

STATEMENT OF OVERRIDING CONSIDERATIONS

FOR THE

SANCHEZ-HOGGAN ANNEXATION

City of Stockton, CA

State Clearinghouse No: 2020020006

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1.0 INTRODUCTION

This document sets forth the Statement of Overriding Considerations of the City of Stockton (the "City") as to one of the environmental impacts of the Sanchez-Hoggan Annexation Project as prescribed in California Environmental Quality Act (CEQA) Guidelines. The one impact, described below, is considered "significant and unavoidable."

This Statement of Overriding Considerations is closely related to the overall CEQA Findings and Mitigation Monitoring/Reporting Program, which addresses the effectiveness of mitigation measures with respect to all of the other environmental effects of the project, as required by CEQA Guidelines Sections 15091-15093 and 15097; however, the CEQA Findings and Mitigation Monitoring/Reporting Program is a separate standalone document.

1.1 APPLICABLE CEQA REQUIREMENTS

CEQA requires that a Lead Agency prepare an Environmental Impact Report (EIR) when a proposed project may involve significant environmental effects. Prior to approval of the project, the Lead Agency must certify that the EIR was completed in compliance with CEQA and that the Lead Agency reviewed and considered the EIR before approving the project.

The Sanchez-Hoggan project involves annexation of approximately 169.77 acres into the City of Stockton for the purposes of industrial development. The annexation area consists of two properties: the 149.01-acre Sanchez property and the 20.76-acre Hoggan property. The project is described in more detail in the referenced EIR and the CEQA Findings and Mitigation Monitoring/Reporting Program for the project, referenced below.

The City of Stockton prepared an EIR documenting the potential environmental effects of the project, mitigation measures necessary to address these effects and alternatives to the project. The City conducted public review of the EIR and the remainder of the EIR process in conformance with CEQA requirements. These activities are described in more detail in Final EIR and the CEQA Findings and Mitigation Monitoring/Reporting Program for the project.

When an EIR identifies significant or potentially significant environmental effects, CEQA requires that the Lead Agency make specified written findings prior to project approval. For the Sanchez-Hoggan project, these written findings are contained in the CEQA Findings and Mitigation Monitoring/Reporting Program, a separate document to be considered for adoption by the City of Stockton.

When an EIR finds that mitigation measures are not feasible for one or more of the significant environmental effects of the project, CEQA Guidelines Section 15093

provides that the Lead Agency must also adopt a Statement of Overriding Considerations before approving the project.

15093. STATEMENT OF OVERRIDING CONSIDERATIONS

(a) CEQA requires the decision-making agency to balance, as applicable, the economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project against its unavoidable environmental risks when determining whether to approve the project. If the specific economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered “acceptable.”

(b) When the lead agency approves a project which will result in the occurrence of significant effects which are identified in the final EIR but are not avoided or substantially lessened, the agency shall state in writing the specific reasons to support its action based on the final EIR and/or other information in the record. The statement of overriding considerations shall be supported by substantial evidence in the record.

(c) If an agency makes a statement of overriding considerations, the statement should be included in the record of the project approval and should be mentioned in the notice of determination. This statement does not substitute for, and shall be in addition to, findings required pursuant to Section 15091.

The EIR for the project concludes that one of the transportation impacts, of an option for development of the project, known as the Market Driven Project, is significant and that feasible mitigation measures are not available that would reduce that impact to a less than significant level. This document constitutes the Statement of Overriding Considerations addressing the one significant and unavoidable impact of the project, as described in more detail below.

The DEIR, the FEIR and the CEQA Findings and Mitigation Monitoring/Reporting Program for the project are hereby incorporated by reference. Copies of these documents, specifically cited below, are available for review at the offices of City of Stockton Community Development Department, Planning Division, 345 N. El Dorado Street, Stockton, California 95202.

BaseCamp Environmental, 2020a. Public Review Draft Environmental Impact Report, Sanchez-Hoggan Annexation. SCH #2020020006. March 6, 2020

BaseCamp Environmental, 2020b. Final Environmental Impact Report, Sanchez and Hoggan Annexation. SCH #2020020006. May 2020.

BaseCamp Environmental, 2020c. CEQA Findings and Mitigation Monitoring/Reporting Program, Sanchez and Hoggan Annexation. SCH #2020020006. May 2020.

1.2 SIGNIFICANT AND UNAVOIDABLE IMPACT

The project would involve one potentially significant and unavoidable environmental effect related to a development option for the Sanchez property that would be allowable under the proposed pre-zoning. This option, described as the Market Driven Project,

would involve a higher-intensity industrial development of a portion of the Sanchez property that would result in additional traffic generation and potential for a significant traffic effect. This potential effect could be mitigated, but mitigation measures are not feasible; mitigation would require action by the California Department of Transportation, uncertain funding, and an uncertain amount of time, at least several years, to implement. This effect and proposed and potential mitigation measures are described in Chapter 16.0 Transportation of the DEIR.

In that the Market Driven Project may result from project approval, if it elects to approve the project, the City must adopt a Statement of Overriding Considerations addressing its reasons for approving the project despite the fact that it would involve a significant environmental effect that is not mitigated. The City's Statement of Overriding Considerations and related information is presented in Section 2.0 below. When a City proposes to adopt a Statement of Overriding Considerations, it is also required to make findings with respect to the alternatives to the proposed project. These findings are set forth in Section 3.0 of this document.

The Statement of Overriding Considerations for the proposed project is based upon substantial evidence, including information, analysis and mitigation measures described in the EIR, information incorporated into these documents by reference and other information detailed in in the Statement itself.

2.0 STATEMENT OF OVERRIDING CONSIDERATIONS

Pursuant to CEQA Guidelines Section 15093, the City finds that the potential traffic effects of the Market Driven Project of the project described in Section 1.2 and Chapter 16.0 of the DEIR are potentially significant and will not be mitigated to Less Than Significant by the available mitigation measures. The City also finds in Section 3.0 that none of the project alternatives have the potential to reduce the significant environmental effects of the project except the No Project Alternative, which is entirely inconsistent with the project objectives.

As a result, the City Council hereby adopts and makes the following Statement of Overriding Considerations (SOC) with respect to Section 15093 of the CEQA Guidelines, shown in its entirety above. The SOC describes the anticipated economic, legal, social, technological and/or other benefits or considerations that warrant the City Council's decision to approve the project even though all of the environmental effects of the project are not fully mitigated.

The City Council specifically finds that the potential traffic effects of the Market Driven Project are considered acceptable in light of overriding social, economic and other benefits or considerations related to the project, as described below. That is, the social, economic and other benefits or considerations of the project outweigh the potential traffic effect of the project. The City Council considers the following items to be the overriding social, economic and other benefits or considerations of the project.

- The project site and surroundings are designated for urban industrial development by the Stockton General Plan 2040. The site area is within Stockton's designated Urban Services Boundary, which is intended to be annexed and pre-zoned for urban development in the near future.
- Economic development and job creation are among the core objectives of the Stockton General Plan.
- The project is in compliance with Stockton General Plan 2040 policies supporting infill growth on lands with existing transportation and utility services, thereby preventing unnecessary urban expansion into greenfield areas on the periphery of Stockton.
- The General Plan 2040 EIR, considered and certified by the Stockton City Council before adopting the General Plan, disclosed potential traffic increases that would result from planned urban growth, and which would result in significant level of service impacts to roadway and freeway segments.
- Proposed industrial development is within the allowable land use intensity for the City's Industrial General Plan designation. Approval of the project would not confer any increase in the planned future industrial development intensity on the project site.

- The proposed project is expected to result in a minimum of 2,000 new jobs that will provide economic and social benefits residents of the City of Stockton and the Stockton Metropolitan Area.
- Protects and supports ongoing expansion of the Stockton Metropolitan Airport and related aviation facilities from encroachment by incompatible land use, helping to ensure that future development within the Airport Influence Area is consistent with the policies adopted by the San Joaquin County Airport Land Use Commission.
- The applicant estimates that the project will generate approximately \$6.5 million in school and other impact fees payable to the City during the building permit process. The project will provide an additional estimated \$7.3 million in regional revenue to local agencies including SJCOG habitat fees and air pollution control district fees. With an overall real property value exceeding \$250 million, the project will generate more than \$2.5 million perpetual property tax revenue to the County, City and other local agencies.
- The project is subject to the requirements of the Stockton Agricultural Lands Mitigation Program. The project will involve a substantial contribution of conservation easement-protected land or payment of in-lieu fees to the Mitigation Program compensation for agricultural land conversion impacts of the project and other new development.
- The project will involve a contribution of more than \$2 million in habitat conservation fees to the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan.
- The project will connect more than ½ mile of new pedestrian sidewalks, and complete segments of Arch Road and Austin Road, important local industrial access network. These improvements include a new municipal bus stop, improving transit access to the project area, and new signalized intersections.
- All potential project impacts were determined to be less than significant or would be reduced to less than significant level with proposed mitigation measures, except for the potential traffic impact of the Market Driven Project. Mitigation measures are identified and included in the attached Mitigation Monitoring and Reporting Plan that would reduce all but one of the significant or potentially significant environmental effects of the project to Less Than Significant.
- The DEIR considered a range of feasible alternatives to the proposed project. None of the alternatives would result in a reduction in the potential traffic effects of the project.

The previously-described economic, legal, social, technological and other benefits or considerations of the project outweigh the environmental effects of the project that may remain unmitigated or are considered to be unavoidable. These environmental effects of project implementation are, therefore, considered to be acceptable.

3.0 FINDINGS REGARDING ALTERNATIVES

The State CEQA Guidelines require that an EIR include a discussion of a reasonable range of alternatives to the proposed project or to the location of the project. Alternatives to the proposed project were addressed in Chapter 19.0 of the DEIR. When a Lead Agency finds that mitigation measures needed to reduce a significant effect to less than significant, or to substantially reduce it, are infeasible (Finding 3), the Lead Agency must also describe the specific reasons for rejecting alternatives that could meet the same need. The City is making Finding 3 with regard to transportation effects with the Market Driven Project that could result from the project; this effect will not be sufficiently reduced by mitigation measures. Consequently, the City Council makes the following findings with regard to project alternatives.

Chapter 20.0 of the EIR evaluated several alternatives to the proposed project. These alternatives, described below, are generally feasible but are unlikely to avoid or substantially lessen the transportation effect described above, or other environmental effects of the project. Therefore, these alternatives are not specifically rejected by the City, but their environmental effects are not such that any of the alternatives should be considered “environmentally superior” to the project and therefore selected in lieu of the proposed project. The alternatives are discussed below.

3.1 ALTERNATIVES NOT ADDRESSED IN DETAIL

The DEIR considered several alternatives but did not address them in detail as they were not considered “feasible” alternatives under CEQA. These “Alternative Not Addressed In Detail: 1) would not meet most of the basic objectives of the project, or 2) were clearly infeasible, or 3) did not have the ability to avoid or substantially lessen the significant environmental effects of the project as discussed below. Other than the “No Project” Alternative, which would prohibit any development on the proposed project site, none of these alternatives would reduce the Market Driven Project’s transportation effects, and some alternatives may have more adverse environmental impacts than the proposed project.

3.2 NO PROJECT ALTERNATIVE

The DEIR defined the “No Project” Alternative as no annexation to the City of Stockton, no development as proposed by the project, and no future urban development of the project site. Under the No Project Alternative, it is presumed that the project site would remain in agricultural production, as the project site is designated for agricultural uses under current County zoning, and the Sanchez property has been recently used for agricultural activities. Given its size, it is probable that the Sanchez property could be

farmed for economic benefit; the Hoggan property may be more difficult to economically farm with its size and location.

This alternative would avoid most of the potential adverse environmental effects of the proposed project, including the transportation impacts of the Market Driven Project. However, this alternative would meet none of the objectives of the proposed project. It also would be inconsistent with both the City of Stockton and San Joaquin County General Plans, which anticipate the eventual urban development of the project site. The potential agricultural use may require agricultural chemicals such as pesticides, herbicides, and fertilizers, which could contaminate the soils and adjacent streams if not properly applied. Agricultural activities also could generate dust emissions to which nearby land uses may be exposed. Agricultural equipment and vehicles moved to and from the fields could disrupt the flow of vehicle traffic in the area, particularly that of heavy-duty trucks, but agricultural use would not involve any substantial light vehicle and truck traffic in comparison to the proposed project, and the significant and unavoidable traffic effect of the Market Driven Project would be avoided. If the Hoggan property is not used for agriculture, this may have adverse aesthetic impacts as it may continue to attract illegal dumping, as has been observed there. If neither property is used for agriculture, grasses and weeds would likely grow on the project site and would require ongoing maintenance to avoid a potential fire hazard.

The City Council hereby rejects the No Project Alternative because it would not meet the objectives of the project and could cause some environmental impacts that would not occur with the proposed project. The evidence in support of this finding is provided in DEIR Chapter 19.0.

3.3 ALTERNATIVE SANCHEZ PROPERTY DEVELOPMENT

This alternative assumes that the City would annex the Sanchez property and pre-zone the property as General Industrial rather than the proposed Industrial, Limited. The General Industrial zone would allow a wide range of industrial land uses, including uses that may be conducted outdoors or associated with nuisance or hazardous impacts. The Hoggan property is assumed to develop as described in the proposed project, which is primarily for warehouse use.

Development under this alternative would have similar impacts to the proposed project. Ground disturbance impacts related to soil erosion, surface water quality, and drainage would be similar. Potentially significant impacts would be similar, particularly related to traffic, noise, soil erosion, and drainage. However, this alternative would not meet the objectives of the proposed project related to warehouse development. Depending on the type of industrial activity located on the Sanchez property, this alternative may have new or more severe impacts than the proposed project, particularly on air quality, hazardous materials and water quality. Impacts on agricultural land conversion would be the same as under the proposed project.

The City Council hereby rejects the Alternative Sanchez Property Development because it would not meet the objectives of the project and could cause environmental impacts

that are more adverse than the proposed project. The evidence in support of this finding is provided in DEIR Chapter 19.0.

3.4 ALTERNATIVE HOGGAN PROPERTY LIGHT INDUSTRIAL DEVELOPMENT

This alternative assumes that the City would annex the Hoggan property and pre-zone the property as Limited Industrial. The Limited Industrial zone generally allows light manufacturing uses that are conducted indoors as well as warehousing and distribution. The Sanchez property is assumed to develop as described in the proposed project, which is primarily for warehouse use.

Development under this alternative would have similar impacts to the proposed project. Ground disturbance impacts related to soil erosion, surface water quality, and drainage would be similar. Potentially significant impacts would be similar, particularly related to traffic, soil erosion, and drainage. However, the alternative may or may not meet the objective of furthering development of the Norcal Logistics Center, which is focused on logistics. In addition, given the location of nearby rural residences, environmental impacts of the alternative may be more severe on issues such as air quality and noise. Impacts on agricultural land conversion would be the same as under the proposed project.

The City Council accepts the Alternative Hoggan Property Light Industrial Development as a potential alternative to the project. It could meet the objectives of the project but is incapable of reducing the potential environmental effects of the project. This alternative is considered to have environmental effects that are equivalent to the proposed project, but the alternative is not considered “environmentally superior” to the project and need not be selected in lieu of the proposed project. The evidence in support of this finding is provided in DEIR Chapter 19.0.

3.5 HOGGAN TRUCK/TRAILER STORAGE AREA ALTERNATIVE

This alternative proposes development of the Hoggan property as an auxiliary truck/trailer storage area for approved industrial development on the adjacent Norcal Logistics Center property. Development of the Hoggan property in this use could make as many as 489 truck and trailer parking spaces available to support the adjacent industrial development in the Norcal Logistics Center. Other features of this alternative would remain the same as the proposed project.

In general, development under this alternative would have similar impacts to those of the proposed project. Potential impacts related to biology, cultural resources, soil erosion and drainage would be similar to the proposed project. With no structures proposed, the project may have a reduced effect on views from the nearby rural residences. As the storage area would involve traffic primarily between the site and adjacent Norcal Logistics Center warehousing and distribution uses, it would not by itself be a significant

traffic generator. This alternative would be consistent with the objective of the expansion and further development of the Norcal Logistics Center.

However, this alternative would involve additional truck and trailer movements between the Hoggan property, thereby increasing noise and air quality impacts in the area. This alternative would be somewhat contrary to the stated objectives of the project in that the amount of warehouse development generated by the project would be reduced. Also, impacts on agricultural land conversion would be the same as under the proposed project.

The City Council accepts the Hoggan Truck/Trailer Storage Alternative as a potential alternative to the project. This alternative use would be consistent with the objectives of the project; this alternative would incrementally reduce the traffic generation associated with the project but would not meaningfully reduce this or other potential environmental effects. This alternative is considered to have environmental effects that are generally equivalent to the proposed project, but the alternative is not considered “environmentally superior” to the project and need not be selected in lieu of the proposed project. The evidence in support of this finding is provided in DEIR Chapter 19.0.

3.6 REDUCED DEVELOPMENT ALTERNATIVE

This alternative would involve approval of a scaled-down version of the proposed project that would permit substantially less development on the Sanchez property. As described in the DEIR, potential development would be reduced to approximately 2.5 million square feet of warehouse uses. All reductions would occur on the Sanchez property; the Hoggan property would be developed as described under the proposed project. The alternative would not involve any substantial change in urban infrastructure.

The proposed land use pattern would be maintained but reduced in intensity. This alternative would not substantially change the “footprint” of proposed industrial development, and environmental impacts in general would be reduced from those under the proposed project, although mitigation would still most likely be required for impacts of this alternative on biological resources, cultural resources, soils, hydrology, and construction noise as they are with the proposed project. The alternative would not result in any reduction in potential effects on agricultural land conversion. The alternative would reduce the traffic generation associated with the project. However, whether this alternative would eliminate the significant and unavoidable impacts identified with the Market Driven Project is not known.

The City Council accepts the Reduced Development Alternative as a potential alternative to the project. This alternative use would be consistent with the objectives of the project; this alternative would incrementally reduce the traffic generation associated with the project but would not meaningfully reduce this or other potential environmental effects. This alternative is considered to have environmental effects that are generally equivalent to the proposed project, but the alternative is not considered “environmentally superior” to the project and need not be selected in lieu of the proposed project. The evidence in support of this finding is provided in DEIR Chapter 19.0.

