

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement (“Agreement”) is entered into by and between the City of Stockton (“City”), Edmund G. Brown Jr., Attorney General of California, on behalf of the People of the State of California (“Attorney General”), and the Sierra Club, and it is dated and effective as of the date that the last Party signs (“Effective Date”). The City, the Attorney General, and the Sierra Club are referred to as the “Parties.”

RECITALS

On December 11, 2007, the City approved the 2035 General Plan, Infrastructure Studies Project, Bicycle Master Plan, Final Environmental Impact Report (“EIR”), and Statement of Overriding Considerations. The General Plan provides direction to the City when making land use and public service decisions. All specific plans, subdivisions, public works projects, and zoning decisions must be consistent with the City’s General Plan. As adopted in final form, the General Plan includes Policy HS-4.20, which requires the City to "adopt new policies, in the form of a new ordinance, resolution, or other type of policy document, that will require new development to reduce its greenhouse gas emissions to the extent feasible in a manner consistent with state legislative policy as set forth in Assembly Bill (AB) 32 (Health & Saf. Code, § 38500 et seq.) and with specific mitigation strategies developed by the California Air Resources Board (CARB) pursuant to AB 32[.]" The policy lists the following "potential mitigation strategies," among others, for the City to consider:

- (a) Increased density or intensity of land use, as a means of reducing per capita vehicle miles traveled by increasing pedestrian activities, bicycle usage, and public or private transit usage; and
- (b) Increased energy conservation through means such as those described in Appendix F of the State Guidelines for the California Environmental Quality Act.

The 2035 General Plan also includes other Policies and goals calling for infill development, increased transit, smart growth, affordable housing, and downtown revitalization.

In December 2006, in accordance with the requirements of the California Environmental Quality Act (“CEQA”), the City prepared and circulated a Draft EIR. Comments were received on the EIR; the City prepared responses to these comments and certified the EIR in December 2007.

On January 10, 2008, the Sierra Club filed a Petition for Writ of Mandate in San Joaquin County Superior Court (Case No. CV 034405, hereinafter “Sierra Club Action”),

alleging that the City had violated CEQA in its approval of the 2035 General Plan. In this case, the Sierra Club asked the Court, among other things, to issue a writ directing the City to vacate its approval of the 2035 General Plan and its certification of the EIR, and to award petitioners' attorney's fees and costs.

The Attorney General also raised concerns about the adequacy of the EIR under CEQA, including but not limited to the EIR's failure to incorporate enforceable measures to mitigate the greenhouse gas ("GHG") emission impacts that would result from the General Plan.

The City contends that the General Plan and EIR adequately address the need for local governments to reduce greenhouse gas ("GHG") emissions in accordance with Assembly Bill 32, and associated issues of climate change.

Because the outcome of the Parties' dispute is uncertain, and to allow the Stockton General Plan to go forward while still addressing the concerns of the Attorney General and the Sierra Club, the Parties have agreed to resolve their dispute by agreement, without the need for judicial resolution.

The parties want to ensure that the General Plan and the City's implementing actions address GHG reduction in a meaningful and constructive manner. The parties recognize that development on the urban fringe of the City must be carefully balanced with accompanying infill development to be consistent with the state mandate of reducing GHG emissions, since unbalanced development will cause increased driving and increased motor vehicle GHG emissions. Therefore, the parties want to promote balanced development, including adequate infill development, downtown vitalization, affordable housing, and public transportation. In addition, the parties want to ensure that development on the urban fringe is as revenue-neutral to the City as to infrastructure development and the provision of services as possible.

In light of all the above considerations, the Parties agree as follows, recognizing that any legislative actions contemplated by the Agreement require public input and, in some instances, environmental review prior to City Council actions, which shall reflect such input and environmental information, pursuant to State law:

AGREEMENT

Climate Action Plan

1. Within 24 months of the signing of this Agreement, and in furtherance of General Plan Policy HS-4.20 and other General Plan policies and goals, the City agrees that its staff shall prepare and submit for City Council adoption, a Climate Action Plan, either as a separate element of the General Plan or as a component of an existing General Plan element. The Climate Action Plan, whose adoption will be subject to normal requirements for compliance with CEQA and other controlling state law, shall include, at least, the measures set forth in paragraphs 3 through 8, below.

2. The City shall establish a volunteer Climate Action Plan advisory committee to assist the staff in its preparation and implementation of the Plan and other policies or documents to be adopted pursuant to this Agreement. This committee shall monitor the City's compliance with this Agreement, help identify funding sources to implement this Agreement, review in a timely manner all draft plans and policy statements developed in accordance with this Agreement (including studies prepared pursuant to Paragraph 9, below), and make recommendations to the Planning Commission and City Council regarding its review. The committee shall be comprised of one representative from each of the following interests: (1) environmental, (2) non-profit community organization, (3) labor, (4) business, and (5) developer. The committee members shall be selected by the City Council within 120 days of the Effective Date, and shall serve a one-year term, with no term limits. Vacancies shall be filled in accordance with applicable City policies. The City shall use its best efforts to facilitate the committee's work using available staff resources.

3. The Climate Action Plan shall include the following measures relating to GHG inventories and GHG reduction strategies:

a. Inventories from all public and private sources in the City:

(1) Inventory of current GHG emissions as of the Effective Date;

(2) Estimated inventory of 1990 GHG emissions;

(3) Estimated inventory of 2020 GHG emissions.

The parties recognize that techniques for estimating the 1990 and 2020 inventories are imperfect; the City agrees to use its best efforts, consistent with methodologies developed by ICLEI and the California Air Resources

Board, to produce the most accurate and reliable inventories it can without disproportionate or unreasonable staff commitments or expenditures.

- b. Specific targets for reductions of the current and projected 2020 GHG emissions inventory from those sources of emissions reasonably attributable to the City's discretionary land use decisions and the City's internal government operations. Targets shall be set in accordance with reduction targets in AB 32, other state laws, or applicable local or regional enactments addressing GHG emissions, and with Air Resources Board regulations and strategies adopted to carry out AB 32, if any, including any local or regional targets for GHG reductions adopted pursuant to AB 32 or other state laws. The City may establish goals beyond 2020, consistent with the laws referenced in this paragraph and based on current science.
 - c. A goal to reduce per capita vehicle miles traveled ("VMT") attributable to activities in Stockton (i.e., not solely due to through trips that neither originate nor end in Stockton) such that the rate of growth of VMT during the General Plan's time frame does not exceed the rate of population growth during that time frame. In addition, the City shall adopt and carry out a method for monitoring VMT growth, and shall report that information to the City Council at least annually. Policies regarding VMT control and monitoring that the City shall consider for adoption in the General Plan are attached to this Agreement in Exhibit A.
 - d. Specific and general tools and strategies to reduce the current and projected 2020 GHG inventories and to meet the Plan's targets for GHG reductions by 2020, including but not limited to the measures set out in paragraphs 4 through 8, below.
4. The City agrees to take the following actions with respect to a green building program:
- a. Within 12 months of the Effective Date, the City staff shall submit for City Council adoption ordinance(s) that require:

(1) All new housing units to obtain Build It Green certification, based on then-current Build It Green standards, or to comply with a green building program that the City after consultation with the Attorney General, determines is of comparable effectiveness;

(2) All new non-residential buildings that exceed 5000 square feet and all new municipal buildings that exceed 5000 square feet to be certified to LEED Silver standards at a minimum, based on the then-current LEED standards, or to comply with a green building program that the City, after consultation with the Attorney General, determines is of comparable effectiveness;

(3) If housing units or non-residential buildings certify to standards other than, but of comparable effectiveness to, Build It Green or LEED Silver, respectively, such housing units or buildings shall demonstrate, using an outside inspector or verifier certified under the California Energy Commission Home Energy Rating System (HERS), or a comparably certified verifier, that they comply with the applicable standards.

(4) The ordinances proposed for adoption pursuant to paragraphs (1) through (3) above may include an appropriate implementation schedule, which, among other things, may provide that LEED Silver requirements (or standards of comparable effectiveness) for non-residential buildings will be implemented first for buildings that exceed 20,000 square feet, and later for non-residential buildings that are less than 20,000 and more than 5,000 square feet.

(5) Nothing in this section shall affect the City's obligation to comply with applicable provisions of state law, including the California Green Building Standards Code (Part 11 of Title 24 of the California Code of Regulations), which, at section 101.7, provides, among other things, that "local government entities retain their discretion to exceed the standards established by [the California Green Building Standards Code]."

- b. Within 18 months of the Effective Date, the City staff shall submit for City Council adoption ordinance(s) that will require the reduction of the GHG emissions of existing housing units on any occasion when a permit to make substantial modifications to an existing housing unit is issued by the City.
- c. The City shall explore the possibility of creating a local assessment district or other financing mechanism to fund voluntary actions by owners of commercial and residential buildings to undertake energy efficiency

measures, install solar rooftop panels, install “cool” (highly reflective) roofs, and take other measures to reduce GHG emissions.

- d. The City shall also explore the possibility of requiring GHG-reducing retrofits on existing sources of GHG emissions as potential mitigation measures in CEQA processes.
- e. From time to time, but at least every five years, the City shall review its green building requirements for residential, municipal and commercial buildings, and update them to ensure that they achieve performance objectives consistent with those achieved by the top (best-performing) 25% of city green building measures in the state.

5. Within 12 months of the Effective Date, the City staff shall submit for City Council adoption a transit program, based upon a transit gap study. The transit gap study shall include measures to support transit services and operations, including any ordinances or general plan amendments needed to implement the transit program. These measures shall include, but not be limited to, the measures set forth in paragraphs 5.b. through 5.d. In addition, the City shall consider for adoption as part of the transit program the policy and implementation measures regarding the development of Bus Rapid Transit (“BRT”) that are attached to this Agreement in Exhibit B.

- a. The transit gap study, which may be coordinated with studies conducted by local and regional transportation agencies, shall analyze, among other things, strategies for increasing transit usage in the City, and shall identify funding sources for BRT and other transit, in order to reduce per capita VMT throughout the City. The study shall be commenced within 120 days of the Effective Date.
- b. Any housing or other development projects that are (1) subject to a specific plan or master development plan, as those terms are defined in §§ 16-540 and 16-560 of the Stockton Municipal Code as of the Effective Date (hereafter “SP” or “MDP”), or (2) projects of statewide, regional, or areawide significance, as defined by the CEQA Guidelines (hereafter “projects of significance”), shall be configured, and shall include necessary street design standards, to allow the entire development to be internally accessible by vehicles, transit, bicycles, and pedestrians, and to allow access to adjacent neighborhoods and developments by all such modes of transportation.
- c. Any housing or other development projects that are (1) subject to an SP or MDP, or (2) projects of significance, shall provide financial and/or other

support for transit use. The imposition of fees shall be sufficient to cover the development's fair share of the transit system and to fairly contribute to the achievement of the overall VMT goals of the Climate Action Plan, in accordance with the transit gap study and the Mitigation Fee Act (Government Code section 66000, *et seq.*), and taking into account the location and type of development. Additional measures to support transit use may include dedication of land for transit corridors, dedication of land for transit stops, or fees to support commute service to distant employment centers the development is expected to serve, such as the East Bay. Nothing in this Agreement precludes the City and a landowner/applicant from entering in an agreement for additional funding for BRT.

- d. Any housing or other development projects that are (1) subject to an SP or MDP or (2) projects of significance, must be of sufficient density overall to support the feasible operation of transit, such density to be determined by the City in consultation with San Joaquin Regional Transit District officials.

6. To ensure that the City's development does not undermine the policies that support infill and downtown development, within 12 months of the Effective Date, the City staff shall submit for City Council adoption policies or programs in its General Plan that:

- a. Require at least 4400 units of Stockton's new housing growth to be located in Greater Downtown Stockton (defined as land generally bordered by Harding Way, Charter Way (MLK), Pershing Avenue, and Wilson Way), with the goal of approving 3,000 of these units by 2020.
- b. Require at least an additional 14,000 of Stockton's new housing units to be located within the City limits as they exist on the Effective Date ("existing City limits").
- c. Provide incentives to promote infill development in Greater Downtown Stockton, including but not limited to the following for proposed infill developments: reduced impact fees, including any fees referenced in paragraph 7 below; lower permit fees; less restrictive height limits; less restrictive setback requirements; less restrictive parking requirements; subsidies; and a streamlined permitting process.
- d. Provide incentives for infill development within the existing City limits but outside Greater Downtown Stockton and excluding projects of significance. These incentives may be less aggressive than those referenced in paragraph 6.c., above.

7. Within 12 months of the Effective Date, the City staff shall submit for City Council adoption amendments to the General Plan to ensure that development at the City's outskirts, particularly residential, village or mixed use development, does not grow in a manner that is out of balance with development of infill. These proposed amendments shall include, but not be limited to, measures limiting the granting of entitlements for development projects outside the existing City limits and which are (1) subject to an SP or MDP, or (2) projects of significance, until certain criteria are met. These criteria shall include, at a minimum:

- a. Minimum levels of transportation efficiency, transit availability (including BRT) and Level of Service, as defined by the San Joaquin Council of Government regulations, City service capacity, water availability, and other urban services performance measures;
- b. Firm, effective milestones that will assure that specified levels of infill development, jobs-housing balance goals, and GHG and VMT reduction goals, once established, are met before new entitlements can be granted;
- c. Impact fees on new development, or alternative financing mechanisms identified in a project's Fiscal Impact Analysis and/or Public Facilities Financing Plan, that will ensure that the levels and milestones referenced in paragraphs 7.a. and 7.b., above, are met. Any such fees:
 - (1) shall be structured, in accordance with controlling law, to ensure that all development outside the infill areas within existing City limits is revenue-neutral to the City (which may necessitate higher fees for development outside this area, depending upon the costs of extending infrastructure);
 - (2) may be in addition to mitigation measures required under CEQA;
 - (3) shall be based upon a Fiscal Impact Analysis and a Public Facilities Financing Plan.
- d. The City shall explore the feasibility of enhancing the financial viability of infill development in Greater Downtown Stockton, through the use of such mechanisms as an infill mitigation bank.

8. The City shall regularly monitor the above strategies and measures to ensure that they are effectively reducing GHG emissions. In addition to the City staff reporting on VMT annually, as provided in paragraph 3.c., the City staff or the advisory committee shall report annually to the City Council on the City's progress in implementing the

strategies and measures of this Agreement. If it appears that the strategies and measures will not result in the City meeting its GHG reduction targets, the City shall, in consultation with the Attorney General and Sierra Club, make appropriate modifications and, if necessary, adopt additional measures to meet its targets.

Early Climate Protection Actions

9. To more fully carry out those provisions of the General Plan, including the policy commitments embodied in those General Plan Policies, such as General Plan Policy HS-4.20, intended to reduce greenhouse gas emissions through reducing commuting distances, supporting transit, increasing the use of alternative vehicle fuels, increasing efficient use of energy, and minimizing air pollution, and to avoid compromising the effectiveness of the measures in Paragraphs 4 through 8, above, until such time as the City formally adopts the Climate Action Plan, before granting approvals for development projects (1) subject to an SP or MDP, or (2) considered projects of significance, and any corresponding development agreements, the City shall take the steps set forth in subsections (a) through (d) below:

(a) City staff shall:

- (1) formulate proposed measures necessary for the project to meet any applicable GHG reduction targets;
- (2) assess the project's VMT and formulate proposed measures that would reduce the project's VMT;
- (3) assess the transit, especially BRT, needs of the project and identify the project's proposed fair share of the cost of meeting such needs;
- (4) assess whether project densities support transit, and, if not, identify proposed increases in project density that would support transit service, including BRT service;
- (5) assess the project's estimated energy consumption, and identify proposed measures to ensure that the project conserves energy and uses energy efficiently;
- (6) formulate proposed measures to ensure that the project is consistent with a balance of growth between land within Greater Downtown Stockton and existing City limits, and land outside the existing City limits;

- (7) formulate proposed measures to ensure that City services and infrastructure are in place or will be in place prior to the issuance of new entitlements for the project or will be available at the time of development; and
- (8) formulate proposed measures to ensure that the project is configured to allow the entire development to be internally accessible by all modes of transportation.
- (b) The City Council shall review and consider the studies and recommendations of City staff required by paragraph 9(a) and conduct at least one public hearing thereon prior to approval of the proposed project (though this hearing may be folded into the hearing on the merits of the project itself).
- (c) The City Council shall consider the feasibility of imposing conditions of approval, including mitigation measures pursuant to CEQA, based on the studies and recommendations of City staff prepared pursuant to paragraph 9(a) for each covered development project.
- (d) The City Council shall consider including in any development approvals, or development agreements, that the City grants or enters into during the time the City is developing the Climate Action Plan, a requirement that all such approvals and development agreements shall be subject to ordinances and enactments adopted after the effective date of any approvals of such projects or corresponding development agreements, where such ordinances and enactments are part of the Climate Action Plan.
- (e) The City shall complete the process described in paragraphs (a) through (d) (hereinafter, "Climate Impact Study Process") prior to the first discretionary approval for a development project. Notwithstanding the foregoing, however, for projects for which a draft environmental impact report has circulated as of the Effective Date, the applicant may request that the City either (i) conduct the Climate Impact Study Process or (ii) complete its consideration of the Climate Action Plan prior to the adoption of the final discretionary approval leading to the project's first phase of construction. In such cases, the applicant making the request shall agree that nothing in the discretionary approvals issued prior to the final discretionary approval (i) precludes the City from imposing on the project conditions of approvals or other measures that may result from the Climate Impact Study Process, or (ii) insulates the project from a decision, if any, by the City to apply any ordinances and/ or enactments that may comprise the Climate Action Plan

ultimately adopted by the City.

Attorney General Commitments

10. The Attorney General enters into this Agreement in his independent capacity and not on behalf of any other state agency, commission, or board. In return for the above commitments made by the City, the Attorney General agrees:

- a. To refrain from initiating, joining, or filing any brief in any legal challenge to the General Plan adopted on December 11, 2007;
- b. To consult with the City and attempt in good faith to reach an agreement as to any future development project whose CEQA compliance the Attorney General considers inadequate. In making this commitment, the Attorney General does not surrender his right and duties under the California Constitution and the Government Code to enforce CEQA as to any proposed development project, nor his duty to represent any state agency as to any project;
- c. To make a good faith effort to assist the City in obtaining funding for the development of the Climate Action Plan.

Sierra Club Commitments

11. The Sierra Club agrees to dismiss the Sierra Club Action with prejudice within ten (10) days of the Effective Date. Notwithstanding the foregoing agreement to dismiss the Sierra Club Action, the City and Sierra Club agree that, in the event the City should use the EIR for the 2035 General Plan in connection with any other project approval, the Sierra Club has not waived its right (a) to comment upon the adequacy of that EIR, or (b) to file any action challenging the City's approval of any other project based on its use and/or certification of the EIR.

General Terms and Conditions

12. This Agreement represents the entire agreement of the Parties, and supercedes any prior written or oral representations or agreements of the Parties relating to the subject matter of this Agreement.

13. No modification of this Agreement will be effective unless it is set forth in writing and signed by an authorized representative of each Party.

14. Each Party warrants that it has the authority to execute this Agreement. Each Party warrants that it has given all necessary notices and has obtained all necessary consents to permit it to enter into and execute this Agreement.

15. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

16. This Agreement may be executed in counterparts, each of which shall be deemed an original. This Agreement will be binding upon the receipt of original, facsimile, or electronically communicated signatures.

17. This Agreement has been jointly drafted, and the general rule that it be construed against the drafting party is not applicable.

18. If a court should find any term, covenant, or condition of this Agreement to be invalid or unenforceable, the remainder of the Agreement shall remain in full force and effect.

19. The City agrees to indemnify and defend the Sierra Club, its officers and agents (collectively, "Club") from any claim, action or proceeding ("Proceeding") brought against the Club, whether as defendant/respondent, real party in interest, or in any other capacity, to challenge or set aside this Agreement. This indemnification shall include (a) any damages, fees, or costs awarded against the Club, and (b) any costs of suit, attorneys' fees or expenses incurred in connection with the Proceeding, whether incurred by the Club, the City or the parties bringing such Proceeding. If the Proceeding is brought against both the Club and the City, the Club agrees that it may be defended by counsel for the City, provided that the City selects counsel that is acceptable to the Club; the Club may not unreasonably withhold its approval of such mutual defense counsel.

20. The City shall pay Sierra Club's attorney's fees and costs in the amount of \$157,000 to the law firm of Shute, Mihaly & Weinberger LLP as follows: \$50,000 within 15 days of dismissal of the Sierra Club Action, and (b) the balance on or before January 30, 2009.

21. Any notice given under this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (a) by personal delivery when delivered personally; (b) by overnight courier upon written verification of receipt; or (c) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent as set forth below, or as either party may specify in writing:

City of Stockton:

Attorney General's Office

Richard E. Nosky, City Attorney
425 N. El Dorado Street, 2nd Floor
Stockton, CA 95202

Lisa Trankley
Susan Durbin
Deputy Attorneys General
1300 I Street, P.O. Box 944255
Sacramento, CA 94255-2550

Sierra Club:
Aaron Isherwood
Environmental Law Program
85 Second Street, 2nd Floor
San Francisco, CA 94105

Rachel Hooper
Amy Bricker
Shute, Mihaly & Weinberger
396 Hayes Street
San Francisco, CA 94102

22. Nothing in this Agreement shall be construed as requiring the City to relinquish or delegate its land use authority or police power.

(SIGNATURES ON FOLLOWING PAGE)

In witness whereof, this Agreement is executed by the following:

PEOPLE OF THE STATE OF CALIFORNIA
BY AND THROUGH ATTORNEY GENERAL
EDMUND G. BROWN JR.

Lisa Frankley

DATED: 10/14/08

ATTEST:

[Signature]
KATHERINE GONG MEISSNER
City Clerk of the City of Stockton



CITY OF STOCKTON,
a municipal corporation

[Signature]
J. GORDON PALMER, JR.
City Manager

APPROVED AS TO FORM:

[Signature]
RICHARD E. NOSKY, JR.
City Attorney

DATED 9/25/08

DATED 9-9-08

THE SIERRA CLUB

BARBARA WILLIAMS, CHAIR
MOTHER LODGE CHAPTER

DATED _____

In witness whereof, this Agreement is executed by the following:

PEOPLE OF THE STATE OF CALIFORNIA
BY AND THROUGH ATTORNEY GENERAL
EDMUND G. BROWN JR.

DATED: _____

ATTEST:

CITY OF STOCKTON,
a municipal corporation

KATHERINE GONG MEISSNER
City Clerk of the City of Stockton

J. GORDON PALMER, JR.
City Manager

APPROVED AS TO FORM:

DATED _____

RICHARD E. NOSKY, JR.
City Attorney

DATED _____

THE SIERRA CLUB



BARBARA WILLIAMS, CHAIR
MOTHER LODE CHAPTER

DATED 10/11/08

EXHIBIT A

Policy Re: VMT Monitoring Program

The City's policy is to monitor key City-maintained roadways to estimate Vehicle Miles Traveled (VMT) by single-occupant automobile per capita on an annual basis, to be submitted as an annual report to the City Council. The estimate of citywide VMT should be developed in cooperation with the San Joaquin Council of Governments ("SJCOG"), by augmenting local City data with VMT estimates from SJCOG and Caltrans for the regional Congestion Management Plan network. The estimated change in annual VMT should be used to measure the effectiveness of jobs/housing balance, greenhouse gas emission reduction, and transit plans and programs.

Implementation Program

In order to develop an annual estimate of citywide VMT, the City should augment local City data with VMT estimates from SJCOG and Caltrans for regional facilities, or adopt other methodologies to estimate citywide VMT that are approved in concept by the two agencies. For purposes of calculating annual changes in VMT, the annual estimate of VMT should subtract out the estimates of regional truck and other through traffic on the major freeways (I-5, SR 4, SR 99).

Policy Re: Reduce Growth in VMT

The City's policy is to achieve the following fundamental goals to regulate vehicle emissions and reduce greenhouse gas emissions, improve jobs/housing balance, and increase transit usage over the duration of this General Plan: Reduce the projected increase in VMT by single-occupant automobile per capita to an annual rate over the planning period that is equal to or less than the population increase (this goal is also required for the City to receive funding through the Measure K/Congestion Management Plan program).

Implementation Program

In order to keep annual increases in VMT to a rate equal to or less than population increases, the following trip reduction programs should be considered by the City: increased transit service (Bus Rapid Transit) funded through new development fees; planning all future housing development to be in the closest possible proximity to existing and planned employment centers; provision of affordable housing; creation of higher density, mixed use and walkable communities and development of bicycle and pedestrian trails; and other proven programs.

Implementation Program

If the City goal of reducing the projected increase in VMT to an amount equal to or less than the population increase, and increase transit usage, is not met for two or more years during each five-year cycle of VMT monitoring, the City should consider adoption of the following programs, among others:

Adopt more vigorous economic development programs with funding for staff; and
Slow the rate of approvals of building permits for housing developments.

EXHIBIT B

Policy Re: Bus Rapid Transit

The City's policy is to vigorously support efforts to develop Bus Rapid Transit (BRT) within and beyond Stockton as a major priority of its General Plan, in order to increase overall transit usage over time. Based on an updated transit study, the City should plan for and provide BRT service running along key north-south routes as a first priority: Pacific Avenue; El Dorado Street; West Lane/Airport Way; Pershing Avenue. BRT service along key east-west corridors should also be provided. Transit use goals should be approved and monitored by the City over the planning period.

Implementation Program

In order to fund the initial capital and operating costs for BRT along major north-south arterials, the City should consider adoption of a comprehensive new development BRT fee program that requires new growth to significantly fund BRT, following a study consistent with the requirements of State law. The new development BRT fee program should ensure that "greenfield" projects approved at the fringe of the City pay a fee that represents the full cost of providing BRT service to the new housing; infill development may be granted a reduced BRT fee based on the reduced distance of service provided to the inner city areas.

Implementation Program

In order to augment the new development funding of the initial capital and operating costs for BRT, the City should strongly advocate for Measure K funding and should seriously consider placing an initiative on the ballot to receive voter approval for additional funding from existing residents and businesses.

Implementation Program

The City should establish transit use goals that set specific targets (e.g., transit mode split percentage of total trips and bus headways) that represent an increase in public transportation ridership and level of service over current levels by 2012 and then another increase by 2018.

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CITY OF STOCKTON

OFFICE OF THE CITY MANAGER

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October 7, 2008

Alliance for Responsible Planning
6507 Pacific Avenue
Box 339
Stockton, CA 95207

SETTLEMENT AGREEMENT WITH ATTORNEY GENERAL AND SIERRA CLUB

As you are aware, on September 9, 2008, the City of Stockton approved a Memorandum of Agreement with the Sierra Club and the California Attorney General's Office resolving litigation over the City's 2035 General Plan. The Alliance for Responsible Planning and other interested parties have raised questions about the parties' interpretation of the Agreement and the public process that the City plans to follow in carrying out the Agreement. To help answer these questions, below we clarify our interpretation of the Agreement and also elaborate on the public process that the City will follow in implementing the provisions of the Agreement. We understand that the other parties to the Agreement concur in these views. Note that many of the statements below reiterate points that were made in the City's Resolution adopted in connection with its approval of the Agreement and in statements made by the parties during the August 26, 2008, and September 9, 2008, City Council hearings about the Agreement:

1. The parties understand and acknowledge the importance of public involvement in the process of developing the General Plan, and encourage the continued significant involvement of the public in the development of greenhouse gas reduction polices. The City intends to provide for public involvement in the development of the programs, policies, General Plan amendments and ordinances proposed by the Agreement. The City also will provide reasonable notification to the public of all Advisory Committee, Planning Commission and City Council meetings involving consideration of the issues provided for by the Agreement. It is the City's expectation to expand the composition of the Climate Action Advisory Committee to include a total of two representatives from each of the following interests: (1) environmental, (2) non-profit community organization, (3) labor, (4) business, and (5)



developer. The City will fully comply with CEQA in connection with the development of the programs, policies, General Plan amendments and ordinances proposed by the Agreement.

2. The parties understand and acknowledge that the public review process and compliance with CEQA may require additional time beyond designated time periods to ensure the full involvement of the public in the consideration of the Climate Action Plan, green building program and transit study and to ensure full compliance with CEQA.
3. The parties understand and acknowledge that the adoption of the programs, policies, General Plan amendments and ordinances proposed by the Agreement are discretionary legislative acts and the City is not required by the terms of the Agreement to adopt any particular program, policy, General Plan amendment or ordinance. In addition, nothing in the Agreement shall limit or restrict the right of the City to modify, alter, or rescind any particular program, policy, General Plan amendment or ordinance following the adoption of such program, policy, General Plan amendment or ordinance. Although the Agreement requires City staff to present to the City Council certain programs, policies, General Plan Amendments and ordinances for its consideration, nothing in the Agreement limits or restricts City staff from providing to the City Council additional, alternative recommendations for such programs, policies, General Plan amendments and ordinances based on staff professional judgment, public input and CEQA review.
4. The parties understand and acknowledge that if there is an instance in which the terms of the written Agreement are unclear, the Resolution adopted by the City Council on September 9, 2008, and the statements made by the Attorney General's office, the Sierra Club and our City Attorney and the City's outside counsel at the August 26 and September 9, 2008, City Council hearings provide a legislative history pursuant to which the Agreement should be interpreted.
5. The parties understand and acknowledge that:
 - (i) upon consideration of a Climate Action Plan (CAP) by the Council, the City's obligations under Agreement paragraphs 3 through 7 will be discharged,
 - (ii) upon adoption of a CAP, the City's obligations under Agreement paragraph 9 will be discharged, and
 - (iii) upon inclusion of a program in the CAP to regularly monitor and, if appropriate, modify the City's strategies and measures to meet the Greenhouse Gas reduction targets that may be adopted in the

Alliance for Responsible Planning
October 7, 2008
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CAP, the City's obligations under paragraph 8 will be discharged. Nothing in this paragraph 5 is intended to contradict our clarification in paragraph 3, above, that the City retains full legislative discretion with respect to any policies, programs and ordinance it may adopt as part of a CAP.



J. GORDON PALMER, JR.
CITY MANAGER

JGP:REN:cn

cc: Edward J. Chavez
Richard E. Nosky, Jr.
George Mihilsten (Via e-mail)
Cliff Rechtschaffen (Via e-mail)
Rachel Hooper (Via e-mail)

EDMUND G. BROWN JR.
Attorney General

State of California
DEPARTMENT OF JUSTICE



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October 7, 2008

Alliance for Responsible Planning
6507 Pacific Avenue
Box 339
Stockton, CA 95207

RE: Stockton General Plan Settlement
Clarification Letters

Dear Alliance Members:

The Attorney General's Office has read the letter from Stockton City Manager Gordon Palmer to the Alliance for Responsible Planning (copy attached). We concur in the City's interpretation and understanding of the Memorandum of Agreement as set forth in the letter.

If you have questions, please contact the undersigned.

Sincerely,

A handwritten signature in cursive script, appearing to read "Cliff Rechtschaffen".

CLIFF RECHTSCHAFFEN
Special Assistant Attorney General

For EDMUND G. BROWN JR.
Attorney General

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URBAN PLANNERS

October 7, 2008

Via U.S. Mail

Alliance for Responsible Planning
6507 Pacific Avenue
Box 339
Stockton, CA 95207

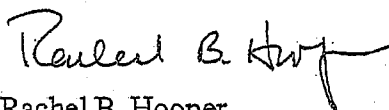
Re: Stockton General Plan Settlement
Clarification Letters

Dear Alliance:

On behalf of the Sierra Club, we have read the letter from Stockton City Manager Gordon Palmer to the Alliance for Responsible Planning (copy attached). The Sierra Club concurs in the City's interpretation and understanding of the Memorandum of Agreement as set forth in the letter.

SHUTE, MIHALY, & WEINBERGER LLP

Yours very truly,


Rachel B. Hooper

Enclosure

\\Smw\vol1_data\SIERRA\GPLIT\Sierra Club letter of concurrence.doc

Alliance for Responsible Planning

5507 Pacific Avenue
Box 338
Stockton, CA 95207

October 7, 2008

Honorable Mayor Ed Chavez and City Councilmembers
425 N. El Dorado St, 2nd Floor
Stockton, CA 95202

Honorable Mayor and Councilmembers:

We are pleased to receive a copy of a letter from Gordon Palmer, City Manager, outlining a series of clarifications regarding the Memorandum of Agreement entered into by the City with the Attorney General and the Sierra Club. The letter from Mr. Palmer sets forth important clarifications to the Agreement which have been concurred in by the Attorney General and the Sierra Club.

These clarifications provide clear assurances to the Alliance and the public as to a number of critical issues that have been of concern to the Alliance. In particular, the letter makes very clear the importance of significant public involvement in the consideration of a Climate Action Plan. We strongly support the possible expansion of the number of members of the proposed Advisory Committee and look forward to participating in that process.

In addition, the Alliance agrees that alternative recommendations can be presented to the City Council based on public input and the California Environmental Quality Act. This helps to ensure the credibility of the public process. Lastly, the letter underscores the clear understanding of the parties to the Agreement that the adoption of a Climate Action Plan is in the legislative discretion of the City.

In light of the discussions undertaken in good faith among the parties and the Alliance, the statements made in Mr. Palmer's letter, and the concurrence of the Attorney General and the Sierra Club to the letter from the City Manager, we have decided to withdraw our effort to seek a referendum of the Agreement pursuant to the authorization contained in Section 9604 of the Elections Code. These statements by the City and the other parties address the core issues we have heard from the community. In accordance with section 9604, we will provide written notice to the City Clerk of the withdrawal of the referendum. In addition, we will not be pursuing a legal challenge to the adoption of the Agreement by the City nor will we promote or fund any individuals or entities challenging the adoption of the Agreement or promoting a referendum of the Agreement. We, of course, reserve our rights to challenge the implementation of the Agreement.

We are proud of the 25,000 Stocktonians who participated in this process. We thank the City Manager, the City Attorney, the Attorney General and the Sierra Club for providing these clarifications. It is sincerely appreciated.

We look forward to working with the City and the community in undertaking development of a Climate Action Plan. In addition, the Alliance looks forward to continuing to work with the community and the City on other issues affecting the City's future.

Sincerely,



Gary Podesta



October 7, 2008

Honorable Mayor Ed Chavez and Councilmembers
425 N. El Dorado St., 2nd Floor
Stockton, CA 95202

Honorable Mayor and Councilmembers:

We have had a chance to review the letter from the City Manager dated October 7, 2008 and letters from the Attorney General and the Sierra Club. These letters provide a number of critical clarifications with respect to the Memorandum of Agreement approved by the City on September 9, 2008.

In particular:

- o All parties have recognized the need for significant community involvement in the consideration of a Climate Action Plan. The A. G. Spanos Companies strongly supports the City's stated expectation to expand the number of members of the proposed Advisory Committee, and we look forward to participating in that process.
- o Second, all parties have it clear that alternative recommendations can be presented to the City Council based on public input and the California Environmental Quality Act. This helps to ensure the credibility of the public process.
- o Finally, all parties to the Agreement acknowledge that the adoption of a Climate Action Plan is in the legislative discretion of the City.

In light of these statements by Mr. Palmer and the concurrence of the other parties regarding a significant public process and assurances regarding the independent discretion of the City in developing and considering a Climate Action Plan, we will not be pursuing a legal challenge to the adoption of the Agreement by the City and will not fund or support any efforts by any other individuals or entities to file a legal challenge to the adoption of the Agreement or to seek a referendum with regard to the adoption of the Agreement. We, of course, reserve our rights to challenge the implementation of the Agreement.

We look forward to working with the community and the City in developing a Climate Action Plan. We are prepared to work with the City and the Alliance to develop a comprehensive public outreach program to ensure the community's significant involvement in the process.

Sincerely,

A handwritten signature in black ink, appearing to read "David Nelson".

David Nelson
A.G. Spanos Companies