Item E-1 (a): PUBLIC HEARING – Development Agreement  
Case No. DA7-05, PCCP Mariposa Lakes, LLC, et al. (Mariposa Lakes Specific Plan [MLSP])

Data: PCCP Mariposa Lakes, LLC, is proposing a Development Agreement to facilitate development of a mixed-use, residential, commercial, professional business, and industrial community covering approximately 3,810 acres known as the Mariposa Lakes Specific Plan area (MLSP or Community) (Exhibit 3). The Community will include approximately 1,509.9 gross acres of residential development, 92.7 acres of commercial/retail development, and 701.9 acres of industrial/warehouse and business/professional development. The Community also will include approximately 196.5 acres of community and neighborhood parks, 168.3 acres of man-made lakes, six K-8 schools, one high school, a satellite community college site, and public facilities, including a multi-modal regional Amtrak and bus station facility. The residential portions of the Community will include up to 10,562 housing units, including single-family houses and multi-family buildings. Residential Development will include 48 very low-density units, 4,192 low-density units, 4,845 medium-density units, and 1,477 high-density units.

The project boundary is bounded to the:

- north across Farmington Road by farmland within the jurisdiction of San Joaquin County;
- east across Kaiser Road by farmland within the jurisdiction of San Joaquin County; and
- south and west across East Mariposa Road and the Burlington Northern Santa Fe ("BNSF") Railroad by rural residential uses within the jurisdiction of San Joaquin County, and industrial uses located between Arch Road and Farmington Road. (Exhibit 2).

The Mariposa Lakes Specific Plan Area (Community) is adjacent to the City of Stockton along the portions of the northwestern boundary of the Community. The Community is located within the planning area (Villages "I" and "J") and Urban Services Boundary described by 2035 General Plan Policy Document and is intended for annexation and urban development within the planning period; the eastern boundary of the Community is coterminous with the eastern boundary of urban uses within the planning area and the approved Urban Services Boundary.
Much of the MLSP area is in agricultural use. However, rural residential and industrial uses are located along the north and west perimeters, and in two small neighborhoods located within the SPA on the north (Farmington Road) and west (East Carpenter Road).

**Discussion:** All of the requested approvals as listed below (with the exception of the Development Agreement) were recommended for approval to the City Council by the Planning Commission at their regular meeting of August 28, 2008. The Development Agreement was not considered at that meeting because of a provision of state law that precludes approval of a Development Agreement for an area not within a City’s Sphere of Influence (SOI). In addition, content of the Development Agreement was subject to change due to the pending consideration of the settlement agreement between the City and the Attorney General of California and the Sierra Club. Since the August 28, 2008 Planning Commission meeting the SOI (which includes the MLSP project area) has been approved by Local Agency Formation Commission (LAFCo) and the settlement agreement has been approved by the City Council. Key provisions of the Development Agreement include: a requirement that the Mariposa Lakes Project pay its own way and not negatively affect the City’s finances and; that under the “Community Benefit” (Section 2.3) of the Development Agreement, the applicant or successors-in-interest comply with the noted settlement agreement with the Attorney General and the Sierra Club. Among other things, the settlement agreement requires that the MLSP comply with the “Early Climate Protection Actions” as listed in (Section 9 (a) – (d) of the settlement agreement (Exhibit 4). The MLSP will also be required to comply with the settlement agreement’s “Climate Action Plan” when it is approved by the City Council.

**Requested Approvals:** In order to develop the Specific Plan project on the subject site, the Planning Commission is being requested to recommend approval to the City Council of the following environmental documentation and discretionary applications:

- Reaffirm its recommendation to certify the Final Environmental Impact Report (FEIR11-03);
- General Plan Amendment to amend the General Plan designation 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);
- Approve the Mariposa Lakes Specific Plan, including Fiscal Impact Analysis (FIA) and Public Facilities Financing Plan (PFFP) (SPA4-03);
- Prezoning to CG (Commercial, General), CN (Commercial, Neighborhood),
- IG (Industrial, General), IL (Industrial, Light), OS (Open Space), PF (Public Facilities), RE (Residential, Estate), RL (Low Density Residential), RM (Medium Density, Residential), RH (High Density Residential), UC (University/College), (Z-17-03); and

- Development Agreement to facilitate and define the development phasing and financial responsibility of the Mariposa Lakes Specific Plan Project (DA7-05) (See Exhibit 3, attached).

At its meeting of August 28, 2008, the Planning Commission recommended to the City Council approval of:

**Additional Approvals/Authorizations:** The adoption of the MLSP and certification of the MLSP Final Environmental Impact Report (FEIR) establishes the planning criteria and environmental mitigation measures for the overall development of the Community. Before construction can proceed, however, the Master Developer must secure certain additional approvals/authorization. These include:

- Petition for Annexation to the City (City Council);
- Amendment to the Precise Roadway Plan for State Route 4;
- Public Facilities Infrastructure Phasing Plan;
- Approval of an amendment to City of Stockton’s Sphere of Influence (by LAFCO);
- Approval of annexation to the City of Stockton (by LAFCO);
- Approval of cancellation of applicable Williamson Act contracts;
- Approval of tentative subdivision maps;
- Approval of Use Permits for shopping center(s) and specified uses;
- Authorization to Proceed with Approval of Improvement Plans;
- Architectural and Site Plan Review;
- Habitat Conservation Plan Compliance; and
- Agriculture Mitigation Program Compliance.

As construction proceeds, further discretionary and non-discretionary approvals and permits may be required. These include:

- Approval of amendments to the City’s Wastewater Master Plan;
- Approval of amendments to the City’s Water Master Plan;
- Approval of cancellation of applicable Williamson Act contracts (if necessary);

- Approval of additional tentative and final subdivision maps; and
- Issuance of Clean Water Act Section 404 Permit (by U-S Army Corps of Engineers).
History and Planning Context for the Project: The process for planning urban development within the SPA (i.e., "Community") was initiated in early 2004, when the City conducted the first of three public workshops on November 7, 2004. The City obtained public input on the conceptual plans for the proposed MLSP at two additional public workshops conducted on May 11, 2005 and March 29, 2006.

Environmental Clearance: Staff has prepared and is recommending certification of a Final Environmental Impact Report (FEIR11-03) and adoption of the “Findings of Fact, Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program for the Mariposa Lakes Specific Plan and related entitlements, including the proposed Development Agreement.” The Draft EIR, Final EIR and the Findings of Fact, Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program were previously transmitted to the Planning Commission under separate cover and were previously recommended for certification by the commission on August 28, 2008 for the related General Plan Amendment, Specific Plan, and Prezoning applications.

The Environmental Impact Report (EIR) is intended to provide full and complete environmental review, or “project-level” environmental review, for the first phase (Phase 1), and “first-tier” or “program-level” environmental review for the remaining phases (Phases 2–5). Therefore, subsequent phases of the project will require additional environmental review.

Recommendation for EIR11-03: It is recommended that the Planning Commission recommend certification of the Final Environmental Impact Report (FEIR11-03) and the “Findings of Fact, Statement of Overriding Considerations, Mitigation Monitoring and Reporting Program for the Mariposa Lakes Specific Plan Project” (“Findings”), prior to recommending approval of the Development Agreement and recommend that the City Council certify Final EIR11-03 and adopt the related Findings prior to, or in conjunction with, the approval of the Development Agreement, based on the following findings

1. The Final EIR has been completed in compliance with the California Environmental Quality Act (CEQA), State CEQA Guidelines, and City Guidelines for the Implementation of CEQA.

2. The Final EIR has been reviewed and considered prior to any related project approvals, reflects the City’s independent judgment and has been found to be adequate for said approvals.

3. The anticipated benefits of the proposed project outweigh the unavoidable or unresolved adverse environmental effects, as supported by the “Findings, Statement of Overriding Considerations, Mitigation Monitoring and Reporting Program for the Mariposa Lakes Specific Plan.”
4. Based on the significant and/or potentially significant environmental effects identified in the Environmental Impact Report for the Mariposa Lakes Specific Plan (FEIR11-03) and pursuant to Sections 15091 and 15093 of the State CEQA Guidelines, all applicable approvals are based on, and subject to, the adopted findings, mitigation/measures and mitigation monitoring-reporting provisions, as specified in the "Findings, Statement of Overriding Considerations, Mitigation Monitoring and Reporting Program for the Mariposa Lakes Specific Plan."

**Development Agreement DA7-05:** The proposed Development Agreement (DA7-05) requires, consistent with the 2035 General Plan, that the MLSP Project pay its own way so as not to negatively affect the City’s finances in any way. DA7-05 also acknowledges the City’s Settlement Agreement with the Sierra Club and the Attorney General of California and stipulates that the owners, developers and successors-in-interest (ODS) of the MLSP Project may need to amend, at the discretion of the City, the Specific Plan, tentative maps and related project approvals to conform to the requirements of the Settlement Agreement and Climate Action Plan.

In addition, DA7-05 contains the substantive information as required by Section 16-525.060 of the Development Code.

**Recommendation for DA7-05:** Approval based on the following findings:

1. The City of Stockton has reviewed the Final Environmental Impact Report (FEIR11-03) for the proposed project and has certified that it has been complete in compliance with the California Environmental Quality Act (CEQA) and that the final decision making body for this and/or any related discretionary approval for the project has considered the information contained in the Draft EIR and Final EIR prior to approving the project.

2. Approval of DA7-05 is in the best interests of the City.

3. DA7-05 is in compliance with the Development Code and other applicable ordinances and regulations.

4. DA7-05 is consistent with the general land uses, objectives, policies, and programs of the General Plan, and Specific Plan 4-03.

5. The approval of DA7-05 is not expected to endanger, jeopardize, or otherwise constitute a hazard to the public convenience, health, interest, safety, or general welfare.