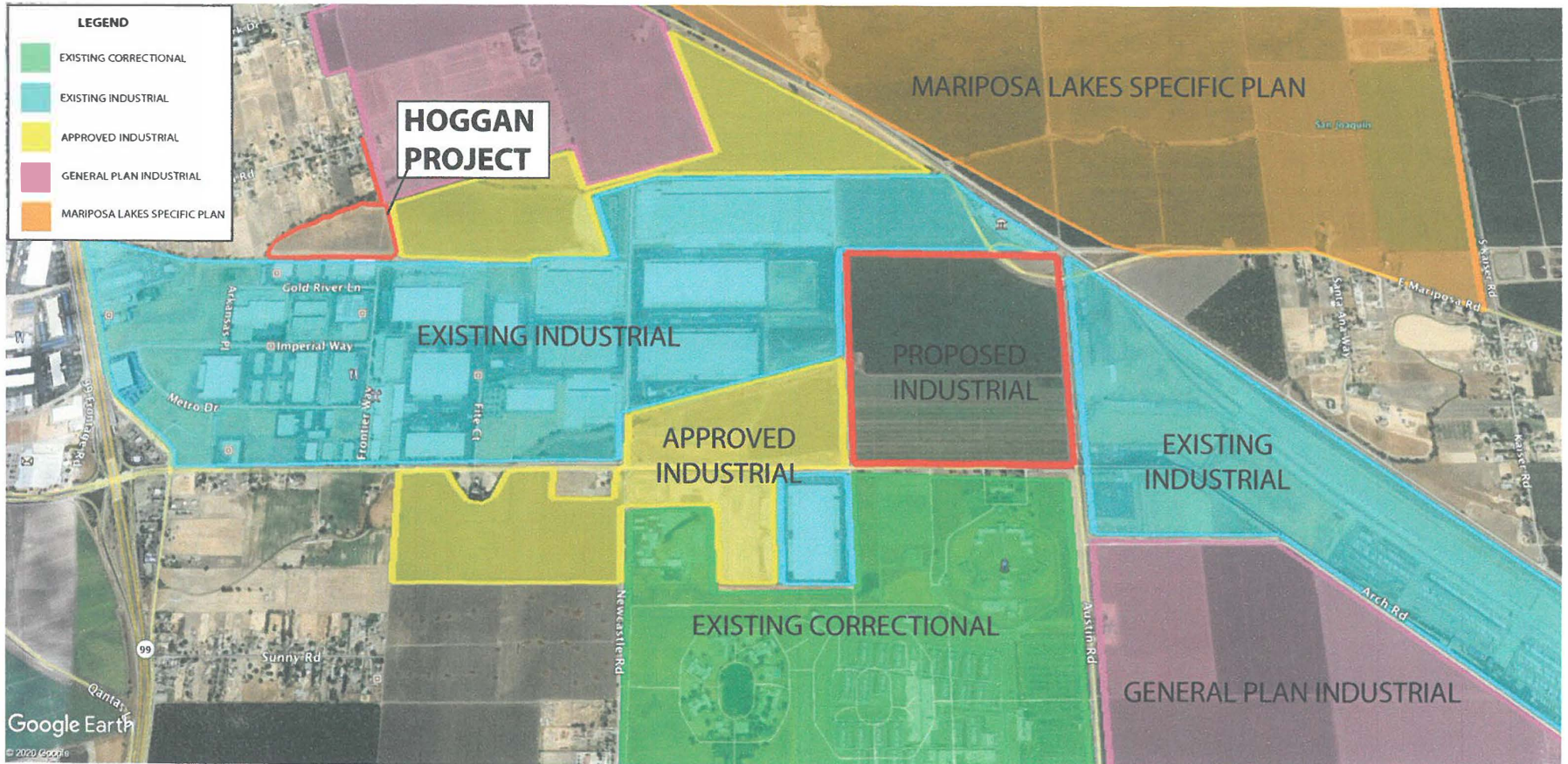
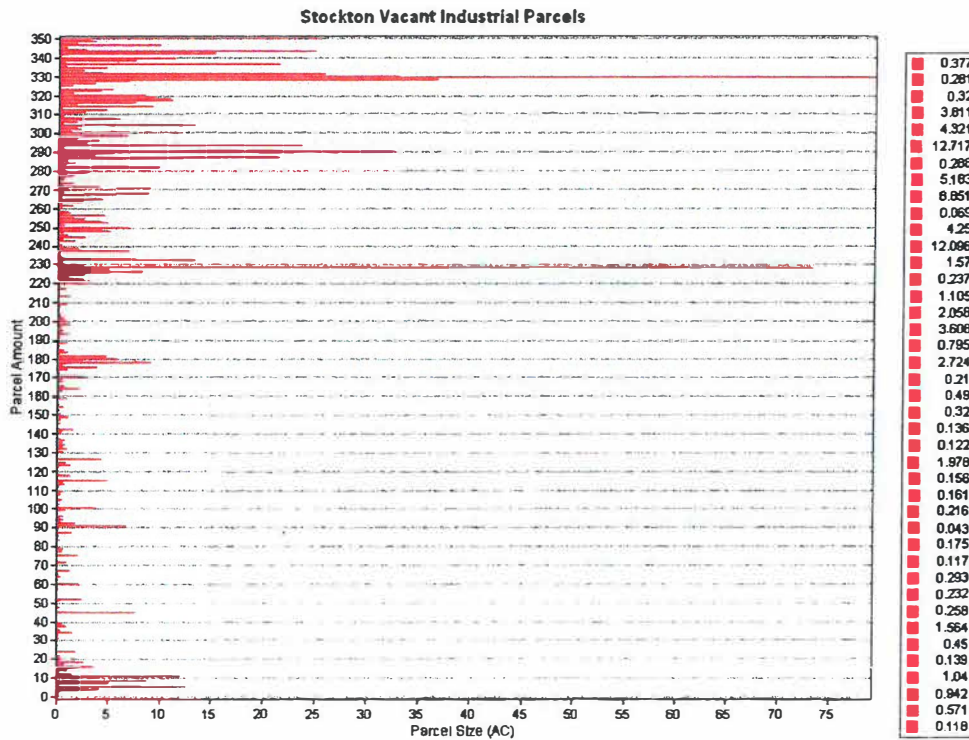


Figure 4  
SANCHEZ PROJECT AREA INDUSTRIAL DEVELOPMENT

Stockton Vacant Industrial Lands (LAFCO Review)  
 June 2020

In June 2020, Stockton planning staff completed the following inventory of vacant industrial land in with the Stockton City Limit. The parcels highlighted in red are identified as “vacant-industrial” per the 2020 San Joaquin County Assessors Tax Information (code 300, 301, 302, 307). These parcels do not contain existing entitlements or permits that would prohibit new applications from proposing development.

The graph below shows the parcel size in acres for each of the parcels listed as vacant. Of the ±351 listed parcels within the City Limits, only 15-parcels are larger than 10-acres in size, with an average parcel size of 2.55-acres for the entire survey area. The largest parcel listed as vacant is ±73.39-acres (APN 16307035), while the smallest is ±0.04-acres (APN 13731007).



Attached is the full extent of vacant industrial lands within the City as well as a parcel survey. The images below show vacant industrial lands within various Neighborhood Areas within the Stockton City Limits.

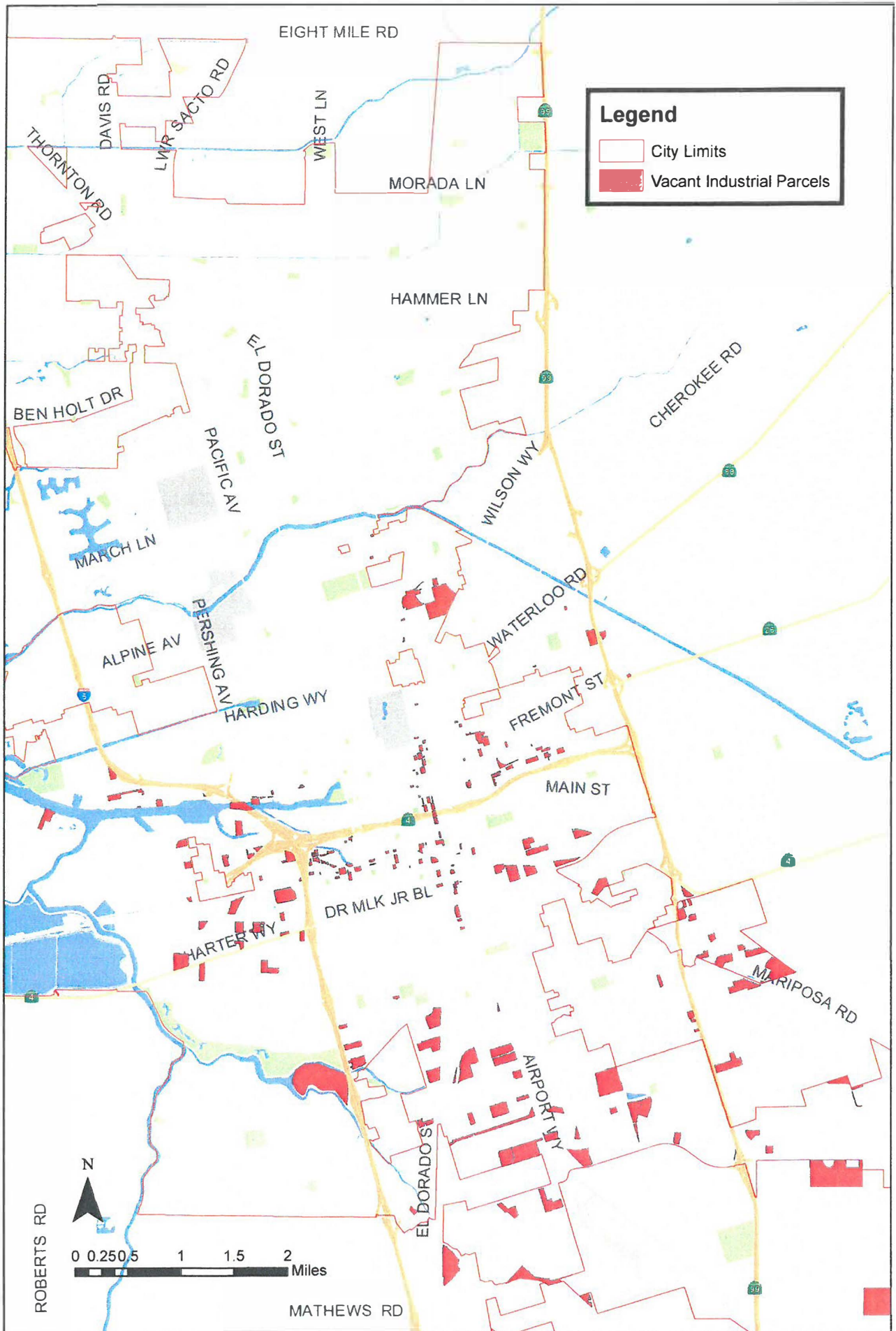
ATTACHMENTS

- Attachment-1: Stockton Citywide Vacant Industrial Lands
- Attachment-2: Parcel Survey of Vacant Industrial Lands.

**Neighborhoods: 2-Midtown and 3-East Stockton**



# Stockton Vacant Industrial Parcels





**Neighborhoods;** 1- Downtown; 4- South Stockton; 5- Boggs Tract; 6- The Port and Mount Diablo Waterfront; 12- West Ranch



**Neighborhoods:** 1-Downtown; 3-East Stockton; 4-South Stockton



**Neighborhoods:** 3- East Stockton; 4-South Stockton



**Neighborhoods:** 4-South Stockton; 6- The Port and Mount Diablo Waterfront; 11-Industrial Annex; 12-  
Weston Ranch/Van Buskrirk



Law Offices Of  
**HAKHEEM, ELLIS & MARENGO**  
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July 21, 2020

3414 Brookside Road  
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Stockton, CA 95219  
TEL 209 474-2800  
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VIA E-MAIL & FIRST CLASS MAIL

**JIM GLASER**  
**EXECUTIVE DIRECTOR**  
**LAFCO**  
509 W. Weber Avenue, #420  
Stockton, CA 95203

**RE: LAFCO 14-20**  
**HOGGAN ANNEXATION**

Dear Mr. Glaser,

As a follow up to our conference call this morning, this correspondence will confirm that the applicant respectfully requests approval of the annexation by the Commission at this time and accepts the following conditions to be completed prior to the filing of the Certificate of Completion:

1. That the applicant shall be required to abandon the existing stem road to Marfargoa Drive; and
2. That the applicant shall be required to confirm dedicated street frontage to the City of Stockton on either Frontier Way or Newcastle Road.

Please confirm by email that my understanding of our resolution is correct and meets with your approval. Thank you.

Very truly yours,

HAKHEEM, ELLIS & MARENGO  
A Professional corporation

By:   
MICHAEL D. HAKHEEM

MDH:cm

cc: Matt Diaz



## Environmental Health Department

**Wayne Fox, REHS, Interim Director**

PROGRAM COORDINATORS

Robert McClellon, REHS

Jeff Carruesco, REHS, RDI

Willy Ng, REHS

Muniappa Naidu, REHS

Michael Kith, REHS

Melissa Nissim, REHS

July 13, 2020

To: San Joaquin Local Agency Formation Commission  
Attention: Elizabeth Contreras (econtreras@sjgov.org)

From: Aaron Gooderham; (209) 616-3062 ✓  
Environmental Health Specialist

RE: Hoggan Annexation Project, LAFC 14-20  
**4496 East Marfargoa Drive**

---

The San Joaquin County Environmental Health Department (EHD) recommends the following conditions as a part of developing this project:

- 1) The abandoned wells located on the Hoggan property shall be destroyed under permit and inspection by the EHD (San Joaquin County Development Title, Section 9-1110.3 & 9-1110.4)
- 2) The abandoned septic tank (permit #78-1099) located on the Hoggan property shall be destroyed under permit and inspection by the EHD (San Joaquin County Development Title, Section 9-1110.3 & 9-1110.4)
- 3) Demolition of all dilapidated structure(s) and removal of all demolition material from the premises to an approved disposal facility are required in accordance with San Joaquin County Ordinance Code, Section 5-2401.
- 4) Any geotechnical drilling shall be conducted under permit and inspection by The Environmental Health Department (San Joaquin County Development Title, Section 9-1115.3 and 9-1115.6).



**Department of Public Works**

Fritz Buchman, Interim Director of Public Works

Alex Chetley, Interim Deputy Director/Development

Jim Stone, Deputy Director/Operations

Najee Zarif, Interim Deputy Director/Engineering

Kristi Rhea, Public Works Business Administrator

July 21, 2020

MEMORANDUM

TO: James E. Glaser, Executive Officer  
LAFCo  
CONTACT PERSON: Liz Contreras, LAFCo Analyst

FROM: Jayna Rutz, Interim Engineering Services Manager *JR*  
Development Services Division

SUBJECT: HOGGAN REORGANIZATION TO THE CITY OF STOCKTON (LAFC 14-20)  
To annex 20.76 acres to the City of Tracy.

LOCATION: Located between North Little Johns Creek and the existing development along the north side of Gold River Lane (APN 179-200-27)

COMMENTS:

- **Public Works proposes no access via Marfargoa Road for the pre-zoned commercial development.**

AC:SC

X:\LAFCO\LAFCo Referrals\Hoggan Reorganization to the City of Stockton (LAFC 14-20)\Comments to LAFCo (LAFC 14-20).doc

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ADMINISTRATIVE REVIEW DRAFT  
ANNEXATION REPORT  
HOGGAN ANNEXATION  
ANNEXATION FILE NO. \_\_\_\_\_

July 3, 2020

## 1.0 INTRODUCTION AND PROJECT INFORMATION

This report provides background information and analysis in support of the proposed Hoggan 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 Hoggan Annexation project proposes the annexation of one parcel of approximately 20.76 acres into the City of Stockton (City). The proposed annexation area, hereinafter referred to as the “subject site,” is located between North Littlejohns Creek and existing development along the north side of Gold River Lane, adjacent to the Stockton city limits. (Figures I and 2). The subject site is identified as Assessor’s Parcel Number (APN) 179-200-27.

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 also within the City of Stockton's existing Sphere of Influence (SOI) in the City’s interim Municipal Service Review. The subject site is designated Industrial in the City of Stockton General Plan, as is much of the surrounding area.

The City has received and processed an application for annexation, pre-zoning, a tentative parcel map, and industrial development of the subject site, including preparation of an Environmental Impact Report (EIR). The City certified the EIR and approved proposed annexation on June 23, 2020. The City has also approved a Tentative Parcel Map and pre-zoning of the subject site as IL – Industrial, Limited. These approvals will take effect upon annexation of the subject site to the City; these approvals would permit proposed development of approximately 290,000 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 3). Proposed pre-zoning and development are consistent with the City's existing Industrial general plan designation.

## 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 1 through 4, 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.

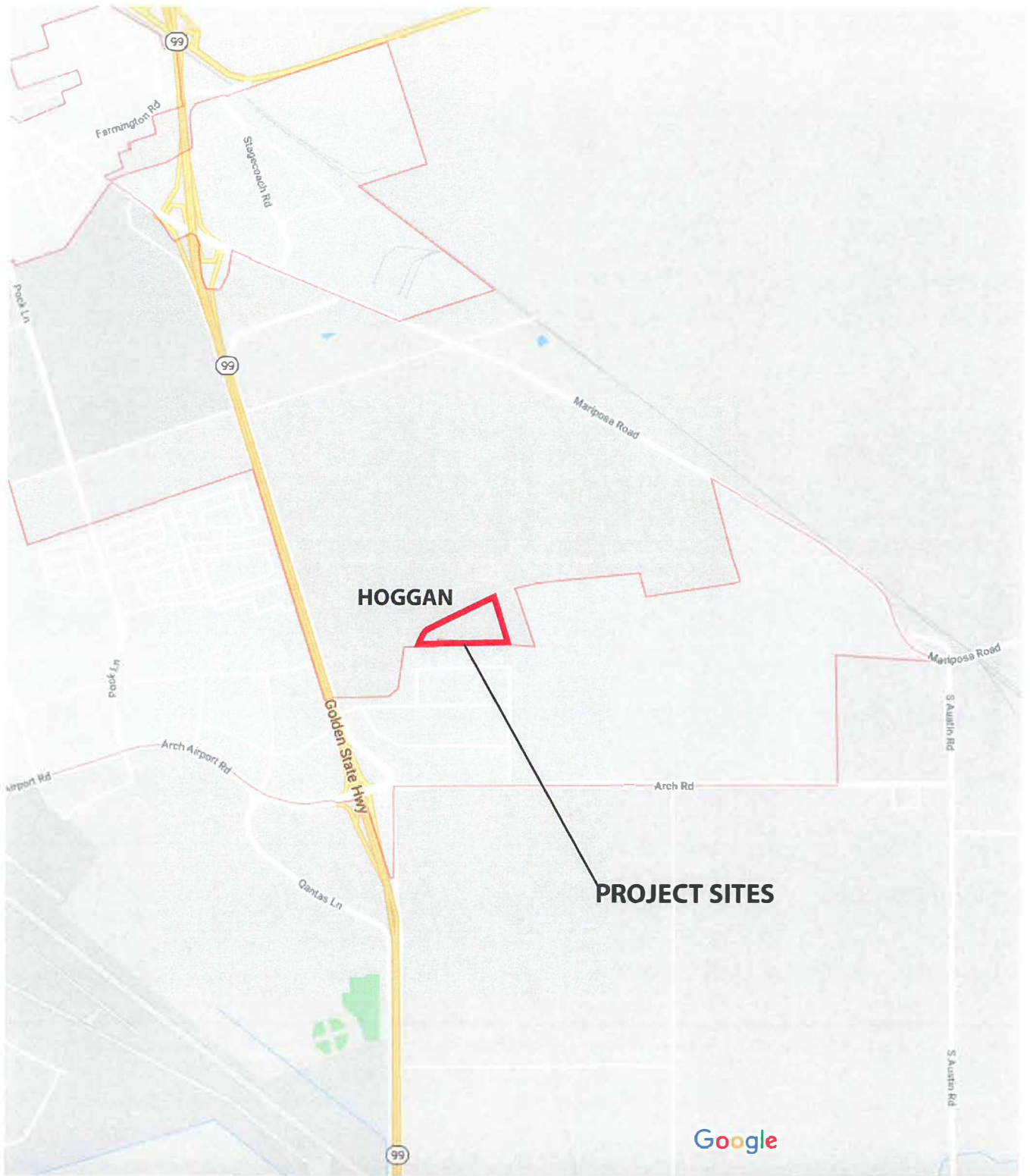
*As documented in Section 1.0 and shown on Figure 5, the subject site is within the City's Sphere of Influence (SOI). It is not currently within the City's 10-year planning horizon; however, it will be included in the City's Final Municipal Service Review, which will be adopted in the near future.*

- 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 6, the proposed annexation would permit a logical extension of existing ongoing industrial development in the Arch Road area.*

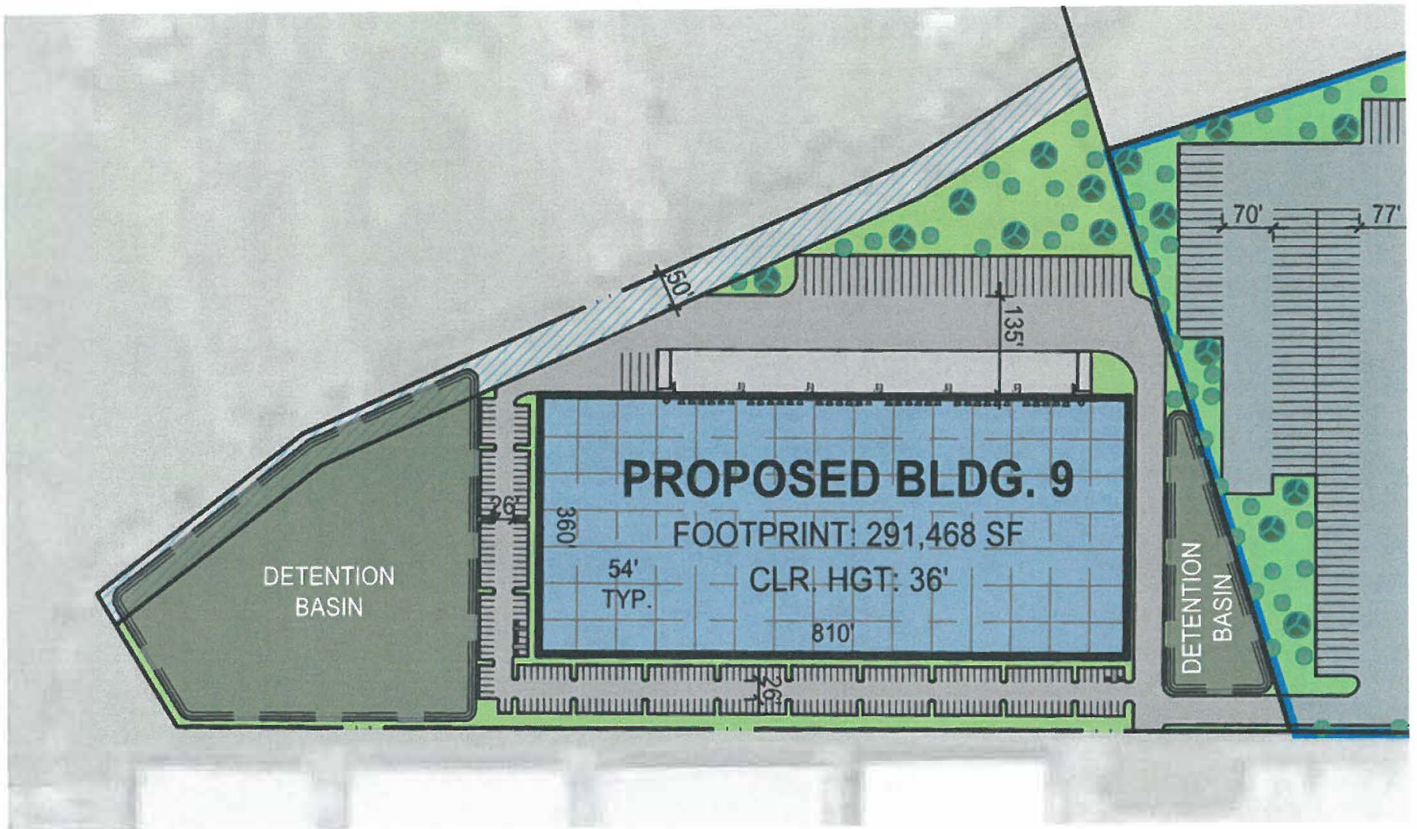
- 4) The project creates a logical extension of the City boundaries and can be served by existing infrastructure.

*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 in the developing Arch Road area. All required City services and utilities are available to the subject site as described in Sections 3.0 and 5.0 and as shown on Figure 7.*

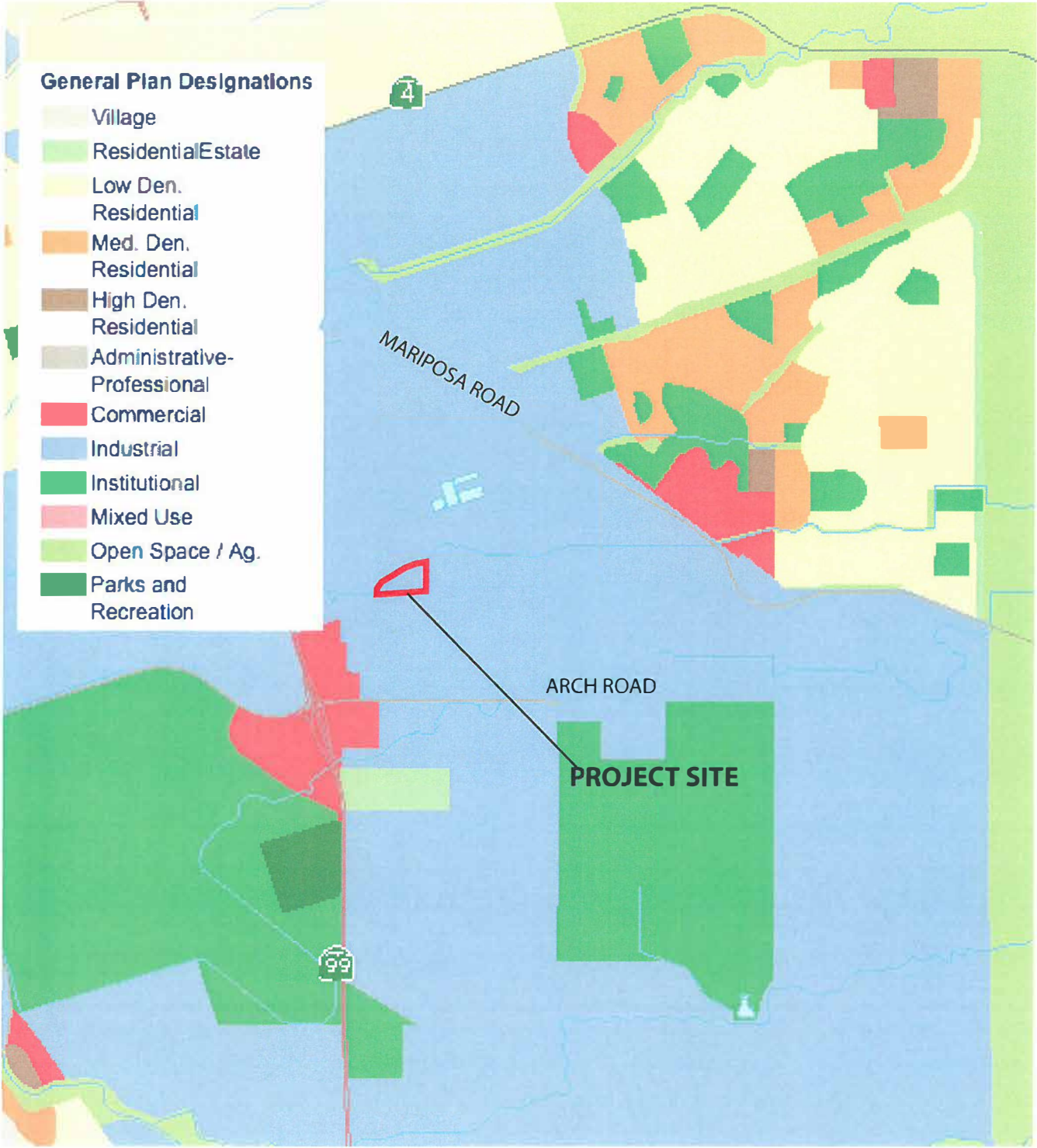




SOURCE: Google Maps



SOURCE: WARE MALCOMB



SOURCE: City of Stockton

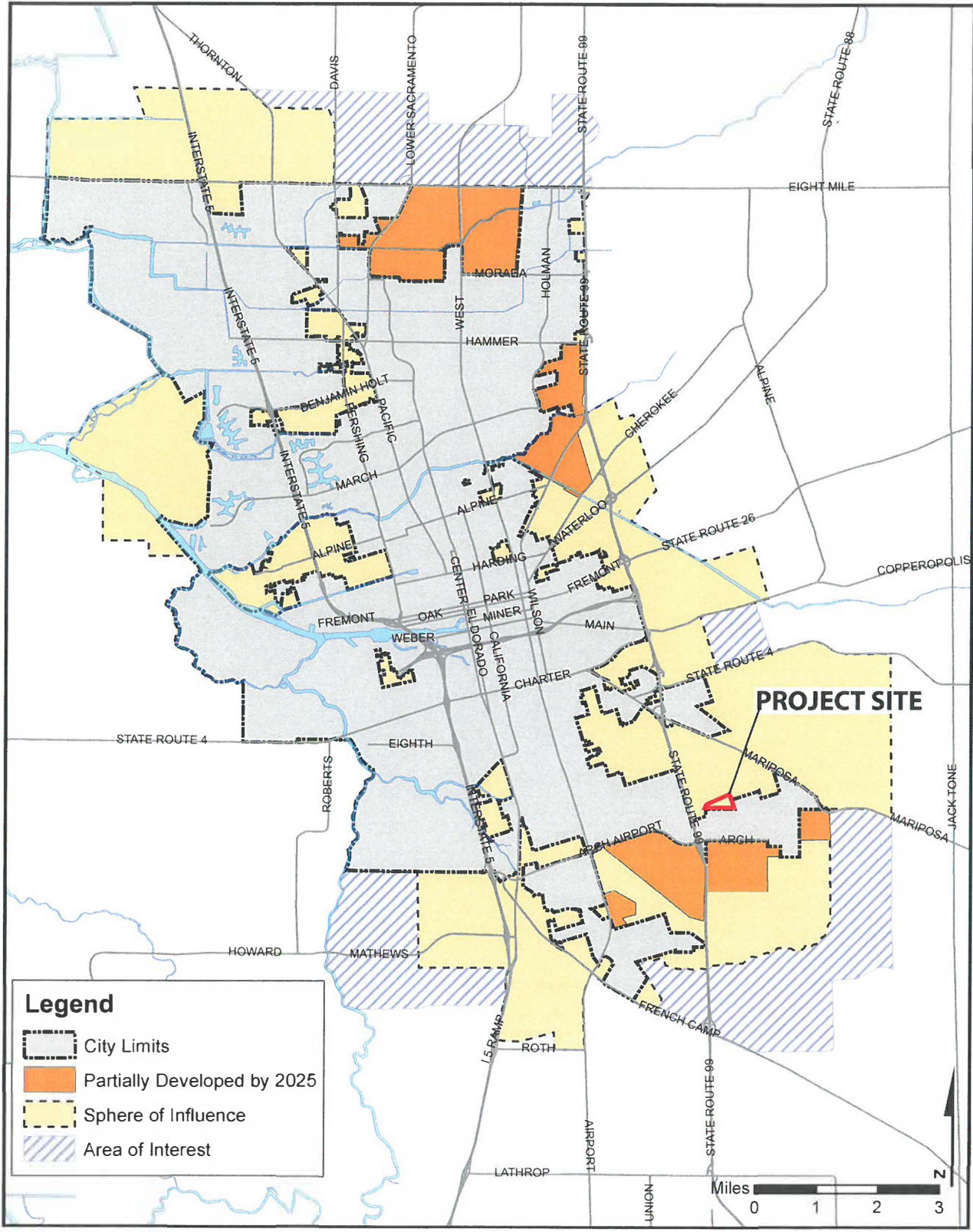


Figure 5  
SPHERE OF INFLUENCE AND 10-YEAR  
HORIZON (STOCKTON MSR)



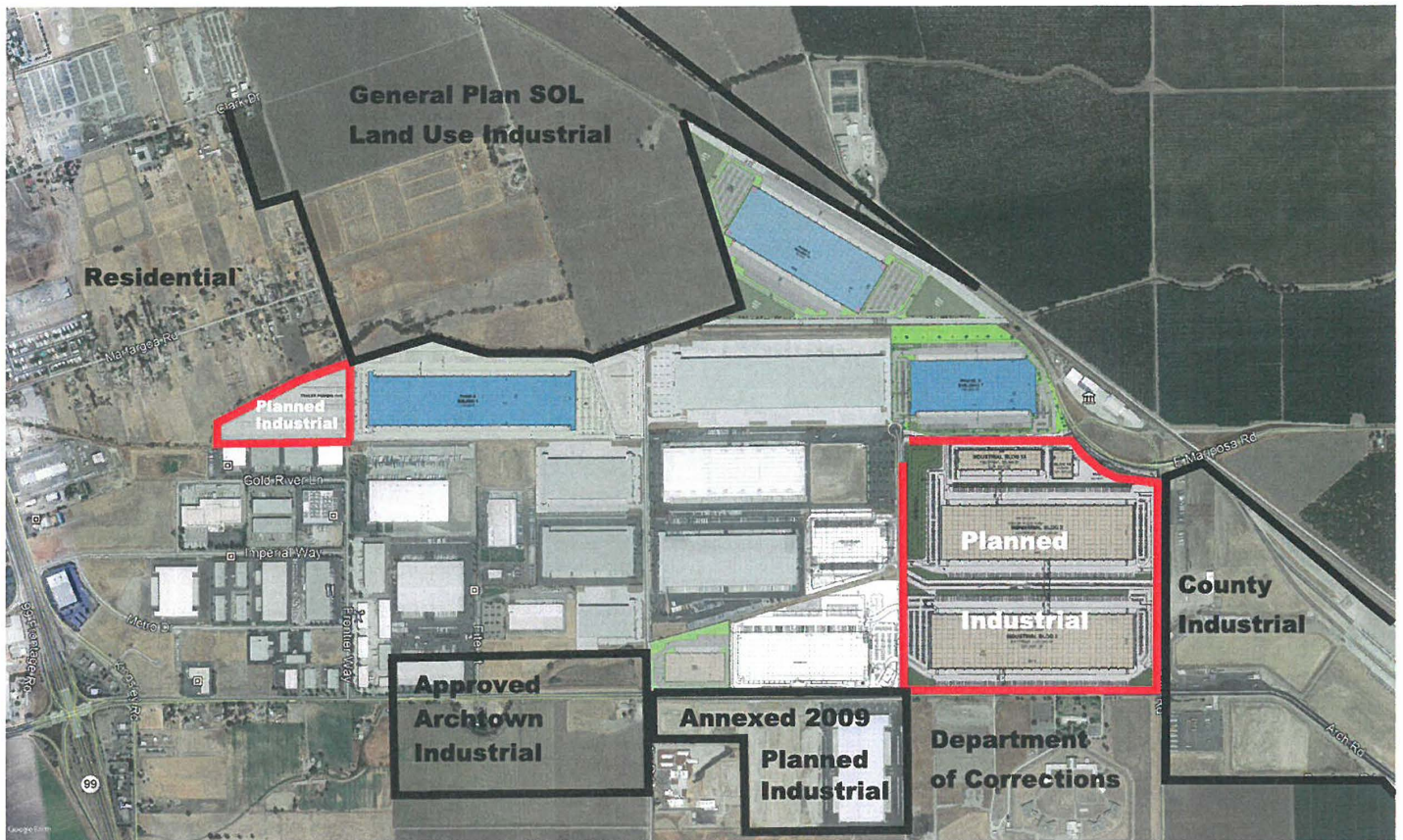


Figure 6  
PROJECT VICINITY INDUSTRIAL DEVELOPMENT

Figure 7



### 3.0 CITY SERVICES PLAN

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

- (a) An enumeration and description of the services to be extended to the affected territory.
- (b) The level and range of those services.
- (c) An indication of when those services can feasibly be extended to the affected territory.
- (d) An indication of any improvements or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.
- (e) Information with respect to how those services will be financed.

The following City Services Plan meets the above requirements (a) through (d) with respect to annexation of the subject site. The subject site would require extension of existing City services, including public safety and utilities. Overall, existing public services, with improvements proposed as part of the project and illustrated on Figure 7, 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. Section 4.0 will meet requirement (e) above.

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

#### 3.1 DOMESTIC WATER SERVICE

Water systems in the City of Stockton Metropolitan Area use a combination of treated surface water and pumped groundwater from City wells. Stockton water purveyors include the City of Stockton Municipal Utilities Department (COSMUD), California Water Service Company, and San Joaquin County maintenance districts. Should the annexation be approved, water service to the subject site would be provided by 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 plans to use 6,000 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 15 million gallons per day (mgd). The projected 2035 capacity of the DWSP is 90 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 U.S. Fish and Wildlife Service and California Department of Fish and Wildlife restrictions.

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 development along Frontier Way and Gold River Lane 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. Existing water lines run beneath Frontier Way and Gold River Lane, and the Norcal Logistics Center site has water

lines. On-site lines would be installed to provide water to future development, and the on-site water system would connect to the existing water lines in the area. Proposed points of connection are shown on Figure 7. 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 \$2,218 to \$28,359, depending on the size of the water meter. For purposes of the fiscal analysis shown in Section 4.0, a water meter size of two inches for one building is assumed, the connection fee for which is approximately \$13,633. In addition, a DWSP surface water fee is applied, ranging from approximately \$5,223 to \$278,544, again depending on water meter size. For a two-inch water meter, the DWSP fee would be \$28,258. Water connection fees are payable upon issuance of a building permit. In addition, the City bills the property owner for water service on a monthly basis.

### 3.2 WASTEWATER

The subject site is not 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 sanitary sewer line greater than 18 inches in diameter is located within the northern portion of the Norcal Logistics Center site. Smaller mains, between 10 and 18 inches in diameter, have been installed throughout the Norcal Logistics Center site and along Frontier Way. These lines lead to an existing City pump station located along Arch Road near the SR 99 interchange. On-site sewer lines will be installed to provide service to future development, and the on-site system would connect to the existing larger sewer lines as shown on Figure 7.

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. For this project, the sewer connection fee, based on a residential unit equivalency of approximately 9.68 units, would be approximately \$27,592 (see Exhibit 7 for how estimate was derived). Sanitary sewer connection fees are payable upon issuance of a building

permit. As with potable water, the City bills the property owner for sanitary sewer service on a monthly basis.

### 3.3 STORM DRAINAGE

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

The subject site is within the North Littlejohns Creek watershed. 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 east of and adjacent to 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 development in the vicinity of the subject site, the proposed development will include new stormwater detention facilities: two basins totaling approximately 4.6 acres. Runoff will be collected on the subject site by an on-site storm drainage system of lines and inlets and sent to the basins. The basins will send the runoff to the existing storm drainage system on the Norcal Logistics Center site. The Norcal Logistics Center system was designed to accommodate runoff from the subject site. Runoff will eventually be discharged to North Littlejohns Creek when capacity is available in the creek, to avoid potential downstream flooding. The locations of proposed storm drainage facilities are shown on Figure 7.

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 for collection service on a monthly basis, 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. In order 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 September 2017, the Police Department consisted of 485 sworn officers, 41 police telecommunicators, and 186

civilian staff. The staffing level is determined each year by the Stockton City Council and is subject to change as the Council, City Manager, and Chief of Police determine the needs of the city.

The service area is organized into six Community Policing Districts, one of which (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. Assuming 290,440 square feet of future industrial development on the subject site, an estimated \$18,007 in Public Facility Fees for police facilities would be generated. Additionally, in November 2014, Stockton's voters approved Measure A, which instituted a three-quarter cent (0.75%) sales tax to provide funding for law enforcement, crime prevention services, and other essential City services.

### **3.7 FIRE PROTECTION**

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 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 has twelve stations located throughout the greater Stockton metropolitan area. 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 10-12 minutes. The project developer is currently negotiating a service agreement with the Montezuma Fire District, which has stations closer to the subject site, to provide temporary fire protection services on a contract basis to new development on the subject site.

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

A mitigation measure in the Sanchez-Hoggan Annexation 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. Using the same development assumptions for police facility expansion, an estimated \$15,684 in Public Facility Fees for fire stations would be generated by future development.

### 3.8 SCHOOLS

The subject site is within the boundaries of the Stockton Unified School District (SUSD). The nearest public school to the 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 \$177,168 in total 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. For warehouse/low density land uses, this fee would be \$23.25 per 1,000 square feet. An estimated \$5,881 in Public Facility Fees for community recreation centers would be generated. As with other Public Facility Fees, these fees would be payable upon issuance of a building permit.

### 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. An estimated \$16,265 in Public Facility Fees for libraries would be generated by future development on the subject site.

### 3.11 MAINTENANCE OF PUBLIC FACILITIES/OTHER GOVERNMENTAL SERVICES

There are currently no public roads on or adjacent to the subject site. Access is intended to be provided by a driveway extended from Frontier Way to the subject site, with secondary access from the adjacent Norcal Logistics Center site.

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, which would generate approximately \$270,545 in street improvement fees. Traffic



signal fees would be \$83.25 per 1,000 square feet, which would generate an additional \$24,179. 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 \$440 per 1,000 square feet, so future development would generate approximately \$127,794 in RTIFs.

Measure K was passed by voters in 1990 and extended for another 30 years by voter approval in 2006. This measure instituted a 1/2-cent sales tax dedicated to transportation improvement projects in San Joaquin County. Measure K 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 thirty-five percent (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. Since the proposed annexation and development is not expected to change the City's population, there would be no substantial change in Measure K revenue directed to the City.

#### **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 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 any required extension of water and wastewater lines and electrical, gas and communication lines. Improvements also would be needed to connect the subject to Frontier Way.

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.

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

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

- Agricultural Land Mitigation Program
- Air quality
- County facilities
- Habitat/Open Space for San Joaquin Council of Governments (SJCOG)
- Surface water for SEWD (\$0.283 per square feet of retail/0.30)
- Related administrative costs

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

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

<b>FEE CATEGORY</b>	<b>ESTIMATED PROJECT FEES</b>
<b>City of Stockton Fees</b>	
Community Recreation Center	\$5,881
Fire Stations	\$15,684
Libraries	\$16,265
Parkland	\$0
Police Stations	\$18,007
Street Improvement	\$270,545
Sewer Connection	\$27,592
Water Connection	\$13,633
Delta Water Supply	\$28,258
Regional Transportation	\$127,794
Traffic Signal	\$24,179
<b>TOTAL CITY CAPITAL FEES</b>	<b>\$547,838</b>

**TABLE 2  
ESTIMATED DEVELOPMENT-RELATED FEES**

<b>FEE</b>	<b>ESTIMATED PROJECT FEES</b>
Agricultural Land Mitigation	\$150,589
Air Quality	\$117,628
City Office Space	\$7,406
County Facilities	\$31,948
Surface Water	\$39,732
Administration	\$19,274
School Impact Fees (SUSD)	\$177,168
Habitat/Open Space (SJCOG)	\$278,163
<b>TOTAL OTHER FEES</b>	<b>\$821,908</b>

#### 4.2 FINANCING OF GENERAL SERVICES

The anticipated revenues to the City of Stockton, which would be the main provider of services, is presented here, along with the anticipated fees that be collected for capital improvements supporting these 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 3 below. Revenue estimates were generated primarily on a person-served basis, which accounts for project-related population and employee growth. Please see the attached Exhibits 1-6 for more information regarding the derivation of Table 3 calculations. More detailed information regarding specific sources of revenues is provided below

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

CATEGORY	AMOUNT
<b>Property Taxes</b>	
Secured Property Tax	\$15,684
Unsecured Property Tax	\$1,568
Property Transfer Tax	\$719
Property Tax in-Lieu of Motor Vehicle Fees	\$30,061
<b>Other Revenue Sources</b>	
Sales Tax	\$0
Utility Users Tax	\$8,531
Franchises	\$3,328
Business Licenses	\$15,743
Document Transfer	\$269
Motor Vehicle Licenses	\$0
Investment Proceeds	\$790
Fire Contracts	\$1,080
Code Enforcement	\$881

Charges for Services	\$511
Fines & Forfeitures	\$87
Revenues from Other Agencies	\$617
Licenses & Permits	\$114
Sale of Fixed Assets	\$73
Miscellaneous Other Revenues	\$0
Indirect Cost Allocations	\$1,311
Refunds & Reimbursements	\$358
Rents/Leases/Concessions	\$879
Loan Repayment	\$123
<b>TOTAL</b>	<b>\$82,729</b>

### Property Tax

Property tax rates are set at 1% of assessed property value. The potential property tax revenues resulting from the project were based on information provided by the project applicant and the current City/County Revenue Sharing Agreement for annexations. As shown in Exhibit 3, the estimated assessed valuation on the subject site with proposed development is \$26,139,600.

Approximately 65% of every property tax dollar from the subject site is allocated among the Stockton Unified School District, San Joaquin Delta Community College, the State's educational fund, and other agencies. This leave an "available share" of approximately 35% of the overall property tax revenue, which is currently divided between the County, 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).

### *Secured Property Tax*

Based upon information from the San Joaquin County Auditor-Controller's Office, upon annexation, approximately 7% of total property tax revenue from the subject site would go to the City. Based on this information, the City's share of the total secured property tax amount after annexation and development would be \$15,684. Current property taxes paid to the County on the subject site are approximately \$5,733.

### *Unsecured Property Taxes*

Unsecured property taxes are derived from property that is not real estate, such as business equipment, boats, aircraft, and possessory interests. For this analysis, it is assumed that the unsecured property tax is 10% of the secured property tax and that the amount of unsecured property tax the City would receive after annexation and development of the subject site would be \$1,568.

### *Other Property Taxes*

Property transfer taxes are taxes charged as a percentage of the value of property that has a transfer of title. It is estimated that the amount of property transfer tax the City would receive after annexation of the subject site would be \$719. 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 \$30,061. 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%). Since industrial/warehouse development is proposed on the subject site, no taxable sales activity and no sales tax revenue to the City would be generated.

### Utility User Tax

A utility user tax is levied against utility charges for all non-public users of gas, electric, water, telephone, and cable television services. This tax is 6% of a customer's monthly bill. As noted in Table 3 above, future development on the subject site would generate an estimated \$8,351 annually in utility user tax revenues. See Exhibits 1 and 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 \$3,328 in franchise tax revenue annually (see Exhibits 1 and 5).

### Business License Tax

The City of Stockton assesses a business registration fee and a license tax on any person engaged in or carrying on any profession, trade, calling, occupation, or business in the City. Beyond a registration fee of \$24, businesses are assessed at varying rates based typically on their gross receipts; gross receipts information for the annexation area is unknown. Future development on the subject site is estimated to yield an annual revenue of \$15,743 (see Exhibits 1 and 5).

### Other Revenue Sources

The City has a variety of other revenue sources, which are listed in the City's budget. These include document transfer fees, licenses and permits, fines and forfeitures, rents/leases and concessions, sales of fixed assets, investment proceeds, and revenues from fire service contracts and from other agencies, among others. Exhibits 1 and 5 list these other sources. Not all these revenue sources would be associated with annexation and development of the subject site. However, in order to simplify the analysis, revenues from each of these sources have been estimated based upon the service population anticipated to be on the subject at full development. Estimated revenues from these other sources would be \$7,095.

#### 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.

The EIR for the Sanchez-Hoggan Annexation concluded 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 EIR also concluded that impacts of the Sanchez-Hoggan Annexation on public services provided by the City, primarily fire and police protection, would be less than significant with the installation of the ESFR systems required by the City. Expenses to provide City fire and police services to the subject site are also expected to be minimal. As noted, the developer will enter into a temporary fire services agreement with the Montezuma Fire District, which will avoid any short-term increases in City costs related to fire protection. Costs for services from the Montezuma Fire District will be met in accordance with the terms of the agreement. While the project would place an incremental demand for City fire and police services, no new or expanded services would be required as a result of the project. Future capital costs for these services would be met through payment of PFFs.

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 \$592.78. The expected increase in service population would be 95 (see Exhibit 2). Therefore, potential service costs to the City would be approximately \$56,314. 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 3, proposed future development of the subject site is expected to generate approximately \$82,729 in annual revenues to the City. With estimated annual expenditures of \$56,314, 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 \$547,838 in one-time capital facility fees to the City to cover expenses associated with new or expanded public facilities and services. Additional fees would be paid to SUSD and SJCOG.

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

### 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 10.5 percent of the general one-percent property tax levy from the subject site. This currently generates approximately \$599 of property tax revenue for the Fire District, based on current valuation of the property. This amount is 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 would apply to this proposed detachment. It is expected that the City and the Fire District will reach an agreement that will reduce adverse revenue impacts on the Fire District resulting from the proposed annexation. LAFCo may determine an appropriate temporary mitigation, if any, and impose that temporary mitigation to the extent it is within its powers.



## 5.0 AVAILABILITY OF ADEQUATE WATER SUPPLY

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

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

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

The UWMP indicated that industrial activities used 723 acre-feet of water per year in 2015. In that same year, there were 21 industrial connections to the City's water system. While water usage can vary greatly among industrial activities, for this analysis it is assumed that industrial water usage on the subject site would be the average per industrial connection – approximately 34.4 acre-feet per year per connection. This is considered a conservative assumption, as warehouse uses proposed on the subject site generally do not use as much water as other types of industrial activities. One connection is assumed for the subject site.

It is expected that the subject site would connect to the existing water system of the adjacent Norcal Logistics Center, and water use would be less. Based on the proportion of land area of the subject site to the total land area of the Sanchez and Hoggan properties, water demand from development on the subject site would be 3.14 acre-feet per year. This is considered a conservative estimate, as warehouse uses generally do not use as much water as other types of industrial activities. When compared with the difference in water supply and demand described above, the City would have sufficient water supply for proposed future development on the subject site, even in multiple dry years. Water can be readily

provided from existing sources, without the need to acquire additional supplies or water rights. Again, the estimated water demand is considered conservative, as proposed land uses would likely use less water.

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

EXHIBITS 1-6  
ESTIMATED PROJECT REVENUE SOURCES

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

**I. CITY DEMOGRAPHIC DATA**

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

**II. CITY REVENUE SOURCES**

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

**NOTES:**

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

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

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

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

AV – Assessed Valuation; NA – Not applicable

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

**I. RESIDENTIAL LAND USES**

<b>Residential Land Uses</b>	<b>Number of Units [1]</b>	<b>Persons per Household [2]</b>	<b>Residential Population</b>
Residential	0	3.39	0

**II. NON-RESIDENTIAL LAND USES**

<b>Non-Residential Land Uses</b>	<b>Square Feet</b>	<b>Sq. Ft. per Employee [1]</b>	<b>Number of Employees</b>
Industrial	290,440	1,843	158

**III. PROJECT DEMOGRAPHICS**

Residential Population	0
Direct Employees	158
Persons Served Population [3]	95

**NOTES:**

[1] Source: Table B1. Summary table: total and means of floorspace, number of workers, and hours of operation, 2012. U.S. Energy Information Administration, revised December 2016.

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

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

*\* All figures subject to rounding.*

EXHIBIT 3  
CITY OF STOCKTON – PROPOSED HOGGAN ANNEXATION  
PROPERTY TAX REVENUE

**I. GENERAL PROPERTY TAX ASSUMPTIONS**

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

Public Agency	Property Tax Breakdown
County General Fund and Road District 1	24.5%
Montezuma Fire District	10.5%
School districts and other agencies	65.0%
<b>TOTAL</b>	<b>100.00%</b>

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

Public Agency	Property Tax Breakdown
County General Fund	28.0%
City of Stockton	7.0%
School districts and other agencies	65.0%
<b>TOTAL</b>	<b>100.00%</b>

**II. SECURED PROPERTY TAX ANALYSIS**

Nonresidential Land Use Type	Square Feet	Valuation per Square Foot [2]	FY 2019-20 Assessed Valuation	Total Secured Property Tax
Industrial	290,440	\$90.00	\$26,139,600	\$15,684
			<b>TOTAL</b>	<b>\$15,684</b>

**III. UNSECURED PROPERTY TAX ANALYSIS**

Nonresidential Land Use Type	Square Feet	Unsecured Tax (as % of Secured Tax)	Total Secured Property Tax	Total Unsecured Property Tax
Industrial	290,440	10.00%	\$15,684	\$1,568
			<b>TOTAL</b>	<b>\$1,568</b>

**IV. PROPERTY TAX TRANSFER ANALYSIS**

<b>Nonresidential Land Use Type</b>	<b>Square Feet</b>	<b>Property Turnover Rate [3]</b>	<b>Property Transfer Tax to City [4]</b>	<b>Total Property Transfer Tax</b>
Industrial	290,440	5.00%	0.055%	\$719

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

<b>Nonresidential Land Use Type</b>	<b>Square Feet</b>	<b>Total Assessed Valuation</b>	<b>Property Tax In-Lieu of MVF per \$1,000 Assessed Value [5]</b>	<b>Total Property Tax In-Lieu of MVF</b>
Industrial	290,440	\$26,139,600	\$1.15	\$30,061

**NOTES:**

- [1] Source: San Joaquin County Auditor-Controller Office.
  - [2] Source: First Industrial Realty Trust. Range of valuation for industrial properties from \$90 to \$100 per square feet, so lowest value in range used to provide conservative estimates.
  - [3] Based on typical OTA baseline assumptions.
  - [4] Source: California Revenue and Taxation Code Section 11911-11929.
  - [5] Based on City of Stockton Assessed Valuation and In-Lieu of MVF revenue items in City of Stockton Fiscal Year 2019/20 Budget. Assessed valuation for properties in City \$21,362,446,000. See Exhibit 1 for In-Lieu of MVF.
- \* *All figures subject to rounding.*

EXHIBIT 4  
CITY OF STOCKTON – PROPOSED HOGGAN ANNEXATION  
SALES TAX REVENUE ANALYSIS

I. DIRECT SALES TAX ANALYSIS

<b>Nonresidential Land Use Type</b>	<b>Taxable Sales per Square Foot</b>	<b>Estimated Taxable Sales Displacement</b>	<b>Total Sales Tax Revenue</b>
Industrial	NA	NA	\$0

NOTES:

NA – not applicable



EXHIBIT 5  
CITY OF STOCKTON – PROPOSED HOGGAN ANNEXATION  
MULTIPLE REVENUE ANALYSIS

General Fund Revenue Type	Revenue Projection Basis [1]	Multiplier Factor [2]	Estimated Project Revenue
Utility Users Tax	Persons Served	\$90.22	\$8,531
Franchises	Persons Served	35.20	\$3,328
Business Licenses	Per Employee	99.90	\$15,743
Document Transfer	Persons Served	2.85	\$269
Motor Vehicle License	Per Capita	0.49	0
Investment Proceeds	Persons Served	8.36	\$790
Fire Contracts	Persons Served	11.42	\$1,080
Code Enforcement	Persons Served	9.32	\$881
Charges for Services	Persons Served	5.40	\$511
Fines & Forfeitures	Persons Served	0.92	\$87
Revenues from Other Agencies	Persons Served	6.53	\$617
Licenses & Permits	Persons Served	1.21	\$114
Sale of Fixed Assets	Persons Served	0.77	\$73
Miscellaneous Other Revenues	Persons Served	0	0
Indirect Cost Allocation	Persons Served	13.87	\$1,311
Refunds & Reimbursements	Persons Served	3.79	\$358
Rents/Leases/Concessions	Persons Served	9.30	\$879
Loan Repayment	Persons Served	1.30	\$123
<b>TOTALS</b>	--	--	<b>\$34,697</b>

**NOTES:**

[1] See Exhibit 2.

[2] See Exhibit 1.

\* All figures subject to rounding.

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

CATEGORY	AMOUNT	PERCENT OF TOTAL
<b>Property Taxes [1]</b>		
Secured Property Tax	\$15,684	18.96%
Unsecured Property Tax	\$1,568	1.90%
Property Transfer Tax	\$719	0.87%
Property Tax in-Lieu of Motor Vehicle Fees	\$30,061	36.34%
<b>Sales Taxes [2]</b>		
Direct Sales Tax	\$0	0.00%
<b>Other Revenue Sources [3]</b>		
Utility Users Tax	\$8,531	10.31%
Franchises	\$3,328	4.02%
Business Licenses	\$15,743	19.03%
Document Transfer	\$269	0.32%
Motor Vehicle Licenses	0	0.00%
Investment Proceeds	\$790	0.96%
Fire Contracts	\$1,080	1.31%
Code Enforcement	\$881	1.07%
Charges for Services	\$511	0.62%
Fines & Forfeitures	\$87	0.11%
Revenues from Other Agencies	\$617	0.75%
Licenses & Permits	\$114	0.14%
Sale of Fixed Assets	\$73	0.09%
Miscellaneous Other Revenues	0	0.00%
Indirect Cost Allocations	\$1,311	1.59%
Refunds & Reimbursements	\$358	0.43%
Rents/Leases/Concessions	\$879	1.06%
Loan Repayment	\$123	0.15%
<b>TOTAL</b>	<b>\$82,729</b>	<b>100.00%</b>

**NOTES:**

[1] See Exhibit 3.

[2] See Exhibit 4.

[3] See Exhibit 5.

\* All figures subject to rounding.

EXHIBIT 7  
PUBLIC FACILITY AND IMPACT FEE SUMMARY

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

FEE CATEGORY	FEE RATE	ESTIMATED PROJECT FEES
<b>City of Stockton Fees [1]</b>		
Agricultural Land Mitigation	\$10,494/acre of net parcel	\$150,589
Air Quality	\$405/1,000 sq. ft.	\$117,628
City Office Space	\$25.50/1,000 sq. ft.	\$7,406
Community Recreation Center	\$23.25/1,000 sq. ft.	\$5,881
County Facilities	\$110/1,000 sq. ft.	\$31,948
Fire Stations	\$54/1,000 sq. ft.	\$15,684
Libraries	\$56/1,000 sq. ft.	\$16,265
Parkland	N/A	\$0
Police Stations	\$62/1,000 sq. ft.	\$18,007
Street Improvement	\$931.50/1,000 sq. ft.	\$270,545
Surface Water	\$0.228/(sq. ft./0.6)	\$39,732
Administration (2.5% of total fees above)	--	\$16,842
<b>SUBTOTAL</b>		<b>\$690,528</b>
Sewer Connection	\$2,850/SFU equivalent [2]	\$27,592
Water Connection	2-inch meter	\$13,633
Delta Water Supply	2-inch meter	\$28,258
Administration (3.5% of total fees above)	--	\$2,432
<b>SUBTOTAL</b>		<b>\$71,915</b>
Regional Transportation	\$440/1,000 sq. ft.	\$127,794
Traffic Signal	\$83.25/1,000 sq. ft.	\$24,179
<b>SUBTOTAL</b>		<b>\$151,973</b>
<b>TOTAL CITY PUBLIC FACILITY AND IMPACT FEES</b>		<b>\$914,415</b>
<b>Fees by Other Agencies</b>		
School Impact Fees (SUSD)	\$0.61/square foot	\$177,168
Habitat/Open Space (SJCOG)	\$13,399/acre	\$278,163

**NOTES:**

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

[2] For warehouse land use >50,000 sq. ft., single-family unit (SFU) equivalent is square footage times 0.01 gallons/day divided by 300.

\* All figures subject to rounding.

EXHIBIT 8  
ESTIMATED PROJECT EXPENDITURES

**I. CITY EXPENDITURES**

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

**II. PROJECT EXPENDITURE ANALYSIS**

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

City Expenditures per Person Served: \$592.78

Persons Served Population on Subject Site [3]: 95

**Total Subject Site Expenditures: \$56,314**

**NOTES:**

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

[2] See Exhibit 1.

[3] See Exhibit 2.

# **LAFCo**

509 W. WEBER AVENUE SUITE 420 STOCKTON, CA 95203

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## **EXECUTIVE OFFICER'S REPORT**

August 13, 2020

TO: LAFCo Commissioners

FROM: James E. Glaser, Executive Officer

**SUBJECT: RESULTS OF PROTEST HEARING FOR THE CONSOLIDATION OF BYRON  
BETHANY IRRIGATION DISTRICT AND THE WEST SIDE IRRIGATION  
DISTRICT (LAF 30-19)**

### **Recommendation**

It is recommended at the Commission approve Resolution No. 1435 ordering the consolidation of Byron Bethany Irrigation District and The West Side Irrigation District

### **Background**

On July 7, 2020 the Commission approved the consolidation of BBID and TWSID and directed the Executive Officer to conduct protest proceedings. By statute, the approval of a district consolidation is subject to a protest hearing. Due to the Governor's Executive Order N33-20 a physical location to hold a protest hearing was not held and instead a telephonic protest hearing was arranged. On August 4, 2020 at 9:00 a.m. LAFCo held a telephonic public hearing. Eligible participants were instructed to call in and were given an opportunity to provide oral comments and protests.

The purpose of the protest hearing is to allow landowners and registered voters to have a say in whether the consolidation will proceed. Government Code Section 57075(a) provides that the Commission shall make a determination regarding the value of the written protests filed and not withdrawn and take the appropriate action based on the results.

The following actions will be taken if at the close of the protest hearing the Commission receive written protests:

<b>Action</b>	<b>Written Protests Received</b>
Termination	≥ 50% of the voters residing in the territory
Approval	< 25% of registered voters OR < 25% landowners owning < 25% of assessed value of land within the territory
Election	≥ 25% but < 50% of registered voters residing in the territory; OR ≥ 25% or < 50% of landowners who own at least 25% of the assessed value of land within the territory

No written protests were received by the close of the Protest Proceedings. Based on the final results of the protest proceeding, the appropriate action to take is to order the consolidation of Byron Bethany Irrigation District and The West Side Irrigation District.

Attachment: Resolution No. 1435



RESOLUTION NO. 1435

**San Joaquin Local Agency Formation Commission Conducting Authority Resolution  
Ordering the Consolidation of Byron Bethany Irrigation District  
and The West Side Irrigation District (LAFC 30-19)**

WHEREAS, the San Joaquin Local Agency Formation Commission (LAFCo) on June 11, 2020 approved LAFCo Resolution No. 1424, approving the consolidation of Byron Bethany Irrigation District and The West Side Irrigation District.

WHEREAS, the Commission did set forth the reasons for approval of the consolidation, made determinations, including those required by the California Environmental Quality Act (CEQA), and approved terms and conditions for the consolidation described in LAFCo Resolution No. 1424, attached hereto and by this reference incorporated herein;

WHEREAS, the consolidation was initiated by the legislative bodies of the irrigation districts adopting substantially similar Resolutions of Application;

WHEREAS, Government Code Section 56029 designates the Commission as the Conducting Authority to conduct proceedings for a consolidation pursuant to Part 4 of Division 3 of Government Code commencing with Section 57000;

WHEREAS, the Commission directed the Executive Officer, pursuant to Government Code Section 56881 (d), to initiate protest proceedings pursuant to Part 4, commencing with Section 57000;

WHEREAS, the Executive Officer set the proposal for a telephonic protest hearing on August 4, 2020 at the hour of 9:00 a.m.;

WHEREAS, notice, in the form and manner required by law, has been given for the conducting authority proceedings by the Executive Officer, pursuant to Government Code Section 57025;

WHEREAS, pursuant to Government Code Section 57002, the Executive Officer has conducted the public hearing for the purposes of receiving written protests;

WHEREAS, the conducting authority proceeding hearing was concluded on August 4, 2020;

WHEREAS, no written protests were received either prior to, or upon conclusion of the hearing;

NOW, THEREFORE, THE SAN JOAQUIN LOCAL AGENCY FORMATION COMMISSION  
HEREBY RESOLVES, DETERMINES, AND ORDERS as follows:

1. The consolidation of Byron Bethany Irrigation District and The West Side Irrigation District is hereby ordered pursuant to Government Code Section 57075(a);
2. Directs the Executive Officer to file a Certificate of Completion in the manner stated in Government Code Section 57000 et seq;

PASSED AND ADOPTED this 13th day of August 2020 by the following vote:

AYES:

NOES:

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JESUS ANDRADE, CHAIRMAN  
San Joaquin Local Agency  
Formation Commission