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UNITED STATES BANKRUPTCY COURT

EASTERN DISTRICT OF CALIFORNIA

SACRAMENTO DIVISION

In re: CITY OF STOCKTON, CALIFORNIA, Debtor.	Case No. 2012-32118 D.C. No. OHS-15 Chapter 9 **DIRECT TESTIMONY DECLARATION OF STEPHEN CHASE IN SUPPORT OF CONFIRMATION OF FIRST AMENDED PLAN FOR THE ADJUSTMENT OF DEBTS OF CITY OF STOCKTON, CALIFORNIA (NOVEMBER 15, 2013)**[1]
WELLS FARGO BANK, NATIONAL ASSOCIATION, FRANKLIN HIGH YIELD TAX-FREE INCOME FUND, AND FRANKLIN CALIFORNIA HIGH YIELD MUNICIPAL FUND, Plaintiffs, v. CITY OF STOCKTON, CALIFORNIA, Defendant.	Adv. No. 2013-02315 Date: May 12, 2014 Time: 9:30 a.m. Dept: Courtroom 35 Judge: Hon. Christopher M. Klein

[1] While this declaration is made in support of confirmation of the Plan, out of an abundance of caution, and because the evidentiary hearing on Plan confirmation and the trial in the adversary proceeding share common issues, it is being filed in both the main case and the adversary proceeding.

I, Stephen Chase, hereby declare:

1. I am the Director of the Community Development Department of the City of Stockton, California ("the City" or "Stockton"). I make this declaration in support of confirmation of the City of Stockton, California's ("City") First Amended Plan For The Adjustment Of Debts Of City Of Stockton, California (November 15, 2013). In my role as Director of Community Development, I oversee the City's public facilities fees ("PFFs") system, floodplain management, long-range and current planning, building and life safety, and the operations of the City's permit center. Prior to joining the City as the Director of Community Development in July 2012, I was the Planning and Environmental Services Director for the City of Goleta, Deputy Director of Planning and Development for the County of Santa Barbara, Deputy City Manager for the City of San Buenaventura, Aide and Field Deputy to the Board of Supervisors of the County of Ventura, and as a junior level planner for the City of Camarillo and the Counties of Santa Barbara and Ventura.

California's PFF System

2. PFFs are charges levied on new development to pay for development's fair share of infrastructure needs to mitigate the incremental impacts of the development. They are governed by the California Mitigation Fee Act of 1987 (the "Act," also known as California Assembly Bill 1600, or "AB 1600"), codified at Cal. Gov't Code § 66000 *et seq*., which allows cities to charge fees, among them PFFs, to provide a certain level of service or for public infrastructure related to new development. The Act imposes several key requirements on the City's PFF system.

3. First, the Act requires that there be a "nexus" between the level of service and/or infrastructure costs and the fee charged. In order to establish the nexus for a new PFF, the City must identify the purpose of the fee, identify the use to which the fee is to be put, and determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed. These findings are contained in a fee study prepared by or for the Community Development Department and the Administrative Services Department and submitted to the City Council for approval.

4. Because of the Act's nexus requirement, the permissible uses of PFF receipts are restricted to the purposes for which the PFFs were imposed—in other words, the purposes set forth in the fee study that was required to be undertaken by the City in order to levy the charges.

5. A second key requirement of the Act is that PFF receipts be placed in separate funds allocated to each specific fee purpose. As described in the Vanessa Burke declaration being submitted concurrently, these funds are restricted, meaning that these types of fees can only be collected and used for mitigating the impacts of new development upon infrastructure needs and/or service level demands.

6. Finally the Act requires that PFF receipts be allocated within five years of their collection to a nexus-based capital improvement program, such as the land acquisition, engineering and eventual construction of a freeway interchange. Reimbursement claims are eligible for consideration beyond the five year window.

The Availability Of PFFs To Reimburse The General Fund For Portions Of The Lease Payments On The 2009 Golf Course/Park Bonds

7. The proceeds of the 2009 Golf Course/Park Bonds[2] funded certain infrastructure improvements that would have otherwise been eligible for funding from certain PFF funds. Because of this, the PFF funds from which the improvements would have otherwise been eligible for funding may reimburse the General Fund for the portions of the lease payments on the principal of (but not interest on, as explained below) the 2009 Golf Course/Park Bonds that are allocable to those improvements. The authority to use PFF receipts to refund the principal payments on the 2009 Golf Course/Park Bonds is based on the use of bond proceeds to finance fee-eligible improvements.

8. It is important to note that the City is not *required* to use PFF funds to reimburse the General Fund principal payments. This is because there is no separate pledge agreement *committing* PFF receipts to refund the principal payments made by the General Fund to Franklin. Rather, the City is *permitted* to use PFF funds for this purpose, if it so elects.

[2] Capitalized terms used but not defined herein have the meaning ascribed to them in the First Amended Plan for the Adjustment of Debts of City of Stockton, California (November 15, 2013) [Dkt. No. 1204].

9. The City's ability to use PFF receipts to refund the principal payments on the 2009 Golf Course/Park Bonds is limited by the City's obligations to use PFFs to pay for new infrastructure. There is no requirement that any particular improvements be given priority over other improvements, and the City has not assigned priority to repayment of the 2009 Golf Course/Park Bonds ahead of other obligations. Another limiting factor is that PFFs are received only when property is developed, which is beyond the City's control. The City thus has no control over the timing or amount of PFF revenues in any given period. Because the improvements to be funded by PFFs are intended to mitigate the impacts of new development, the City cannot feasibly allocate all or even a substantial portion of future PFFs to refund the principal payments on the 2009 Golf Course/Park Bonds, lest it fail to have funding to pay for the infrastructure required to serve the new developments that will generate the fees.

10. As noted above, PFF receipts may be used to refund the principal payments of, and not the interest on, the 2009 Golf Course/Park Bonds. This is because the fee study for the projects funded by the proceeds of the 2009 Golf Course/Park Bonds did not establish fees in an amount designed to cover interest carried on the cost of the improvements. Because of this, PFFs cannot be used to refund the General Fund for payments for the interest component of the amounts due under the 2009 Golf Course/Park Bonds.

11. Further, the competition for PFF resources is intense, especially for street projects. The City's Capital Improvement Program for FY 2013-14 through 2017-18 identifies $440 million of unfunded transportation projects. Even with receipt of state or federal grant funds, a significant portion of these unfunded costs would have to be paid from the Streets PFF fund. Also competing for Streets PFF funds are $16 million in accumulated PFF program credits and other reimbursement obligations payable to developers.

PFF Revenues Have Been Lower Than Expected

12. By the beginning of the AB 506 neutral evaluation process, the City was aware that PFF revenues had fallen from their peak in 2003-2006. However, it was not until later, in June 2013, that the City received information showing the extent of the down-market effects on development activities going forward into future years, and, therefore, the drastically reduced

projections for the generation of PFF revenues. The City now recognizes that PFF receipts have reached a new low, and because of multiple factors, are likely to remain low for many years to come.

13. As reflected in the declaration of Laurie Montes in support of the City's eligibility petition [Dkt. No. 23], development in Stockton boomed during better economic times. Development permits for residential dwellings reached an average of almost 3,000 per year during the early 2000s. With the crash in the housing market and the global economic downtown, however, development in Stockton has nosedived. During fiscal years 2008-09 through 2011-12, residential dwelling permits averaged only 135 per year. During the last calendar year, the City issued only 97 dwelling permits. As a consequence, PFF receipts have dropped dramatically. The Police and Fire PFF funds are collectively $3.7 million in deficit, having had to receive loans to help pay their share of debt service costs prior to 2012.

Numerous Factors Inhibit The Growth Of PFFs Going Forward

14. In January of 2013, the City commissioned the consulting firm Economic & Planning Systems, Inc. ("EPS") to prepare a development impact review report as part of a comprehensive review of development impact fees. A true and correct copy of this report, which was presented to the City's Development Oversight Commission on June 6, 2013, is attached hereto as **Exhibit A**. Based on the data available at the time, the EPS econometric supply and demand model for new permit activity projected that the City would be issuing approximately 700 units per year by year 2017 of all types of residential housing, provided that all assumptions hold true. The study further forecast a sharp increase beginning in 2014, based on pent up market demand for new housing. However, this projection has not borne out: the City has issued only 64 building permits for residential units in the first 9 months of the current fiscal year. Accordingly, the amount of PFFs that the City will receive this year will be considerably lower than what had been forecasted. Further, at least two of the PFF funds, Fund 940 and Fund 960, which the City proposed to use as a source of debt repayment for the 2009 Golf Course/Park Bonds, currently have negative balances. As a result, the millions of dollars of PFFs that Franklin argues are available to pay them from PFF funds simply do not exist.

15. The EPS model and its forecast of a substantial downgraded demand cycle bring into question the City's former projections of the number of permits that could produce PFF revenues. The EPS projection of 700 units per year was dependent on certain economic factors being met, such as a drop in unemployment and increase in the price point for home sales. Unemployment in Stockton remains high as of February 2014, at 15.9%, and job formation remains slow. Further, price points for new homes remain closer to the $200,000 level, not $300,000. *See* Exhibit A at 48, 72. The City's financial consultants forecast that economic conditions in Stockton will remain depressed for years to come.

16. Another important factor that will suppress PFF receipts is the required overhaul of the City's General Plan and Capital Improvement Program. A General Plan is the document of policies, programs, maps and designations that has hierarchical control over all land use matters. It is the City's plan for future growth in population and land area, and complementary development of land uses types, properties and structures. A Capital Improvement Program is a document intended to guide infrastructure plans that stem from the General Plan. The City currently operates under the 2035 General Plan, which was promulgated in December 2007. The City's Capital Improvement Program is promulgated each fiscal year as a part of the annual budget. As such, the current program was approved in June 2013. Not only must the City develop a new Capital Improvement Program tied to the current General Plan, the City must substantially overhaul the General Plan before it can do so.

17. The 2035 General Plan is premised on an out-dated development plan that does not reflect present economic conditions in Stockton, and must be overhauled to reflect the new reality. Further, the General Plan must be amended to satisfy new state mandates. Recent state mandates related to climate action planning, floodplain management, and carbon footprints ([AB 32, SB 375, and SB 5]), along with the City's settlements with the Attorney General's Office and Sierra Club in October 2008 to cure alleged defects in that plan, required the City to analyze and draft modifications to encourage infill and/or adaptive reuse of vacant and underutilized properties and structures, as opposed to greenfield development. "Infill" describes the development of undeveloped areas already within a city's infrastructure grid. "Greenfield"

development, in contrast, is the development of previously undeveloped lands beyond a city's infrastructure grid. Because the highest PFFs are those issued for permits for the new infrastructure associated with greenfield development, the shift to infill in the updated general plan may constrict both the number of development permits issued and the amount of PFF receipts raised by their issuance.

18. The process to update the General Plan is set to commence in FY 2014-15, when it is anticipated that the Community Development Department will seek initial approval for a comprehensive update. Amendments to the General Plan are subject to Planning Commission recommendation and City Council approval.

19. Franklin's assertion that PFF receipts would be sufficient to pay its claim if development permits average 650 per year is thus a world away from Stockton's reality. For example, for park projects, the General Plan standard for park acreage per 1000 residents imposes a new park construction cost burden that alone is in excess of what 700 housing units per year would generate in income.

20. Finally, another important variable will inhibit future PFF growth: the intense political pressure in Stockton to reduce PFFs and other developer fees in an effort to encourage development. Development is essential to the City's recovery following bankruptcy. Many citizens, among them a number of influential and well-financed developers, believe that to encourage development it is necessary to reduce the amount of fees imposed on new development. The City reduced the Streets PFF rate by half in 2010 as an incentive for development, with the discount scheduled to end on December 3, 2013. However, the City Council extended that 50% rate discount for another year, through December 31, 2014. Because revenue foregone through rate discounts cannot legally be made up through higher levies on future development, these four years of lost revenue cannot be regained. And the political pressure is ongoing: The City's Strategic Initiative III.3 provides policy direction to simplify and reduce development impact fees, so as to stimulate economic development. In 2013, the City conducted a Phase 1 fee study that provided a legal and policy framework to reopen the Fee Schedule accordingly. In 2014, a Phase 2 fee study is now evaluating processing fees.

Programmed for 2015 is a Phase 3 study of PFFs. The entirety of these analyses will be updated once a new General Plan and Capital Improvement Program emerge in the 2016 timeframe.

Limits On The Use Of The Golf Course/Park Properties

21. The restrictions on the use of the Golf Course/Park Bonds Properties severely limit their value, either in leasehold or in fee simple. All three properties are designated as Parks and Recreation by the City's 2035 General Plan. Allowed uses under the Parks and Recreation designation include "City and county parks, golf courses, marinas, community centers, public and quasi-public uses, and other similar and compatible uses." *See* Stockton General Plan 2035 Goals & Policies Report, at 3-7, *available at* http://www.stocktongov.com/files/GoalPolicyReport.pdf. The properties are also designated as Public Facilities by the City's zoning ordinance, the Stockton Development Code. Although the permissible uses for Public Facilities, which include offices, auditoriums, libraries, and similar civic uses, are broader than those for Parks and Recreation properties, these additional uses are typically permitted only with a discretionary permit, which must be approved either by the Planning Commission or by me in my role as Community Development Director after issuing a written finding that the permit is consistent with the 2035 General Plan. Given the limited uses permitted by the 2035 General Plan, a permit allowing residential development of the Golf Course/Park Bonds Properties would be inconsistent with the General Plan and would not be granted.

22. Any changes to the General Plan designation and Zoning District Map designation would require legislative action by the City Council. Those actions and the process that begets them must comport with the strict provisions of the California Planning and Zoning Act (Government Code) and the California Environmental Quality Act (Resources Code). The process requires formal initiation, staffing and funding of the work program, hearings, discretionary decision-making based on the process record and, generally, 18 to 24 months of time. By law, outcomes of this process cannot be pre-determined.

23. The City's zoning ordinance and General Plan are not the only restrictions on the use of the properties. Van Buskirk Golf Course, for instance, sits in a floodplain of the San Joaquin River. Federal Emergency Management Agency ("FEMA") standards prevent

construction on the floodplain. The City is required to ensure that all new land uses and structures meet FEMA standards as well as emerging State mandated provisions under SB5 that require 200-year flood zone protections.

24. The deed by which Charles and Bertha Van Buskirk conveyed the property on which Van Buskirk Golf Course sites to the City imposes further restraints on the use of the Property. A true and correct copy of the Van Buskirk deed is attached hereto as **Exhibit B**.[3] It includes conditions subsequent that the "property shall be maintained and used only for public recreation or public park purposes" and that "no intoxicating liquor shall be sold or offered for sale upon the premises." *Id.* at 2-3. A violation of either condition subsequent for more than 180 days results in a reversion of the portion of the property that is in violation back to the heirs and successors of the Van Buskirks.

The Moore Report Vastly Overstates The Availability Of PFFs To Pay Franklin

25. I have reviewed the Expert Report Of Charles M. Moore (the "Moore Report") submitted by Franklin on March 26, 2014. The Moore Report posits that the City can use PFFs to essentially pay Franklin in full. Moore Report at 10-12. This conclusion is simply wrong, for all of the reasons outlined in this Declaration. The Moore Report ignores the fundamental economic and legal realities that constrain the City's use of PFFs.

26. First, the Moore Report's projections for PFF revenues is completely exaggerated Moore incorrectly assumes (1) that new, PFF-generating housing production will occur at an average rate of 700 units per year (the City has averaged less than 130 units per year over the last five years, and is stuck on 64 units for the current fiscal year-to-date); (2) that the expected 700 units per year accounts only for single family unit production (it actually applies to all housing types); and (3) that new unit production will occur only in greenfield expansion areas that require PFF generation (state mandates call for compact urban infill where infrastructure already exists, and where there is a reduced need for capital improvement projects and related PFF generation). Moore further assumes that PFF revenues will increase sharply in the near future, despite the

[3] There are actually seven separate deeds for the properties that comprise the Van Buskirk golf course. All of these deeds have identical language.

many factors that are likely to suppress development and PFF revenue, including the City's slow ongoing recovery from recession, continuing high unemployment, depressed price points for new home sales.

27. The Moore Report also ignores constraints on the use of PFFs, and assumes that any PFFs in the specified funds could be handed over to Franklin. First, the Moore Report inaccurately suggests that PFFs are somehow pledged to pay Franklin. They are not. Further, the Moore Report fails to acknowledge that the City *must* use PFFs to cover capital improvements, including those it is committed to in various Develop Agreements and Vested Tract Maps. The Moore Report also appears to treat PFFs as a pool, rather than as existing in segregated funds.

28. The Moore Report demonstrates a basic misunderstanding of the PFF system, and Moore's assertion that the City could pay Franklin's claim using PFF revenues is fundamentally flawed.

Executed this 21st day of April 2014, at Stockton, California. I declare under penalty of perjury under the laws of the State of California and the United States of America that the foregoing is true and correct.

Stephen Chase

Stephen Chase

Exhibit A

City of Stockton Development Impact Fee Review Report

The Economics of Land Use

EPS

Presented to City of Stockton

Development Oversight Commission

June 6, 2013

Berkeley
Denver
Los Angeles
Sacramento

Economic & Planning Systems, Inc.
2501 Ninth Street, Suite 200, Berkeley, CA 94710
510.841-9190 • 510.841-9208 fax

Case 12-32118 Filed 04/21/14 Doc 1384

Presentation Overview

1. Background and Findings of the Fee Review
2. Stockton's Development Impact Fees
3. Development Impact Fee History
4. Economic Context and Assessment
5. CFF Revenue Forecast
6. Scope of Proposed Reforms

Case 12-32118 Filed 04/21/14 Doc 1384

1. Background and Findings

- Purpose of Development Impact Fee (DIF) Review
- Key Issues and Questions
- Key Findings
- Decision and Actions Needed

Case 12-32118 Filed 04/21/14 Doc 1384

Purpose of Development Impact Fee Review

- City Council review of Community Development Department (CDD) operations and budget mandated:
  - Top to bottom changes were mandated as part of a Management Partners – Implementation Action Plan
  - An examination and update of development fees was included in a 36-item list of to-do's
- City Council reaffirmed the need to address development fees as a part of the Urban Land Institute Report's 27 Action Steps Matrix
- Consideration of requests for additional fee reductions in 2013/14 and beyond

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Key Issues and Questions

1. What is the background and status of the City's existing DIFs?
2. When will the local housing market recover?
3. How do impact fees affect development feasibility?
4. What options exist for setting DIF schedule for 2013/14
5. What are the implications of these fee options?
6. What is the scope of subsequent impact fee updates and reforms?

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1. Background and Status of City Fees

- City's DIFs are technically sound; however, Capital Facilities Fees (CFFs) are "out of date" from several perspectives—full costing of infrastructure would yield higher fees
- The individual CFF accounts have been subjected to loans, inter-fund transfers, debt service commitments, and other encumbrances that limit their present and future availability for building capital projects
- Other impact fees (Utility, Mitigation, and Other Agency) appear to be in good order
- Community Development permit and processing fees and charges are in need of reform – they should be balanced with General Fund support to develop a sustainable departmental "cost recovery" policy

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2. When will the Housing Market Recover?

- Current housing market remains weak due to limited real demand and over-supply of existing properties
- Existing housing supply will be absorbed and job growth will begin attracting new employees and household formation over next two years
- Market conditions continue improving and recovery (substantial new construction) is expected by 2017
- Some "spike" in demand may occur due to improving economic conditions and pent-up demand
- Stockton is capturing a decreasing share of regional market
- Sustained average of 700 units expected in future years
- Future annual fee revenues will be subject to expected business cycle variations

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3. How do Fees Affect Feasibility?

- Current housing prices do not justify housing construction
- Fees are development costs that must be internalized in project economics
- Fees do not directly influence price – market sets price
- Housing price recovery in Stockton should "balance" with existing fee schedule by 2016
- Fees and other development costs should reflect market prices to avoid competitive or distortionary effects

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4. What Options Exist for Setting CFFs?

1. Return to full fee schedule in December
2. Continue existing fee reductions for time certain period
3. Increase fee reductions as part of effort to advance new development

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5. What are the implications of options?

1. **Return to full fee schedule in December**
   - Return to full fee schedule may inhibit residential growth between now and 2017 when recovery is expected
   - Assures that fee funding will return to level required by existing technical reports
   - Provides funding to meet other fee fund obligations
2. **Continue existing fee reductions for time-certain period**
   - Continuing existing reductions likely would have minimal measurable effect (especially in view of recent water connection fee reduction)

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Implications of Options, continued

3. **Increase fee reductions as part of effort to advance new development**
   - Substantial additional fee reductions may advance some residential development to 2014/2015
   - The only fees with ability to be reduced are the City's CFFs
   - Fee reductions result in a permanent loss of infrastructure financing capacity, the amount dependent upon the magnitude of the reduction and the amount of development occurring during period
   - Bankruptcy negotiations limit City's flexibility regarding fee levels and use
   - Fee losses due to additional reductions would need to be "backfilled" with other funding sources to maintain integrity of CFF program

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6. Scope of City Impact Fee Update

- Full technical update of the City's CFFs is required
- Interim adjustments can be made to CFF; full update must await completion of General Plan Update
- Comprehensive infrastructure financing strategy should be prepared
- CDD permit and processing fees should be evaluated to achieve a sustainable financial base for community development services
- Existing CFF encumbrances should be documented, and reconciled as a preparation for the CFF Update

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City Decisions and Actions Needed

1. Consider the implications, impacts, and effectiveness of further fee reductions
2. Set Interim CFF schedule for 2013/14
3. Begin clarifying and resolving CFF fund encumbrances
4. Set CDD permit fee and charge schedule 2013/14
5. Initiate phased action program to assure long term soundness of City's DIFs, CDD funding, land use planning, and related infrastructure investments and financing

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2. Stockton's Development Fees

- Current Development Fee Components
- Fee Component Details
- Jurisdictional Fee Comparison

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Development Fee Components

City of Stockton Public Facilities Fee Program includes a range of fee types, including:

- "City CFFs" (e.g., public buildings/facilities, parks, transportation)
- "City Mitigation Fees" (e.g., air quality, agricultural)
- "Water/Wastewater Fees"
- "Other Agency Fees" (e.g., other agency capital facilities, and mitigation fees)

Community Development charges a range of fees for permits, plan checking, and special purposes

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Development Fee Summary

- Total DIFs for typical single-family home presently equal approximately $49,800 (based on 2012 San Joaquin Partnership survey)
- Actual DIF amounts vary by project circumstance including building prototype and location
- Current permit, plan check and special fees that support Community Development Department equal approximately $5,000
- Current impact fee reductions apply only to City's Capital Facilities Fees

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Summary of Development Impact Fees

Fee Type	Responsible Agency	Current Fee Amount	Percent of Total Fees	Existing Reduced Fee Amount	Percent of Total Fees
Capital Facilities	CDD	$20,217	40.6%	$12,623	29.9%
Utilities [1]	MUD	$14,394	28.9%	$14,394	34.1%
Mitigation	CDD	$3,057	6.1%	$3,057	7.2%
Other Agency	County, School District, SJCOG	$12,169	24.4%	$12,169	28.8%
Total Fees		**$49,837**	**100%**	**$42,243**	**100.0%**

[1] Utilities fee total reflects recent Delta Water Supply Project and Water Utility Connection Fee adjustment back to 3/4" fee rate from 1" (a fee reduction of $4,922.25).

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Components of Capital Facility Fees

Fee Name	Responsible Agency	Current Fee Amount	Percent of Total Fees	Existing Reduced Fee Amount	Percent of Total Fees
City Office Space	CDD	$468	0.9%	$234	0.6%
Police Station Expansion	CDD	$591	1.2%	$591	1.4%
Fire Stations	CDD	$781	1.6%	$781	1.8%
Libraries	CDD	$902	1.8%	$451	1.1%
Community Recreation Center	CDD	$482	1.0%	$241	0.6%
Park Land	CDD	$2,798	5.6%	$2,798	6.6%
Street Improvements/Traffic Signals	CDD	$13,336	26.8%	$6,668	15.8%
Street Trees	CDD	$140	0.3%	$140	0.3%
Administration	CDD	$719	1.4%	$719	1.7%
Sub-total		**$20,217**	**40.6%**	**$12,623**	**29.9%**

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Components of Utility, Mitigation, and Other Agency Fees

Fee Name	Responsible Agency	Fee Amount	Percent of Total Current Fees	Percent of Total Reduced Fees
Utilities				
Delta Water Supply	MUD	$4,595	9.2%	10.9%
Water Connection Fee	MUD	$2,063	4.1%	4.9%
Surface Water Fee	MUD	$3,839	7.7%	9.1%
Wastewater	MUD	$3,634	7.3%	8.6%
Administration	MUD	$263	0.5%	0.6%
Sub-total		**$14,394**	**28.9%**	**34.1%**
Mitigation				
Air Quality	CDD	$187	0.4%	0.4%
Agricultural Land	CDD	$2,870	5.8%	6.8%
Sub-total		**$3,057**	**6.1%**	**7.2%**
Other Agency				
County Facilities Fee	County	$1,826	3.7%	4.3%
School District	School District	$4,455	8.9%	10.5%
Habitat Mitigation	SJCOG	$2,874	5.8%	6.8%
Regional Transportation Fee	SJCOG	$3,014	6.0%	7.1%
Sub-total		**$12,169**	**24.4%**	**28.8%**

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Community Development Permit Fees

CDD Fee Description	Current Fee Amounts	Totals
Permit and Plan Check Fees		**$2,778.68**
Permit Fee (Inspection and Administration)	$1,852.45	
Plan Check Fee	$926.23	
Other Processing Fees		**$93.74**
Design Review Construction Permit	$33.40	
Green Building Admin Fee (1%)	$1.09	
Image Paperwork/Documents Fee	$3.00	
Land Management Update Fee	$3.25	
Permit Issuance Fee	$39.00	
Permit Tracking Fee	$14.00	
Special Community Development Fees		**$2,215.91**
Capital Preservation Fee - Code Enforcement	$262.73	
Climate Action Plan Development and Implementation	$262.73	
Community Rating System (CRS) admin fee (Flood Ins)	$37.05	
Development Code Maintenance and Implementation	$262.73	
Development Oversight Commission	$262.73	
General Plan Implementation Fee	$788.18	
Housing Element Maintenance and Implementation	$131.36	
Technology Improvement GIS Support	$208.40	
Total		**$5,088.33**

Source: Stockton Community Development Department

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Capital Facilities Fees

- CFFs created in wake of 1980s building boom – new City policy of having "development pay its own way"
- City CFFs (public facilities/building and transportation) appropriately calculated between 1991 and 2005
- Periods of falling behind (e.g., 1991 – 2001)
- Substantial fee increases in 2005, but not to maximum levels allowable
- Technical analysis in 2008/2009 suggested:
  - transportation fees could be twice as high
  - parks fees could be twice as high
  - public buildings/facilities could be lowered

City Capital Facilities Fee Considerations

- CFF at full rate of $20,217 equal 41 percent of total DIFs
- At reduced rate CFFs equal 30 percent of total DIFs
- Existing fee reductions to CFF of $7,594 are mostly (88 percent) derived from the "streets fee"
- CFFs at full rate are below what could be technically justified given existing level of service standards
- Bonds issued in 2006 and 2009 provided capital to build CFF facilities; CFF funds were allocated shares of this debt service

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City Mitigation Fees

Mitigation associated with State/federal air quality regulations and CEQA resulted in the addition of two mitigation fees:

- **Air Quality Fee**
  - Adopted in 1991 in response to State/federal air quality regulations
  - pays for improvements that reduce vehicle
- **Agricultural Land Mitigation Fee**
  - Adopted by City in 2007 in response to CEQA and other requirements
  - Only applies to conversion of prime farmland

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Mitigation Fee Considerations

- Mitigation fess equal 7 percent of total fees
- Agricultural mitigation fee applies only to projects converting prime agricultural land
- Due to statutory or legal basis mitigation fees cannot easily be changed or reduced
- Mitigation fees have been used appropriately for designated purposes

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City Utility Connection Fees

- City charges connection fees for its water and sewer utilities
- Detailed technical studies support current water fees
- Fees cover the costs of utility services including water supply capacity, treatment and distribution, sewer collection, treatment, and effluent disposal
- Current fees fund capital facilities that have been constructed, off-setting debt service for these facilities
- Utility fees have been indexed and updated regularly

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Utility Fee Considerations

- Utility fees equal about 29 percent of total fees
- Significant proportion of water fees associated with paying principal and interest on prior bond issuances
- A water connection charge reduction for single-family home of approximately $4,900 has been implemented due to classifying required one-inch pipe service as a ¾-inch service
- Other than this reclassification, there is little opportunity to alter utility fees; in fact fee contributions to the financing has fallen with the Recession and future fees will be needed to rebalance these accounts

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Other Agency Fees

New development pays a number of fees overseen by other entities:

- **Regional Transportation Impact Fee (RTIF)** – Adopted in 2006 based on RTIF Technical Report and Operating Agreement
- **Countywide Facilities Fee** – Adopted in 2005 based on 2003 Countywide Nexus Study; fees pay for region-serving County facilities
- **School District** - School district charges impact fees to fund school facilities costs consistent with State law (SB-50)
- **Regional HCP Fee** –Adopted Multi-Species Conservation Habitat Conservation and Open Space Plan tiered including mitigation fee for habitat/open space impacts in 2002; mitigation fee update in 2006

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Other Agency Fees Considerations

- Other agency fees equal approximately 24 percent of total fees
- All fees based on technical analyses and/or relevant State law
- City receives 75 percent of RTIF fees to spend on approved list of regional transportation projects in Stockton area
- City has no latitude to lower fees it administers for other agencies

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Comparison with other Jurisdiction's Fees

- All other cities (and the County) charge DIFs
- Other factors (besides fee cost) influence development attractiveness, off setting competitive influence of fee levels
- Other agencies have also imposed temporary fee reductions
- Stockton's fees are "in the middle" of competing city fee rates

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Jurisdictional Impact Fee Comparison

Fee Type	Stockton*	Lathrop	Lodi	Manteca	Ripon**	Tracy
Public Buildings/Facilities	$6,881	$10,214	$2,668	$7,322	$17,102	$12,856
Transport.	$13,336	$2,503	$289	$2,723	$6,543	$11,859
City Mitigation Fees	$3,057	$0	$0	$802	$0	$0
Storm Drain/Other	$263	$236	$0	$4,689	$2,430	$7,162
Water/Wastewater	$14,131	$2,306	$3,283	$9,922	$12,974	$19,602
Other Agency	$12,169	$7,919	$10,764	$11,698	$14,894	$15,480
Total	**$49,837**	**$23,178**	**$17,004**	**$37,156**	**$53,943**	**$66,959**

* Stockton has temporarily reduced certain public facilities and transportation fees by 50 percent ($7,594).
** Ripon has reduced its Parks & Recreation Fee by 50% for 2012 and 2103 ($6,538).
Note: Pre-reduction fee levels are shown above.

Sources: San Joaquin Partnership; Economic & Planning Systems, Inc.

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3. Development Impact Fee History

- Geography of Fee Programs
- Genesis of the DIF Program
- Changes over the past 25 years

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Stockton CFF Geography

- Different DIF fees can be charged in sub-areas of the City
- Original Program created six sub-areas
- Sub-areas have been consolidated in recent amendments

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CFF Sub-areas

Original Program divided City into six subareas (1991):

North Stockton

- Fee Area 1: North Peripheral (six of seven entitled projects; majority of future residential growth)
- Fee Area 2: North Developed (modest residential)

Central/South Stockton

- Fee Area 3: Central Developed
- Fee Area 4: Central Peripheral
- Fee Area 5: South Developed
- Fee Area 6: South Peripheral (substantial vacant industrial land and Weston Ranch)

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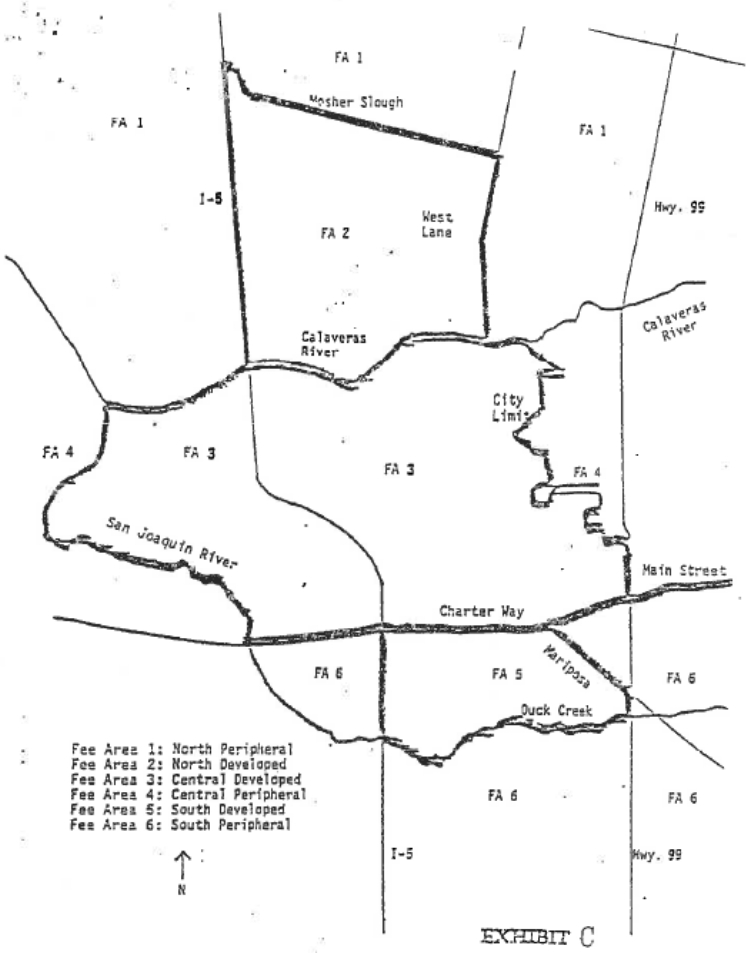
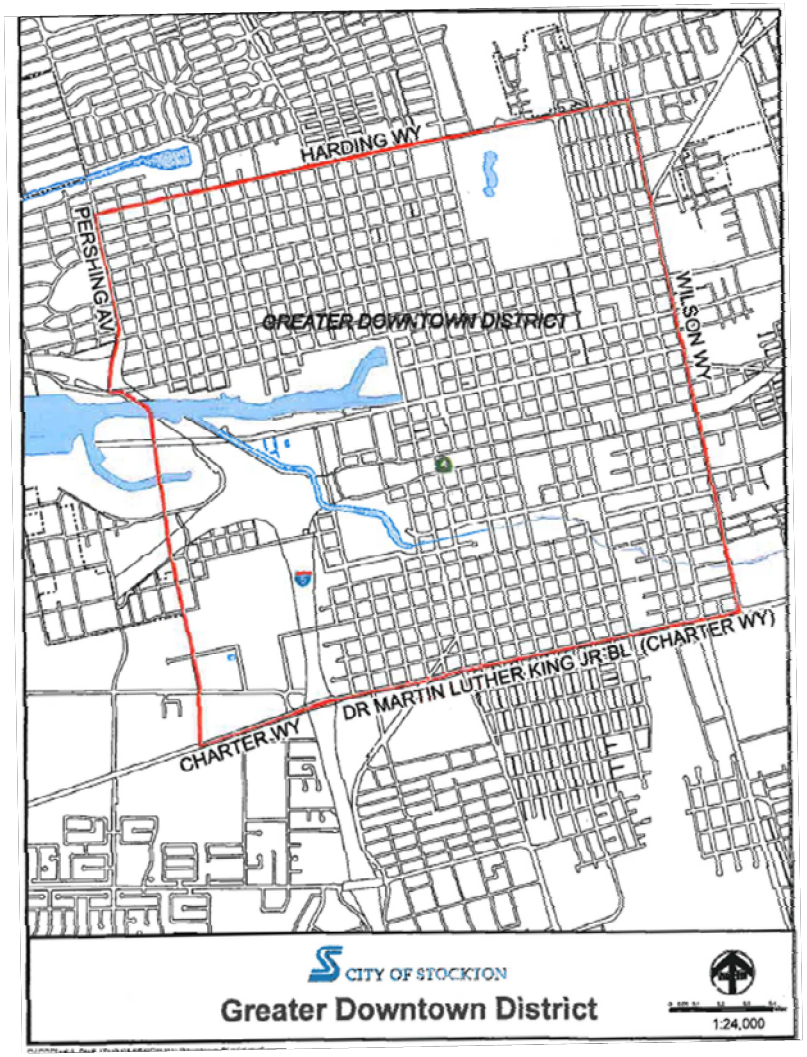
Fee Areas Map





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1991 Fee Schedule

Type	1	2	3	4	5	6
City Buildings	Yes	Yes	Yes	Yes	Yes	Yes
Police	Yes	Yes	Yes	Yes	Yes	Yes
Fire	Yes	Yes	No	No	No	Yes
Libraries	Yes	Yes	No	No	Yes	Yes
Rec. Centers	Yes	Yes	No	Yes	No	Yes
Parks	Yes	No	No	Yes	No	Yes
* Streets and Intersections	A	A	B	B	C	C

* Streets and Intersections – three fee zones with different fees of about $2,000 (A), $1,500 (B), $2,250 (C)

Genesis of Comprehensive Fee Program

- **1980s:** City charged development fees for limited set of purposes: construction of water/wastewater facilities, acquisition and development of public parks and recreation facilities, planting of street trees, and placement of traffic signals
- **Mid-1980s:** City/North Stockton developers responded to voter approval of seven development projects (six in North Stockton) in 1985/1986 by commissioning a series of financing studies to help City accommodate the associated growth
- **Late 1980s:** Consensus developed that new development should be financially responsible for the public facilities required to accommodate it

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1987 – 1991: Comprehensive Capital Facilities Fee Program

Substantial technical analysis conducted to support comprehensive capital facilities fee/mitigation fee program:

- **September 1988** - City adopted six new development fees for City off space, Police station space, Fire stations, Libraries, Recreation centers, and Streets and intersection improvements.
- These were in addition to existing water, wastewater, and traffic signal fees. Prior parks fee was also updated/increased.
- Fee program considered growth from 1987 to 2005; 35 percent increase in residents (80,000) and 45 percent increase in jobs (45,000)

1991 – 2002: No Adjustments Occur

- No inflationary refinements made to City capital facilities fees between 1991 and 2002 (excludes sewer/water fees
- No detailed technical review/fee update conducted between 1991 and 2002
- Substantial cost inflation and new infrastructure needs emerging during this decade results in fees being well-below those needed to offset infrastructure needs
- Underinvestment in infrastructure affects ability of City to maintain desired level of service standards

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2002 Parks and Recreation Center Fee Updates

Parks and Recreation Center Fees were updated in 2002:

- Technical nexus study conducted in 2002
- Parks fees increased by 62 percent
- Recreation center fees increased by 90 percent

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2003 Revisions

- While considered overdue, City staff recommended delay in comprehensive update due to General Plan update
- Based on ENR Construction Cost Index, inflation of about 35 percent since December 1991 applied
- City office space, fire stations, libraries, police stations, street improvement fees updated
- Supported automatic, annual inflationary adjustments starting January 1, 2004
- Revisions maintained same subarea differentiation

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2005 Comprehensive Capital Facilities Fee Update

- Comprehensive CFF technical update conducted
- Substantial increases in many fees especially street improvement fee
- Nonresidential fees maintained below maximum supportable
- Geography: Maintain subarea fee differentiation for street improvement fee

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2007 – 2009: Unadopted Technical Studies

- City commissioned comprehensive CFF technical update in 2007 and street improvement fee update in 2008/2009
- Technical reports demonstrated potential to increase (double) transportation and park fees, but also reductions in police and fire fees
- Geography: CFF (non-transportation) – no clear differentiation
- Geography: Transportation – continued sub-area differentiation

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2010 Fee Reduction and Deferral Programs

- 50 percent fee reductions in City transportation and public buildings fees (not including Police and Fire fees)
- Reductions totaling about $7,600 per single-family unit
- Deferral of several fees until Certificate of Occupancy
- Term of reduction through December 31, 2012
- In December 2012, fee reductions and deferrals extended through December 31, 2013

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2011 Change in Geography

- City changed geographic subareas for street improvement fee
- City determined three zone subarea differentiation (North, Central, and South) problematic for administrative and economic reasons
- Previously collected fees by zone and allocated 15 percent for Citywide use
- Consolidated fee to $13,336 per single-family unit ($6,668 per single-family unit during temporary fee reduction)

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CFF Fee History Summary

Fee Type	1991	2002/3	2005	2013	2008/9 (max un-adopted)
City Space	$61	$167	N/A	$467	$421
Police	$253	$350	N/A	$591	$645
Fire	$115	$159	N/A	$781	$727
Libraries	$234	$323	N/A	$902	$1,114
Recreation Centers	$128	$250	N/A	$482	$758
Public Facilities Subtotal	*$791*	*$1,249*	*$2,656*	*$3,224*	*$3,666*
Parks	$1,429	$1,900	$2,300	$2,798	$5,356
Transport.	$2,008	$2,770	$11,565	$13,336	$26,550
Admin/Other	$183	$169	$269	$859	$979
Total	**$4,411**	**$6,088**	**$16,790**	**$20,217**	**$36,551**

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4. Economic Context and Forecast

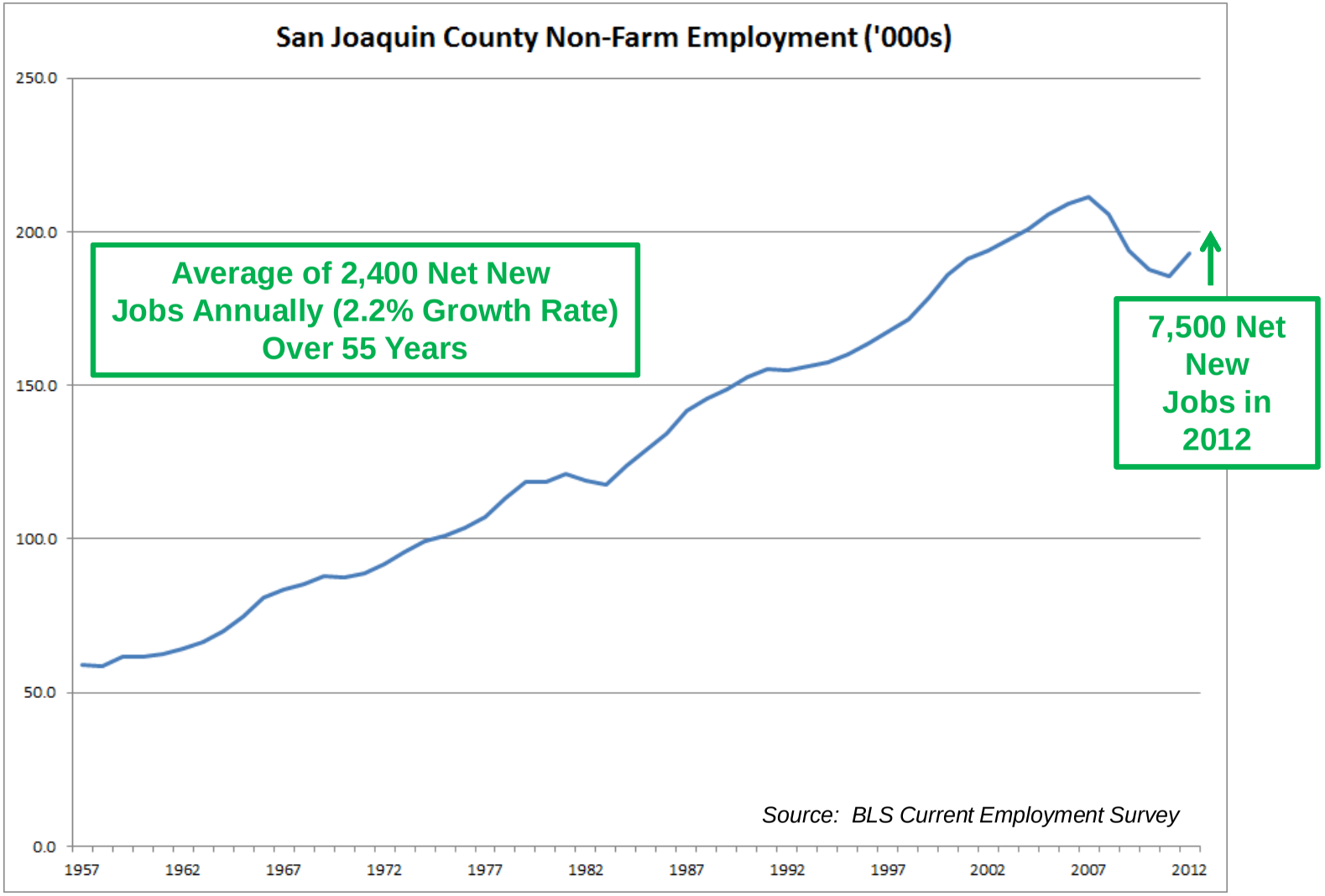
- Economic History and Trends
- Housing Market Overview
- Economic Outlook and Forecast
- Development Feasibility Considerations

Case 12-32118 Filed 04/21/14 Doc 1384

Economic History and Trends

- San Joaquin County consistently enjoyed employment gains for decades, with 2 percent compounded annual non-farm job growth over past 55 years
- The 2008 Recession reversed this trend with 26,000 nonfarm jobs lost between 2007 and 2011
- Job growth associated with the national economic recovery reached the County in 2012, with 7,500 non-farm more jobs created compared to 2011
- Unemployment has fallen, but the rate remains comparatively high, at about 15 percent
- Economic conditions in Stockton are comparably below other County cities

Regional Perspective: Jobs



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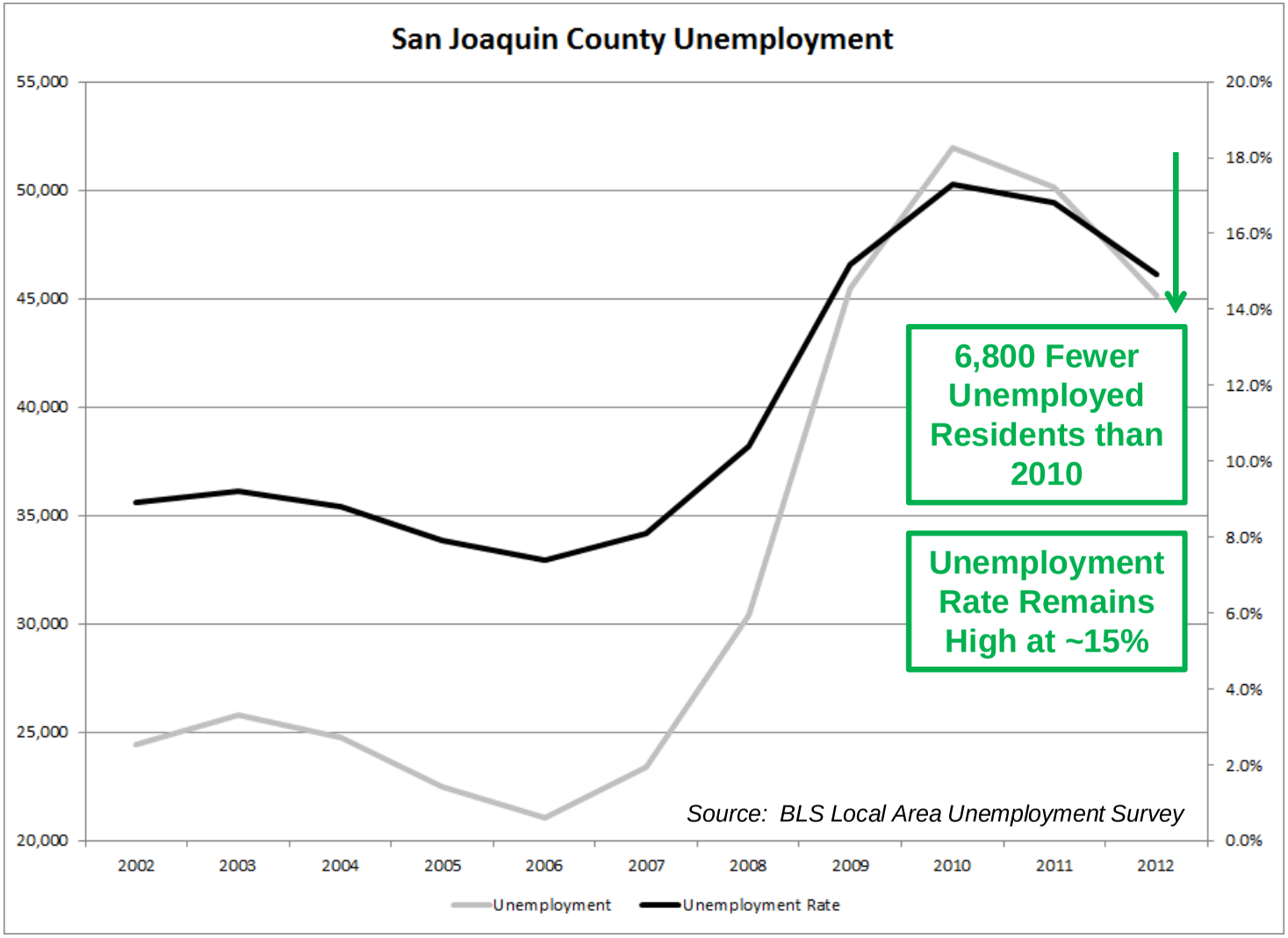
Regional Perspective: Unemployment



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Housing Market Overview

- The San Joaquin County market for new housing boomed in the early 2000s, with permitting reaching a record-setting 7,000 units in 2003
- As the economy cooled, the oversupply of housing in the market became apparent and permitting plunged to less than 900 units countywide by 2009
- Prices of both new and existing product fell dramatically, attracting some opportunistic investment activity that continues (investment-based purchases)
- Vacancy of existing homes remains high at about 10 percent
- Market is showing signs of recovery with new construction beginning to occur

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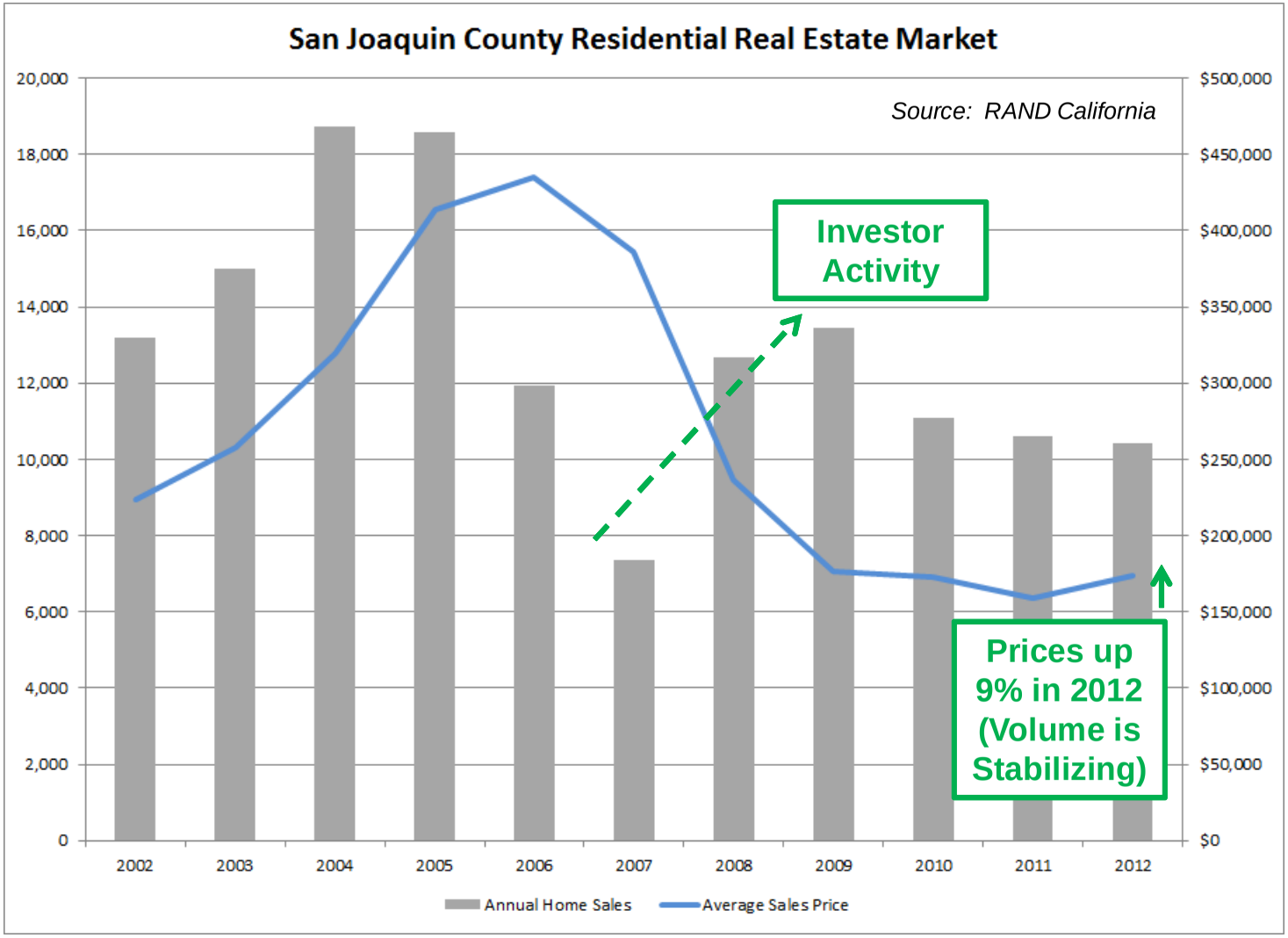
Regional Perspective: Home Sales



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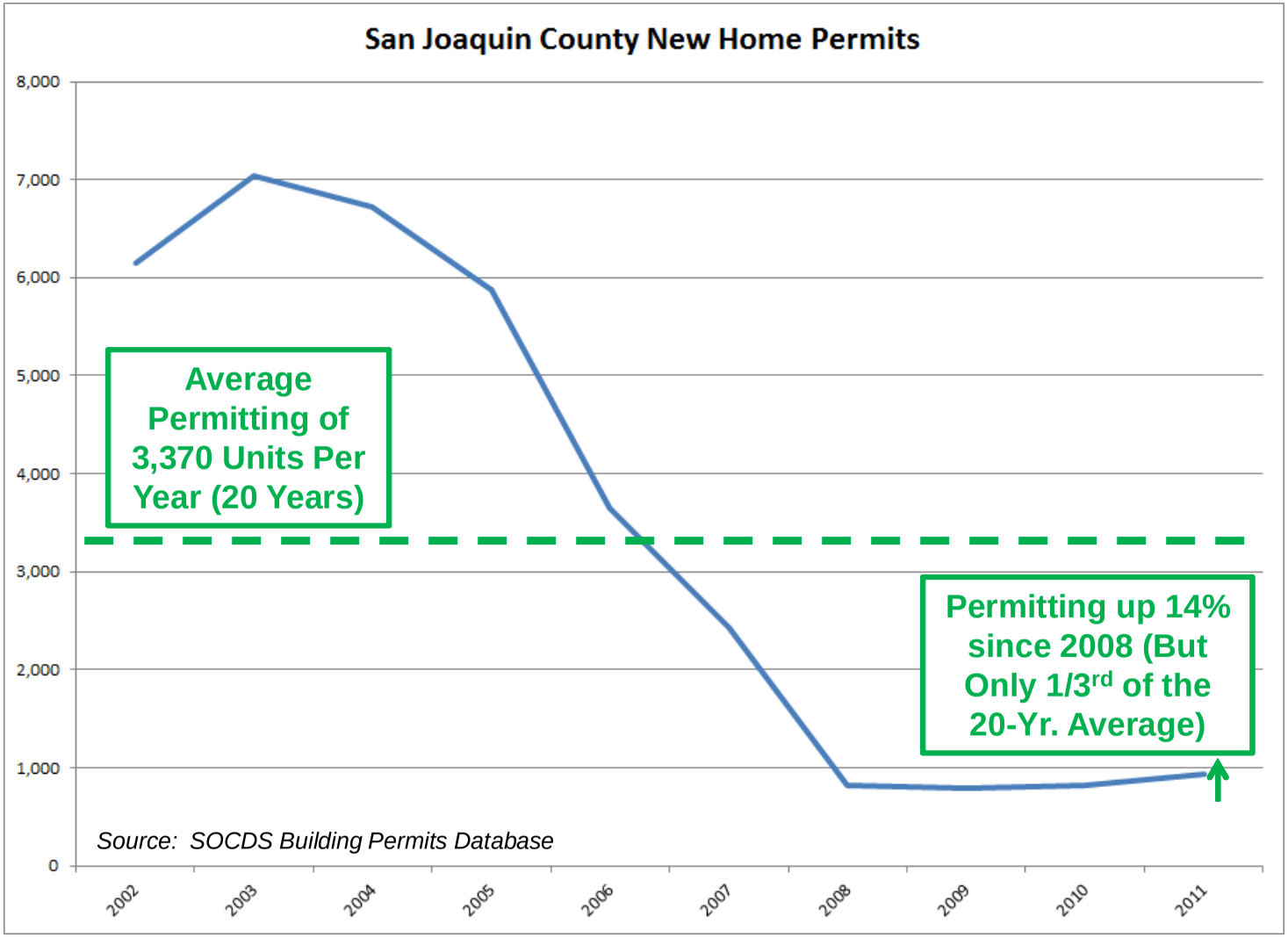
Regional Perspective: New Home Permits



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Regional Perspective: New Home Market

Community	Active Projects	Units Sold Q4 2012	Avg. Price
Lathrop	3	40	$225k
Manteca	8	42	$325k
Mountain House	5	35	$415k
Stockton	4	44	$230k
Tracy	1	3	$275k

Source: The Gregory Group

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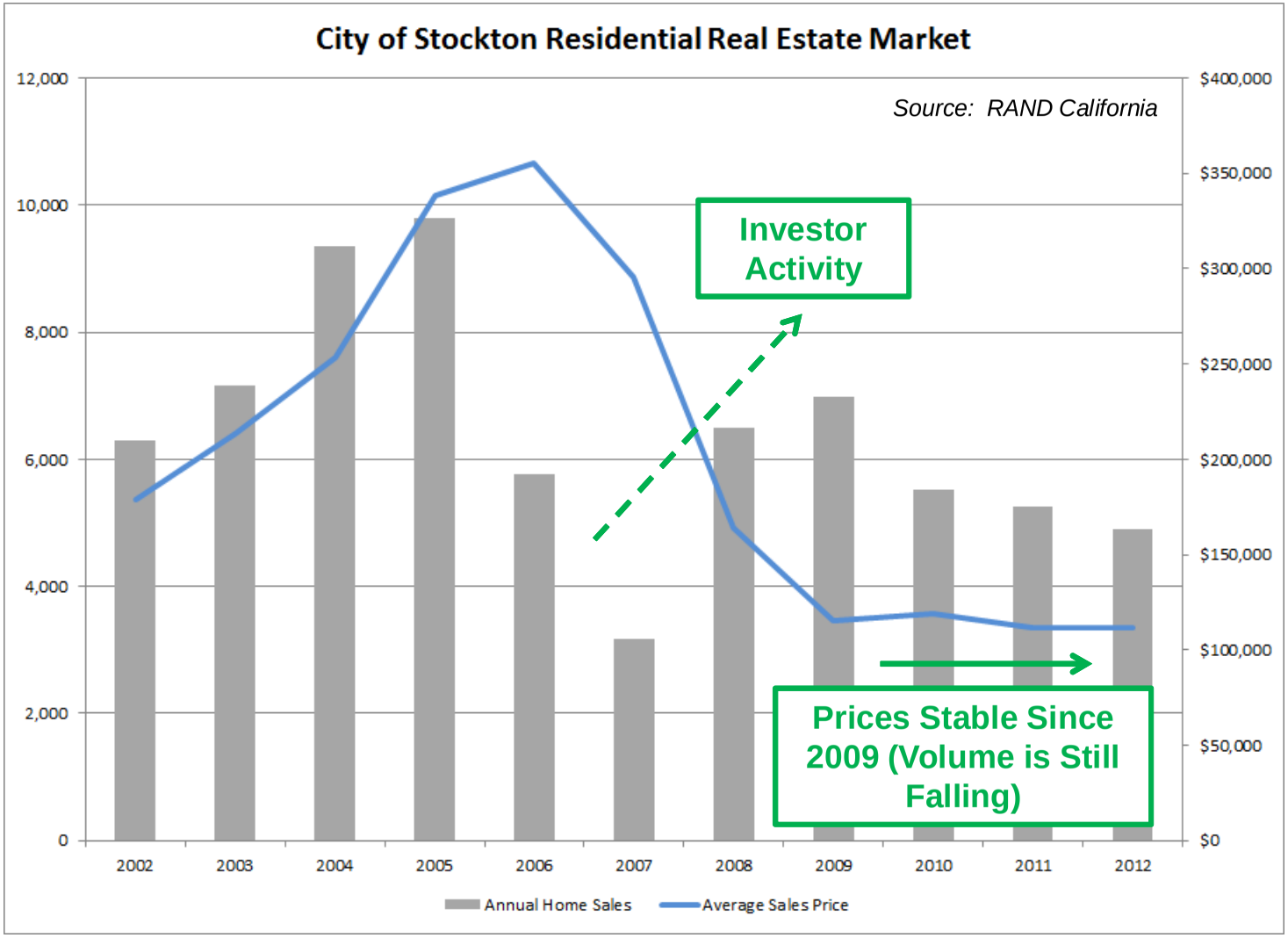
Local Perspective: Home Sales



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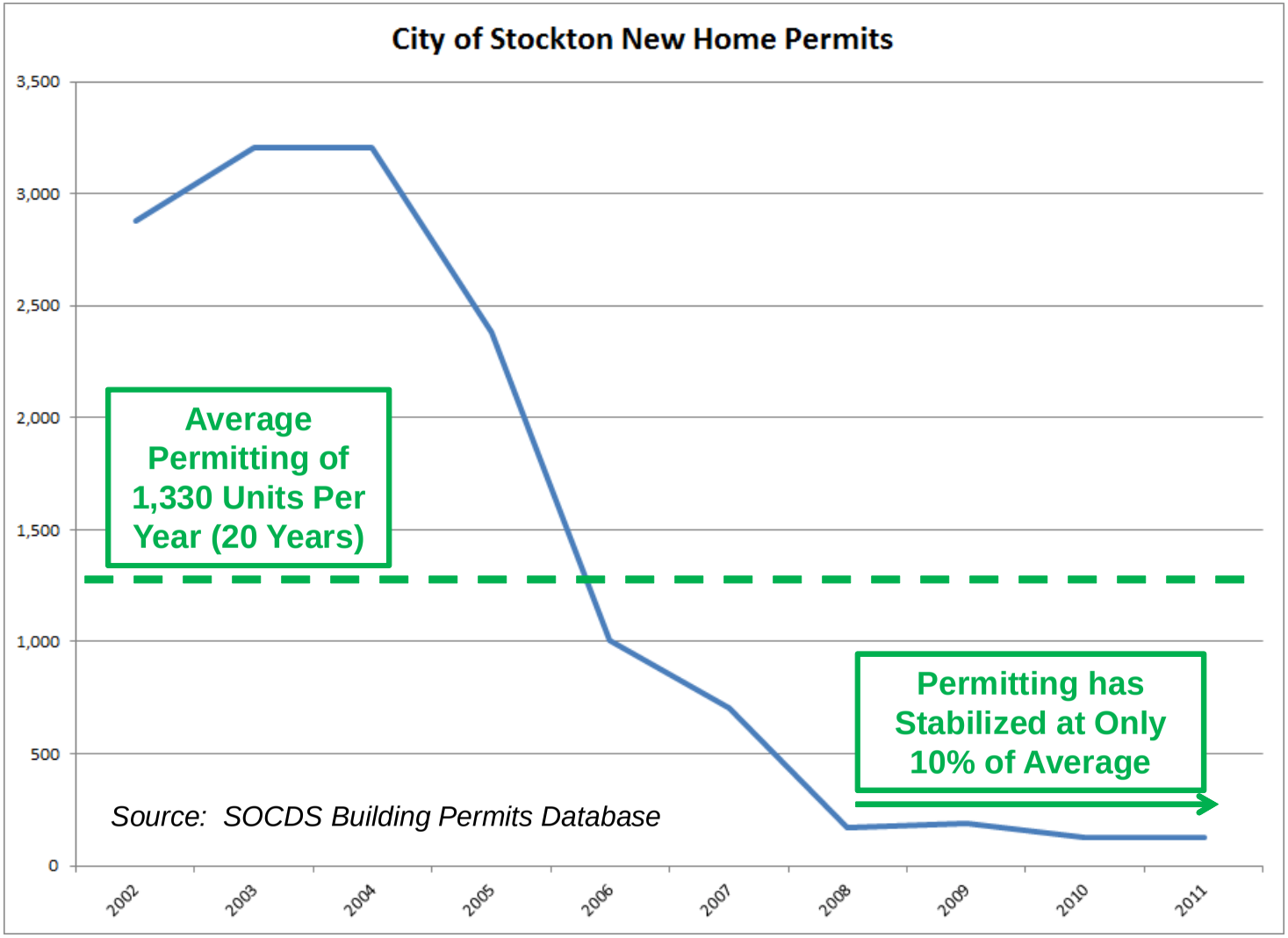
Local Perspective: New Home Permits



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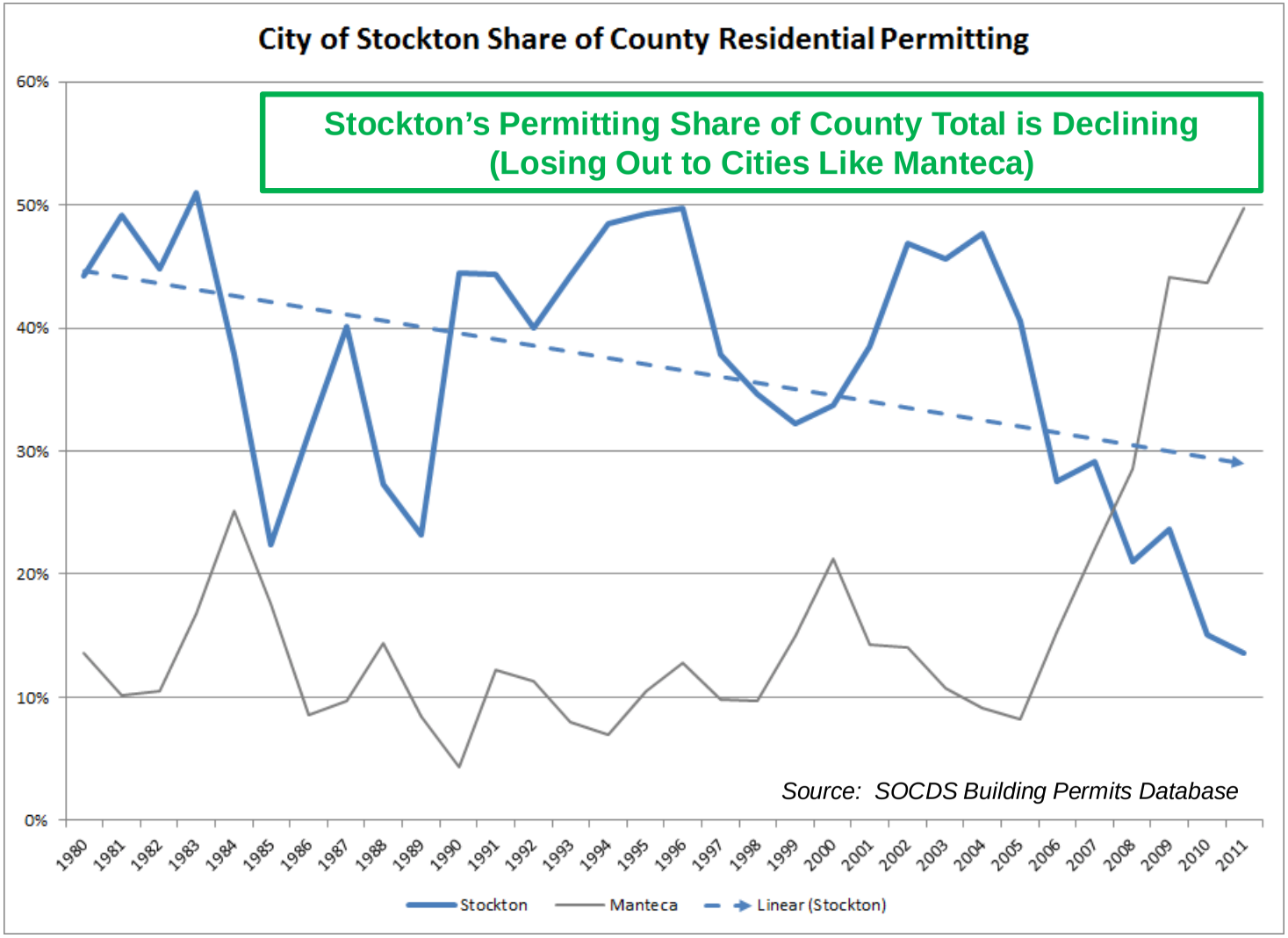
Local Perspective: New Home Permits



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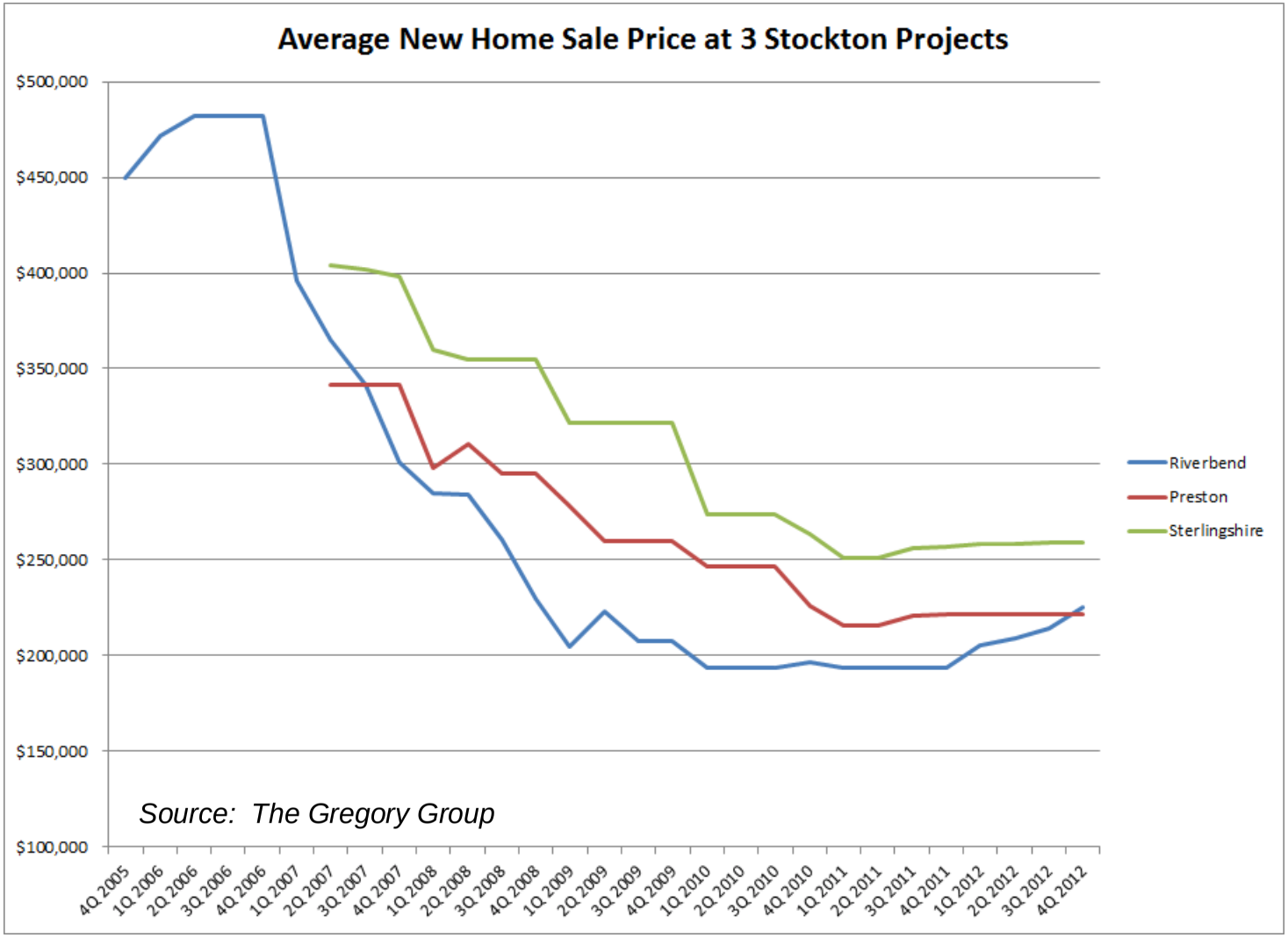
Local Perspective: New Home Prices



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Stockton's Economic Outlook and Forecast

- The Region's economic outlook is turning positive, with average annual job growth 2010-2040 forecasted to be roughly 1.5 percent (4,000 jobs per year)
- Surrounding counties including Bay Area will also exhibit job growth, about 1 percent to 1.5 percent per year supporting continuing out-commute
- Unemployment will likely fall, with initial job gains re-employing existing residents (rather than supporting population growth)
- San Joaquin County unemployment could fall below 10 percent by 2014 according to recent forecasts
- Stockton's economic conditions (unemployment, job growth, etc.) will lag the rest of County

Economic Outlook, continued

- As unemployment subsides, net new jobs will support new household formation and demand for housing
- Subsequent new household formation will likely reduce housing vacancy to normal levels (about 5 percent) by 2016
- Concerns remain regarding economic diversification in San Joaquin County and the creation of “high quality” “basic industry” jobs

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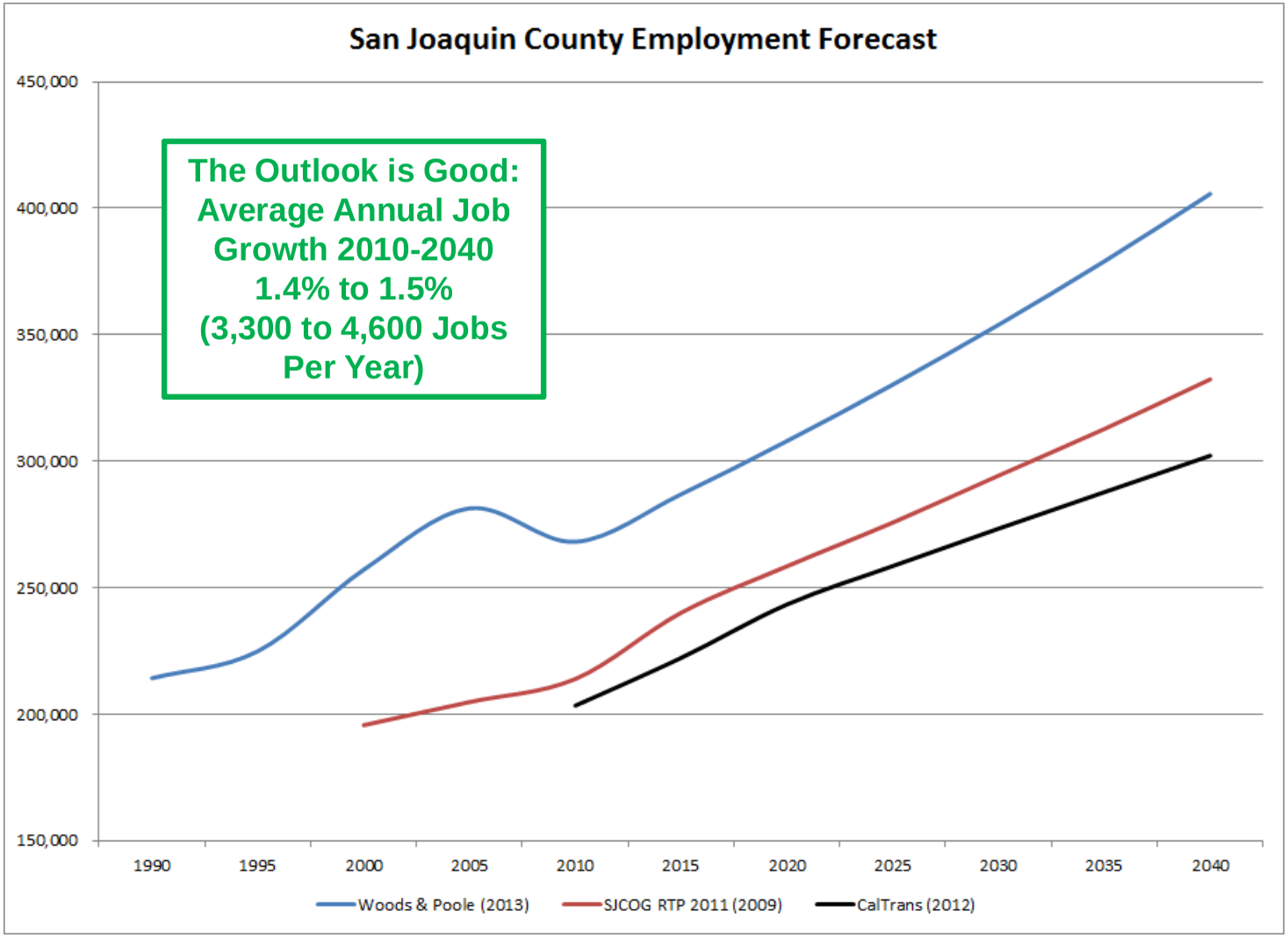
Looking Forward: Regional Job Growth



The Outlook is Good: Average Annual Job Growth 2010-2040 1.4% to 1.5% (3,300 to 4,600 Jobs Per Year)

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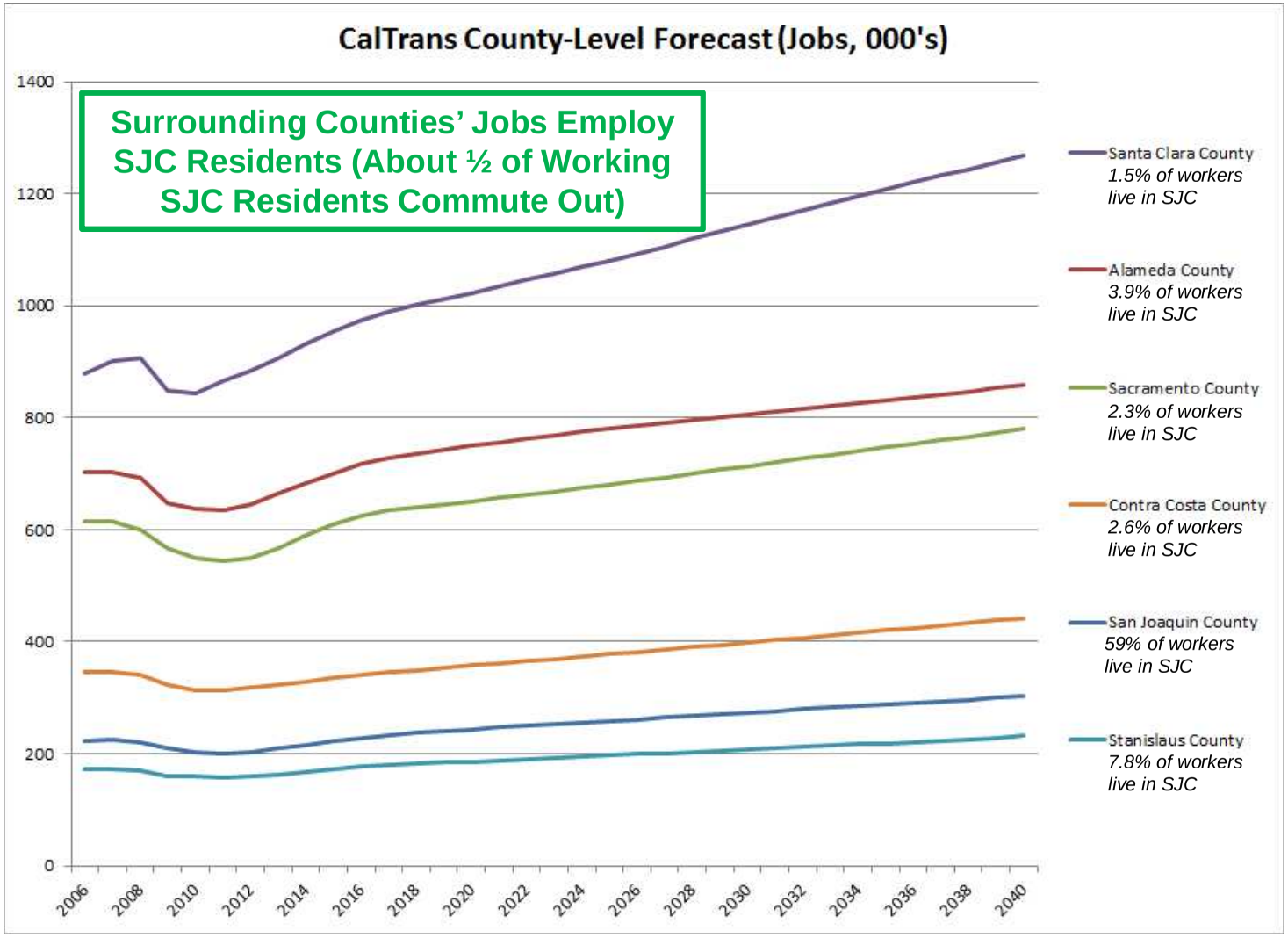
Looking Forward: Regional Job Growth



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Housing Market Prospects and Forecast

- Existing housing supply will continue to dampen demand for new housing over the next year or two
- As the existing supply of housing is depleted, pricing is anticipated to rise, improving the feasibility of new home development
- Unmet demand for new housing will return by 2017, with new employment supporting roughly average of 700 new housing units annually in Stockton through 2040
- A spike in housing demand may occur as the economy recovers boosting demand in the short term and adding to the recovery

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Housing Market Prospects, continued

- Stockton's market share of the County's housing market has declined substantially over the years
- Future housing need (linked to job growth) will include low and very low income families that will not be able to afford market rate housing
- Future housing production may include a greater share of higher density housing reflecting need to provide affordable housing and to utilize infill sites as part of broader revitalization efforts

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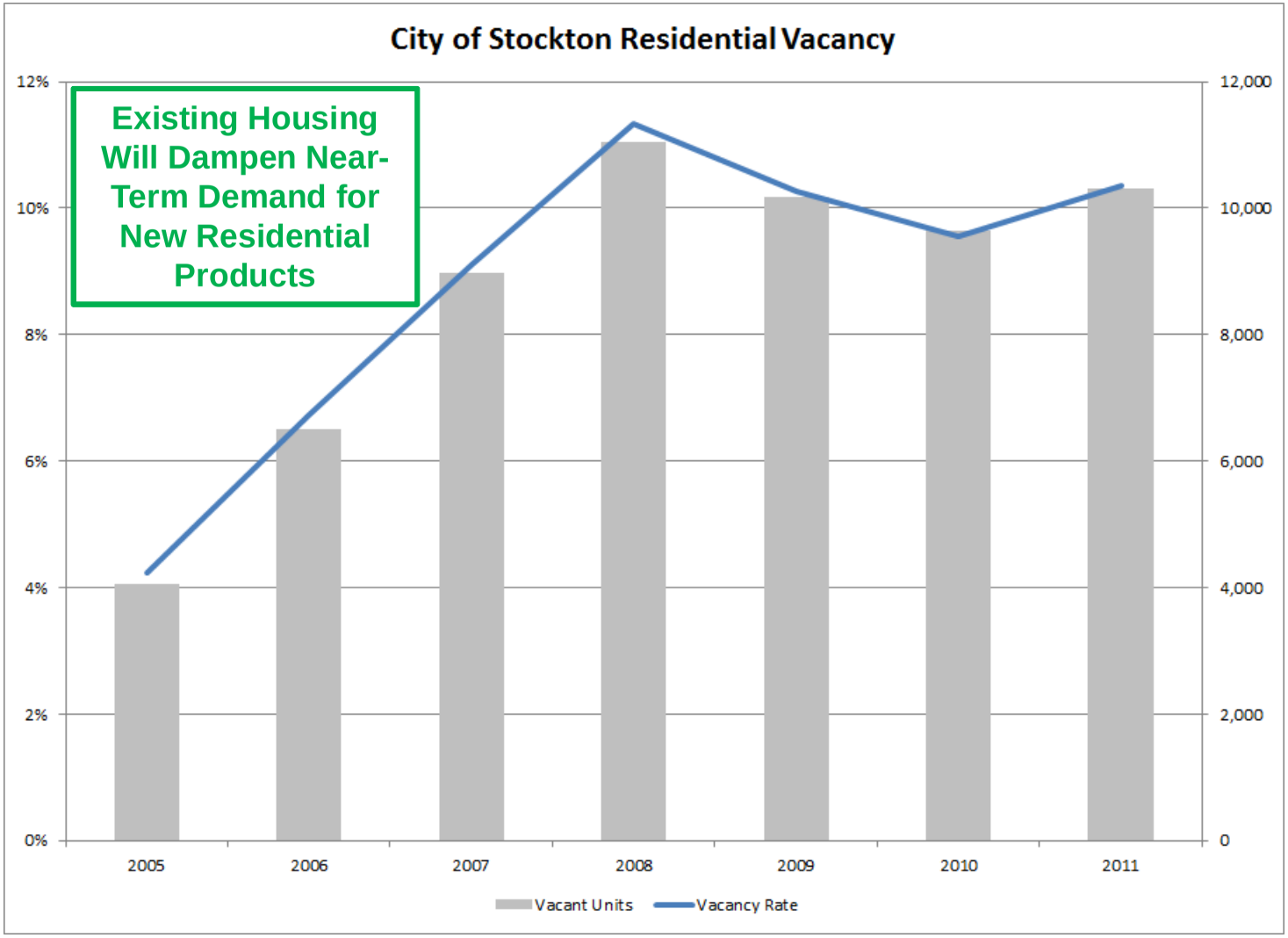
Looking Forward: Existing Housing Supply



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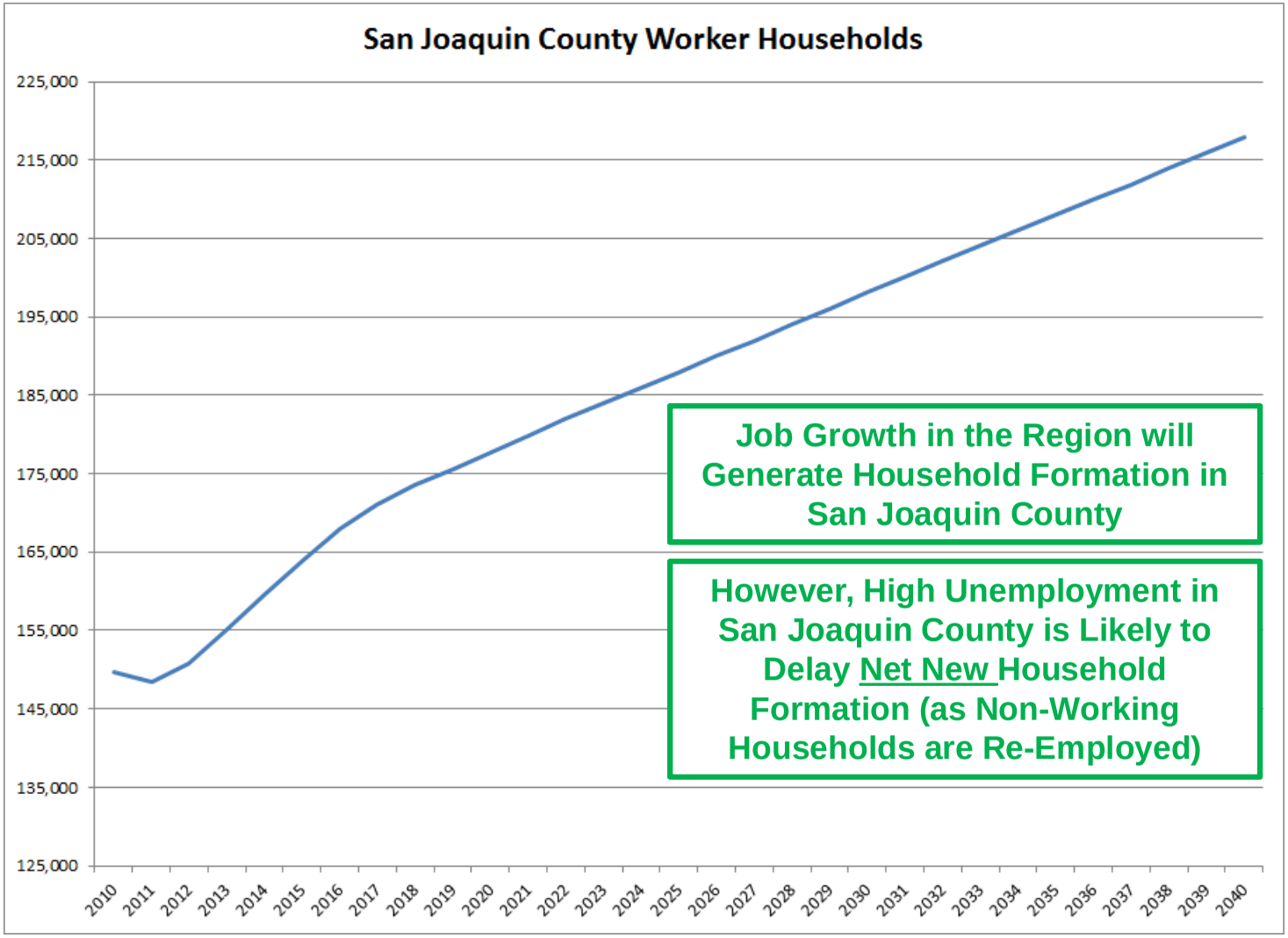
Looking Forward: Household Formation



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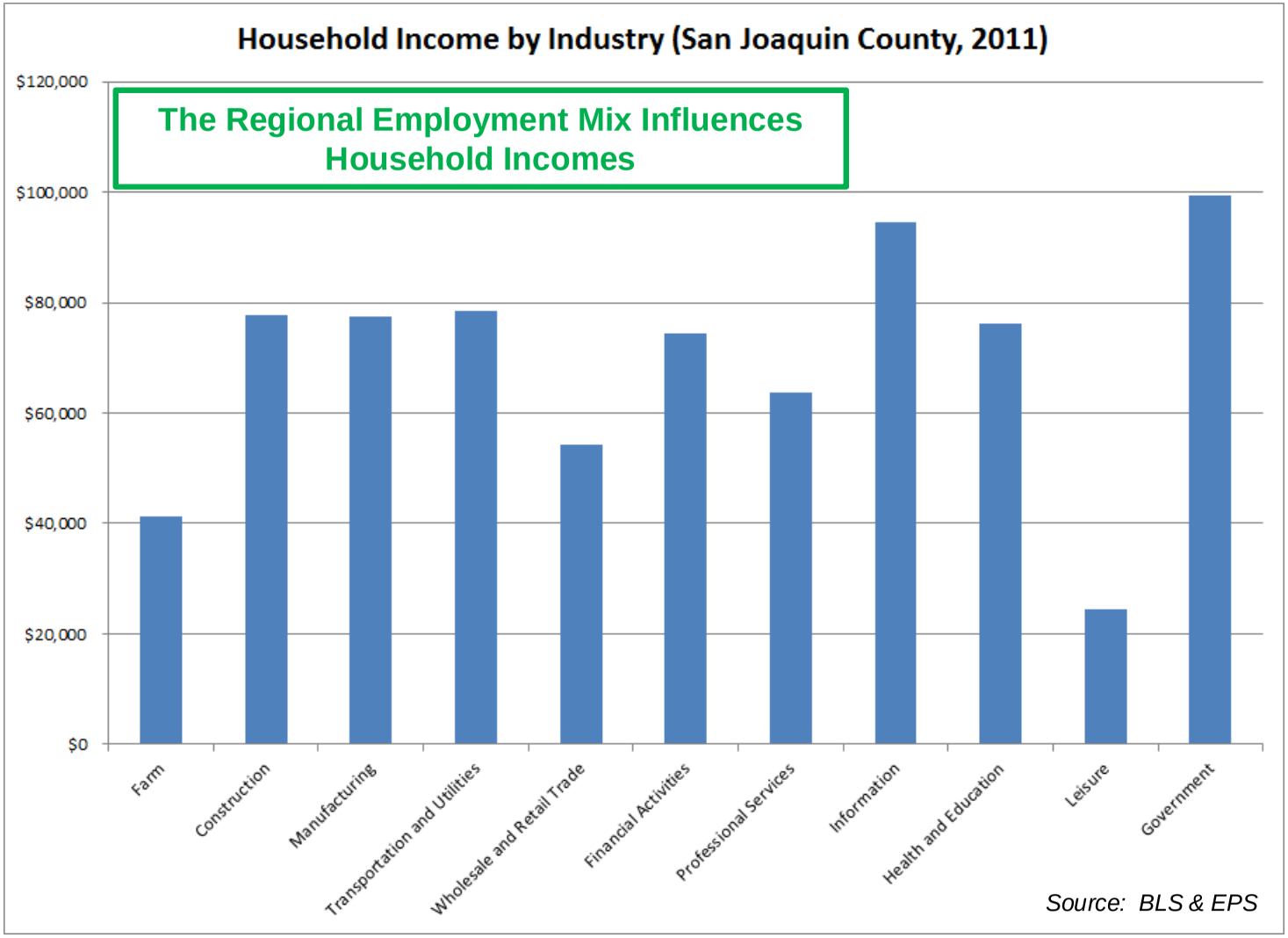
Looking Forward: Household Incomes



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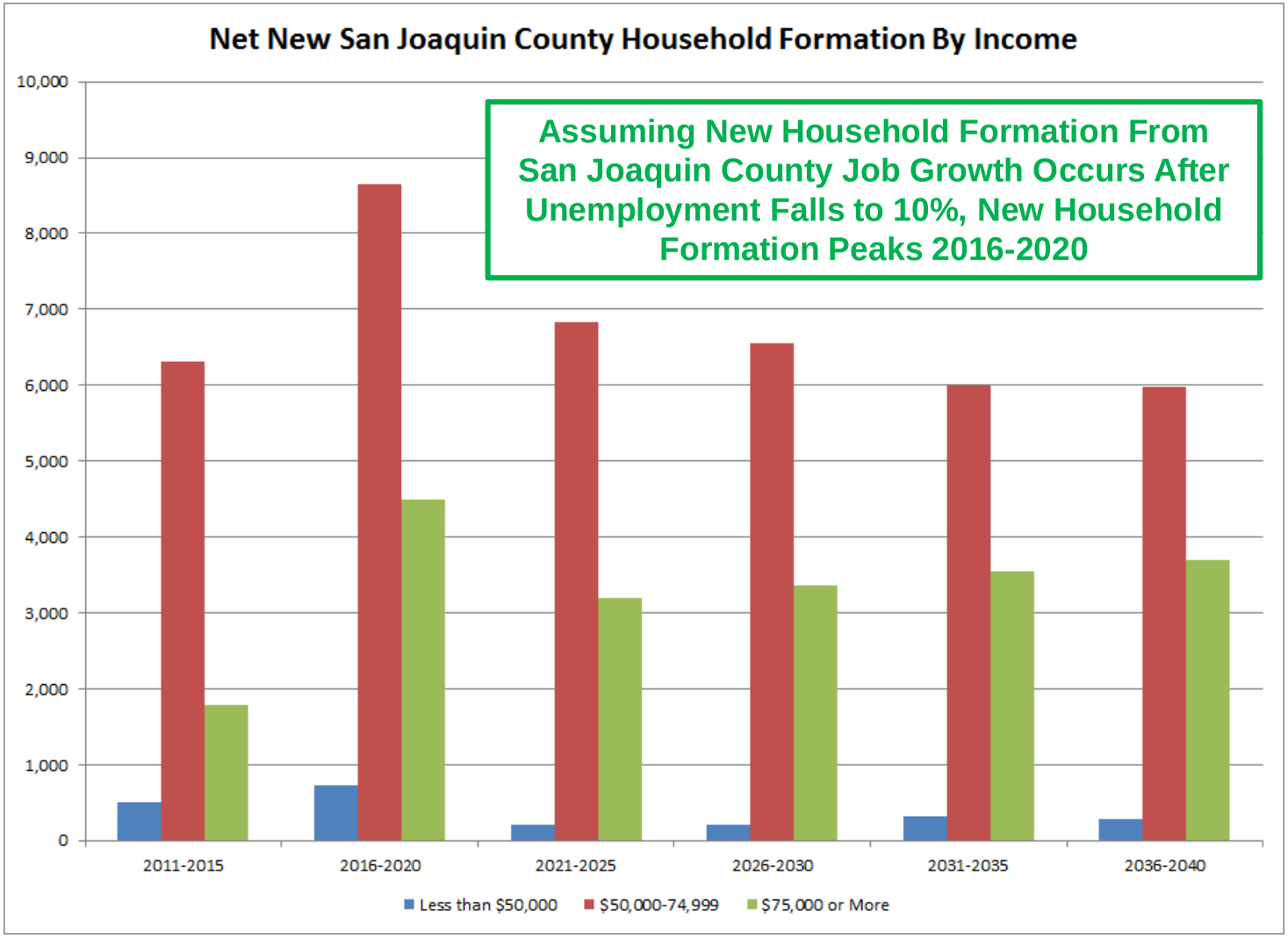
Looking Forward: HH Growth By Income



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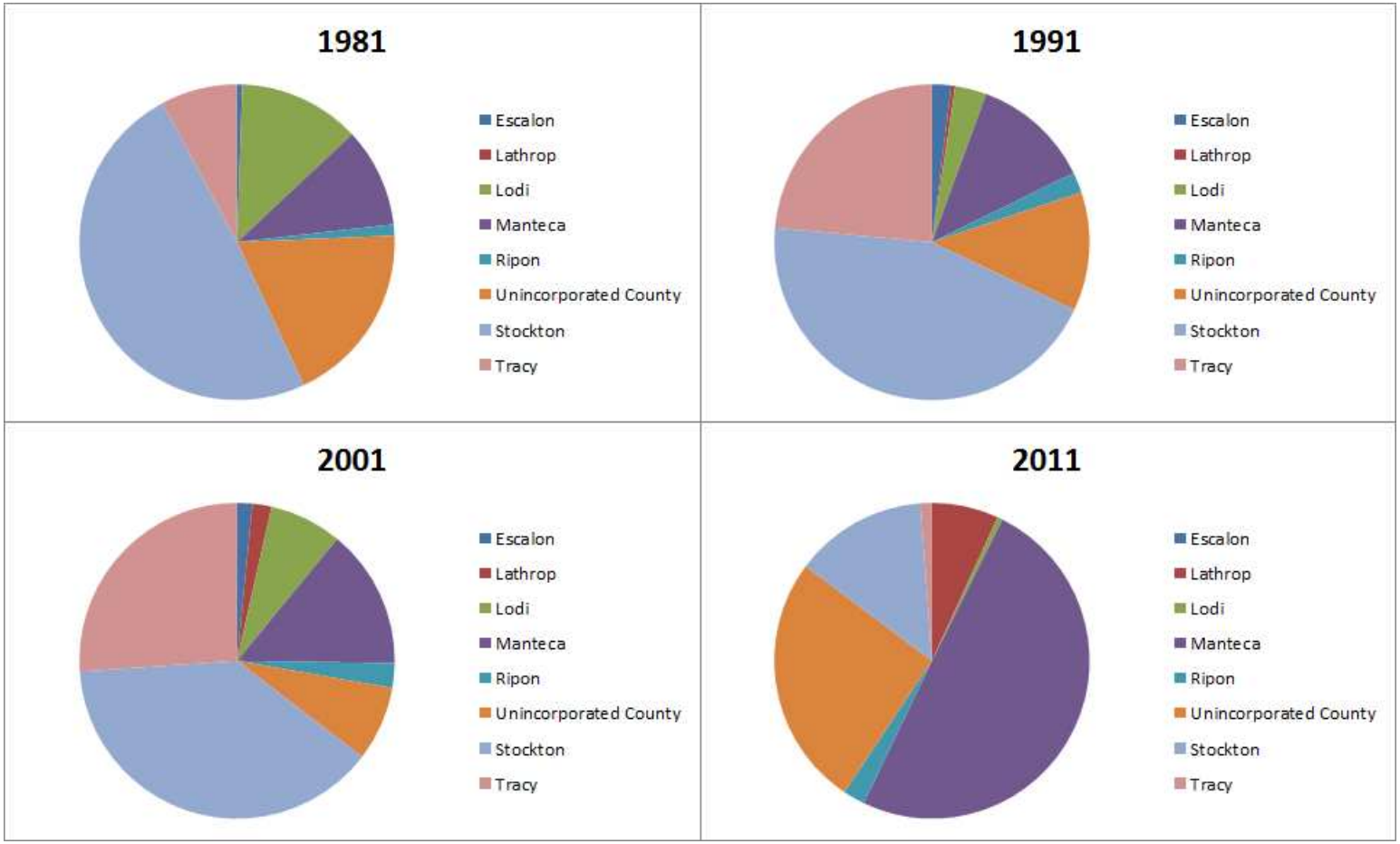
Local Perspective: New Home Permits



Source: SOCDS Building Permits Database

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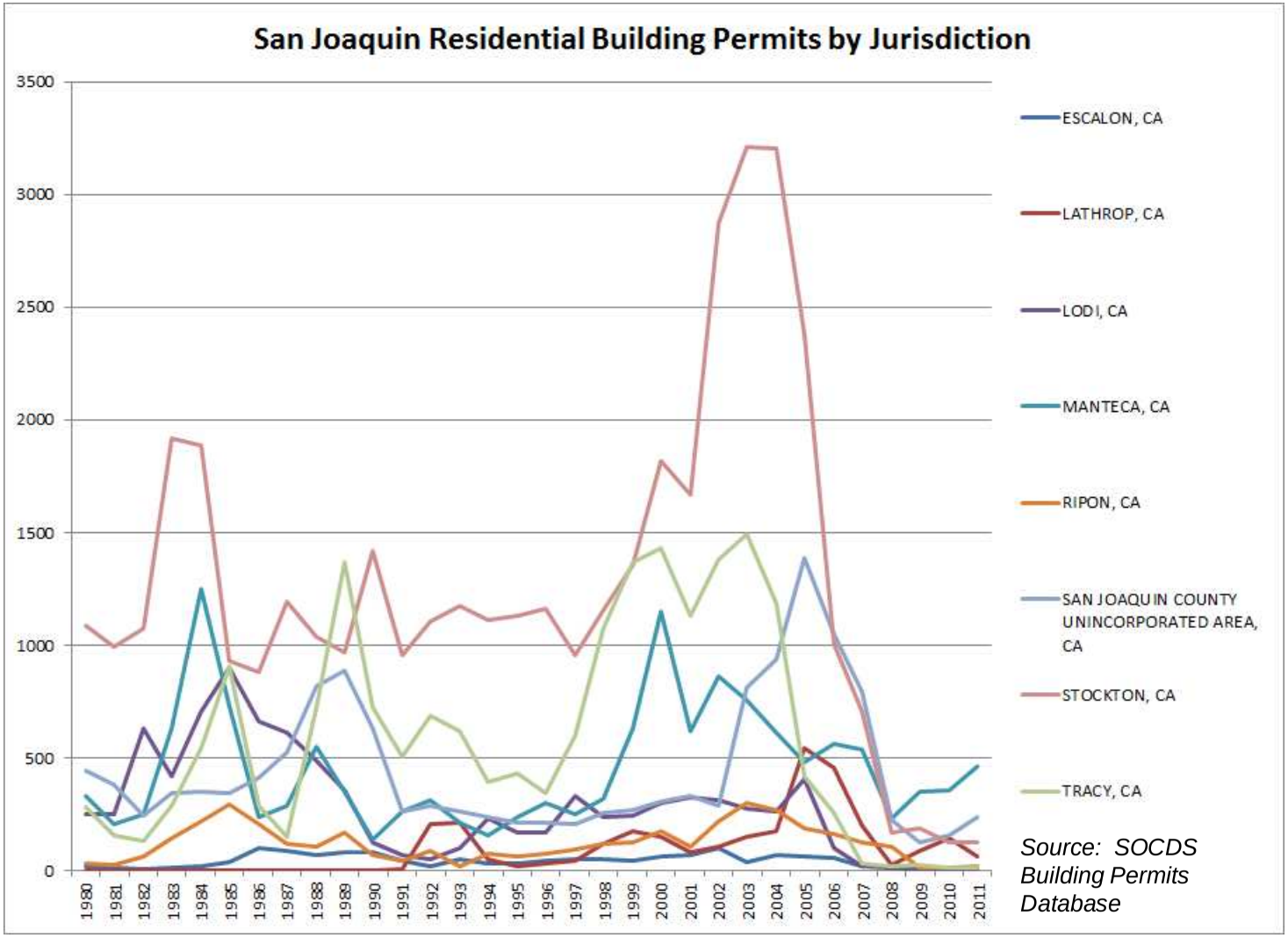
Local Perspective: New Home Permits



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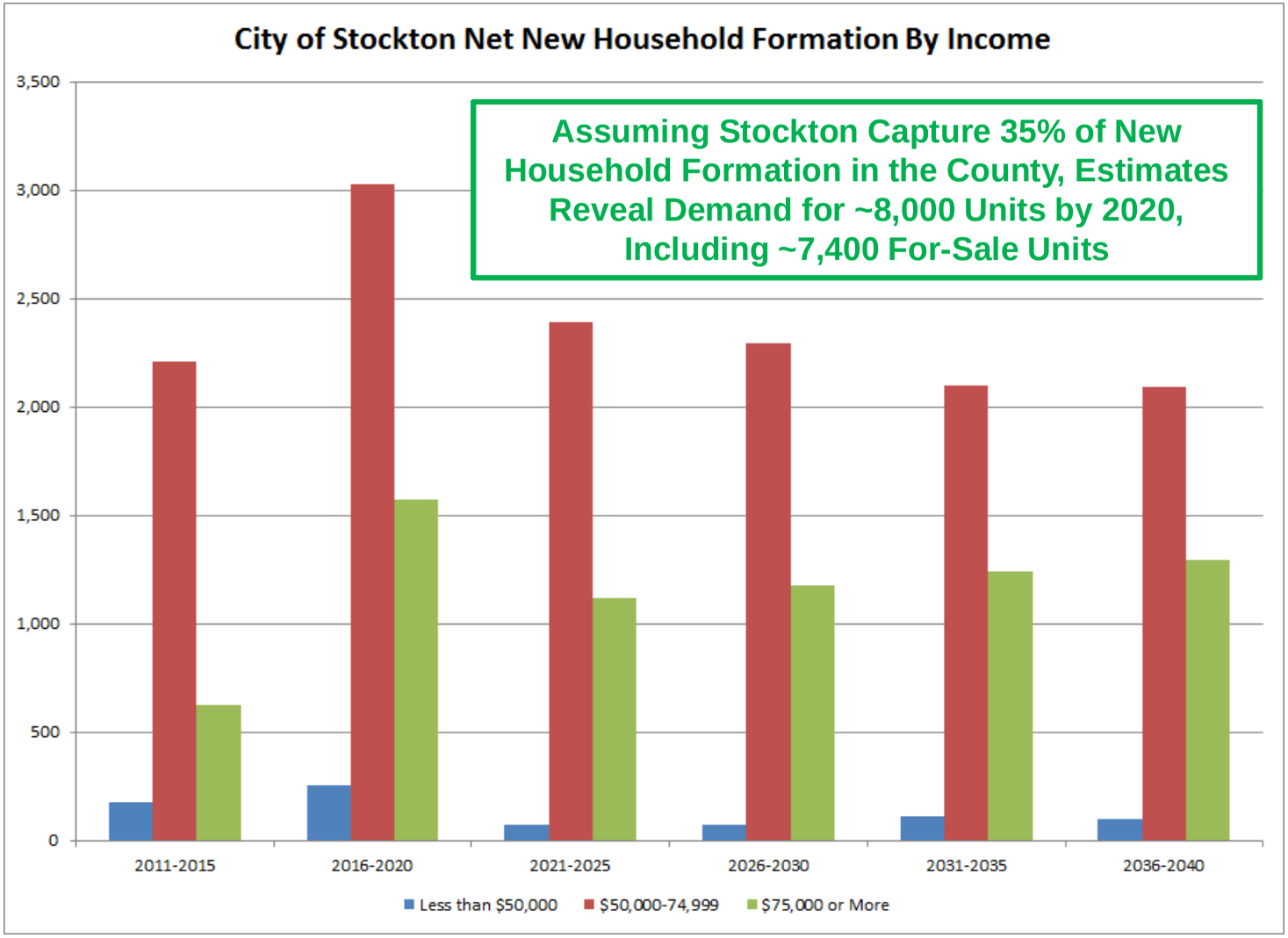
Looking Forward: HH Growth By Income



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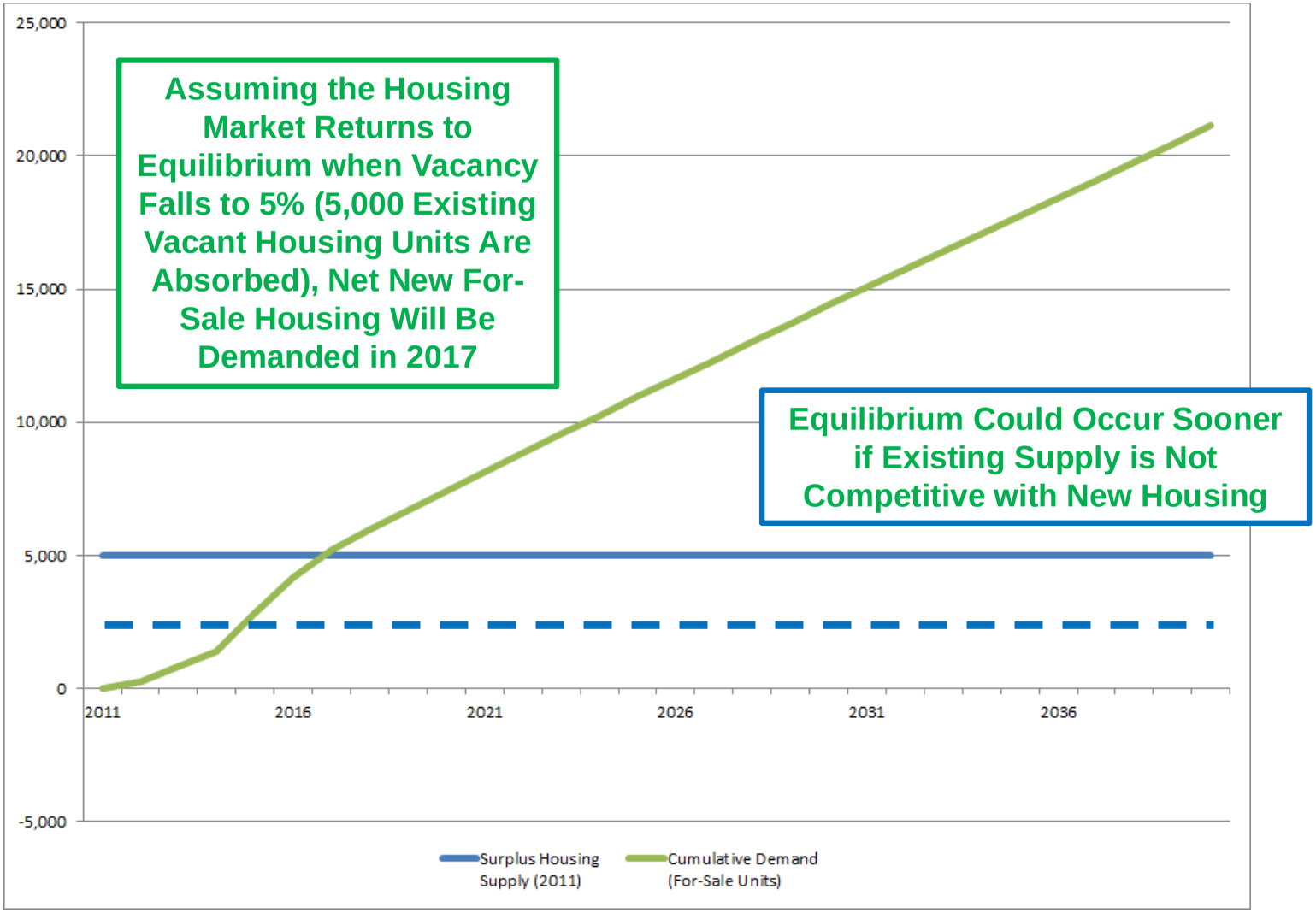
Looking Forward: Market Normalization



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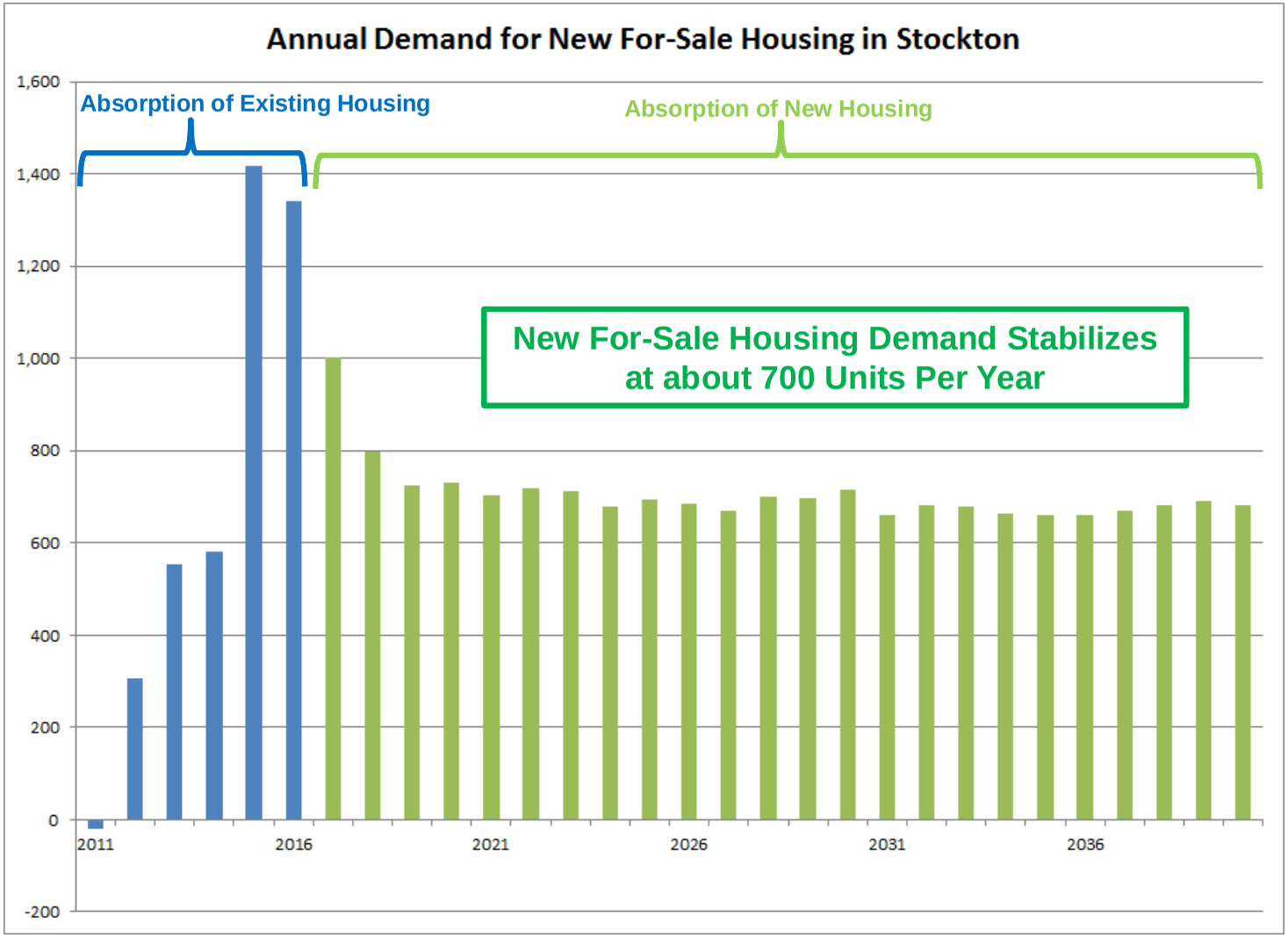
Looking Forward: Demand for New Units



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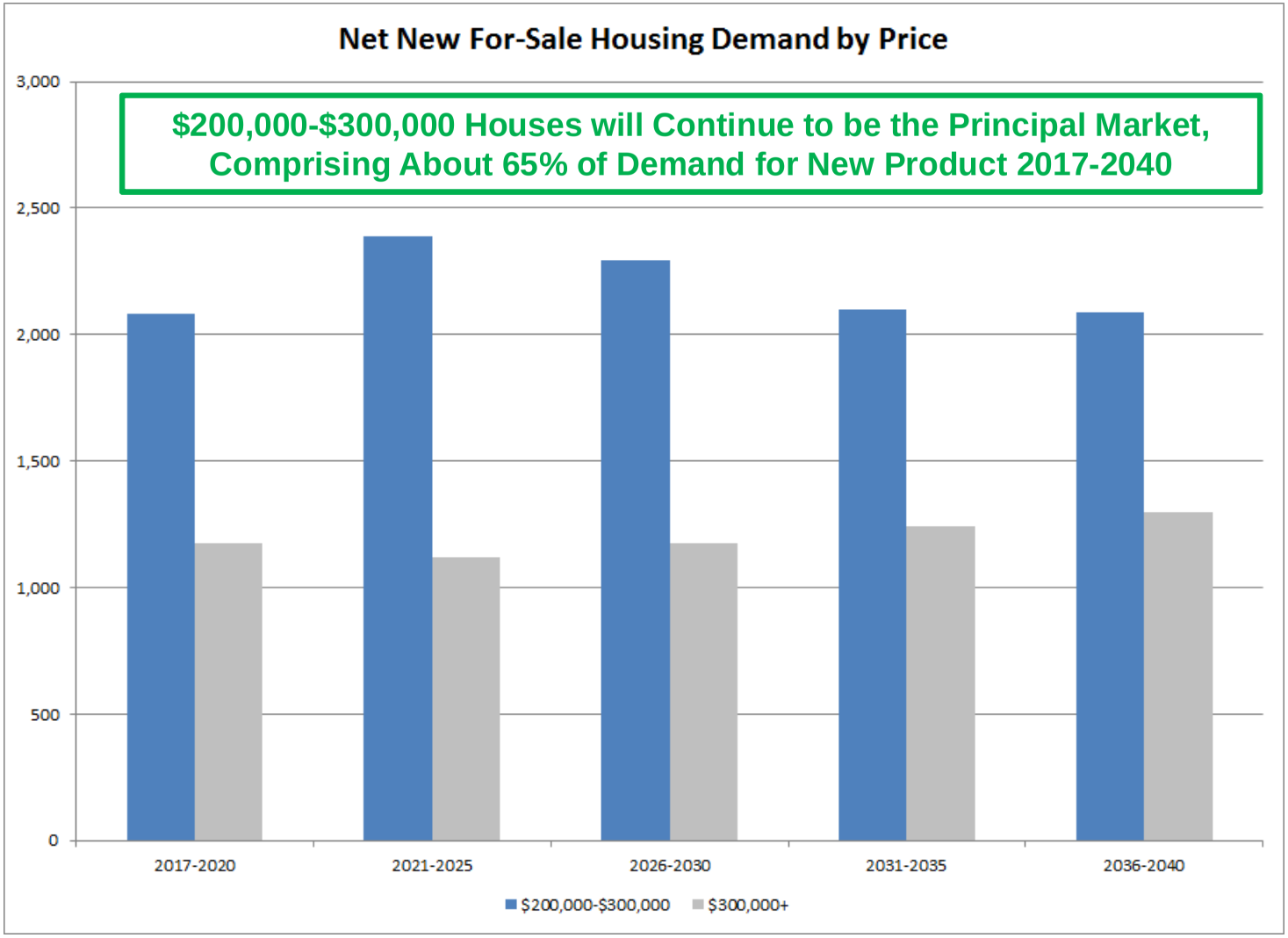
Looking Forward: Price Points



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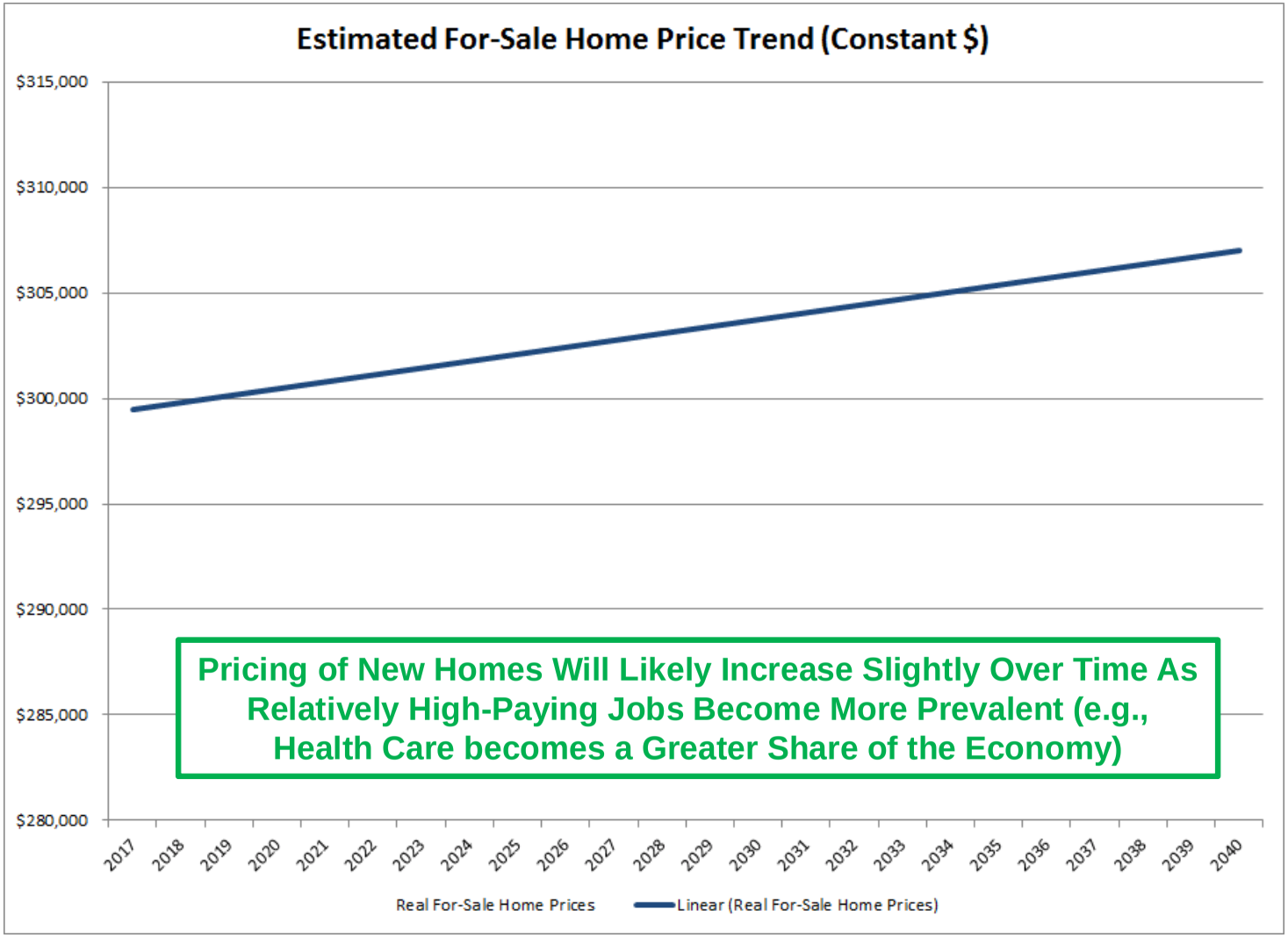
Looking Forward: Real Price Increases



Pricing of New Homes Will Likely Increase Slightly Over Time As Relatively High-Paying Jobs Become More Prevalent (e.g., Health Care becomes a Greater Share of the Economy)

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Development Feasibility Considerations

- DIFs add to the cost of new construction
- Insofar as fees fund necessary infrastructure and improve quality of life they along with other infrastructure investments "create value"
- Like other development costs fees can influence development feasibility as ability to purchase land or profit margins slim
- Fees, like other costs, do not directly influence prices (markets set prices)
- Aggregate fees should be moderated to "industry standard" levels given existing and expected pricing to avoid displacement of otherwise feasible development

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Housing Feasibility Forecast

- Current development costs (including fees) are generally above existing home prices
- Construction costs have continued to increase while prices have fallen
- Latent supply of existing houses will continue to check price increases in near term
- Some construction activity does and will occur despite current feasibility challenges
- Housing demand and prices will continue to improve with the economy and will become generally feasible by 2016

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Current Feasibility Challenge

- The market value of a typical new home is presently insufficient to cover the cost of development

Prototype: 2,070 Square-Foot Single-Family Detached Home
Current Pricing (Market Value): ~$256,000 ($124 Per Square Foot)
Current Development Cost with Full Fees: ~$291,000

Cost Category	Assumption		Unit Cost (2013)
Building Construction	$68	Per Square Foot	$140,760
Site Work	$37,500	Per Lot	$37,500
Soft Costs (A&E)	10%	Building Construction	$14,076
Development Fees	$50,000	Per Lot	$50,000
Development Budget			**$242,336**
Developer ROI Threshold (Cash-on-Cost)	12%	Hard and Soft Costs	$23,080
Total Development Cost and ROI (Without Land)			**$265,416**
Land Value	10%	Finished Home Value	$25,600
Total Development Cost and ROI (Including Land)			**$291,016**

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Looking Forward: Price Recovery

- Assuming 5 percent real price appreciation (over cost escalation), market value will rise to a level that supports new development by 2016

Prototype: 2,070 Square-Foot Single-Family Detached Home
$256,000 Value in 2013 increases to $296,000 Value in 2016

	2013	2014	2015	2016	2017	2018
Product Value	$256,000	$269,000	$282,000	$296,000	$311,000	$327,000
Development Budget	$242,000	$242,000	$242,000	$242,000	$242,000	$242,000
Development Budget + Profit	$265,000	$265,000	$265,000	$265,000	$265,000	$265,000
Development Budget + Profit + Land Cost	$291,000	$292,000	$294,000	$295,000	$297,000	$298,000
Feasibility	No	No	No	Yes	Yes	Yes

Case 12-32118 Filed 04/21/14 Doc 1384

Fee Reductions and Development Feasibility

- City Office Space, Community Recreation Centers, Libraries, and Street Improvement Fees currently subject to 50 percent fee reduction
- Current reductions, which expire in December, equal $7,500 per typical single-family unit
- City has implemented a $5,000 reduction in its water connection charges for single-family home
- As home prices rise the ability of development to pay fees increases
- BIA has requested a further reduction of $17,000 as a near-term stimulus to housing production

Case 12-32118 Filed 04/21/14 Doc 1384

Effects of Additional Fee Reduction

- The $17,000 fee reduction requested by the BIA would lower construction cost and thus might "accelerate" the time when housing construction becomes feasible
- It is estimated that the advance would be approximately 18 months sooner that would otherwise be the case (existing fee levels remain in place)
- The loss of foregone fee revenue during this period would be proportional to the number of homes constructed and the amount of the reduction
- Assuming that 1,300 homes are constructed during this period (2013-2014) loss of CFF revenue would be $15 million (assuming net $12,000 reduction)
- This loss would not be recoverable through future fees

Case 12-32118 Filed 04/21/14 Doc 1384

Looking Forward: Development Feasibility

- Assuming 5 percent real price appreciation and a $17,000 fee reduction, market value will rise and cost will fall to levels that support new development by 2015, sooner than without the fee reduction

Prototype: 2,070 Square-Foot Single-Family Detached Home
Value increases to $282,000, more than cost of $277,000 in 2015

	2013	2014	2015	2016	2017	2018
Product Value	$256,000	$269,000	$282,000	$296,000	$311,000	$327,000
Development Budget	$225,000	$225,000	$225,000	$225,000	$225,000	$225,000
Development Budget + Profit	$248,000	$248,000	$248,000	$248,000	$248,000	$248,000
Development Budget + Profit + Land Cost	$274,000	$275,000	$277,000	$278,000	$280,000	$281,000
Feasibility	No	No	Yes	Yes	Yes	Yes

Case 12-32118 Filed 04/21/14 Doc 1384

5. Development and CFF Fee Forecast

- Development Forecast
- CFF Schedule Scenarios
- Gross Future CFF Revenues

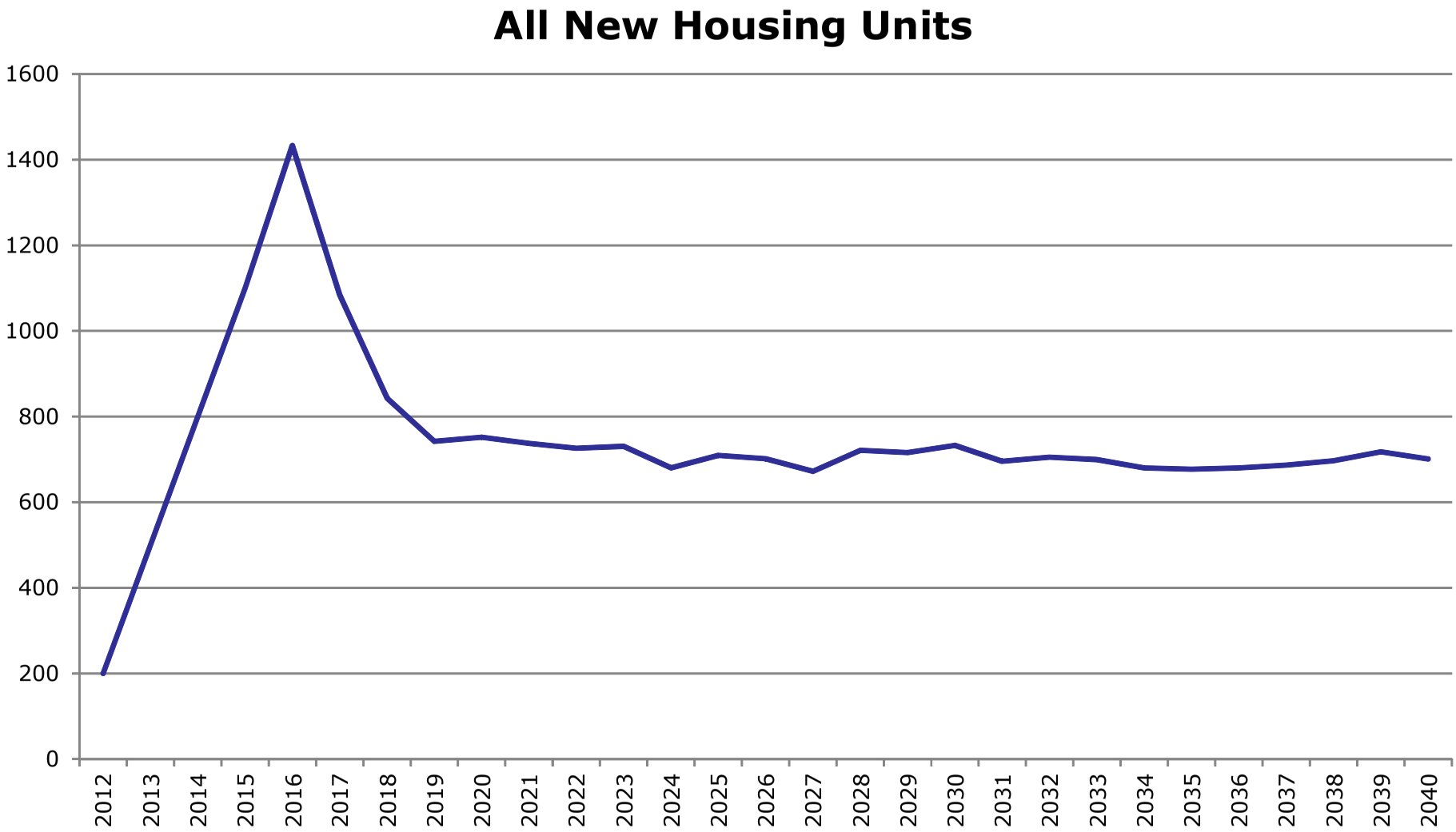
Case 12-32118 Filed 04/21/14 Doc 1384

Development Forecast

- Development expected to remain tepid through 2015 as market slowly recovers
- A spike in demand may occur as demand for new product resumes and the market recovers
- Long-range economic growth (jobs and income) will sustain an average new housing of approximately 700 units per year through 2040, with annual variations
- There will be substantial annual variations, as in the past, related to future business cycle
- Housing price points will stabilize at about $300,000 in 2013 dollars with limited real appreciation possible

Case 12-32118 Filed 04/21/14 Doc 1384

Development Forecast Illustrated



Case 12-32118 Filed 04/21/14 Doc 1384

CFF Fee Schedule Scenarios

- Actual fee revenue will depend on the uncertain rate of development and the level of fees
- Adopted CFF fee schedules (before 2010 reductions) are currently below the maximum that could be charged and that will be needed to meet capital facilities needs of future development
- Scenarios considered:
  a. Existing adopted fee schedule indexed by ENR
  b. Continue existing reduced schedule

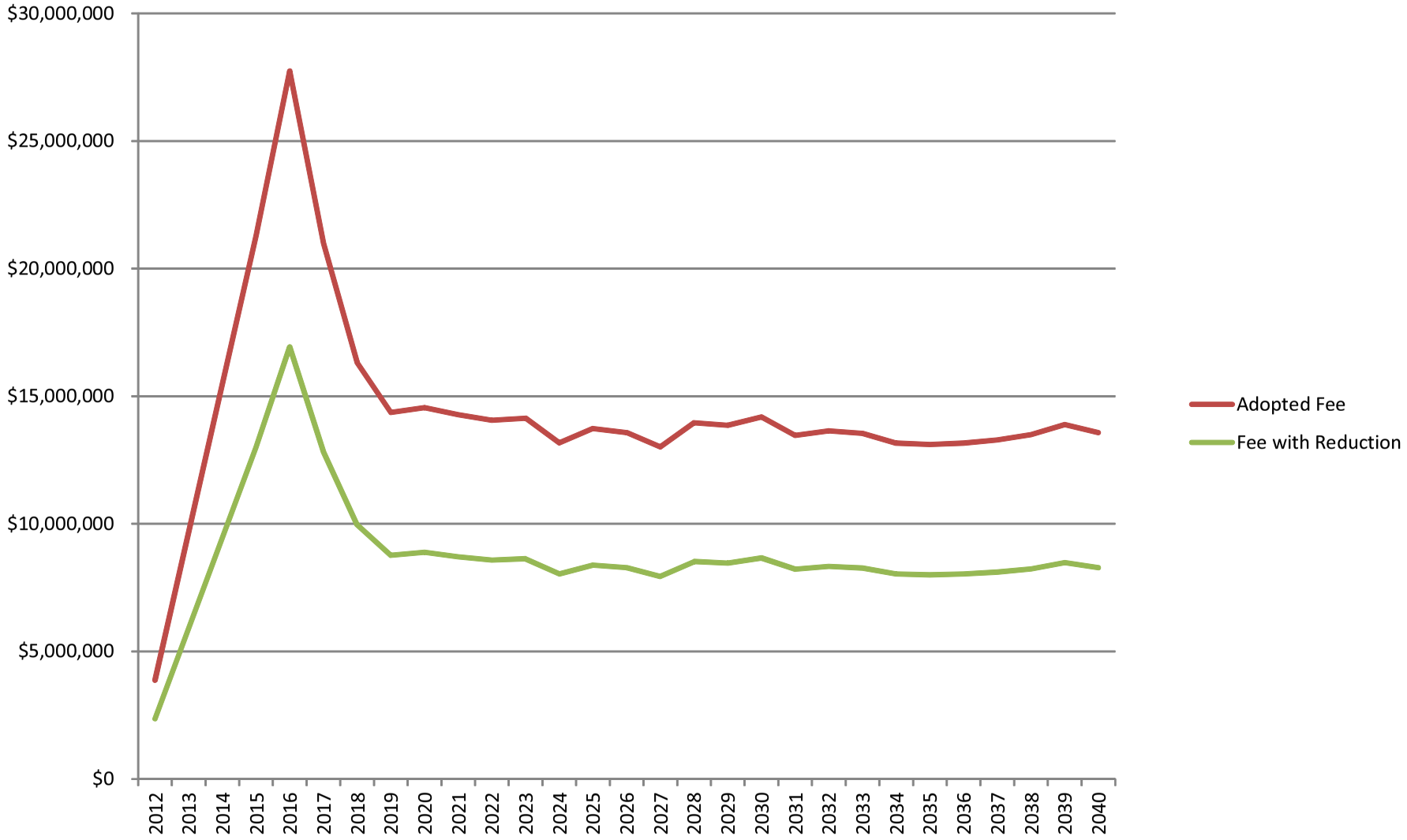
Case 12-32118 Filed 04/21/14 Doc 1384

CFF Revenue Forecast

- Over the next 25 years the CFF applied to residential development could generate over $400 million in revenue (at currently adopted rates)
- This funding is likely to be less than required for City capital facilities investments
- If reduced CFF rates are sustained (or fees are further reduced there will be a proportional impact on fee revenue (see Scenario b. results)
- Revenue losses from such reductions cannot be "made-up" by future fee increases
- Mitigation fee act requires that these revenues be used expressly for those items for which the fees were collected
- Commercial development will add perhaps an additional ten percent to fee revenue

Case 12-32118 Filed 04/21/14 Doc 1384

CFF Revenue Forecast



Case 12-32118 Filed 04/21/14 Doc 1384

Implications of Fee Reductions

- Any fee adjustments (temporary or permanent) should refer to:
  - Requirement to reduce related service standards (e.g., reduce parks standard to less than 2.5 acres/1,000 residents or do not improve selected local roadways)
  - Change in City policy that "new development pays it own way"
  - Identification of revenues that "backfill" foregone revenue and that maintain integrity of related capital improvement programs

Case 12-32118 Filed 04/21/14 Doc 1384

6. Scope of Proposed Reforms

- Interim CFF Update Program
- Reduce and Manage Financial Liabilities
- Continue CDD Reforms and Reorganization
- Pursue New Infrastructure Funding Sources
- Re-visioning and Updating Land Use Policy
- Pursuing Economic Development Initiatives

Case 12-32118 Filed 04/21/14 Doc 1384

Interim CFF Update Program 2013/14

- **Review existing facility master plans** —adjust discretionary or technical service standards, review and update improvement list, prioritize projects, delete low-priority projects, etc.
- **Review cost estimates** —verify and value engineer cost estimates and tighten cost contingencies
- **Review land use and cost allocation assumptions** — growth projections, demand factors, and cost allocation factors are all technical assumptions used in fee calculations that may no longer be valid and can be changed to reflect current and expected conditions
- The above technical changes may result in lower infrastructure costs and thus lower fees; the City Council, on the basis of this analysis, could then update the fee schedules

Case 12-32118 Filed 04/21/14 Doc 1384

Reduce or Manage Financial Liabilities

- Review and renegotiate pending development agreements and other prior agreements with developers
- Review all CFF fund encumbrances and consider methods for rectifying current encumbrances
- Pursue favorable outcome to RDA Successor Agency ROPS

Case 12-32118 Filed 04/21/14 Doc 1384

Continue CDD Reform and Reorganization

- Seek additional operating efficiencies and cost savings
- Manage reconciliation of development and engineering project accounts
- Improve internal and inter-departmental financial management controls
- Review and revision of plan check and processing fees
- Manage interim CFF Update Program
- Establish scope of CFF Update as part of General Plan Update Program

Case 12-32118 Filed 04/21/14 Doc 1384

Pursue New Capital Funding Sources

- Establish alternative development-based financing methods including Mello-Roos Community Facilities District to fund new development-related infrastructure
- Create new broad-based funding sources such as real estate transfer tax or community-wide assessment districts
- Apply any available federal or State funding to high-priority infrastructure projects
- Participate in the State's Statewide Community Infrastructure Program and other State funding programs

Case 12-32118 Filed 04/21/14 Doc 1384

Re-visioning Land Use Policy

- Conduct preparatory studies regarding housing demand, infill site capacity, and cost-effectiveness of existing development pattern
- Review all pending development agreements to determine status, feasibility and effects on the City's future land use discretion
- Initiate General Plan Update focused upon revitalization and more cost-effective and feasible type, location, and timing of new development

Case 12-32118 Filed 04/21/14 Doc 1384

Economic Development Initiatives

- Pursuing economic development opportunities that strengthen the economic base and the viability of the local economy
- Revitalizing commercial districts attracting new major employers and businesses
- Improving labor force through retention, training, and attraction
- Focusing on improving quality of life for all residents thus attracting new households and workers
- Assure that fees and charges fall within industry standards (as the market normalizes) and are competitive with nearby cities

Case 12-32118 Filed 04/21/14 Doc 1384

Exhibit B

BOOK 1956 PAGE 490

Rec. 20,238

ORIGINAL

MAR 26 1957

MAR 26 1957

D E E D

11659

THIS DEED, made this 30th day of January, 1957, by and between CHARLES RAYMOND VAN BUSKIRK and BERTHA S. VAN BUSKIRK, his wife, Grantors, and the CITY OF STOCKTON, a Municipal Corporation, of the County of San Joaquin, State of California, Grantee,

W I T N E S S E T H:

Grantors grant to Grantee that certain real property situate, lying and being in the City of Stockton, County of San Joaquin, State of California, described as follows, to-wit:

A tract of land situated in the County of San Joaquin, State of California, in Section 22, Township 1 North, Range 6 East, Mount Diablo Base and Meridian, and Sections 10 and 11 of C. M. Weber Grant, and more particularly described as follows, to-wit:

Beginning at a concrete monument bearing due South [redacted]60.00 feet from the southwest corner of Lot 1 in Block 7 of Lever Village, Unit No. 1, as per Map filed in Book of Maps, Vol. 14 at Page 22, San Joaquin County Records; thence due east 173.14 feet to a concrete monument; thence Easterly on a curve to the left, radius 2410 feet, (long chord bears North 79°34'43.5" East 871.86 feet) an arc distance of 876.69 feet to a concrete mounument at point of reverse curve; thence Easterly on a curve to the right, radius 1590 feet, (long chord bears North 73°29'43.5" East 240.53 feet) an arc distance of 240.76 feet to a concrete monument at end of curve; thence North 77°50' East 320.00 feet to a concrete monument in the Westerly line of the French Camp Road; thence along the Westerly line of the French Camp Road, South 12°10' East 1220 feet to the Northerly or right bank of Walker Slough; thence downstream along the Northerly or right bank of Walker Slough, as follows:

North 71°12' West 220 feet; North 65°55' West 247.5 feet; North 67°28' West 446 feet; North 66°17' West 199 feet; North 76°04' West 141 feet; South 84°42' West 357 feet; South 84°20' West 312 feet to a point that is due South of the point of beginning; thence leaving Walker Slough, due North 506 feet to the point of beginning, and containing 27.21 acres.

EXCEPT THEREFROM that parcel of land 25 feet x 10 feet, situated in the Southeast corner of said premises, as conveyed to City of Stockton, a municipal corporation, by Deed recorded March 14, 1955 in O. R., Vol. 1726, page 475.

pursuant to City Ordinance No 3072 to the terms and conditions of which Grantors hereby consent, subject to the reservations and conditions hereinafter set forth:

RESERVATIONS:

1. Grantors reserve the right to maintain upon the granted parcels such pumping plants, ditches, and pipe lines as they shall deem necessary or proper

SECURITY TITLE INSURANCE COMPANY
SAN JOAQUIN COUNTY ABSTRACT OFFICE
217 North San Joaquin Street • P.O. Box 1648
STOCKTON, CALIFORNIA

143545

D994-57

for the irrigation of their lands lying adjacent to the granted parcels, with rights of way along and adjacent to the same for their operation, maintenance and repair, and with the right to alter and add to such irrigation facilities from time to time. These rights shall cease as to any portion of such adjacent lands whenever such portion shall cease for a period of one full calendar year to be used for agricultural purposes, including the raising of livestock, or shall cease to be contiguous to any portion of such adjacent lands still used for agricultural purposes.

2. Grantors reserve the right to use the above described property for agricultural purposes, including the raising of livestock for a period of five years from date hereof, subject to the paramount right of the Grantee during said period to make and construct such plantings, excavations, fills, roadways, paths, fences, buildings, bridges and other works as it may deem proper for the purpose of developing the premises for public recreation or public park purposes, including use by nonsectarian character building organizations financed mainly by donations from the general public or for a combination of any of the foregoing uses. While development work is being carried on, the land may be used for agricultural purposes to such extent as shall not interfere with such work. When any area consisting of five acres or more has been developed to such extent as to be ready for said public uses, notice thereof shall be given in writing to Grantors, and all agricultural use of the designated area shall cease within ninety days after the completion of harvesting of any crops then upon the area; provided that Grantors shall retain rights of way across such parcel as shall be reasonably necessary for the convenient farming of other areas.

CONDITIONS SUBSEQUENT:

1. That the above described property shall be maintained and used only for public recreation or public park purposes, including use by nonsectarian character building organizations financed mainly by general public donations, or for a combination of any of the foregoing uses.

D 994-57

2. That no intoxicating liquor shall be sold or offered for sale upon the premises.

If the property or any portion or portions thereof shall be used in violation of either of the foregoing conditions, and such violation shall continue for a period of one hundred eighty (180) days after written notice thereof by the Grantors, their heirs, assigns and successors in interest or any one of them has been filed with the City Clerk of the City of Stockton, California, then the portion or portions so used shall revert to and become the property of Grantors, their heirs, assigns and successors in interest, and the latter thereupon shall have the right to re-enter the portion or portions so forfeited and take possession thereof. These conditions shall bind the City of Stockton, its successors and assigns forever.

In addition to the foregoing, any one or more of the aforesaid Grantors and their heirs, assigns and successors in interest shall have the right to enjoin any violation of the aforesaid restrictions and conditions as a public nuisance.

All covenants, conditions, reservations, and restrictions herein contained shall inure to the benefit of, and be binding upon, the heirs, devisees, assignees and successors in interest of all parties hereto, and shall run with the land.

IN WITNESS WHEREOF, Grantors have hereunto set their hands the day and year first above written.

Charles Raymond Van Buskirk
CHARLES RAYMOND VAN BUSKIRK

Bertha S. Van Buskirk
BERTHA S. VAN BUSKIRK

- Grantors -

D994-57

STATE OF CALIFORNIA)
: SS.
COUNTY OF SAN JOAQUIN)

On this 30th day of January in the year One Thousand Nine Hundred Fifty-Seven before me O. C. PARKINSON, a Notary Public in and for said County and State, personally appeared CHARLES RAYMOND VAN BUSKIRK and BERTHA S. VAN BUSKIRK, his wife known to me to be the person s described in and whose name s are subscribed to the within instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have set my hand and affixed my official seal in the County of San Joaquin, the day and year in this certificate first above written.

O. C. Parkinson
Notary Public in and for the County of San Joaquin, State of California

My Commission expires March 2, 1959.

By virtue of the authority vested in me by Resolution No. 20,238, this deed is hereby accepted by the City of Stockton and consent to its recordation is hereby granted.

Dated: _____, 1957.

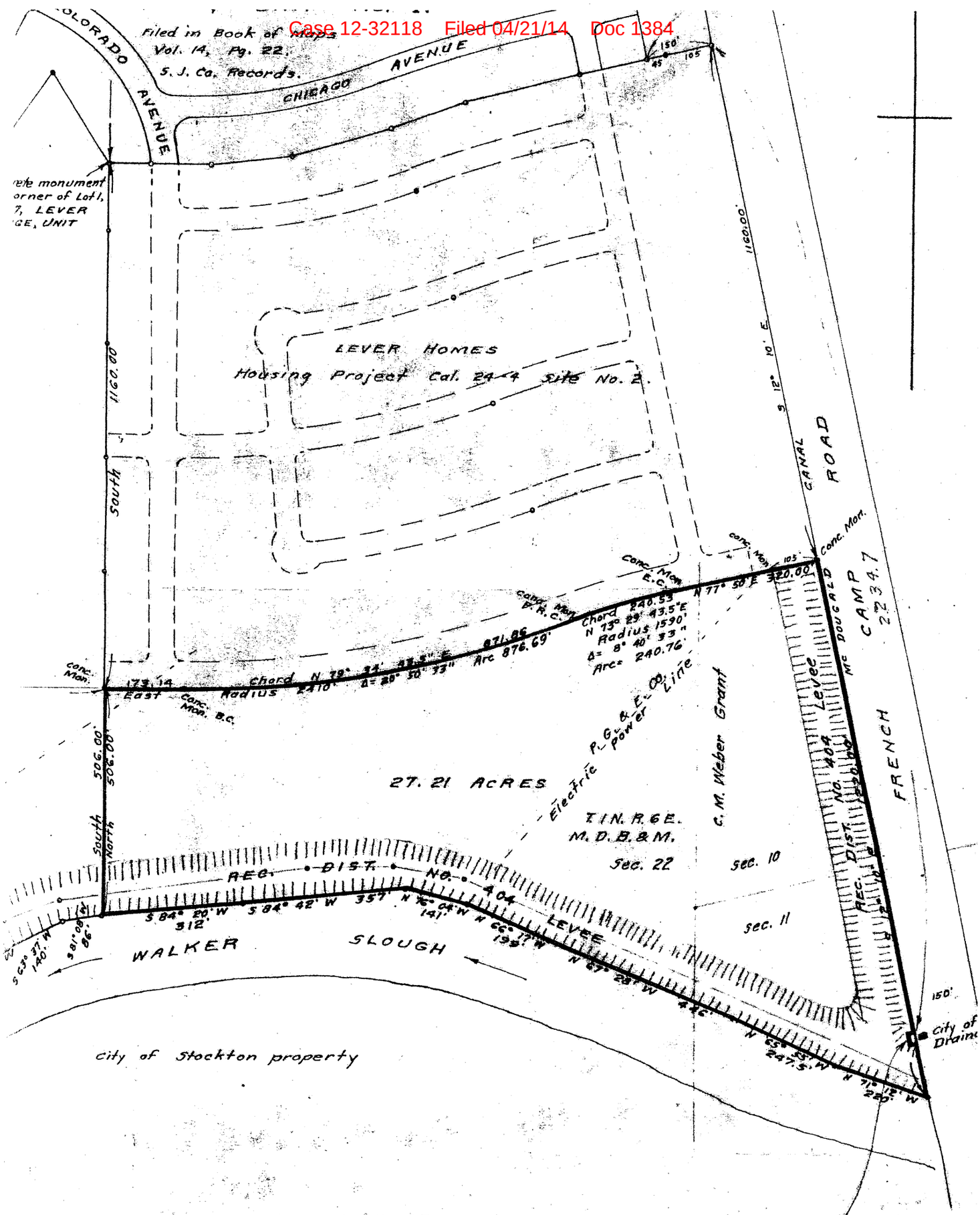
Monroe N. Langdon
City Attorney

11689 COMPARED

Recorded by SECURITY TITLE INS. CO.
MAR 26 1957 at 11:30 A.M. in
BOOK 1956 PAGE 489 Official Records
San Joaquin County Records.
Fees $ Dh Martha H. Oehler
County Recorder

-4-

D994-57



MAP OF
PORTION OF PROPERTY
OF CHARLES RAYMOND VANBUSKIRK
IN SECTION 22, T.1N. R.6E. M.D.B.&M.
AND SECTIONS 10 & 11, C.M. WEBER GRANT

Chas. H. Widdows - Geo. C. Hennis
Civil Engineers
December 1956 Scale 1" = 200'

City of Stockton
10' x 25'
OR - 1726 - 475

ACTUAL MAP TOO LARGE
TO SCAN IN ITS ENTIRETY
PLEASE SEE ORIGINAL

~~34-PF~~
A-34-4

P-118 (G.S.) (Rev. 3-56) 6-22-5

SAN JOAQUIN COUNTY ABSTRACT OFFICE

217 North San Joaquin Street Stockton 2, California

Charge for Title Examination and Insurance $ 150.50 A-1 A-2 No. 143-545

D-994-57

SECURITY TITLE INSURANCE COMPANY

a California corporation, herein called the Company, for a valuable consideration paid for this Policy of Title Insurance does hereby insure

CITY OF STOCKTON,
A MUNICIPAL CORPORATION.

together with the persons and corporations included in the definition of "the insured" as set forth in the stipulations of this policy, against loss or damage not exceeding $ 19,000.00 , which the insured shall sustain by reason of:

1. Title to the land described in Schedule A being vested, at the date hereof, otherwise than as herein stated; or
2. Unmarketability, at the date hereof, of the title to said land of any vestee named herein, unless such unmarketability exists because of defects, liens, encumbrances, or other matters shown or referred to in Schedule B; or
3. Any defect in, or lien or encumbrance on, said title, existing at the date hereof, not shown or referred to in Schedule B; or
4. Any defect in the execution of any mortgage or deed of trust shown in Schedule B securing an indebtedness, the owner of which is insured by this policy, but only insofar as such defect affects the lien or charge of such mortgage or deed of trust upon said land; or
5. Priority, at the date hereof, over any such mortgage or deed of trust, of any lien or encumbrance upon said land, except as shown in Schedule B, such mortgage or deed of trust being shown in the order of its priority in Part Two of Schedule B;

all subject, however, to Schedules A, and B, and the Stipulations herein, all of which schedules and stipulations are hereby made a part of this policy.

In witness whereof, Security Title Insurance Company has executed this policy by its authorized officers as of the date set forth in Schedule A.

Herbert W. Kalmbach
Secretary

J. P. Harvey Jr.
President

Stanley L. Ford
An Authorized Signature
Stanley L.Ford, Vice President

SLF:MMA

CLTA Standard Coverage
Copyright 1950

D994-57

P-118-A (G.S.) (Rev. 3-56) 6-27

SCHEDULE A

1. On March 26, 1957 at 11:31 o'clock a.m., the title to said land is vested in

CITY OF STOCKTON,
A MUNICIPAL CORPORATION

2. Description of the land, title to which is insured by this policy, in the state of California, county of San Joaquin, City of Stockton, described as

A tract of land situated in the County of San Joaquin, State of California, in Section 22, Township 1 North, Range 6 East, Mount Diablo Base and Meridian, and Sections 10 and 11 of C.M.Weber Grant, and more particularly described as follows, to-wit:

Beginning at a concrete monument bearing due South 1160.00 feet from the Southwest corner of Lot 1 in Block 7 of Lever Village, Unit No. 1, as per Map filed in Book of Maps, Vol. 14 at page 22, San Joaquin County Records; thence due East 173.14 feet to a concrete monument; thence Easterly on a curve to the left, radius 2410 feet (long chord bears North 79°34'43.5" East 871.86 feet) an arc distance of 876.69 feet to a concrete monument at point of reverse curve; thence Easterly on a curve to the right, radius 1590 feet, (long chord bears North 73°29'43.5" East 240.53 feet) an arc distance of 240.76 feet to a concrete monument at end of curve; thence North 77°50' East 320.00 feet to a concrete monument in the Westerly line of the French Camp Road; thence along the Westerly line of the French Camp Road, South 12°10' East 1220 feet to the Northerly or right bank of Walker Slough; thence downstream along the Northerly or right bank of Walker Slough, as follows: North 71°12' West 220 feet; North 65°55' West 247.5 feet; North 67°28' West 446 feet; North 66°17' West 199 feet; North 76°04' West 141 feet; South 84°42' West 357 feet; South 84°20' West 312 feet to a point that is due South of the point of beginning; thence leaving Walker Slough, due North 506 feet to the point of beginning, and containing 27.21 acres.

EXCEPT THEREFROM that parcel of land 25 feet x 10 feet, situated in the Southeast corner of said premises, as conveyed to City of Stockton, a municipal corporation, by Deed recorded March 14, 1955 in Book of Official Records, Vol. 1726, page 475.

CLTA Standard Coverage
Copyright 1950

D994-57

SCHEDULE B

This policy does not insure against loss by reason of the matters shown or referred to in this Schedule except to the extent that the owner of any mortgage or deed of trust shown in Part Two is expressly insured in Paragraphs numbered 4 and 5 on Page 1 of this Policy.

PART ONE: This part of Schedule B refers to matters which, if any such exist, may affect the title to said land, but which are not shown in this policy:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing agency or by the public records; and easements, liens, or encumbrances which are not shown by the public records.
2. Rights or claims of persons in possession of said land which are not shown by the public records.
3. Any facts, rights, interests, or claims which are not shown by the public records, but which could be ascertained by an inspection of said land, or by making inquiry of persons in possession thereof or by a correct survey.
4. Mining claims, reservations in patents, water rights, claims or title to water.
5. Any laws, governmental acts or regulations, including but not limited to zoning ordinances, restricting, regulating or prohibiting the occupancy, use or enjoyment of the land or any improvement thereon, or any zoning ordinances prohibiting a reduction in the dimensions or area, or separation in ownership, of any lot or parcel of land; or the effect of any violation of any such restrictions, regulations or prohibitions.

PART TWO: This part of Schedule B shows liens, encumbrances, defects and other matters affecting the title to said land or to which said title is subject:

1. County of San Joaquin and City of Stockton taxes and any personal property taxes for the fiscal year 1957-58, which are now a lien but not yet payable.

2. Second installment County of San Joaquin and City of Stockton taxes and any personal property taxes for the fiscal year 1956-57, which is now due and payable.

3. Any future assessments of Reclamation District #404 and Sacramento-San Joaquin Drainage District.

4. Right of Way for electric transmission line as granted to the Pacific Gas and Electric Company, recorded July 11, 1941 in Book of Official Records, Vol. 742, page 132.

5. Right of Way for cables, as granted to the Pacific Telephone and Telegraph Company, a corporation, recorded November 7, 1941 in Book of Official Records, Vol. 750, page 247.

6. An easement for stormwater drainage purposes over a portion of the Southeast quarter of these premises, as granted to City of Stockton, a municipal corporation, by instrument recorded March 14, 1956 in Book of Official Records, Vol. 1726, page 491, upon the terms and conditions contained therein.

7. Restrictions and conditions as contained in Deed from Charles Raymond Van Buskirk et ux, recorded March 26, 1957 at 11:30 a.m. Instrument No. 11689.
   Said restrictions contain no Mortgage Savings Clause but do contain Words of Forfeiture.

D99.4-57

STIPULATIONS

1. SCOPE OF COVERAGE

This policy does not insure against, and the Company will not be liable for loss or damage created by or arising out of any of the following: (a) defects, liens, claims, encumbrances, or other matters which result in no pecuniary loss to the insured; (b) defects, liens, encumbrances, or other matters created or occurring subsequent to the date hereof; (c) defects, liens, encumbrances, or other matters created or suffered by the insured claiming such loss or damage; (d) defects, liens, claims, encumbrances, or other matters existing at the date of this policy and known to the insured claiming such loss or damage, either at the date of this policy or at the date such insured claimant acquired an estate or interest insured by this policy, unless such defect, lien, claim, encumbrance or other matter shall have been disclosed to the Company in writing prior to the issuance of this policy or appeared at the date of this policy on the public records. Any rights or defenses of the Company against a named insured shall be equally available against any person or corporation who shall become an insured hereunder as successor of such named insured.

2. DEFENSE OF ACTIONS. NOTICE OF ACTIONS OR CLAIMS TO BE GIVEN BY THE INSURED

The Company at its own cost shall defend the insured in all litigation consisting of actions or proceedings against the insured, or defenses, restraining orders, or injunctions interposed against a foreclosure or sale of said land in satisfaction of any indebtedness, the owner of which is insured by this policy, which litigation is founded upon a defect, lien, encumbrance, or other matter insured against by this policy, and may pursue such litigation to final determination in the court of last resort. In case any such litigation shall become known to any insured, or in case knowledge shall come to any insured of any claim of title or interest which is adverse to the title as insured or which might cause loss or damage for which the Company shall or may be liable by virtue of this policy, such insured shall notify the Company thereof in writing. If such notice shall not be given to the Company at least two days before the appearance day in any such litigation, or if such insured shall not, in writing, promptly notify the Company of any defect, lien, encumbrance, or other matter insured against, or of any such adverse claim which shall come to the knowledge of such insured, in respect to which loss or damage is apprehended, then all liability of the Company as to each insured having such knowledge shall cease and terminate; provided, however, that failure to so notify the Company shall in no case prejudice the claim of any insured unless the Company shall be actually prejudiced by such failure. The Company shall have the right to institute and prosecute any action or proceeding or do any other act which, in its opinion, may be necessary or desirable to establish the title, or any insured lien or charge, as insured. In all cases where this policy permits or requires the Company to prosecute or defend any action or proceeding, the insured shall secure to it in writing the right to so prosecute or defend such action or proceeding, and all appeals therein, and permit it to use, at its option, the name of the insured for such purpose. Whenever requested by the Company the insured shall assist the Company in any such action or proceeding, in effecting settlement, securing evidence, obtaining witnesses, prosecuting or defending such action or proceeding, to such extent and in such manner as is deemed desirable by the Company, and the Company shall reimburse the insured for any expense so incurred. The Company shall be subrogated to and be entitled to all costs and attorneys' fees incurred or expended by the Company, which may be recoverable by the insured in any litigation carried on by the Company on behalf of the insured. The word "knowledge" in this paragraph means actual knowledge, and does not refer to constructive knowledge or notice which may be imputed by the public records.

3. NOTICE OF LOSS. LIMITATION OF ACTION

A statement in writing of any loss or damage for which it is claimed the Company is liable under this policy shall be furnished to the Company within sixty days after such loss or damage shall have been ascertained. No action or proceeding for the recovery of any such loss or damage shall be instituted or maintained against the Company until after full compliance by the insured with all the conditions imposed on the insured by this policy, nor unless commenced within twelve months after receipt by the Company of such written statement.

4. OPTION TO PAY, SETTLE, OR COMPROMISE CLAIMS

The Company reserves the option to pay, settle, or compromise for, or in the name of, the insured, any claim insured against or to pay this policy in full at any time, and payment or tender of payment of the full amount of this policy, together with all accrued costs which the Company is obligated hereunder to pay, shall terminate all liability of the Company hereunder, including all obligations of the Company with respect to any litigation pending and subsequent costs thereof.

5. SUBROGATION UPON PAYMENT OR SETTLEMENT

Whenever the Company shall have settled a claim under this policy, it shall be subrogated to and be entitled to all rights, securities, and remedies which the insured would have had against any person or property in respect to such claim, had this policy not been issued. If the payment does not cover the loss of the insured, the Company shall be subrogated to such rights, securities, and remedies in the proportion which said payment bears to the amount of said loss. In either event the insured shall transfer, or cause to be transferred, to the Company such rights, securities, and remedies, and shall permit the Company to use the name of the insured in any transaction or litigation involving such rights, securities, or remedies.

6. OPTION TO PAY INSURED OWNER OF INDEBTEDNESS AND BECOME OWNER OF SECURITY

The Company has the right and option, in case any loss is claimed under this policy by an insured owner of an indebtedness secured by mortgage or deed of trust, to pay such insured the indebtedness of the mortgagor or trustor under said mortgage or deed of trust, together with all costs which the Company is obligated hereunder to pay, in which case the Company shall become the owner of, and such insured shall at once assign and transfer to the Company, said mortgage or deed of trust and the indebtedness thereby secured, and such payment shall terminate all liability under this policy to such insured.

7. PAYMENT OF LOSS AND COSTS OF LITIGATION. INDORSEMENT OF PAYMENT ON POLICY

The Company will pay, in addition to any loss insured against by this policy, all costs imposed upon the insured in litigation carried on by the Company for the insured, and in litigation carried on by the insured with the written authorization of the Company, but not otherwise. The liability of the Company under this policy shall in no case exceed, in all, the actual loss of the insured and costs which the Company is obligated hereunder to pay, and in no case shall such total liability exceed the amount of this policy and said costs. All payments under this policy shall reduce the amount of the insurance pro tanto, and payment of loss or damage to an insured owner of indebtedness shall reduce, to that extent, the liability of the Company to the insured owner of said land. No payment may be demanded by any insured without producing this policy for indorsement of such payment.

8. MANNER OF PAYMENT OF LOSS TO INSURED

Loss under this policy shall be payable, first, to any insured owner of indebtedness secured by mortgage or deed of trust shown in Schedule B in order of priority therein shown, and if such ownership vests in more than one, payment shall be made ratably as their respective interests may appear, and thereafter any loss shall be payable to the other insured, and if more than one, then to such insured ratably as their respective interests may appear. If there be no such insured owner of indebtedness, any loss shall be payable to the insured, and if more than one, to such insured ratably as their respective interests may appear.

9. DEFINITION OF TERMS

The following terms when used in this policy mean:

(a) "named insured": the persons and corporations named as insured on first page of this policy;

(b) "the insured": such named insured together with (1) each successor in ownership of any indebtedness secured by any mortgage or deed of trust shown in Schedule B, the owner of which indebtedness is named herein as an insured, (2) any such owner or successor in ownership of any such indebtedness who acquires the land described in Schedule A or any part thereof, by lawful means in satisfaction of said indebtedness or any part thereof, (3) any governmental agency or instrumentality acquiring said land under an insurance contract or guarantee insuring or guaranteeing said indebtedness or any part thereof, and (4) any person or corporation deriving an estate or interest in said land as an heir or devisee of a named insured or by reason of the dissolution, merger, or consolidation of a corporate named insured;

(c) "land": the land described specifically or by reference in Schedule A and improvements affixed thereto which by law constitute real property;

(d) "date": the exact day, hour and minute specified in the first line of Schedule A (unless the context clearly requires a different meaning);

(e) "taxing agency": the State and each county, city and county, city and district in which said land or some part thereof is situated that levies taxes or assessments on real property;

(f) "public records": those public records which, under the recording laws, impart constructive notice of matters relating to said land.

10. WRITTEN INDORSEMENT REQUIRED TO CHANGE POLICY

No provision or condition of this policy can be waived or changed except by writing indorsed hereon or attached hereto signed by the President, a Vice President, the Secretary, or an Assistant Secretary of the Company.

11. NOTICES, WHERE SENT

All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to it at its home office at 530 West Sixth Street, Los Angeles 14, California.

CLTA Standard Coverage
Copyright 1950

Case 12-32118 Filed 04/21/14 Doc 1384

Complete Title and Escrow Service

Company offices in:

FRESNO COUNTY
1927 Mariposa Street
1234 "L" Street
1205 Belmont Avenue
Fresno

IMPERIAL COUNTY
654 Main Street
El Centro

KINGS COUNTY
2[illegible] West Seventh Street
Hanford

MADERA COUNTY
[illegible] South "D" Street
Madera

MERCED COUNTY
552 West 17th Street
Merced

ORANGE COUNTY
825 North Broadway
Santa Ana

RIVERSIDE COUNTY
8th & Orange Streets
Riverside

SACRAMENTO COUNTY
811 "J" Street
1400 Alhambra Blvd.
2846 Fair Oaks Blvd.
Sacramento

SAN BERNARDINO COUNTY
480 Court Street
San Bernardino

SAN DIEGO COUNTY
940 Third Avenue
San Diego

SAN JOAQUIN COUNTY
217 N. San Joaquin St.
40 S. San Joaquin St.
Stockton

SAN LUIS OBISPO COUNTY
1119 Chorro Street
San Luis Obispo

SANTA BARBARA COUNTY
1014 State Street
Santa Barbara

STANISLAUS COUNTY
920 12th Street
1023 Eye Street
Modesto

TULARE COUNTY
119 Locust Street
Visalia

HOME OFFICE
530 West Sixth Street, Los Angeles 14, California

TITLE INSURANCE

SAN JOAQUIN COUNTY ABSTRACT OFFICE
217 North San Joaquin Street
Stockton 2, California

UNDER DIRECT SUPERVISION
OF THE
DEPARTMENT OF INSURANCE
OF THE
STATE OF CALIFORNIA

CAPITAL AND SURPLUS
IN EXCESS OF
$7,000,000

SECURITY TITLE SECURITY TITLE SECURITY TITLE

It is understood that the present intention of the State of California is to construct and maintain a public highway on the lands hereinabove described, and the undersigned hereby waives any claim for any and all damages to the remaining property of which the above described parcel is a part, by reason of the location, construction, landscaping or maintenance of said highway.

IN WITNESS WHEREOF, said corporation has caused its corporate name to be hereunto subscribed and its corporate seal to be affixed hereto, this 20 day of December, 1967.

ATTEST:

/s/ CONSTANCE MILLER
City Clerk

Approved as to form:

/s/ MONROE N. LANGDON
City Attorney

CITY OF STOCKTON, a Municipal Corporation,

By /s/ C. R. (MIKE) EVANHOE, ~~President~~
Acting Mayor

By ....., ~~Secretary~~

[CORPORATE SEAL]

STATE OF CALIFORNIA,
County of SAN JOAQUIN } ss.

On this 20th *day of* December *in the year one thousand nine hundred and* [illegible], *before me,* [illegible], *a Notary Public in and for the County of San Joaquin, State of California, residing therein, duly commissioned and sworn, personally appeared* C.R. (MIKE) EVANHOE *known to me to be the* Acting Mayor *of the City of Stockton, the municipal corporation described in and that executed the within instrument, and also known to me to be the person who executed the within instrument on behalf of the said municipal corporation and acknowledged to me that said municipal corporation, acting by and through said* Acting Mayor *who was first duly authorized so to do, executed the same.*

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, in the County of San Joaquin, the day and year in this certificate first above written.

/s/ MONROE N. LANGDON
Notary Public in and for the County of San Joaquin, State of California.
MONROE N. LANGDON
My Commission Expires 10-30-69

THIS IS TO CERTIFY, *That the State of California, acting by and through the Director of Public Works, Division of Highways, hereby accepts for public purposes the real property described in the within quitclaim and consents to the recordation thereof.*

IN WITNESS WHEREOF, *I have hereunto set my hand this* ..... *day of* ....., *19*.....

.....
Director of Public Works

By .....

.....
Attorney in Fact

EST. 3082. 9708 12-59 5M © SPO

D 994-57

It is understood that the present intention of the State of California is to construct and maintain a public highway on the lands hereinabove described, and the undersigned hereby waives any claim for any and all damages to the remaining property of which the above described parcel is a part, by reason of the location, construction, landscaping or maintenance of said highway.

IN WITNESS WHEREOF, said corporation has caused its corporate name to be hereunto subscribed and its corporate seal to be affixed hereto, this 20 day of December, 1967.

ATTEST:

/s/ CONSTANCE MILLER
City Clerk

Approved as to form:

/s/ MONROE N. LANDGON
City Attorney

CITY OF STOCKTON, a Municipal Corporation,

By /s/ C. R. (MIKE) EVANHOE, ~~President~~
Acting **Mayor**

By _____, ~~Secretary~~

[CORPORATE SEAL]

STATE OF CALIFORNIA
_____ County of _____ } ss.

On this _____ day of _____ in the year one thousand nine hundred and _____ before me, the undersigned, a Notary Public in and for the _____ County of _____, State of California, residing therein, duly commissioned and sworn, personally appeared _____

known to me to be the _____

of the corporation described in and that executed the within instrument, and also known to me to be the person ____ who executed it on behalf of the corporation therein named, and ____he____ acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS *my hand and official seal.*

_____ *(Seal)*

Name (Typed or Printed)
Notary Public in and for Said County and State

(CERTIFICATE OF ACCEPTANCE, GOVERNMENT CODE, SEC. 27281)

THIS IS TO CERTIFY, *That the State of California, acting by and through the Department of Public Works, Division of Highways, hereby accepts for public purposes the real property described in the within quitclaim and consents to the recordation thereof.*

IN WITNESS WHEREOF, *I have hereunto set my hand this _____ day of _____, 19____*

_____
Director of Public Works

By _____

_____
Attorney in Fact

That portion of that certain 27.21-acre parcel of land and the exception thereto, described in deed recorded March 26, 1957 in Volume 1956 of Official Records, page 489, San Joaquin County Records, situate in Sections 10 and 11 of the "C. M. WEBER'S GRANT," described as follows:

Beginning at the intersection of the west line of French Camp Turnpike, a county road with the south line of Houston Avenue, a 60-foot wide city street, said intersection having co-ordinates X=1,771,683.36 feet and Y=518,172.81 feet; thence along said west line of French Camp Turnpike, S. 11° 46' 46" E., 1,116.09 feet and S. 12° 51' E., 103.83 feet to the northerly bank of Walker Slough; thence along said northerly bank N. 70° 48' 46" W., 43.17 feet; thence N. 15° 27' 37" W., 28.78 feet; thence N. 11° 06' 15" E., 89.44 feet; thence N. 14° 39' 52" W., 720.07 feet; thence N. 15° 27' 37" W., 340.00 feet; thence N. 60° 21' 58" W., 42.50 feet to said south line of Houston Avenue; thence along last said line N. 78° 13' 14" E., 92.08 feet to the point of beginning.

Containing 0.84 of an acre, more or less.

This quitclaim deed is made for the purposes of a freeway and adjacent frontage road and the undersigned hereby releases and relinquishes to the grantee any and all abutter's rights, including access rights appurtenant to the remaining property in which the undersigned has some right, title or interest, in and to said freeway, provided, however, that such remaining property shall abut upon and have access to said frontage road which will be connected to the freeway only at such points as may be established by public authority.

 D994-57 (7903-A)

Note: Correction Form Quitclaim Deed rec'd 4/25/68

D-994-57

RECORDED: ON MARCH 29, 1968, BOOK 3198, PAGE 296, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY. INSTRUMENT NO. 14274.

288

14273

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Both 1336+50± to 1348+70± Lt. Fr. Rd.

sn

QUITCLAIM DEED
(CORPORATION)

DISTRICT	COUNTY	ROUTE	~~XXXXX~~	NUMBER
10	SJ	5	P.M. 22.7	7903-A

CITY OF STOCKTON

municipal
a corporation organized and existing under and by virtue of the Laws of the State of California

does hereby release and quitclaim to the STATE OF CALIFORNIA

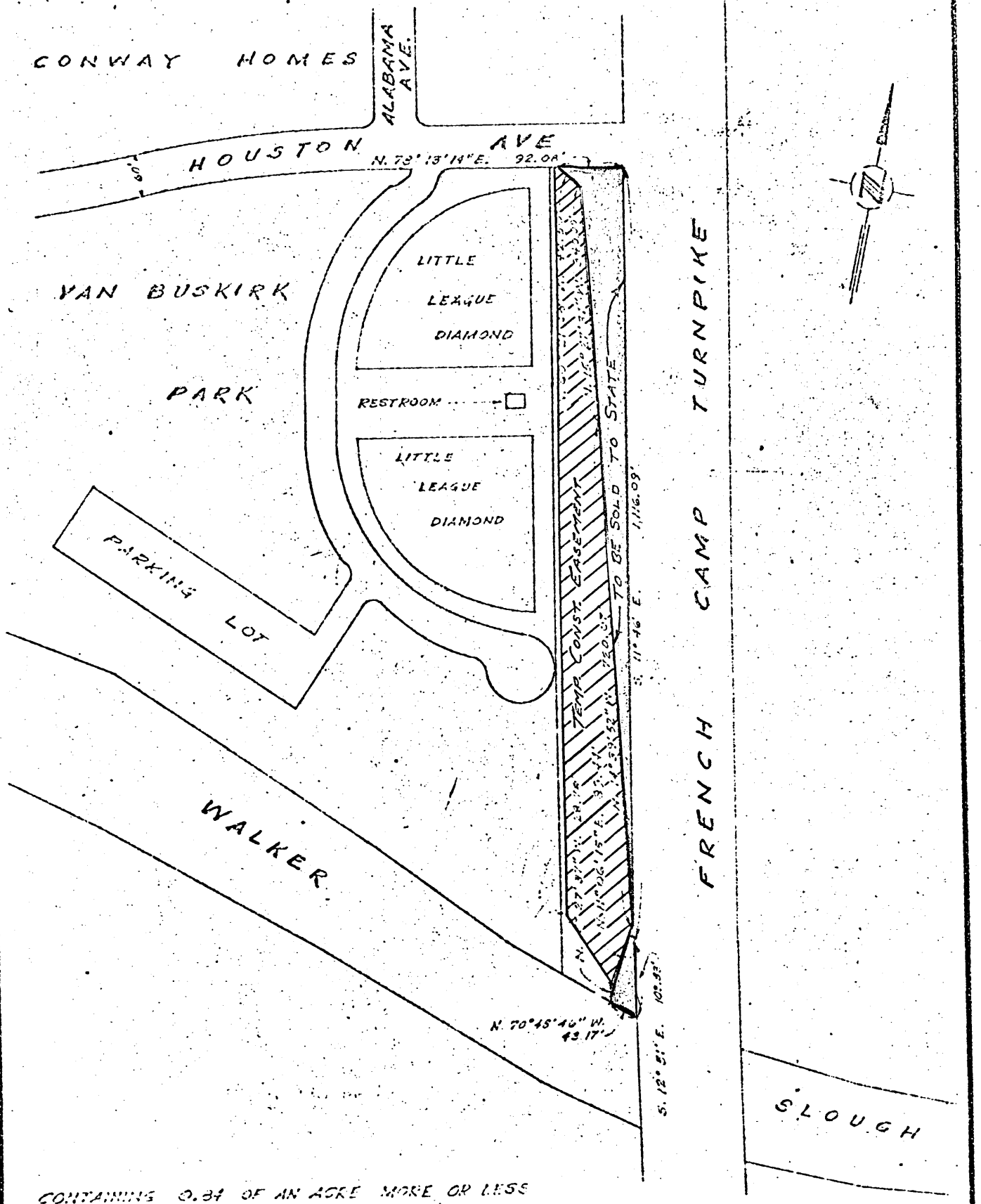
all that real property in the City of Stockton County of San Joaquin,

State of California, described as:

SEE ATTACHED DESCRIPTION

FORM RW-11

D994-57



No.	Revised	By

Drawn by

Checked by

Scale 1" = 200'

QUITCLAIM DEED TO STATE OF CALIFORNIA BY CITY OF STOCKTON

CITY OF STOCKTON
DEPARTMENT OF PUBLIC WORKS

Approved by
Director of Public Works

Date

Drawing No.

D994-57

D-994-57

RECORDED: ON MARCH 29, 1968, BOOK 3198, PAGE 285, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY. INSTRUMENT NO. 14272.

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Left 1336+50± to 1348+70± sn

(TEMPORARY)

EASEMENT DEED

DISTRICT	COUNTY	ROUTE	~~SECTION~~	NUMBER
10	SJ	5	P.M. 22.7	7903-B

CITY OF STOCKTON, a municipal corporation, does hereby

GRANT to the State of California an EASEMENT for construction purposes

upon, over and across that certain real property in the City of Stockton,

County of San Joaquin, State of California, described as follows:

SEE ATTACHED DESCRIPTION

FORM RW-17 (REV. 7-60)
EST. 5438. 31379 12-60 4M ① SPO

D994-57

A portion of that certain 27.21-acre parcel of land and the exception thereto, described in deed recorded March 26, 1957 in Volume 1956 of Official Records, page 489, San Joaquin County Records, situate in Sections 10 and 11 of "C. M. WEBER'S GRANT," described as follows:

Beginning at a point in the south line of Houston Avenue, a 60-foot wide city street, being S. 78° 13' 14" W., 92.08 feet from the intersection of said south line with the west line of French Camp Turnpike, a county road; thence S. 60° 21' 58" E., 42.50 feet; thence S. 15° 27' 37" E., 340.00 feet; thence S. 14° 39' 52" E., 720.07 feet; thence S. 11° 06' 15" W., 89.44 feet; thence N. 42° 01' 32" W., 111.80 feet; thence N. 11° 43' 03" W., 1,072.38 feet to the point of beginning.

Containing 1.62 acres, more or less.

Said easement shall terminate and cease to exist on the date the State of California files for record in the Office of the Recorder of the County of San Joaquin a "Notice of Completion," covering the construction of the project, Road 10-SJ-5.

Dated this 20 day of December 1967

Signed and delivered in the presence of

CITY OF STOCKTON, a Municipal Corporation,

By: /s/ C. R. (MIKE) EVANHOE
Acting Mayor

ATTEST:

/s/ CONSTANCE MILLER

Approved as to form:

/s/ MONROE N. LANGDON

STATE OF CALIFORNIA,
County of SAN JOAQUIN } ss.

On this [illegible] *day of* [illegible] *in the year one thousand nine hundred and* [illegible], *before me,* [illegible], *a Notary Public in and for the County of San Joaquin, State of California, residing therein, duly commissioned and sworn, personally appeared* C.R. MIKE EVANHOE *known to me to be the* Acting Mayor *of the City of Stockton, the municipal corporation described in and that executed the within instrument, and also known to me to be the person who executed the within instrument on behalf of the said municipal corporation and acknowledged to me that said municipal corporation, acting by and through said* Acting Mayor *who was first duly authorized so to do, executed the same.*

(SEAL)

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, in the County of San Joaquin, the day and year in this certificate first above written.

[illegible] N. LANGDON
Notary Public in and for the County of San Joaquin, State of California.

MONROE N. LANGDON

My Commission Expires 10-30-69

(Seal) _____ _____ (Seal)

Name (Typed or Printed) — *Notary Public in and for said County and State*

Name (Typed or Printed) — *Notary Public in and for said County and State*

(CERTIFICATE OF ACCEPTANCE, GOVERNMENT CODE, SEC. 27281)

THIS IS TO CERTIFY, *That the State of California, grantee herein, acting by and through the Department of Public Works, Division of Highways, hereby accepts for public purposes the real property, or interest therein, conveyed by the within deed and consents to the recordation thereof.*

IN WITNESS WHEREOF, *I have hereunto set my hand this* _____ *day of* _____, *19*____

Director of Public Works

By _____

Attorney in Fact

Dated this 20 day of December 1967

Signed and delivered in the presence of

_____

_____

ATTEST:

/s/ CONSTANCE MILLER
City Clerk

CITY OF STOCKTON, a Municipal Corporation,

By: /s/ C. R. (MIKE) EVANHOE
Acting **Mayor**

Approved as to form:

/s/ MONROE N. LANGDON
City Attorney

SUBSCRIBING WITNESS

STATE OF CALIFORNIA
_____ COUNTY OF _____ } ss.

On _____, 19____ before me, the undersigned, a Notary Public in and for said County and State, personally appeared _____, known to me to be the person whose name is subscribed to the within instrument as a witness thereto, who, being by me duly sworn, deposed and said: that he resides in the County of _____, State of California; that he was present and saw _____, personally known to him to be the person____ described in and whose name____ _____ subscribed to the within instrument, execute the same; and that affiant subscribed his name thereto as a witness to said execution.

WITNESS my hand and official seal.

(Seal) _____

_____
Name (Typed or Printed)
Notary Public in and for said County and State

GRANTOR(S)

STATE OF CALIFORNIA
_____ COUNTY OF _____ } ss.

On _____, 19____ before me, the undersigned, a Notary Public in and for said County and State, personally appeared _____, known to me to be the person____ whose name____ _____ subscribed to the within instrument and acknowledged that _____ executed the same.

WITNESS my hand and official seal.

_____ (Seal)

_____
Name (Typed or Printed)
Notary Public in and for said County and State

(CERTIFICATE OF ACCEPTANCE, GOVERNMENT CODE, SEC. 27281)

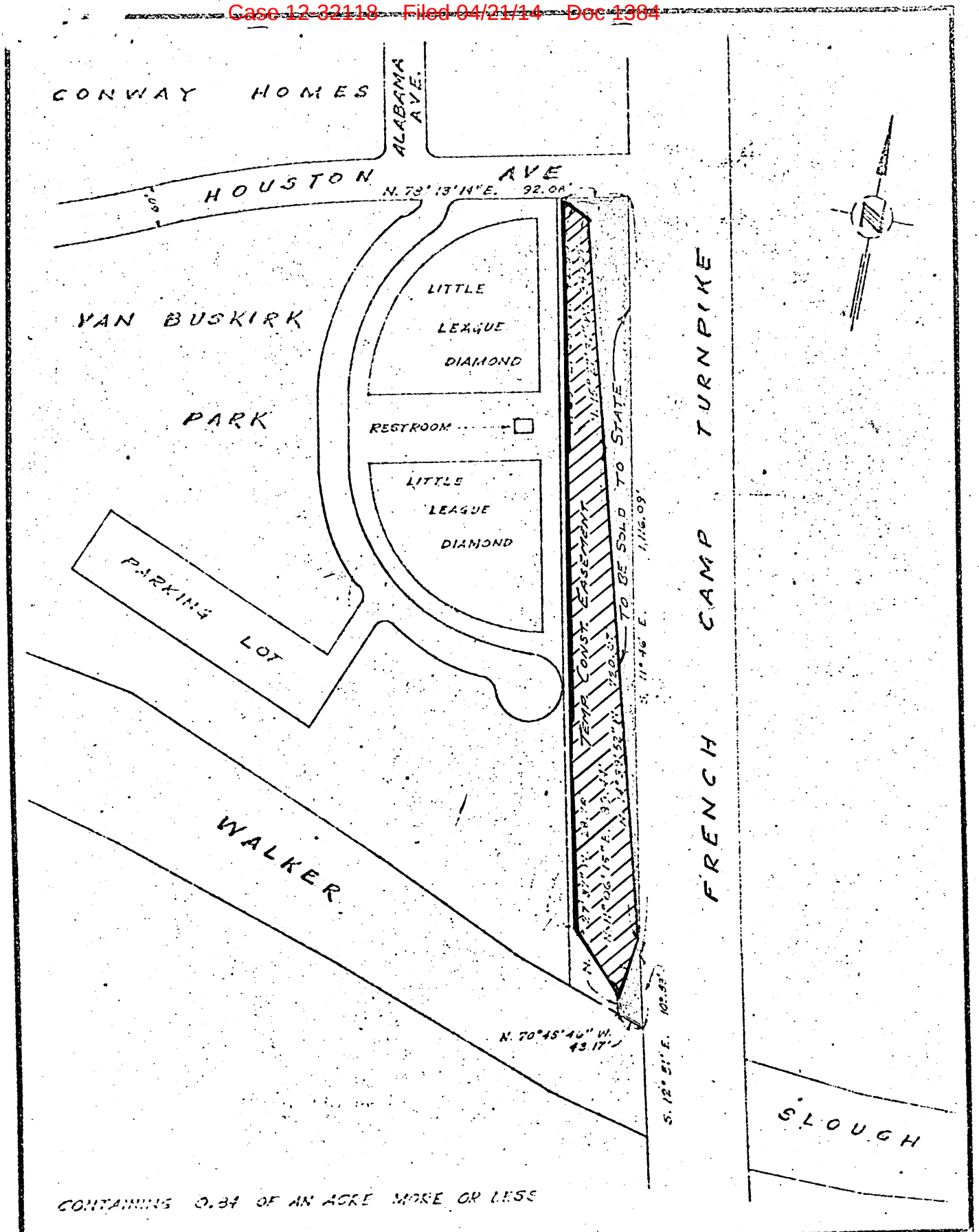
THIS IS TO CERTIFY, *That the State of California, grantee herein, acting by and through the Department of Public Works, Division of Highways, hereby accepts for public purposes the real property, or interest therein, conveyed by the within deed and consents to the recordation thereof.*

IN WITNESS WHEREOF, *I have hereunto set my hand this* _____ *day of* _____, *19*____

_____
Director of Public Works

By _____

_____
Attorney in Fact



CONTAINING 0.34 OF AN ACRE MORE OR LESS

No.	Revised	By

Drawn by

Checked by

Scale 1" = 200'

QUITCLAIM DEED TO STATE OF CALIFORNIA BY CITY OF STOCKTON

CITY OF STOCKTON
DEPARTMENT OF PUBLIC WORKS

Approved by

Director of Public Works

Date

Drawing No.

D994-57