FIA

After an extensive review of two preliminary Draft FIAs (dated November 16, 2007, and May 9, 2008), EPS identified several issues and concerns. While most of the issues were minor in nature and quickly resolved, there were two significant issues—the assumed home sales prices and the Project’s absorption schedule—that materially affected the results of the FIA. EPS worked closely with GCG to determine how the FIA could be revised to address EPS’s concerns.

As a result of this collaborative effort, GCG prepared another draft FIA dated August 13, 2008. In this draft, GCG addressed EPS’s concerns by preparing a sensitivity analysis that used more conservative estimates for unit prices and increased the Project’s buildout period by approximately 50 percent. In addition, GCG made other adjustments to address some of the other issues identified by EPS and to reflect Project changes since the initial draft was prepared.

EPS has fully reviewed GCG’s August 13, 2008, Draft FIA and concludes that it follows acceptable industry practices for an FIA. The FIA is consistent with the City’s recently implemented templates and guidelines for preparing an FIA and produces results that should reasonably project the fiscal impact that the Project will have on the City’s revenues and costs.

PFFP

GCG prepared an initial Draft PFFP, dated November 6, 2007, and a second draft PFFP dated May 12, 2008. Similar to the FIA, EPS had concerns with the assumptions used by GCG for the estimated home sales prices and the Project’s absorption schedule. EPS also identified other less significant concerns with assumptions and report clarity. EPS worked closely with GCG to determine how best to revise the PFFP.

GCG prepared another Draft PFFP dated August 13, 2008. In this revised version, GCG addressed all of EPS’s concerns. EPS finds that this draft of the PFFP follows acceptable industry practices, is consistent with the City’s recently implemented templates and guidelines for preparing a PFFP, and produces results that should reasonably project the cost of funding and constructing the public infrastructure required for the Project.

ONGOING POLICY ISSUES

EPS remains concerned with several issues that go beyond the focus of a single development project. While the City’s guidelines and templates offer structure in
preparing financing-related work products, they may obfuscate certain impacts from individual projects and, more importantly, not fully address critical issues affecting all development in the City. For example:

- **Overall market supply and absorption**—Does the City really intend to contract away, through development agreements, its discretion over planning for a period of 50 years or more?

- **Need for a balanced and policy-responsive retail development strategy**—This would protect the City from competing or excessive supply that could affect key City objectives, such as revitalization of downtown.

- **The need to standardize the City’s infrastructure and service financing framework**—Under the current methodology, there is a disconnect between market potential (both price points and absorption) and the high costs of extending infrastructure and municipal services to the specific plans.

It is EPS’s strong recommendation that a unified policy be established on these issues as soon as possible to create a rational framework for decision making and negotiations regarding the queue of specific plans being faced by the City.
RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF STOCKTON TO RECOMMEND TO THE CITY COUNCIL THE APPROVAL OF THE REQUEST OF PCCP MARIPOSA LAKES LLC, ET AL FOR A GENERAL PLAN AMENDMENT TO AMEND THE GENERAL PLAN DESIGNATION FROM VILLAGE AND INDUSTRIAL TO RESIDENTIAL ESTATES, LOW, MEDIUM AND HIGH DENSITY RESIDENTIAL, ADMINISTRATIVE CPROFESSIONAL, COMMERCIAL, INDUSTRIAL, OPEN SPACE/AGRICULTURE, PARKS AND RECREATION AND INSTITUTIONAL FOR THE MARIPOSA LAKES SPECIFIC PLAN PROJECT LOCATED SOUTH OF FARMINGTON ROAD (STATE ROUTE 4), EAST OF MARIPOSA ROAD AND WEST OF KAISER ROAD(GPA12-03)

The City of Stockton has heretofore formulated and adopted a General Plan for the physical development of the City, which the General Plan contains each of the elements required by law to be a part of it; and

An amendment to the General Plan has been requested for the area located south of Farmington Road, east of Mariposa Road and west of Kaiser Road;

The plan area is bounded by County residential and Agriculture uses to the north across Farmington Road; City and County Industrial uses to the west; County residential uses to the south; and County agricultural uses to the east.

The Planning Commission of the City of Stockton finds and determines as follows:

That the amendment to the General Plan is recommended for adoption for the following reasons:

1. The proposed Amendment ensures and maintains internal consistency with general land uses, objectives policies, programs and actions of all elements of the General Plan on balance and would not create any inconsistencies with this Development Code.

2. The proposed General Plan amendment is not expected to endanger, jeopardize or otherwise constitute a hazard to the public convenience, health, interest, safety or general welfare of persons residing or working in the City.

3. The environmental consequences of the proposed General Plan amendment request were considered in EIR11-03. In addition, all applicable mitigation measures identified in EIR11-03, including the related Findings of Fact, Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program for the Mariposa Lakes Specific Plan Project have been adopted. EIR11-03 and related
environmental documents were prepared in compliance with the provisions of the California Environmental Quality Act (CEQA) and the City of Stockton Guidelines for the Implementation of CEQA.

4. The anticipated benefits of the proposal outweigh the unavoidable or unresolved adverse environmental effects for the project as supported by the Findings of Fact, Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Program for the Mariposa Lakes Specific Plan Project, dated August 2008.

5. Pursuant to Sections 15091 and 15093 of the State CEQA Guidelines, this approval is subject to the adopted Findings and Mitigation Monitoring and Reporting Program, respectively, as specified in the Findings of Fact, Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program for the Mariposa Lakes Specific Plan Project.

NOW, THEREFORE, BE IT RESOLVED BY THE PLANNING COMMISSION OF THE CITY OF STOCKTON AS FOLLOWS:

That the Planning Commission does hereby recommend to the City Council that the General Plan be amended from Village and Industrial to Residential Estates, Low, Medium and High Density Residential, Administrative Professional, Commercial, Industrial, Open Space/Agriculture, Parks and Recreation and Institutional (GPA12-03)

PASSED, APPROVED, AND ADOPTED this 28th day of August 2008, by the following votes:

AYES:

NOES:

ABSENT:

ATTEST: APPROVED:

MICHAEL M. NIBLOCK, SECRETARY
CITY PLANNING COMMISSION

MARK MARTINEZ, CHAIR
CITY PLANNING COMMISSION

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EXHIBIT 14

Staff Report of October 2, 2008 Planning Commission