RESOLUTION NO. 04-0663

STOCKTON CITY COUNCIL

RESOLUTION AUTHORIZING
THE CITY MANAGER TO FILE THE WESTLAKE VILLAGES PROJECT
ANNEXATION (A-04-3) WITH THE LOCAL AGENCY FORMATION
COMMISSION, INCLUDING ANNEXATION TO THE STOCKTON EAST
WATER DISTRICT, DETACHMENT FROM THE WOODBRIDGE FIRE DISTRICT
AND SAN JOAQUIN COUNTY RESOURCE CONSERVATION DISTRICT,
AND AMENDMENT TO THE SPHERE OF INFLUENCE

WHEREAS, this proposal is made pursuant to the Cortese-Knox-Hertzberg Local
Government Reorganization Act of 2000, commencing with Section 56000 of the
California Government Code; and

WHEREAS, the subject territory is adjacent to existing City limits; and

WHEREAS, the City of Stockton has received an SOI Amendment request and
related documents, including respective Environmental Information/Initial Study Forms
requesting amendment to the City’s Sphere of Influence boundary; and

WHEREAS, the petition for annexation is for the purpose of obtaining general
City services; and

WHEREAS, the property owner(s) and residents in the subject territory will, upon
annexation, be able to receive normal City services; now, therefore,

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

1. The City Manager is authorized to file with the Local Agency Formation
Commission (LAFCO), the above-noted annexation request and the City Services Plan,
attached as Exhibit “A” and incorporated herein by this reference, and the related
Sphere of Influence amendment.
2. The LAFCO is hereby requested to approve the above-entitled annexation of the territory depicted on Exhibit "B" attached hereto and incorporated herein by reference, and the related Sphere of Influence amendment depicted on Exhibit "C" attached hereto and incorporated herein by reference.


GARY A. PODESTO
MAYOR of the City of Stockton

ATTEST:

KATHERINE GONG MEISSNER
City Clerk of the City of Stockton
City Services Plan
for
Westlake Villages

Annexation File No. A-04-3
General Plan Amendment Application No.
GPA3-04
Rezoning Application File No. Z-04-04

Prepared for:
The City of Stockton

Prepared by:
David Evans and Associates, Inc.
5000 Executive Parkway, Suite 125
San Ramon, California 94583

AUGUST 2004
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CITY SERVICES PLAN

I. Introduction

a. Outline of Requirements

In accordance with California Government Code Section 56653, a City Services Plan (Plan) has been prepared for the Local Agency Formation Commission of San Joaquin County (LAFCo) as part of the cited sphere of influence/urban service area change, annexation and reorganization. Pursuant to Section 56653, a Plan for providing services shall accompany an application for change of organization or reorganization, and shall include the following elements:

1. An enumeration and description of the services to be extended to the affected territory.

2. The level and range of those services.

3. An indication of when those services can feasibly be extended to the affected territory.

4. An indication of any 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.

5. Information with respect to how those services will be financed.

b. Project Description

Spanos Family Partnership has proposed the prezoning and annexation of 682.7 acres into the City of Stockton. The subject annexation area is unincorporated lands within San Joaquin County, located south of Eight Mile Road, east of Rio Blanco Road, and north of Disappointment Slough and Pixley Slough. The eastern boundary abuts the Spanos Park West development consisting of single family residential subdivisions, a proposed elementary school and proposed neighborhood park (Refer to Exhibit A). The annexation area includes two parcels, Assessors Parcel Numbers 171-120-11 and 13, consisting of 682.7 acres in area.

Most of the lands within the annexation area have historically been used for growing agricultural crops, including corn, tomatoes and other row crops since it was reclaimed from the Sacramento/San Joaquin Delta in 1919. Assessors Parcel #071-120-13, approximately 14 acres in size, is presently developed as a commercial marina (Paradise Point Marina). An additional 2.86 acres of Assessor’s Parcel #071-120-11, which adjoins the marina parcel, is also part of the marina development. An earthen levee separates the annexation area from existing wetlands lying adjacent to Pixley Slough, Disappointment Slough and Bishop Cut. The subject area consists of relatively flat land, typical of the flat central San Joaquin Valley.
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floor. Elevation ranges from approximately 3 feet below mean sea level in the northwest corner to 8 feet below mean sea level in the southeast corner.

The lands west and south of the annexation area on the opposite sides of Bishop Cut, Disappointment Slough and Pixley Slough have historically been used for agricultural production. Land uses north of Eight Mile Road include agricultural production and The Reserve at Spanos Park Golf Course. The existing City of Stockton City Limit, Urban Services Boundary and Sphere of Influence Boundary (SOI) abut the eastern boundary of the annexation area. Exhibit A indicates the location of the annexation area, including the northern portions of the City of Stockton to the east and southeast, and the unincorporated areas of San Joaquin County.

c. Application History

On July 8, 2003, the Spanos Family Partnership submitted applications with the City of Stockton for a General Plan Amendment, Prezoning, and Annexation of the subject area. In addition, a Master Development Plan, Vesting Tentative Map, a Memorandum of Understanding, and a Development Agreement was submitted for the Paradise Villages Master-Planned Development Project (the title was subsequently changed to Westlake at Spanos Park West, "Westlake"). This includes the +14-acre Paradise Point Marina parcel, which has a land use designation of Commercial in the San Joaquin County General Plan and is currently operating as a commercial marina under a long-term lease, and the +668-acre parcel between Paradise Point Marina and Spanos Park West, having a San Joaquin County General Plan designation of General Agricultural and presently in agricultural production. The Westlake development area would be prezoned MX, Mixed Use Zoning District, with a General Plan designation of MX, Mixed Use. An additional 173 acres (Assessors Parcel #071-120-04, 05, and 06; collectively called the Spanos Parcel) is included in the sphere of influence/urban service boundary change, the General Plan Amendment application and the Development Agreement, but is not part of the annexation and prezoning applications. The Spanos Parcel seeks a General Plan Amendment to Low-Medium Density Residential Land Use Designation, with the Development Agreement establishing the maximum number of units allowed in this area.

Paradise Point Marina represents an approved non-agricultural use within the annexation area. The entire annexation area is no longer subject to Williamson Act contracts. No lands designated for high-density residential development would be displaced by the anticipated development. Thus, the proposed annexation would not compromise the provisions for affordable housing within San Joaquin County or the City of Stockton.

The Westlake Project would be developed within a density range of 2,312 to 3,019 units, in accordance with the MX Zoning regulations of the project Master Development Plan. The Vesting Tentative Map for Westlake includes 2,621 residential lots, an addition to the proposed public recreational facilities, commercial and recreational uses within the marina, parks, lakes and open space areas. The development concept would emphasize a water
theme, and would consist of two distinct residential communities; a conventional single-family residential community (Villages A-Q), and an active adult community (Villages R-X).
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The applicant is concurrently processing a large-lot and small-lot Vesting Tentative Map (VTM) for the project area in the City of Stockton. The VTM includes conventional housing in Villages A-Q of a combined 1,872 units, and active adult housing in Villages R-X totaling 749 units. The proposed gross density equates to a maximum project density of 3.8 units/acre (2,621 units/682.7 acres). In compliance with the California Environmental Quality Act (CEQA), an Environmental Impact Report (EIR) was prepared under the direction of the City of Stockton addressing the environmental impacts associated with the various Spanos Family Partnership applications, including the proposed annexation and sphere of influence/urban service area change.

II. City Services

The City of Stockton provides an assortment of municipal services. The following municipal services will be extended to serve the subject site upon annexation; domestic water service, wastewater collection and treatment, storm drainage collection, solid waste disposal, law enforcement services, fire protection and emergency response, parks and recreational facilities, libraries, and general administrative services.

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. Revenue sources include property taxes, property transfer (conveyance) taxes, sales tax, state subversions, as well as franchise payments from refuse collection, cable television and electrical distribution activities. Typical revenue sources that would generate revenue for the City as a result of the proposed annexation are included in Table Two. Some City services are operated as enterprise functions, such as water and sanitary sewer. Other recreational and public facilities, such as the City Municipal Golf Course, the Ice Arena, and the Civic Auditorium, operate as enterprise functions but are also subsidized by the City's General Fund. The following provides a breakdown of the various taxes and revenue sources that the proposed annexation and future development of this area would generate for the City of Stockton.

a. Revenue Sources

1. Property Tax – State Law (Proposition 13) sets Property taxes at one percent of assessed property value annually. Three entities; the local School District, San Joaquin County and the City of Stockton share property tax revenues. Based on the current Revenue Sharing Agreement between the City of Stockton and San Joaquin County, scheduled for renewal in September 2003, the school district would receive approximately 65% of the total property tax revenue. Of the remaining 35% of generated taxes, the City and County have agreed on a 80/20 split, meaning the City of Stockton would receive 7 percent of the total property taxes collected.
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To estimate the total property taxes generated by the future development of the annexation area, the value for an average conventional single-family unit was estimated to be $348,600. The price for the average active adult residential unit was projected to be $259,500. An assumption factored into the average price for the active adult units factors is that 47 percent of the buyers will be relocating from within San Joaquin County, and that the price of the dwelling purchased in Westlake will be less than the buyers original residence. Under these conditions buyers would benefit from Proposition 60, by having the ability to transfer the base-year value of their present homes to the new home in Westlake. This assumption reduces the average assessed value of units in the active adult community by $48,200, which lowers tax revenues the City of Stockton would receive in the City General Fund as property tax revenue. However, this reflects current trends for home sales in active adult communities.

<table>
<thead>
<tr>
<th>TABLE ONE: Projected Property Tax Revenue Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Westlake Improvement(s):</strong></td>
</tr>
<tr>
<td>Assessed Value (est.)</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>1,872 Conventional Single-Family Units</td>
</tr>
<tr>
<td>749 Active Adult Single-Family Units</td>
</tr>
<tr>
<td>Conventional Units Community Center</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Active Adult Community Center</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Marina (existing)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
</tr>
</tbody>
</table>

1. Sources: PG & E Corporation, City of Stockton MUD, FCC, Comcast, Gruen, Gruen + Associates.
2. Based upon the maximum density per village indicated in the Master Development Plan for total units project-wide upon buildout.

The City of Stockton and San Joaquin County are presently negotiating a new Revenue Sharing Agreement that could alter the distribution of the collected property taxes resulting from the future development of the annexation area if annexation occurs after the renewal of the existing agreement is executed.

2. **Property Transfer Tax** – Upon conveyance (or transfer of ownership) of real estate in the City of Stockton, a property transfer tax is collected. The City’s portion of the tax is $0.55 for each $1,000 of value, which is based on the property sales price. As units are completed and sold, each purchase would generate property transfer tax for the City. Thereafter, it is assumed that six percent of the traditional homes and eight percent of the active adult community homes would transfer ownership annually.
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This is based on Census 2000 data which indicates that 55.1 percent of the households in Stockton moved during the last decade, and from historic data on other active adult communities that indicate sales after the first year stabilizes close to this rate. Based on the assessed property values in Table One, the initial unit sales would generate $467,443 in property transfer tax (849,896 x $0.55). Tax revenues generated from the initial unit sale is included as a separate line item in Table Seven with the Capital Facility Fees, as this represents a revenue source generated as the units are completed. The average sales prices, without appreciation, used to arrive at the estimated annual Property Transfer Tax Revenue are indicated in the following table.

<table>
<thead>
<tr>
<th>Residential Type</th>
<th>Annual Turnover</th>
<th>Average Sales Price</th>
<th>Total Property Transfers</th>
<th>Property Transfer Tax Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Adult Residential</td>
<td>68</td>
<td>286,200</td>
<td>$19,461,600</td>
<td>$10,704</td>
</tr>
<tr>
<td>Traditional Residential</td>
<td>234</td>
<td>302,700</td>
<td>$70,831,800</td>
<td>$38,957</td>
</tr>
<tr>
<td>TOTAL</td>
<td>302</td>
<td></td>
<td>$90,293,400</td>
<td>$49,661</td>
</tr>
</tbody>
</table>

3. Sales Tax – As the proposed future development of the annexation area is predominantly residential, calculations of sales tax revenues are based mostly on consumer expenditures, which is largely a function of household income. Some household income information can be assumed based upon the estimated housing costs. To determine the estimated annual retail sales expenditures of the average household within the annexation area, we have assumed an average household income of $62,500.00 for the Active Adult development households, and $84,125.00 for the traditional development households. The average household incomes were multiplied by the projected number of units for each unit type to arrive at a gross income amount. As most households typically expend between 18 and 24 percent of their income on retail goods and services, we have further assumed an expenditure rate of 22 percent per household. It is also known that not all purchases by these residents will be made in Stockton. To adjust for this, it is assumed that 75 percent of the Active Adult development household expenditures and 60 percent of the traditional development household expenditures will be spent in the City of Stockton.

Of the gross sales generated in Stockton, one percent (1%) of the retail sales tax is allocated to the City General Fund. Based on an estimated annual sales tax contribution to the City of Stockton General Fund of $103.13 per Active Adult household, and $111.05 per traditional community households, the total sales tax revenue resulting from future development of the annexation area would be $285,130 annually.
TABLE THREE: Projected Annual Retail Sales Tax Revenue Upon Project Buildout

<table>
<thead>
<tr>
<th>Estimated Total Annual Retail Sales Expenditures by Community</th>
<th>Active Adult Residential</th>
<th>Traditional Residential</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,298,750</td>
<td>$34,646,040</td>
<td>$44,944,790.00</td>
<td></td>
</tr>
<tr>
<td>Estimated Total Annual Retail Sales Expenditures in Stockton</td>
<td>$7,724,063</td>
<td>$20,787,624</td>
<td>$28,511,687.00</td>
</tr>
<tr>
<td>Estimated Total Annual Retail Sales Expenditures Per Household allocated to the City of Stockton General Fund</td>
<td>$103.13</td>
<td>$111.05</td>
<td>$108.70</td>
</tr>
<tr>
<td>Total Estimated Sales Tax Revenue Allocated to the City of Stockton</td>
<td>$77,244</td>
<td>$207,886</td>
<td>$285,130.00</td>
</tr>
</tbody>
</table>

1 - Sources: City of Stockton 2002-2003 Budget, Pulte Corporation, Gruen, Gruen + Associates.
2 - Based upon the maximum density per village indicated in the Master Development Plan for total units project-wide upon buildout.

4. Franchise Tax - Franchise taxes are levied upon providers of refuse services, cable television services, and power providers. Franchise taxes are charged against all utility revenues, and is levied against the provider rather than the customer. As the vast majority of the projected uses would be residential in nature, the projected franchise taxes are based solely upon projected residential use generation.

The Stockton Municipal Code (SMC) stipulates that PG & E franchise fees for natural gas and electricity amount to two percent of gross annual receipts. The average monthly household bill in 2002 for gas and electricity in Stockton was $103.50, making the Annual Bill per household $1,242.00 ($103.50 x 12). Thus, the estimated annual franchise tax generated per household is $24.84. Using the anticipated project buildout of 2,621 residential units, the electricity and natural gas franchise tax revenue for the project would be $65,106 annually.

The SMC specifies that cable television franchises shall pay a minimum of three percent of gross annual receipts to the City. The average monthly household bill in 2002 for cable service in Stockton was $40.11, making the annual cable service revenue in Stockton $481.32 per household ($40.11 x 12). Multiplying this estimated annual revenue by 2,621 units yields a gross annual revenue for cable service in Stockton of $1,261,540. Allocating three percent of the estimated gross revenues to the City of Stockton would result in annual cable service franchise tax revenues of $37,846.

City of Stockton franchise fees for telephone service are established in the SMC as two percent of gross annual receipts. Assuming an average household monthly bill for telephone service of $52.29 (as indicated by Comcast), the average annual
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household bill would be $627.48. With the anticipated buildout of 2,621 units, the annual gross receipts for telephone service within the project would be $1,644,625. Two percent of the estimated gross receipts would result in annual telephone franchise tax revenues of $32,893.

Refuse Services, including residential and commercial collection of refuse and garden waste are contracted to the City of Stockton by two collection service providers. The City Ordinance addressing the franchise tax for these services is expected to be modified, effective June 2004, to indicate that the franchise tax for these services shall be 20 percent of the collected fees. The average monthly fees for refuse services per household in Stockton for 2002 were $16.15. Thus, by multiplying this figure by the anticipated buildout of 2,621 units, gross revenues are estimated to be $507,950 making the refuse and garden waste franchise tax $101,590 annually.

Thus, total franchise fees to the City of Stockton would be $237,435 annually ($65,106 + $37,846 + $32,893 + $101,590).

5. Utility Server Tax – A utility user tax is levied against all non-public users of gas, electric, water, telephone, and cable television services. Utility User Tax is presently based upon eight percent of the customers monthly bill; however, Utility User Tax will be reduced to six percent by lowering the tax rate by one-quarter percent per year for eight years effective July 1, 2004. Utility User Tax estimates have been based on residential uses, based on the six percent rate. Some additional assumptions have been made relative to the average household usage, including very limited Utility User Tax revenue generated from cellular phone, digital phone and internet services, which can vary significantly from household to household.

<table>
<thead>
<tr>
<th>Utility</th>
<th>Average Monthly Bill per Household</th>
<th>Average Annual Bill per Household</th>
<th>6% Utility User Tax Revenue per Household</th>
<th>Number of Households</th>
<th>Total Annual UUT Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas</td>
<td>$30.75</td>
<td>$369.00</td>
<td>$22.14</td>
<td>2,621</td>
<td>$58,029</td>
</tr>
<tr>
<td>Electricity</td>
<td>$72.75</td>
<td>$873.00</td>
<td>$52.38</td>
<td>2,621</td>
<td>$137,288</td>
</tr>
<tr>
<td>Water</td>
<td>$23.00</td>
<td>$276.00</td>
<td>$16.56</td>
<td>2,621</td>
<td>$43,404</td>
</tr>
<tr>
<td>Cable TV</td>
<td>$40.11</td>
<td>$481.32</td>
<td>$28.88</td>
<td>2,621</td>
<td>$75,694</td>
</tr>
<tr>
<td>Telephone</td>
<td>$52.29</td>
<td>$627.48</td>
<td>$37.65</td>
<td>2,621</td>
<td>$98,681</td>
</tr>
<tr>
<td>Total</td>
<td>$218.90</td>
<td>$2,262.80</td>
<td>$157.61</td>
<td>2,621</td>
<td>$413,096</td>
</tr>
</tbody>
</table>

1 - Sources: PG & E Corporation, City of Stockton MUD, FCC, Comcast, Gruen, Gruen + Associates.

2 - Based upon the density provided within the small-lot VTM.

Using an estimated annual Utility User Tax revenue of $157.61 per single-family dwelling, and multiplying by the potential number of households upon buildout, the annexation area would generate $413,096 in Utility User Tax annually. This excludes

WESTLAKE at Spanos Park West
SPANOS FAMILY PARTNERSHIP – ANNEXATION FILE NO. A-03-XX

DRAFT 09/02/04
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Utility User Tax revenue generated from the anticipated commercial uses (Marina) and the proposed private recreational facilities, which represent a very low percentage of the overall Utility User Tax revenue generated from the project.

6. **State Subventions** – Taxes levied by the State of California, including gas taxes and motor vehicle in-lieu of tax, result in a source of tax revenue to the City of Stockton. Motor vehicle in-lieu of tax and gas taxes are not a General Fund revenue, but are transferred by the State through complex formulas into the City General Fund to fund upgrades, construction, and maintenance of public roads.

<table>
<thead>
<tr>
<th>TABLE FIVE: Projected Annual Revenue From State Subventions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-2002 City of Stockton Motor Vehicle In-Lieu of Tax</td>
</tr>
<tr>
<td>2001-2002 Gas Tax Interfund Transfer to General Fund</td>
</tr>
<tr>
<td>2002 City of Stockton Population</td>
</tr>
<tr>
<td>Motor Vehicle In-Lieu of Tax Revenue per Capita</td>
</tr>
<tr>
<td>Gas Tax Transfer per Capita</td>
</tr>
<tr>
<td>Estimated Population Within Project Area Upon Buildout ²</td>
</tr>
<tr>
<td>Total Annual Motor Vehicle In-Lieu of Tax Revenue</td>
</tr>
<tr>
<td>Total Annual Gas Tax Transfer Revenue</td>
</tr>
<tr>
<td><strong>Total Annual Revenue From State Subventions</strong></td>
</tr>
</tbody>
</table>

1. Sources: City of Stockton, Gruen, Gruen + Associates.
2. Based upon the maximum density of 2,621 units, as proposed on the small-lot TVM. Conventional housing occupancy was estimated at 3.1 residents/household, Active Adult housing occupancy was estimated at 1.8 residents/household, resulting in a projected 7,151 residents upon buildout.

The revenue per capita was estimated by dividing the 2001-2002 General Fund revenue from the selected tax sources by the estimated population for the City of Stockton in 2002. The projected per capita number projected was calculated by first multiplying the 1,872 traditional units by 3.1 residents per household, or the average household size in Stockton, and multiplying the 749 active adult units by 1.8 residents per household, which is the average density per household within most active adult communities. This calculation resulted in a planned population of 7,151 residents. Using a combined estimated annual per capita contribution of $70.16 for these sources, and multiplying by the projected residential population for the project, the annual revenue from state subventions for the annexation area would be **$501,714** upon buildout.

6. **Measure K – Local Street Repair** – Measure K is a ½-cent sales tax solely dedicated to funding transportation projects in San Joaquin County, passed by voter initiative in November 1990. Measure K sales tax provide funding for an array of transportation projects, including improvements to highways and local streets, new passenger rail service, railroad crossings, regional and interregional bus routes, park-and-ride lots,
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and new bicycle facilities. Local jurisdictions receive an annual funding allocation for local street repairs, operations and safety improvements as part of the Local Street Repair Program. The seven cities within San Joaquin County share with the County 35% of the Measure K sales tax revenue for funding the Local Street Repair Program, as allocated by the San Joaquin Council of Governments (COG). The COG reviews the allocation formula every three years to ensure the allocation is being distributed in the most equitable manner available. The remaining 65% of the sales tax revenues are administered by the COG using a competitive project ranking system. Thus, only the portion of Measure K funds allocated to the City of Stockton for the Local Street Repair Program is considered in this Plan.

For the fiscal year 2003/2004, the City of Stockton’s allocation of Measure K funds was $3,505,000, which amounts to approximately $13 per capita. Using this as a projection of the share of Measure K funds the COG would allocate to Stockton in the future, when multiplying by the estimated residential population for the project the estimated annual City of Stockton allocation increase for the annexation area upon buildout would be $92,963.

7. On-site Infrastructure Improvements – For developments within the City of Stockton, the project developer is responsible for the installation of all on-site public improvements, such as streets, underground sewer, water and storm drainage systems, and their connection to existing City systems. This would include necessary street and utility improvements of existing streets with frontage along the project site. As development occurs within the proposed annexation area, there may be infrastructure improvements constructed which have city or area-wide benefit. In this case, the developer of these improvements would be entitled to reimbursement as connection to these infrastructure improvements occurs. The cost for the City to manage the reimbursement for these improvements is not considered significant enough for inclusion in this analysis.

### TABLE SIX: Projected Annual City Revenues Generated Upon Development

<table>
<thead>
<tr>
<th>Source</th>
<th>Upon Completion of Westlake-Phase I</th>
<th>Upon projected 100% Buildout of the Entire Annexation Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax</td>
<td>$284,526</td>
<td>$594,926</td>
</tr>
<tr>
<td>Property Transfer Tax</td>
<td>(included in Table Seven) 0</td>
<td>$49,661</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>$137,730</td>
<td>$285,130</td>
</tr>
<tr>
<td>Franchise Tax</td>
<td>$114,959</td>
<td>$237,435</td>
</tr>
<tr>
<td>Utility User Tax</td>
<td>$200,007</td>
<td>$413,096</td>
</tr>
<tr>
<td>State Subventions</td>
<td>$239,246</td>
<td>$501,714</td>
</tr>
<tr>
<td>Measure K</td>
<td>$44,330</td>
<td>$92,963</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>$1,020,798</strong></td>
<td><strong>$2,174,925</strong></td>
</tr>
</tbody>
</table>
8. **Public Facilities Fees** – As new urban development results in the need for City-wide capital improvement projects, funding for these projects is provided in part by the City’s Public Facilities Fees. Projects funded by these fees include City offices, libraries, fire and police stations, community recreational facilities, securing park land, street improvements, surface water resource development improvement, and air quality improvement projects. Other development fees enacted by the City of Stockton provide funding for street trees, wastewater and water connections, water treatment facilities, and signalization of existing intersections. Provisions in the City

<table>
<thead>
<tr>
<th>TABLE SEVEN – Projected Capital Facility Fees and Initial Property Transfer Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee Category</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>1. City Office Space</td>
</tr>
<tr>
<td>2. Fire Protection</td>
</tr>
<tr>
<td>3. Libraries</td>
</tr>
<tr>
<td>4. Police Protection</td>
</tr>
<tr>
<td>5. Community Centers</td>
</tr>
<tr>
<td>6. Surface Water</td>
</tr>
<tr>
<td>7. Street Improvements</td>
</tr>
<tr>
<td>8. Parkland</td>
</tr>
<tr>
<td>9. Habitat/Open Space</td>
</tr>
<tr>
<td>Conservations</td>
</tr>
<tr>
<td>Administrative Fee (2.5 percent of Fees 1-10)</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
</tr>
<tr>
<td>11. Water Connection Fee</td>
</tr>
<tr>
<td>12. Wastewater Connection Fee</td>
</tr>
<tr>
<td>Subtotal Fees 11-12</td>
</tr>
<tr>
<td>Administrative Fee (3.5 percent of Fees 11-12)</td>
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<tr>
<td><strong>Subtotal</strong></td>
</tr>
<tr>
<td>13. Traffic Signal Fee</td>
</tr>
<tr>
<td>14. Property Transfer Tax</td>
</tr>
<tr>
<td><strong>GRANDTOTAL</strong></td>
</tr>
</tbody>
</table>
CITY SERVICES PLAN

1 - Sources: PG & E Corporation, City of Stockton MUD, FCC, Comcast, Gruen, Gruen + Associates.
2 - Based upon the maximum density per village indicated in the Master Development Plan for total units project-wide upon buildout.

Notes:

1. The Capital Facilities Fees are based on rates for the City of Stockton Fee Area 1, which includes most of north Stockton. Because the project area is not within the City Boundary, the site could be subject to a different fee structure.
2. Table C excludes any Capital Facility Fees collected for development of a future Pre-school, improvements to Paradise Point Marina, or other potential public or commercial improvements.

Ordinance have been written so that the schedule of fees can be adjusted annually to reflect current infrastructure and utility costs. Fee payments are required upon recordation of the Final Subdivision Map, or when Building Permits are issued. Thus, there are City Ordinances and Resolutions in place that enable the City to collect the various fees, and to adjust the schedule of public utilities fees to anticipate the amount of fees that need to be collected to fund the applicable capital improvements at the time development would occur.

b. Domestic Water Service

Potable water for the Stockton Metropolitan Area is provided by three water suppliers: 1) the City of Stockton Water Utility (City), 2) the California Water Service Company (Cal Water) and, 3) the County of San Joaquin (County) through County Maintenance Districts. The Stockton East Waste District (SEWD) supplies treated surface water to the City, Cal Water, and the County under a four party wholesale water supply agreement. The City serves more than 33,500 connections within the City of Stockton, Cal Water serves more than 43,000 connections of which approximately 10,950 are outside of the City limits, and the County Maintenance Districts serve approximately 2,400 unmetered connections, primarily in the Lincoln Village and Colonial Heights subdivisions. All City and Cal Water services are metered. In water year 1999-2000, the City supplied 53.6% of the total water used in the metropolitan area, while Cal Water supplied 42.6% and the County’ Maintenance Districts supplied 3.7%.

The City of Stockton Water Utility provides water service to a population of approximately 110,000 in the City of Stockton and 1,000 in unincorporated portions of the Stockton urban area. The Utility operates two major water systems within the City, one serving an area in North Stockton and another serving South Stockton. The City also provides water service in a small service area that includes the Diamond Walnut Plant in South Central Stockton.

Summary of Water Supply Sources

Domestic water would be provided to the annexation area by the City of Stockton’s Water Utility. The sources of domestic water available to the City of Stockton to serve future development include groundwater and surface water. Historically, prior to the execution of
CITY SERVICES PLAN

the second amended contract between SEWD, San Joaquin County, Cal Water, and the City, the City received less than 5% of its water from surface water supply sources. Subsequent to that amendment, the City’ surface water allocation has gradually increased such that it now comprises approximately 60-70% of the water provided to customers by the City of Stockton. The other 30-40% is produced by City-owned wells from the groundwater basin. Over the past two years, because of exceptional amounts of precipitation provided in the winter months, surface water has been more abundant and comprised the majority of the water supply distributed by the City. Surface and groundwater are used conjunctively by the urban area water purveyors.

Groundwater

Currently, the City operates 24 groundwater wells in North Stockton, 6 groundwater wells in South Stockton, and 3 in the Diamond Walnut Water System. The 23 wells in the north provide groundwater, which combined with surface water from SEWD, make up the water supply for the North Stockton system. The 6 wells in the South Stockton Water System provide the water for that system exclusively. The City’ Master Water Plan calls for the continued construction of wells until an adequate long-term supply of surface water can be obtained which will sufficiently meet both base and peaking requirements.

Salt water intrusion from connate brines under the Delta into Stockton’s western regions threatens groundwater quality, and small annual increases in salinity have been noted during years with low surface water availability. However, due to additional surface water deliveries in recent wet years, groundwater has risen to pre-drought levels and the salt water intrusion condition has been somewhat relieved.

A study prepared for SEWD indicates that the use of fertilizers and pesticides has also impacted groundwater quality in the Stockton area. The study identified three areas within the Stockton groundwater basin for which there is a significant potential for migration of contaminants within the next 30 years. Two of these three areas are located within the City’s service area: one in North Stockton and one in South Stockton.

Surface Water

Until 1977, groundwater was the sole source of supply for domestic water users in the Stockton area. A supplemental surface water supply was established in 1977 when the SEWD water treatment plant began operation. The SEWD plant currently has an approved treatment capacity of up to 45 million gallons per day (MGD) and the main source of supply to this plant is Calaveras River water. This water, which is stored in New Hogan Reservoir, is diverted from the Calaveras River at Bellota and transported through a 12 mile long, 54-inch diameter pipeline to the Plant. After treatment, water is distributed under a water supply contract between the City, Cal Water, and the County in proportion to the total amount of water use that each agency comprises in the Stockton region.
CITY SERVICES PLAN

The City’s current allocation accounts for approximately 42 percent of the SEWD Treatment Plant output. Cal Water’s allocation accounts for 56 percent, and 2 percent is delivered to County Maintenance Districts through the City of Stockton’s distribution system. SEWD is currently allotted an average of 84,000 acre-feet of Calaveras River water per year from New Hogan Reservoir, however, 44 percent of this amount is an interim supply in accordance with a decision by the State Water Resources Control Board, which recognized the area of origin rights of Calaveras County to this supply.

Stockton East Water District has a contract with the Federal Bureau of Reclamation (USBR) for water from New Melones Reservoir on an interim (but long-term) basis. SEWD has a maximum allotment of 75,000 acre-feet per year, and has reserved approximately 40,000 acre-feet per year of this water for domestic use in the Stockton area. This water is conveyed from the New Melones Reservoir to the SEWD plant via a conveyance system, referred to as the New Melones Conveyance System, completed in January 1994.

In 1999, the City of Stockton, SEWD, Cal Water, and San Joaquin County executed a ten-year renewable agreement with the Oakdale Irrigation District and the South San Joaquin Irrigation District to purchase up to 30,000 acre-feet of water annually. The actual quantity of water transferred would vary based upon the inflow into the New Melones Reservoir. In years where the inflow is at least 500,000 acre-feet, the contract provides that the full amount of 30,000 acre-feet would be made available. In those years where the inflow to New Melones Reservoir is less than 500,000 acre-feet but greater than 450,000 acre-feet, the contract provides that the amount of water made available would be 12,500 acre-feet. When annual inflow is less than 450,000 acre-feet, the contract provides that the amount of water to be made available would be reduced to 8,000 acre-feet. The water transferred under this agreement would be diverted from the Stanislaus River and conveyed to SEWD through the New Melones Conveyance System.

The City of Stockton is also exploring other alternatives to meet anticipated water supply requirements. These alternatives include an Application with the State Water Resources Control Board to perfect the City’s rights to water in the Delta, groundwater storage in the Farmington area, the extension of the Folsom South Canal to San Joaquin County, and participation in a joint conjunctive use project involving North San Joaquin County water agencies, the County, and other interested parties. None of these alternatives, however, have yet been implemented.

The City of Stockton will also continue to support the efforts of San Joaquin County, Stockton East Water District, and other interested parties in pursuing additional surface water supplies for the City Water Utility, the City of Stockton, and those affected by the overdraft of the groundwater basin in Eastern San Joaquin County. These efforts include, but are not limited to, supporting SEWD’s efforts to obtain water rights for wet year water from Little John Creek and the Calaveras and Stanislaus Rivers, and supporting San Joaquin County’s efforts to obtain water rights on the Mokelumne and American Rivers.
CITY SERVICES PLAN

New state laws require municipalities to demonstrate the ability to provide a 20-year water supply for residential developments over 500 units. In response, the City of Stockton has recently completed a regional plan to quantify its 20-year water supply. This Water Supply Assessment, performed by Montgomery Watson Harza, concluded that the City currently had a certifiable supply to include an additional 4,000 acres of new development. The City will supply water on a first-come, first serve basis, regardless of geo-political boundaries. It is expected that all developments will be required to prepare a supplement to this assessment. The City and applicant have entered into an Annexation Memorandum of Understanding (MOU) to provide water for the proposed project based on applicable fees.

The City of Stockton has instituted a surface water supply connection fee to finance the new development portion of the New Melones Conveyance System Project. In anticipation of the New Melones water, SEWD is also planning to increase the overall capacity of their water treatment Plant to 60 MGD in five years. The Surface Water Fee is $2,426.00 per single-family unit, payable upon issuance of a Building Permit. Based on the projected total of 2,621 residences within the annexation area upon buildout, the total Surface Water Fees collected would amount to $6,843,431 (see Table Seven, page 8).

Water Distribution System

Construction of the conveyance facilities for New Melones Reservoir water to the treatment plant and expansion of the water treatment plant have helped meet the water needs of the planning area. Since 1988, a portion of the infrastructure to serve the project site has been constructed. This infrastructure includes the Northwest Reservoir (two 3.4 million gallon storage tanks and associated transmission facilities within the Spanos Park West Project), and the segment of the North Stockton 30-inch line. A 24-inch line, which exists along Consumnes Drive in Spanos Park West would be extended into the annexation area. A 12-inch water line located in Eight Mile Road and a 12-inch line in Trinity Way could also be extended into the annexation area. Numerous smaller pipes to distribute water at the appropriate pressures to all points within the system are also necessary to serve future development in the area. If it is determined that additional capacity for the Northwest Reservoir is necessary for serving this project, construction of these facilities will be the responsibility of the project developer, and financing of these off-site improvements will be based on "fair share" cost and benefit.

c. Waste Water

Presently the annexation area is mostly used for agricultural production. The Paradise Point Marina is located in the southwestern portion of the area, and is currently serviced by septic systems. Sewage from future development in the area would be treated at the City of Stockton’s Regional Wastewater Control Facility (RWCF) located on Navy Drive in southwest Stockton. The RWCF provides secondary and tertiary treatment of wastewater, and following treatment, effluent is discharged into the San Joaquin River in accordance with the terms of a National Pollution Discharge Elimination System Permit issued by the Central Valley Regional Water Quality Control Board.

WESTLAKE at Spanos Park West
SPANOS FAMILY PARTNERSHIP – ANNEXATION FILE NO. A-03-XX

DRAFT 09/02/04
Stockton’s adopted Wastewater Treatment Master Plan points out that certain unit processes at the RWCF are approaching their functional capacity. Engineering-Science also points out in their 1992 Secondary Treatment Facilities Expansion Study that the actual wastewater treatment capacity is estimated to be 38 million gallons per day (MGD) of average dry weather flow. The present amount of average dry weather flow being treated at the RWCF is approximately 30 MGD during the non-canning season and 38 MGD during the canning season. The City has initiated the construction of a six-staged plant expansion program at the RWCF to increase the overall treatment plant capacity. Under the expansion program, the RWCF would be capable of treating 56 MGD by December 2003. The Stockton City Council approved a general plan build out wastewater treatment capacity of 55 MGD in July 1997.

Existing Collection System

Upon annexation, the Stockton Sewage Collection and Treatment System would service the area, by extending lines from Spanos Park West. Currently, a 30-inch gravity force main is located at the western end of Spanos Park West in Cosumnes Drive. A 24-inch line also exists in Trinity Way and a sewer stub is located in Eight Mile Road. These lines are within Collection System No. 10. The collection lines within Collection System No. 10 downstream of the annexation area are currently below system capacity. There is a sewer lift station, referred to as the 14-Mile Sanitary Pump Station that is approaching its capacity of approximately 7 MGD.

There is currently capacity in System #10 to serve the annexation area because other planned developments in the service area have not yet been built. Ultimately, improvements to a pump station and potentially a new force main will be required to serve regional development. The timing of these improvements and whether to proceed with interim upsizing or full build out is currently under review by a consultant hired by the City, West Yost & Associates. Financing of these off-site improvements will be based on “fair share” cost and benefit.

Prior to approval of improvement plans, the master developer shall provide an analysis that verifies adequate capacity of the 14-Mile Pump Station to accommodate future development within the annexation area. In the event that adequate capacity does not exist, the developer shall proceed with the necessary upgrades, and establish an appropriate financial mechanism for recovering reimbursement for his overriding of those upgrades.

d. Storm Drainage

The annexation area is presently within Reclamation District No. 2042, which operates a series of drainage ditches and pump stations on Bishop Tract. Existing District drainage ditches are located along a portion of the annexation area fronting on Eight Mile Road, defining the south and east boundary between the Spanos Parcel and the annexation area/Westlake Project.
CITY SERVICES PLAN

Infrastructure improvements proposed as part of the Westlake Project would include construction and dedication to the City of Stockton a municipal storm drainage system consisting of a network of pipelines, and a new pump station to serve the Westlake Project and the Spanos Parcel. The new outfall would be located in Pixley Slough and would serve the on-site lake system maintained by the HOA.

City Ordinances regulating grading, erosion control, and discharge control provide the City of Stockton with local oversight of storm water planning. This includes local management of the Federal and state programs for implementation of the National Pollution Discharge Elimination System (NPDES), including the general permit system and control of storm water quality impacts.

The City has adopted a Stormwater Ordinance and developed a rate structure for the City’s Storm Water Pollution Program and Stormwater Ordinance. Costs associated with storm drainage collection, treatment and discharge would be solely the responsibility of the project developer for any portion of the annexation area.

e. Solid Waste Disposal

The City of Stockton provides collection of municipal refuse as mandated by City Ordinance. Solid waste collection services in Stockton are provided via franchise agreements with two residential providers and three commercial/industrial providers. Materials are collected by City employees and transported to the Forward landfill site located on Austin Road. Household garden refuse (green waste) generated by Stockton residents is collected by the City’s Public Works Department as a separate service. The Forward Landfill site has a remaining life of approximately 20 years; there is not a shortage of landfill capacity under current conditions.

f. Law Enforcement Services

The City of Stockton would ensure that law enforcement services are expanded to serve the annexation area. Police services would include increasing established police beats to serve the 7,151 residents that are anticipated to reside within the annexation area upon buildout. (For resident projections, see Note 2, Table Five). New police beats would be created and additional officers would be hired to serve the annexation area as development is approved.

Capital costs of Police Department services expansion is accounted for by the City’s Public Facilities Fees Program; however, police protection services are presently operating at a deficit. The City of Stockton has established a fee of $361.55 per single-family residential housing unit for police facilities, payable upon issuance of a building permit. Based on the 2,621 housing units proposed in the annexation area, the total fees generated by development within the area for funding a future police station expansion would total $947,623.
g. Fire Protection

The Stockton Fire Department (SFD) would provide fire protection services, upon
annexation within the annexation area. SFD is responsible for fire protection services, water
rescues, technical rescues (e.g., building collapse rescues), fire hydrant maintenance,
training, fire dispatch, weed abatement, and response to hazardous materials spills within the
City.

Development projects proposed in the annexation area will be evaluated for meeting SFD
standards during the improvement plan design and review process. This would include fire
sprinkler requirements, water system design, fire flow requirements, fire hydrant placement,
and response times, discussed further below.

Capital costs for SFD expansion are accounted for by the City’s Public Facilities Fees
Program. SRD has a five-year Master Plan that serves as a basis for determining current and
long-term levels of service provisions. The Master Plan addresses staffing and equipment
needs as well as standards for response times. The nearest SFD station is located at 3019
McNabb Place (Station #14). Response time from this station to the annexation area would
be expected to exceed the recommended response times included in the Master Plan. To
address this, the project proponent has set aside a 2-acre site in the northeast portion as a
future location for a Fire Station to serve northwest Stockton. This site could also
accommodate a police sub-station, if desired by the City.

h. Parks and Recreational Facilities

The City of Stockton will ensure that neighborhood and community parks are provided to
serve the City’s existing residents as well as the residents of new development within the
annexation area. San Joaquin County oversees regional park planning and maintenance. The
Master Development Plan for the Westlake Project indicates that 12.7 acres would be set
aside for a Community Park, and 12 acres within the project would be dedicated as
Neighborhood Parks. In addition, two Community Centers, 4.0-acre and 3.6-acre in size are
proposed, along with several bicycle and pedestrian trails throughout the project. A number
of the neighborhood parks within Westlake may be privately maintained, providing an
additional benefit to the City in terms of maintenance costs.

Future development would conform with the minimum standards within the Master
Development Plan, and parkland standard of the City of Stockton’s Park and Recreation
Element of the General Plan. If it is determined by City Staff that the Westlake Project
would not provide adequate community parkland space and the proposed size and acreage of
the neighborhood parks does not meet minimum City size requirements, the developer would
CITY SERVICES PLAN

be required to pay in-lieu fees equivalent to the park acreage requirements (per City standards) that remain unfulfilled. These fees would be paid prior to issuance of building permits.

i. Libraries

The public library system is operated by the City of Stockton with joint funding by San Joaquin County. Existing public libraries in proximity of the annexation site include the Troke Branch at 502 Benjamin Holt Drive, located approximately eight miles away. No public Facility Fee for libraries will be collected as part of this project.

j. Schools

The annexation area is located within the Lodi Unified School District (LUSD). The LUSD is responsible for providing public education to area residents for the elementary, middle, and high school levels. In light of the current vacant condition associated with the site and vicinity, there are no students being generated from the annexation area and no educational facilities.

Discussions regarding the provision of an elementary school site, its location and size requirements have been initiated between the Developers of the Westlake Project and the LUSD. The plan includes an 11-acre site in the southeast portion of the project area for a future school site. It is expected that the students generated from the Westlake project would be served by the proposed Westlake elementary school, the new elementary school in Spanos Park West, Delta Sierra Middle School, and Bear Creek High School.

k. Power and Communications Sources

Natural gas and electric services will provide necessary energy sources to the annexation area. SBC will provide land line telephone service, and Comcast will provide cable television services to the site. There are existing systems in place providing these services to the residents and businesses within Spanos Park West directly to the east, and to other properties in the vicinity of the annexation area. These providers do not anticipate that extending services to serve the annexation site will be an issue. Prior to the installation of facilities, cost-sharing agreements between the develop(s) and the various power and communication service providers will need to be executed.

III. Maintenance of Public Facilities

It is anticipated that the roadway system would consist of a combination of publicly and privately maintained roads. Roadways within the annexation area would be maintained by either an established Homeowners Association (HOA), a Landscaping and Lighting District (LLD), or by the City of Stockton. Eight Mile Road would be jointly maintained by the City
of Stockton and San Joaquin County. Existing roads, particularly Eight Mile Road, would be impacted by the added traffic resulting from future development of the area, increasing the demand for road maintenance. However, the increase of services should be funded by Fuel Tax funds generated by the future residents.

Prior to securing building permits, the developer of any proposed project would be required to pay Public Facilities Street Improvement Fees and Traffic Signal Fees. These fees amount to $2,087 and $877 per single-family residence respectively, and are used to fund intersection and roadway improvements in the City’s Capital Improvement Plan. Refer to Table Three for a complete breakdown of the various Capital Facility Fees generated by the anticipated development of the annexation area.

Mitigations cited in the Westlake EIR also address other off-site road improvements, off-site infrastructure improvements, and additional fees deemed necessary to address project impacts on City facilities. Construction costs for some infrastructure improvements may be subject to reimbursement through the Public Facility Fees program or future area of benefit.

REFERENCES

City of Stockton Comprehensive General Plan, January 22, 1990.

City of Stockton Westlake Project Master Development Plan, July 2003.


City of Stockton Wastewater Treatment Master Plan, 1992.


Sources of information obtained from communications with individuals representing corporations or government agencies are referenced herein.
VICINITY MAP

Spanos Family Partnership (Westlake Villages) Reorganization/Annexation
A-04-3

STOCKTON CITY PLANNING COMMISSION