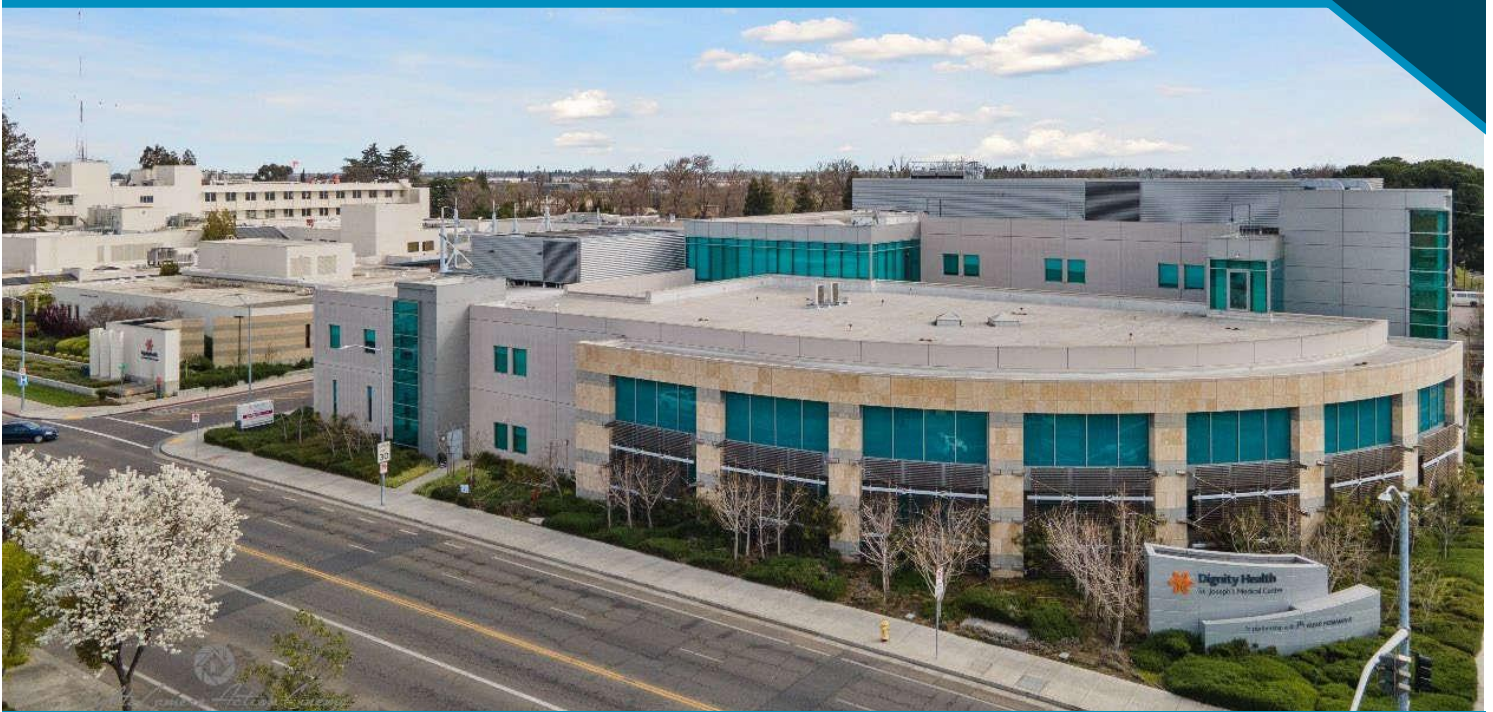


FINAL ENVIRONMENTAL IMPACT REPORT

ST. JOSEPH'S MEDICAL CENTER HOSPITAL EXPANSION PROJECT

SCH# 2021120439
September 2023



Prepared for:



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Final Environmental Impact Report

St. Joseph's Medical Center Hospital Expansion Project

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Prepared for:

CITY OF STOCKTON

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1 Introduction

1.0 Introduction

This Final Environmental Impact Report (Final EIR) contains the public and agency comments received during the public review comment period for the St. Joseph's Medical Center of Stockton Hospital Expansion Project ("proposed project") Draft EIR.

The EIR is an informational document intended to disclose to the Lead Agency, the City of Stockton (City), and the public the environmental consequences of approving and implementing the proposed project or one of the alternatives to the project described in the Draft EIR. All written comments received during the public review period (April 17 through June 1, 2023), on the Draft EIR are addressed in this Final EIR. During the public review period, the City received a total of five (5) comment letters from public agencies and individuals.

The responses in this Final EIR clarify, correct, and/or amplify text in the Draft EIR, as appropriate. Also included are text changes made at the initiative of the Lead Agency. These changes (summarized in Chapter 3) do not alter the conclusions of the Draft EIR.

1.1 Background

In accordance with CEQA, the City released a Notice of Preparation (NOP) on December 17, 2022, for the required 30-day review period. The purpose of the NOP was to provide notification that an EIR for the project was being prepared and to solicit guidance on the scope and content of the document. The City held a virtual hearing to receive verbal comments on the NOP on January 10, 2023. The NOP comment period closed on January 17, 2023, and the City received a total of three (3) comment letters. The Draft EIR was circulated for public review and comment for a period of 45 days from April 17 through June 1, 2023.

The comments and responses that make up the Final EIR, in combination with the Draft EIR, as amended by the text changes (see Chapter 3 of this Final EIR), constitute the EIR that will be considered for certification by the City Planning Commission and City Council.

1.2 CEQA Requirements

The contents of a Final EIR are specified in Section 15132 of the CEQA Guidelines, which states that the Final EIR shall consist of:

- a) The Draft EIR or a revision of the Draft.
- b) Comments and recommendations received on the Draft EIR either verbatim or in summary.
- c) A list of persons, organizations, and public agencies commenting on the Draft EIR.
- d) The responses of the Lead Agency to significant environmental points raised in the review and consultation process.
- e) Any other information added by the Lead Agency.

The Lead Agency must provide each agency that commented on the Draft EIR with a copy of the Lead Agency’s response to their comments a minimum of 10-days before certifying the Final EIR.

1.3 Use of the Final EIR

The Final EIR serves as the environmental document to inform the Lead Agency’s consideration of approval of the proposed project, either in whole or in part, or one of the alternatives to the project discussed in the Draft EIR.

As required by Section 15090 (a) (1)-(3) of the CEQA Guidelines, a Lead Agency, in certifying a Final EIR, must make the following three determinations:

1. The Final EIR has been completed in compliance with CEQA.
2. The Final EIR was presented to the decision-making body of the Lead Agency, and the decision-making body reviewed and considered the information in the Final EIR prior to approving the project.
3. The Final EIR reflects the Lead Agency’s independent judgment and analysis.

As required by Section 15091 of the CEQA Guidelines, no public agency shall approve or carry out a project for which an EIR has been certified that identifies one or more significant environmental effects of the project unless the public agency makes one or more written findings (Findings of Fact) for each of those significant effects, accompanied by a brief explanation of the rationale for each finding supported by substantial evidence in the record. The possible findings are:

1. Changes or alterations have been required in, or incorporated into the project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.
2. Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
3. Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the Final EIR.

Additionally, pursuant to Section 15093(b) of the CEQA Guidelines, when a Lead Agency approves a project that would result in significant unavoidable impacts that are disclosed in the Final EIR, the agency must state in writing the reasons supporting the action. The Statement of Overriding Considerations shall be supported by substantial evidence in the Lead Agency’s administrative record.

1.4 Project Under Review

The proposed project involves preparation of a Master Development Plan (MDP) that establishes the foundation for the expansion of the St. Joseph’s Medical Center of Stockton campus and provides a single, unified concept for future growth. The MDP includes a Site Master Plan which depicts a new hospital building (“Acute Care Hospital Tower”), a

new multistory Parking Structure, construction of a new Central Utility Plant, expansion of the existing Generator building and other required support facilities within the Medical Center campus boundaries, as well removal of existing buildings to accommodate the project. Support facilities may include modular buildings on or proximate to the campus, medical offices, and temporary off-site parking facilities and a shuttle service for the benefit of employees, visitors and construction workers during the construction activities. Development of the proposed project would occur over a span of five (5) phases (“Initial Expansion” phase) with a Future Expansion phase likely to include lands in the project vicinity.

A detailed project description is contained in the Draft EIR in Chapter 2, Project Description. The environmental impact analysis is included in Chapter 4 of the Draft EIR.

1.5 Summary of Text Changes

Chapter 3 in this Final EIR, Changes to the Draft EIR, identifies all changes made to the document by section. These text changes provide additional clarity in response to comments received on the Draft EIR, but do not change the significance of the conclusions presented in the Draft EIR or constitute significant new information that, in accordance with CEQA Guidelines Section 15088.5, would trigger the need to recirculate portions or all of the Draft EIR.

1.6 Responses to Comments

A list of public agencies and individuals commenting on the Draft EIR is included in Chapter 2 in this Final EIR. During the public comment period, the City received five (5) letters from agencies and individuals. Responses to comments received appear in Chapter 4 of this Final EIR. Each comment letter is numbered and presented with brackets indicating how the letter has been divided into individual comments. Each comment is given a binomial with the number of the comment letter appearing first, followed by the comment number. For example, comments in Letter 1 are numbered 1-1, 1-2, 1-3, and so on. Immediately following the letter are responses, each with binomials that correspond to the bracketed comments.

1.7 Mitigation Monitoring and Reporting Program

The Mitigation Monitoring and Reporting Program (MMRP) for the proposed project includes all of the mitigation measures required of the project included in the Draft EIR, as revised in Chapter 3 of this Final EIR. A copy of the MMRP is provided as a separate document.

If the City chooses to approve the proposed project or one of the alternatives described in the Draft EIR, then the City Council will adopt the MMRP at the same time it adopts its CEQA Findings of Fact and Statement of Considerations, as required by Section 21081.6 of the Public Resources Code.

1.8 Overview of the Public Participation and Review Process

The City notified all responsible and trustee agencies and all known interested groups, organizations, tribes, and individuals that the Draft EIR was available for review. The following list of actions took place during the preparation, distribution, and review of the Draft EIR:

- A Notice of Completion (NOC) was filed with the State Clearinghouse on December 17, 2022 along with copies of the NOP (stating the City's intention to prepare an EIR for the proposed project with the State Clearinghouse for the required 30-day public review period).
- A virtual NOP scoping meeting for the project was held on January 10, 2023.
- A Notice of Availability (NOA) and copies of the Draft EIR were filed with the State Clearinghouse on April 17, 2023 to start the required 45-day public review period. The City posted a legal notice in The Stockton Record (local newspaper) on April 17, 2023 and sent an email with the NOA attached noticing interested groups, organizations, and individuals regarding the availability of the Draft EIR. A copy of the NOA along with hard copies of the Draft EIR were delivered to the San Joaquin County Clerk's office on April 17, 2023. The public review comment period ended on June 1, 2023.
- An electronic copy of the Draft EIR was available for review on the City's website (<http://www.stocktonca.gov/government/departments/communityDevelop/cdPlanEnv.html>) and a hard copy was made available at the City of Stockton Community Development Department, 345 N. El Dorado Street Stockton, CA 95202.

2 List of Agencies/Persons Commenting

The 45-day public comment period for the St. Joseph’s Medical Center Hospital Expansion Project Draft Environmental Impact Report (Draft EIR) was held from April 17 through June 1, 2023. During that period, the City of Stockton (City) received five (5) public comment letters from agencies and individuals. A complete list of all comment letters received is provided in Table 2-1 below.

Federal and State Agencies

The City received one (1) comment letter from a state agency during the public comment period and no comment letters from federal agencies. The California Department of Transportation was the only state agency that commented.

Local and Regional Agencies

The City received one (1) comment letter from a local agency during the comment review period. The local agency that commented on the Draft EIR was the San Joaquin County Air Quality Management District.

Organizations

The City did not receive any comment letters from organizations during the comment review period. The Sierra Club submitted a comment under Shute, Mihaly and Weinberger, LLP, their legal counsel.

Tribes

There were no comments received from tribes by the close of the Draft EIR comment review period.

Individuals

The City received two (2) comment letters from the public during the comment review period.

Comments received from agencies and individuals are provided in Table 2-1 below. In some instances, the same commenter provided more than one comment. To differentiate between the comments, they are listed in the order they were received. The number of each commenter reflects the order in which responses are provided in Chapter 4.

Table 2-1. List of Commenters on the Draft EIR

Letter Number	Commenter
Public Agencies	
1	California Department of Transportation
2	San Joaquin Valley Air Pollution Control District
Individuals	
3	Gill Medical Center, LLC (Ricky Gill)

Table 2-1. List of Commenters on the Draft EIR

Letter Number	Commenter
4	Shute, Mihaly & Weinberger (Heather M. Minner) and Sierra Club Delta-Sierra Group (Margo Praus)
5	Paul Plathe

3 Changes to the Draft EIR

3.0 Introduction

This chapter presents minor corrections, additions, and revisions made to the Draft EIR initiated by the Lead Agency (City), reviewing agencies, the public, and/or consultants based on their review. New text is indicated in underline and text to be deleted is reflected by strike through, unless otherwise noted in the introduction preceding the text change. Text changes are presented in the section and page order in which they appear in the Draft EIR.

The changes represent minor clarifications/amplifications of the analysis contained in the Draft EIR and do not constitute significant new information that, in accordance with CEQA Guidelines Section 15088.5, would trigger the need to recirculate portions or all of the Draft EIR.

3.1 Updates to the Project Description

Since completion of the Draft EIR and the Master Development Plan (MDP) for the St. Joseph’s Medical Center of Stockton campus, the City discussed the merits of various concerns raised by the commenters as they pertain to the overall MDP concept, and the project applicant agreed to consider an option to reduce the size of the Parking Structure from 1,980 spaces (“Parking Option A”), as requested in the original MDP, to a range of between 1,368 and 1,400 spaces (“Parking Option B”). Additionally, the height of Parking Option B would be reduced from 115 feet to 80 feet to the top of the parking deck parapet (excluding mechanical screen and heliport). The MDP does not, however, reduce the stated maximum parking ratio, and acknowledges that additional, yet to be identified, off-site parking may be required if the smaller parking structure is insufficient.

The project description included in the Draft EIR analyzes a larger Parking Structure, as noted above. Although Parking Option B is now under consideration, the environmental analysis contained in the Draft EIR sufficiently addresses both options, because analysis of the larger Parking Structure (Option A) would adequately encompass anticipated impacts under Parking Option B. The impact analysis concerning biological resources, cultural and tribal cultural resources, geology and soils (including paleontological resources), and hazards and hazardous materials, would be the same under Parking Option B as what was analyzed in the Draft EIR (Option A) because reducing the vertical height of the building and number of spaces would not result in changes to the building footprint or area of disturbance. There would also be no change to transportation and public utilities impacts because those impacts are primarily attributed to operational demand of the Medical Center (e.g., number of inpatient beds). Project impacts analyzed within the other topics including air quality, aesthetics, energy, greenhouse gas emissions, and noise may be slightly reduced and less severe (but no change in impact determinations) as compared to Parking Option A because the smaller Parking Structure would require less construction activity (including associated noise, air emissions, and energy usage) and would reduce the building height to a number closer to the allowable maximum height in the City’s Development Code.

Table 3-1 provides a comparison of the Parking Structure options.

Table 3-1. Parking Structure Options Comparison

	Parking Option A (Proposed Project)	Parking Option B
Number of Spaces	1,980	1,368 – 1,400
Height	115 feet (9 tiers elevated)	80 feet (6 tiers elevated)
Building Area (square feet [sf])	Up to 800,000 sf	Up to 590,000 sf

The Draft EIR has been updated to include additional information regarding landscaping, the fire distribution system, and sanitary sewer requirements as well as other minor updates. The specific text changes to the Draft EIR are provided under Section 3.2.

3.2 Changes to the Draft EIR

Executive Summary

The following information is added to the top of page ES-2.

Please see Chapter 2, Project Description for a detailed overview of all aspects of the proposed project. [A copy of the Master Development Plan for the St. Joseph’s Medical Center Proposed Expansion is available for review on Dignity Health’s webpage \(https://www.dignityhealth.org/central-california/locations/stjosephs-stockton/expansion/updates-and-announcements\).](https://www.dignityhealth.org/central-california/locations/stjosephs-stockton/expansion/updates-and-announcements)

[Additionally, the MDP is available on the City of Stockton website \(www.stocktonca.gov/government/departments/communityDevelop/cdPlanEnv.html\).](http://www.stocktonca.gov/government/departments/communityDevelop/cdPlanEnv.html)

The following revisions are made to Table ES-1, Impacts and Mitigation Measures starting on page ES-4.

Mitigation measure 4.7-1 starting on ES-16 has been revised and the 10th bullet has been moved to a new mitigation measure 4.7-2 that provides additional detail. The original mitigation measure 4.7-2 has been renumbered to 4.7-3.

Environmental Impact	Level of Significance Prior to Mitigation	Mitigation Measure	Level of Significance After Mitigation
4.7 Greenhouse Gas Emissions			
<p>4.7-1 The proposed project would generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment, or conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing the emissions of greenhouse gases.</p>	<p>PS</p>	<p>MM 4.7-1: GHG Emission Reduction Measures</p> <p>The following GHG emission reduction measures shall be implemented:</p> <ul style="list-style-type: none"> • New buildings shall be constructed with either a cool roof or an Energy Star roof. • The parking structure shall be pre-plumbed and/or structurally engineered for the installation of complete solar energy systems as part of the parking structure and/or over surface parking. • In the parking structure and surface parking areas, dedicated electric vehicle (EV) parking shall be installed in a minimum of 5% of the parking spaces (or 99 spaces in the parking structure and approximately 4 spaces in the surface lot). • <u>Structural support and the installation of solar panels shall be included in the Request for Proposal for the design and construction of the Expansion Project.</u> • <u>The Parking Structure shall include conduit for electric vehicle charging systems (EVCS) sufficient to meet the minimum requirements of the 2022 California Green Building Standards Code 5.106.5.3 (“State CalGreen” i.e., 20% of parking structure spaces EV capable; 25% of preceding number EVCS actually installed), with the installation of EVCS subject to the exceptions stated in Cal Green section 5.106.5.3(1)(a)-(c). Dignity Health is not the provider of EV charging stations and relies upon third party contractors to provide proposals on and then install EV charging stations. If no acceptable proposals are received prior to opening of the parking structure, installation of EVCS may be phased consistent with occupancy of the acute care hospital tower. See also Mitigation Measure 4.7-2 regarding the Transportation Demand Management (TDM) Plan, second bullet point.</u> 	<p>SU</p>

		<ul style="list-style-type: none"> • Long-term bicycle storage facilities such as bicycle lockers, pedestal posts, and rental bicycle lockers shall be provided and facilities included that allow for the installation of conduit to install <u>Installation of bicycle charging stations for electric bicycles shall be managed through the TDM Plan presented in Mitigation Measure 4.7-2, second bullet point.</u> • Include the installation of both interior- and exterior-facing signs, including signs directed at all dock and delivery areas, identifying idling restrictions and contact information to report violations to the California Air Resources Board (CARB), San Joaquin Valley Air Pollution Control District (SJVAPCD), and the building manager. • Run conduit to designated locations for future electric truck charging stations at delivery dock locations. • Post signs at every truck exit driveway providing directional information to the nearest truck route. • Include exterior outlets on all buildings to allow the use of electrically-powered landscape equipment. The use of gas-powered landscape maintenance equipment shall be prohibited on site. • Require the use of energy-efficient lighting LED for all street, parking, and building lighting. This reduces the amount of electricity consumed for outdoor lighting. • Prepare a campus-wide Transportation Demand Management (TDM) Plan. The TDM Plan shall include a variety of trip reduction strategies such as expanding upon existing alternative transportation programs; establishing an incentives-based commuter program to encourage employees to carpool and take alternative modes of travel to the hospital; increase bicycle facilities; and prioritize carpool parking, etc. • Encourage telecommuting and alternative work schedules for those employees for whom remote work is acceptable. • Maximize the amount of drought tolerant landscaping. Turf shall be limited to high visibility areas. Low groundcover and native grasses shall be used as an alternative to turf. Any turf used shall be warm-season turf or shall have a plant species factor of 0.6 or lower. <p><u>MM 4.7-2: Transportation Demand Management Plan</u></p> <p><u>The project applicant shall prepare a campus-wide Transportation Demand Management (TDM) Plan. The TDM Plan shall include a variety of trip reduction</u></p>	
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		<p><u>strategies to increase opportunities for transit, bicycling and walking and to incentivize ridesharing and carpooling to reduce single-occupancy vehicle trips. The TDM Plan shall have as a goal to achieve at least a five percent reduction in employee vehicle miles traveled (VMT) compared with baseline VMT as projected to exist without the TDM Plan. The TDM Plan shall be published on both visitor and patient portions of the St. Joseph’s public webpage, with focus on improving content to better publicize alternative transportation options to the public no later than the issuance of the demolition permit for the first phase of the project, and shall be updated prior to the approval of the certificates of occupancy for facilities included in each subsequent phase. The TDM Plan shall include, at a minimum, the measures set forth below, even if they result in more than the goal of a five percent reduction in employee VMT:</u></p> <ul style="list-style-type: none"> • <u>Expand upon existing alternative transportation programs through the following:</u> <ol style="list-style-type: none"> 1. <u>increase prime spaces for carpool parking based on current demand (i.e., 8) to projected future demand (i.e., 16). Review annually and increase as necessary to ensure sufficient spaces for carpools;</u> 2. <u>evaluate use of electrical vehicle charging stations (for bicycles and vehicles) prior to the certificate of occupancy for each phase to determine if demand has exceeded supply and identify in the TDM Plan the timeline for phased increases to electric charging stations when needed with the goal that supply remains slightly greater than demand to help incentivize electric vehicle purchases;</u> 3. <u>establish an incentives-based commuter program to encourage employees to carpool and take alternative modes of travel to the hospital;</u> 4. <u>increase availability and access to bicycle parking facilities; review annually and increase as necessary to ensure sufficient spaces for bicycles;</u> 5. <u>provide a free or low-cost ride home in cases of emergency for employees who use alternative transportation, such as carpooling, vanpooling, public transit, bicycling, and walking;</u> 6. <u>provide a transit bus pass to participating employees who agree to commute by transit rather than by single occupancy vehicle;</u> 7. <u>engage with Regional Transit to enhance bus schedules and “VanGo” (i.e., dial-a-ride) services to the Medical Center and support these enhanced services to Regional Transit staff and/or Board of Directors;</u> 8. <u>through the wayfinding and signage program, include directions for employees, patients, and visitors to identify locations for carpool, bicycles, shuttles, and bus stops;</u> 	
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		<p>9. <u>provide shuttle service during construction to transport employees or visitors from off-site parking locations to the Medical Center;</u></p> <p>10. <u>rotate existing Medical Center fleet (consisting of automobiles and service vans) with electric vehicles on a standardized replacement schedule with details specified in the TDM Plan (e.g., the earlier of a need for a repair that is not cost effective given the age of a vehicle or, alternatively, a mileage threshold), and which includes consideration of commercial availability, cost, the general driving range for a vehicle, and the availability of EV charging stations for vehicles with longer driving ranges, as well as other reasonable limitations as set forth in the TDM Plan;</u></p> <p>11. <u>add TDM Plan information to both visitor and patient portions of the St. Joseph's public webpage, with a focus on improving content to better publicize alternative transportation options to the public;</u></p> <p>12. <u>provide information to employees about TDM Plan programs through (1) internal newsletter and (2) communication boards in employee gathering rooms (e.g., cafeteria, break rooms);</u></p> <p>13. <u>set a reasonable goal for reduced single occupancy employee vehicle trips to and from the Medical Center and report progress towards that goal as part of the Development Agreement reports based on results of good faith surveys of employees;</u></p> <p>14. <u>provide public notice via the St. Joseph's web page of the availability of a draft TDM Plan, a link on that web page to the draft TDM Plan, and a reasonable period of time for interested members of the public to comment on the draft TDM Plan before it is finalized.</u></p> <p><u>In the event that the measures set forth above are insufficient to achieve the goal of a five percent reduction in employee VMT compared with baseline VMT as projected to exist without the TDM Plan, the applicant shall consider additional feasible measures sufficient to make up the shortfall or, in the alternative, shall find means of reducing GHG emissions in amounts commensurate with GHG emissions associated with the VMT shortfall.</u></p> <p>MM 4.7-23: GHG Emissions Reduction Program</p> <p>In order to reduce the remaining greenhouse gas (GHG) emissions to 0.50 metric tons of carbon dioxide equivalent (MT CO₂e)/service population/per year, the applicant shall pursue feasible measures that contribute to an off-site GHG emissions reduction program or involve the payment of GHG offset fees. <u>Such measures shall</u></p>	
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		<p><u>be included within a greenhouse gas emissions report (“emissions report”) prepared by the applicant and submitted to the City as part of the building permit application for each phase of the project resulting in an increase in operational GHG emissions over baseline levels. The measures or offsets required in such phase-specific emissions report shall be limited to what is necessary for that phase to achieve its proportional share of the emissions reductions needed to achieve the overall efficiency threshold for the project as a whole (0.50 metric tons of carbon dioxide equivalent (MT CO2e)/service population/per year). Any GHG offsets or GHG-mitigation credits included within a Greenhouse Gas Reduction Plan such an emissions report must be real, quantifiable, permanent, verifiable, enforceable, and additional, consistent with the standards set forth in Health and Safety Code Section 38562, subdivisions (d)(1) and (d)(2), which are defined for purposes of this mitigation measure as follows:</u></p> <ul style="list-style-type: none"> i. Real—Represent reductions actually achieved (not based on maximum permit levels). ii. Additional/surplus—Not already planned or required by regulation or policy (i.e., not double counted). iii. Quantifiable—Readily accounted for through process information and other reliable data. iv. Enforceable—Acquired through legally binding commitments/agreements. v. Validated—Verified through accurate means by a reliable third party. vi. Permanent—Will remain as GHG reductions in perpetuity <p><u>Such offsets or credits, as included in a phase-specific emissions report as noted above, shall be based on protocols consistent with the criteria set forth in Section 95972, subdivision (a) of Title 17 of the California Code of Regulations, and shall not include offsets originating outside of California, except to the extent that the quality of any the offsets originating outside of California, and their sufficiency under the standards set forth herein, can be verified by the City of Stockton in consultation with the San Joaquin Valley Air Pollution Control District (SJVAPCD). Offsets for GHG emissions originating from outside the United States shall not be permitted under any circumstances. All Such GHG offsets or GHG mitigation credits must be purchased through one of the following:</u></p> <ul style="list-style-type: none"> i. a CARB-approved registry, such as the Climate Action Reserve, the American Carbon Registry, and the Verified Carbon Standard; 	
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		<ul style="list-style-type: none"> ii. any registry approved by CARB to act as a registry under the California Cap and Trade program; iii. the California Air Pollution Control Officers Association (CAPCOA) GHG Rx program; or iv. any GHG offset or GHG mitigation program adopted the SJVAPCD. <p>Over the course of project build out and prior to issuance of requested building permits, the project applicant shall submit reports to the Facilities Development Division that identify the carbon offsets that have been obtained to offset the project's operational generated GHG emissions below the 0.50 MT CO₂e/service population/per year efficiency threshold. Such reports may be submitted on a phase by phase basis, with the required offsets for an individual phase being limited to what is necessary for that phase to achieve its proportional share of the emissions reductions needed to achieve the overall efficiency threshold for the project as a whole. The reports shall include: (i) the applicable protocol(s) associated with the carbon offsets, (ii) the third party confirmation/verification reports affiliated with the carbon offset projects, (iii) the unique serial numbers assigned by the registry(ies) to the carbon offsets to be retired to ensure that the offsets cannot be further used in any manner, and (iv) the locational attributes of the carbon offsets.</p> <p>For purposes of this mitigation measure <u>the preparation of such an emissions report</u>, what is “feasible,” as that word is used in the phrase “feasible measures that contribute to an off-site GHG emissions reduction program or involve the payment of GHG offset fees,” is a function of the technical viability and overall cost of carbon offsets, and, specifically, whether such offsets (i) are reasonably commercially available, (ii) would be prohibitively expensive for the nonprofit applicant in light of the financial challenges of providing health care services, (iii) would materially increase the cost of the health care provided by the applicant, or (iv) would render the overall project or phase of the project economically infeasible within the meaning of CEQA case law such as Uphold Our Heritage v. Town of Woodside (2007) 147 Cal.App.4th 587, 598-601 [proposal may be infeasible if “the marginal costs ... are so great that a reasonably prudent property owner would not proceed with” the proposal].)</p> <p>If the applicant contends that some or all of the carbon offsets conditionally required by this measure are infeasible either for the project as a whole or for an individual phase, the applicant shall so inform the City in advance of the due date for the reports described above. The applicant shall state in writing its reasons for concluding that the ostensibly required carbon offsets are infeasible. The City shall</p>	
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	<p><u>relieve the applicant of its ostensible obligation to provide such offsets if the applicant's conclusions on the issue of feasibility are supported by substantial evidence and conform to the definition of "feasible" set forth above.</u></p> <p><u>The City may not issue a building permit for a project phase requiring an emissions report until the City's CDD has approved the emissions report for that phase. The CDD may use outside expertise in reviewing and approving the emissions report.</u></p> <p><u>If the applicant submits a proposed phase-specific emissions report that does not meet the performance standard of 0.50 metric tons of carbon dioxide equivalent (MT CO2e)/service population/per year for that phase because the applicant believes that obtaining all of the offsets required to meet that level of reduction is infeasible, the applicant shall so inform the City's CDD in a separate feasibility report submitted in connection with the proposed emissions report.</u></p> <p><u>The feasibility report shall state in writing all of the applicant's reasons for concluding that the acquisition of some or all of the ostensibly required carbon offsets is infeasible. The CDD shall relieve the applicant of its ostensible obligation to provide such offsets only if he or she finds that the applicant's conclusions on the issue of feasibility are supported by substantial evidence and conform to the definition of "feasible" set forth above.</u></p> <p><u>If the CDD determines that the feasibility report is not supported by substantial evidence and the applicant cannot be relieved of its ostensible obligation to provide offsets, he or she may approve the emissions report with some or all of the contested offsets despite the applicant's objections. The applicant may withdraw both its proposed emissions report and its request for a building permit for the phase rather than proceed with what the applicant considers to be an infeasible emissions report. Under such a circumstance, the applicant may choose to prepare a modified emissions report or a modified feasibility report, leading to subsequent consideration by the City's CDD of the modified emissions report or the same emissions report with an updated feasibility report.</u></p> <p><u>Following CDD approval of a phase-specific emissions report acceptable to the applicant, the report shall be posted in a prominent place on the City's website, along with notice to the public that any interested party may file an Appeal pursuant to Stockton Municipal Code (SMC) Section 16.100. The emissions report approval and notice of the right to appeal shall be included within that portion of the City's website devoted to activities of the Community Development Department. (http://www.stocktonca.gov/government/departments/communityDevelop/default.</u></p>	
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		<p><u>html). Consistent with SMC 16.100.020, the Planning Commission’s decision may be appealed to the City Council. The decision of the City Council shall be final in accordance with SMC 16.100.040(J)(2). City Council has the option of affirming, reversing, adding additional conditions to address an issue, or referring back to the Planning Commission or CDD pursuant to SMC 16.100.040(G).</u></p> <p><u>After the approval of a phase-specific emissions report but before the issuance of a certificate of occupancy for that phase, the applicant shall demonstrate compliance with the emissions report through the submission of phase-specific compliance reports to the CDD that identify the offsite measures and/or carbon offsets that have been implemented or obtained. The reports shall include: (i) the applicable protocol(s) associated with the carbon offsets, (ii) the third-party confirmation/verification reports affiliated with the carbon offset projects, (iii) the unique serial numbers assigned by the registry(ies) to the carbon offsets to be retired to ensure that the offsets cannot be further used in any manner, and (iv) the locational attributes of the carbon offsets.</u></p>	
<p>4.7-2 The proposed project would conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing the emissions of greenhouse gases.</p>	<p>PS</p>	<p>See MMs <u>4.7-1, and 4.7-2, and 4.7-3.</u></p>	<p>SU</p>
<p>4.7-3 The proposed project would result in cumulatively considerable impacts with regard to greenhouse gas emissions.</p>	<p>PS</p>	<p>See MMs <u>4.7-1, and 4.7-2, and 4.7-3.</u></p>	<p>SU</p>

Chapter 1, Introduction

The following information is added to the end of the first paragraph under section 1.2 Project Background and Overview on page 1-1.

The MDP is intended to provide flexibility and simplify the City’s review of subsequent development and minor modifications by establishing a Site Master Plan, development standards, and design guidelines, to guide, manage, administer, and monitor future development accompanied by the Public Facilities Financing Plan (PFFP) and the Development Agreement (DA), as well as other related project approvals. A copy of the Master Development Plan for the St. Joseph’s Medical Center Proposed Expansion is available for review on Dignity Health’s webpage (<https://www.dignityhealth.org/central-california/locations/stjosephs-stockton/expansion/updates-and-announcements>) as well as on the City of Stockton website (www.stocktonca.gov/government/departments/communityDevelop/cdPlanEnv.html).

Chapter 2, Project Description

The following information is added to the end of the first paragraph under section 2.1 Introduction on page 2-1.

The proposed project also includes separate work, which can occur across all phases or as a separate phase, that is necessary to complete required seismic and other safety retrofits for buildings and support utilities mandated by state and federal laws. A copy of the Master Development Plan for the St. Joseph’s Medical Center Proposed Expansion is available for review on Dignity Health’s webpage (<https://www.dignityhealth.org/central-california/locations/stjosephs-stockton/expansion/updates-and-announcements>) as well as on the City of Stockton website (www.stocktonca.gov/government/departments/communityDevelop/cdPlanEnv.html).

The following information is added to the third paragraph under section 2.4.2 Project Site Master Plan on page 2-11.

The MDP also factors in flexibility to allow St. Joseph’s the ability to accommodate over the life of the plan any changing federal and state regulations (for example, seismic retrofit requirements), evolving medical services and technology, project budgets and schedules, and community and regional medical needs. Two (2) options are presented in the MDP; involving the locations of the Central Utility Plant and Plant Maintenance building. Option A includes placing the new Central Utility Plant building at the northeast corner of the Acute Care Hospital Tower and relocating the new Plant Maintenance building at the corner of E. Cleveland Street and Cemetery Lane. Option B places the new Central Utility Plant building at the corner of E. Cleveland Street and Cemetery Lane with no change to the existing Plant Maintenance building. Additionally, two (2) options are presented in the MDP involving the size and height of the proposed Parking Structure. Parking Option A would be an 800,000-square-foot (sf), 115-foot (ft) tall building with up to 1,980 parking stalls (analyzed in this Draft EIR). Parking Option B would be an up to 590,000-sf, 80-ft tall building with 1,368 to 1,400 parking stalls. Both parking options would be compatible with the two (2) options for the location of the Central Utility Plant and Plant Maintenance building. It should be noted that only Parking Option A is considered in the analysis of environmental impacts within this Draft EIR, because analysis of the larger Parking Structure would adequately encompass anticipated impacts under Parking Option B. There would be no change in the building footprint or area of disturbance and while some impacts may be reduced in severity (such as those related to aesthetics or air quality), all impact determinations would remain the same as under Parking Option A.

Table 2-2 on page 2-12 has been revised to include Parking Option B.

Table 2-2. Expansion Building Summary¹

Building Name	Approximate Building Area (Square Feet [sf])	Use	Building Height ²
Initial Expansion (Phases 1-4)			
New Acute Care Hospital Tower	Up to 331,000 sf	Medical Services	Up to five (5) stories (115 feet [ft] excluding mechanical screen) ³
New Multistory Parking Structure	Option A: Up to 1,980 parking stalls Up to 800,000 sf Option B: <u>1,368 – 1,400 parking stalls</u> Up to 590,000 sf	Parking and Heliports ³	Option A: Nine (9) tiers elevated ⁴ 115 ft to top of parking deck parapet, excluding mechanical screen and heliports Option B: Six (6) tiers elevated ⁴ <u>80 ft to top of parking deck parapet, excluding mechanical screen and heliports</u>
New Central Utility Plant	Up to 30,000 sf	Support	Up to two (2) stories (60 ft)
New Fuel Tank Yard	Up to 3,500 sf	Support	55 ft
New Generator Building Addition	Up to 3,500 sf	Support	55 ft
New Plant Maintenance Building	Up to 18,000 sf	Support	Up to two (2) stories (55 ft)
Phase 5 Expansion			
Acute Care Hospital Tower II	Potential expansion up to 150,000 sf	Medical Services	Up to five (5) stories (80 ft excluding mechanical screen) ³
Parking Structure (location to be determined)	To be determined Parking ratio of up to 5.6 stalls per bed	Parking	To be determined

Source: St. Joseph’s Medical Center 2022³.

Notes:

- 1 Seismic and other safety retrofits for buildings and support utilities may occur at the same time as phases 1-5, or during a separate construction period as may be required to meet state requirements.
- 2 Building heights, exceptions and roof mounted structures for institutional buildings, expressly including hospitals, are addressed in Section 16.36.090 of the Municipal Code.
- 3 To accommodate design flexibility, St. Joseph’s is seeking a maximum height of 115 ft.
- 4 The existing heliport located on the roof of the Main Hospital building would remain and up to two (2) new heliports and/or helicopter or Unmanned Aerial Vehicle (UAV) parking areas may be added on the roof of the Parking Structure.

The following information is added under the “Landscaping” subheading and bullet list under section 2.4.3 Project Design Features on page 2-31.

New landscaping would include new trees, groundcover and shrub plantings, and gardens. A conceptual landscaping plan is included with the MDP and relies upon the following landscaping guidelines as identified in the MDP:

- All plant material shall be California-adapted, long-lived, non-toxic and non-invasive. California native plant species shall be incorporated where appropriate.
- All plant material shall have a very low water use, low water use, or medium water use rating according to the Water Use Classification of Landscape Species rating system.
- Plants shall be spaced with adequate room to grow to their full size without requiring shearing.
- Perennial plants may be used sparingly, in accent plantings at entries and therapeutic garden spaces. There shall be no annual color plantings.
- Mowed lawns shall be limited to small areas for patient/visitor use for therapeutic purposes and shall not exceed 5% of the total landscaped area.
- Street trees on the frontages shall be consistent with City of Stockton streetscape requirements.
- Rear sides of modular structures that remain in place through a twenty (20)-year time period shall also have appropriate landscaping to soften the street view (i.e., E. Harding Way).

As the project is underway, non-hospital and non-clinical staff would be relocated to modular buildings (some of which may be temporary and some of which may continue after construction is complete). The City has agreed, through the Development Agreement, to allow long-term modular structures for up to a twenty (20)-year period, provided sufficient landscaping is provided to soften the view from public streets.

Table 2-4 on page 2-32 has been revised to include Parking Option B.

Table 2-4. Parking Summary

Location	No. of Parking Spaces
Existing Parking (excluding public ROW)	1,354
<i>Parking to be Removed</i>	
North Lot	606
Administration Lot	7
Administration Overflow Lot	9
McCloud Avenue	24
HCCL (Laboratory) North	6
HCCL (Laboratory) South	21
Vendor/Maintenance	7
Total to be Removed	680
<i>New Parking to be Provided</i>	
New Parking Structure	1,980 (Parking Option A) or 1,368 – 1,400 (Parking Option B)
North Surface Lot	16
Emergency Department Parking Lot	70
Total New Parking Provided	2,066 (Parking Option A) or 1,454 – 1,486 (Parking Option B)
Total Parking (Initial Expansion Phase)	2,740 (Parking Option A) or 2,128 – 2,160 (Parking Option B)

Source: St. Joseph’s Medical Center 2022³.

Notes: ROW = right-of-way.

Total parking includes remaining spaces plus new spaces (ex. 1,354 – 680 + 2,066 = 2,740).

The following information is added under the “Water and Fire Distribution System” subheading under section 2.4.3 Project Design Features on page 2-37.

The Acute Care Hospital Tower would include building sprinklers, per the California Building Code. All buildings constructed in the Initial Expansion phase, Phase 5 Expansion, and Future Expansion phase would be designed to meet current building and fire code requirements at the time of construction. In addition, the project would comply with the following draft Conditions of Approval at a minimum, in addition to any Conditions that may be added as a result of project review hearings Related to Fire Suppression and Fire Safety identified by the City’s Fire Marshal and accepted by the applicant:

1. Fire pumps shall be installed for the Acute Care Hospital Tower and/or the Parking Structure if, after submittal of the final Site Plan and building designs to the Community Development Department for review and approval, the Fire Marshal determines that fire pumps are required by the California Fire Code, the California Building Code, the City Municipal Code, or requirements of the National Fire Protection Association.
2. All new structures shall be sprinklered consistent with the City’s Municipal Code, requirements of the California Fire Code, the California Department of Health Care Access and Information (HCAI) and federal Centers for Medicare and Medicaid Services. Existing structures that do not have sprinklers shall be sprinklered on a phased basis when structures that are subject to internal renovations are completed. Oversight of the phased sprinklering of existing structures will proceed separately from the expansion of the Medical Center and will remain under the purview of the Fire Marshal.
3. Any requested modifications to road access requirements to the Acute Care Hospital Tower or parking structure for aerial fire apparatus that are based on the exception and criteria contained in Appendix D, Section D105 of the California Fire Code (2022) shall require Fire Marshal approval.
4. A foam fire suppression system shall not be required on the parking structure (a) until heliport landing areas are constructed on the parking structure, (b) if required by HCAI, or (c) if the Fire Marshal determines that the alternative requirements of National Fire Protection Association (NFPA) section 5.7.1(2) are insufficient to provide adequate fire safety.
5. Fire hydrant locations are approved as shown on Figure 5.9.1 of the Master Development Plan. Any proposed modifications to the number or location of fire hydrants based on changes to the Site Plan will be subject to Fire Marshal approval.
6. Improvement plans that incorporate the design for the proposed water line in the existing basement parking garage at Maple Street shall require approval of Cal Water, City Municipal Utilities Department, and the Fire Marshal.

The following information is added under the “Sanitary Sewer” subheading under section 2.4.3 Project Design Features on page 2-38.

A technical study addressing sewer calculations has been prepared by the applicant’s civil engineering team and is included herein by reference and in Appendix H. The City also requested an independent peer review of sewer capacity, which also is included herein by reference in Appendix H.

The relocation of sanitary sewer lines from McCloud Avenue into Cemetery Lane to service the expansion would require a lift station on the Medical Center campus. The lift station would be maintained by St. Joseph’s hospital, as will the sanitary sewer lines from the western edge of the Cemetery Lane public right-

of-way to the lift station and the return from the lift station to the Cemetery Lane right-of-way. The maintenance obligations are memorialized in the Development Agreement.

Chapter 3, Land Use and Planning

The following information is added to section 3.1 Introduction beginning on page 3-1.

Comments received in response to the Notice of Preparation (NOP) included a concern regarding the proposed parking garage, which is anticipated to be up to 115 feet in height. The comment raised concern that the 115-foot-tall Parking Structure would be out of scale with the existing neighborhood and contends that there are no parking garages in the City that are of a similar scale. Section 3.3, Land Use Consistency Analysis, analyzes the project’s compliance with the City’s Development Code and General Plan land use policies, which includes a review of proposed building heights and floor area ratio. Section 4.2, Aesthetics, also contains a discussion of the project’s consistency with regulations that address scenic quality and potential conflicts with zoning. The MDP also includes an option for a smaller scale, 80-foot-tall Parking Structure (“Parking Option B”), the analysis of which is adequately encompassed by the more conservative analysis of the Parking Structure evaluated in this Draft EIR.

4.1. Air Quality

Table 4.1-16 on page 4.1-41 is revised to reflect a 70-year exposure period.

Table 4.1-16. Proposed Project New CUP Stationary Sources - Operational HRA Results - Unmitigated

Impact Analysis	Impact Parameter	Units	Project Impact	SJVAPCD Threshold	Level of Significance
<i>Maximally Exposed Individual Resident</i>					
Operational HRA	Cancer Risk	Per Million	6.19 <u>5.81</u>	20	Less than Significant
	Chronic Hazard Index	Index Value	0.002	1.0	Less than Significant

Source: See Appendix C for complete results.

Notes: CEQA = California Environmental Quality Act; HRA = Health Risk Assessment

4.4. Cultural and Tribal Cultural Resources

The following information is added to Table 4.4-2 on page 4.4-8 in order to clarify which buildings over 45 years in age would be affected by the proposed Medical Center expansion.

Table 4.4-2. Buildings Over 45 Years in Age

Building Name/Address	APN	Date(s) of Construction
St. Joseph’s Medical Center Complex <ul style="list-style-type: none"> • 1638 North California Street* • 1800 North California Street and 542 McCloud Avenue (includes Main Hospital Wing, McCloud Building, and Hazardous Waste Storage Structure) 	127-190-32 127-180-44	1899–2009
534 East Maple Street*	127-190-30	1968
425 East Harding Way**	127-150-39	1963

Table 4.4-2. Buildings Over 45 Years in Age

Building Name/Address	APN	Date(s) of Construction
445 East Harding Way**	127-150-51	C.1975
564 East Cleveland Street	127-164-06	1951

Source: Appendix E.

Notes: *Buildings that would not be affected by the proposed Medical Center expansion.

**Buildings that are not part of the project but were considered as part of the cultural resources evaluation.

4.7. Greenhouse Gases

Mitigation measure 4.7-1 starting on page 4.7-31 is revised and the 10th bullet has been moved to a new mitigation measure 4.7-2 providing more specificity. The original mitigation measure 4.7-2 has been renumbered to 4.7-3.

MM 4.7-1: The following GHG emission reduction measures shall be implemented:

- ~~New buildings shall be constructed with either a cool roof or an Energy Star roof.~~
- ~~The parking structure shall be pre-plumbed and/or structurally engineered for the installation of complete solar energy systems as part of the parking structure and/or over surface parking.~~
- ~~In the parking structure and surface parking areas, dedicated electric vehicle (EV) parking shall be installed in a minimum of 5% of the parking spaces (or 99 spaces in the parking structure and approximately 4 spaces in the surface lot).~~
- Structural support and the installation of solar panels shall be included in the Request for Proposal for the design and construction of the Expansion Project.
- The Parking Structure shall include conduit for electric vehicle charging stations (EVCS) sufficient to meet the minimum requirements of the 2022 California Green Building Standards Code 5.106.5.3 (“State CalGreen” i.e., 20% of parking structure spaces EV capable; 25% of preceding number EVCS actually installed), with the installation of EVCS subject to the exceptions stated in Cal Green section 5.106.5.3(1)(a)-(c). Dignity Health is not the provider of EV charging stations and relies upon third party contractors to provide proposals on and then install EV charging stations. If no acceptable proposals are received prior to opening of the parking structure, installation of EVCS may be phased consistent with occupancy of the acute care hospital tower. See also Mitigation Measure 4.7-2 regarding the Transportation Demand Management (TDM) Plan, second bullet point.
- Long-term bicycle storage facilities such as bicycle lockers, pedestal posts, and rental bicycle lockers shall be provided and facilities included that allow for the installation of conduit to install Installation of bicycle charging stations for electric bicycles, shall be managed through the TDM Plan presented in Mitigation Measure 4.7-2, second bullet point.
- Include the installation of both interior- and exterior-facing signs, including signs directed at all dock and delivery areas, identifying idling restrictions and contact information to report violations to the California Air Resources Board (CARB), San Joaquin Valley Air Pollution Control District (SJVAPCD), and the building manager.
- Run conduit to designated locations for future electric truck charging stations at delivery dock locations.
- Post signs at every truck exit driveway providing directional information to the nearest truck route.

- Include exterior outlets on all buildings to allow the use of electrically-powered landscape equipment. The use of gas-powered landscape maintenance equipment shall be prohibited on site.
- Require the use of energy-efficient lighting LED for all street, parking, and building lighting. This reduces the amount of electricity consumed for outdoor lighting.
- ~~Prepare a campus-wide Transportation Demand Management (TDM) Plan. The TDM Plan shall include a variety of trip reduction strategies such as expanding upon existing alternative transportation programs; establishing an incentives-based commuter program to encourage employees to carpool and take alternative modes of travel to the hospital; increase bicycle facilities; and prioritize carpool parking, etc.~~
- Encourage telecommuting and alternative work schedules for those employees for whom remote work is acceptable.
- Maximize the amount of drought tolerant landscaping. Turf shall be limited to high visibility areas. Low groundcover and native grasses shall be used as an alternative to turf. Any turf used shall be warm-season turf or shall have a plant species factor of 0.6 or lower.

MM 4.7-2: The project applicant shall prepare a campus-wide Transportation Demand Management (TDM) Plan. The TDM Plan shall include a variety of trip reduction strategies to increase opportunities for transit, bicycling and walking and to incentivize ridesharing and carpooling to reduce single-occupancy vehicle trips. The TDM Plan shall have as a goal to achieve at least a five percent reduction in employee vehicle miles traveled (VMT) compared with baseline VMT as projected to exist without the TDM Plan. The TDM Plan shall be published on both visitor and patient portions of the St. Joseph’s public webpage, with focus on improving content to better publicize alternative transportation options to the public no later than the issuance of the demolition permit for the first phase of the project, and shall be updated prior to the approval of the certificates of occupancy for facilities included in each subsequent phase. The TDM Plan shall include, at a minimum, the measures set forth below, even if they result in more than the goal of a five percent reduction in employee VMT:

- Expand upon existing alternative transportation programs through the following:
 1. increase prime spaces for carpool parking based on current demand (i.e., 8) to projected future demand (i.e., 16). Review annually and increase as necessary to ensure sufficient spaces for carpools;
 2. evaluate use of electrical vehicle charging stations (for bicycles and vehicles) prior to the certificate of occupancy for each phase to determine if demand has exceeded supply and identify in the TDM Plan the timeline for phased increases to electric charging stations when needed with the goal that supply remains slightly larger than demand to help incentivize electric vehicle purchases;
 3. establish an incentives-based commuter program to encourage employees to carpool and take alternative modes of travel to the hospital;
 4. increase availability and access to bicycle parking facilities; review annually and increase as necessary to ensure sufficient spaces for bicycles;
 5. provide a free or low-cost ride home in cases of emergency for employees who use alternative transportation, such as carpooling, vanpooling, public transit, bicycling, and walking;

6. provide a transit bus pass to participating employees who agree to commute by transit rather than by single occupancy vehicle;
7. engage with Regional Transit to enhance bus schedules and “VanGo” (i.e., dial-a-ride) services to the Medical Center and support these enhanced services to Regional Transit staff and/or Board of Directors;
8. through the wayfinding and signage program, include directions for employees, patients, and visitors to identify locations for carpool, bicycles, shuttles, and bus stops;
9. provide shuttle service during construction to transport employees or visitors from off-site parking locations to the Medical Center;
10. rotate existing Medical Center fleet (consisting of automobiles and service vans) with electric vehicles on a standardized replacement schedule with details specified in the TDM Plan (e.g., the earlier of a need for a repair that is not cost effective given the age of a vehicle or, alternatively, a mileage threshold), and which includes consideration of commercial availability, cost, the general driving range for a vehicle, and the availability of EV charging stations for vehicles with longer driving ranges, as well as other reasonable limitations as set forth in the TDM Plan;
11. add TDM Plan information to both visitor and patient portions of the St. Joseph’s public webpage, with focus on improving content to better publicize alternative transportation options to the public;
12. provide information to employees about TDM Plan programs through (1) internal newsletter and (2) communication boards in employee gathering rooms (e.g., cafeteria, break rooms);
13. set a reasonable goal for reduced single occupancy employee vehicle trips to and from the Medical Center and report progress towards that goal as part of the Development Agreement reports based on results of good faith surveys of employees;
14. provide public notice via the St. Joseph’s web page of the availability of a draft TDM Plan, a link on that web page to the draft TDM Plan, and a reasonable period of time for interested members of the public to comment on the draft TDM Plan before it is finalized.

In the event that the measures set forth above are insufficient to achieve the goal of a five percent reduction in employee VMT compared with baseline VMT as projected to exist without the TDM Plan, the applicant shall consider additional feasible measures sufficient to make up the shortfall or, in the alternative, shall find means of reducing GHG emissions in amounts commensurate with GHG emissions associated with the VMT shortfall.

Mitigation measure 4.7-2 on page 4.7-32 has been renumbered and revised as follows:

MM 4.7-~~2~~3 In order to reduce the remaining greenhouse gas (GHG) emissions to 0.50 metric tons of carbon dioxide equivalent (MT CO₂e)/service population/per year, the applicant shall pursue feasible measures that contribute to an off-site GHG emissions reduction program or involve the payment of GHG offset fees. Such measures shall be included within a greenhouse gas emissions report (“emissions report”) prepared by the applicant and submitted to the City as part of the building permit application for each phase of the project resulting in an increase in operational GHG emissions over baseline levels. The measures or offsets required in such phase-specific emissions report shall be limited to what is necessary for that phase to achieve its proportional share of the

emissions reductions needed to achieve the overall efficiency threshold for the project as a whole (0.50 metric tons of carbon dioxide equivalent (MT CO₂e)/service population/per year). Any GHG offsets or GHG-mitigation credits included within a Greenhouse Gas Reduction Plan such an emissions report must be real, quantifiable, permanent, verifiable, enforceable, and additional, consistent with the standards set forth in Health and Safety Code Section 38562, subdivisions (d)(1) and (d)(2), which are defined for purposes of this mitigation measure as follows:

- i. Real—Represent reductions actually achieved (not based on maximum permit levels).
- ii. Additional/surplus—Not already planned or required by regulation or policy (i.e., not double counted).
- iii. Quantifiable—Readily accounted for through process information and other reliable data.
- iv. Enforceable—Acquired through legally binding commitments/agreements.
- v. Validated—Verified through accurate means by a reliable third party.
- vi. Permanent—Will remain as GHG reductions in perpetuity

Such offsets or credits, as included in a phase-specific emissions report as noted above, shall be based on protocols consistent with the criteria set forth in Section 95972, subdivision (a) of Title 17 of the California Code of Regulations, and shall not include offsets originating outside of California, except to the extent that the quality of the any offsets originating outside of California, and their sufficiency under the standards set forth herein, can be verified by the City of Stockton in consultation with the San Joaquin Valley Air Pollution Control District (SJVAPCD). Offsets for GHG emissions originating from outside the United States shall not be permitted under any circumstances. Such All GHG offsets or GHG mitigation credits must be purchased through one of the following:

- i. a CARB-approved registry, such as the Climate Action Reserve, the American Carbon Registry, and the Verified Carbon Standard;
- ii. any registry approved by CARB to act as a registry under the California Cap and Trade program;
- iii. the California Air Pollution Control Officers Association (CAPCOA) GHG Rx program; or
- iv. any GHG offset or GHG mitigation program adopted the SJVAPCD.

Over the course of project build-out and prior to issuance of requested building permits, the project applicant shall submit reports to the Facilities Development Division that identify the carbon offsets that have been obtained to offset the project's operational generated GHG emissions below the 0.50 MT CO₂e/service population/per year efficiency threshold. Such reports may be submitted on a phase-by phase basis, with the required offsets for an individual phase being limited to what is necessary for that phase to achieve its proportional share of the emissions reductions needed to achieve the overall efficiency threshold for the project as a whole. The reports shall include: (i) the applicable protocol(s) associated with the carbon offsets, (ii) the third party confirmation/verification reports affiliated with the carbon offset projects, (iii) the unique serial numbers assigned by the registry(ies) to the carbon offsets to be retired to ensure that the offsets cannot be further used in any manner, and (iv) the locational attributes of the carbon offsets.

For purposes of this mitigation measure the preparation of such an emissions report, what is "feasible," as that word is used in the phrase "feasible measures that contribute to an off-site GHG emissions reduction program or involve the payment of GHG offset fees," is a function of the

technical viability and overall cost of carbon offsets, and, specifically, whether such offsets (i) are reasonably commercially available, (ii) would be prohibitively expensive for the nonprofit applicant in light of the financial challenges of providing health care services, (iii) would materially increase the cost of the health care provided by the applicant, or (iv) would render the overall project or phase of the project economically infeasible within the meaning of CEQA case law such as *Uphold Our Heritage v. Town of Woodside* (2007) 147 Cal.App.4th 587, 598-601 [proposal may be infeasible if “the marginal costs ... are so great that a reasonably prudent property owner would not proceed with” the proposal].)

~~If the applicant contends that some or all of the carbon offsets conditionally required by this measure are infeasible either for the project as a whole or for an individual phase, the applicant shall so inform the City in advance of the due date for the reports described above. The applicant shall state in writing its reasons for concluding that the ostensibly required carbon offsets are infeasible. The City shall relieve the applicant of its ostensible obligation to provide such offsets if the applicant’s conclusions on the issue of feasibility are supported by substantial evidence and conform to the definition of “feasible” set forth above.~~

The City may not issue a building permit for a project phase requiring an emissions report until the City’s CDD has approved the emissions report for that phase. The CDD may use outside expertise in reviewing and approving the emissions report.

If the applicant submits a proposed phase-specific emissions report that does not meet the performance standard of 0.50 metric tons of carbon dioxide equivalent (MT CO₂e)/service population/year for that phase because the applicant believes that obtaining all of the offsets required to meet that level of reduction is infeasible, the applicant shall so inform the City’s CDD in a separate feasibility report submitted in connection with the proposed emissions report.

The feasibility report shall state in writing all of the applicant’s reasons for concluding that the acquisition of some or all of the ostensibly required carbon offsets is infeasible. The CDD shall relieve the applicant of its ostensible obligation to provide such offsets only if he or she finds that the applicant’s conclusions on the issue of feasibility are supported by substantial evidence and conform to the definition of “feasible” set forth above.

If the CDD determines that the feasibility report is not supported by substantial evidence and the applicant cannot be relieved of its ostensible obligation to provide offsets, he or she may approve the emissions report with some or all of the contested offsets despite the applicant’s objections. The applicant may withdraw both its proposed emissions report and its request for a building permit for the phase rather than proceed with what the applicant considers to be an infeasible emissions report. Under such a circumstance, the applicant may choose to prepare a modified emissions report or a modified feasibility report, leading to subsequent consideration by the City’s CDD of the modified emissions report or the same emissions report with an updated feasibility report.

Following CDD approval of a phase-specific emissions report acceptable to the applicant, the report shall be posted in a prominent place on the City’s website, along with notice to the public that any interested party may file an Appeal pursuant to Stockton Municipal Code (SMC) Section 16.100. The emissions report approval and notice of the right to appeal shall be included within that portion of the City’s website devoted to activities of the Community Development Department

(<http://www.stocktonca.gov/government/departments/communityDevelop/default.html>).
Consistent with SMC 16.100.020, the Planning Commission’s decision may be appealed to the City Council. The decision of the City Council shall be final in accordance with SMC 16.100.040(J)(2). City Council has the option of affirming, reversing, adding additional conditions to address an issue, or referring back to the Planning Commission or CDD pursuant to SMC 16.100.040(G).

After the approval of a phase-specific emissions report but before the issuance of a certificate of occupancy for that phase, the applicant shall demonstrate compliance with the emissions report through the submission of phase-specific compliance reports to the CDD that identify the offsite measures and/or carbon offsets that have been implemented or obtained. The reports shall include: (i) the applicable protocol(s) associated with the carbon offsets, (ii) the third-party confirmation/verification reports affiliated with the carbon offset projects, (iii) the unique serial numbers assigned by the registry(ies) to the carbon offsets to be retired to ensure that the offsets cannot be further used in any manner, and (iv) the locational attributes of the carbon offsets.

Chapter 6, Alternatives

The following sentence on page 6-13 is revised to read:

The Reduced ~~Scope~~ Parking Alternative would fully achieve the following project objectives:

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4 Responses to Comments

This chapter contains the comment letters received in response to the Draft EIR during the 45-day public review period. Each comment letter is numbered, each comment is bracketed, and responses are provided to each comment. The responses amplify or clarify information provided in the Draft EIR and/or refer the reader to the appropriate place in the document where the requested information can be found. Comments that are not directly related to environmental issues (e.g., opinions on the merits of the project unrelated to its environmental impacts) are noted for the record. Where text changes in the Draft EIR are warranted based on comments received, updated project information, or other information provided by City of Stockton staff, those changes are included in the response to comment, and are also listed in Chapter 3, Changes to the Draft EIR, of this Final EIR.

The changes to the analysis contained in the Draft EIR represent only minor clarifications/amplifications and do not constitute significant new information. In accordance with CEQA Guidelines, Section 15088.5, recirculation of the Draft EIR is not required.

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CALIFORNIA STATE TRANSPORTATION AGENCY

GAVIN NEWSOM, GOVERNOR

California Department of Transportation



OFFICE OF THE DISTRICT 10 DIRECTOR
P.O. BOX 2048 | STOCKTON, CA 95201
(209) 948-7943 | FAX (209) 948-7179 TTY 711
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April 27, 2023

10-SJ-4-PM R017.057
St. Joseph's Medical Center
SCH#2021120439

Nicole Moore
City of Stockton
345 N El Dorado St
Stockton, CA 95202

Dear Ms. Moore:

The California Department of Transportation appreciates the opportunity to review the proposed expansion of St. Joseph's Medical Center in Stockton. The project involves the demolition of existing buildings, the construction of 331,000 square feet of new buildings, and an additional 2,066 parking spaces. The project site is in Stockton bordered by Harding Street, California Street, Cemetery Lane, and Cleveland Street. The Department has the following comments:

Caltrans recommends the establishment of programs or methods to reduce VMT such telework, flex times, preferred parking for carpool and bicycle, pedestrian, and transit amenities.

1-1

If you have any questions, please contact me at (209) 483-2582 or Nicholas Fung at (209) 986-1552.

Sincerely,

Tom Dumas
Chief, Office of Metropolitan Planning

"Provide a safe and reliable transportation network that serves all people and respects the environment"

1-1 Consistent with the City of Stockton General Plan policy SAF-4.2 that encourages major employers to participate in a TDM Plan to reduce vehicle trips, the St. Joseph's Medical Center of Stockton Hospital Expansion Project ("proposed project" or "project") will be implementing a campus-wide TDM Plan required under mitigation measure 4.7-1. The primary objective of the TDM Plan is to reduce vehicle miles traveled (VMT) and associated mobile emissions. The plan shall include a variety of trip reduction

Comment Letter 1

strategies such as expanding upon existing alternative transportation programs; establishing an incentives-based commuter program to encourage employees to carpool and take alternative modes of travel to the hospital; increase bicycle facilities; and prioritize carpool parking, etc.; and encourage telecommuting and alternative work schedules for those employees for whom remote work is acceptable (Draft EIR p. 4.7-31). See also Response to Comment 4-7 and Chapter 3, Changes to the Draft EIR for additional revisions to the mitigation measure.

Comment Letter 2

Comment Letter 2



June 1, 2023

Nicole Moore
City of Stockton
Community Development Department
345 E. N. El Dorado Street
Stockton, CA 95202

Project: Draft Environmental Impact Report for the St. Joseph’s Medical Center of Stockton Hospital Expansion Project

District CEQA Reference No: 20230385

Dear Ms. Moore:

The San Joaquin Valley Air Pollution Control District (District) has reviewed the Draft Environmental Impact Report (DEIR), from the City of Stockton (City) for the St. Joseph’s Hospital Medical Center of Stockton Expansion Project. The Project consists of an approximately 1,332,850 square foot expansion which includes: two acute care hospital towers, parking structures, a new utility plant, expansion of existing generator building, other new support facilities (Project). The Project is located within the existing St. Joseph’s Medical Center of Stockton at 1800 N. California Street in Stockton CA.

The District offers the following comments regarding the Project:

1) Assembly Bill 617

Assembly Bill 617 requires CARB and air districts to develop and implement Community Emission Reduction Programs (CERPs) in an effort to reduce air pollution exposure in impacted disadvantage communities. The Project lies near one of the impacted communities in the State selected by the California Air Resources Board (CARB) under the Assembly Bill (AB) 617 (2017, Garcia) and has the potential to expose sensitive receptors to increased air pollution within the nearby impacted community. The Stockton CERP was adopted by the District’s Governing Board in March 2021 and identifies a wide range of measures designed to reduce air pollution exposure. Therefore, in an effort to reduce air pollution exposure to the impacted disadvantaged community, the District recommends the City incorporate mitigation measures outlined in the Stockton CERP for the Project.



Comment Letter 2



San Joaquin Valley Air Pollution Control District
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June 1, 2023

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For more information regarding the CERP approved for South Central Fresno, please visit the District's website at:
<http://community.valleyair.org/selected-communities/stockton/>

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2-1
Cont.

2-1

Assembly Bill (AB) 617 legislation requires that a Community Emissions Reduction Program (CERP) identify cost-effective measures to achieve emission reduction targets in the community. Preparation of a CERP is done by the jurisdiction and is not prepared for individual projects. The reduction measures outlined in the City's CERP approved by the San Joaquin Valley Air Pollution Control District (SJVAPCD) in March 2021 encompasses a range of strategies to reduce community level exposure burden, including regulatory, enforcement, outreach and education, voluntary incentive-based programs, as well as partnerships with other agencies to address issues outside of the SJVAPCD's direct regulatory authority. The measures applicable to the project include Vegetative Barriers (VB.1: Incentive Program for the Installation of Vegetative Barriers Around/Near Sources of Concern), Urban Greening (UG.1: Urban Greening and Forestry), Lawn and Garden Equipment (LG.2: Incentive Program for the Replacement of Commercial Lawn and Garden Equipment), Emission Exposure and Land Use (LU.1: Support Projects that Reduce Vehicle Miles Traveled), and Dust in the Community (FD.1: Enhanced Enforcement of District Regulation VIII Fugitive Dust Requirements).

As presented within the Master Development Plan (MDP) and noted in the Draft EIR, the proposed project would include new trees, groundcover and shrub plantings, and gardens. Overall, the project's landscape design is to create user-friendly, functional, intuitive, and human-scaled spaces that provide shade, biodiversity, seasonal interest, seating areas, healing spaces, and an overall calming and therapeutic effect that living landscapes can offer (Draft EIR p. 2-31). The intent of CERP reduction measure VB.1 is to "provide incentives for the installation and maintenance of vegetative barriers around sources of concern to reduce particulate matter, odor, and other emissions, as feasible" (SJVAPCD 2021). Because the existing Medical Center campus does not include industrial uses or activities that create particulate matter (e.g., dust), odors, or other noxious

Comment Letter 2

emissions this measure is not applicable to the project. Measure UG.1 supports efforts “to increase urban greening/forestry to improve air quality for residents in the Stockton community. The focus areas will include, Charter Way, Boggs Tract, and El Dorado” (SVAPCD 2021). The project is not located within the focus areas listed but does include planting new trees as part of the project’s overall landscape plan. Regarding reduction measure LG.2, the landscaping company contracted by the proposed project would be subject to the state’s small off-road engines (SORE) Regulations, adopted in December 2021, which requires most newly manufactured SORE, such as those found in leaf blowers, lawn mowers, and other equipment, to be zero emissions starting in 2024. Therefore, the project’s landscaping equipment emissions would be reduced over time as zero-emission landscaping equipment becomes more prevalent in compliance with these regulations.

Measure LU.1 requires the facilitated “inter-agency collaboration between the City of Stockton, San Joaquin County, and San Joaquin Council of Governments to promote environmentally mindful alternative commute options through early discussion of related land use planning initiatives” (SJVAPCD 2021). This measure is geared towards a larger regional approach to reducing air emissions from mobile sources. The Draft EIR evaluates the project’s contribution to air emissions and steps to reduce mobile sources. See Response to Comment 1-1 for more information.

Since the proposed project would add over 100 new employees, the proposed project would be required to comply with SJVAPCD Rule 9410, an Employer Based Trip Reduction program to reduce vehicle miles traveled (VMT) from private vehicles used by employees to commute to and from their worksites to reduce emissions of oxides of nitrogen (NO_x), volatile organic compounds (VOC) and particulate matter (PM). The strategies to reduce VMT can include employee shuttles, staggered work hours, telecommute options, transit subsidies, and carpool/vanpool programs, as described under mitigation measure 4.7-1 (see also Chapter 3, Changes to the Draft EIR for additional revisions to this mitigation measure).

As described in Section 4.1, Air Quality, the proposed project would include a total of two 10.5-million British thermal unit per hour (MMBtu/hr) natural gas boilers, two 6.7-MMBtu/hr natural gas heaters, and two 2,000-kilowatt (kW) emergency generators. These stationary sources would be subject to the Best Available Retrofit Control Technology (BARCT) implementation in addition to any revisions made to SJVAPCD Rule 4352, Solid Fuel-Fired Boilers, Steam Generators and Process Heaters to pursue additional emission reduction opportunities beyond BARCT. Emissions reductions achieved through the implementation of more stringent limits potentially required through these rule amendments will further contribute to reduced exposure to air pollution in the community.

Lastly, reduction measure FD.1 aims to limit the potential for localized air quality impacts associated with fugitive dust from construction/earthmoving activities and open areas subject to SJVAPCD Regulation VIII. The proposed project would be required to comply with SJVAPCD Regulation VIII (Fugitive PM₁₀ Prohibition) by law, which specifies standard construction practices to reduce fugitive dust emissions. Pursuant to Regulation VIII, Rule 8021, Section 6.3, the proposed project would be required to develop, prepare, submit, obtain approval of, and implement a dust control plan, which would reduce fugitive dust impacts to less than significant for proposed project construction. Overall, the proposed project would meet the above applicable reduction measures

Comment Letter 2

outlined within the City's CERP in order to reduce emissions and potential health risk on sensitive groups.

Comment Letter 2 (continued)

2) Project Related Emissions

Based on information provided in the DEIR, the Project annual criteria pollutant emissions from construction and operation are not expected to exceed any of the significance thresholds as identified in the District’s Guidance for Assessing and Mitigating Air Quality Impacts (GAMAQI): <https://www.valleyair.org/transportation/GAMAQI.pdf>.

The DEIR states on page 2-12 “... it is anticipated that a Future Expansion phase would occur on properties to be determined in the future.... and these off-campus properties may be incorporated through a future administrative process.” The District understands the Project is part of a Master Development Plan where future individual project-specific data may not be available at this time. As such, the DEIR should include a discussion of policies, which when implemented, will require an environmental assessment and characterization of project-level construction and operational emissions, as well as require mitigation of air quality impacts to the extent feasible at the individual project-specific level for the future expansions. The District recommends the air emissions be compared to the District significance thresholds as identified in the District’s Guidance for Assessing and Mitigating Air Quality Impacts: <https://www.valleyair.org/transportation/GAMAQI.pdf>, and future projects with air emissions above the aforementioned thresholds be mitigated to below these thresholds.

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Future development on the campus would be required to comply with all federal, state and local requirements that pertain to both construction and operational activities as well as guidance set forth in the Master Development Plan. Any future expansion of the campus under Phase 5 would be subject to additional environmental review under CEQA if a discretionary approval is required. This would include an analysis of project-level construction and operation air quality which would be subject to the SJVAPCD thresholds in place at that time. Relevant policies and regulations developed by the SJVAPCD, which may be applicable to the project, have been included under the Regulatory Setting section in Section 4.1, Air Quality.

For the purposes of this project the Draft EIR includes general assumptions regarding the amount of future development that could occur under Phase 5. It is assumed Phase 5 would include development of up to a 150,000 square foot expansion to the Acute Care Hospital Tower building and demolition of up to 70 surface parking spaces. The construction of this development is assumed in the air quality and greenhouse gas modeling (see Table 4.1-8, p. 4.1-26; Table 4.1-11, p. 4.1-35; Table 4.1-12, p. 4.1-36; Table 4.7-5, p. 4.7-28). As demonstrated in Table 4.1-11, applying the available project information for Phase 5 would result in annual construction emissions less than the significance thresholds. In addition, Table 4.1-12 presents the maximum daily construction emissions in which it was determined that an ambient air quality impacts assessment is not required for this proposed project because construction would not generate on-site emissions of more than 100 pounds per day for any pollutant.

Comment Letter 2 (continued)

3) Health Risk Screening/Assessment

Based on the DEIR, the District offers the following comments on the Health Risk Assessment (HRA):

- The HRA does not evaluate air toxic emissions from the construction of the two modular buildings south of Maple Street. The District recommends including such air toxic emissions in the HRA.

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The construction HRA prepared for the project evaluated air toxic emissions associated with the most intensive activity anticipated by the project (see Draft EIR Appendix J). Construction activities resulting from installation of the modular structures would be short-term and temporary, consisting of limited operation of off-site construction equipment and/or truck trips to deliver and install the pre-manufactured modular buildings. Therefore, the area identified in the HRA is where the most intensive construction activities would occur which would generate air toxic emissions. No changes to the Draft EIR or the HRA are required.

Comment Letter 2 (continued)

- Air toxic emissions from potential heavy duty truck trips and helicopter trips were not considered in the HRA. The District recommends ensuring all potential air toxics emissions from these vehicles are included into the HRA.

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As described in Chapter 2, Project Description, additional heliports (in addition to the existing heliport) are proposed to enable helicopters to transport patients. Notably, existing and proposed heliport usage is anticipated to maintain similar activities as the existing heliport depending on proximity to the patient location/destination within the Medical Center which would determine which heliport is used (the existing heliport is located proximate to the Women's and Children Pavilion). The air quality analysis assumes that the proposed project would include up to approximately 15 helicopter trips per month. The heliport currently experiences approximately 10 flight operations per month on average; therefore, the additional heliport(s) would result in a minimal increase in flights. Furthermore, the helicopters used during hospital operation would generate a minor source of toxic air contaminant (TAC) emissions. Helicopters combust aviation fuel, which do not emit any diesel particulate matter (DPM), which can be a health concern. Since DPM is the TAC of greatest concern and would not be emitted by helicopters, helicopter operations were not included in the health risk assessment.

Regarding factoring in potential additional heavy duty trucks during operations, development of the proposed project would include facilities with loading docks and loading areas where trucks that emit DPM could be active on a regular basis. Some of this activity may include trucks with transport refrigeration units (TRUs), which are typically diesel-powered. Although TRUs have relatively small diesel-powered engines, in the normal course of business, their emissions can pose a health risk to nearby receptors. In the Air Quality and Land Use Handbook, the California Air Resources Board (CARB) recommends a setback distance of 1,000 feet between sensitive receptors and a truck distribution center that accommodates more than 100 trucks per day or more than 40 trucks with operating TRUs per day, or where TRU unit operations exceed 300 hours per week (CARB 2005). The proposed project would result in substantially less heavy-duty truck trips than CARB's recommendations. Furthermore, development of the new truck loading docks would be located more than 500 feet from the closest sensitive receptors. Therefore, no changes or additions to the analyses included in the Draft EIR are required.

Comment Letter 2 (continued)

- The HRA estimated cancer risk for residential receptors using a 30-year exposure period. The District recommends revising the HRA utilizing a 70- year exposure period for residential receptors consistent with District Policy 1906 (*Framework for Performing HRAs*).

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Table 4.1-16 included on page 4.1-41 in Section 4.1, Air Quality, was updated to reflect adjustments to the Hotspots Analysis and Reporting Program Version 2 (HARP2) model to account for an exposure period of 70 years, a default deposition rate of 0.02 meters per second (m/s), and the fraction of time at home (FAH) was de-selected to account for receptors at home during the day (i.e., telecommuting, homeschool, etc). The updated information provided in Chapter 3, Changes to the Draft EIR, shows negligible changes in the results that do not change the analysis, or the significance conclusions presented in the Draft EIR. Notably, the cancer risk per million is reduced from 6.19 to 5.81, well below the SVAPCD threshold. Therefore, the results of the HRA for the proposed project would remain unchanged and the proposed project would result in a less-than-significant impact and no changes or additions in the Draft EIR are required.

Comment Letter 2 (continued)

- The HRA’s receptor grid did not include on-site receptors representing the patients of the hospital, short-term visitors, and any workers that are not employed by the hospital (e.g.: if the hospital leases space to food service or

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medical offices). These individuals are expected to have the potential to be present on-site for more than one hour, or potentially work on-site, but not employed by the hospital. Therefore, these on-site receptors should be considered in the HRA.

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As described in the Draft EIR (see pp 4.6-9 through 4.6-10), the EIR impact analysis has been written against the backdrop of CEQA case law addressing the scope of analysis required in EIRs for potential impacts resulting from existing environmental hazards found at the site or in the vicinity of a site for a proposed project. In *California Building Industry Association v. Bay Area Air Quality Management District* (2015) 62 Cal.4th 369, 377, the California Supreme Court held that “agencies subject to CEQA generally are not required to analyze the impact of existing environmental conditions on a project’s future users or residents.” (Italics added.) The court reasoned that “ordinary CEQA analysis is concerned with a project’s impact on the environment, rather than with the environment’s impact on a project and its users or residents.” (Id. at p. 378.)

The court did not hold, however, that CEQA never requires consideration of the effects of existing environmental conditions on the future occupants or users of a proposed project. But the circumstances in which such conditions may be considered are narrow: “when a proposed project risks exacerbating those environmental hazards or conditions that already exist, an agency must analyze the potential impact of such hazards on future residents or users. In those specific instances, it is the project’s impact on the environment—and not the environment’s impact on the project—that compels an evaluation of how future residents or users could be affected by exacerbated conditions.” (Id. at pp. 377-378, italics added.)

For this reason, the construction and operational HRAs prepared for the project (Draft EIR Appendix J) did not analyze potential impacts on onsite sensitive receptors. With respect to construction-related air pollutant emissions and impacts on hospital visitors and employees, as stated on page 4.1-35 of Section 4.1, Air Quality, the proposed project would develop a dust control plan in addition to complying with SJVAPCD Rule 8021 to minimize dust creation and avoid pollutants from entering the air handling systems of patient care buildings during construction. Examples of these measures

Comment Letter 2 (continued)

include, but are not limited to, pre-watering of soils prior to cut and fill activities, stabilizing stockpiled materials, directing construction traffic to established haul routes, locating staging areas away from buildings with patient care, and installing upwind fencing to prevent material movement on site.

Also, the hospital is currently and would continue to be subject to the California Department of Health Care Access and Information (HCAI) guidelines which require a minimum of MERV 13 filtration in hospital settings and may require higher MERV filtration for more sensitive or vulnerable individuals. The use of MERV 13 filtration would reduce exposure to diesel particulate matter (DPM) of visitors and workers during project operation. As stated in Section 4.1 (pages 4.1-43 to 4.1-44), the proposed project includes mitigation measure 4.1-1 that would reduce construction-related air pollutant emissions including DPM. The mitigation measure requires the use of CARB-certified Tier 4 Final engines for all diesel-powered construction equipment pieces that are 50 horsepower or greater. Therefore, the results of the HRAs prepared for the project would remain unchanged and the project would result in a less-than-significant cancer and chronic health risk impact.

Comment Letter 2 (continued)

- The HRA incorporated the fraction of time at home (FAH) option when calculating residential cancer risk. The FAH option should not be selected without prior justification and District approval, since it is not guaranteed all residential receptors would be away from their home, every day for eight hours a day. The HRA should evaluate potential health risk for receptors that potentially stay at home during the day (e.g.: homeschooling; teleworking).

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Please see Response to Comment 2-5 for revisions made to the HRA modeling and Chapter 3, Changes to the Draft EIR.

Comment Letter 2 (continued)

- The HRA used deposition rates of 0.05 meters per second for multi-pathway analysis. However, the default deposition rate value of 0.02 meters per second is recommended for emissions sources that have verifiable particulate matter control devices or for emission sources that may be uncontrolled but emit only particulate matter that is 10 microns or less (e.g.: internal combustion engines, mobile sources, etc.). For this reason, the District recommends the deposition rate of 0.02 meters per second be used for the HRA, since the health risk is primarily driven by combustion sources.

2-8

2-8 Please see Response to Comment 2-5 for revisions made to the HRA modeling and Chapter 3, Changes to the Draft EIR.

Comment Letter 2 (continued)

4) Truck Routing

Truck routing involves the assessment of which roads Heavy Heavy-Duty (HHD) trucks take to and from their destination, and the emissions impact that the HHD trucks may have on residential communities and sensitive receptors.

As the Project includes a new utility plant, expansion of existing generator building, and other new support facilities, it has the potential for an increase in HHD truck trips, the District recommends the City evaluate HHD truck routing patterns for the Project, with the aim of limiting exposure of residential communities and sensitive receptors to emissions. This evaluation would consider the current truck routes, the quantity and type of each truck (e.g., Medium Heavy-Duty, HHD, etc.), the destination and origin of each trip, traffic volume correlation with the time of day or the day of the week, overall Vehicle Miles Traveled (VMT), and associated exhaust emissions. The truck routing evaluation would also identify alternative truck routes and their impacts on VMT and air quality.

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The project includes replacement of the existing Central Utility Plant and expansion of the existing Generator building (Draft EIR p. 2-21). The existing Generator building would be expanded up to 3,500 sf to include new emergency backup generators with a new fuel tank yard for additional on-site aboveground fuel storage (Draft EIR p. 2-18). Heavy Heavy-Duty or HHD trucks normally include tractors, trucks, straight trucks with dual rear axles, and buses used in inter-city, long-haul applications. These vehicles normally exceed 33,000 pounds gross vehicle weight rating (GVWR) and are the size of tractor trailer trucks. Currently, semi-trailer trucks deliver medical supplies to the campus approximately 28 days a month, and this frequency is not anticipated to increase due to the project because capacity is available in the trucks if additional supplies are needed. Any maintenance activities would require use of a pick-up truck or other small truck to conduct bi-annual maintenance. Trucks required for maintenance activities have been included in the modeling conducted for the project. Furthermore, although the project would result in a net increase of daily trips and associated mobile emissions, as shown in Tables 4.1-13 and 4.1-14 of the Draft EIR, operational emissions associated with build-out of the project would not generate emissions that would exceed the operational significance thresholds on a regional or localized basis and would not expose sensitive receptors or residential communities to emissions levels of concern. Therefore, the Draft EIR’s assessment of operational air quality impacts appropriately considers the emissions associated with the net increase in vehicle trips (including delivery trucks) and the localized operational impacts to sensitive receptors near the project site.

Comment Letter 2 (continued)

5) Vegetative Barriers and Urban Greening

The District suggests the City consider the feasibility of incorporating vegetative barriers and urban greening as a measure to further reduce air pollution exposure on sensitive receptors (e.g., residential units).

While various emission control techniques and programs exist to reduce air quality emissions from mobile and stationary sources, vegetative barriers have been shown to be an additional measure to potentially reduce a population’s exposure to air

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pollution through the interception of airborne particles and the update of gaseous pollutants. Examples of vegetative barriers include, but are not limited to the following: trees, bushes, shrubs, or a mix of these. Generally, a higher and thicker vegetative barrier with full coverage will result in greater reductions in downwind pollutant concentrations. In the same manner, urban greening is also a way to help improve air quality and public health in addition to enhancing the overall beautification of a community with drought tolerant, low-maintenance greenery.

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The project includes a landscaping plan that provides a mix of new trees, groundcover and shrub plantings, and gardens throughout the area where the new buildings are proposed, as described on page 2-31 of the Draft EIR. The plant palette shall be California-adapted, long-lived, drought-tolerant, non-toxic and non-invasive, consistent with the Master Development Plan. California native plant species shall be incorporated where appropriate. All plant material shall have a very low water use, low water use, or medium water use rating according to the Water Use Classification of Landscape Species rating system.

Comment Letter 2 (continued)

6) Clean Lawn and Garden Equipment in the Community

Gas-powered lawn and garden equipment have the potential to result in an increase of NOx and PM2.5 emissions. Utilizing electric lawn care equipment can provide residents with immediate economic, environmental, and health benefits. The District recommends the Project proponent consider the District’s Clean Green Yard Machines (CGYM) program which provides incentive funding for replacement of existing gas powered lawn and garden equipment. More information on the District CGYM program and funding can be found at:
<http://www.valleyair.org/grants/cgym.htm>
 and <http://valleyair.org/grants/cgym-commercial.htm>.

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The proposed project would use landscaping and maintenance vendors that would be subject to the state’s SORE Regulations, which were adopted in December 2021 and requires most newly manufactured SORE, such as those found in leaf blowers, lawn mowers, and other equipment, to be zero emission starting in 2024. Therefore, the project’s landscaping equipment emissions would be reduced over time as zero-emission landscaping equipment becomes more prevalent consistent with state requirements. See also Response to Comment 2-1.

Comment Letter 2 (continued)

7) On-Site Solar Deployment

It is the policy of the State of California that renewable energy resources and zero-carbon resources supply 100% of retail sales of electricity to California end-use customers by December 31, 2045. While various emission control techniques and programs exist to reduce air quality emissions from mobile and stationary sources, the production of solar energy is contributing to improving air quality and public health. The District suggests that the City consider incorporating solar power systems as an emission reduction strategy for the Project.

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The commenter is correct; the state is planning to achieve carbon neutrality as soon as possible (no later than 2045) per the California Air Resources Board *Final 2022 Scoping Plan for Achieving Carbon Neutrality* approved in December 2022 (Draft EIR pp 4.7-11). The project is proposing to incorporate renewable energy sources including photovoltaic (if feasible as discussed below), solar hot water, cogeneration, fuel cells, geothermal, and wind where economically viable through the use of Power Purchase Agreements and internal funding (Draft EIR p. 2-19). A solar panel vendor engaged by CommonSpirit Health has estimated that the power requirements of the existing plus expanded health delivery facilities on the medical center campus would require approximately 32 acres of ground-mounted solar panels. Additional land would be required to accommodate battery storage for use at night and during overcast days and inclement weather. The entire medical center campus occupies slightly less than 19 acres of land, with limited space for the construction of new buildings and support facilities. To allow the project to be self-sufficient from solar power generation, the project would require approximately additional 32 acres of land offsite. See the preliminary responses from Daniel Hunter of Ameresco, Inc., a renewable energy and energy efficiency company dated August 1, 2023, and attached hereto as Exhibit A within Appendix B of this Final EIR.

Purchasing off-site land sufficient to accommodate 32 acres of solar panels and battery storage would result in additional environmental impacts, including transmission lines to convey power from any solar panel and battery farm to the medical center. In addition, the cost of purchasing sufficient off-site land to accommodate such a solar panel and battery farm, in addition to the cost of purchasing and installing the solar panels and the power conveyance mechanism(s) from any such off-site solar panel farm to the medical center campus, would be extraordinarily expensive.

If the proposed project were required to undertake offsite construction on this scale, such mitigation would more than double the size of the project and would add a huge amount of complexity. It would also require the applicant, a nonprofit health care provider, to enter into an entirely different industry – the renewable energy industry. CEQA does not require, in the name of mitigation, that a project be dramatically redefined and expanded in scope in such a manner. (*Concerned Citizens of South Central Los Angeles v. Los Angeles Unified School District* (1994) 24 Cal.App.4th 826, 842 [lead agency was not required to consider a mitigation measure “which itself may constitute a project at least as complex, ambitious, and costly as the [proposed] project itself”].)

Here, rather than redefine an infill hospital expansion project into a combined health care and energy project, it makes far more practical sense to allow the applicant to receive electricity from

Comment Letter 2 (continued)

the existing electrical grid. Notably, that grid is gradually being transformed into what ultimately will become (by 2045 or earlier) a carbon free system. Utility providers or individual entrepreneurs in the energy industry are developing forms of renewable electricity, such as solar, wind and battery storage. State law provides incentives for this kind of energy development through the Renewables Portfolio Standards (RPS) and to meet state requirements, including CARB’s Climate Change Scoping Plan. (See Draft EIR, pp. 4.7-14 – 4.7-15 [discussing, among other laws, Senate Bills 350, 100, and 1020].)

The Devenney Group, Ltd, Architects, specializing in healthcare planning and design services to healthcare providers over the course of sixty years and in seventeen states and Canada, prepared a series of exhibits depicting which roof surfaces on the existing medical center buildings, as well as the Acute Care Hospital Tower and Parking Structure, might be able to accommodate solar panels. The exhibits also depict the progression of shade across the site in two-hour increments during the winter and summer solstices, reflecting another factor in the potential use of solar panels on the site. The exhibits state that approximately 24% of the rooftops might be available for solar panel installation before consideration of structural factors, representing approximately 12% of the entire medical center campus. These illustrations are presented as Exhibit B within Appendix B of this Final EIR.

Given that there are still considerable design and engineering work still to be done on the proposed project, and that such work will not be undertaken unless and until the City Council approves the proposed project,¹ the applicant has not yet made a determination regarding how much of the roof area deemed possibly suitable for solar panels can in fact accommodate solar panels after considering the weight of the panels, the wind load associated with the panels, and the infrastructure required to convey power from the panels to the hospital uses. In addition, the Devenney Group recommends a portion of roof areas on hospitals be reserved to accommodate the installation of new technologies and other hospital infrastructure as the availability of and need for such modernization evolves over time. See the letter addressing this topic from Dudley Campbell, Chief Operations Officer, Devenney Group, attached hereto as Exhibit C within Appendix B of this Final EIR. Mr. Campbell expresses an opinion, based on the experience of the Devenney Group with design elements of hospitals, that installing solar panels on these rooftops would be impractical. The letter from Silverman & Light, Inc., electrical engineers, arrives at the same conclusion. See the

¹ A project description in an EIR need only include “[a] *general description* of the project’s technical, economic, and environmental characteristics, considering the principal engineering proposals if any and supporting public service facilities.” (CEQA Guidelines, § 15124, subd. (c), italics added.) This level of details does *not* require “engineering plans,” as such plans would likely include “extensive detail beyond that needed for evaluation and review of the environmental impact” in violation of Guidelines section 15124.” (*Dry Creek Citizens Coalition v. County of Tulare* (1999) 70 Cal.App.4th 20, 28.) This principle makes sense because “[a] general description of a project element can be provided earlier in the process than a detailed engineering plan and is more amenable to modification to reflect environmental concerns.” (*Id.* at p. 28.) In practice, “final design, engineering and construction plans are always done *after conditional project approval* and are often driven by the conditions of approval.” (*Id.* at p. 35, italics added; see also *Ocean View Estates Homeowners Assn., Inc. v. Montecito Water Dist.* (2004) 116 Cal.App.4th 396, 400-401 [“Mitigation measures stated in a MND need not specify precise details of design. Having recognized a significant environmental impact and having determined that mitigation measures may reduce the impact to insignificance, the MND may leave the details to engineers”].)

Comment Letter 2 (continued)

memorandum from Silverman & Lighting dated July 30, 2023, attached as Exhibit D within Appendix B of this Final EIR.

As noted elsewhere in this response, the same Devenney Group exhibits include an illustration of shadows on potential solar sites, decreasing the usefulness of some of the otherwise easier areas for solar installation, for example, the Emergency Department surface parking area between the new Acute Care Hospital Tower and the new Parking Structure. Installing solar panels on the roof of the Parking Structure, excepting the space dedicated to the heliports, drones, and parking for same, may be acceptable provided there is no interference with helicopter and drone operations.

Comment Letter 2 (continued)

8) Electric Vehicle Chargers

To support and accelerate the installation of electric vehicle charging equipment and development of required infrastructure, the District offers incentives to public agencies, businesses, and property owners of multi-unit dwellings to install electric charging infrastructure (Level 2 and 3 chargers). The purpose of the District's Charge Up! Incentive program is to promote clean air alternative-fuel technologies and the use of low or zero-emission vehicles.

Please visit www.valleyair.org/grants/chargeup.htm for more information.

2-13

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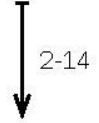
The project would include electrical vehicle spaces, as required by the California Green Building Standards Code (Title 24, Part 11 (CALGreen) at the time of issuance of a building permit (Draft EIR p. 2-17). The number of electric vehicle charging stations or spaces would also increase by 2030 according to demand, in accordance with the project's sustainability goals listed on page 2-39 of the Draft EIR. The installation of operational charging stations will be a function of market demand and the availability of power from PG&E or other reliable providers of electricity sufficient to meet the demand created by the charging stations. The project's TDM Plan would provide for ongoing evaluation of the number of operational charging stations needed for both vehicles and bicycles. If the demand has exceeded the supply, the TDM Plan would be updated to provide a timeline for the phased increase of operational electrical vehicle charging stations with the goal that supply remains slightly greater than demand, as a means of incentivizing the purchase and use of electric vehicles and bicycles.

The Air District's Charge Up! Incentive Program is noted and may be relevant to the project. The comment is noted, and no further response is required.

Comment Letter 2 (continued)

9) **District Rules and Regulations**

The District issues permits for many types of air pollution sources, and regulates some activities that do not require permits. A project subject to District rules and



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Comment Letter 2 (continued)

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regulations would reduce its impacts on air quality through compliance with the District’s regulatory framework. In general, a regulation is a collection of individual rules, each of which deals with a specific topic. As an example, Regulation II (Permits) includes District Rule 2010 (Permits Required), Rule 2201 (New and Modified Stationary Source Review), Rule 2520 (Federally Mandated Operating Permits), and several other rules pertaining to District permitting requirements and processes.

The list of rules below is neither exhaustive nor exclusive. Current District rules can be found online at: www.valleyair.org/rules/1ruleslist.htm. To identify other District rules or regulations that apply to future projects, or to obtain information about District permit requirements, the project proponents are strongly encouraged to contact the District’s Small Business Assistance (SBA) Office at (209) 557-6446.

9a) District Rules 2010 and 2201 - Air Quality Permitting for Stationary Sources

This Project will be subject to District Rule 2010 (Permits Required) and Rule 2201 (New and Modified Stationary Source Review) and will require District permits. Prior to construction, the Project proponent should submit to the District an application for an ATC. For further information or assistance, the project proponent may contact the District’s SBA Office at (209) 557-6446.

9b) District Rule 9510 - Indirect Source Review (ISR)

The Project is subject to District Rule 9510 because it will receives a project-level discretionary approval from a public agency and will equal or exceed 20,000 square feet of medical space.

The purpose of District Rule 9510 is to reduce the growth in both NOx and PM emissions associated with development and transportation projects from mobile and area sources; specifically, the emissions associated with the construction and subsequent operation of development projects. The ISR Rule requires developers to mitigate their NOx and PM emissions by incorporating clean air design elements into their projects. Should the proposed development project clean air design elements be insufficient to meet the required emission reductions, developers must pay a fee that ultimately funds incentive projects to achieve off-site emissions reductions.

Per Section 5.0 of the ISR Rule, an Air Impact Assessment (AIA) application is required to be submitted no later than applying for project-level approval from a public agency. As of the date of this letter, the District has not received an AIA application for this Project. Please inform the project proponent to immediately submit an AIA application to the District to comply with District Rule 9510 so that proper mitigation and clean air design under ISR can be incorporated into



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Cont.

Comment Letter 2 (continued)

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the Project's design. One AIA application should be submitted for the entire Project.

Information about how to comply with District Rule 9510 can be found online at: <http://www.valleyair.org/ISR/ISRHome.htm>.

The AIA application form can be found online at: <http://www.valleyair.org/ISR/ISRFormsAndApplications.htm>.

District staff is available to provide assistance and can be reached by phone at (559) 230-5900 or by email at ISR@valleyair.org.

9c) District Rule 4002 (National Emissions Standards for Hazardous Air Pollutants)

The Project will be subject to District Rule 4002 since the Project will include demolition, renovation, and removal of existing structures. To protect the public from uncontrolled emissions of asbestos, this rule requires a thorough inspection for asbestos to be conducted before any regulated facility is demolished or renovated. Any asbestos present must be handled in accordance with established work practice standards and disposal requirements.

Information on how to comply with District Rule 4002 can be found online at: <http://www.valleyair.org/busind/comply/asbestosbultn.htm>.

9d) District Rule 4601 (Architectural Coatings)

The Project will be subject to District Rule 4601 since it is expected to utilize architectural coatings. Architectural coatings are paints, varnishes, sealers, or stains that are applied to structures, portable buildings, pavements or curbs. The purpose of this rule is to limit VOC emissions from architectural coatings. In addition, this rule specifies architectural coatings storage, cleanup and labeling requirements. Additional information on how to comply with District Rule 4601 requirements can be found online at: <http://www.valleyair.org/rules/currnrules/r4601.pdf>

9e) District Regulation VIII (Fugitive PM10 Prohibitions)

The project proponent may be required to submit a Construction Notification Form or submit and receive approval of a Dust Control Plan prior to commencing any earthmoving activities as described in Regulation VIII, specifically Rule 8021 – *Construction, Demolition, Excavation, Extraction, and Other Earthmoving Activities*.



2-14
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Comment Letter 2 (continued)

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Should the project result in at least 1-acre in size, the project proponent shall provide written notification to the District at least 48 hours prior to the project proponents intent to commence any earthmoving activities pursuant to District Rule 8021 (Construction, Demolition, Excavation, Extraction, and Other Earthmoving Activities). Also, should the project result in the disturbance of 5-acres or more, or will include moving, depositing, or relocating more than 2,500 cubic yards per day of bulk materials, the project proponent shall submit to the District a Dust Control Plan pursuant to District Rule 8021 (Construction, Demolition, Excavation, Extraction, and Other Earthmoving Activities). For additional information regarding the written notification or Dust Control Plan requirements, please contact District Compliance staff at (559) 230-5950.

The application for both the Construction Notification and Dust Control Plan can be found online at:
<https://www.valleyair.org/busind/comply/PM10/forms/DCP-Form.docx>

Information about District Regulation VIII can be found online at:
http://www.valleyair.org/busind/comply/pm10/compliance_pm10.htm

9f) Other District Rules and Regulations

The Project may also be subject to the following District rules: Rule 4102 (Nuisance) and Rule 4641 (Cutback, Slow Cure, and Emulsified Asphalt, Paving and Maintenance Operations).

2-14
 Cont.

2-14 The project is required to comply and will comply with all applicable SJVAPCD regulations and rules, including those listed above. The comment does not address the adequacy of the Draft EIR; therefore, no further response is required.

Comment Letter 2 (continued)

10) District Comment Letter

The District recommends that a copy of the District's comments be provided to the Project proponent.

If you have any questions or require further information, please contact Cherie Reed by e-mail at Cherie.Reed@valleyair.org or by phone at (559) 230-5940.

Sincerely,

Brian Clements
Director of Permit Services



Mark Montelongo
Program Manager

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The project applicant has received a copy of the Air District's comments, as requested. The comment does not address the adequacy of the Draft EIR; therefore, no further response is required.

Comment Letter 3

Comment Letter 3

GILL MEDICAL CENTER, LLC
P.O. BOX 1450
LODI, CA95241

June 1, 2023

Via Email

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Re: Comments of Gill Medical Center, LLC on Draft Environmental Impact Report for St. Joseph’s Medical Center Hospital Expansion Project (SCH No. 2021120439)

Dear Planning Manager Moore and Senior Project Manager Kronenberg:

Gill Medical Center, LLC (“GMC”) respectfully submits these comments on the Draft Environmental Impact Report (“DEIR”) prepared for the proposed St. Joseph’s Medical Center Hospital Expansion Project (“Project”). GMC owns real property located directly across California Street from the Project, commonly known as 1707 N. California Street (hereafter the “GMC Property”; see aerial image attached as **Exhibit A**).

While GMC supports the development of further hospital services at this location, GMC also believes it is in all parties’ interests to ensure such development is consistent with the City’s General Plan, zoning ordinance, and Housing Action Plan; that the public and decisionmakers fully understand the Project’s impacts to housing availability and the Applicant’s role in affecting such availability; and that significant environmental impacts from the Project are fully considered through proposed mitigation measures and project alternatives as required by the California Environmental Quality Act (Pub. Res. C. §§21000 et seq. and Tit. 14 Cal. Code of Regs. §§15000, et seq., hereafter “CEQA”).

3-1


3-1 The comment notes general concerns relative to the analysis contained in the Draft EIR. Please see responses provided to specific comments below. The comment does not address the adequacy of the Draft EIR; therefore, no further response is required.

Comment Letter 3 (continued)

The DEIR Must Consider the Project’s Impacts to Housing Availability in the City of Stockton

The DEIR notes that “[a]t full project build-out, the Medical Center would include approximately 3,230 employees, including doctors, nurses, and administrative staff; this represents an increase of 365 employees from the current total of 2,865.” (DEIR at 4.7-29). But the EIR never addresses the environmental setting of housing under-supply and how this Project will impact that supply. Nor does it address mitigating significant

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environmental impacts from the project by including housing development as part of the Project’s master plan.

3-2
Cont.



3-2

As indicated in the comment, the project is proposing to increase the number of employees by approximately 365. In Chapter 2, Project Description, it states on page 2-17 that the project would include “approximately 365 new employees, including residents, medical staff, medical students, and facilities staff would be required over time.” The City of Stockton’s Envision Stockton 2040 General Plan includes a goal of attracting new businesses that provide high-quality jobs to the local workforce (City of Stockton 2018, p. 2-14). The General Plan EIR evaluates a certain level of development anticipated to occur under the General Plan. This includes the addition of up to 63,200 new jobs and 40,900 new dwelling units (City of Stockton 2018, p. 3-20). The General Plan also provides for 4,400 new units by 2040 in the Greater Downtown area (see Policy LU-2.2). The City’s General Plan has planned for and accommodates development of new housing to support the creation of new jobs.

According to the U.S. Bureau of Labor Statistics, as of March 2023 the City’s unemployment rate for Education and Health Services was 7.1% and for the Civilian Labor Force the rate was 6.7% (U.S. Department of Labor). Given the unemployment rate in the City it is assumed, similar to construction workers, a majority of future employees would already live in the City or in the County and would not require relocation. The addition of approximately 365 new jobs would not be considered large enough to be growth inducing necessitating construction of additional housing. The General Plan includes up to 4,400 new dwelling units to be constructed in the Greater Downtown area, in part, so that future employees can live close to their jobs and commute using transportation modes that

Comment Letter 3 (continued)

support the City’s desire to reduce vehicle miles traveled (VMT) and resulting greenhouse gas emissions.

The commenter also argues that the Draft EIR is deficient for failing to address the potential impact of the proposed project on the City’s alleged “under-supply” of housing stock. The commenter also faults the Draft EIR for purportedly failing to try to mitigate this alleged impact through the inclusion of new housing as a component of the proposed project.

The commenter raises planning issues involving potential economic and social impacts, and not environmental impacts. Although a city’s “housing stock,” in the form of existing physical structures, is part of the “man-made” environment, the occupation of such structures by people employed by the proposed project would not constitute an adverse change to that environment. The structures would be unaffected. To the extent that the proposed project could indirectly contribute to the need to develop raw land for additional housing, the construction of any new structures would cause *adverse* effects on the environment (e.g., the loss of open space or habitat), and thus could *not* constitute mitigation for environmental effects resulting from project approval. Mitigation, by definition, is supposed to reduce or avoid adverse effects, and not cause them. (CEQA Guidelines, Section 15370.)

Here, the possibility that the proposed project would indirectly create the need for new housing beyond that which already exists, or is already planned, is not reasonably foreseeable. Rather, such a scenario is remote and speculative. The commenter refers to a purported “under-supply” of housing but offers no specific evidence indicating that any increase in the local work force associated with the proposed project could not be absorbed by existing housing stock or by future housing anticipated in the City’s General Plan or in the General Plans of other nearby jurisdictions such as San Joaquin County, as noted previously.

The definition of “environment” in CEQA Guidelines Section 15360 reflects the Legislature’s concern about the potential for new development to result in impacts of the following kinds: the loss of habitat and open space; air, water, and noise pollution; and the loss of historical and aesthetic resources. The definition is not so all-inclusive as to swallow up societal sectors involving economic and social issues.

“Environment” means “the physical conditions which exist within the area which will be affected by a proposed project including land, air, water, minerals, flora, fauna, ambient noise, and objects of historical or aesthetic significance. The area involved shall be the area in which significant effects would occur either directly or indirectly as a result of the project. The ‘environment’ includes both natural and man-made conditions.” (See also Guidelines Section 15382 [defines “significant effect on the environment”].)

This focus on ecological issues and the potential for air, water, and noise pollution is consistent with legislative findings, made when CEQA was first enacted, that it was state policy, among other things, to “[t]ake all action necessary to provide the people of this state with clean air and water, enjoyment of aesthetic, natural, scenic, and historic environmental qualities, and freedom from excessive

Comment Letter 3 (continued)

noise” and to “[p]revent the elimination of fish or wildlife species due to man’s activities, insure that fish and wildlife populations do not drop below self-perpetuating levels, and preserve for future generations representations of all plant and animal communities and examples of the major periods of California history.” (Pub. Resources Code, Section 21001, subs. (b), (c).)

Based on this traditional concept of the “environment,” “[e]conomic and social impacts of proposed projects ... are *outside* CEQA’s purview.” (*Joshua Tree Downtown Business Alliance v. County of San Bernardino* (2016) 1 Cal.App.5th 677, 684, italics added; see also CEQA Guidelines, Sections 15131, subd. (a) “[e]conomic or social effects of a project shall not be treated as significant effects on the environment”, 15382 “[a]n economic or social change by itself shall not be considered a significant effect on the environment”).)

As these distinctions suggest, “project-specific demands for additional ... housing implicate social and economic, not environmental, concerns and, thus, are outside the CEQA purview.” (*San Franciscans for Reasonable Growth v. City and County of San Francisco* (1989) 209 Cal.App.3d 1502, 1521, fn. 13 (*San Franciscans*).)

The confined concept of the “environment” on which CEQA is based is also evident in court precedents holding that the concept does not include the possibility that proposed project might lead to increases in crime. (See, e.g., *City of Pasadena v. State of California* (1993) 14 Cal.App.4th 810, 827–830 [relocation of a parole office to an existing building may have had some social impacts, but “CEQA does not address the purely social effects of a project” without a physical change in the environment]; *Baird v. County of Contra Costa* (1995) 32 Cal.App.4th 1464, 1469–1470, fn. 2 [“increased crime...is not a proper subject of CEQA inquiry”].) Nor is an amorphous concept such as “community character” an aspect of “the environment,” except insofar as the concept involves aesthetic considerations. (*Preserve Poway v. City of Poway* (2016) 245 Cal.App.4th 560, 576-577.)

Here, the definitions and principles discussed above lead to the conclusion that a potential undersupply of land planned and zoned for future housing stock is *not* a part of the physical environment. Rather, such a shortfall of land would be a planning issue to be addressed through planning mechanisms such as general plan amendments, zoning changes, and the like. As the courts have said, “CEQA nowhere calls for evaluation of the impacts of a proposed project on an existing general plan; it concerns itself with the impacts of the project on the environment, defined as the existing physical conditions in the affected area.” (*Environmental Planning & Information Council v. County of El Dorado* (1982) 131 Cal.App.3d 350, 355; see also *Cathay Mortuary, Inc. v. San Francisco Planning Com.* (1989) 207 Cal.App.3d 275, 281 [rejecting attack on mitigated negative declaration for a proposed project on mortuary site, where a project opponent raised “planning” issues rather than environmental issues].)

As mentioned above, the fact that an “undersupply” of land planned and zoned for a particular use of property, such as housing, is not a part of the CEQA-protected “environment” is evident from the nature of the obvious cure for the undersupply: to devote more land to that particular use. On its face, such a cure – which would typically entail new development of raw land – would lead to

Comment Letter 3 (continued)

adverse effects on environmental resources such as flora, fauna, air and water quality, atmospheric greenhouse gas (GHG) levels, and the aesthetic qualities of open space. It can hardly be mitigation for an impact on the “environment” to require greater levels of harm to plants, animals, water and air quality, and the loss of open space.

While it is possible that the construction of new housing near jobs can sometimes contribute to the mitigation of certain environmental impacts by reducing the amount of vehicle travel (see *San Franciscans, supra*, 209 Cal.App.3d at pp. 1521-1522), housing construction normally *causes* environmental impacts rather than *reducing* them.

Comment Letter 3 (continued)

1. Environmental Setting – undersupply of housing.

“An EIR must describe existing environmental conditions in the vicinity of the proposed project, which is referred to as the ‘environmental setting’ for the project... This description of existing environmental conditions ordinarily serves as the ‘baseline’ for measuring the changes to the environment that will result from the project and for determining whether those environmental effects are significant.” (Kostka & Zischke, *Practice Under the California Environmental Quality Act*, §12.16; see also CEQA Guidelines §15125(a).) The California Supreme Court explains the EIR “must delineate environmental conditions prevailing absent the project, defining a ‘baseline’ against which predicted effects can be described and quantified.” (*Neighbors for Smart Rail v. Exposition Metro Line Construction Authority* (2013) 57 Cal.4th 439,447.)

Stockton suffers from a severe housing shortage, and the City is currently updating the General Plan Housing Element and preparing a Housing Action Plan (“HAP”) to “increase housing production by serving as a toolkit for residents, housing developers, and nonprofits identifying future potential housing locations.”¹ The DEIR does not address what impact the Project will have on available housing stock in the City.

3-3


3-3

The Draft EIR and the Initial Study (see Appendix B of the Draft EIR) prepared for the project defines the appropriate environmental baseline depending upon the issue area evaluated. As described under Response to Comment 3-2, the project would generate approximately 365 new employees, including residents, medical staff, medical students, and facilities staff (which would include administrative, janitorial, maintenance, food service, etc.) over time (Draft EIR p. 2-17). Given the location of the project site within downtown Stockton, near existing transit and housing, and an available workforce, the Draft EIR did not determine that the addition of approximately 365 new employees would be growth inducing necessitating construction of new housing (Draft EIR pp. 5-4 and 5-5). Thus, the analysis is not required to address what effect, if any, the project would have on the City and the region’s housing supply. See also Response to Comment 3-2.

Comment Letter 3 (continued)

Though not disclosed, presumably a substantial portion of the 365 new employees will be skilled workers/physicians-in-training/medical professionals who will come from outside the area and require housing. The DEIR acknowledges this increase in employees will lead to significant physical impacts, such as exceeding GHG emissions (DEIR 4.7-29 to 30) but does not address how this substantial increase in employees in the City will affect housing availability. At the same time, Section 5.6, (growth inducing impacts) provides, “As described above, the proposed project would result in approximately 365 new employees, medical residents, and students. This represents a moderate number of people that would likely be hired from the regional workforce.” (DEIR 5-5).

3-4



Importantly, the City’s update to the General Plan Housing Element acknowledges that the City needs thousands of additional housing units, and the HAP includes a focus on identifying parcels in the City for higher density and affordable housing development.²

¹ www.stockton.gov/government/departments/communityDevelop/Shape/actionPlan.html

² The Background Report for the current (2015-2023) City of Stockton General Plan Housing Element states that “Countywide, the total housing need is 40,360 new units, of which the City received 11,824 units (29.3 percent).” www.stocktonca.gov/files/HousingElementBackgroundReport.pdf at p. 4BR-56 to 57. The Background Report also notes the “need to be satisfied during the Housing Element planning period is 4,343 lower income units. This remaining RHNA for lower-income units must be accommodated by vacant and underutilized sites.” (Id. at 4BR-61)

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GMC respectfully suggests that, as part of the Project Setting and impacts analysis, the EIR should identify the extent to which these housing obligations have been satisfied and, if there remains a shortage of housing stock under the RHNA or other standards, explain what impact the development of this Project will have on that environmental setting.

3-4
Cont.



3-4 It is not clear what evidence the statement provided in the comment that “a substantial portion of the 365 new employees will be skilled workers/physicians-in-training/medical professionals who will come from outside the area and require housing” is based on. As noted in Response to Comment 3-3, the Draft EIR did not determine that the addition of approximately 365 new employees would be growth inducing necessitating construction of new housing. Thus, the analysis is not required to address what effect, if any, the project would have on the City and the region’s housing supply. See also Response to Comment 3-2.

Comment Letter 3 (continued)

To further clarify, impacts related to the project's increase in vehicle miles traveled (VMT) evaluated in the Draft EIR were determined using a variety of tools and following industry guidelines, the Draft EIR includes trip generation rates and VMT associated with hospital uses. The secondary effects associated with the increase in VMT including air quality pollutants, greenhouse gas (GHG) emissions, and also noise is then quantified using available models. As explained on page 4.7-28 of the Draft EIR, during operation of the project GHG emissions would be generated "through mobile sources (motor vehicle trips to and from the campus); area sources (landscape maintenance equipment); energy use (natural gas and electricity consumed by the proposed project); solid waste disposal; and water supply, treatment, distribution and wastewater treatment, helicopters, and stationary sources (e.g., boilers and emergency generators)." As shown in Table 4.7-6 on page 4.7-28, stationary sources would generate the greatest amount of GHGs followed by energy and mobile sources. The increase in GHG emissions was determined to be a significant impact based on factoring in all the sources of GHGs not only the increase in employees.

Comment Letter 3 (continued)

2. Project mitigation or alternatives should incorporate housing

In addition, GMC believes the Project should incorporate housing into the master development plan as a means of not only reducing impacts to housing supply through construction of the Project, but also as a means of mitigating significant environmental effects. Such a concept is fully consistent with Stockton General Plan Policy TR-2.2., which provides that new development should “Connect housing and employment development in areas with good transit access.” (DEIR 4.11-14)

In a 2019 white paper published by the American Hospital Association (“AHA”) titled, “Making the Case for Hospitals to Invest in Housing” (a copy of which is attached hereto as **Exhibit B**), the AHA notes:

While hospitals and health systems have a long history of contributing crucial services in communities, innovative approaches are needed to address systemic barriers to creating truly thriving communities. Applying tactics from across sectors, such as community development and investing, may activate systemic change that health care driven strategies have not yet been able to accomplish. Housing is one upstream determinant of health that hospitals and health systems are focused on more and more. Access to safe, affordable and stable housing is key for good health.”

(*id.* at p. 2)

Thus, AHA argues hospitals should utilize their role in communities to stimulate economic, social, and political will to increase availability of affordable housing.

The DEIR and Master Plan are, of course, silent on this point. In addition, GMC is concerned that the Applicant incorrectly believes—and has represented to the community—that zoning designations in the Project area do not allow for housing, when in fact they do. Specifically, during the April 13, 2023 Public Workshop hosted by the Applicant, representatives of St. Joseph’s parent company Dignity Health were asked about incorporating housing into the Master Development Plan. In response, a Dignity representative stated that much of the property on the Project site and surrounding area is zoned “CO” (commercial office) zoning, then incorrectly stated that this zoning designation does not allow for multifamily residential uses. In fact, it does.³

³In this same April 13, 2023, public workshop, Dignity representatives also inaccurately stated that the GMC Property was never made available to St. Joseph’s for its expansion purposes. In fact, GMC *has* previously offered [00196817.]

3-5

Comment Letter 3 (continued)

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As the City is aware, the CO designation expressly permits multifamily residential development in that zoning district – either as part of a mixed-use project or as a stand-alone residential project. Indeed, last year GMC worked with the City to rezone the entirety of the GMC Property to CO (the western portion was previously zoned for low-density residential) for purposes of developing that property as a mixed-use project that would incorporate commercial office space and multi-family residential uses.

Hospital representatives are certainly aware that the current “CO” zoning of the GMC Property supports multi-family residential, as GMC and Dignity are currently involved in litigation arising out of Dignity’s attempt to prevent construction of any type of multi-family residential uses at the GMC Property by invoking obsolete deed restrictions. A copy of the complaint filed and served in *Gill Medical Center, LLC v. Dignity Health*, San Joaquin County Superior Court Case No. STK-CV-UCC-2022-0010368, is attached hereto as **Exhibit C**.

↑
3-5
Cont.

3-5

As explained in Response to Comment 3-2, a housing shortfall is not an environmental condition that, when made arguably worse, represents an adverse environmental impact subject to CEQA. Indeed, construction of new housing typically causes adverse environmental effects rather than reducing or avoiding them due to an increase in short-term construction impacts, increase in greenhouse gas emissions and vehicle miles traveled, potential to impact special-status plant and wildlife species, and increase in demand for public utilities and services, for example. The Draft EIR therefore was not required to propose housing as a mitigation measure for the purported housing undersupply or to formulate an alternative that includes a housing component.

Under CEQA, public agencies should not approve projects with “significant environmental impacts” where there are feasible mitigation measures or feasible alternatives that would substantially lessen those significant impacts. (Pub. Resources Code, Section 21002.) This principle is known as the “substantive mandate” of CEQA. (*Mountain Lion Foundation v. Fish & Game Commission* (1997) 16 Cal.4th 105, 134.)

As means of effectuating this substantive mandate, “alternatives and mitigation measures have the same function—diminishing or avoiding adverse environmental effects.” (*Laurel Heights Improvement Assn. v. Regents of University of California* (1988) 47 Cal.3d 376, 403 (*Laurel Heights*)). This same function is evident from the descriptions of mitigation measures and alternatives in the CEQA Guidelines. Section 15126.4(a) states that a mitigation measure in an EIR should “minimize significant adverse impacts[.]” Section 15126.6(a) states that EIR alternatives should “avoid or substantially lessen any of the significant effects of the project” while “attain[ing] most of the basic objectives of the project[.]” (*Id.*, Section 15126.6, subd. (a).) It is clear from this language that both mitigation measures and alternatives are responses to significant

Comment Letter 3 (continued)

environmental effects that would occur with a proposed project. Even supposing that a proposed job-rich project might exacerbate an undersupply of housing or land planned and zoned for housing, such a consequence is not an adverse effect on the physical environment.

Here, the Draft EIR for the proposed project appropriately does not identify a housing shortfall as a significant environmental effect and thus does not propose any mitigation measures or alternatives that would require housing construction. Nor would any such mitigation or alternative be consistent with the underlying purpose of the project or its project objectives. (See *California Native Plant Society v. City of Santa Cruz* (2009) 177 Cal.App.4th 957, 1001 (CNPS) [“an alternative ‘may be found infeasible on the ground it is inconsistent with the project objectives as long as the finding is supported by substantial evidence in the record’”]; *San Diego Citizenry Group v. County of San Diego* (2013) 219 Cal.App.4th 1, 15-16, 19 [court upholds a board of supervisors’ rejection of mitigation measures deemed to be inconsistent with project goals and objectives].)

The underlying purpose of the proposed project is to make the St. Joseph’s Medical Center as expanded “the premier health care delivery network and teaching institution for the Northern San Joaquin Valley.” (Draft EIR, p. 2.10.) Consistent with that underlying purpose, the various project objectives all relate to the operation of such a health care facility. (*Id.*, pp. 2-10 – 2-11.) Under the circumstances, the Draft EIR was not required to include an alternative with a housing component or to require the applicant to build new housing.

“[A] lead agency may structure its EIR alternative analysis around a reasonable definition of underlying purpose and need not study alternatives that cannot achieve that basic goal.” (*In re Bay-Delta Programmatic Environmental Impact Report Coordinated Proceedings* (2008) 43 Cal.4th 1143, 1166 (*Bay-Delta*)). Thus, an EIR for a proposed hospital expansion to be carried out by a nonprofit corporation that builds and operates hospitals but does not build, sell, or manage housing need not include an alternative with a housing component. Rather, the project applicant may rely on the host city and other nearby jurisdictions to supply sufficient land planned and zoned for housing to meet any foreseeable housing demand to which the project contributes. Under state law, a Metropolitan Planning Organization such as the San Joaquin Council of Governments (SJCOG), based on data received from the California Department of Housing and Community Development (HCD), assigns to each city and county in its region Regional Housing Needs Allocation (RHNA) numbers that embody the number of housing units that these local government bodies should plan for in their General Plans and zoning. (See Gov. Code, Section 65584 et seq.) The General Plans of the City of Stockton and San Joaquin County reflect those two jurisdictions’ RHNA allocations.

Here, importantly, the project site already includes an operating hospital; and the project applicant, in seeking to update and expand this existing facility, is not seeking any changes to the City’s General Plan or Zoning Ordinance. The fact that the project applicant is not seeking any changes in the City’s legislative planning framework is another reason why a legally adequate range of alternatives need not include one in which the project applicant is required to undertake a new line of business, such as the development of housing. “[A]n EIR is not ordinarily an occasion for the reconsideration or overhaul of fundamental land-use policy” as set forth in the governing general plan or zoning. (*Citizens of Goleta Valley v. Board of Supervisors* (1990) 52 Cal.3d 553, 573

Comment Letter 3 (continued)

(*Goleta*.) Where a landowner or developer proposes a project that is consistent with applicable General Plan and zoning designations, it makes little sense to question the propriety of the proposed land use, as that propriety was determined in connection with previous local legislative decisions. As the California Supreme Court has explained, “such ad hoc reconsideration of basic planning policy [is] not only unnecessary, but would [be] in contravention of the legislative goal of long-term, comprehensive planning.” (*Id.* at p. 572.) “[T]he keystone of regional planning is consistency—between the general plan, its internal elements, subordinate ordinances, and all derivative land-use decisions.” (*Ibid.*)

In general, the courts have applied a “rule of reason” when assessing the adequacy of analyses of alternatives within EIRs. (*Goleta, supra*, 52 Cal.3d at p. 565; *Hillside & Canyon Associations v. City of Los Angeles* (2000) 83 Cal. App. 4th 1252, 1264.) What is reasonable varies from one situation to another. “There is no ironclad rule governing the nature or scope of the alternatives to be discussed other than the rule of reason.” (CEQA Guidelines, Section 15126.6, subd. (a); *Mount Shasta Bioregional Ecology Center v. Center of Siskiyou* (2012) 210 Cal.App.4th 184, 199 [“there is no rule specifying a particular number of alternatives”].)

CEQA only requires the range of alternatives to have “enough of a variation to allow informed decision-making.” (*CNPS, supra*, 177 Cal.App.4th at p. 988, quoting *Mann v. Community Redevelopment Agency* (1991) 233 Cal.App.3d 1143, 1151.) “An EIR need not consider every conceivable alternative to a project” suggested by commenters (*Bay-Delta, supra*, 43 Cal.3d at p. 1163.) The mere fact that a project opponent or critic can conceptualize an additional alternative that a lead agency could have added to the EIR does not make the EIR deficient. A “project opponent or reviewing court can always imagine some additional study or analysis that might provide helpful information,” but the fact that additional information “might be helpful does not make it necessary.” (*Laurel Heights, supra*, 47 Cal.3d at p. 415; CEQA Guidelines, Section 15204, subd.(a).) Thus, a reviewing court must uphold an agency’s selection of alternatives “unless the challenger demonstrates ‘that the alternatives are manifestly unreasonable and that they do not contribute to a reasonable range of alternatives.’” (*CNPS, supra*, 177 Cal.App.4th at p. 988.)

Here, the Draft EIR meets these legal standards. Given the consistency of the proposed project with existing General Plan and zoning designations, as well as the fact that the project applicant is not in the housing business, the rule of reason did not require the City to include in the Draft EIR an alternative that contains a housing component.

Regarding the underlying Commercial, Office (CO) land use designation, the commenter is correct, this designation allows for residential uses, in addition to the hospital use, as described on page 3-2 of the Draft EIR.

Comment Letter 3 (continued)

As background, in 2006 GMC purchased from Dignity’s predecessor several separate parcels that now form a substantial portion of the GMC Property. As part of that sale, Dignity’s predecessor recorded various restrictions purporting to require that the property be developed with a 30,000 sq. ft. medical office building and that Dignity shall have the authority to review and approve any site plan for development of those particular parcels.

In 2022, following several years of discussing various development options for that property with Dignity executives, GMC presented a site plan to Dignity for review and approval that proposed the development of 30,000 sq. ft. of medical office space along California Street (as Dignity claims the deed restrictions require) and which also included 10,000 sq. ft. of commercial/administrative space, a 10,000 sq. ft. daycare, and 75 residential apartment units. The site plan also includes parking, which could be made available to Dignity.⁴ GMC proposed to Dignity that the residential units be designed to cater to Dignity physician residents, nurses, and other staff who would benefit from living adjacent to the St. Joseph’s hospital and forming a truly integrated hospital campus. Dignity representatives rejected this site plan on the basis that mixed-use residential was detrimental to the community—a suggestion flatly contradicted by City staff’s designation of this property as a top-ten Housing Action Plan Priority Site. In response to Dignity’s refusal to approve its proposed development, GMC was forced to bring suit to request a declaration that Dignity’s deed restrictions are unreasonable and unenforceable and to allow a mixed-use project with a multi-family residential component to proceed. That litigation is ongoing at this time.

3-6

to make that property available for St. Joseph’s expansion. Indeed, in 2016, St. Joseph’s leadership explicitly requested architectural renderings from GMC depicting a 250-bed hospital expansion on the property, only for the Hospital to pursue its expansion entirely to the east of California St., while refusing to participate in any project or to approve any site plan proposed by GMC since.)

⁴ Dignity currently leases the GMC Property for parking for its employees.

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3-6 The comment does not address the accuracy or adequacy of the Draft EIR; therefore, no further response is required.

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These facts are relevant to the City’s consideration of the Project because not only are the DEIR and Master Development Plan devoid of any efforts to address housing impacts from the Project, but Dignity is actively and arbitrarily preventing development of a multi-family housing project adjacent to the Project site. GMC’s effort to construct multi-family housing could not only serve many of the hospital’s hundreds of new employees, but would also serve to mitigate other environmental impacts from the Project. And Dignity can easily implement this mitigation by simply working with GMC to withdraw its opposition to development of multi-family housing adjacent to the Project Site. Indeed, approval of multi-family residential on the GMC Property reinforces Stockton General Plan Policy LU-6.1, which prioritizes the development of vacant, underutilized infill parcels, such as the Gill Property. (DEIR 3-6)

For example, even with all identified mitigation measures incorporated and all Project alternatives considered, the Project’s greenhouse gas emissions (“GHG”) impacts, as well as aesthetic impacts, will remain significant and unavoidable. Under CEQA, an EIR must propose and describe mitigation measures to minimize the significant environmental effects identified in that EIR. (*King & Gardner Farms, LLC v. County of Kern* (2020) 45 Cal.App.5th 814, 852) Likewise, the California Supreme Court has described the discussion of mitigation measures and alternatives as “the core of an EIR.” (*Citizens of Goleta Valley v. Board of Supervisors* (1990) 52 Cal.3d. 553, 564). In addition to a no-project alternative, an EIR must discuss a reasonable range of Project alternatives, that would feasibly attain most of the project’s basic objectives while reducing or avoiding any of its significant effects and evaluate the comparative merits of those alternatives. (CEQA Guidelines § 15126.6). Decisionmakers can approve an alternative to a project because they possess “the flexibility to implement that portion of a project which satisfies their environmental concerns.” (*South of Market Community Action Network v. City & County of San Francisco* (2019) 33 Cal.App.5th 321, 336)

In this instance, doing something as simple as identifying the GMC Property as future multi-family housing development, and withdrawing its opposition to GMC’s proposed mixed-use development on that property, is a feasible project alternative or mitigation measure within Dignity’s control that would not only attain all of the Project’s basic objectives, but also would work to reduce potentially significant impacts to traffic (Impact 4.1.1-1) and GHG-based significant and unavoidable impacts from the Project (Impacts 4.7-1, 4.7-2, and 4.7-3) resulting from 365 new employees, including those traveling to work at the hospital.

While the DEIR unsuccessfully attempts to mitigate these significant impacts by including additional bicycle storage and e-bike charging facilities, preparing a future transportation demand management plan that encourages ridesharing and alternative transportation, and installing dedicated electric charging stations in the parking structure, the DEIR fails to discuss any mitigation measures or alternatives that would reduce the number of employees commuting to the Project in the first place. Integrated and/or adjacent housing catering to hospital employees would do just that and could provide a feasible project change, mitigation measure, or alternative that

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would reduce these impacts to less-than-significant levels consistent with CEQA. (see Mitigation Measures 4.7-1 and 4.7-2)

↑ 3-7
Cont.

3-7

The commenter acknowledges that there is currently a legal impediment to the construction of housing on its parcel and explains that the commenter has sued the project applicant to try to remove that impediment. The commenter nevertheless insists that, despite this impediment, its parcel should be developed for that use as part of the proposed project or as a mitigation measure or alternative to the project. The commenter is essentially arguing that general CEQA principles require that the City support the commenter’s legal position in its litigation against the project applicant. The comment thus appears to be an attempt by the commenter to gain an advantage in that litigation.

Nothing in CEQA requires the City to intervene in that litigation on the side of the commenter. Rather, the City notes that, in light of the current legal impediment to building housing on the commenter’s parcel, the commenter’s proposed mitigation measure and alternative are legally infeasible.

In general, an EIR need not include, and agency decisionmakers need not approve, a purported mitigation measure or alternative that is *legally* infeasible. (CEQA Guidelines, Sections 15365 [“feasibility” means “capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, *legal*, social, and technological factors”] [*italics added*], 15091, subd. (a)(3) [decisionmakers may reject mitigation measures and alternatives as infeasible based on, among other things, “legal ... considerations”]; see also *Sequoyah Hills Homeowners Assn. v. City of Oakland* (1993) 23 Cal. App. 4th 704, 715 [city council, in rejecting an EIR alternative with fewer residential units than would be allowed under the proposed project, “found that requiring a decrease in project density would be legally infeasible in that it would be prohibited by Government Code section 65589.5, subdivision (j)”).)

Furthermore, even where a Draft EIR identifies a significant unavoidable effect and a commenter proposes mitigation addressing that significant effect, a lead agency may reject the proposed measure if it is facially infeasible. (*Los Angeles Unified School Dist. v. City of Los Angeles* (1997) 58 Cal.App.4th 1019, 1029.) The commenter’s proposal is facially infeasible from a legal standpoint.

There are other parcels within close proximity to the project site on which new housing units could be built under current general plan and zoning designations (e.g., medium density residential and commercial zoning that permit multi-family housing) across N. California Street to the west, as well as to the north across E. Cleveland Street.

Comment Letter 3 (continued)

Finally, the commenter’s proposal assumes that, even if the applicant were willing to settle the pending litigation on the commenter’s terms, there would be numerous employees working at the hospital who would be willing to live on the project applicant’s parcel. This assumption suggests that the project applicant has some ability to dictate where its employees will live and/or that existing and future employees at an expanded hospital facility would be willing to give up their existing living arrangements in order to reside on the commenter’s parcel. This assumption is based on unsupported speculation. The City is legally unable, through mitigation, to require the project applicant to hire people that live in close proximity to the hospital. Employees are free to make their own decisions regarding where they want to live.

The Draft EIR includes a thorough analysis of project impacts, including impacts associated with an increase in greenhouse gas emissions (GHG) and the potential for the project to conflict with applicable zoning and other regulations governing scenic quality. As required under CEQA Guidelines Section 15126.4, the analysis identifies feasible mitigation to reduce the project’s contribution of GHGs (see mitigation measures 4.7-1 and 4.7-2 on pp. 4.7-31 – 4.7-32 of the Draft EIR and revised measures in Chapter 3 of this Final EIR). However, as described on page 4.7-30 of the Draft EIR, compliance with the mitigation would not reduce the significance of the impact to less than significant; therefore, the impact would be considered significant and unavoidable. In terms of aesthetics, if the Master Development Plan (MDP) were approved, the project, as proposed, would not conflict with applicable zoning or other regulations governing scenic quality, since the City’s Municipal Code would allow for the MDP to become the primary entitlement for current and future development of the Medical Center campus. However, the MDP would allow for construction that deviates from the City’s zoning development standards for building heights; therefore, it was determined because the MDP would amend City’s existing building height limits adopted for the purpose of protecting scenic quality, the project would result in a significant and unavoidable impact (Draft EIR p. 4.2-12).

The Draft EIR also includes a reasonable range of alternatives consistent with CEQA Guidelines Section 15126.6(a) “which would feasibly attain most of the basic objectives of the project but would avoid or substantially lessen any of the significant effects of the project and evaluate the comparative merits of the alternatives” (14 CCR Section 15126.6(a)). Chapter 6 of the Draft EIR evaluates project alternatives. As noted on page 6-1 of the Draft EIR, Section 15126.6(a) of the CEQA Guidelines states there is no ironclad rule governing the nature or scope of the alternatives to be discussed other than the rule of reason. Section 15126.6(f) of the CEQA Guidelines further explains that the “range of alternatives required in an EIR is governed by a ‘rule of reason’ that requires the EIR to set forth only those alternatives necessary to permit a reasoned choice.” As defined in Section 15126.6(f), the rule of reason limits alternatives analyzed to those that would avoid or substantially lessen one or more of the significant effects of a project. Of those potential alternatives, an EIR only needs to examine in detail the ones that the lead agency determines could feasibly attain most of the basic objectives of the project. The range of alternatives that was selected for analysis includes those that would result in reduced impacts when compared to those of the project.

Comment Letter 3 (continued)

The range of project alternatives selected for analysis in the Draft EIR complies with CEQA, as each alternative would avoid or substantially lessen one or more of the significant effects of the project and, together, help to foster informed decision-making and public participation. The range of alternatives evaluated in the Draft EIR is adequate and complies with CEQA.

Comment Letter 3 (continued)

Moreover, the proposed 115-foot tall parking structure contributes to significant and unavoidable aesthetic impacts from the Project. (DEIR 4.2-12) Alternative 3 proposed a “Reduced Parking Alternative” that would limit the parking tower to “ground plus 5 tiers” and a height of 65 feet (vs. 115 feet). The DEIR notes that this this alternative would attain all project objectives, but would be less effective than the proposed Project at attaining the objectives to “improve quantity, quality, and proximity of parking for patients, visitors, and staff” as well the objective of creating employment opportunities due to the reduced parking structure size and capacity (780 fewer spaces for a total of 1,200 spaces vs. 1,980 spaces). Of interest, if the Project included a residential component like that discussed above, the need for employee parking in the tower would be substantially reduced – leaving more parking available for visitors and patients.

3-8

3-8 Please see Response to Comment 3-7. The commenter’s desire to include an alternative that incorporates a residential component is noted.

Comment Letter 3 (continued)

Accordingly, GMC respectfully suggests that the EIR should include an alternative that incorporates a residential component as part of the master plan. The GMC Property, as a Housing Action Plan top-ten Priority Site in the City of Stockton, is ideally suited to mitigate the environmental, traffic and growth inducing effects that stem from this hospital expansion project.

3-9

Very truly yours,



RICKY GILL
GILL MEDICAL CENTER, LLC

Attachments:

- EXHIBIT A: Aerial Image of 1707 N. California St. (the Gill Property)
- EXHIBIT B: "Making the Case for Hospitals to Invest in Housing", AHA, 2019
- EXHIBIT C: Complaint filed in *Gill Medical Center, LLC v. Dignity Health* (San Joaquin County Superior Court Case No. STK-CV-UCC-2022-0010368)

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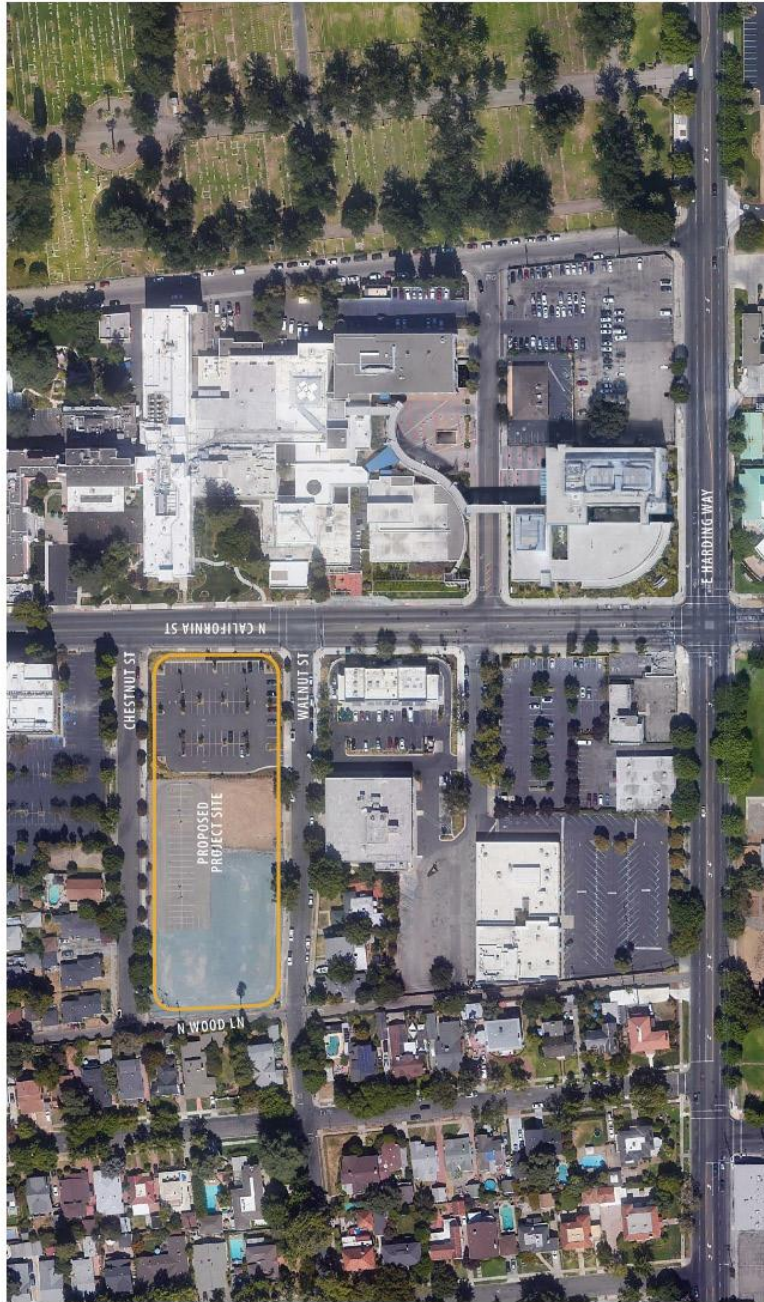
3-9 The range of project alternatives selected for analysis in the Draft EIR complies with CEQA, as each alternative would avoid or substantially lessen one or more of the significant effects of the project and, together, help to foster informed decision-making and public participation. The commenter’s desire to include an alternative that incorporates a residential component is noted. Please see Response to Comment 3-7.

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EXHIBIT A

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Comment Letter 3 (continued)



Comment Letter 3 (continued)

EXHIBIT B

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Comment Letter 3 (continued)



Making the Case for Hospitals to Invest in Housing

Improving the health of individuals—and their neighborhoods and communities as a whole—is one of the most complex and pressing challenges today in the United States. As anchor organizations, or place-based economic engines in our communities, hospitals and health systems have the opportunity to meet this challenge by making meaningful upstream investments to improve community health.

Many hospitals already are providing more than stand-alone acute care services and transforming to provide care across the continuum to promote health and well-being in their communities. Given the inextricable link between affordable, quality housing and good health, housing is one area that hospitals and health systems are starting to focus on more and more.

The American Hospital Association (AHA), in collaboration with NORC at the University of Chicago, is serving as the evaluation partner for a new initiative, Accelerating Investments for Healthy Communities (AIHC). This issue brief, the first in a series, discusses how hospitals are addressing social determinants through investments in affordable housing. It also outlines an innovative framework, the capital absorption framework, which the Center for Community Investment (CCI) developed and is now using to help health care organizations assess their local community investment system.

Accelerating Investments for Healthy Communities

The Center for Community Investment (CCI) is leading Accelerating Investments for Healthy Communities (AIHC), an initiative designed to increase health system investments in upstream determinants of health, with an emphasis on affordable housing. Launched in January 2018 and funded by the Robert Wood Johnson Foundation, the initiative is providing intensive training to a cohort of hospitals and health systems on how to refine investment strategies around affordable housing in order to leverage existing resources with community partners—and make the greatest impact on the health of the community.



During phase one (January 2018–December 2018), eight nonprofit health organizations that already were investing outside their walls were chosen to participate in an intensive series of learning labs and receive individualized consultation and support to formulate and refine strategies for affordable housing investment. Six hospitals and health systems moved on to phase two (January 2019–December 2020) and will work with CCI and local partners to expand the availability of affordable housing in their communities. (See Table 2 on page 7 for a list of the participating hospitals and health systems.)

The American Hospital Association (AHA), in collaboration with NORC at the University of Chicago, is serving as the evaluation partner to learn about investments by hospitals and health systems in their communities to improve the health of the population. The work is guided by the overarching question, “What will it take for leading health organizations to devote more and different assets to investments in affordable housing and other upstream factors that improve community health?” The AHA and NORC will conduct a mixed-methods evaluation and synthesize findings in a series of issue briefs throughout the project as well as a final report.

Comment Letter 3 (continued)

AIHC, led by CCI, is helping hospitals refine their community investment strategies around affordable housing. By collaborating with community partners and leveraging assets such as financial resources, land and expertise, health care organizations can make the greatest impact on the health of their communities.

During the initial phase of the project, the AHA and NORC identified two emerging themes for getting buy-in and making the case for investing in affordable housing:

- Mission-driven commitment to address health equity and social determinants
- Strategic alignment with care and payment models

The AHA and NORC, with funding from the Robert Wood Johnson Foundation, will continue to follow participating hospitals and health systems during the next two years, learning more and sharing observations about what drives hospitals to invest in affordable housing and what makes such initiatives successful.

Focusing on innovation as hospitals and health systems invest in affordable housing creates an opportunity to catalyze community revitalization efforts. The ongoing work of the AIHC initiative can inform and encourage other hospitals and health systems to invest in affordable housing and advance the health and well-being of their communities.

Addressing Social Determinants by Investing in Affordable Housing

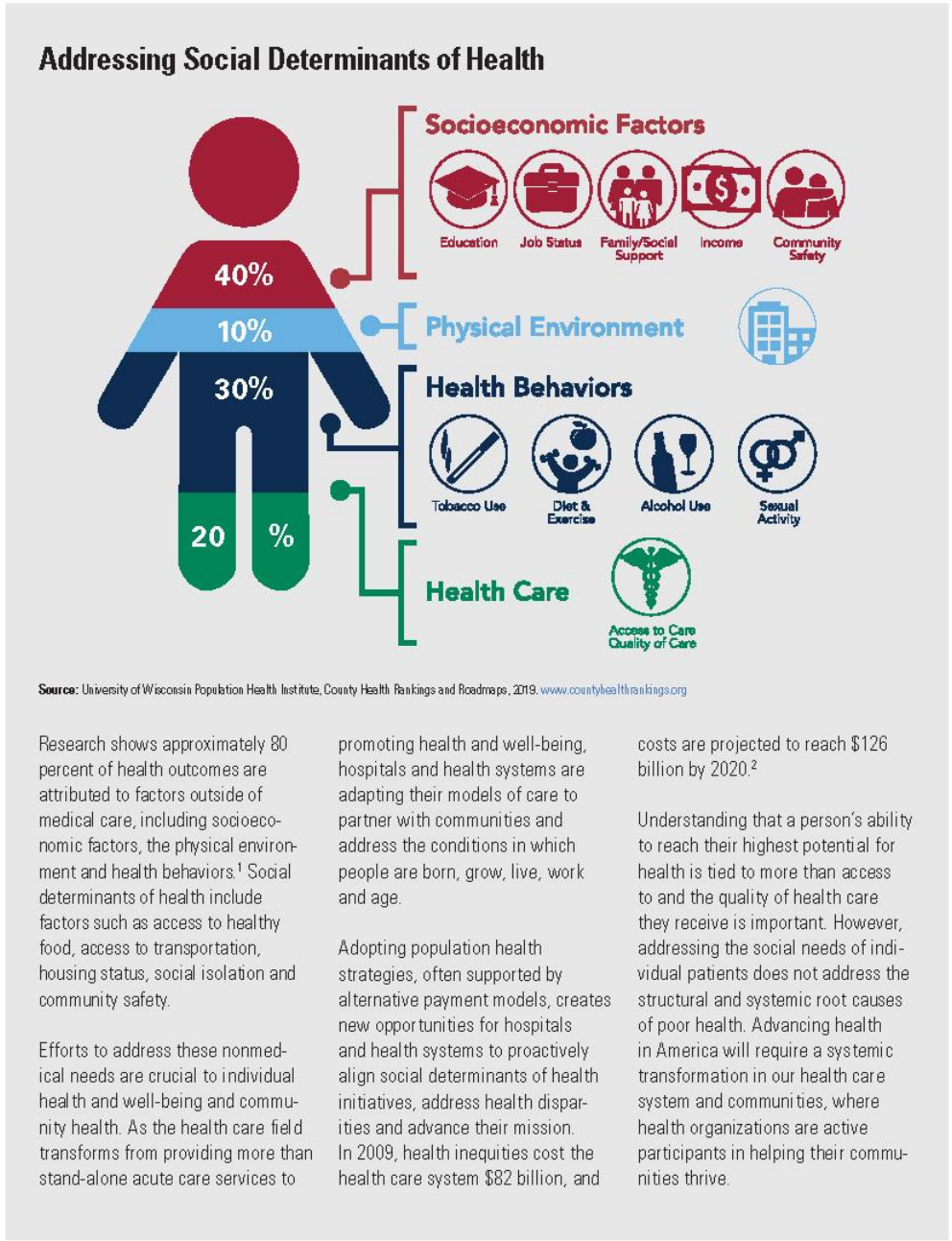
Improving the health of communities is one of the most complex and important challenges in the United States today. Given the myriad social, environmental and economic factors that contribute to health, making meaningful and sustainable improvements in the health and well-being of individuals and creating healthy communities cannot be accomplished by one organization or sector alone.

Hospitals and health systems—as anchor organizations, or place-based economic engines in their communities—have the opportunity to make meaningful upstream investments to improve community health. (See *Addressing Social Determinants of Health sidebar on page 3.*) While hospitals and health systems have a long history of contributing crucial services in communities, innovative approaches are needed to address systemic barriers to creating truly thriving communities. Applying tactics from across sectors, such as community development and investing, may activate systemic change that health care-driven strategies have not yet been able to accomplish.

Housing is one upstream determinant of health that hospitals and health systems are focused on more and more. Access to safe, affordable and stable housing is key for good health.

“Housing instability” is an umbrella term for the continuum between homelessness and stable, secure housing. (See *Figure 1, Range of Housing Types, on page 4.*) It can take many forms, such as substandard physical conditions—e.g., leaky roof, poor heating and cooling, exposure to allergens or pests—severe rent burden, or homelessness. Studies have associated housing instability with poor health and increased health care utilization. (See *Table 1, Housing Instability and Health, on page 4.*)

Comment Letter 3 (continued)



Comment Letter 3 (continued)

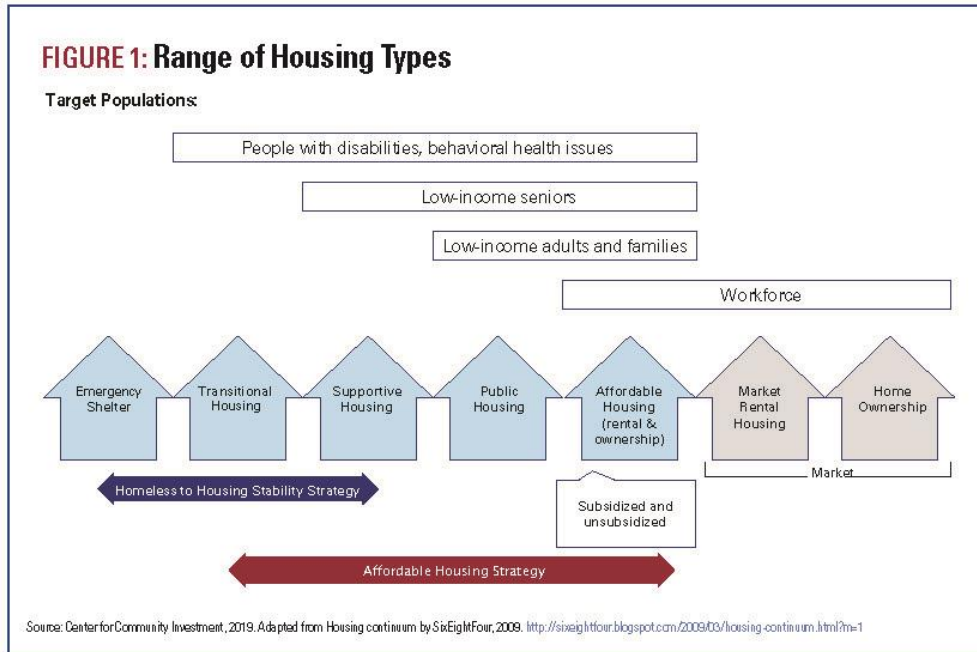


TABLE 1
Housing Instability and Health

Forms of housing instability include:	Are associated with:
<ul style="list-style-type: none"> • Homelessness • High housing costs relative to income • Overcrowding • Poor housing quality • Multiple moves 	<p>Health risks for children:</p> <ul style="list-style-type: none"> • General poor health • Asthma • Low weight • Development delays • Increased lifetime risk of depression <p>Health risks for adults:</p> <ul style="list-style-type: none"> • Reduced access to care • Postponing needed health care • Postponing needed medications • Mental distress • Difficulty sleeping • Incidents of depression

Source: Enterprise Community Partners, Inc., 2019. Adapted from *Impact of affordable housing on communities: A review of the evidence base*, 2014. <https://homefirstsmc.org/wp-content/uploads/2017/05/Impact-of-Affordable-Housing-on-Families-and-Communities.pdf>

Comment Letter 3 (continued)

Challenges for affordable housing initiatives

Supporting affordable housing is an emerging strategy for many hospitals and health systems, though some already are doing it through housing preservation, development and advocacy efforts.³ Existing and emerging affordable housing initiatives are designed to address the growing mismatch between people's income levels and housing costs by preserving or building homes that are not being produced by traditional market dynamics. As such, many of these initiatives focus on disadvantaged communities where the need is great but the conventional market is not able to meet that need. However, funding streams that hospitals have historically used to address affordable housing, such as community or philanthropic grants, may be neither sustainable nor adequate for scaling the project or truly revitalizing the community.

Opportunities for upstream investment

This is where upstream investment comes into play. Investing—paying for goods and services that will have value over time, with the expectation of some form of return—as compared to spending is an emerging tactic for addressing social determinants of health. An overall system of community investment has developed to help overcome market failures and transform disadvantaged communities. Hospital-driven investment in affordable housing initiatives can contribute to this system. To be effective, upstream investment to improve community health requires action by health care organizations as well as the existence or creation of threshold conditions in communities.

The Center for Community Investment at the Lincoln Institute of Land Policy has developed the capital absorption framework⁴ to help improve a community's ability to attract needed resources. By working through three core functions – establishing shared priorities, creating a pipeline of investable projects, and strengthening the enabling environment of policies and practices that facilitate successful investment – communities can engage new stakeholders, attract new capital, and increase the speed and scale of investments. (See *Figure 2, What Is the Capital Absorption Framework?* on page 6.) This framework can help hospitals and health systems assess their local community investment system. In turn they can explore potential roles to play in bringing new ideas, assets, and partnerships to help strengthen the system and accelerate efforts to address the social determinants of health.



Accelerating Investments for Healthy Communities

CCI launched the AIHC initiative with support from the Robert Wood Johnson Foundation to help a group of hospitals and health systems already investing in affordable housing expand the scale and impact of their work, using the capital absorption framework. AIHC aims to help participating organizations:

- think strategically and systematically about how to deploy financial resources, land and expertise;
- advance affordable housing as a platform for creating more equitable, healthier communities; and
- adopt sustainable financing mechanisms.

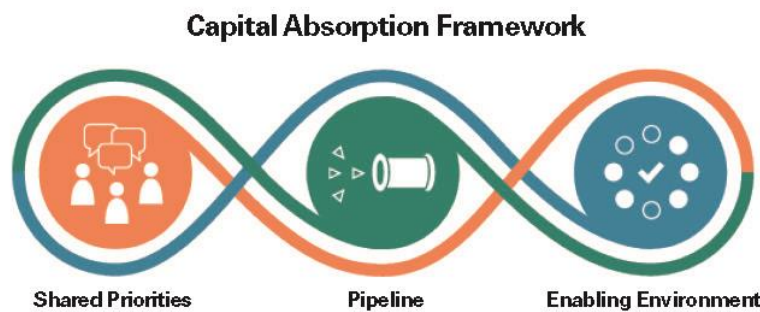
The focus is on leading hospitals and health systems to better understand what it takes to get started on this work and any barriers to implementation. This knowledge will light the path for other hospitals and health systems to invest in affordable housing and advance the health and well-being of their communities.

FIGURE 2: What Is the Capital Absorption Framework?⁴

Since 2011, the founders of CCI have been testing and refining a framework for better organizing and deploying community investment. The center designed the capital absorption framework to encourage a more systemic approach to this work and better direct investment capital to areas of need.

The capital absorption framework consists of three key components:

1. Establishing **shared priorities** across stakeholders. Participants identify the community’s highest priorities, define their targeted results and agree on a strategy to achieve them.
2. Creating a **pipeline** of deals and projects. By examining deals in progress, analyzing whether they support the priorities and considering where there may be gaps, participants build a pipeline of deals and develop a strategy for moving them forward together to achieve greater impact and efficiency.
3. Strengthening the **enabling environment**. Armed with a clear sense of shared priorities and a pipeline of deals and projects, participants determine whether the necessary policies, practices and capacities exist to facilitate those deals and then strategize ways to address missing components.



Source: Center for Community Investment, 2018.

Comment Letter 3 (continued)

AIHC Phase One: Observations and Emerging Themes

Investing in affordable housing in the manner and scale described here is new work for many hospitals and health systems. During phase one of Accelerating Investments for Healthy Communities, participating hospitals and health systems were introduced to the capital absorption framework and began building cross-disciplinary core project teams.

As evaluation partners, the AHA and NORC followed the cohort of hospitals during this learning process and began preliminary analysis, through collection of baseline data and introductory interviews, to gain insight into what it takes for hospitals to do this work. Two major themes arose during this initial evaluation period, as demonstrated by hospitals and health systems in the cohort:

- Mission-driven commitment to address health equity and social determinants
- Strategic alignment with payment and care models

Methodology

During the fall of 2018, AHA and NORC completed introductory interviews with the eight hospitals participating in phase one. Interviewees received a list of discussion topics in advance that included (1) motivating factors for investing in affordable housing, (2) the AIHC team and its structure, (3) developing an investment strategy and (4) challenges and lessons learned to date. A high-level analysis of these interviews and supporting secondary data sources[†] provided the foundation for the emerging themes identified in this issue brief.

The project seeks to engage leading hospitals with the purpose of gleaning insights for the rest of the field. As such, certain characteristics are common across the cohort, including:

1. The participating hospitals and health systems all have some history in addressing social determinants of health—and in particular, housing—with several having extensive track records investing in affordable housing.
2. Participants were seeking to expand their strategies of supporting underinvested areas and vulnerable populations.
3. Project teams included individuals with diverse roles in the hospital or health system, such as vice president of mission, vice president of philanthropy, director of community health, strategy and chief operating officer, grants officer, and manager of community benefits.

[†] Secondary data sources included the AIHC phase one applications, phase one learning lab homework assignments, and community health needs assessments.

**TABLE 2
AIHC Participants**

- Bon Secours Mercy Health**
- Boston Medical Center
- Dignity Health**
- Henry Ford Health System*
- Kaiser Permanente
- Nationwide Children’s Hospital
- ProMedica*
- UPMC

*Participation in phase one only
**Recent and/or pending merger

Comment Letter 3 (continued)

Mission-driven commitment to address health equity and social determinants

All of the participating hospitals and health systems demonstrated an underlying commitment and drive to address the social determinants of health, with an emphasis on housing. They expressed widespread acceptance that, if their goal was to advance equity and improve health, it was their responsibility to support their communities. This mission-driven commitment was linked to certain characteristics of the different types of organizations, including:

Anchor organizations. As place-based organizations that are physically rooted in their local communities, these hospitals and health systems described a sense of responsibility and commitment to their neighborhood or community. This dedication manifests itself through the desire to be an active participant in community revitalization, partner with other community stakeholders and invest in the well-being of the community.

Nonprofit. Addressing social determinants of health connects to the core mission of nonprofit hospitals and health systems. They are required to conduct community health needs assessments (CHNAs) and implement strategies to address priority health needs in their communities. This process necessitates a level of engagement and community health focus for the health care organization. While not all of the participating hospitals prioritized housing in their CHNAs, their status as nonprofit hospitals provides a platform to address community health needs.

Safety-net. As safety-net hospitals or health systems caring for vulnerable populations, these participants described a commitment to look upstream at the root causes of health and illness to address health equity issues for their patients and in the community at large.

Faith-based. These hospitals and health systems described their commitment to address equity and affordable housing in the context of their spiritual conviction and that of their founders.

The augmented focus on social determinants of health across the health care field is a component of the evolving concept of what it means to be a hospital or health system. Hospitals are providing more than stand-alone acute care services and are transforming to provide care across the continuum and promote health and well-being in their communities.

What AIHC Participants Are Saying

“Is the role of a safety net hospital... charity or is it equity? Because if you have an opportunity to go beyond filling a gap for a person that quite frankly becomes a gap again once the filler is removed, if you can alter the life course of a person so that you eliminate that gap and sort of send that person toward independence versus perpetual dependence, why wouldn't we do that?”

“We want to think of ourselves as health care providers second, in service to our main work of developing healthy communities.”

All participating hospitals and health systems noted that their ability to do this work is an outgrowth of their long-standing organizational commitment to addressing social determinants of health. Some of the hospitals chose to join the AIHC initiative for the “acceleration effect” of being part of such a cohort: They were seeking new tools and strategies to elevate the impact of their work. All participants recognized they had room to grow in how their organizations address affordable housing.

Strategic alignment with care and payment models

While mission is a driving factor for hospitals and health systems investing in affordable housing, the old mantra, “no margin, no mission” also applies for many. New care delivery and payment models are creating the strategic alignment to augment support for affordable housing. Across participating hospitals, interviewees described the alignment of affordable housing with their organization’s strategy, particularly when they had a health insurance plan or accountable care organization (ACO). Hospitals that are part of an ACO or have their own health plan are charged with addressing the drivers of poor outcomes and high costs, which link to social determinants of health.



The shift from providing care to also addressing social determinants can be challenging for hospitals and providers. By framing social determinants as part of the care redesign strategy, hospitals can start to conceptualize their core strategic mission to include social determinants. This strategic connection appears crucial for getting buy-in and making the case that investing in affordable housing is both sustainable and strategically important.

Next Steps

The AHA and NORC will spend the next two years learning what drives hospitals to invest in affordable housing and what makes initiatives successful. We will explore several areas, including how hospitals are building a culture that makes addressing social determinants of health an organizational priority. We will continue to explore the evolution of the work around the following areas:

- **Building the will.** Participants described various ways in which they are generating the “will” to advance affordable housing efforts within their hospital or health system. We will further explore how hospitals are building the will in their organizations and communities.
- **Organizational structure and changes.** Organizational characteristics, such as those identified in this brief around mission and payment and care models, will continue to be areas for exploration as we tease out how structure serves as a mechanism and facilitates the work and also can serve as a lever for community investment. In addition, some of the participating health systems are going through major organizational changes, such as mergers, which we anticipate will influence their work. We will track how these mergers impact the implementation of work on affordable housing at the hospital and system levels.

Comment Letter 3 (continued)

- **Community alignment.** Several hospitals cited project alignment with existing citywide or neighborhood revitalization and civic activity. We will explore how local will and momentum impact affordable housing initiatives.
- **Team structure and engagement.** The teams draw on the expertise of a variety of stakeholders from across the hospitals (e.g., community benefit manager, treasurer, health plan director, etc.) and community. We will continue to monitor which roles are most beneficial for advancing affordable housing work.
- **Identifying roles.** The roles that the hospital or health system play in affordable housing vary and include investor, developer, convener and manager. We will continue to explore the extent to which these labels capture the role played by hospitals and health systems, and how the participants determine what role to play in their community.

Focusing on innovation as hospitals and health systems invest in affordable housing creates an opportunity to demonstrate their value as anchor organizations in their communities and offers tremendous potential to catalyze community revitalization efforts. Over the next two years, AIHC project partners hope that learnings from the Accelerating Investments for Healthy Communities program can serve as a path forward for other hospitals looking to invest in addressing the social determinants of health.

Comment Letter 3 (continued)

Read More About AIHC

Project Press Release

Center for Community Investment. (2019, February 20). Announcing AIHC participants: Six hospitals and health systems step up efforts to increase affordable housing in their regions [Blog post]. Retrieved from <https://centerforcommunityinvestment.org/blog/announcing-aihc-participants-six-hospitals-and-health-systems-step-efforts-increase-affordable>

Project Write-ups and Relevant Articles

Abrams, A. (2019, February 25). Putting health care dollars to work. Retrieved from <https://shelterforce.org/2019/02/25/putting-health-care-dollars-to-work/>

Gaskins, A. (2018, May 16). AIHC on site: Learning from Bon Secours in West Baltimore [Blog post]. Cambridge, MA: Center for Community Investment. Retrieved from <https://centerforcommunityinvestment.org/blog/aihc-site-learning-bon-secours-west-baltimore>.

Gaskins, A. (2019, January 11). Hospital system helps housing partners unlock capital. *Shelterforce*. Retrieved from <https://shelterforce.org/2019/01/11/hospital-system-helps-housing-partners-unlock-capital/>

Hacke, R. & Gaskins, A. (2019). How can clinicians catalyze investments to improve community health? *AMA Journal of Ethics*, 21(3), 262-268. doi:10.1001/amajethics.2019.262. Retrieved from <https://journalofethics.ama-assn.org/article/how-can-clinicians-catalyze-investments-improve-community-health/2019-03>

Capital Absorption Framework

Center for Community Investment. (2019, January). *Analyzing, building, and executing a pipeline: The capital absorption framework part 2*. Retrieved from <https://centerforcommunityinvestment.org/sites/default/files/2019-01/Analyzing%20Building%20and%20Executing%20the%20Pipeline.pdf>

Center for Community Investment. (2019, January). *Defining shared priorities: The capital absorption framework part 1*. Retrieved from https://centerforcommunityinvestment.org/sites/default/files/2019-01/Defining%20Shared%20Priorities_0.pdf

Center for Community Investment. (2019, January). *Strengthening the enabling environment: The capital absorption framework part 2*. Retrieved from <https://centerforcommunityinvestment.org/sites/default/files/2019-01/Strengthening%20the%20Enabling%20Environment.pdf>

Hacke, R., Wood, D., & Urquilla, M. (Revised 2018, March). *Community investment: Focusing on the system, a working paper*. Retrieved from <https://centerforcommunityinvestment.org/sites/default/files/2018-03/CFocusingOnTheSystem.pdf>

Comment Letter 3 (continued)

Endnotes

¹ Artiga, S. & Hinton, E. (2018, May 10). *Beyond health care: The role of social determinants in promoting health and health equity*. Retrieved from <https://www.kff.org/disparities-policy/issue-brief/beyond-health-care-the-role-of-social-determinants-in-promoting-health-and-health-equity/>

² PwC Health Research Institute. (2015, June). *Medical cost trend: Behind the numbers 2016*. Retrieved from <https://www.ahcp.org/wp-content/uploads/pwc-hri-medical-cost-trend-2016.pdf>

³ A number of guides and organizations have tracked hospitals and health systems work in affordable housing including:

- American Hospital Association. (2017, August). *Social determinants of health series: Housing and the role of hospitals*. Retrieved from <https://www.aha.org/aharet-guides/2017-08-22-social-determinants-health-series-housing-and-role-hospitals>
- Hacke, R. & Deane, KG. (2017, March). *Improving community health by strengthening community investment*. Retrieved from <https://www.rwjf.org/en/library/research/2017/03/improving-community-health-by-strengthening-community-investment.html>
- Healthcare Anchor Network coordinated by the Democracy Collaborative <https://www.healthcareanchor.network/>
- Build Healthy Places Network <https://www.buildhealthyplaces.org/>
- Urban Institute's Emerging Strategies for Integrating Health and Housing <https://www.urban.org/policy-centers/cross-center-initiatives/social-determinants-health/projects/emerging-strategies-integrating-health-and-housing>

⁴ Hacke, R., Wood, D., & Urquilla, M. (Revised 2018, March). *Community investment: Focusing on the system, a working paper*. Retrieved from https://centerforcommunityinvestment.org/sites/default/files/2018-03/CI_FocusingOnTheSystem.pdf

Comment Letter 3 (continued)

EXHIBIT C

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1	<p>Colin H. Hunter (<i>pro hac vice</i> forthcoming) colin@angelilaw.com</p>	<p>Electronically Filed Superior Court of California County of San Joaquin 2022-11-08 13:59:13 Clerk: Natalie Bashaw</p>
2	<p>Edward A. Piper (Cal. Bar No. 288289) ed@angelilaw.com</p>	<p>Case Management Conference 2023-05-09 8:45AM in 10B</p>
3	<p>Ursula M. Lalović (Cal. Bar. No. 215551) ursula@angelilaw.com</p>	<p>STK-CV-UCC-2022-0010368</p>
4	<p>ANGELI LAW GROUP LLC 121 S.W. Morrison Street, Suite 400 Portland, Oregon 97204 Telephone: (503) 954-2232 Facsimile: (503) 227-0880</p>	
7	<p>John Conger (Cal. Bar No. 168114) jconger@mcjglaw.com</p>	
8	<p>Brett S. Jolley (Cal. Bar No. 210072) bjolley@mcjglaw.com</p>	
9	<p>MCKINLEY, CONGER, JOLLEY & GALARNEAU, LLP 3031 W. March Lane, Suite 230 Stockton, California 95219 Telephone: (209) 477-8171 Facsimile: (209) 477-2549</p>	
12	<p>Attorneys for Plaintiff GILL MEDICAL CENTER, LLC</p>	
13	<p>SUPERIOR COURT OF THE STATE OF CALIFORNIA</p>	
14	<p>COUNTY OF SAN JOAQUIN</p>	
16	<p>GILL MEDICAL CENTER, LLC</p>	<p>CASE NO. _____</p>
17	<p>Plaintiff,</p>	<p>COMPLAINT</p>
18	<p>v.</p>	<p>DECLARATORY AND INJUNCTIVE RELIEF</p>
19	<p>DIGNITY HEALTH,</p>	
20	<p>Defendant.</p>	
22	<p>I. INTRODUCTION</p>	
23	<p>I. This is an action to invalidate certain deed restrictions that defendant Dignity Health</p>	
24	<p>("Dignity") is wrongfully invoking to block plaintiff Gill Medical Center, LLC's ("Gill Medical</p>	
25	<p>Center") much-needed, long-planned development project at 1707 North California Street (the</p>	
26	<p>"Property"), a large, centrally located parcel in Stockton's California Street corridor.</p>	
27		
28	<p>-1- COMPLAINT</p>	

Comment Letter 3 (continued)

1 2. Over the past 16 years, Gill Medical Center—a family-owned business deeply
2 invested in the success of this community—has incurred substantial costs improving and enlarging
3 the Property and planning for its development. However, Dignity—which sold the property to Gill
4 Medical Center in 2006 subject to certain restrictive covenants, including certain conditions on
5 development—has refused to consider any viable development project on the Property.

6 3. Most recently, Dignity has unreasonably withheld its consent to Gill Medical Center’s
7 proposal to construct a 30,000-square foot medical office building that includes complementary, and
8 much-needed, ancillary commercial and residential space including plans for a daycare—to this
9 underserved area. The project Dignity has rejected is the fourth such proposal Gill Medical Center
10 has made to Dignity over the past 16 years—proposals that Gill Medical Center has developed at
11 great expense and in reliance on Dignity’s own representations.

12 4. Dignity has given no explanation for its rejection of the project, and has refused to
13 provide any guidance regarding the form of project it would approve, leaving Gill Medical Center
14 only to guess whether it will ever obtain Dignity’s approval of any viable development project.
15 Dignity’s unreasonable and inequitable reliance on these outdated, vague restrictions is directly
16 harming Gill Medical Center by preventing the development of its own real property.

17 5. In the more than 16 years that have passed since Gill Medical Center purchased the
18 property from Dignity, conditions in Stockton and San Joaquin County have changed dramatically,
19 rendering Dignity’s efforts to obstruct Gill Medical Center’s commercial and residential
20 development fundamentally oppressive, inequitable, and harmful to the very community it purports
21 to serve.

22 6. Given Dignity’s history of rejecting development proposals—even those proposals
23 developed directly in response to Dignity’s own requests Gill Medical Center is left with no choice
24 but to seek a judicial remedy. As a result of Defendant’s repeated, bad-faith efforts to obstruct
25 development of the California Street property—despite its clear benefits to Dignity itself and the
26

Comment Letter 3 (continued)

1 Stockton community as a whole—Gill Medical Center now seeks declaratory and injunctive relief in
 2 this Court to invalidate the deed restrictions Dignity is relying on or, at minimum, to compel Dignity
 3 to approve the project Gill Medical Center has proposed.

4 **II. THE PARTIES**

5 7. Plaintiff Gill Medical Center is a family-owned California limited liability company.
 6 Gill Medical Center and its principals—including Dr. Jasbir Gill, Dr. Param Gill, Chaman Gill and
 7 Ricky Gill (collectively, the “Gill Family”)—have a long record of demonstrated success and
 8 contributions to the San Joaquin County community, including in medicine, agriculture, and
 9 commercial real estate development.
 10

11 8. Dr. Jasbir Gill and Dr. Param Gill also own and operate a women’s medical practice,
 12 P. Gill Obstetrics & Gynecology Medical Group, Inc. (“Gill OB/GYN”), that has provided state-of-
 13 the-art care to women in San Joaquin County for 45 years. Among other relevant roles, Dr. Param
 14 Gill is the former Chief of Staff at St. Joseph’s Medical Center (“St. Joseph’s”), and Dr. Jasbir Gill is
 15 the past president of the San Joaquin County Medical Society.
 16

17 9. Defendant Dignity is a California nonprofit corporation previously known as Catholic
 18 Healthcare West. In 2018, Dignity merged with Catholic Health Initiatives to form a national
 19 hospital system known as CommonSpirit Health.

20 10. Dignity is a member of non-party Port City Operating Company, LLC, which owns
 21 and operates St. Joseph’s, an acute care hospital located in Stockton with a primary address of 1800
 22 North California Street.
 23

24 11. Dignity owns the real property associated with St. Joseph’s that the restrictive
 25 covenants at issue in this case purport to benefit.

26 **III. THE PROPERTY**

27 12. Gill Medical Center owns the real property commonly known as 1707 North
 28 California Street, Stockton, CA 95204 (the “Property”).

-3-

COMPLAINT

Comment Letter 3 (continued)

1 13. The Property as it exists today consists of numerous parcels that, together, constitute
 2 a full block comprising roughly 3.3 acres. The Property is located between California Street to the
 3 east, Walnut Street to the south, East Chestnut Street to the north, and North Wood Lane to the west.
 4 The Property is located directly to the west of St. Joseph's, across California Street. It is also located
 5 directly to the north of (that is, across Walnut Street from) two commercial properties owned by the
 6 Gill Family¹ a medical office building known as Gill Grove Medical, located at 1617 N. California
 7 Street, and a commercial development known as Gill Grove Retail, located at 1687 N. California
 8 Street.
 9

10 **IV. GILL MEDICAL CENTER PURCHASES THE PROPERTY FROM**
 11 **DIGNITY.**

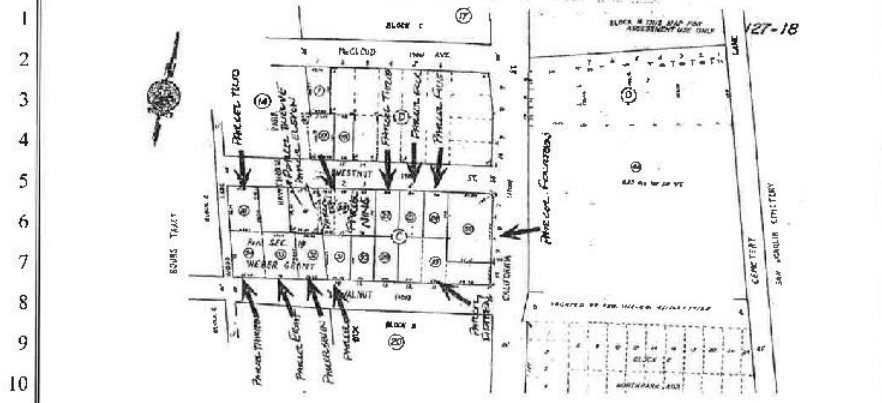
12 14. In 2005, the CEO of Dignity, Don Wiley, approached Dr. Jasbir Gill with a proposal.
 13 Specifically, Wiley proposed that Dr. Jasbir Gill—or the medical practice owned by Dr. Jasbir Gill
 14 and his wife, Dr. Param Gill—purchase a significant piece of real property owned by Dignity and
 15 located across California Street from the hospital campus.

16 15. At the time Dignity proposed to sell that property to the Gills, it comprised 15 parcels
 17 totaling at least 2.24 acres. The property that Dignity owned at that time, and proposed to sell,
 18 included most—but not all—of the block bounded by California, Walnut, and Chestnut Streets and
 19 Wood Lane.
 20

21 16. The parcels that Dignity proposed to sell the Gills are substantially reflected in the
 22 map below, which identifies 14 of the 15 parcels:
 23
 24
 25
 26
 27

28 ¹ The real property at 1617 and 1687 N. California St. is owned by the Jasbir S. Gill Family
 Limited Partnership, which is also the sole member of Gill Medical Center.

Comment Letter 3 (continued)



17. The property that Dignity proposed to sell included 7 houses on the 15 parcels to be sold, which were then occupied—and had long been occupied—by residential tenants.

18. Dignity did not own—and could not sell—two parcels in the middle of that same block, single-family homes that were separately owned by third parties. The two parcels that Dignity did not own were the real properties commonly known as 415 E. Walnut Street and 417 E. Walnut Street.

19. Wiley proposed that the Gills purchase the property for \$1,950,000.

20. The Gills agreed to purchase the California Street property for the price proposed by Dignity and, in July 2005, the parties executed a nonbinding Land Sale Term Sheet reflecting the basic terms of the contemplated purchase and sale.

21. The parties subsequently drafted an agreement for the purchase and sale of the California Street property (the “Sale Agreement”), as it existed at that time, and Dr. Jasbir Gill and Dr. Param Gill executed the Sale Agreement with Dignity in March 2006.

22. On or about September 1, 2006, Dr. Jasbir Gill and Dr. Param Gill assigned their rights under the Sale Agreement to Gill Medical Center.

Comment Letter 3 (continued)

1 23. The purchase and sale transaction subsequently closed, and the deed conveying the
 2 California Street property (as it then existed) to Gill Medical Center was recorded on September 15,
 3 2006 (the “Deed”). The Deed is attached hereto as Exhibit 1.

4 24. Prior to recording the Deed, Dignity recorded a Declaration of Restrictive Covenants
 5 (the “Declaration”). The Declaration is attached hereto as Exhibit 2.

6 25. Section 13 of the Sale Agreement provides that the prevailing party in any dispute
 7 arising out of that agreement is entitled to recover its reasonable attorneys’ fees, expert fees and costs.

8 26. Section 8.3 of the Declaration provides that the prevailing party in any dispute arising
 9 from or based on the Declaration is entitled to recover its reasonable attorneys’ fees, costs and
 10 expenses.

11

12 **V. THE DEED RESTRICTIONS**

13 27. The Deed and Declaration contain three categories of purported restrictions that
 14 Dignity has attempted or threatened to enforce against Gill Medical Center, and that are therefore at
 15 issue in this case.

16 **A. The Use Restrictions**

17 28. The Deed includes an Exhibit B titled “Covenants, Agreements and Restrictions,”
 18 which purports to impose certain restrictions on the uses for which the property may be developed
 19 (the “Use Restrictions”). Most relevant here, the Use Restrictions in the Deed provide that
 20
 21 Grantor has an interest in ensuring that the Property subject to this
 22 Grant Deed is used for a purpose complementary to the Hospital use of
 23 the dominant tenement. Accordingly, provided the dominant tenement
 24 continues to be used as an acute care hospital facility under the
 25 direction of the Grantor or Grantor’s Affiliate (defined below), the
 26 Property shall be used primarily for the construction and maintenance
 27 of a Medical Office Building (“MOB”) of not less than thirty thousand
 28 (30,000) gross square feet and ancillary uses related to such facility,
 including without limitation parking, medical office and ancillary
 administrative areas....

Comment Letter 3 (continued)

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Prior to the commencement of construction of the MOB, Grantee shall submit site plans for the entire Property to Grantor for review and approval, which such approval may be granted or withheld in Grantor's sole and absolute discretion, including the approval of any structures on the Property that are incorporated as part of the MOB, on a temporary or permanent basis. Grantee shall commence construction of the MOB and complete the development of the Property substantially consistent with the site plans approved by Grantor.

29. The Deed expressly provides that "[t]he grant of the Property to Grantee by Grantor pursuant to the Grant Deed to which this Exhibit B is attached is made expressly subject to [those] covenants, agreements and restrictions."

30. The Declaration, which Dignity recorded prior to the Deed, sought to impose a different, inconsistent version of Use Restrictions on the Property. Specifically, the Declaration provides in relevant part as follows:

4. Use Restrictions.

4.1 The Burdened Property shall be used solely for the construction and maintenance of a Medical Office Building ("MOB") of not less than thirty thousand (30,000) gross square feet and ancillary uses related to such facility, including without limitation parking, medical office, and ancillary administrative areas.

4.2 Before completion of the MOB, the Burdened Property shall be used for accommodating additional parking spaces for the Benefited Property in accordance with historical use of the Property. Such historical use shall be calculated based upon the preceding five (5) years. After completion of the MOB, the Burdened Property shall continue to be used for parking to accommodate the needs of the Benefited Property on a non-exclusive basis on weekends, holidays and after regular business hours, which shall be before 8:00 a.m. and after 6:00 p.m. Monday through Friday. Signs may be posted on the Burdened Property, in accordance with all applicable laws and regulations, to notify potential users of the parking spaces of the rules established by this Declaration.

4.3 At least seventy-five percent (75%) of the Occupants of the Burdened Property, or any portion thereof, must be authorized and admitted to practice medicine at St. Joseph's Medical Center (the

Comment Letter 3 (continued)

1 "Hospital"). In the event that the Occupant is a medical group, one
 2 hundred percent (100%) of the physicians in that group must be
 3 certified to practice at the Hospital in order for that Occupant to
 4 qualify as an Occupant certified to practice medicine at the Hospital.
 5 New physicians joining such a group shall become certified to practice
 6 at the Hospital by the date that is no more than two hundred seventy
 7 (270) days from the date of that physician's occupancy.
 8 Notwithstanding such, no portion of the Burdened Property may be
 9 leased to a Person who is not on the medical staff at the Hospital until
 10 after the space has been marketed for at least ninety (90) days to
 11 physicians on the medical staff at the Hospital and such physicians are
 12 otherwise unwilling to lease the space. After that time, said space on
 13 the Burdened Property may be leased to a Person who is not on the
 14 medical staff at the Hospital provided that the Owner of the Benefited
 15 Property provides its prior written approval of the proposed tenant,
 16 which approval shall not be unreasonably withheld.

17 31. The Deed and Declaration are vague with respect to the meaning of the Use
 18 Restrictions, and neither version of the Use Restrictions expressly prohibit any particular use of the
 19 Property. Neither the Deed nor the Declaration define the terms "Medical Office Building" or
 20 "ancillary uses related to such facility."

21 32. The Use Restrictions in the Deed and Declaration are internally inconsistent in
 22 several respects. For example, while the Deed purports to provide that the Property "shall be used
 23 primarily for the construction and maintenance of a Medical Office Building," the Declaration
 24 purports to provide that it "shall be used *solely* for the construction and maintenance of a Medical
 25 Office Building."

26 **B. The Noncompete Restrictions**

27 33. The Declaration also purports to restrict Gill Medical Center from using the property
 28 to provide a wide range of services that would compete with services Dignity provides at St.
 Joseph's (the "Noncompete Restrictions"). Specifically, the Declaration provides that

It [the Burdened Property] shall not at any time be used or utilized for ...
 services duplicative of those offered by St. Joseph's Medical Center, or
 services provided by a general acute care hospital, as such term is
 defined in California Health and Safety Code section 1250, as
 amended from time to time, or other California law, including without

Comment Letter 3 (continued)

1 limitation the following: rehabilitation services, referral laboratory,
 2 clinical laboratory, imaging center, pharmacy, acute care providers
 3 clinics, acute inpatient care, inpatient skilled nursing
 4 facility/transitional care services, inpatient sub-acute services, invasive
 5 cardiology (including cardiac physiology and cardiac catheterization),
 6 inpatient surgery, occupational medicine, urgent care/emergency
 7 services, free-standing diagnostic imaging center, reference laboratory,
 8 gastroenterology laboratory, blood draw station, anatomic pathology,
 9 nuclear medicine, ultrasound services, CT scanner services, magnetic
 10 resonance imaging (MRI) services, x-ray services, radiation therapy,
 11 echo-cardiography, therapeutic services, cardiac rehabilitation and
 12 chemical dependency rehabilitation of any type, pathology services,
 13 oral surgery, any type or kind of outpatient surgical facility (including
 14 shared or pooled arrangements) which provides ambulatory surgical
 15 care for, and/or surgical treatment of patients who remain for less than
 16 twenty-four (24) hours, emergency or any other emergency services
 17 conducted on a regular after-hours basis, physical therapy or
 18 rehabilitation services.

19 **C. The Repurchase Option**

20 34. The Deed also purports, in conclusory terms, to grant Dignity the right to repurchase
 21 the Property (the "Repurchase Option").

22 35. Specifically, Exhibit B to the Deed provides that

23 Grantee shall commence construction of the MOB upon the Property
 24 no later than eighteen (18) months from the date of the recordation of
 25 this Grant Deed. For the purposes of this Paragraph B, "commence
 26 construction" shall mean the pouring of the concrete foundation for the
 27 MOB. Grantor shall have the right to repurchase the Property upon the
 28 same terms and conditions for which the Property was sold to Grantee
 by Grantor if Grantee has not commenced construction of the MOB on
 or before the date that is 18 months from the date this Grant Deed is
 recorded.

36. The Sale Agreement contains substantially identical language, but also purports to
 create an option that survives in perpetuity "until any one of the following events occurs: (A) the
 date that Buyer takes action to Commence Construction, (B) Seller actually purchases the Subject
 Property, or (C) Seller provides a written notice to Buyer stating that it will not purchase the Subject
 Property." The option language in the Sale Agreement also purports to provide that it "shall survive
 the Closing Date."

Comment Letter 3 (continued)

1 37. Because the Deed was recorded on September 15, 2006, the 18-month timeframe set
 2 out in the Deed expired on March 15, 2008.

3 **VI. GILL MEDICAL CENTER IMPROVES THE PROPERTY, INCURRING**
 4 **SUBSTANTIAL COSTS, IN ANTICIPATION OF FUTURE DEVELOPMENT.**

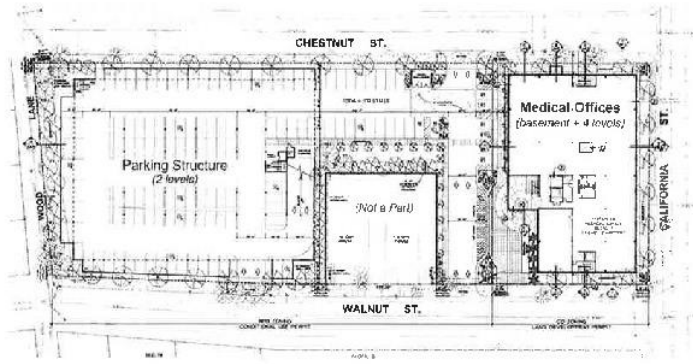
5 38. Shortly after purchasing the Property, Gill Medical Center began improving it at
 6 substantial cost in preparation for future development. Specifically, Gill Medical Center proceeded
 7 to demolish the homes located on the 15 parcels comprising the Property, and to level those parcels
 8 such that a commercial development of the entire Property would be possible.

9 39. Gill Medical Center incurred costs in excess of \$2 million improving the Property in
 10 preparation for developing it.

11 **VII. GILL MEDICAL CENTER PLANS AND OBTAINS APPROVAL OF A**
 12 **MEDICAL OFFICE BUILDING, BUT THE FINANCIAL CRISIS PREVENTS**
 13 **ITS CONSTRUCTION.**

14 40. As it prepared the Property for development, Gill Medical Center developed and
 15 obtained Dignity's approval of its plans to construct an 88,000 square foot, four-story medical office
 16 and commercial building on the Property (the "Original MOB"), as well as a two-story parking
 17 garage.

18 41. The cost of the Original MOB project was increased significantly by the fact that the
 19 Property, as it then existed, did not include the parcels at 415 E. Walnut Street and 417 E. Walnut
 20 Street. Those two parcels, located in the middle of the block that Gill Medical Center otherwise
 21 owned, significantly impacted the development opportunities of the larger property, including by
 22 separating the location available for construction of the MOB from the location available for parking
 23 to serve the building's needs, as illustrated by the following drawing of plans for the Original MOB
 24 development.
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42. With Dignity’s full knowledge and approval, Gill Medical Center planned to construct the Original MOB with significant retail space on the first floor. In particular, Gill Medical Center’s plans for the Original MOB, which Dignity approved, included a bank, a pharmacy, and a cafe on the first floor of the building.

43. In January 2008, Gill Medical Center obtained the Stockton Planning Commission’s unanimous approval of the Original MOB project.

44. In May 2008, Dignity sent a Letter of Intent to lease the entire third floor of the Original MOB, comprising more than 19,000 square feet (or approximately 22 percent of the building), for a 10-year term with two 5-year extension options. Dignity proposed to lease that space “for medical offices and general administrative offices and any other uses permitted by law.” Dignity subsequently withdrew its request to lease the third floor of the Original MOB, instead proposing to lease only a nominal amount of space 1,500 square feet (or less than 2 percent of the building) in the Original MOB.

45. Construction of the Original MOB was slated to begin in late 2008, but became impossible due both to Dignity’s refusal to lease any meaningful amount of space in the building and the global financial crisis that struck that year, forcing Gill Medical Center to put development plans for the Property on hold.

Comment Letter 3 (continued)

1 **VIII. GILL MEDICAL CENTER ENLARGES AND FURTHER IMPROVES THE**
 2 **PROPERTY AT SIGNIFICANT EXPENSE.**

3 46. In 2015, Gill Medical Center succeeded in acquiring the remaining two parcels, 415
 4 E. Walnut Street and 417 E. Walnut Street, that Dignity had never owned and therefore could not
 5 have sold it in the 2006 transaction.

6 47. Gill Medical Center acquired those two parcels for a total price of \$390,000 and, as it
 7 had earlier done with the remainder of the parcels on the block, proceeded to demolish the homes on
 8 those parcels to prepare the larger Property for development.

9 48. By acquiring those two parcels—thereby unifying the entire block of real property
 10 bounded by California Street, Walnut Street, Chestnut Street, and Wood Lane Gill Medical Center
 11 fundamentally changed the development potential of the larger Property as compared with the
 12 possibilities that had existed when Dignity sold it a portion of that property in 2006.

13 **IX. GILL MEDICAL CENTER MAKES NEW DEVELOPMENT PROPOSALS,**
 14 **BUT DIGNITY LEADERSHIP REJECTS EVERY CONCEPT PRESENTED.**

15 49. In 2015, Gill Medical Center approached Dignity leadership to resume discussions
 16 regarding construction of a medical office building project on the Property. As in 2008, however,
 17 Dignity refused to commit to leasing any space in such a building, rendering it financially nonviable.

18 50. In April 2016, Gill Medical Center met with Dignity leadership - specifically, its
 19 CEO Don Wiley and COO Terry Spring to discuss Dignity's desire to negotiate a parking license
 20 on the Property, as well as Gill Medical Center's desire to remove the Use Restrictions that impacted
 21 the Property, in light of the substantially changed circumstances that had developed over the prior
 22 decade.

23 51. During that meeting, Wiley and Spring agreed that the Use Restrictions and
 24 Repurchase Option were no longer relevant and expressed their agreement with amending the
 25 recorded documents to remove them. Wiley and Spring specified, however, that the Noncompetit
 26 Restrictions needed to remain in place.
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Comment Letter 3 (continued)

1 52. Despite Wiley and Spring's acknowledgement that the Use Restrictions were no
2 longer relevant, they subsequently renege on their agreement to amend the recorded documents to
3 remove them. In explaining their change of position in a May 2016 meeting, Spring explained that
4 Dignity objected to amending the recorded documents because it believed it might need the Property
5 for a future expansion of St. Joseph's if its current expansion plans --which entailed significant
6 construction in a relatively compact area on the east side of California Street-- proved not to be
7 viable. During the May 2016 meeting, the parties again expressly discussed the Repurchase Option,
8 and Spring stated Dignity would be willing to remove that provision from the Deed.

9
10 53. Despite Dignity's change of position, Gill Medical Center responded by suggesting
11 that the parties explore a cooperative partnership in which Dignity would construct an expansion of
12 St. Joseph's on the real property owned by Gill Medical Center on the west side of California Street,
13 including the 1707 N. California St. property.

14 54. Gill Medical Center met again with Dignity leadership regarding the hospital
15 expansion proposal in September 2016, then presented conceptual plans and drawings for such a
16 cooperative hospital expansion project at another meeting with Dignity leadership in February 2017.
17 Gill Medical Center incurred substantial costs developing the plans for that expansion in direct
18 response to input from Dignity leadership.

19
20 55. The hospital expansion project proposed by Gill Medical Center would have entailed
21 337 new hospital beds—precisely the number Dignity leadership stated they would need—as well as
22 a medical office building with retail on its ground floor and a parking garage (the "Hospital
23 Expansion/Second MOB"). At Dignity's request, Gill Medical Center subsequently redesigned its
24 proposal to include 250 rather than 337 new hospital beds.

25
26 56. Dignity repeatedly delayed responding to the Hospital Expansion/MOB proposal.
27 Ultimately, Dignity rejected the proposal—which Gill Medical Center estimates would have saved
28 hundreds of millions of dollars as compared with the alternative expansion plan the hospital

-13-

COMPLAINI'

Comment Letter 3 (continued)

1 ultimately adopted—only in August 2019, more than three years after Gill Medical Center first
 2 raised it.

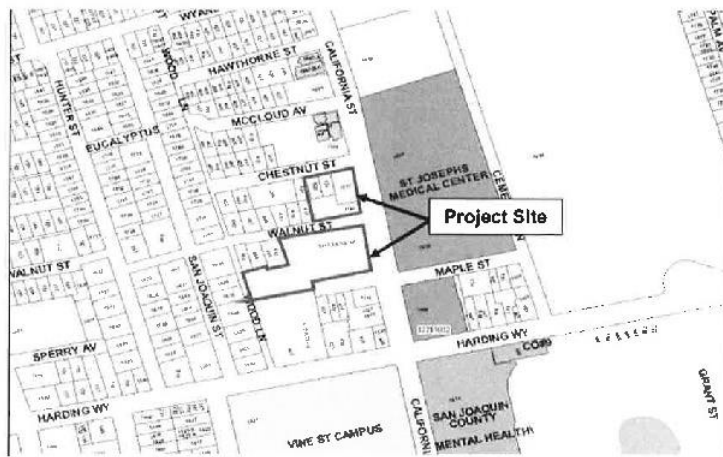
3 **X. THE GILL FAMILY BUILDS AN ADJACENT COMMERCIAL RETAIL**
 4 **DEVELOPMENT, CHANGING THE PROPERTY'S USES AGAIN WITH**
 5 **DIGNITY'S FULL KNOWLEDGE.**

6 57. As Gill Medical Center worked to improve the Property and to obtain Dignity's
 7 approval of its plans for an MOB there, the Gill Family also began working to build a commercial
 8 and retail development on the parcel it owns immediately to the south of the Property.

9 58. Over the course of the 2015-16 timeframe, the Gill Family successfully developed the
 10 real property commonly known as 1687 North California Street with a new commercial and retail
 11 building named Gill Grove Retail.

12 59. The Stockton Planning Commission gave its unanimous approval to the Gill Grove
 13 Retail project in February 2016. As a condition of its approval, the Planning Commission required
 14 that Gill Medical Center construct a new parking lot on the Property (that is, 1707 N. California St.)
 15 and dedicate that lot to serve the minimum parking requirements of both Gill Grove Retail (1687 N.
 16 California St.) and the adjacent building known as Gill Grove Medical (1617 N. California St.). The
 17 map below depicts the Property, the then-proposed location of Gill Grove Retail, and the portion of
 18 the Property dedicated to serving Gill Grove Retail's required parking:
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Comment Letter 3 (continued)



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60. Dignity had full notice of the planned development of Gill Grove Retail, including the construction of the parking lot on the Property, both of which Gill Medical Center specifically briefed Dignity leadership on in 2016. Dignity raised no objection at any time to the development of Gill Grove Retail or the use of the Property for parking dedicated to the Gill Grove buildings.

61. Indeed, immediately after the Gill Family obtained development approval for Gill Grove Retail, including approval for the parking on eastern portion of the Property, and with full knowledge of those developments, Dignity sought (and obtained) a license from Gill Grove Medical to allow its employees to park on the remainder (the western portion) of the Property. In addition, during the course of developing Gill Grove Retail, the Gill Family cooperated with Dignity in its relaying of an underground communications cable between St. Joseph's and Dignity's radiology clinic in the Gill Grove Medical building.

62. Gill Grove Retail was completed in 2017, and now includes Class A tenants such as Starbucks, Subway, and WingStop. Since its completion and full leasing, the Gill Grove Retail development serves hundreds if not thousands of Dignity employees, patients and visitors on a daily

1 basis, demonstrating both the need for commercial development in the California Street corridor and
 2 its complementarity to Dignity's operations.

3 **XI. GILL MEDICAL CENTER PROPOSES A LARGE MEDICAL OFFICE**
 4 **BUILDING, BUT DIGNITY LEADERSHIP REFUSES TO COMMIT TO**
 5 **LEASING ANY SPACE, RENDERING THE PROJECT FINANCIALLY**
 6 **NONVIABLE.**

63. In response to Dignity's eventual rejection of their hospital expansion and MOB
 7 proposal, Gill Medical Center again sought to collaborate with Dignity leadership regarding
 8 development projects the hospital would support on the Property.

9 64. In August 2019, Gill Medical Center met again with Wiley, this time also meeting
 10 with the hospital's head recruiter, to obtain input on the hospital's needs. Wiley suggested that Gill
 11 Medical Center develop an MOB proposal that would provide space Wiley said would be needed for
 12 the hospital's outpatient radiology, for an outpatient surgery center, and also for the significant
 13 number of new physician residency programs the hospital was in the process of building.

15 65. In response to input from Wiley regarding the hospital's needs and its expansion
 16 plans, Gill Medical Center incurred significant project costs developing plans and drawings for a
 17 new project. Specifically, Gill Medical Center developed and, in 2021, presented Dignity with a
 18 proposal to construct a 120,000 square foot medical office building and 10-story parking structure
 19 (the "Third MOB").

21 66. Despite Wiley's prior representations regarding the hospital's significant needs for
 22 leased space, when Gill Medical Center presented the Third MOB project, Dignity again refused to
 23 commit to leasing any space in that building, rendering it financially nonviable.

24 **XII. GILL MEDICAL CENTER PROPOSES A MEDICAL OFFICE BUILDING**
 25 **WITH ANCILLARY COMMERCIAL AND RESIDENTIAL USES, BUT**
 26 **DIGNITY LEADERSHIP REJECTS THE PROPOSAL.**

27 67. In light of the fundamentally changed circumstances in Stockton since the 2006
 28 purchase of the Property, and given Dignity's repeated refusal to participate in the previously

1 proposed medical office building projects, which rendered them nonviable, Gill Medical Center
2 again evolved its approach in an effort to deliver a viable medical office project with ancillary
3 elements, all of which are complementary to the hospital and greatly needed in Stockton’s California
4 Street corridor.

5 68. In 2022, Gill Medical Center developed and presented plans for a medical office
6 building that also includes commercial space (as every iteration of the MOB project had included)
7 and residential space that would mark a significant improvement in housing availability in the
8 vicinity of St. Joseph’s.

9 69. Specifically, in 2022, Gill Medical Center presented plans for a project that includes
10 30,000 square feet of medical office space (meeting the admittedly outdated Use Restrictions), but
11 which also includes ancillary elements including 10,000 square feet of commercial and
12 administrative space, a 10,000 square foot daycare, and 75 residential apartments (the “Fourth
13 MOB”).

14 70. The Fourth MOB meets all of the 2006 Use Restrictions, to the extent any such
15 restrictions remain in effect, in that it offers 30,000 square feet of medical office space (space which
16 would be available for lease to practitioners admitted to practice at St. Joseph’s, as the Declaration’s
17 Use Restrictions purport to require). It also offers ancillary space highly complementary to Dignity,
18 including very much needed commercial, retail and residential opportunities that are currently
19 unavailable in the area.

20 71. In particular, the Fourth MOB’s ancillary commercial and retail uses not only serve
21 the primary MOB elements of the project, but also would benefit Dignity by making available
22 significant and material services to its employees, patients, and visitors. The commercial and retail
23 uses would provide services presently unavailable in the area.

24 72. The residential apartments would be available for rent by Dignity employees, by the
25 significant number of new residents that Dignity is recruiting a number that will grow to some 180
26

Comment Letter 3 (continued)

1 physicians on an annual basis—by traveling nurses needed to fill workforce shortages, and even by
 2 family members in need of a place to stay while visiting loved ones undergoing treatment. It would,
 3 in turn, only help Dignity to attract and retain talent, and to improve patient and visitor experiences.

4 73. Despite the Fourth MOB’s clear benefits, and its satisfaction of the Use Restrictions
 5 both in letter and spirit, in March 2022 Wiley rejected it out of hand, telling Gill Medical Center
 6 representatives that he “really likes this project, but will be sending a nasty letter.” In response to
 7 Gill Medical Center noting that the Fourth MOB’s 75 apartments would be available for rent by the
 8 hundreds of new physician residents Dignity is recruiting to Stockton, Wiley responded that he
 9 “really did not care” where those residents lived,
 10

11 74. Over the course of several months of discussion that followed, Dignity repeatedly
 12 rejected the Fourth MOB. On May 19, 2022, in addition to rejecting the Fourth MOB without
 13 explanation, Dignity purported—for the first time in 16 years—to exercise its right to repurchase the
 14 Property pursuant to the terms of the Purchase and Sale Agreement.
 15

16 75. In fact, as Gill Medical Center promptly responded on June 3, 2022, Dignity’s
 17 repurchase option long ago expired by virtue of Dignity’s knowing failure to exercise it at any time
 18 over the prior decade, during which time it was fully aware—indeed, it repeatedly discussed with
 19 Gill Medical Center—that Gill Medical Center had not been able to commence construction on the
 20 MOB. (Since Gill Medical Center’s letter of June 3, 2022, Dignity has never again mentioned the
 21 repurchase option.)
 22

23 76. On August 23, 2022, Gill Medical Center representatives met virtually with
 24 representatives from CommonSpirit, Dignity’s sole owner, in an effort to answer any questions
 25 Dignity might have about the Fourth MOB and to obtain the long-awaited approval contemplated by
 26 the recorded documents.
 27

28 77. Following that meeting, on August 26, 2022, Gill Medical Center emailed to follow
 up with CommonSpirit, specifically requesting that CommonSpirit either approve the Fourth MOB

Comment Letter 3 (continued)

1 project or provide “feedback from [CommonSpirit] as to what does and does not work from your
2 perspective” so that the project could move forward. Gill Medical Center requested a response by
3 September 8.

4 78. Gill Medical Center received no response from Dignity or CommonSpirit on
5 September 8. Instead, CommonSpirit repeatedly delayed in providing any response. Finally, on
6 October 3, CommonSpirit sent an email again rejecting the Fourth MOB, expressing its opinion that
7 “[t]he present multi-use project proposed by Gill Medical Center does not match the intent of the
8 2006 transaction documents” and asserting that it “rejects the 2022 multi-use project proposal as
9 inconsistent with the development restrictions set out in the 2006 transaction documents.”
10

11 79. Rather than provide any specific feedback to allow the project to move forward in
12 some fashion, despite Gill Medical Center’s express request—and its 16-year history of attempting
13 to develop the Property at great cost—CommonSpirit simply repeated its illusory position that it is
14 “open to any development proposal that is consistent with the conditions contained in the 2006
15 transaction documents.”
16

17 80. The following day, October 4, Gill Medical Center responded to correct several
18 misstatements in CommonSpirit’s October 3 email, to reiterate that the project meets all the
19 purportedly applicable Use Restrictions, and to “respectfully request that CommonSpirit reconsider
20 its position and promptly grant approval of the proposal Gill Medical Center has submitted.”
21

22 81. Gill Medical Center requested a response by October 7. CommonSpirit has not
23 responded.

24 **XIII. DIGNITY AND COMMONSPIRIT DEMONSTRATE THEIR REFUSAL TO**
25 **APPROVE DEVELOPMENT OF THE PROPERTY STEMS FROM BAD**
26 **FAITH.**

27 82. In rejecting, failing to respond to, and refusing to participate in the numerous
28 proposals presented by Gill Medical Center, Dignity (including through CommonSpirit) has

Comment Letter 3 (continued)

1 repeatedly demonstrated that it will never grant approval of any viable project on the Property, no
 2 matter how beneficial to the hospital or the community writ large.

3 83. To the extent it has ever provided any reasons for rejecting the Fourth MOB,
 4 Dignity's cited reasons (which its new owner, CommonSpirit, has relayed) are purely pretextual. For
 5 example, while Dignity (through CommonSpirit) now apparently objects to the inclusion in the
 6 Fourth MOB of ancillary commercial uses, Dignity previously gave its approval to the Original
 7 MOB project, which included precisely such uses – namely, a bank and pharmacy.

8 84. Similarly, while Dignity (through CommonSpirit) now objects to the inclusion of
 9 ancillary commercial uses in the Fourth MOB, Dignity never objected to the inclusion of significant
 10 commercial and retail uses in any of the prior successive iterations of the MOB project. And, while
 11 Dignity (through CommonSpirit) now objects in conclusory fashion to the inclusion of ancillary
 12 residential uses in the Fourth MOB, it has never explained how or why those uses violate the terms
 13 of the Use Restrictions.
 14

15 85. Standing alone, Dignity's refusal to grant approval of any such project would be a
 16 breach of its obligations under the outdated and ineffective Use Restrictions in the Deed and
 17 Declaration, including its duty of good faith and fair dealing. But the recent history of Dignity's
 18 conduct has demonstrated that its breaches stem from a deeper, intentional, bad-faith effort to
 19 obstruct Gill Medical Center's efforts to develop the Property. Dignity's bad faith conduct stems
 20 from motivations both personal and competitive.
 21

22 86. First, Dignity's bad-faith conduct stems in part from Dignity CEO Don Wiley's regret
 23 at selling the Property to Gill Medical Center. Wiley has expressly stated in the presence of
 24 witnesses that he regrets selling the Property and that his superiors have criticized him for doing so.
 25

26 87. Second, Dignity's bad-faith conduct stems from its larger effort to prevent Gill
 27 Medical Center from competing with Dignity in the provision of a wide range of much-needed
 28 healthcare services to the people of San Joaquin County.

-20-

COMPLAINT

Comment Letter 3 (continued)

1 88. In parallel to its efforts to develop the 1707 N. California St. Property, Gill Medical
2 Center's principals—namely, the Gill family—have separately been engaged in a long-term plan to
3 develop a state-of-the-art women's hospital and healthcare campus (the "Gill Women's Hospital")
4 between Stockton and Lodi, on property it owns north of Light Mile Road.

5 89. As the only entity currently offering women's acute care services in Stockton,²
6 Dignity is well aware of plans for the Gill Women's Hospital, which would both compete with
7 Dignity in the provision of those acute care services, including labor and delivery services, and also
8 offer significant additional services that Dignity does not provide at St. Joseph's, such as tubal
9 ligation and in vitro fertilization (IVF)

10 90. In an effort to obstruct the development of the Gill Women's Hospital, in 2021
11 negotiations regarding an unrelated contract pursuant to which Gill OB/GYN would have taught
12 obstetrics and gynecology residents at St. Joseph's, Dignity attempted to include a "noncompete"
13 provision that would both have precluded development of the Gill Women's Hospital and limited the
14 universe of potential medical tenants on the Property. The anticompetitive language Dignity
15 proposed would have curtailed women's healthcare access in San Joaquin County to serve Dignity's
16 narrow economic interests, including its interest in deterring competition from the Gill family and its
17 affiliates, including Gill Medical Center.

18 91. As advocates for expanded women's healthcare access, Gill OB/GYN rejected
19 Dignity's restrictive proposed conditions. Instead, Gill OB/GYN elected to provide teaching services
20 free of charge to St. Joseph's residents in Emergency Medicine, Internal Medicine and Family
21 Medicine.

22 92. Dignity's conduct also makes clear that it is attempting to use its perceived authority
23 to reject development proposals on the Property to frustrate the unrelated development of a
24

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27
28 ² In addition to operating St. Joseph's, Dignity also manages San Joaquin General Hospital in
French Camp, the next-closest hospital offering women's acute care services.

Comment Letter 3 (continued)

1 competing hospital by the Gill family. For example, in rejecting the Third MOB project in 2021—a
 2 time at which Dignity was actively trying to frustrate the development of Gill Women's Hospital—
 3 Wiley stated in the presence of witnesses that his "relationship with the Gills is fractured," a
 4 consideration that (true or not) should have had no bearing on Dignity's approval of the MOB
 5 project.

6 93. In addition, in rejecting the Fourth MOB project in October 2022, Dignity (through
 7 CommonSpirit) expressly tied its position on development of the Property to its opposition to the
 8 unrelated development of Gill Women's Hospital. Specifically, CommonSpirit alleged incorrectly
 9 that the Gills had chosen to "obtain[] market share via a new campus ... at the expense of enhancing
 10 patient care as contemplated in the 2006 transaction documents."

11 94. In fact, as Dignity is fully aware, the Noncompete Restrictions in the Declaration
 12 expressly purport to prohibit the use of the Property for acute care hospital services—or for any of
 13 more than 30 other services—meaning that the Gills necessarily must provide those services at a
 14 location other than the Property that Dignity itself chose to encumber in that manner.
 15

16 95. Dignity's thinly veiled attempts to obstruct Gill Medical Center's development of the
 17 Property because of the Gills' separate efforts to provide competing, much-needed women's
 18 healthcare services amount to bad faith, anticompetitive conduct.
 19

20 96. Dignity's conduct is inequitable, offensive to basic principles of good faith and fair
 21 dealing, and contrary to the significant public interests in the provision of healthcare and access to
 22 housing. It requires judicial intervention.
 23

24 **XIV. FUNDAMENTALLY CHANGED CIRCUMSTANCES IN STOCKTON
 25 RENDER THE DEED RESTRICTIONS OPPRESSIVE AND
 26 UNENFORCEABLE.**

27 97. Dignity's bad-faith efforts to leverage the deed restrictions against Gill Medical
 28 Center would be unreasonable and unjustified in any event. But that conclusion is even more true in
 light of the fundamental changes that have impacted Stockton since 2006, the year the Deed and

Comment Letter 3 (continued)

1 Declaration were recorded. These fundamental changes directly impact both the viable uses of the
 2 Property and the burdens and benefits associated with the restrictions on which Dignity is relying to
 3 prevent Gill Medical Center's development of the Fourth MOB.

4 **A. The Housing Crisis**

5 98. Since 2006, Stockton has experienced well-publicized, dual housing crises that
 6 together represent a fundamental change to the city and its housing needs.

7 99. In 2006, Stockton was growing rapidly due in part to a booming housing market that
 8 had seen the construction of record numbers of new homes over the prior five years.

9 100. Beginning in 2007, and following national trends, Stockton's housing market began
 10 to collapse and, by the summer of 2008, Stockton's rate of residential foreclosure was among the
 11 highest in the country.

12 101. With the devastating crash of markets in Stockton and nationally, new residential
 13 construction dropped precipitously. While more than 6,000 new units were built annually in San
 14 Joaquin County at the market's peak in 2003-04, new residential construction in the county dropped
 15 below 1,000 units annually beginning in 2008, and remained below 2,000 units annually in every
 16 year through 2016.

17 102. As a direct result of the precipitous drop in residential construction that began during
 18 the Great Recession, Stockton and San Joaquin County are now again in the midst of a severe
 19 housing crisis. The San Joaquin Council of Governments assessed that, during the period from 2014
 20 to 2023, San Joaquin County should construct some 40,000 new residential units. Yet, as of 2017,
 21 fewer than 7,000 had been built, leaving the county on a trajectory to fall 20,000 residential units
 22 short of the number needed to meet its housing needs by 2023.

23 103. That systemic shortage of housing that has led to a dramatic, rapid rise in housing
 24 costs, to many residents being unable to purchase a home, and to a historic homelessness crisis. By
 25 one estimate, between the years of 2012 and 2017, home prices in Stockton nearly doubled.

26 -23-

27 COMPLAINT

B. Changes in the Healthcare Market

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2 104. In addition to fundamental changes in the housing market, the past 16 years have seen
3 drastic changes to the delivery of healthcare services in Stockton and, as a result, a fundamentally
4 reduced need for medical office space.

5 105. First, the San Joaquin Valley is dealing with a severe shortage of physicians that has,
6 in turn, reduced the demand for medical offices. According to the Future Health Workforce
7 Commission, as of 2020 the San Joaquin Valley had only 39 primary care physicians per 100,000
8 people, a number that is between 50 and 67 percent of the number of primary care physicians the
9 federal government recommends (60 to 80 primary care physicians per 100,000 people). In addition,
10 as in California overall, many physicians in Stockton are presently nearing retirement, which will
11 further decrease the demand for medical office space in the near future.

12
13 106. Second, over the past 16 years, Dignity has moved to a “hospitalist” model of care in
14 which it employs or contracts with physicians who provide care exclusively at St. Joseph’s, rather
15 than in a medical office setting. Specifically, Dignity first implemented a hospitalist program in
16 September 2007. Since that time, and increasing in the years since, Dignity’s adoption of the
17 hospitalist model has substantially reduced the demand for medical office space in the vicinity of St.
18 Joseph’s.

19
20 107. Third, the increasingly widespread adoption of telehealth, in which patients visit their
21 healthcare providers by means of virtual meeting or videoconferencing technology, also has
22 significantly reduced the demand for in-person outpatient visits in the Stockton area. Telehealth has
23 grown significantly since 2006 (and will continue to grow significantly in the future) as a result of
24 the COVID-19 pandemic and legislative changes—including the adoption of legislation that requires
25 insurers to reimburse telehealth services at the same rates as services delivered in-person—designed
26 to reduce the differential treatment of telehealth and in-person visits to healthcare providers.
27
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Comment Letter 3 (continued)

1 115. Specifically, Gill Medical Center seeks a declaration that the Use Restrictions in the
2 Deed and Declaration are unreasonable and unenforceable because of the changed circumstances
3 surrounding the Property, because their enforcement would be unduly oppressive and inequitable,
4 and/or because their enforcement would serve no purpose other than disproportionately burdening
5 the Property with no corresponding benefit.

6 116. In the alternative, Gill Medical Center seeks a declaration that:

7 a. To the extent any of the Use Restrictions are enforceable, the less restrictive version
8 of the Use Restrictions in the Deed governs; and

9 b. To the extent they are enforceable, the Use Restrictions allow for ancillary
10 commercial and residential uses as part of the medical office building; and

11 c. The Fourth MOB project satisfies the Use Restrictions, to the extent they are
12 enforceable, and Dignity therefore must consent to the Fourth MOB project; and

13 d. In any event, Dignity cannot unreasonably withhold its consent to any project
14 submitted for approval pursuant to the Use Restrictions, but must act reasonably and in good faith in
15 giving approval to any such project.
16

17 117. Gill Medical Center is entitled to its reasonable attorneys' fees and costs pursuant to
18 Section 8.3 of the Declaration and Section 13 of the Sale Agreement.
19

20 **SECOND CAUSE OF ACTION**
21 **Declaratory Relief—Repurchase Option**

22 118. The preceding paragraphs are incorporated by reference as if set forth herein.

23 119. An actual controversy has arisen, and now exists, between Gill Medical Center and
24 Dignity regarding the validity, interpretation and effect of the Repurchase Option contained in the
25 Deed and Sale Agreement, and the parties' respective rights and duties thereunder.
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1 120. Specifically, on May 19, Dignity purported to exercise the Repurchase Option
2 contained in Section 7(b)(v) of the Sale Agreement. Gill Medical Center subsequently rejected
3 Dignity's purported exercise of that option.

4 121. Declaratory relief is necessary and appropriate to determine the parties' rights and
5 duties. Gill Medical Center has suffered, and will continue to suffer harm in the form of uncertainty
6 regarding its rights to proceed with development on the Property, unless and until that declaration is
7 made.

8 122. Gill Medical Center seeks a judicial determination of the parties' rights and duties
9 pursuant to the Repurchase Option in the Deed and Sale Agreement, and the validity of Dignity's
10 purported rights under that option. Specifically, Gill Medical Center seeks a declaration that:

11 a. The Repurchase Option in the Deed and Sale Agreement has expired because Dignity
12 failed to exercise it within a reasonable time following expiration of 18 months after the Deed was
13 recorded on September 15, 2006; and
14

15 b. In addition or in the alternative, Dignity has waived or abandoned any right to
16 exercise the Repurchase Option in the Deed and Sale Agreement as a result of knowingly and
17 intentionally failing to exercise it within a reasonable time following expiration of 18 months after
18 the Deed was recorded on September 15, 2006; and
19

20 c. In addition or in the alternative, Dignity is equitably estopped from exercising the
21 Repurchase Option by affirmatively representing to Gill Medical Center, beginning in 2016— long
22 after the option already had expired, in any event —that Dignity agreed the Repurchase Option was
23 outdated and unnecessary and could be removed from the Deed; and
24

25 d. In addition or in the alternative, Dignity is barred by applicable statutes of limitations
26 from attempting to exercise or enforce the Repurchase Option.

27 123. Gill Medical Center is entitled to its reasonable attorneys' fees and costs pursuant to
28 Section 13 of the Sale Agreement.

Comment Letter 3 (continued)

**THIRD CAUSE OF ACTION
Declaratory Relief—Noncompete Restrictions**

124. The preceding paragraphs are incorporated by reference as if set forth herein.

125. An actual controversy has arisen, and now exists, between Gill Medical Center and Dignity regarding the validity, interpretation and effect of the Noncompete Restrictions contained in the Declaration, and the parties' respective rights and duties thereunder.

126. Declaratory relief is necessary and appropriate to determine the parties' rights and duties. Gill Medical Center has suffered, and will continue to suffer harm in the form of uncertainty regarding its rights to proceed with development on the Property, and to use or lease the Property for the provision of services purportedly prohibited by the Noncompete Restrictions, unless and until that declaration is made.

127. Gill Medical Center seeks a judicial determination of the parties' rights and duties pursuant to the Noncompete Restrictions in the Declaration, and the validity of Dignity's conduct relating to those restrictions.

128. Specifically, Gill Medical Center seeks a declaration that the Noncompete Restrictions are unreasonable and unenforceable because they are restraints on trade contrary to public policy, because their enforcement would be unduly oppressive and inequitable, and/or because their enforcement would serve no purpose other than disproportionately burdening the Property with no corresponding benefit.

129. Gill Medical Center is entitled to its reasonable attorneys' fees and costs pursuant to Section 8.3 of the Declaration.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for judgment against Defendant as follows:

I. On its First Cause of Action, for a declaration that the Use Restrictions in the Deed and Declaration are unreasonable and unenforceable or, to the extent they are enforceable, that the

1 Fourth MOB project meets their requirements and that Dignity cannot unreasonably withhold its
2 consent to any project submitted for approval pursuant to the Use Restrictions;

3 2. On its Second Cause of Action, for a declaration that the Repurchase Option in the
4 Deed and Sale Agreement has expired or, in addition or in the alternative, that Dignity has waived
5 that option, is equitably estopped from exercising it, or is barred by the applicable statutes of
6 limitations from exercising it;

7 3. On its Third Cause of Action, for a declaration that the Noncompete Restrictions are
8 unreasonable and unenforceable;

9 4. Its reasonable attorneys' fees, experts' fees and costs pursuant to Section 13 of the
10 Sale Agreement and Section 8.3 of the Declaration; and

11 5. For such other relief as the Court deems just and equitable.

12
13
14 Dated this 8th day of November, 2022

15 *s/John Conger*

16 **Colin H. Hunter** (*pro hac vice* forthcoming)

17 colin@angelilaw.com

18 **Edward A. Piper** (Cal. Bar No. 288289)

19 ed@angelilaw.com

20 **Ursula M. Lalovic** (Cal. Bar, No. 215551)

21 ursula@angelilaw.com

22 ANGELI LAW GROUP LLC

23 121 S.W. Morrison Street, Suite 400

24 Portland, Oregon 97204

25 Telephone: (503) 954-2232

26 Facsimile: (503) 227-0880

27 **John Conger** (Cal. Bar No. 168114)

28 jcongr@mcjglaw.com

Brett S. Jolley (Cal. Bar No. 210072)

bjolley@mcjglaw.com

MCKINLEY, CONGER, JOLLEY &

GALARNEAU, LLP

3031 W. March Lane, Suite 230

Stockton, CA 95219

Telephone: (209) 477-8171

Facsimile: (209) 477-2549


Comment Letter 3 (continued)

EXHIBIT 1

Page 52 of 119 in Comment Letter 3

Comment Letter 3 (continued)

49

RECORDING REQUESTED BY First American Title Company of Stockton	DOC # 2006-196267
AND WHEN RECORDED MAIL TO:	09/15/2006 07:39A Fee:62.00 Page 1 of 16 Recorded in Official Records County of San Joaquin GARY W. FREEMAN Assessor-Recorder-County Clerk Paid by FIRST AMER TITLE CO
Gill Medical Center, LLC P.O. Box 8778 Stockton, CA 95208 Attn: Jasbir S. Gill	
APN: 127-140-18, 127-180-18, 22, 23, 24, 31, 32, 33, 34, 36, 43, 48	SPACE ABOVE THIS LINE FOR RECORDER'S USE
File No.: 230254BS (BS)	
GRANT DEED	Survey Monument Fee \$10.00
The undersigned Grantor(s) Declare(s): DOCUMENTARY TRANSFER TAX \$SEE SEPARATE DECLARATION; CITY TRANSFER TAX \$0.00; SURVEY MONUMENT FEE \$10.00	
<input checked="" type="checkbox"/> computed on the consideration or full value of property conveyed, OR <input type="checkbox"/> computed on the consideration or full value less value of liens and/or encumbrances remaining at time of sale, <input type="checkbox"/> unincorporated area; <input checked="" type="checkbox"/> City of Stockton, and	
FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, CATHOLIC HEALTHCARE WEST, a California nonprofit public benefit corporation, as successor by merger to ST. JOSEPH'S MEDICAL CENTER OF STOCKTON, a California non-profit public benefit corporation ("Grantor")	
hereby GRANTS to GILL MEDICAL CENTER, LLC, a California limited liability company ("Grantee") the following described property in the City of Stockton, County of San Joaquin, State of California:	
FOR LEGAL DESCRIPTION SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.	
THIS CONVEYANCE IS MADE EXPRESSLY SUBJECT TO THE COVENANTS, AGREEMENTS AND RESTRICTIONS CONTAINED IN EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF, AND BY ACCEPTING THIS GRANT DEED, GRANTEE ACKNOWLEDGES THE SAME.	
Dated: <u>9-15-06</u>	
GRANTOR: CATHOLIC HEALTHCARE WEST, a California nonprofit public benefit corporation	
By: <u>[Signature]</u> Print Name: <u>William J. Hunt</u> Its: <u>President, Group Operations</u>	
By: <u>[Signature]</u> Print Name: <u>Karl L. Silberstein</u> Its: <u>V.P., Financial Operations</u>	
MAIL TAX STATEMENTS TO: SAME AS ABOVE	
1	69.110-385819:
Exhibit 1 Page 1 of 17	

Comment Letter 3 (continued)

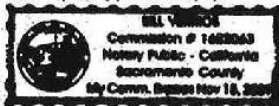
A.P.N.: 127-140-18 Grant Deed - continued File No.: 23025485 (85)

STATE OF California)
COUNTY OF Sacramento)

On Sept. 14, 2006 before me, Bill Verrios
Notary Public, personally appeared

William J. Hill & Karl L. Silberstein personally known to me
(or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to
the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized
capacity(ies) and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of
which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Signature
Bill Verrios

My Commission Expires: Nov. 15, 2009

This area for official notarial seal

Notary Name: Bill Verrios
Notary Registration Number: 1622063

Notary Phone: (916) 851-2403
County of Principal Place of Business: Sacramento

STATE OF _____)
COUNTY OF _____)

On _____ before me, _____
Notary Public, personally appeared

_____ personally known to me
(or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to
the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized
capacity(ies) and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of
which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature

My Commission Expires: _____

This area for official notarial seal

Notary Name: _____
Notary Registration Number: _____

Notary Phone: _____
County of Principal Place of Business: _____

Comment Letter 3 (continued)

Custom Reference: EXHIBIT "A" Order Number: 23025489 Page Number: 7

LEGAL DESCRIPTION

Real property in the City of Stockton, County of San Joaquin, State of California, described as follows:

PARCEL ONE:

LOT 17, AS SHOWN UPON MAP ENTITLED, HAWTHORNE PARK, FILED FOR RECORD MAY 27, 1946 IN VOL. 11 OF MAPS AND PLATS, PAGE 101, SAN JOAQUIN COUNTY RECORDS.

PARCEL TWO:

A PORTION OF SECTION 19 C.M. WEBER'S GRANT, "EL RANCHO DEL CAMPO DE LOS FRANCISES", DESCRIBED AS FOLLOWS:

BEGINNING AT A STEEL AXLE AT THE NORTHWEST CORNER OF PROPERTY OF DR. W. F. WALSH AS DESCRIBED IN DEED RECORDED IN BOOK OF OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, VOL. 587, PAGE 1, SAID POINT OF BEGINNING BEING IN THE EAST LINE OF WOOD LANE, AND BEARING NORTH 17° 12' WEST 97.00 FEET FROM THE INTERSECTION OF THE EAST LINE OF SAID WOOD LANE WITH THE NORTH LINE OF WALNUT STREET; THENCE NORTH 17° 12' WEST ALONG THE EAST LINE OF WOOD LANE, 96.90 FEET TO A STEEL AXLE IN THE WESTERLY PRODUCTION OF THE SOUTH PRODUCTION OF THE SOUTH LINE OF CHESTNUT STREET, 65.22 FEET TO A STEEL AXLE; THENCE SOUTH 17° 12' EAST 98.24 FEET TO A STEEL AXLE AT THE NORTHEAST CORNER OF SAID WALSH PROPERTY, 65.37 FEET TO THE POINT OF BEGINNING.

NOTE: A RE-SURVEY OF THIS AND OTHER PROPERTY WAS FILED FOR RECORD APRIL 14, 1938 IN VOL. 4 OF SURVEYS, PAGE 301, SAN JOAQUIN COUNTY RECORDS.

PARCEL THREE:

LOT 4 IN BLOCK "C", AS SHOWN UPON MAP ENTITLED, MC CLOUD'S ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD MAY 26, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS.

PARCEL FOUR:

LOT 5 IN BLOCK "C", AS SHOWN UPON MAP ENTITLED, MC CLOUD'S ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD MAY 26, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS.

PARCEL FIVE:

LOT 6 IN BLOCK "C", AS SHOWN UPON MAP ENTITLED, MC CLOUD'S ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD MAY 26, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS.

PARCEL SIX:

LOT 15 IN BLOCK "C", AS SHOWN UPON MAP ENTITLED, MC CLOUD'S ADDITION TO THE CITY

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60.110-385X19.1

Exhibit 1 Page 4 of 17

Comment Letter 3 (continued)

Customer Reference: EXHIBIT "A" Continued Order Number: 230254025
Page Number: 8

OF STOCKTON, FILED FOR RECORD MAY 26, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS.

PARCEL SEVEN:

THAT PORTION OF SECTION 19, C.M. WEBER'S GRANT, "EL RANCHO DEL CAMPO DE LOS FRANCESES", DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF LOT 15 IN BLOCK "C" OF MC CLOUD ADDITION IN THE CITY OF STOCKTON, AS PER MAP FILED MAY 26, 1892 IN BOOK OF MAPS, VOL. 2, PAGE 14, SAN JOAQUIN COUNTY RECORDS; THENCE ALONG THE NORTH LINE OF WALNUT STREET AS SHOWN ON MAP OF SURVEY FILED APRIL 14, 1938 IN BOOK OF SURVEYS, VOL. 4, PAGE 301, SAN JOAQUIN COUNTY RECORDS, SOUTH 89° 11' WEST 59.83 FEET TO A STEEL AXLE AT THE SOUTHEAST CORNER OF PROPERTY DESCRIBED IN DEED TO WILLIAM E. REILLY, ET UX, RECORDED JANUARY 18, 1937, IN BOOK OF OFFICIAL RECORDS, VOL. 561, PAGE 358; THENCE ALONG THE EAST LINE OF SAID LAST MENTIONED PROPERTY, NORTH 17° 12' WEST, 99.07 FEET TO THE NORTHEAST CORNER OF SAID REILLY LAND; THENCE NORTH 79° 19' EAST 56.42 FEET TO A POINT IN THE WEST LINE OF SAID BLOCK "C", THENCE ALONG THE WEST LINE OF SAID BLOCK "C", SOUTH 19° 04' 30" EAST 100.40 FEET TO THE POINT OF BEGINNING.

PARCEL EIGHT:

A PORTION OF SECTION 19, C.M. WEBER'S GRANT, "EL RANCHO DEL CAMPO DE LOS FRANCESES", DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTH LINE OF WALNUT STREET WITH THE EAST LINE OF WOOD LANE, SAID INTERSECTION BEING THE NORTHWEST CORNER OF THE PARCEL OF LAND DESCRIBED IN DEED FROM MULCANY TO CITY OF STOCKTON RECORDED MAY 2, 1923 IN BOOK A OF DEEDS, VOL. 564, PAGE 103, SAN JOAQUIN COUNTY RECORDS; THENCE NORTH 79 DEGREES 46 MINUTES EAST ALONG THE NORTH LINE OF WALNUT STREET AS DESCRIBED IN ABOVE MENTIONED DEED, A DISTANCE OF 65.48 FEET TO THE TRUE POINT OF BEGINNING OF THE FOLLOWING DESCRIBED TRACT OF LAND; THENCE CONTINUE ALONG THE SAID NORTH LINE OF WALNUT STREET, NORTH 79 DEGREES 46 MINUTES EAST 70.00 FEET; THENCE NORTH 17 DEGREES 12 MINUTES WEST AND PARALLEL TO THE EAST LINE OF SAID WOOD LANE, A DISTANCE OF 99.07 FEET; THENCE SOUTH 78 DEGREES 54 MINUTES WEST 69.88 FEET; THENCE SOUTH 17 DEGREES 12 MINUTES EAST 98.00 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL NINE:

LOTS 2 AND 3 IN BLOCK "C", AS SHOWN UPON MAP ENTITLED, MC CLOUD'S ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD MAY 26, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS.

PARCEL TEN:

LOT 1 IN BLOCK "C" AS SHOWN UPON MAP ENTITLED, MC CLOUD'S ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD MAY 26, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS.

PARCEL ELEVEN:

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60.110-385519.1

Exhibit 1
Page 5 of 17

Customer Reference: EXHIBIT "A" Continued Order Number: 23023-008
Page Number: 9

A PORTION OF SECTION 19 OF C.M. WEBER'S GRANT, "EL RANCHO DEL CAMPO DE LOS FRANCISES", DESCRIBED AS FOLLOWS:

A TRACT OF LAND LYING BETWEEN LOT 18 OF TRACT NO. 99 HAWTHORNE PARK, ACCORDING TO THE OFFICIAL MAP FILED MAY 27, 1946, IN VOL. 11 OF MAPS AND PLATS, PAGE 101, SAN JOAQUIN COUNTY RECORDS, AND LOT 1 IN BLOCK "C" OF MC CLOUD ADDITION TO STOCKTON, ACCORDING TO THE OFFICIAL MAP FILED MAY 26, 1892 IN VOL. 2 OF MAPS AND PLATS, SAN JOAQUIN COUNTY RECORDS, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 18, OF HAWTHORNE PARK, AND RUN THENCE SOUTH 13 DEGREES 53 MINUTES 30 SECONDS EAST ALONG THE EAST LINE OF SAID LOT 18, 100.26 FEET TO THE SOUTHEAST CORNER OF SAID LOT; THENCE NORTH 79 DEGREES 19 MINUTES EAST 9.16 FEET TO THE WEST LINE OF BLOCK "C" OF MC CLOUD ADDITION; THENCE NORTH 19 DEGREES 08 MINUTES EAST ALONG THE WEST LINE OF BLOCK "C" MC CLOUD ADDITION TO THE POINT OF BEGINNING.

PARCEL TWELVE:

LOT 18 AS SHOWN UPON MAP ENTITLED, HAWTHORNE PARK, FILED FOR RECORD MAY 27, 1946 IN VOL. 11 OF MAPS AND PLATS, PAGE 101, SAN JOAQUIN COUNTY RECORDS.

PARCEL THIRTEEN:

A PORTION OF SECTION 19, C. M. WEBER'S GRANT, "EL RANCHO DEL CAMPO DE LOS FRANCISES", DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF WALNUT STREET WITH THE EAST LINE OF WOOD LANE, SAID INTERSECTION BEING THE NORTHWEST CORNER OF THE PARCEL OF LAND DESCRIBED IN DEED FROM MULCAHY TO CITY OF STOCKTON RECORDED MAY 2, 1923 IN BOOK A OF DEEDS BOOK 964, PAGE 103, SAN JOAQUIN COUNTY RECORDS; THENCE NORTH 79° 46' EAST ALONG THE NORTH LINE OF WALNUT STREET AS DESCRIBED IN THE ABOVE MENTIONED DEED, A DISTANCE OF 65.48 FEET; THENCE NORTH 17° 12' WEST PARALLEL WITH THE EAST LINE OF SAID WOOD LANE, A DISTANCE OF 98 FEET; THENCE SOUTH 78° 54' WEST 65.37 FEET TO A POINT IN THE EAST LINE OF WOOD LANE; THENCE SOUTH 17° 12' EAST ALONG THE EAST LINE OF WOOD LANE, 97 FEET TO THE POINT OF BEGINNING.

PARCEL FOURTEEN:

LOTS 7, 8 AND 9 IN BLOCK "C" AS SHOWN UPON MAP ENTITLED, MC CLOUD'S ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD MAY 26, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS.

PARCEL FIFTEEN:

LOTS 10, 11 AND 12 IN BLOCK "C" AS SHOWN UPON MAP ENTITLED, MC CLOUD'S ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD MAY 26, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS.

EXCEPT THEREFROM THAT PORTION OF SAID LOT 10 AS GRANTED TO THE CITY OF STOCKTON BY DEED RECORDED MARCH 9, 1976 IN BOOK 4093 OF OFFICIAL RECORDS, PAGE 541, SAN JOAQUIN COUNTY RECORDS.

First American Title

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60.110-385819.1

Exhibit 1
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Comment Letter 3 (continued)

Exhibit "B"

COVENANTS, AGREEMENTS, AND RESTRICTIONS

The grant of the Property to Grantee by Grantor pursuant to the Grant Deed to which this Exhibit B is attached is made expressly subject to the following covenants, agreements and restrictions.

A. Grantor owns that certain real property located adjacent to the Property in the County of San Joaquin, State of California, and more particularly described on Exhibit B-1 ("dominant tenement"). The dominant tenement is used and operated by Grantor as an acute care hospital currently called St. Joseph's Medical Center ("the Hospital"). Grantor has an interest in ensuring that the Property subject to this Grant Deed is used for a purpose complementary to the Hospital use of the dominant tenement. Accordingly, provided the dominant tenement continues to be used as an acute care hospital facility under the direction of the Grantor or Grantor's Affiliate (defined below), the Property shall be used primarily for the construction and maintenance of a Medical Office Building ("MOB") of not less than thirty thousand (30,000) gross square feet and ancillary uses related to such facility, including without limitation parking, medical office and ancillary administrative areas. For the purposes of this Grant Deed, "Grantor's Affiliate" shall mean an entity controlled by, controlling or under common control with Grantor, including a parent or subsidiary, or a corporation, partnership, limited liability company, or any successor entity controlled by Grantor or under common control with Grantor resulting from the reorganization, merger of, or consolidation with Grantor.

B. Grantee shall commence construction of the MOB upon the Property no later than eighteen (18) months from the date of the recordation of this Grant Deed. For the purposes of this Paragraph B, "commence construction" shall mean the pouring of the concrete foundation for the MOB. Grantor shall have the right to repurchase the Property upon the same terms and conditions for which the Property was sold to Grantee by Grantor if Grantee has not commenced construction of the MOB on or before the date that is 18 months from the date this Grant Deed is recorded. In the event Grantor repurchases the Property under this Paragraph B, Grantee, at its sole cost and expense, shall return the Property to Grantor in the condition received, free of any liens or encumbrances incurred or caused by Grantee. Notwithstanding the foregoing, if Grantee has demolished an existing building in anticipation of the construction of the MOB, Grantee shall not be required to re-construct such building; and if Grantee has completed pre-construction improvements in accordance with all applicable laws and in anticipation of the construction of the MOB, such improvements may remain, provided that, in either situation above, Grantee has not created a situation that requires additional action to eliminate a threat to health, safety, or the environment.

C. Prior to the commencement of construction of the MOB, Grantee shall submit site plans for the entire Property to Grantor for review and approval, which such approval may be granted or withheld in Grantor's sole and absolute discretion, including the approval of any structures on the Property that are incorporated as part of the MOB, on a temporary or permanent basis. Grantee shall commence construction of the MOB and complete the development of the Property substantially consistent with the site plans approved by Grantor.

D. (1) No sale in whole or in part of the Property by Grantee shall be consummated without Grantee providing Grantor a right of first refusal as described below;

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40.110-382819.1

Exhibit 1
Page 7 of 17

Comment Letter 3 (continued)

provided that at such time Grantor or Grantor's Affiliate is continuing to utilize the dominant tenement as an acute care hospital facility and provided further, that none of the following shall be deemed a sale under this paragraph: (a) a transfer of interest to any successor-in-interest of Grantee, even if such transfer involves a sale, provided that (i) the original Grantee (or Grantee's heirs if Grantee is an individual) or (ii) individuals or entities comprised of physicians on the active medical staff of the Hospital (or their respective heirs) retain a fifty percent (50%) minimum interest, with fifty percent (50%) or more of the voting rights in the successor-in-interest; or (b) if Grantee, or Grantee's successor-in-interest, is a limited liability company, corporation, or partnership, the addition of new members, shareholders or partners into such entity or the internal transfers of interests among existing members, shareholder or partners, provided that (i) the original Grantee, or Grantee's heirs if Grantee is an individual, or (ii) individuals or entities comprised of physicians on the active medical staff of the Hospital (or their respective heirs) retain a fifty percent (50%) minimum interest, with fifty percent (50%) or more of the voting rights therein; or (c) a transfer of an interest to any estate planning trust or entity for the benefit of the Grantee or Grantee's successor-in-interest; or (d) if Grantee is a limited liability company, corporation, or partnership, the change from one type of entity to another type of entity for tax or estate planning reasons, with the same identity of interests in the new entity. In no event, however, shall the additions, changes, or transfers described in (a) through (d) in this paragraph serve as a subterfuge to evade Grantor's right of first refusal.

(2) Subject to D(1) above, if Grantee receives from any third party a bona fide offer to purchase the Property, including improvements, at a price and on terms acceptable to Grantee, Grantee shall provide Grantor with written notice of such offer ("Offer Notice"), which such Offer Notice shall specify the purchase price, terms and conditions of the third party offer. Grantor shall have the right to purchase the Property, including improvements, on the same terms and conditions and at the same purchase price as the Offer Notice by providing written notice of such exercise ("Intent to Exercise") to Grantee within fifteen (15) days following receipt of the Offer Notice ("Review Period"). Notwithstanding the terms of the third party offer, Grantor's Intent to Exercise shall be subject to Grantor's internal corporate and/or Board approvals. Grantor shall have no fewer than ninety (90) days after expiration of the Review Period (or such longer time as may be specified as a due diligence period or similar period in the Offer Notice) to obtain Grantor's internal corporate and/or Board approvals and to consummate the transaction on the terms contained in Grantee's Offer ("Transaction Term").

(3) If Grantor does not timely provide Grantee with the Intent to Exercise, or Grantor fails to consummate the purchase of such Property prior to the end of the Transaction Term, Grantee shall be free to sell such Property to a third party provided that (i) the price is not less than ninety five percent (95%) of the offering price in the Offer Notice, and (ii) the other terms of the sale are not more favorable to the purchaser, than those set forth in Offer Notice.

(4) If Grantee fails to consummate the sale or other transfer of such Property as set forth in D (2) above within: (a) one hundred eighty (180) days after expiration of the Review Period, if Grantor does not accept Grantee's Offer within the Review Period, or (b) the later to occur of (i) the expiration of the Transaction Term, or (ii) one hundred eighty (180) days after expiration of the Review Period, if Grantor has timely accepted Grantee's Offer, then Grantee may not sell or transfer the Property without first offering such Property to Grantor again as set forth in D (2) above, and the remaining provision of this Paragraph D shall remain in effect so that Grantor will have a continuing right of first refusal.

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60.110-385819.1

Exhibit 1
Page 8 of 17

Comment Letter 3 (continued)

(5) The right of first refusal described in this Paragraph D shall continue to bind any transferee, buyer, or successor of Grantor, regardless of the method by which such person acquired Grantor's interest in the Property.

E. The covenants and restrictions set forth in this Exhibit B shall burden the Property, as the servient tenement, and shall run with the land which constitutes the Property, and shall be binding upon Grantee and each of Grantee's successors and assigns. The covenants and restrictions set forth in this Exhibit B (1) shall benefit Grantor and Grantor's Affiliates for so long as Grantor and/or Grantor's Affiliates remain in existence and operate as an acute care hospital facility on the dominant tenement, and (2) shall also benefit the dominant tenement, and shall run with the land which constitutes the dominant tenement, and shall benefit Grantor and each of Grantor's successors and assigns, subject to the same limitation set forth in E(1) above.

F. If the Property is at any time used by any party whatsoever for any prohibited purpose or is transferred to a party in violation of the Restrictions contained herein, then Grantor or Grantor's successors or assigns may specifically enforce the covenants and restrictions set forth in this Exhibit B, and shall have all remedies available at law and equity, including the right to an injunction to prevent such impermissible uses or transfer.

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60.110-385819.1

Exhibit 1
Page 9 of 17

Comment Letter 3 (continued)

Exhibit B-1DESCRIPTION OF DOMINANT TENEMENT

THAT CERTAIN REAL PROPERTY SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SAN JOAQUIN, CITY OF STOCKTON, DESCRIBED AS FOLLOWS:

PARCEL ONE: PORTION OF APN 127-180-44

A TRACT OF LAND SITUATE IN SECTION 19 OF C.M. WEBER GRANT, "EL RANCHO DEL CAMPO DE LOS FRANCESES, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIN IN THE NORTH LINE OF HARDING WAY (FORMERLY NORTH STREET) IN THE CITY OF STOCKTON, BEARING WESTERLY 75 FEET ALONG THE NORTH LINE OF SAID HARDING WAY WITH THE WEST LINE OF THE 45 FOOT STRIP KNOWN AS CEMETERY LANE AND DESCRIBED IN DEED RECORDED IN BOOK "A" O F DEEDS, VOL. 15, PAGE 781, SAN JOAQUIN COUNTY RECORDS; THENCE NORTHERLY AND PARALLEL TO THE WEST LINE OF SAID CEMETERY LANE AND ALONG THE WEST LINE OF B. M. WOODHULL PROPERTY, 95.0 FEET TO AN IRON PIPE AT CORNER OF SAID WOODHULL PROPERTY; THENCE WESTERLY AND PARALLEL TO THE NORTH LINE OF HARDING WAY AND ALONG THE SOUTH LINE WOODHULL PROPERTY, 49.87 FEET TO A POINT; THENCE SOUTHERLY PARALLEL TO THE WEST LINE OF LOT 1 BLOCK "P" OF SUPPLEMENTAL MAP OF MC CLOUD ADDITION TO THE CITY OF STOCKTON, AS PER MAP FILED AUGUST 30, 1892, 94.45 FEET TO A POINT IN THE NORTH LINE OF HARDING WAY; THENCE EASTERLY ALONG THE NORTH LINE OF HARDING WAY, 60 FEET TO THE POINT OF BEGINNING.

EXCEPT THAT PORTION CONVEYED TO GEORGE O'NEILL AND WIFE, BY DEED RECORDED APRIL 11, 1939 IN BOOK 649 OF OFFICIAL RECORDS, PAGE 97, SAN JOAQUIN COUNTY RECORDS, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIN IN THE NORTH LINE OF HARDING WAY (FORMERLY NORTH STREET) SAID PIN BEARING WESTERLY 75 FEET ALONG THE NORTH LINE OF SAID HARDING WAY FROM THE INTERSECTION OF THE NORTH LINE OF SAID HARDING WAY WITH THE WEST LINE OF THE 45 FOOT STRIP KNOWN AS CEMETERY LAND AND DESCRIBED IN DEED RECORDED IN BOOK "A" OF DEEDS, VOL. 15, PAGE 781, SAN JOAQUIN COUNTY RECORDS; THENCE CONTINUING WESTERLY 22.0 FEET ALONG SAID NORTH LINE OF HARDING WAY TO A POINT IN THE CENTER LINE PRODUCED SOUTHERLY OF AN 8 INCH BRICK WALL; THENCE NORTHERLY 67.05 FEET ALONG SAID CENTER LINE AND SAID CENTER LINE PRODUCED, TO A 1/2 INCH IRON PIPE; THENCE EASTERLY 16.85 FEET TO A 1/2 INCH IRON PIPE ON THE WEST LINE OF THE FORMER B. M. WOODHULL PROPERTY; THENCE SOUTHERLY 67.40

60.110-385819.1

Exhibit 1
Page 10 of 17

Comment Letter 3 (continued)

FEET ALONG SAID WEST LINE OF SAID B. M. WOODHULL PROPERTY AND PARALLEL WITH SAID CEMETERY LANE TO THE POINT OF BEGINNING.

PARCEL TWO: PORTION OF APN 127-180-44

A PORTION OF SECTION 19 OF C.M. WEBER GRANT, "EL RANCHO DEL CAMPO DE LOS FRANCESSES, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF LOT 1 IN BLOCK "P" OF SUPPLEMENTAL MAP OF MC CLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 IN VOL 2 OF MAPS AND PLATS, PAGE 15, SAN JOAQUIN COUNTY RECORDS; THENCE EASTERLY PARALLEL WITH THE NORTH LINE OF HARDING WAY AND ALONG THE NORTH LINE OF PROPERTY FORMERLY OWNED BY O. M. HOOE, 86 FEET; THENCE SOUTHERLY PARALLEL WITH THE WEST LINE OF CEMETERY LANE, 55 FEET; THENCE WESTERLY PARALLEL WITH THE NORTH LINE OF HARDING WAY AND ALONG THE SOUTH LINE OF PROPERTY FORMERLY OWNED BY O. M. HOOE, 86 FEET TO A POINT ON THE EAST LINE OF LOT 1 IN BLOCK "P", SUPPLEMENTAL MAP OF MC CLOUD ADDITION; THENCE NORTHERLY ALONG THE EAST LINE OF SAID LOT 1, 55 FEET TO THE POINT OF BEGINNING.

PARCEL THREE: PORTION OF APN 127-150-54

LOT 7 IN BLOCK 1, AS SHOWN UPON MAP ENTITLED, NORTH PARK ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD SEPTEMBER 26, 1982 IN VOL. 2 OF MAPS AND PLATS, PAGE 21, SAN JOAQUIN COUNTY RECORDS.

PARCEL FOUR: PORTION OF APN 127-150-54

LOT 5 IN BLOCK "P", AS SHOWN UPON MAP ENTITLED, SUPPLEMENTAL MAP OF MC CLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 15, SAN JOAQUIN COUNTY RECORDS.

PARCEL FIVE: PORTION OF APN 127-150-54

LOT 4 IN BLOCK "P", AS SHOWN UPON MAP ENTITLED, SUPPLEMENTAL MAP OF MC CLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 15, SAN JOAQUIN COUNTY RECORDS.

PARCEL SIX: APN 127-160-03

LOT 5 IN BLOCK "L" OF MC CLOUDS ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD MAY 26, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS.

PARCEL SEVEN: APN 127-160-04

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Comment Letter 3 (continued)

LOTS 3 AND 4 IN BLOCK "I", AS SHOWN UPON MAP ENTITLED, SUPPLEMENTAL MAP OF MCCLLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 15, SAN JOAQUIN COUNTY RECORDS.

PARCEL EIGHT: APN 127-164-06

LOTS 16, 17 AND 18 IN BLOCK "L", AS SHOWN UPON MAP ENTITLED, SUPPLEMENTAL MAP OF MCCLLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 16, SAN JOAQUIN COUNTY RECORDS.

AND THE NORTH 38 FEET OF LOTS 19, 20 AND 21 IN BLOCK "L", AS SHOWN UPON MAP ENTITLED, SUPPLEMENTAL MAP OF MCCLLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 16, SAN JOAQUIN COUNTY RECORDS.

PARCEL NINE: APN 127-164-07

LOTS 15, 19, 20 AND 21 IN BLOCK "L" OF THE MAP AND SUPPLEMENTAL MAP OF MCCLLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 AND AUGUST 14, 1896, RESPECTIVELY, SAN JOAQUIN COUNTY RECORDS.

EXCEPT THEREFROM THE NORTH 38 FEET OF LOTS 18, 20 AND 21, AS CONVEYED BY MARY RUSSELL TO STOCKTON, CALIFORNIA COMPANY OF JEHOVAH'S WITNESSES, A CORPORATION, BY DEED RECORDED DECEMBER 31, 1951 AS INSTRUMENT NO. 40851, SAN JOAQUIN COUNTY RECORDS.

PARCEL TEN: APN 127-164-08

LOT 14 IN BLOCK "L", AS SHOWN UPON MAP ENTITLED, SUPPLEMENTAL MAP OF MCCLLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 15, SAN JOAQUIN COUNTY RECORDS.

PARCEL ELEVEN: APN 127-164-15

LOT 2 IN BLOCK "L", AS SHOWN UPON MAP ENTITLED, SUPPLEMENTAL MAP OF MCCLLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 15, SAN JOAQUIN COUNTY RECORDS.

PARCEL TWELVE: APN 127-164-17

LOT 6 IN BLOCK "L" OF MCCLLOUDS ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD MAY 26, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS.

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Comment Letter 3 (continued)

EXCEPT THEREFROM THAT PORTION AS DESCRIBED IN DEED TO THE CITY OF STOCKTON, A MUNICIPAL CORPORATION, RECORDED JANUARY 29, 1980 AS INSTRUMENT NO. 80005822, SAN JOAQUIN COUNTY RECORDS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF LOT 6 BLOCK "L" AS SAID LOT AND BLOCK ARE SO DESIGNATED AND DELINEATED ON THAT CERTAIN MAP ENTITLED "SUPPLEMENTAL MAP OF MC CLOUD'S ADDITION TO THE CITY OF STOCKTON" AS FILED ON AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 15, SAN JOAQUIN COUNTY RECORDS; THENCE EASTERLY 24 FEET ALONG THE NORTH LINE OF SAID LOT; THENCE SOUTHERLY 50 FEET ALONG A LINE 24 FEET EASTERLY OF AND PARALLEL WITH THE EAST LINE OF CALIFORNIA STREET TO A POINT ON THE SOUTH LINE OF SAID LOT; THENCE WESTERLY 24 FEET ALONG SAID SOUTH LINE TO THE EAST LINE OF CALIFORNIA STREET BEING ALSO THE SOUTHWEST CORNER OF SAID LOT; THENCE NORTHERLY 50 FEET ALONG SAID EAST LINE OF CALIFORNIA STREET TO THE HEREINBEFORE MENTIONED POINT OF BEGINNING.

PARCEL THIRTEEN: APN 127-164-20

THE EAST 30 FEET OF LOT 10; THE EASTERLY 58 FEET OF THE WESTERLY 82 FEET OF LOTS 8 AND 9; THE EASTERLY 76 FEET OF LOT 7; THE WEST 20 FEET OF LOT 10; THE EAST 18 FEET OF EACH OF LOTS 8 AND 9, ALL OF LOT 11, ALL IN BLOCK "L", AS SHOWN UPON MAP ENTITLED, SUPPLEMENTAL MAP OF MC CLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 15, SAN JOAQUIN COUNTY RECORDS.

EXCEPT FROM A PORTION OF SAID LAND ALL MINERAL RIGHTS INCLUDING RIGHTS TO OIL, GAS AND OTHER HYDROCARBON SUBSTANCES BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID REAL PROPERTY WITHOUT THE RIGHT OF SURFACE ENTRY.

PARCEL FOURTEEN: APN 127-164-21

LOTS 12 AND 13 IN BLOCK "L", AS SHOWN UPON MAP ENTITLED, SUPPLEMENTAL MAP OF MC CLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS.

PARCEL FIFTEEN: APN 127-173-28

ALL OF LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 AND 18 IN BLOCK M AS THE SAME ARE SHOWN AND DELINEATED ON THAT CERTAIN MAP ENTITLED SUPPLEMENTAL MAP OF MC CLOUD ADDITION TO THE CITY OF STOCKTON WHICH MAP WAS FILED FOR RECORD AUGUST 30, 1992 IN BOOK OF MAPS AND PLATS, VOL.

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Comment Letter 3 (continued)

2, PAGE 15, SAN JOAQUIN COUNTY RECORDS; AND ALL THAT PORTION OF WYANDOTTE STREET AS SHOWN UPON SAID REFERENCE MAP AS THE SAME WAS ABANDONED BY THE STOCKTON CITY COUNCIL RECORDED APRIL 19, 1991, RECORDER'S INSTRUMENT NO. 91033824, SAN JOAQUIN COUNTY RECORDS.

EXCEPTING FROM LOTS 8, 9, 10 AND 11 SO MUCH OF SAID LOTS AS LIE WITHIN THE EXTERIOR BOUNDARIES OF CALIFORNIA STREET AS SAID STREET IS NOW TRAVELED AND ESTABLISHED.

ALSO EXCEPTING FROM THE EAST 12 1/2 FEET OF LOT 13 AND THE WEST 1/2 OF LOT 14 HEREIN ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET BELOW THE SURFACE OF SAID LOTS AS THE SAME WERE RESERVED IN THE DEED RECORDED JUNE 22, 1988 RECORDER'S INSTRUMENT NO. 88051979, SAN JOAQUIN COUNTY RECORDS.

PARCEL SIXTEEN: APN 127-174-30

ALL OF LOTS 1, 2, 3, 4, 5, 6, 7, 8 AND 9 IN BLOCK N AS SAID LOTS AND BLOCK AS SHOWN AND DELINEATED UPON THAT CERTAIN MAP ENTITLED, SUPPLEMENTAL MAP OF MC CLOUD ADDITION TO THE CITY OF STOCKTON FILED FOR RECORD AUGUST 30, 1892 IN BOOK OF MAPS AND PLATS, VOL. 2, PAGE 15, SAN JOAQUIN COUNTY RECORDS; AND ALL THAT PORTION OF HAWTHORNE STREET AS SHOWN UPON SAID ABOVE REFORMED MAP AS THE SAME WAS ABANDONED BY THE STOCKTON CITY COUNCIL RECORDED JULY 27, 1987 RECORDER'S INSTRUMENT NO. 87070382, SAN JOAQUIN COUNTY RECORDS.

EXCEPTING FROM SAID LOTS 8 AND 9 ABOVE REFERRED TO THAT PORTION OF SAID LOTS 8 AND 9 DESCRIBED IN DEEDS TO THE CITY OF STOCKTON, A MUNICIPAL CORPORATION RECORDED OCTOBER 3, 1978 IN BOOK OF OFFICIAL RECORDS, VOL. 4456, PAGE 463, SAN JOAQUIN COUNTY RECORDS AND RECORDED OCTOBER 31, 1978 IN BOOK OF OFFICIAL RECORDS, VOL. 4468, PAGE 323, SAN JOAQUIN COUNTY RECORDS.

PARCEL SEVENTEEN: APN 127-180-44

PARCEL SEVENTEEN-A:

LOTS 10, 11, 12, 13, 14, 15, 16, 17 AND 18 IN BLOCK N, SUPPLEMENTAL MAP OF MC CLOUD ADDITION TO THE CITY OF STOCKTON FILED FOR RECORD AUGUST 30, 1892 IN BOOK OF MAPS AND PLATS, VOL. 2, PAGE 15, SAN JOAQUIN COUNTY RECORDS.

EXCEPT THAT PORTION OF LOTS 10 AND 11 DESCRIBED IN DEED TO THE CITY OF STOCKTON RECORDED SEPTEMBER 10, 1976 IN BOOK OF OFFICIAL RECORDS, VOL. 4178, PAGE 377, SAN JOAQUIN COUNTY RECORDS.

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Comment Letter 3 (continued)

PARCEL SEVENTEEN-B:

LOTS 1 THROUGH 10 INCLUSIVE IN BLOCK O, SUPPLEMENTAL MAP OF MC CLOUD ADDITION TO THE CITY OF STOCKTON FILED FOR RECORD AUGUST 30, 1892 IN BOOK OF MAPS AND PLATS, VOL. 2, PAGE 15, SAN JOAQUIN COUNTY RECORDS.

EXCEPT THAT PORTION DESCRIBED IN DEED TO THE CITY OF STOCKTON RECORDED JULY 26, 1961 IN BOOK OF OFFICIAL RECORDS, VOL. 2440, PAGE 264, SAN JOAQUIN COUNTY RECORDS.

PARCEL SEVENTEEN-C:

A PORTION OF SECTION 19 OF C. M. WEBER GRANT, DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY LINE OF CALIFORNIA STREET WITH THE NORTHERLY LINE OF WALNUT STREET AS SHOWN UPON MAP OF NORTH PARK ADDITION TO STOCKTON ACCORDING TO THE OFFICIAL MAP THEREOF FILED IN BOOK OF MAPS AND PLATS, VOL. 2, PAGE 21, SAN JOAQUIN COUNTY RECORDS; THENCE EASTERLY ALONG THE NORTHERLY LINE OF WALNUT STREET TO THE WESTERLY LINE OF CEMETERY LANE; THENCE NORTHERLY ALONG THE WESTERLY LINE OF CEMETERY LANE TO THE SOUTHERLY LINE OF BLOCK O AS SHOWN UPON MAP ENTITLED SUPPLEMENTAL MAP OF MC CLOUD ADDITION TO THE CITY OF STOCKTON ACCORDING TO THE OFFICIAL MAP THEREOF FILED IN BOOK OF MAPS AND PLATS, VOL. 2, PAGE 15, SAN JOAQUIN COUNTY RECORDS; THENCE WESTERLY ALONG THE SOUTHERLY LINE OF BLOCK O TO THE EASTERLY LINE OF CALIFORNIA STREET; THENCE SOUTHERLY ALONG SAID EASTERLY LINE OF CALIFORNIA STREET TO THE POINT OF COMMENCEMENT.

EXCEPT THAT PORTION TO THE CITY OF STOCKTON BY DEED RECORDED JULY 26, 1961 IN BOOK OF OFFICIAL RECORDS, VOL. 2440, PAGE 264, SAN JOAQUIN COUNTY RECORDS.

TOGETHER WITH THE NORTH 1/2 OF ABANDONED WALNUT STREET LYING BETWEEN THE EASTERLY AND WESTERLY BOUNDARY LINE OF SAID PARCEL TWO IF EXTENDED SOUTHERLY.

EXCEPT THAT PORTION OF ABOVE DESCRIBED ABANDONED WALNUT STREET WHICH LIES WITHIN THE BOUNDARIES OF SECOND AMENDED PARCEL MAP FILED FOR RECORD APRIL 17, 1975 IN BOOK OF PARCEL MAPS, VOL. 1, PAGE 140, SAN JOAQUIN COUNTY RECORDS.

PARCEL FOUR:

LOTS 6, 8, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24 AND 25 IN BLOCK 2 OF NORTH PARK ADDITION TO STOCKTON FILED FOR RECORD SEPTEMBER 26, 1892 IN BOOK OF MAPS AND PLATS, VOL. 2, PAGE 21, SAN JOAQUIN COUNTY RECORDS.

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Comment Letter 3 (continued)

TOGETHER WITH THE SOUTH 1/2 OF ABANDONED WALNUT STREET LYING BETWEEN THE EASTERLY AND WESTERLY BOUNDARY LINE OF ABOVE BLOCK 2, IF EXTENDED NORTHERLY.

EXCEPT THEREFROM THAT PORTION LYING WITHIN THE BOUNDARIES OF SECOND AMENDED PARCEL MAP FILED FOR RECORD APRIL 17, 1975 IN BOOK OF PARCEL MAPS, VOL. 1, PAGE 140, SAN JOAQUIN COUNTY RECORDS.

PARCEL FIVE:

UNIT NOS. 1, 2, 3, 4, 5, 6 AND 7 AS SHOWN UPON SECOND AMENDED PARCEL MAP, ST. JOSEPH'S HOSPITAL MEDICAL OFFICE BUILDING, A CONDOMINIUM PROJECT AS SAID MAP WAS FILED FOR RECORD APRIL 17, 1975 IN BOOK OF PARCEL MAPS, VOL. 1, PAGE 140, SAN JOAQUIN COUNTY RECORDS.

TOGETHER WITH AN APPURTENANT INTEREST IN THE COMMON PROPERTY FOR EACH OF THE AFORESAID UNITS AS DEFINED BY THE AMENDED DECLARATION RECORDED JUNE 5, 1975 IN BOOK OF OFFICIAL RECORDS, VOL. 3990, PAGE 56, SAN JOAQUIN COUNTY RECORDS;

AN INTEREST IN THE IMPROVEMENTS LOCATED UPON COMMON PROPERTY AS SHOWN ON SECOND AMENDED PARCEL MAP, ST. JOSEPH'S HOSPITAL MEDICAL OFFICE BUILDING, A CONDOMINIUM PROJECT AS SAID MAP WAS FILED FOR RECORD APRIL 17, 1975 IN BOOK OF PARCEL MAPS, VOL. 1, PAGE 140, SAN JOAQUIN COUNTY RECORDS.

PARCEL EIGHTEEN: APN 127-190-09 AND 127-190-10

LOT 15 AND THE WEST 34.9 FEET OF LOT 16 IN BLOCK 1 OF NORTH PARK ADDITION TO THE CITY OF STOCKTON, ACCORDING TO THE OFFICIAL MAP THEREOF, FILED FOR RECORD JULY 3, 1895 IN VOL. 2 OF MAPS AND PLATS, PAGE 21, SAN JOAQUIN COUNTY RECORDS.

PARCEL NINETEEN: APN 127-190-29

LOTS 1, 2, 3, 8 9 10 AND THE WEST ONE-HALF OF LOT 11 IN BLOCK 1 OF NORTH PARK ADDITION TO THE CITY OF STOCKTON, ACCORDING TO THE OFFICIAL MAP THEREOF, FILED FOR RECORD JULY 3, 1895 IN VOL. 2 OF MAPS AND PLATS, PAGE 21, SAN JOAQUIN COUNTY RECORDS.

PARCEL TWENTY: PORTION OF APN 127-190-31

BEGINNING AT THE NORTHEAST CORNER OF LOT 5 IN BLOCK 1 OF NORTH PARK ADDITION TO THE CITY OF STOCKTON, ACCORDING TO THE OFFICIAL MAP

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THEREOF, FILED FOR RECORD JULY 3, 1895 IN VOL. 2 OF MAPS AND PLATS, PAGE 21, SAN JOAQUIN COUNTY RECORDS; THENCE SOUTH $11^{\circ} 54'$ EAST, ALONG THE EAST LINE OF LOTS 5 AND 6 IN SAID BLOCK 1 OF NORTH PARK ADDITION, A DISTANCE OF 90.00 FEET TO A POINT ON THE EXISTING NORTH LINE OF HARDING WAY (FORMERLY KNOWN AS NORTH STREET); THENCE SOUTH $78^{\circ} 08' 30''$ WEST, ALONG SAID EXISTING NORTH LINE OF HARDING WAY, A DISTANCE OF 68.01 FEET TO A POINT; THENCE NORTHWESTERLY ON A CURVE TO THE RIGHT, RADIUS 20.00 FEET, THE LONG CHORD OF WHICH BEARS NORTH $56^{\circ} 52' 45''$ WEST, 28.27 FEET, AN ARC DISTANCE OF 31.40 FEET TO A POINT; THENCE NORTH $11^{\circ} 54'$ WEST, A DISTANCE OF 70.01 FEET TO A POINT ON THE NORTH LINE OF SAID LOT 5; THENCE NORTH $78^{\circ} 08' 30''$ EAST ALONG THE SAID NORTH LINE OF LOT 5, A DISTANCE OF 88.00 FEET TO A POINT, SAID POINT AS HEREINBEFORE REFERRED TO, THE POINT OF BEGINNING.

PARCEL TWENTY-ONE: PORTION OF APN 127-190-31

LOT 4 IN BLOCK 1 OF NORTH PARK ADDITION TO THE CITY OF STOCKTON, ACCORDING TO THE OFFICIAL MAP THEREOF, FILED FOR RECORD JULY 3, 1895 IN VOL. 2 OF MAPS AND PLATS, PAGE 21, SAN JOAQUIN COUNTY RECORDS.

EXCEPT THE WEST 11.64 FEET AS DESCRIBED IN DEED TO THE CITY OF STOCKTON, RECORDED AUGUST 10, 1973 IN BOOK 3792 OF OFFICIAL RECORDS, PAGE 523, SAN JOAQUIN COUNTY RECORDS.

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Comment Letter 3 (continued)

EXHIBIT 2


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Comment Letter 3 (continued)

RECORDED AT THE REQUEST OF
AND WHEN RECORDED RETURN TO:

Catholic Healthcare West
3400 Dana Drive
Rancho Cordova, California 95670
Attention: Legal Department

DOC # 2006-196266
09/15/2006 07:38A Fee:157.60
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Recorded in Official Records
County of San Joaquin
CARY U. FREEHAN
Assessor-Recorder-County Clerk
Paid by FIRST AMER TITLE CO



(SPACE ABOVE IS BLANK FOR RECORDER'S USE ONLY)

DECLARATION OF RESTRICTIVE COVENANTS

THIS DECLARATION OF RESTRICTIVE COVENANTS (this "Declaration") is made as of 9-15-06, 2006, by CATHOLIC HEALTHCARE WEST, a California nonprofit public benefit corporation ("Declarant"), with reference to the following facts:

RECITALS

- A. Declarant owns that certain real property located in the County of San Joaquin, State of California, more particularly described in Exhibit A attached hereto (the "Benefited Property").
- B. Declarant also owns that certain real property located in the County of San Joaquin, State of California, more particularly described in Exhibit B attached hereto (the "Burdened Property"). For purposes hereof, the Benefited Property and the Burdened Property are sometimes referred to herein collectively as the "Properties."
- C. Declarant may from time to time sell, lease, or otherwise convey the Burdened Property, or portions thereof, to one or more parties. In connection therewith, Declarant desires to ensure proper, harmonious and appropriate use of the Properties by subjecting the Burdened Property, and any and all improvements located thereon, and any and all current or future owners and occupants thereof, to the restrictive covenants set forth herein.

AGREEMENT

NOW THEREFORE, Declarant hereby declares as follows:

- 1. Definitions. For purposes hereof, the following terms when used with initial capitalization shall have the following meanings:

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Comment Letter 3 (continued)

1.1 “**Declarant**” shall mean the original Declarant hereunder and its successors and assigns, provided such successor or assign operates an acute care hospital facility on the Benefited Property and is an affiliate of the original Declarant, which for the purposes of this Declaration, a “**Declarant Affiliate**” shall mean an entity controlled by, controlling or under common control with the original Declarant, including a parent or subsidiary, or a corporation, partnership, limited liability company, or any successor entity controlled by Grantor or under common control with Grantor resulting from the reorganization, merger of, or consolidation with the original Declarant.

1.2 “**Occupant**” shall mean each party and any Person (as defined below) from time to time entitled to the use and occupancy of any portion of any of the Burdened Property under an ownership right or any lease, sublease, license, concession or other similar agreement.

1.3 “**Owner**” shall mean any Person having or acquiring a fee title ownership in any of the Properties, or its successors in interest, as shown by the Official Records of San Joaquin County. The original Owner of all Properties is Declarant. Each Owner of the Burdened Property shall be liable for the performance of all covenants, restrictions and undertakings herein set forth with respect to the portion of the Burdened Property owned by such Owner that accrue during the period of such ownership.

1.4 “**Person**” shall mean and include any individual, partnership, firm, association, joint venture, corporation, trust, limited liability company, other form of business or government entity, or any other legal entities and trustees, heirs, executors, administrators and other personal representatives.

1.5 “**Permittee**” shall mean any and all Owners and/or Occupants of the Burdened Property, together with their respective officers, directors, shareholders, partners, members, employees, agents, contractors, customers, vendors, suppliers, visitors, invitees, licensees, subtenants and concessionaires insofar as their activities relate to the intended use of the Properties.

2 **Establishment of Restrictions.** Declarant, for itself and any future Owner, Occupant and/or Permittee of the Burdened Property, hereby covenants and declares that the Burdened Property, and every part thereof or interest therein, is now held and shall hereafter be held, transferred, sold, leased, conveyed and occupied subject to the covenants and restrictions set forth in this Declaration. The restrictions set forth herein are and shall be for the benefit of and shall be appurtenant to each and every portion of the Benefited Property as the dominant tenement, and shall burden and be imposed upon each and every portion of and interest in the Burdened Property as the servient tenement. In accordance with California Civil Code Section 1468, the covenants and restrictions set forth herein shall run with the land which comprises the Properties and may not be assigned or transferred separate or apart from the Properties. This Declaration and the covenants and restrictions set forth herein shall bind and inure to the benefit of the Owners of each of the Properties and their respective Occupants and successors in title. Every Person who now or hereafter owns or hereafter acquires the right, title or interest in or to any portion of the Burdened Property is and shall be conclusively deemed to have consented and agreed to every covenant and restriction contained herein, whether or not any reference to this Declaration is

Comment Letter 3 (continued)

contained in the instrument by which such person acquired an interest in the Burdened Property. Notwithstanding the foregoing, such covenants and restrictions set forth herein shall apply for so long as the original Declarant or a Declarant Affiliate operates an acute care hospital facility on the Benefited Property.

3. Design Approval.

3.1 Every Occupant shall submit to the Declarant such plans and specifications as the Declarant may request for any initial construction of improvements or for any material changes to the exterior of existing improvements undertaken by such occupant. Such plans and specifications may include, without limitation, four-sided building elevations, materials, color schemes, parking and landscaping layout plans, and sign package. If the Declarant objects to all or any portion of the materials submitted, it shall notify such Occupant in writing, specifying the manner in which the materials submitted conflict with the Design Guidelines. No material changes or deviations in or from the plans and specifications for any work to be done on the Burdened Property, once approved by the Declarant, shall be permitted without the prior written approval of the Declarant.

3.2 All landscaping, buildings, fences, canopies, exterior walls, signs, lighting, or other structures or improvements hereinafter built or erected on any portion of the Burdened Property must conform with the plans and specifications approved by Declarant. Any changes, modifications, alterations, remodeling or maintenance that materially alters the exterior appearance of any improvement, whether currently occupying the property or otherwise, (including a change in color scheme or landscaping) must comply with plans and specifications approved by Declarant.

3.3 In approving plans, the Declarant is given discretion to consider consistency and harmony with other projects developed and to be developed on the Benefited Property.

3.4 If the Declarant fails to respond to a written request for approval of an item pursuant to this Section 3 within thirty (30) days after the written request was received by Declarant, the item shall be deemed approved, provided that the written request cited this Section 3.4 and the thirty (30) day deadline.

3.5 The Declarant may assign its rights under this Section 3 by a recorded assignment to an affiliate which acquires part or all of the Benefited Property.

4. Use Restrictions.

4.1 The Burdened Property shall be used solely for the construction and maintenance of a Medical Office Building ("MOB") of not less than thirty thousand (30,000) gross square feet and ancillary uses related to such facility, including without limitation parking, medical office, and ancillary administrative areas.

4.2 Before completion of the MOB, the Burdened Property shall be used for accommodating additional parking spaces for the Benefited Property in accordance with historical use of the Property. Such historical use shall be calculated based upon the preceding

Comment Letter 3 (continued)

five (5) years. After completion of the MOB, the Burdened Property shall continue to be used for parking to accommodate the needs of the Benefited Property on a non-exclusive basis on weekends, holidays and after regular business hours, which shall be before 8:00 a.m. and after 6:00 p.m. Monday through Friday. Signs may be posted on the Burdened Property, in accordance with all applicable laws and regulations, to notify potential users of the parking spaces of the rules established by this Declaration.

4.3 At least seventy-five percent (75%) of the Occupants of the Burdened Property, or any portion thereof, must be authorized and admitted to practice medicine at St. Joseph's Medical Center (the "Hospital"). In the event that the Occupant is a medical group, one hundred percent (100%) of the physicians in that group must be certified to practice at the Hospital in order for that Occupant to qualify as an Occupant certified to practice medicine at the Hospital. New physicians joining such a group shall become certified to practice at the Hospital by the date that is no more than two hundred seventy (270) days from the date of that physician's occupancy. Notwithstanding such, no portion of the Burdened Property may be leased to a Person who is not on the medical staff at the Hospital until after the space has been marketed for at least ninety (90) days to physicians on the medical staff at the Hospital and such physicians are otherwise unwilling to lease the space. After that time, said space on the Burdened Property may be leased to a Person who is not on the medical staff at the Hospital provided that the Owner of the Benefited Property provides its prior written approval of the proposed tenant, which approval shall not be unreasonably withheld.

4.4

- (a) The Burdened Property shall not at any time be used or utilized for:
- (i) the performance of any medical or surgical procedures which contravene the healthcare policies as expressed in the *Ethical and Religious Directives for Health Care Services*, attached as Exhibit C hereto, as the same may be hereafter amended or modified from time to time, provided that any change in the ERD after the "Effective Date" of this Declaration, which shall be the date upon which this Declaration is recorded in the Official Records of the County of San Joaquin, shall not materially impact Occupant's rights hereunder; and
 - (ii) services duplicative of those offered by St. Joseph's Medical Center, or services provided by a general acute care hospital, as such term is defined in California Health and Safety Code section 1250, as amended from time to time, or other California law, including without limitation the following: rehabilitation services, referral laboratory, clinical laboratory, imaging center, pharmacy, acute care providers clinics, acute inpatient care, inpatient skilled nursing facility/transitional care services, inpatient sub-acute services, invasive cardiology (including cardiac physiology and cardiac catheterization), inpatient surgery, occupational medicine, urgent care/emergency services, free-standing diagnostic imaging center, reference laboratory, gastroenterology laboratory, blood draw station, anatomic pathology, nuclear medicine, ultrasound services, CT scanner services, magnetic resonance imaging (MRI) services, x-ray services, radiation therapy, echo-cardiography, therapeutic services, cardiac rehabilitation and chemical dependency rehabilitation of any type.

Comment Letter 3 (continued)

pathology services, oral surgery, any type or kind of outpatient surgical facility (including shared or pooled arrangements) which provides ambulatory surgical care for, and/or surgical treatment of patients who remain for less than twenty-four (24) hours, emergency or any other emergency services conducted on a regular after hours basis, physical therapy or rehabilitation services.

(b) The restrictions set forth in Section 4.4(a)(ii) are not intended to preclude physicians from (a) using such equipment on the Burdened Property as is normal and integral to their businesses, such as, for example, use of electrocardiogram machines by cardiologists or such diagnostic, therapeutic, rehabilitative or treatment services or procedures that are of the type and kind usually and customarily provided by physicians to patients in such physician's own offices and which are part of the services permitted under the provider's own license, and (b) performing services that are, at the time in question, incidental to a physician's primary medical practice for the physician's patients and are not offered to the general public.

4.5 Any Occupant of the Burdened Property may not undertake to provide any service pursuant to Section 4.4(a) above without the consent of the administrator of the Hospital (the "Administrator"). Such Occupant must provide the Administrator at least thirty (30) days advance written notice that such Owner or Occupant has a proposed use for the Burdened Property, and inquire whether the Administrator has any objection to such proposed use based on the provisions of this Declaration. The Administrator shall have thirty (30) days from receiving such notice to grant such Owner or Occupant its consent to the proposed use, or inform such Owner or Occupant of any objection thereto. Such consent or objection shall be in the Administrator's sole discretion, but failure to affirmatively consent or object within such thirty (30) days shall be conclusively presumed to be consent.

4.6 In the event the Administrator objects to any use proposed by an Occupant of the Burdened Property, it shall notify Occupant in writing, specifying the reasons for the objection. Such objection shall be considered conclusive and the Burdened Property may not be subject to such use.

4.7 The covenants, restrictions and easements set forth in this Article 4 shall in all events remain in effect only while (i) there exists a general acute care hospital on the Benefited Property; (ii) such acute care hospital is operated by the original Declarant or by a Declarant Affiliate; and (iii) any restriction under Article 4 shall automatically terminate to the extent that such restriction is adjudged violative of any antitrust or other laws by a court of competent jurisdiction.

5. Maintenance.

5.1 The Owner of the Burdened Parcel, at its sole cost and expense, shall keep any and all landscaping and improvements in a well-maintained, clean, neat and attractive condition and in good repair at all times. As used in this Section 5, the phrase "well-maintained, clean, neat and attractive" shall include, but not be limited to, keeping all landscaping neatly trimmed, mowed, pruned and cultivated, and watering and fertilizing all landscaping plants to keep them alive, healthy and in good aesthetic condition, keeping hardscape (i.e., benches, lighting, sidewalks, walls, signage, etc.) in good condition and repair and replacing it as necessary, and keeping the Burdened Property free of trash, weeds and unsightly material.

Comment Letter 3 (continued)

5.2 If any Owner of the Burdened Property, or any of its successor or assigns, shall default in its obligation to maintain the Burdened Property under Section 5.1 above (such owner being herein called a "Defaulting Owner"), then the Declarant, in addition to all other remedies it may have hereunder or at law or in equity, after thirty (30) days prior written notice to the Defaulting Owner, shall have the right to perform such maintenance on behalf of the Defaulting Owner. In such event, the Defaulting Owner shall promptly reimburse the Declarant the cost thereof, together with interest thereon from the day of outlay at a rate of twelve percent (12%) per annum. Any such claim for reimbursement, together with interest thereon as aforesaid, may be secured by a lien on the Burdened Property and improvements therein owned by the Defaulting Owner, which lien shall be effective upon the recording of a notice thereof in the office of the San Joaquin County Recorder. Such lien shall be subordinate to any bona fide mortgage or encumbrance then of record in the office of the San Joaquin County Recorder encumbering the Burdened Property improvements.

5.3 Declarant hereby reserves, in favor of Declarant, a nonexclusive easement for ingress and egress and the maintenance of all improvements (e.g., landscaping, lighting, sidewalks, pedestrian nodes, benches, paths, walls, pavement, bicycle paths, signage, utilities, etc.) within the Burdened Property in order to exercise the self-help rights provided in Section 5.2 above. Said nonexclusive easement shall be deemed extinguished in its entirety at such time as the Declaration terminates pursuant to Section 6 below.

6. Duration. Unless otherwise stated in this Declaration, the covenants, restrictions and easements set forth in this Declaration shall be perpetual in length and duration of term, provided, however, that the original Declarant or a Declarant Affiliate is the owner and operator of the facilities on the Benefited Property.

7. Recognition of Title. Declarant, for itself and all future Owners (subject to the limitations set forth in paragraph 6) of each of the Properties hereby recognize the fee title interest of each of the Properties, and agrees never to assault or resist said title or interest therein. The covenants and restrictions established herein are subject to all valid and existing licenses, easements, leases, reservations and conditions affecting the Properties as of the date this Declaration is recorded in the Official Records of San Joaquin County.

8. General.

8.1 Amendments; Law. The provisions of this Declaration may be amended only by means of a writing signed by all Owners of the Properties. THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

8.2 Indemnity; Enforcement. Each Owner of the Burdened Property (as the "indemnitor") shall indemnify, defend and hold harmless each Owner of the Benefited Property (as the "indemnitee") from any and all claims, demands, liabilities, causes of action, judgments, awards, losses, penalties, fines, assessments, impositions, damages, costs and expenses (including, without limitation, reasonable attorneys' fees, costs of expert witnesses, court costs, and other expenses of litigation) that may be suffered or incurred by the indemnitee arising from or based on the indemnitor's breach or violation of the provisions of this Declaration. If the

Comment Letter 3 (continued)

Benefited Property is at any time used by any Person whatsoever for any use, activity, purpose prohibited by Section 4 hereof, then any Owner of any portion of the Benefited Property may specifically enforce the covenants and restrictions set forth in this Declaration and shall have all remedies available at law and equity, including the right to an injunction to prevent such impermissible uses.

8.3 Attorneys' Fees. If there is any legal action, arbitration or proceeding between any Owner arising from or based on this Declaration or the interpretation or enforcement of any provisions hereof, then the unsuccessful party to such action, arbitration or proceeding shall pay to the prevailing party all costs and expenses, including reasonable attorneys' fees, incurred by such prevailing party in such action, arbitration or proceeding and in any appeal in connection therewith. For purposes hereof, the prevailing party shall be the party that substantially recovers the relief sought by that party, whether by settlement or judgment.

8.4 Miscellaneous. This Declaration contains the entire agreement between the parties hereto with respect to the subject matter hereof and supercedes all prior agreements, understandings, offers and negotiations, oral or written. All exhibits attached to this Declaration are by this reference made a part hereof. The provisions of this Declaration shall not be deemed to constitute a dedication for public use or to create any rights in the general public. The headings of this Declaration are for purposes of reference only and shall not limit or define the meaning of the provisions of this Declaration.

8.5 Estoppel Certificate. Each Owner shall, within twenty (20) days after written request from the other Owner (the "Requesting Owner"), execute and deliver a certificate stating that, to the best of its knowledge, this Declaration is in full force and effect, describing any amendments or modifications hereto, and stating any other information as the Requesting Owner may reasonably request, including whether any party hereto is in default under the terms of this Declaration, and providing such other information concerning this Agreement as such Requesting Owner may reasonably request. Any person or entity purchasing, acquiring an interest in or extending financing with respect to the Properties shall be entitled to rely upon any such certificate. Such certificate shall not be deemed a waiver or release of any rights or obligations under the terms of this Agreement.

8.6 Relief from Obligations. If any Owner shall convey its fee interest in a Property, upon such conveyance, such Owner shall be automatically freed and relieved from all liability under this Declaration with respect to any obligation thereafter to be performed under this Declaration. It is the intention of the Declarant that the obligations contained in this Declaration shall be personally binding on a party only with respect to those obligations that accrue during the period of time that such party is an Owner.

8.7 Severability. If any provision of this Declaration, in whole or in part, or the application of any provision, in whole or in part, is determined to be illegal, invalid or unenforceable by a court of competent jurisdiction, such provision or part of such provision shall be severed from this Declaration, and such severance shall have no effect upon the enforceability, performance or obligations of the remainder of this Declaration, including the remainder of such provision not determined to be illegal, invalid or unenforceable.

Comment Letter 3 (continued)

3.3 Notices. All notices or communications required or permitted under this Declaration shall be given in writing and shall be delivered either: (a) by personal delivery (in which cases such notice shall be deemed delivered on the date of delivery), (b) by next business day courier service (e.g., Federal Express, UPS or other similar service) (in which case such notice shall be deemed delivered on the business day following date of deposit with the courier service), or (c) by United States mail, first class, postage prepaid, registered or certified, return receipt requested (in which case such notice shall be deemed delivered on the third (3rd) day following the date of deposit with the United States Postal Service).

IN WITNESS WHEREOF, Declarant has executed this Declaration as of the date first hereinabove written.

"Declarant"

CATHOLIC HEALTHCARE WEST, a
California nonprofit public benefit
corporation

By: William J. Hunt
Name: William J. Hunt
Its: President, Group Operations

By: Karl L. Silberstein
Name: Karl L. Silberstein
Its: V.E., Financial Operations

EXHIBITS:

- Exhibit A – Description of Dominant Tenement
- Exhibit B – Legal Description
- Exhibit C – Ethical And Religious Directives For Health Care Services

Comment Letter 3 (continued)

STATE OF CALIFORNIA)
) ss
 COUNTY OF SACRAMENTO)


On Sept. 14, 2006, before me, Bill Verrios, a notary public for the state, personally appeared William J. Hunt.

personally known to me - OK
 proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Bill Verrios
 Print Name: Bill Verrios



NOTARY SEAL.

STATE OF CALIFORNIA)
) ss
 COUNTY OF SACRAMENTO)


On Sept. 14, 2006, before me, Bill Verrios, a notary public for the state, personally appeared Karl L. Silberstein.

personally known to me - OK
 proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Bill Verrios
 Print Name: Bill Verrios



NOTARY SEAL.

Comment Letter 3 (continued)

Exhibit A to
Declaration of Restrictive Covenants

DESCRIPTION OF DOMINANT TENEMENT

THAT CERTAIN REAL PROPERTY SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SAN JOAQUIN, CITY OF STOCKTON, DESCRIBED AS FOLLOWS:

PARCEL ONE: PORTION OF APN 127-130-44

A TRACT OF LAND SITUATE IN SECTION 19 OF C.M. WEBER GRANT, "EL RANCHO DEL CAMPO DE LOS FRANCESES, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIN IN THE NORTH LINE OF HARDING WAY (FORMERLY NORTH STREET) IN THE CITY OF STOCKTON, BEARING WESTERLY 75 FEET ALONG THE NORTH LINE OF SAID HARDING WAY WITH THE WEST LINE OF THE 45 FOOT STRIP KNOWN AS CEMETERY LANE AND DESCRIBED IN DEED RECORDED IN BOOK "A" OF DEEDS, VOL. 15, PAGE 781, SAN JOAQUIN COUNTY RECORDS; THENCE NORTHERLY AND PARALLEL TO THE WEST LINE OF SAID CEMETERY LANE AND ALONG THE WEST LINE OF B. M. WOODHULL PROPERTY, 95.0 FEET TO AN IRON PIPE AT CORNER OF SAID WOODHULL PROPERTY; THENCE WESTERLY AND PARALLEL TO THE NORTH LINE OF HARDING WAY AND ALONG THE SOUTH LINE WOODHULL PROPERTY, 49.87 FEET TO A POINT; THENCE SOUTHERLY PARALLEL TO THE WEST LINE OF LOT 1 BLOCK "P" OF SUPPLEMENTAL MAP OF MCCLOUD ADDITION TO THE CITY OF STOCKTON, AS PER MAP FILED AUGUST 30, 1892, 94.45 FEET TO A POINT IN THE NORTH LINE OF HARDING WAY; THENCE EASTERLY ALONG THE NORTH LINE OF HARDING WAY, 60 FEET TO THE POINT OF BEGINNING.

EXCEPT THAT PORTION CONVEYED TO GEORGE O'NEILL AND WIFE, BY DEED RECORDED APRIL 11, 1939 IN BOOK 649 OF OFFICIAL RECORDS, PAGE 97, SAN JOAQUIN COUNTY RECORDS, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIN IN THE NORTH LINE OF HARDING WAY (FORMERLY NORTH STREET) SAID PIN BEARING WESTERLY 75 FEET ALONG THE NORTH LINE OF SAID HARDING WAY FROM THE INTERSECTION OF THE NORTH LINE OF SAID HARDING WAY WITH THE WEST LINE OF THE 45 FOOT STRIP KNOWN AS CEMETERY LAND AND DESCRIBED IN DEED RECORDED IN BOOK "A" OF DEEDS, VOL. 15, PAGE 781, SAN JOAQUIN COUNTY RECORDS; THENCE CONTINUING WESTERLY 22.0 FEET ALONG SAID NORTH LINE OF HARDING WAY TO A POINT IN THE CENTER LINE PRODUCED SOUTHERLY OF AN 8 INCH BRICK WALL; THENCE NORTHERLY 67.05 FEET ALONG SAID CENTER LINE AND SAID CENTER LINE PRODUCED, TO A 1/2 INCH IRON PIPE; THENCE EASTERLY 16.85 FEET TO A 1/2 INCH IRON PIPE ON THE WEST LINE OF THE FORMER B. M. WOODHULL PROPERTY; THENCE SOUTHERLY 67.40

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Comment Letter 3 (continued)

FEET ALONG SAID WEST LINE OF SAID B. M. WOODHULL PROPERTY AND PARALLEL WITH SAID CEMETERY LANE TO THE POINT OF BEGINNING.

PARCEL TWO: PORTION OF APN 127-180-44

A PORTION OF SECTION 19 OF C.M. WEBER GRANT, "EL RANCHO DEL CAMPO DE LOS FRANCESES, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF LOT 1 IN BLOCK "P" OF SUPPLEMENTAL MAP OF MCCLLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 15, SAN JOAQUIN COUNTY RECORDS; THENCE EASTERLY PARALLEL WITH THE NORTH LINE OF HARDING WAY AND ALONG THE NORTH LINE OF PROPERTY FORMERLY OWNED BY O. M. HOOF, 86 FEET; THENCE SOUTHERLY PARALLEL WITH THE WEST LINE OF CEMETERY LANE, 55 FEET; THENCE WESTERLY PARALLEL WITH THE NORTH LINE OF HARDING WAY AND ALONG THE SOUTH LINE OF PROPERTY FORMERLY OWNED BY O. M. HOOF, 86 FEET TO A POINT ON THE EAST LINE OF LOT 1 IN BLOCK "P", SUPPLEMENTAL MAP OF MCCLLOUD ADDITION; THENCE NORTHERLY ALONG THE EAST LINE OF SAID LOT 1, 55 FEET TO THE POINT OF BEGINNING.

PARCEL THREE: PORTION OF APN 127-150-54

LOT 7 IN BLOCK 1, AS SHOWN UPON MAP ENTITLED, NORTH PARK ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD SEPTEMBER 26, 1982 IN VOL. 2 OF MAPS AND PLATS, PAGE 21, SAN JOAQUIN COUNTY RECORDS.

PARCEL FOUR: PORTION OF APN 127-150-54

LOT 5 IN BLOCK "P", AS SHOWN UPON MAP ENTITLED, SUPPLEMENTAL MAP OF MCCLLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 15, SAN JOAQUIN COUNTY RECORDS.

PARCEL FIVE: PORTION OF APN 127-150-54

LOT 4 IN BLOCK "P", AS SHOWN UPON MAP ENTITLED, SUPPLEMENTAL MAP OF MCCLLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 15, SAN JOAQUIN COUNTY RECORDS.

PARCEL SIX: APN 127-160-03

LOT 5 IN BLOCK "L" OF MCCLLOUDS ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD MAY 26, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS.

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MCCLLOUD

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Comment Letter 3 (continued)

PARCEL SEVEN: APN 127-160-04

LOTS 3 AND 4 IN BLOCK "L", AS SHOWN UPON MAP ENTITLED, SUPPLEMENTAL MAP OF MCCLLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 15, SAN JOAQUIN COUNTY RECORDS.

PARCEL EIGHT: APN 127-164-06

LOTS 16, 17 AND 18 IN BLOCK "L", AS SHOWN UPON MAP ENTITLED, SUPPLEMENTAL MAP OF MCCLLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 16, SAN JOAQUIN COUNTY RECORDS.

AND THE NORTH 38 FEET OF LOTS 19, 20 AND 21 IN BLOCK "L", AS SHOWN UPON MAP ENTITLED, SUPPLEMENTAL MAP OF MCCLLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 16, SAN JOAQUIN COUNTY RECORDS.

PARCEL NINE: APN 127-164-07

LOTS 15, 19, 20 AND 21 IN BLOCK "L" OF THE MAP AND SUPPLEMENTAL MAP OF MCCLLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 AND AUGUST 14, 1896, RESPECTIVELY, SAN JOAQUIN COUNTY RECORDS.

EXCEPT THEREFROM THE NORTH 38 FEET OF LOTS 18, 20 AND 21, AS CONVEYED BY MARY RUSSELL TO STOCKTON, CALIFORNIA COMPANY OF JEHOVAH'S WITNESSES, A CORPORATION, BY DEED RECORDED DECEMBER 31, 1951 AS INSTRUMENT NO. 40851, SAN JOAQUIN COUNTY RECORDS.

PARCEL TEN: APN 127-164-08

LOT 14 IN BLOCK "L", AS SHOWN UPON MAP ENTITLED, SUPPLEMENTAL MAP OF MCCLLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 15, SAN JOAQUIN COUNTY RECORDS.

PARCEL ELEVEN: APN 127-164-15

LOT 2 IN BLOCK "L", AS SHOWN UPON MAP ENTITLED, SUPPLEMENTAL MAP OF MCCLLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 15, SAN JOAQUIN COUNTY RECORDS.

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PARCEL TWELVE: APN 127-164-17

LOT 6 IN BLOCK "L" OF MCCLLOUDS ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD MAY 26, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS.

EXCEPT THEREFROM THAT PORTION AS DESCRIBED IN DEED TO THE CITY OF STOCKTON, A MUNICIPAL CORPORATION, RECORDED JANUARY 29, 1980 AS INSTRUMENT NO. 80005822, SAN JOAQUIN COUNTY RECORDS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF LOT 6 BLOCK "L" AS SAID LOT AND BLOCK ARE SO DESIGNATED AND DELINEATED ON THAT CERTAIN MAP ENTITLED "SUPPLEMENTAL MAP OF MCCLLOUD'S ADDITION TO THE CITY OF STOCKTON" AS FILED ON AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 15, SAN JOAQUIN COUNTY RECORDS; THENCE EASTERLY 24 FEET ALONG THE NORTH LINE OF SAID LOT; THENCE SOUTHERLY 50 FEET ALONG A LINE 24 FEET EASTERLY OF AND PARALLEL WITH THE EAST LINE OF CALIFORNIA STREET TO A POINT ON THE SOUTH LINE OF SAID LOT; THENCE WESTERLY 24 FEET ALONG SAID SOUTH LINE TO THE EAST LINE OF CALIFORNIA STREET BEING ALSO THE SOUTHWEST CORNER OF SAID LOT; THENCE NORTHERLY 50 FEET ALONG SAID EAST LINE OF CALIFORNIA STREET TO THE HEREINBEFORE MENTIONED POINT OF BEGINNING.

PARCEL THIRTEEN: APN 127-164-20

THE EAST 30 FEET OF LOT 10; THE EASTERLY 58 FEET OF THE WESTERLY 82 FEET OF LOTS 8 AND 9; THE EASTERLY 76 FEET OF LOT 7; THE WEST 20 FEET OF LOT 10; THE EAST 18 FEET OF EACH OF LOTS 8 AND 9, ALL OF LOT 11, ALL IN BLOCK "L", AS SHOWN UPON MAP ENTITLED, SUPPLEMENTAL MAP OF MCCLLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 15, SAN JOAQUIN COUNTY RECORDS.

EXCEPT FROM A PORTION OF SAID LAND ALL MINERAL RIGHTS INCLUDING RIGHTS TO OIL, GAS AND OTHER HYDROCARBON SUBSTANCES BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID REAL PROPERTY WITHOUT THE RIGHT OF SURFACE ENTRY.

PARCEL FOURTEEN: APN 127-164-21

LOTS 12 AND 13 IN BLOCK "L", AS SHOWN UPON MAP ENTITLED, SUPPLEMENTAL MAP OF MCCLLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS.

PARCEL FIFTEEN: APN 127-173-28

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Comment Letter 3 (continued)

ALL OF LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 AND 18 IN BLOCK M AS THE SAME ARE SHOWN AND DELINEATED ON THAT CERTAIN MAP ENTITLED SUPPLEMENTAL MAP OF MC CLOUD ADDITION TO THE CITY OF STOCKTON WHICH MAP WAS FILED FOR RECORD AUGUST 30, 1892 IN BOOK OF MAPS AND PLATS, VOL. 2, PAGE 15, SAN JOAQUIN COUNTY RECORDS; AND ALL THAT PORTION OF WYANDOTTE STREET AS SHOWN UPON SAID REFERENCE MAP AS THE SAME WAS ABANDONED BY THE STOCKTON CITY COUNCIL RECORDED APRIL 19, 1991, RECORDER'S INSTRUMENT NO. 91033824, SAN JOAQUIN COUNTY RECORDS.

EXCEPTING FROM LOTS 8, 9, 10 AND 11 SO MUCH OF SAID LOTS AS LIE WITHIN THE EXTERIOR BOUNDARIES OF CALIFORNIA STREET AS SAID STREET IS NOW TRAVELED AND ESTABLISHED.

ALSO EXCEPTING FROM THE EAST 1/2 FEET OF LOT 13 AND THE WEST 1/2 OF LOT 14 HEREIN ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET BELOW THE SURFACE OF SAID LOTS AS THE SAME WERE RESERVED IN THE DEED RECORDED JUNE 22, 1988 RECORDER'S INSTRUMENT NO. 88051979, SAN JOAQUIN COUNTY RECORDS

PARCEL SIXTEEN: APN 127-174-30

ALL OF LOTS 1, 2, 3, 4, 5, 6, 7, 8 AND 9 IN BLOCK N AS SAID LOTS AND BLOCK AS SHOWN AND DELINEATED UPON THAT CERTAIN MAP ENTITLED, SUPPLEMENTAL MAP OF MC CLOUD ADDITION TO THE CITY OF STOCKTON FILED FOR RECORD AUGUST 30, 1892 IN BOOK OF MAPS AND PLATS, VOL. 2, PAGE 15, SAN JOAQUIN COUNTY RECORDS; AND ALL THAT PORTION OF HAWTHORNE STREET AS SHOWN UPON SAID ABOVE REFERENCED MAP AS THE SAME WAS ABANDONED BY THE STOCKTON CITY COUNCIL RECORDED JULY 27, 1987 RECORDER'S INSTRUMENT NO. 87079382, SAN JOAQUIN COUNTY RECORDS.

EXCEPTING FROM SAID LOTS 8 AND 9 ABOVE REFERRED TO THAT PORTION OF SAID LOTS 8 AND 9 DESCRIBED IN DEEDS TO THE CITY OF STOCKTON, A MUNICIPAL CORPORATION RECORDED OCTOBER 3, 1978 IN BOOK OF OFFICIAL RECORDS, VOL. 4456, PAGE 463, SAN JOAQUIN COUNTY RECORDS AND RECORDED OCTOBER 31, 1978 IN BOOK OF OFFICIAL RECORDS, VOL. 4468, PAGE 323, SAN JOAQUIN COUNTY RECORDS.

PARCEL SEVENTEEN: APN 127-180-44

PARCEL SEVENTEEN-A:

LOTS 10, 11, 12, 13, 14, 15, 16, 17 AND 18 IN BLOCK N, SUPPLEMENTAL MAP OF MC CLOUD ADDITION TO THE CITY OF STOCKTON FILED FOR RECORD AUGUST 30, 1892 IN BOOK OF MAPS AND PLATS, VOL. 2, PAGE 15, SAN JOAQUIN COUNTY RECORDS

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Exhibit 2
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Comment Letter 3 (continued)

EXCEPT THAT PORTION OF LOTS 10 AND 11 DESCRIBED IN DEED TO THE CITY OF STOCKTON RECORDED SEPTEMBER 10, 1976 IN BOOK OF OFFICIAL RECORDS, VOL. 4178, PAGE 377, SAN JOAQUIN COUNTY RECORDS.

PARCEL SEVENTEEN-B:

LOTS 1 THROUGH 10 INCLUSIVE IN BLOCK O, SUPPLEMENTAL MAP OF MC CLOUD ADDITION TO THE CITY OF STOCKTON FILED FOR RECORD AUGUST 30, 1892 IN BOOK OF MAPS AND PLATS, VOL. 2, PAGE 15, SAN JOAQUIN COUNTY RECORDS.

EXCEPT THAT PORTION DESCRIBED IN DEED TO THE CITY OF STOCKTON RECORDED JULY 26, 1961 IN BOOK OF OFFICIAL RECORDS, VOL. 2440, PAGE 264, SAN JOAQUIN COUNTY RECORDS.

PARCEL SEVENTEEN-C:

A PORTION OF SECTION 19 OF C. M. WEBER GRANT, DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY LINE OF CALIFORNIA STREET WITH THE NORTHERLY LINE OF WALNUT STREET AS SHOWN UPON MAP OF NORTH PARK ADDITION TO STOCKTON ACCORDING TO THE OFFICIAL MAP THEREOF FILED IN BOOK OF MAPS AND PLATS, VOL. 2, PAGE 21, SAN JOAQUIN COUNTY RECORDS; THENCE EASTERLY ALONG THE NORTHERLY LINE OF WALNUT STREET TO THE WESTERLY LINE OF CEMETERY LANE; THENCE NORTHERLY ALONG THE WESTERLY LINE OF CEMETERY LANE TO THE SOUTHERLY LINE OF BLOCK O AS SHOWN UPON MAP ENTITLED SUPPLEMENTAL MAP OF MC CLOUD ADDITION TO THE CITY OF STOCKTON ACCORDING TO THE OFFICIAL MAP THEREOF FILED IN BOOK OF MAPS AND PLATS, VOL. 2, PAGE 15, SAN JOAQUIN COUNTY RECORDS; THENCE WESTERLY ALONG THE SOUTHERLY LINE OF BLOCK O TO THE EASTERLY LINE OF CALIFORNIA STREET; THENCE SOUTHERLY ALONG SAID EASTERLY LINE OF CALIFORNIA STREET TO THE POINT OF COMMENCEMENT.

EXCEPT THAT PORTION TO THE CITY OF STOCKTON BY DEED RECORDED JULY 26, 1961 IN BOOK OF OFFICIAL RECORDS, VOL. 2440, PAGE 264, SAN JOAQUIN COUNTY RECORDS.

TOGETHER WITH THE NORTH 1/2 OF ABANDONED WALNUT STREET LYING BETWEEN THE EASTERLY AND WESTERLY BOUNDARY LINE OF SAID PARCEL TWO IF EXTENDED SOUTHERLY

EXCEPT THAT PORTION OF ABOVE DESCRIBED ABANDONED WALNUT STREET WHICH LIES WITHIN THE BOUNDARIES OF SECOND AMENDED PARCEL MAP FILED FOR RECORD APRIL 17, 1975 IN BOOK OF PARCEL MAPS, VOL. 1, PAGE 140, SAN JOAQUIN COUNTY RECORDS.

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Comment Letter 3 (continued)

PARCEL FOUR:

LOTS 6, 8, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24 AND 25 IN BLOCK 2 OF NORTH PARK ADDITION TO STOCKTON FILED FOR RECORD SEPTEMBER 26, 1892 IN BOOK OF MAPS AND PLATS, VOL. 2, PAGE 21, SAN JOAQUIN COUNTY RECORDS.

TOGETHER WITH THE SOUTH 1/2 OF ABANDONED WALNUT STREET LYING BETWEEN THE EASTERLY AND WESTERLY BOUNDARY LINE OF ABOVE BLOCK 2, IF EXTENDED NORTHERLY.

EXCEPT THEREFROM THAT PORTION LYING WITHIN THE BOUNDARIES OF SECOND AMENDED PARCEL MAP FILED FOR RECORD APRIL 17, 1975 IN BOOK OF PARCEL MAPS, VOL. 1, PAGE 140, SAN JOAQUIN COUNTY RECORDS.

PARCEL FIVE:

UNIT NOS. 1, 2, 3, 4, 5, 6 AND 7 AS SHOWN UPON SECOND AMENDED PARCEL MAP, ST. JOSEPH'S HOSPITAL MEDICAL OFFICE BUILDING, A CONDOMINIUM PROJECT AS SAID MAP WAS FILED FOR RECORD APRIL 17, 1975 IN BOOK OF PARCEL MAPS, VOL. 1, PAGE 140, SAN JOAQUIN COUNTY RECORDS.

TOGETHER WITH AN APPURTENANT INTEREST IN THE COMMON PROPERTY FOR EACH OF THE AFORESAID UNITS AS DEFINED BY THE AMENDED DECLARATION RECORDED JUNE 5, 1975 IN BOOK OF OFFICIAL RECORDS, VOL. 3990, PAGE 56, SAN JOAQUIN COUNTY RECORDS;

AN INTEREST IN THE IMPROVEMENTS LOCATED UPON COMMON PROPERTY AS SHOWN ON SECOND AMENDED PARCEL MAP, ST. JOSEPH'S HOSPITAL MEDICAL OFFICE BUILDING, A CONDOMINIUM PROJECT AS SAID MAP WAS FILED FOR RECORD APRIL 17, 1975 IN BOOK OF PARCEL MAPS, VOL. 1, PAGE 140, SAN JOAQUIN COUNTY RECORDS.

PARCEL EIGHTEEN: APN 127-190-09 AND 127-190-10

LOT 15 AND THE WEST 34.9 FEET OF LOT 16 IN BLOCK 1 OF NORTH PARK ADDITION TO THE CITY OF STOCKTON, ACCORDING TO THE OFFICIAL MAP THEREOF, FILED FOR RECORD JULY 3, 1895 IN VOL. 2 OF MAPS AND PLATS, PAGE 21, SAN JOAQUIN COUNTY RECORDS

PARCEL NINETEEN: APN 127-190-29

LOTS 1, 2, 3, 8 9 10 AND THE WEST ONE-HALF OF LOT 11 IN BLOCK 1 OF NORTH PARK ADDITION TO THE CITY OF STOCKTON, ACCORDING TO THE OFFICIAL MAP THEREOF, FILED FOR RECORD JULY 3, 1895 IN VOL. 2 OF MAPS AND PLATS, PAGE 21, SAN JOAQUIN COUNTY RECORDS.

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69.116-041822

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Comment Letter 3 (continued)

PARCEL TWENTY: PORTION OF APN 127-190-31

BEGINNING AT THE NORTHEAST CORNER OF LOT 5 IN BLOCK 1 OF NORTH PARK ADDITION TO THE CITY OF STOCKTON, ACCORDING TO THE OFFICIAL MAP THEREOF, FILED FOR RECORD JULY 3, 1895 IN VOL. 2 OF MAPS AND PLATS, PAGE 21, SAN JOAQUIN COUNTY RECORDS; THENCE SOUTH 11° 54' EAST, ALONG THE EAST LINE OF LOTS 5 AND 6 IN SAID BLOCK 1 OF NORTH PARK ADDITION, A DISTANCE OF 90.00 FEET TO A POINT ON THE EXISTING NORTH LINE OF HARDING WAY (FORMERLY KNOWN AS NORTH STREET); THENCE SOUTH 78° 08' 30" WEST, ALONG SAID EXISTING NORTH LINE OF HARDING WAY, A DISTANCE OF 68.01 FEET TO A POINT; THENCE NORTHWESTERLY ON A CURVE TO THE RIGHT, RADIUS 20.00 FEET, THE LONG CHORD OF WHICH BEARS NORTH 56° 52' 45" WEST, 28.27 FEET, AN ARC DISTANCE OF 31.40 FEET TO A POINT; THENCE NORTH 11° 54' WEST, A DISTANCE OF 70.01 FEET TO A POINT ON THE NORTH LINE OF SAID LOT 5; THENCE NORTH 78° 08' 30" EAST ALONG THE SAID NORTH LINE OF LOT 5, A DISTANCE OF 88.00 FEET TO A POINT, SAID POINT AS HERETIMBEFORE REFERRED TO, THE POINT OF BEGINNING.

PARCEL TWENTY-ONE: PORTION OF APN 127-190-31

LOT 4 IN BLOCK 1 OF NORTH PARK ADDITION TO THE CITY OF STOCKTON, ACCORDING TO THE OFFICIAL MAP THEREOF, FILED FOR RECORD JULY 3, 1895 IN VOL. 2 OF MAPS AND PLATS, PAGE 21, SAN JOAQUIN COUNTY RECORDS.

EXCEPT THE WEST 11.64 FEET AS DESCRIBED IN DEED TO THE CITY OF STOCKTON, RECORDED AUGUST 10, 1973 IN BOOK 3792 OF OFFICIAL RECORDS, PAGE 523, SAN JOAQUIN COUNTY RECORDS.

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60 110-M1827,4

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Comment Letter 3 (continued)

Exhibit B to
Declaration of Restrictive Covenants

LEGAL DESCRIPTION

THAT CERTAIN REAL PROPERTY SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SAN JOAQUIN, CITY OF STOCKTON, DESCRIBED AS FOLLOWS:

PARCEL ONE:

LOT 17, AS SHOWN UPON MAP ENTITLED, HAWTHORNE PARK, FILED FOR RECORD MAY 27, 1946 IN VOL. 11 OF MAPS AND PLATS, PAGE 101, SAN JOAQUIN COUNTY RECORDS.

PARCEL TWO:

A PORTION OF SECTION 19 C.M. WEBER'S GRANT, "EL RANCHO DEL CAMIO DE LOS FRANCESES", DESCRIBED AS FOLLOWS:

BEGINNING AT A STEEL AXLE AT THE NORTHWEST CORNER OF PROPERTY OF DR. W. F. WALSH AS DESCRIBED IN DEED RECORDED IN BOOK OF OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, VOL. 587, PAGE 1, SAID POINT OF BEGINNING BEING IN THE EAST LINE OF WOOD LANE, AND BEARING NORTH 17° 12' WEST 97.09 FEET FROM THE INTERSECTION OF THE EAST LINE OF SAID WOOD LANE WITH THE NORTH LINE OF WALNUT STREET; THENCE NORTH 17° 12' WEST ALONG THE EAST LINE OF WOOD LANE, 96.90 FEET TO A STEEL AXLE IN THE WESTERLY PRODUCTION OF THE SOUTH PRODUCTION OF THE SOUTH LINE OF CHESTNUT STREET; 65.22 FEET TO A STEEL AXLE; THENCE SOUTH 17° 12' EAST 98.24 FEET TO A STEEL AXLE; AT THE NORTHEAST CORNER OF SAID WALSH PROPERTY, 65.37 FEET TO THE POINT OF BEGINNING.

NOTE: A RE-SURVEY OF THIS AND OTHER PROPERTY WAS FILED FOR RECORD APRIL 14, 1938 IN VOL. 4 OF SURVEYS, PAGE 301, SAN JOAQUIN COUNTY RECORDS.

PARCEL THREE:

LOT 4 IN BLOCK "C", AS SHOWN UPON MAP ENTITLED, MC CLOUD'S ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD MAY 26, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS.

PARCEL FOUR:

LOT 5 IN BLOCK "C", AS SHOWN UPON MAP ENTITLED, MC CLOUD'S ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD MAY 26, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS.

PARCEL FIVE:

LOT 6 IN BLOCK "C", AS SHOWN UPON MAP ENTITLED, MC CLOUD'S ADDITION TO THE

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60.10-141227.1

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Comment Letter 3 (continued)

CITY OF STOCKTON, FILED FOR RECORD MAY 26, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS.

PARCEL SIX:

LOT 15 IN BLOCK 'C', AS SHOWN UPON MAP ENTITLED, MC CLOUD'S ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD MAY 26, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS.

PARCEL SEVEN:

THAT PORTION OF SECTION 19, C.M. WEBER'S GRANT, "EL RANCHO DEL CAMPO DE LOS FRANCESSES", DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF LOT 15 IN BLOCK 'C' OF MCCLOUD ADDITION IN THE CITY OF STOCKTON, AS PER MAP FILED MAY 26, 1892 IN BOOK OF MAPS, VOL. 2, PAGE 14, SAN JOAQUIN COUNTY RECORDS, THENCE ALONG THE NORTH LINE OF WALNUT STREET AS SHOWN ON MAP OF SURVEY FILED APRIL 14, 1938 IN BOOK OF SURVEYS, VOL. 4, PAGE 30; SAN JOAQUIN COUNTY RECORDS, SOUTH 80° 11' WEST 59.83 FEET TO A STEEL AXLE AT THE SOUTHEAST CORNER OF PROPERTY DESCRIBED IN DEED TO WILLIAM E. REILLY, ET UX, RECORDED JANUARY 18, 1937, IN BOOK OF OFFICIAL RECORDS, VOL. 561, PAGE 358; THENCE ALONG THE EAST LINE OF SAID LAST MENTIONED PROPERTY, NORTH 17° 12' WEST, 99.07 FEET TO THE NORTHEAST CORNER OF SAID REILLY LAND; THENCE NORTH 79° 19' EAST 56.42 FEET TO A POINT IN THE WEST LINE OF SAID BLOCK 'C'; THENCE ALONG THE WEST LINE OF SAID BLOCK 'C', SOUTH 19° 04' 30" EAST 108.40 FEET TO THE POINT OF BEGINNING.

PARCEL EIGHT:

A PORTION OF SECTION 19, C.M. WEBER'S GRANT, "EL RANCHO DEL CAMPO DE LOS FRANCESSES", DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTH LINE OF WALNUT STREET WITH THE EAST LINE OF WOOD LANE, SAID INTERSECTION BEING THE NORTHWEST CORNER OF THE PARCEL OF LAND DESCRIBED IN DEED FROM MULCAHY TO CITY OF STOCKTON RECORDED MAY 2, 1923 IN BOOK A OF DEEDS, VOL. 564, PAGE 103, SAN JOAQUIN COUNTY RECORDS; THENCE NORTH 79 DEGREES 46 MINUTES EAST ALONG THE NORTH LINE OF WALNUT STREET AS DESCRIBED IN ABOVE MENTIONED DEED, A DISTANCE OF 65.48 FEET TO THE TRUE POINT OF BEGINNING OF THE FOLLOWING DESCRIBED TRACT OF LAND; THENCE CONTINUE ALONG THE SAID NORTH LINE OF WALNUT STREET, NORTH 79 DEGREES 46 MINUTES EAST 70.00 FEET; THENCE NORTH 07 DEGREES 12 MINUTES WEST AND PARALLEL TO THE EAST LINE OF SAID WOOD LANE, A DISTANCE OF 99.07 FEET; THENCE SOUTH 78 DEGREES 54 MINUTES WEST 69.88 FEET; THENCE SOUTH 17 DEGREES 12 MINUTES EAST 98.00 FEET TO THE TRUE POINT OF BEGINNING.

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60116-5418/3.1

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Comment Letter 3 (continued)

PARCEL NINE:

LOTS 2 AND 3 IN BLOCK "C", AS SHOWN UPON MAP ENTITLED, MC CLOUD'S ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD MAY 26, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS.

PARCEL TEN:

LOT 1 IN BLOCK "C" AS SHOWN UPON MAP ENTITLED, MC CLOUD'S ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD MAY 26, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS.

PARCEL ELEVEN:

A PORTION OF SECTION 19 OF C.M. WEBER'S GRANT, "EL RANCHO DEL CAMPO DE LOS FRANCESSES", DESCRIBED AS FOLLOWS:

A TRACT OF LAND LYING BETWEEN LOT 18 OF TRACT NO. 99 HAWTHORNE PARK, ACCORDING TO THE OFFICIAL MAP FILED MAY 27, 1946, IN VOL. 11 OF MAPS AND PLATS, PAGE 101, SAN JOAQUIN COUNTY RECORDS, AND LOT 1 IN BLOCK "C" OF MC CLOUD ADDITION TO STOCKTON, ACCORDING TO THE OFFICIAL MAP FILED MAY 26, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 18, OF HAWTHORNE PARK, AND RUN THENCE SOUTH 13 DEGREES 53 MINUTES 30 SECONDS EAST ALONG THE EAST LINE OF SAID LOT 18, 100.26 FEET TO THE SOUTHEAST CORNER OF SAID LOT; THENCE NORTH 79 DEGREES 19 MINUTES EAST 9.16 FEET TO THE WEST LINE OF BLOCK "C" OF MC CLOUD ADDITION; THENCE NORTH 19 DEGREES 08 MINUTES EAST ALONG THE WEST LINE OF BLOCK "C" MC CLOUD ADDITION TO THE POINT OF BEGINNING.

PARCEL TWELVE:

LOT 18 AS SHOWN UPON MAP ENTITLED, HAWTHORNE PARK, FILED FOR RECORD MAY 27, 1946 IN VOL. 11 OF MAPS AND PLATS, PAGE 101, SAN JOAQUIN COUNTY RECORDS.

PARCEL THIRTEEN:

A PORTION OF SECTION 19, C. M. WEBER'S GRANT, "EL RANCHO DEL CAMPO DE LOS FRANCESSES", DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF WALNUT STREET WITH THE EAST LINE OF WOOD LANE, SAID INTERSECTION BEING THE NORTHWEST CORNER OF THE PARCEL OF LAND DESCRIBED IN DEED FROM MULCAHY TO CITY OF STOCKTON

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60.116-241327.1

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Comment Letter 3 (continued)

RECORDED MAY 2, 1923 IN BOOK A OF DEEDS BOOK 564, PAGE 103 SAN JOAQUIN COUNTY RECORDS; THENCE NORTH 79° 46' EAST ALONG THE NORTH LINE OF WALNUT STREET AS DESCRIBED IN THE ABOVE MENTIONED DEED, A DISTANCE OF 63.48 FEET; THENCE NORTH 17° 12' WEST PARALLEL WITH THE EAST LINE OF SAID WOOD LANE, A DISTANCE OF 98 FEET; THENCE SOUTH 78° 54' WEST 65.37 FEET TO A POINT IN THE EAST LINE OF WOOD LANE; THENCE SOUTH 17° 12' EAST ALONG THE EAST LINE OF WOOD LANE, 97 FEET TO THE POINT OF BEGINNING.

PARCEL FOURTEEN:

LOTS 7, 8 AND 9 IN BLOCK "C" AS SHOWN UPON MAP ENTITLED, MC CLOUD'S ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD MAY 26, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS.

PARCEL FIFTEEN:

LOTS 10, 11 AND 12 IN BLOCK "C" AS SHOWN UPON MAP ENTITLED, MC CLOUD'S ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD MAY 26, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS.

EXCEPT THEREFROM THAT PORTION OF SAID LOT 10 AS GRANTED TO THE CITY OF STOCKTON BY DEED RECORDED MARCH 9, 1976 IN BOOK 4093 OF OFFICIAL RECORDS, PAGE 541, SAN JOAQUIN COUNTY RECORDS.

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60.110-341927.1

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Comment Letter 3 (continued)

Exhibit C to
Declaration of Restrictive Covenants
**ETHICAL AND RELIGIOUS DIRECTIVES
FOR HEALTH CARE SERVICES**

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60110-191827.1

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Comment Letter 3 (continued)

**Ethical and
Religious
Directives for
Catholic Health
Care Services**

Fourth Edition

UNITED STATES CONFERENCE OF
CATHOLIC BISHOPS

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Comment Letter 3 (continued)

This fourth edition of the *Ethical and Religious Directives for Catholic Health Care Services* was developed by the Committee on Doctrine of the National Conference of Catholic Bishops and approved as the national code by the full body of bishops at its June 2001 General Meeting. This edition of the *Directives*, which replaces all previous editions, is recommended for implementation by the diocesan bishop and is authorized for publication by the undersigned.

Monsignor William P. Fay
General Secretary
USCCB

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Comment Letter 3 (continued)

Preamble

Health care in the United States is marked by extraordinary change. Not only is there continuing change in clinical practice due to technological advances, but the health care system in the United States is being challenged by both institutional and social factors as well. At the same time, there are a number of developments within the Catholic Church affecting the ecclesial mission of health care. Among these are significant changes in religious orders and congregations, the expressed involvement of lay men and women, a heightened awareness of the Church's social role in the world, and developments in moral theology since the Second Vatican Council. A contemporary understanding of the Catholic health care ministry must take into account the new challenges presented by transitions both in the Church and in American society.

Throughout the centuries, with the aid of other sciences, a body of moral principles has emerged that expresses the Church's teaching on medical and moral matters and has proven to be pertinent and applicable to the ever-changing circumstances of health care and its delivery. In response to today's challenges, these same moral principles of Catholic teaching provide the rationale and direction for this revision of the *Ethical and Religious Directives for Catholic Health Care Services*.

These Directives presuppose our statement *Health and Health Care* published in 1981.¹ There we presented the theological principles that guide the Church's vision of health care, called for all Catholics to share in the healing mission of the Church, expressed our full commitment to the health care ministry, and offered encouragement to all those who are involved in it. Now, with American

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Comment Letter 3 (continued)

health care facing even more dramatic changes, we reaffirm the Church's commitment to health care ministry and the distinctive Catholic identity of the Church's institutional health care services.¹ The purpose of these *Ethical and Religious Directives* then is twofold: first, to reaffirm the ethical standards of behavior in health care that flow from the Church's teaching about the dignity of the human person; second, to provide authoritative guidance on certain moral issues that face Catholic health care today.

The *Ethical and Religious Directives* are concerned primarily with institutionally based Catholic health care services. They address the sponsors, trustees, administrators, chaplains, physicians, health care personnel, and patients or residents of these institutions and services. Since they express the Church's moral teaching, these Directives also will be helpful to Catholic professionals engaged in health care services in other settings. The moral teachings that we profess here flow principally from the natural law, understood in the light of the revelation Christ has entrusted to his Church. From this source the Church has derived its understanding of the nature of the human person, of human acts, and of the goals that shape human activity.

The Directives have been refined through an extensive process of consultation with bishops, theologians, sponsors, administrators, physicians, and other health care providers. While providing standards and guidance, the Directives do not cover in detail all of the complex issues that confront Catholic health care today. Moreover, the Directives will be reviewed periodically by the United States Conference of Catholic Bishops (formerly the National Conference of Catholic Bishops), in the light of authoritative church teaching, in order to address new insights from theological and medical research or new requirements of public policy.

2

The Directives begin with a general introduction that presents a theological basis for the Catholic health care ministry. Each of the six parts that follow is divided into two sections. The first section is in expository form; it serves as an introduction and provides the context in which concrete issues can be discussed from the perspective of the Catholic faith. The second section is in prescriptive form; the directives promote and protect the truths of the Catholic faith as those truths are brought to bear on concrete issues in health care.

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Comment Letter 3 (continued)

General Introduction

The Church has always sought to embody our Savior's concern for the sick. The gospel accounts of Jesus' ministry draw special attention to his acts of healing: he cleansed a man with leprosy (Mt 8:1-4; Mk 1:40-42); he gave sight to two people who were blind (Mt 20:29-34; Mk 10:46-52); he enabled one who was mute to speak (Lk 11:14); he cured a woman who was hemorrhaging (Mt 9:20-22; Mk 5:25-34); and he brought a young girl back to life (Mt 9:18, 23-25; Mk 5:35-42). Indeed, the Gospels are replete with examples of how the Lord cured every kind of ailment and disease (Mt 9:35). In the account of Matthew, Jesus' mission fulfilled the prophecy of Isaiah: "He took away our infirmities and bore our diseases" (Mt 8:17; cf. Is 53:4).

Jesus' healing mission went further than caring only for physical affliction. He touched people at the deepest level of their existence; he sought their physical, mental, and spiritual healing (Jn 6:35, 11:25-27). He "came so that they might have life and have it more abundantly" (Jn 10:10).

The mystery of Christ casts light on every facet of Catholic health care: to see Christian love as the animating principle of health care; to see healing and compassion as a continuation of Christ's mission; to see suffering as a participation in the redemptive power of Christ's passion, death, and resurrection; and to see death, transformed by the resurrection, as an opportunity for a final act of communion with Christ.

For the Christian, our encounter with suffering and death can take on a positive and distinctive meaning through the redemptive power of Jesus' suffering and death. As St. Paul says, we are "always carrying about in the body the dying of Jesus, so that

the life of Jesus may also be manifested in our body" (2 Cor 4:10). This truth does not lessen the pain and fear, but gives confidence and grace for bearing suffering rather than being overwhelmed by it. Catholic health care ministry bears witness to the truth that, for those who are in Christ, suffering and death are the birth pangs of the new creation. "God himself will always be with them [as their God]. He will wipe every tear from their eyes, and there shall be no more death or mourning, wailing or pain, [sic] the old order has passed away" (Rev 21:1-4).

In faithful imitation of Jesus Christ, the Church has served the sick, suffering, and dying in various ways throughout history. The zealous service of individuals and communities has provided shelter for the traveler, infirmaries for the sick, and homes for children, adults, and the elderly.¹ In the United States, the many religious communities as well as dioceses that sponsor and staff this country's Catholic health care institutions and services have established an effective Catholic presence in health care. Modeling their efforts on the gospel parable of the Good Samaritan, these communities of women and men have exemplified authentic neighborliness to those in need (Lk 10:25-37). The Church seeks to ensure that the service offered in the past will be continued into the future.

While many religious communities continue their commitment to the health care ministry, lay Catholics increasingly have stepped forward to collaborate in this ministry. Inspired by the example of Christ and mandated by the Second Vatican Council, lay faithful are invited to a broader and more intense field of ministries than in the past.² By virtue of their Baptism, lay faithful are called to participate actively in the Church's life and mission.³ Their participation and leadership in the health care ministry, through new forms of sponsorship and

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governance of institutional Catholic health care, are essential for the Church to continue her ministry of healing and compassion. They are joined in the Church's health care mission by many men and women who are not Catholic.

Catholic health care expresses the healing ministry of Christ in a specific way within the local church. Here the diocesan bishop exercises responsibilities that are rooted in his office as pastor, teacher, and priest. As the center of unity in the diocese and coordinator of ministries in the local church, the diocesan bishop fosters the mission of Catholic health care in a way that promotes collaboration among health care leaders, providers, medical professionals, theologians, and other specialists. As pastor, the diocesan bishop is in a unique position to encourage the faithful to greater responsibility in the healing ministry of the Church. As teacher, the diocesan bishop ensures the moral and religious identity of the health care ministry in whatever setting it is carried out in the diocese. As priest, the diocesan bishop oversees the sacramental care of the sick. These responsibilities will require that Catholic health care providers and the diocesan bishop engage in ongoing communication on ethical and pastoral matters that require his attention.

In a time of new medical discoveries, rapid technological developments, and social change, what is new can either be an opportunity for genuine advancement in human culture, or it can lead to policies and actions that are contrary to the true dignity and vocation of the human person. In consultation with medical professionals, church leaders review these developments, judge them according to the principles of right reason and the ultimate standard of revealed truth, and offer authoritative teaching and guidance about the moral and pastoral responsibilities entailed by the Christian faith.⁶

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While the Church cannot furnish a ready answer to every moral dilemma, there are many questions about which she provides normative guidance and direction. In the absence of a determination by the magisterium, but never contrary to church teaching, the guidance of approved authors can offer appropriate guidance for ethical decision making.

Created in God's image and likeness, the human family shares in the dominion that Christ manifested in his healing ministry. This sharing involves a stewardship over all material creation (Gen 1:26) that should neither abuse nor squander nature's resources. Through science the human race comes to understand God's wonderful work; and through technology it must conserve, protect, and perfect nature in harmony with God's purposes. Health care professionals pursue a special vocation to share in carrying forth God's life-giving and healing work.

The dialogue between medical science and Christian faith has for its primary purpose the common good of all human persons. It presupposes that science and faith do not contradict each other. Both are grounded in respect for truth and freedom. As new knowledge and new technologies expand, each person must form a correct conscience based on the moral norms for proper health care.

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Comment Letter 3 (continued)

PART ONE

The Social Responsibility of Catholic Health Care Services

Introduction

Their embrace of Christ's healing mission has led institutionally based Catholic health care services in the United States to become an integral part of the nation's health care system. Today, this complex health care system confronts a range of economic, technological, social, and moral challenges. The response of Catholic health care institutions and services to these challenges is guided by normative principles that inform the Church's healing ministry.

First, Catholic health care ministry is rooted in a commitment to promote and defend human dignity; this is the foundation of its concern to respect the sacredness of every human life from the moment of conception until death. The first right of the human person, the right to life, entails a right to the means for the proper development of life, such as adequate health care.⁷

Second, the biblical mandate to care for the poor requires us to express this in concrete action at all levels of Catholic health care. This mandate prompts us to work to ensure that our country's health care delivery system provides adequate health care for the poor. In Catholic institutions, particular attention should be given to the health care needs of the poor, the uninsured, and the underinsured.⁸

Third, Catholic health care ministry seeks to contribute to the common good. The common good is realized when economic, political, and social con-

ditions ensure protection for the fundamental rights of all individuals and enable all to fulfill their common purpose and reach their common goals.⁹

Fourth, Catholic health care ministry exercises responsible stewardship of available health care resources. A just health care system will be concerned both with promoting equity of care—to assure that the right of each person to basic health care is respected—and with promoting the good health of all in the community. The responsible stewardship of health care resources can be accomplished best in dialogue with people from all levels of society, in accordance with the principle of subsidiarity and with respect for the moral principles that guide institutions and persons.

Fifth, within a pluralistic society, Catholic health care services will encounter requests for medical procedures contrary to the moral teachings of the Church. Catholic health care does not offend the rights of individual conscience by refusing to provide or permit medical procedures that are judged morally wrong by the teaching authority of the Church.

Directives

1. A Catholic institutional health care service is a community that provides health care to those in need of it. This service must be animated by the Gospel of Jesus Christ and guided by the moral tradition of the Church.
2. Catholic health care should be marked by a spirit of mutual respect among care-givers that disposes them to deal with those it serves and their families with the compassion of Christ-sensitive to their vulnerability at a time of special need.
3. In accord with its mission, Catholic health care should distinguish itself by service to and

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Comment Letter 3 (continued)

advocacy for those people whose social condition puts them at the margins of our society and makes them particularly vulnerable to discrimination: the poor; the uninsured and the under-insured; children and the unborn; single parents; the elderly; those with incurable diseases and chemical dependencies; racial minorities; immigrants and refugees. In particular, the person with mental or physical disabilities, regardless of the cause or severity, must be treated as a unique person of incomparable worth, with the same right to life and to adequate health care as all other persons.

4. A Catholic health care institution, especially a teaching hospital, will promote medical research consistent with its mission of providing health care and with concern for the responsible stewardship of health care resources. Such medical research must adhere to Catholic moral principles.
5. Catholic health care services must adopt these Directives as policy, require adherence to them within the institution as a condition for medical privileges and employment, and provide appropriate instruction regarding the Directives for administration, medical and nursing staff, and other personnel.
6. A Catholic health care organization should be a responsible steward of the health care resources available to it. Collaboration with other health care providers, in ways that do not compromise Catholic social and moral teaching, can be an effective means of such stewardship.¹⁸
7. A Catholic health care institution must treat its employees respectfully and justly. This responsibility includes: equal employment opportuni-

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ties for anyone qualified for the task, irrespective of a person's race, sex, age, national origin, or disability; a workplace that promotes employee participation; a work environment that ensures employee safety and well-being; just compensation and benefits; and recognition of the rights of employees to organize and bargain collectively without prejudice to the common good.

8. Catholic health care institutions have a unique relationship to both the Church and the wider community they serve. Because of the ecclesial nature of this relationship, the relevant requirements of canon law will be observed with regard to the foundation of a new Catholic health care institution; the substantial revision of the mission of an institution; and the sale, sponsorship transfer, or closure of an existing institution.
9. Employees of a Catholic health care institution must respect and uphold the religious mission of the institution and adhere to these Directives. They should maintain professional standards and promote the institution's commitment to human dignity and the common good.

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Comment Letter 3 (continued)

PART TWO

The Pastoral and Spiritual Responsibility of Catholic Health Care

Introduction

The dignity of human life flows from creation in the image of God (Gn 1:26), from redemption by Jesus Christ (Eph 1:10; Jn 2:4-6), and from our common destiny to share a life with God beyond all corruption (1 Cor 15:42-57). Catholic health care has the responsibility to treat those in need in a way that respects the human dignity and eternal destiny of all. The words of Christ have provided inspiration for Catholic health care: "I was ill and you cared for me" (Mt 25:36). The care provided assists those in need to experience their own dignity and value, especially when these are obscured by the burdens of illness or the anxiety of imminent death.

Since a Catholic health care institution is a community of healing and compassion, the care offered is not limited to the treatment of a disease or bodily ailment but embraces the physical, psychological, social, and spiritual dimensions of the human person. The medical expertise offered through Catholic health care is combined with other forms of care to promote health and relieve human suffering. For this reason, Catholic health care extends to the spiritual nature of the person. "Without health of the spirit, high technology focused strictly on the body offers limited hope for healing the whole person."¹¹ Directed to spiritual needs that are often appreciated more deeply during times of illness, pastoral care is an integral part of Catholic health care.

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Pastoral care encompasses the full range of spiritual services, including a listening presence; help in dealing with powerlessness, pain, and alienation; and assistance in recognizing and responding to God's will with greater joy and peace. It should be acknowledged, of course, that technological advances in medicine have reduced the length of hospital stays dramatically. It follows, therefore, that the pastoral care of patients, especially administration of the sacraments, will be provided more often than not at the parish level, both before and after one's hospitalization. For this reason, it is essential that there be very cordial and cooperative relationships between the personnel of pastoral care departments and the local clergy and ministers of care.

Priests, deacons, religious, and laity exercise diverse but complementary roles in this pastoral care. Since many areas of pastoral care call upon the creative response of these pastoral care-givers to the particular needs of patients or residents, the following directives address only a limited number of specific pastoral activities.

Directives

10. A Catholic health care organization should provide pastoral care to minister to the religious and spiritual needs of all those it serves. Pastoral care personnel—clergy, religious, and lay alike—should have appropriate professional preparation, including an understanding of these Directives.
11. Pastoral care personnel should work in close collaboration with local parishes and community clergy. Appropriate pastoral services and/or referrals should be available to all in keeping with their religious beliefs or affiliation.

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12. For Catholic patients or residents, provision for the sacraments is an especially important part of Catholic health care ministry. Every effort should be made to have priests assigned to hospitals and health care institutions to celebrate the Eucharist and provide the sacraments to patients and staff.
13. Particular care should be taken to provide and to publicize opportunities for patients or residents to receive the sacrament of Penance.
14. Properly prepared lay Catholics can be appointed to serve as extraordinary ministers of Holy Communion, in accordance with canon law and the policies of the local diocese. They should assist pastoral care personnel—clergy, religious, and laity—by providing supportive visits, advising patients regarding the availability of priests for the sacrament of Penance, and distributing Holy Communion to the faithful who request it.
15. Responsive to a patient's desires and condition, all involved in pastoral care should facilitate the availability of priests to provide the sacrament of Anointing of the Sick, recognizing that through this sacrament Christ provides grace and support to those who are seriously ill or weakened by advanced age. Normally, the sacrament is celebrated when the sick person is fully conscious. It may be conferred upon the sick who have lost consciousness or the use of reason, if there is reason to believe that they would have asked for the sacrament while in control of their faculties.
16. All Catholics who are capable of receiving Communion should receive Viaticum when they are in danger of death, while still in full possession of their faculties.²²
17. Except in cases of emergency (i.e., danger of death), any request for Baptism made by adults or for infants should be referred to the chaplain of the institution. Newly born infants in danger of death, including those miscegenated, should be baptized if this is possible.¹¹ In case of emergency, if a priest or a deacon is not available, anyone can validly baptize.¹⁴ In the case of emergency baptism, the chaplain or the director of pastoral care is to be notified.
18. When a Catholic who has been baptized but not yet confirmed is in danger of death, any priest may confirm the person.¹³
19. A record of the conferral of Baptism or Confirmation should be sent to the parish in which the institution is located and posted in its Baptism/Confirmation registers.
20. Catholic discipline generally reserves the reception of the sacraments to Catholics. In accord with canon 844, §3, Catholic ministers may administer the sacraments of Eucharist, Penance, and Anointing of the Sick to members of the oriental churches that do not have full communion with the Catholic Church, or of other churches that in the judgment of the Holy See are in the same condition as the oriental churches, if such persons ask for the sacraments on their own and are properly disposed.
- With regard to other Christians not in full communion with the Catholic Church, when the danger of death or other grave necessity is present, the four conditions of canon 844, §4, also must be present, namely, they cannot approach a minister of their own community; they ask for the sacraments on their own; they manifest Catholic faith in these sacraments; and they are

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properly disposed. The diocesan bishop has the responsibility to oversee this pastoral practice.

21. The appointment of priests and deacons to the pastoral care staff of a Catholic institution must have the explicit approval or confirmation of the local bishop in collaboration with the administration of the institution. The appointment of the director of the pastoral care staff should be made in consultation with the diocesan bishop.
22. For the sake of appropriate ecumenical and interfaith relations, a diocesan policy should be developed with regard to the appointment of non-Catholic members to the pastoral care staff of a Catholic health care institution. The director of pastoral care at a Catholic institution should be a Catholic; any exception to this norm should be approved by the diocesan bishop.

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PART THREE

The Professional-Patient Relationship

Introduction

A person in need of health care and the professional health care provider who accepts that person as a patient enter into a relationship that requires, among other things, mutual respect, trust, honesty, and appropriate confidentiality. The resulting free exchange of information must avoid manipulation, intimidation, or condescension. Such a relationship enables the patient to disclose personal information needed for effective care and permits the health care provider to use his or her professional competence most effectively to maintain or restore the patient's health. Neither the health care professional nor the patient acts independently of the other; both participate in the healing process.

Today, a patient often receives health care from a team of providers, especially in the setting of the modern acute-care hospital. But the resulting multiplication of relationships does not alter the personal character of the interaction between health care providers and the patient. The relationship of the person seeking health care and the professionals providing that care is an important part of the foundation on which diagnosis and care are provided. Diagnosis and care, therefore, entail a series of decisions with ethical as well as medical dimensions. The health care professional has the knowledge and experience to pursue the goals of healing, the maintenance of health, and the compassionate care of the dying, taking into account the patient's convictions and spiritual needs, and the moral responsibilities of

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all concerned. The person in need of health care depends on the skill of the health care provider to assist in preserving life and promoting health of body, mind, and spirit. The patient, in turn, has a responsibility to use these physical and mental resources in the service of moral and spiritual goals to the best of his or her ability.

When the health care professional and the patient use institutional Catholic health care, they also accept its public commitment to the Church's understanding of and witness to the dignity of the human person. The Church's moral teaching on health care nurtures a truly interpersonal professional-patient relationship. This professional-patient relationship is never separated, then, from the Catholic identity of the health care institution. The faith that inspires Catholic health care guides medical decisions in ways that fully respect the dignity of the person and the relationship with the health care professional.

Directives

23. The inherent dignity of the human person must be respected and protected regardless of the nature of the person's health problem or social status. The respect for human dignity extends to all persons who are served by Catholic health care.
24. In compliance with federal law, a Catholic health care institution will make available to patients information about their rights, under the laws of their state, to make an advance directive for their medical treatment. The institution, however, will not honor an advance directive that is contrary to Catholic teaching. If the advance directive conflicts with Catholic teaching, an explanation should be provided as to why the directive cannot be honored.

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25. Each person may identify in advance a representative to make health care decisions as his or her surrogate in the event that the person loses the capacity to make health care decisions. Decisions by the designated surrogate should be faithful to Catholic moral principles and to the person's intentions and values, or if the person's intentions are unknown, to the person's best interests. In the event that an advance directive is not executed, those who are in a position to know best the patient's wishes—usually family members and loved ones—should participate in the treatment decisions for the person who has lost the capacity to make health care decisions.
26. The free and informed consent of the person or the person's surrogate is required for medical treatments and procedures, except in an emergency situation when consent cannot be obtained and there is no indication that the patient would refuse consent to the treatment.
27. Free and informed consent requires that the person or the person's surrogate receive all reasonable information about the essential nature of the proposed treatment and its benefits; its risks, side-effects, consequences, and costs; and any reasonable and morally legitimate alternatives, including no treatment at all.
28. Each person or the person's surrogate should have access to medical and moral information and counseling so as to be able to form his or her conscience. The free and informed health care decision of the person or the person's surrogate is to be followed so long as it does not contradict Catholic principles.
29. All persons served by Catholic health care have the right and duty to protect and preserve their

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bodily and functional integrity.¹⁴ The functional integrity of the person may be sacrificed to maintain the health or life of the person when no other morally permissible means is available.¹⁵

30. The transplantation of organs from living donors is morally permissible when such a donation will not sacrifice or seriously impair any essential bodily function and the anticipated benefit to the recipient is proportionate to the harm done to the donor. Furthermore, the freedom of the prospective donor must be respected, and economic advantages should not accrue to the donor.
31. No one should be the subject of medical or genetic experimentation, even if it is therapeutic, unless the person or surrogate first has given free and informed consent. In instances of non-therapeutic experimentation, the surrogate can give this consent only if the experiment entails no significant risk to the person's well-being. Moreover, the greater the person's incompetency and vulnerability, the greater the reasons must be to perform any medical experimentation, especially nontherapeutic.
32. While every person is obliged to use ordinary means to preserve his or her health, no person should be obliged to submit to a health care procedure that the person has judged, with a free and informed conscience, not to provide a reasonable hope of benefit without imposing excessive risks and burdens on the patient or excessive expense to family or community.¹⁶
33. The well-being of the whole person must be taken into account in deciding about any therapeutic intervention or use of technology.

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Therapeutic procedures that are likely to cause harm or undesirable side-effects can be justified only by a proportionate benefit to the patient.

34. Health care providers are to respect each person's privacy and confidentiality regarding information related to the person's diagnosis, treatment, and care.
35. Health care professionals should be educated to recognize the symptoms of abuse and violence and are obliged to report cases of abuse to the proper authorities in accordance with local statutes.
36. Compassionate and understanding care should be given to a person who is the victim of sexual assault. Health care providers should cooperate with law enforcement officials and offer the person psychological and spiritual support as well as accurate medical information. A female who has been raped should be able to defend herself against a potential conception from the sexual assault. If, after appropriate testing, there is no evidence that conception has occurred already, she may be treated with medications that would prevent ovulation, sperm capacitation, or fertilization. It is not permissible, however, to interfere or to recommend treatments that have as their purpose or direct effect the removal, destruction, or interference with the implantation of a fertilized ovum.¹⁷
37. An ethics committee or some alternate form of ethical consultation should be available to assist by advising on particular ethical situations, by offering educational opportunities, and by reviewing and recommending policies. To these ends, there should be appropriate standards for medical ethical consultation within a particular

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diocese that will respect the diocesan bishop's pastoral responsibility as well as assist members of ethics committees to be familiar with Catholic medical ethics and, in particular, these Directives.

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PART FOUR

Issues in Care for the Beginning of Life

Introduction

The Church's commitment to human dignity inspires an abiding concern for the sanctity of human life from its very beginning, and with the dignity of marriage and of the marriage act by which human life is transmitted. The Church cannot approve medical practices that undermine the biological, psychological, and moral bonds on which the strength of marriage and the family depends.

Catholic health care ministry witnesses to the sanctity of life "from the moment of conception until death."²⁸ The Church's defense of life encompasses the unborn and the care of women and their children during and after pregnancy. The Church's commitment to life is seen in its willingness to collaborate with others to alleviate the causes of the high infant mortality rate and to provide adequate health care to mothers and their children before and after birth.

The Church has the deepest respect for the family, for the marriage covenant, and for the love that binds a married couple together. This includes respect for the marriage act by which husband and wife express their love and cooperate with God in the creation of a new human being. The Second Vatican Council affirms:

This love is an eminently human one. . . . It involves the good of the whole person. . . . The actions within marriage by which the couple are united intimately and chastely are noble and

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worthy ones. Expressed in a manner which is truly human, these actions signify and promote that mutual self-giving by which spouses enrich each other with a joyful and a thankful will.³¹

Marriage and conjugal love are by their nature ordained toward the begetting and educating of children. Children are really the supreme gift of marriage and contribute very substantially to the welfare of their parents. . . . Parents should regard as their proper mission the task of transmitting human life and educating those to whom it has been transmitted. . . . They are thereby cooperators with the love of God the Creator, and are, so to speak, the interpreters of that love.³²

For legitimate reasons of responsible parenthood, married couples may limit the number of their children by natural means. The Church cannot approve contraceptive interventions that "either in anticipation of the marital act, or in its accomplishment or in the development of its natural consequences, have the purpose, whether as an end or a means, to render procreation impossible."³³ Such interventions violate "the inseparable connection, willed by God. . . between the two meanings of the conjugal act: the unitive and procreative meaning."³⁴

With the advances of the biological and medical sciences, society has at its disposal new technologies for responding to the problem of infertility. While we rejoice in the potential for good inherent in many of these technologies, we cannot assume that what is technically possible is always morally right. Reproductive technologies that substitute for the marriage act are not consistent with human dignity, just as the marriage act is joined naturally to procreation, so procreation is joined naturally to the marriage act. As Pope John XXIII observed:

The transmission of human life is entrusted by nature to a personal and conscious act and as such is subject to all the holy laws of God: the immutable and inviolable laws which must be recognized and observed. For this reason, one cannot use means and follow methods which could be licit in the transmission of the life of plants and animals.³⁵

Because the moral law is rooted in the whole of human nature, human persons, through intelligent reflection on their own spiritual destiny, can discover and cooperate in the plan of the Creator.³⁶

Directives

38. When the marital act of sexual intercourse is not able to attain its procreative purpose, assistance that does not separate the unitive and procreative ends of the act, and does not substitute for the marital act itself, may be used to help married couples conceive.³⁷
39. Those techniques of assisted conception that respect the unitive and procreative meanings of sexual intercourse and do not involve the destruction of human embryos, or their deliberate generation in such numbers that it is clearly envisaged that all cannot implant and some are simply being used to maximize the chances of others implanting, may be used as therapies for infertility.
40. Heterologous fertilization (that is, any technique used to achieve conception by the use of gametes coming from at least one donor other than the spouse) is prohibited because it is contrary to the covenant of marriage, the unity of the spouses, and the dignity proper to parents and the child.³⁸

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41. Homologous artificial fertilization (that is, any technique used to achieve conception using the gametes of the two spouses joined in marriage) is prohibited when it separates procreation from the marital act in its unitive significance (e.g., any technique used to achieve extra-corporal conception).²⁶
42. Because of the dignity of the child and of marriage, and because of the uniqueness of the mother-child relationship, participation in contracts or arrangements for surrogate motherhood is not permitted. Moreover, the commercialization of such surrogacy denigrates the dignity of women, especially the poor.²⁷
43. A Catholic health care institution that provides treatment for infertility should offer not only technical assistance to infertile couples but also should help couples pursue other solutions (e.g., counseling, adoption).
44. A Catholic health care institution should provide prenatal, obstetric, and postnatal services for mothers and their children in a manner consonant with its mission.
45. Abortion (that is, the directly intended termination of pregnancy before viability or the directly intended destruction of a viable fetus) is never permitted. Every procedure whose sole immediate effect is the termination of pregnancy before viability is an abortion, which, in its moral context, includes the interval between conception and implantation of the embryo. Catholic health care institutions are not to provide abortion services, even based upon the principle of material cooperation. In this context, Catholic health care institutions need to be concerned about the danger of scandal in any association with abortion providers.
46. Catholic health care providers should be ready to offer compassionate physical, psychological, moral, and spiritual care to those persons who have suffered from the trauma of abortion.
47. Operations, treatments, and medications that have as their direct purpose the cure of a proportionately serious pathological condition of a pregnant woman are permitted when they cannot be safely postponed until the unborn child is viable, even if they will result in the death of the unborn child.
48. In case of ectopic pregnancy, no intervention is morally licit which constitutes a direct abortion.¹¹
49. For a proportionate reason, labor may be induced after the fetus is viable.
50. Prenatal diagnosis is permitted when the procedure does not threaten the life or physical integrity of the unborn child or the mother and does not subject them to disproportionate risks; when the diagnosis can provide information to guide preventative care for the mother or pre- or postnatal care for the child; and when the parents, or at least the mother, give free and informed consent. Prenatal diagnosis is not permitted when undertaken with the intention of aborting an unborn child with a serious defect.¹²
51. Nontherapeutic experiments on a living embryo or fetus are not permitted, even with the consent of the parents. Therapeutic experiments are permitted for a proportionate reason with the free and informed consent of the parents or, if the father cannot be contacted, at least of the mother. Medical research that will not harm the life or physical integrity of an unborn child is permitted with parental consent.¹³

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- 52. Catholic health institutions may not promote or condone contraceptive practices but should provide, for married couples and the medical staff who counsel them, instruction both about the Church's teaching on responsible parenthood and in methods of natural family planning.
- 53. Direct sterilization of either men or women, whether permanent or temporary, is not permitted in a Catholic health care institution. Procedures that induce sterility are permitted when their direct effect is the cure or alleviation of a present and serious pathology and a simpler treatment is not available.⁵²
- 54. Genetic counseling may be provided in order to promote responsible parenthood and to prepare for the proper treatment and care of children with genetic defects, in accordance with Catholic moral teaching and the intrinsic rights and obligations of married couples regarding the transmission of life.

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PART FIVE
Issues in Care for the Dying

Introduction

Christ's redemption and saving grace embrace the whole person, especially in his or her illness, suffering, and death.⁵³ The Catholic health care ministry faces the reality of death with the confidence of faith. In the face of death—for many, a time when hope seems lost—the Church witnesses to her belief that God has created each person for eternal life.⁵⁴

Above all, as a witness to its faith, a Catholic health care institution will be a community of respect, love, and support to patients or residents and their families as they face the reality of death. What is hardest to face is the process of dying itself, especially the dependency, the helplessness, and the pain that so often accompany terminal illness. One of the primary purposes of medicine in caring for the dying is the relief of pain and the suffering caused by it. Effective management of pain in all its forms is critical in the appropriate care of the dying.

The truth that life is a precious gift from God has profound implications for the question of stewardship over human life. We are not the owners of our lives and, hence, do not have absolute power over life. We have a duty to preserve our life and to use it for the glory of God, but the duty to preserve life is not absolute, for we may reject life-prolonging procedures that are insufficiently beneficial or excessively burdensome. Suicide and euthanasia are never morally acceptable options.

The task of medicine is to care even when it cannot cure. Physicians and their patients must eval-

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use the use of the technology at their disposal. Reflection on the innate dignity of human life in all its dimensions and on the purpose of medical care is indispensable for formulating a true moral judgment about the use of technology to maintain life. The use of life-sustaining technology is judged in light of the Christian meaning of life, suffering, and death. Only in this way are two extremes avoided: on the one hand, an insistence on useless or burdensome technology even when a patient may legitimately wish to forgo it and, on the other hand, the withdrawal of technology with the intention of causing death.⁵⁷

Some state Catholic conferences, individual bishops, and the USCCB Committee on Pro-Life Activities (formerly an NCCB committee) have addressed the moral issues concerning medically assisted hydration and nutrition. The bishops are guided by the Church's teaching forbidding euthanasia, which is "an action or an omission which of itself or by intention causes death, in order that all suffering may in this way be eliminated."⁵⁸ These statements agree that hydration and nutrition are not morally obligatory either when they bring no comfort to a person who is imminently dying or when they cannot be assimilated by a person's body. The USCCB Committee on Pro-Life Activities' report, in addition, points out the necessary distinctions between questions already resolved by the magisterium and those requiring further reflection, as, for example, the morality of withdrawing medically assisted hydration and nutrition from a person who is in the condition that is recognized by physicians as the "persistent vegetative state" (PVS).⁵⁹

Directives

55. Catholic health care institutions offering care to persons in danger of death from illness,

accident, advanced age, or similar condition should provide them with appropriate opportunities to prepare for death. Persons in danger of death should be provided with whatever information is necessary to help them understand their condition and have the opportunity to discuss their condition with their family members and care providers. They should also be offered the appropriate medical information that would make it possible to address the morally legitimate choices available to them. They should be provided the spiritual support as well as the opportunity to receive the sacraments in order to prepare well for death.

56. A person has a moral obligation to use ordinary or proportionate means of preserving his or her life. Proportionate means are those that in the judgment of the patient offer a reasonable hope of benefit and do not entail an excessive burden or impose excessive expense on the family or the community.⁶⁰
57. A person may forgo extraordinary or disproportionate means of preserving life. Disproportionate means are those that in the patient's judgment do not offer a reasonable hope of benefit or entail an excessive burden, or impose excessive expense on the family or the community.⁶¹
58. There should be a presumption in favor of providing nutrition and hydration to all patients, including patients who require medically assisted nutrition and hydration, as long as this is of sufficient benefit to outweigh the burdens involved to the patient.
59. The free and informed judgment made by a competent adult patient concerning the use or

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withdrawal of life-sustaining procedures should always be respected and normally complied with, unless it is contrary to Catholic moral teaching.

60. Euthanasia is an action or omission that of itself or by intention causes death in order to alleviate suffering. Catholic health care institutions may never condone or participate in euthanasia or assisted suicide in any way. Dying patients who request euthanasia should receive loving care, psychological and spiritual support, and appropriate remedies for pain and other symptoms so that they can live with dignity until the time of natural death.⁶⁰
61. Patients should be kept as free of pain as possible so that they may die comfortably and with dignity, and in the place where they wish to die. Since a person has the right to prepare for his or her death while fully conscious, he or she should not be deprived of consciousness without a compelling reason. Medicines capable of alleviating or suppressing pain may be given to a dying person, even if this therapy may indirectly shorten the person's life so long as the intent is not to hasten death. Patients experiencing suffering that cannot be alleviated should be helped to appreciate the Christian understanding of redemptive suffering.
62. The determination of death should be made by the physician or competent medical authority in accordance with responsible and commonly accepted scientific criteria.
63. Catholic health care institutions should encourage and provide the means whereby those who wish to do so may arrange for the donation of their organs and bodily tissue, for ethically

legitimate purposes, so that they may be used for donation and research after death.

64. Such organs should not be removed until it has been medically determined that the patient has died. In order to prevent any conflict of interest, the physician who determines death should not be a member of the transplant team.
65. The use of tissue or organs from an infant may be permitted after death has been determined and with the informed consent of the parents or guardians.
66. Catholic health care institutions should not make use of human tissue obtained by direct abortions even for research and therapeutic purposes.⁶¹

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PART SIX

Forming New Partnerships with Health Care Organizations and Providers

Introduction

Until recently, most health care providers enjoyed a degree of independence from one another. In ever-increasing ways, Catholic health care providers have become involved with other health care organizations and providers. For instance, many Catholic health care systems and institutions share in the joint purchase of technology and services with other local facilities or physicians' groups. Another phenomenon is the growing number of Catholic health care systems and institutions joining or co-sponsoring integrated delivery networks or managed care organizations in order to contract with insurers and other health care payers. In some instances, Catholic health care systems sponsor a health care plan or health maintenance organization. In many dioceses, new partnerships will result in a decrease in the number of health care providers, at times leaving the Catholic institution as the sole provider of health care services. At whatever level, new partnerships forge a variety of interwoven relationships: between the various institutional partners, between health care providers and the community, between physicians and health care services, and between health care services and payers.

On the one hand, new partnerships can be viewed as opportunities for Catholic health care institutions and services to witness to their religious

and ethical commitments and so influence the healing profession. For example, new partnerships can help to implement the Church's social teaching. New partnerships can be opportunities to realign the local delivery system in order to provide a continuum of health care to the community, they can witness to a responsible stewardship of limited health care resources and they can be opportunities to provide to poor and vulnerable persons a more equitable access to basic care.

On the other hand, new partnerships can pose serious challenges to the viability of the identity of Catholic health care institutions and services, and their ability to implement these Directives in a consistent way, especially when partnerships are formed with those who do not share Catholic moral principles. The risk of scandal cannot be underestimated when partnerships are not built upon common values and moral principles. Partnership opportunities for some Catholic health care providers may even threaten the continued existence of other Catholic institutions and services, particularly when partnerships are driven by financial considerations alone. Because of the potential dangers involved in the new partnerships that are emerging, an increased collaboration among Catholic-sponsored health care institutions is essential and should be sought before other forms of partnerships.

The significant challenges that new partnerships may pose, however, do not necessarily preclude their possibility on moral grounds. The potential dangers require that new partnerships undergo systematic and objective moral analysis, which takes into account the various factors that often pressure institutions and services into new partnerships that can diminish the autonomy and ministry of the Catholic partner. The following directives are offered to assist institutionally based Catholic health

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care services in this process of analysis. To this end, the United States Conference of Catholic Bishops (formerly the National Conference of Catholic Bishops) has established the Ad Hoc Committee on Health Care Issues and the Church as a resource for bishops and health care leaders.

This new edition of the *Ethical and Religious Directives* omits the appendix concerning cooperation, which was contained in the 1995 edition. Experience has shown that the brief articulation of the principles of cooperation that was presented there did not sufficiently forestall certain possible misinterpretations and in practice gave rise to problems in concrete applications of the principles. Reliable theological experts should be consulted in interpreting and applying the principles governing cooperation, with the proviso that, as a rule, Catholic partners should avoid entering into partnerships that would involve them in cooperation with the wrongdoing of other providers.

Directives

67. Decisions that may lead to serious consequences for the identity or reputation of Catholic health care services, or entail the high risk of scandal, should be made in consultation with the diocesan bishop or his health care liaison.
68. Any partnership that will affect the mission or religious and ethical identity of Catholic health care institutional services must respect church teaching and discipline. Diocesan bishops and other church authorities should be involved as such partnerships are developed, and the diocesan bishop should give the appropriate authorization before they are completed. The diocesan bishop's approval is required for partnerships sponsored by institutions subject to his govern-

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ing authority; for partnerships sponsored by religious institutes of pontifical right, his *nihil obstat* should be obtained.

69. If a Catholic health care organization is considering entering into an arrangement with another organization that may be involved in activities judged morally wrong by the Church, participation in such activities must be limited to what is in accord with the moral principles governing cooperation.
70. Catholic health care organizations are not permitted to engage in immediate material cooperation in actions that are intrinsically immoral, such as abortion, euthanasia, assisted suicide, and direct sterilization.⁶⁴
71. The possibility of scandal must be considered when applying the principles governing cooperation.⁶⁵ Cooperation, which in all other respects is morally licit, may need to be refused because of the scandal that might be caused. Scandal can sometimes be avoided by an appropriate explanation of what is in fact being done at the health care facility under Catholic auspices. The diocesan bishop has final responsibility for assessing and addressing issues of scandal, considering not only the circumstances in his local diocese but also the regional and national implications of his decision.⁶⁶
72. The Catholic partner in an arrangement has the responsibility periodically to assess whether the binding agreement is being observed and implemented in a way that is consistent with Catholic teaching.

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Conclusion

Sickness speaks to us of our limitations and human frailty. It can take the form of infirmity resulting from the simple passing of years or injury from the exuberance of youthful energy. It can be temporary or chronic, debilitating, and even terminal. Yet the follower of Jesus faces illness and the consequences of the human condition aware that our Lord always shows compassion toward the infirm.

Jesus not only taught his disciples to be compassionate, but he also told them who should be the special object of their compassion. The parable of the feast with its humble guests was preceded by the instruction: "When you hold a banquet, invite the poor, the crippled, the lame, the blind" (Lk 14:13). These were people whom Jesus healed and loved.

Catholic health care is a response to the challenge of Jesus to go and do likewise. Catholic health care services rejoice in the challenge to be Christ's healing compassion in the world and see their ministry not only as an effort to restore and preserve health but also as a spiritual service and a sign of that final healing that will one day bring about the new creation that is the ultimate fruit of Jesus' ministry and God's love for us.

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Notes

1. National Conference of Catholic Bishops, *Health and Health Care: A Pastoral Letter of the American Catholic Bishops* (Washington, D.C.: United States Catholic Conference, 1981).
2. Health care services under Catholic auspices are carried out in a variety of institutional settings (e.g., hospitals, clinics, out-patient facilities, urgent care centers, hospices, nursing homes, and parishes). Depending on the context, these directives will employ the terms "institution" and/or "services" in order to encompass the variety of settings in which Catholic health care is provided.
3. *Health and Health Care*, p. 5.
4. Second Vatican Ecumenical Council, *Decree on the Apostolate of the Laity (Apostolicum Actuatum)* (1965), no. 1.
5. Pope John Paul II, Post-Synodal Apostolic Exhortation, *On the Vocation and the Mission of the Lay Faithful in the Church and in the World (Christifideles Laici)* (Washington, D.C.: United States Catholic Conference, 1988), no. 29.
6. As examples, see Congregation for the Doctrine of the Faith, *Declaration on Procured Abortion* (1974); Congregation for the Doctrine of the Faith, *Declaration on Euthanasia* (1980); Congregation for the Doctrine of the Faith, *Instruction on Respect for Human Life in its Origin and on the Dignity of Procreation: Replies to Certain Questions of the Day (Donum Vitae)* (Washington, D.C.: United States Catholic Conference, 1987).
7. Pope John XXIII, Encyclical Letter, *Pace in Terra (Pacem in Terra)* (Washington, D.C.: United States Catholic Conference, 1963), no. 11; *Health and Health Care*, pp. 5, 17-18; *Catechism of the Catholic Church* 2nd ed. (Washington, D.C.: United States Catholic Conference, 2000), no. 2211.
8. Pope John Paul II, *On Social Concern, Encyclical Letter on the Occasion of the Twentieth Anniversary of "Populorum Progressio" (Sollicitudo Rei Socialis)*

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- (Washington, D.C.: United States Catholic Conference, 1988), no. 43.
9. National Conference of Catholic Bishops, *Economic Justice for All: Pastoral Letter on Catholic Social Teaching and the U.S. Economy* (Washington, D.C.: United States Catholic Conference, 1986), no. 80.
 10. The duty of responsible stewardship demands responsible collaboration. But in collaborative efforts, Catholic institutionally based health care services must be attentive to occasions when the policies and practices of other institutions are not compatible with the Church's authoritative moral teaching. At such times, Catholic health care institutions should determine whether or to what degree collaboration would be morally permissible. To make that judgment, the governing boards of Catholic institutions should adhere to the moral principles on cooperation. See Part Six.
 11. *Health and Health Care*, p. 12.
 12. *Cf. Code of Canon Law*, cc. 921-923.
 13. *Cf. ibid.*, c. 887, § 2, and c. 871.
 14. To confer Baptism in an emergency, one must have the proper intention (to do what the Church intends by Baptism) and pour water on the head of the person to be baptized, meanwhile pronouncing the words: "I baptize you in the name of the Father, and of the Son, and of the Holy Spirit."
 15. *Cf. c. 883, § 4.*
 16. For example, while the donation of a kidney represents loss of biological integrity, such a donation does not compromise functional integrity since human beings are capable of functioning with only one kidney.
 17. *Cf. directive 53.*
 18. *Declaration on Euthanasia*, Part IV; cf. also directives 54-57.
 19. It is recommended that a sexually assaulted woman be advised of the ethical restrictions that prevent Catholic hospitals from using abortifacient procedures. *Cf. Pennsylvania Catholic Conference, "Guidelines for Catholic Hospitals Treating Victims of Sexual Assault," Orlgbr 22 (1993): 810.*
 20. Pope John Paul II, "Address of October 29, 1983, to the 35th General Assembly of the World Medical Association," *Acta Apostolicae Sedis* 76 (1984): 598.
 21. Second Vatican Ecumenical Council, "Pastoral Constitution on the Church in the Modern World" (*Gaudium et Spes*) (1963), no. 49.
 22. *Ibid.*, no. 50.
 23. Pope Paul VI, Encyclical Letter, *On the Regulation of Birth (Humanae Vitae)* (Washington, D.C.: United States Catholic Conference, 1968), no. 14.
 24. *Ibid.*, no. 12.
 25. Pope John XXIII, Encyclical Letter, *Mater et Magistra* (1961), no. 193, quoted in *Congregation for the Doctrine of the Faith, Dignum Vitae*, no. 4.
 26. Pope John Paul II, Encyclical Letter, *The Splendor of Truth (Veritatis Splendor)* (Washington, D.C.: United States Catholic Conference, 1993), no. 50.
 27. "Homologous artificial insemination within marriage cannot be admitted except for those cases in which the technical means is not a substitute for the conjugal act but serves to facilitate and to help so that the act attains its natural purpose" (*Dignum Vitae*, Part II, B, no. 6; cf. also Part I, nos. 1, 6).
 28. *Ibid.*, Part II, A, no. 2.
 29. "Artificial insemination as a substitute for the conjugal act is prohibited by reason of the voluntarily achieved dissociation of the two meanings of the conjugal act. Masturbation, through which the sperm is normally obtained, is another sign of this dissociation: even when it is done for the purpose of procreation, the act remains deprived of its unitive meaning: it lacks the sexual relationship called for by the moral order, namely, the relationship which realizes 'the full sense of mutual self-giving and human procreation in the context of true love'" (*Dignum Vitae*, Part II, B, no. 6).
 30. *Ibid.*, Part II, A, no. 3.
 31. *Cf. directive 45.*
 32. *Dignum Vitae*, Part I, no. 2.
 33. *Cf. ibid.*, no. 4.

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34. Cf. Congregation for the Doctrine of the Faith, "Responses on Uterine Isolation and Related Matters," July 31, 1993, *Origins* 24 (1994): 211-212.
35. Pope John Paul II, Apostolic Letter, *On the Christian Meaning of Human Suffering (Salvifici Doloris)* (Washington, D.C.: United States Catholic Conference, 1984), nos. 25-27.
36. National Conference of Catholic Bishops, *Order of Christian Funerals* (Collegeville, Minn.: The Liturgical Press, 1989), no. 1.
37. *Declaration on Euthanasia*.
38. *Ibid.*, Part II, p. 8.
39. Committee for Pro-Life Activities, National Conference of Catholic Bishops, *Nutrition and Hydration: Moral and Pastoral Reflections* (Washington, D.C.: United States Catholic Conference, 1992). On the importance of consulting authoritative teaching in the formation of conscience and in taking moral decisions, see *Veritatis Splendor*, nos. 67-68.
40. *Declaration on Euthanasia*, Part IV.
41. *Ibid.*
42. Cf. *Ibid.*
43. *Donum Vitae*, Part I, no. 4.
44. While there are many acts of varying moral gravity that can be identified as intrinsically evil, in the context of contemporary health care the most pressing concerns are currently abortion, euthanasia, assisted suicide, and direct sterilization. See Pope John Paul II's *Ad Limine Address* to the bishops of Texas, Oklahoma, and Arkansas (Region X), in *Origins* 28 (1998): 283. See also "Reply of the Sacred Congregation for the Doctrine of the Faith on Sterilization in Catholic Hospitals" (*Quocumque Sterilizatione*), March 13, 1975, *Origins* 10 (1976): 33-35; "Any cooperation institutionally approved or tolerated in actions which are in themselves, that is, by their nature and condition, directed to a contraceptive end . . . is absolutely forbidden. For the official approbation of direct sterilization and, a fortiori, its management and execution in accord with hospital regulations, is a matter which, in the objective order, is by its very nature (or intrinsically) evil." This directive supersedes the "Commentary on the Reply of the Sacred Congregation for the Doctrine of the Faith on Sterilization in Catholic Hospitals" published by the National Conference of Catholic Bishops on September 15, 1977 in *Origins* 11 (1977): 399-400.
45. See *Catechism of the Catholic Church* "Scandal is an attitude or behavior which leads another to do evil" (no. 2284); "Anyone who uses the power at his disposal in such a way that it leads others to do wrong becomes guilty of scandal and responsible for the evil that he has directly or indirectly encouraged" (no. 2287).
46. See "The Pastoral Role of the Diocesan Bishop in Catholic Health Care Ministry," *Origins* 26 (1997): 763.

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Nutrition and Hydration: Moral and Pastoral Reflections
The U.S. bishops set forth moral principles on protection of human life and respond to a number of frequently asked questions.
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I hereby certify that this is a true copy of the record consisting of 49 pages if the seal of this office is impressed in purple ink.
October 10th, 2022

Steve J. Bestolardes
STEVE J. BESTOLARDES
Assessor-Recorder-Clerk
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Comment Letter 4



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June 1, 2023

Via Electronic Mail Only

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Re: Comments on Draft Environmental Impact Report (DEIR) for the St. Joseph’s Medical Center Hospital Expansion Project

Dear Ms. Moore:

On behalf of the Sierra Club Mother Lode Chapter, Delta-Sierra Group, we have reviewed the Draft Environmental Impact Report (“DEIR”) prepared in connection with the proposed St. Joseph’s Medical Center Hospital Expansion Project (“Project”). Sierra Club has serious concerns about the environmental impacts of the Project as currently proposed. Sierra Club is submitting separate, detailed comments on the DEIR discussing numerous deficiencies regarding the analysis of and mitigation for the Project’s impacts related to aesthetics, air quality, transportation, greenhouse gases, climate change, and energy. (Attachment 1).

We write to emphasize that the DEIR fails to adequately mitigate for the Project’s significant greenhouse gas impacts in numerous respects. It also fails to adequately analyze and mitigate for significant energy impacts of the Project. The environmental documentation for the Project is thus inadequate as an informational document and violates state law requirements under the California Environmental Quality Act (“CEQA”), Public Resources Code § 21000 et seq., and the CEQA “Guidelines,” California Code of Regulations, title 14, § 15000 et seq.

4-1

4-1 The Draft EIR adequately analyzes greenhouse gas and energy impacts of the St. Joseph’s Medical Center of Stockton Hospital Expansion Project (“proposed project” or “project”) in accordance with

CEQA. Greenhouse gas impacts attributed to the project are analyzed in Section 4.7, Greenhouse Gases and Energy impacts are analyzed in Section 4.5, Energy.

Comment Letter 4 (continued)

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Page 2

We applaud the City for including Alternative 3, the Reduced Parking Alternative, in the DEIR and note that the City must adopt this Alternative given its ability to meet all of the Project objectives while reducing significant Project impacts.

4-2

4-2 The comment does not raise any issues regarding the adequacy of analysis contained in the Draft EIR. The comment is forwarded to the decisionmakers for their consideration.

Comment Letter 4 (continued)

Still, where a DEIR fails to fully and accurately inform decision-makers, and the public, of the environmental consequences of proposed actions, it does not satisfy the basic goals of the statute. *See* Pub. Res. Code § 21061 (“The purpose of an environmental impact report is to provide public agencies and the public in general with detailed information about the effect that a proposed project is likely to have on the environment; to list ways in which the significant effects of such a project might be minimized; and to indicate alternatives to such a project.”).

As a result of the DEIR’s numerous and serious inadequacies, there can be no meaningful public review of the proposed Project. The City must revise and recirculate the DEIR in order to permit an adequate understanding of the environmental issues at stake and the ability to mitigate them.

4-3

4-3

The responses provided to this letter address all of the concerns regarding the adequacy of the Draft EIR raised by the commenter. The commenter’s opinion is noted and forwarded to the decision makers for their consideration.

Comment Letter 4 (continued)

I. The DEIR Does Not Adequately Identify Mitigation for the Project’s Significant Greenhouse Gas Impacts.

CEQA requires that a lead agency adopt all feasible mitigation measures that can substantially lessen a project’s significant impacts. Pub. Res. Code § 21002. The agency must ensure that these measures are “fully enforceable” through permit conditions, agreements, or other legally binding instruments. Pub. Res. Code §§ 21002, 21081.6(b); CEQA Guidelines §§ 15002(a)(3), 15126.4(a)(2); *City of Marina v. Bd. of Trustees of the Cal. State Univ.* (2006) 39 Cal.4th 341, 359, 368-69. The requirement for enforceability ensures “that feasible mitigation measures will actually be implemented as a condition of development, and not merely adopted and then neglected or disregarded.” *Federation of Hillside & Canyon Ass’ns v. City of Los Angeles* (2000) 83 Cal.App.4th 1252, 1261 (italics omitted); CEQA Guidelines § 15126.4(a)(2).

To be enforceable, a mitigation measure must be detailed and specific. California courts have clarified that an EIR is inadequate where its proposed mitigation measures are so undefined that it is impossible to evaluate their effectiveness. *San Franciscans for Reasonable Growth v. City & County of San Francisco* (1984) 151 Cal.App.3d 61, 79. In particular, a mitigation measure must include criteria or performance standards against which the mitigation’s actual implementation can be measured. See *San Joaquin Raptor Rescue Ctr. v. County of Merced* (2007) 149 Cal.App.4th 645, 670 (“*County of Merced*”). The reader must be able to discern what steps will be taken to mitigate the project’s impacts. *Id.* Without such detail, there is no

4-4

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WEINBERGER LLP

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way for decision-makers and the public to weigh whether the proposed measures will sufficiently mitigate a project’s impacts, causing the EIR to fail in its core, informational purpose.

4-4
Cont.

4-4 The Draft EIR analyzes the direct and indirect impacts associated with construction and operational activities of the project. Where an impact is identified, feasible mitigation is provided to reduce the significance of the impact. Where it is not possible to reduce the impact to less than significant the impact is considered significant and unavoidable. The project’s potential to increase greenhouse gas (GHG) emissions is evaluated in the Draft EIR in Section 4.7, Greenhouse Gases. The increase in GHG emissions associated with project construction and operation is quantified, and mitigation is provided. Mitigation measures 4.7-1 and 4.7-2 would lessen the significance of the impact but

Comment Letter 4 (continued)

not to a level of less than significant. The Courts have clarified that in some instances mitigation requires “performance standards” for mitigation that is “deferred” to a later date (i.e., the details will be worked out later). This can include preparation of plans or protocol to follow in the event a specific resource is identified or unearthed during soil disturbing activities, for example. The comment does not identify how the mitigation is deficient or inadequate; therefore, no additional response can be provided. Please see Response to Comment 4-7 and Chapter 3, Changes to the Draft EIR for additional revisions to mitigation measure 4.7-1.

Comment Letter 4 (continued)

The DEIR relies on mitigation to reduce the Project's significant Greenhouse Gas Emissions. Yet the DEIR's proposed mitigation generally fails to satisfy CEQA's mandate because many of the measures are vague, poorly-defined, or unenforceable. Specifically, many measures fail to provide adequate detail regarding how, and even whether, they will be implemented, monitored, and enforced.

4-5

4-5

Section 15097 of the CEQA Guidelines establishes the requirement for lead agencies to prepare a mitigation monitoring and reporting program (MMRP) to ensure compliance with mitigation measures during project implementation. The project's MMRP is provided with this Final EIR which sets forth the responsibilities of various City departments for aspects of monitoring or reporting of mitigation measures; timing for completion of the mitigation measure; and project compliance with the mitigation measure. Please see Response to Comment 4-4.

Comment Letter 4 (continued)

Further, the timing of developing mitigation is crucial. As a general rule, CEQA requires that the EIR fully describe a project’s proposed mitigation measures. CEQA prohibits deferral of mitigation, except in the following narrow circumstances: (1) there must be practical considerations that preclude development of the measures at the time of project approval, (2) the EIR must contain specific criteria to govern the future actions implementing the mitigation, and (3) the agency must have assurances that the future mitigation will be both “feasible and efficacious.” *Californians for Alternatives to Toxics v. Dept. of Food & Agric.* (2005) 136 Cal.App.4th 1, 17.

Conversely, deferral is not permitted “when an EIR puts off analysis or orders a report without either setting standards or demonstrating how the impact can be mitigated in the manner described in the EIR.” *Preserve Wild Santee v. City of Santee* (2012) 210 Cal.App.4th 260, 280-81. For example, an EIR is inadequate if the mitigation of a project’s significant effects “largely depend[s] upon management plans that have not yet been formulated, and have not been subject to analysis and review within the EIR.” *County of Merced*, 149 Cal.App.4th at 670.

4-6

4-6

The comment does not identify how mitigation included in the Draft EIR is deficient or inadequate; therefore, no additional response can be provided. However, it is often the case that it is premature to draft subsequent plans, for example, that may be required to mitigate an impact. To clarify the objectives and performance standards required in the project’s TDM Plan, the text of mitigation measure 4.7-1 has been revised and is included in Chapter 3, Changes to the Draft EIR. These revisions add detail and performance criteria to the measure. These additional details ensure that mitigation meets the standard set by the courts regarding acceptable deferral of detailed mitigation: “[W]hen a public agency has evaluated the potentially significant impacts of a project and has identified measures that will mitigate those impacts,’ and has committed to mitigating those impacts, the agency may defer precisely how mitigation will be achieved under the identified measures pending further study.” (*Oakland Heritage Alliance v. City of Oakland* (2011) 195 Cal.App.4th 884, citing *California Native Plant Society v. City of Rancho Cordova* (2010) 172 Cal.App.4th 603.) See also Response to Comment 4-7.

Comment Letter 4 (continued)

A. The EIR’s GHG Mitigation Measures Do Not Meet CEQA’s Requirements for Effective Mitigation.

Here, the DEIR fails to satisfy CEQA’s requirements because it relies on mitigation measures that are improperly deferred. The DEIR neither explains why deferral is necessary nor provides the criteria necessary to ensure that feasible and effective mitigation will be developed in the future. The DEIR must contain a high level of detail now, as this EIR is the only opportunity that the City will have to impose mitigation for the Project’s severe GHG impacts, which will occur for decades.

4-7

In addition to the deficiencies discussed in the Sierra Club’s separate comment letter, specific examples of the DEIR’s failure to identify adequate GHG mitigation measures include the following:



4-7

Mitigation measure 4.7-1, as it now appears in this Final EIR, includes numerous elements that cannot fairly be characterized as “deferred,” in that they are specific and concrete, and do not depend on future refinement that would occur after project approval. Please see Chapter 3 for the revised mitigation measure.

Although the commenter has suggested modifications of some of these elements (discussed in Responses to Comments 4-8 through 4-12 below), the only element of the original version of mitigation measure 4.7-1 that the commenter specifically characterizes as deferred was the element requiring the preparation of a TDM Plan. As noted above, this element has now been expanded and modified and is included in Chapter 3, Changes to the Draft EIR. As modified, mitigation measure 4.7-2 cannot be accurately characterized as an example of completely deferred mitigation, as the measure includes a number of very specific components that will require relatively little refinement after project approval. To the extent that these commitments will require some refinement after project approval, and thus could be characterized as requiring some details to be formulated after project approval, mitigation measure 4.7-2 fully complies with CEQA. It satisfies all of the requirements set forth in CEQA Guidelines section 15126.4, subdivision (a)(1)(B).

There are practical reasons why the City and the project applicant are not able to provide a greater level of detail for the TDM Plan components at present. As the Draft EIR explained, the project consists of up to five phases that may not be fully built out until as late as 2042. (See, e.g., Draft EIR, pp. 2-11, 4.1-23 – 4.1-27.) During the time between the initial project approval and approval of the final phase, the applicant will obtain additional information regarding the transportation needs of, and transportation options available to, its employees and visitors. During that time period, the City of Stockton transit system may evolve, and new commuting options and transportation technologies may become available. Telecommuting opportunities may increase. Given all of these factors, the mix of transportation demand options embodied in particular

Comment Letter 4 (continued)

permutations of the TDM Plan will surely evolve over time. For these reasons, it is impractical and inadvisable to attempt in the present to formulate an inflexible, extremely detailed TDM Plan prior to approval of even the first phase. This is why mitigation measure 4.7-2 requires that the initial TDM Plan required for phase one be updated with the completion of each phase.

Mitigation measure 4.7-2 also has a clear, enforceable, and mandatory performance standard of the kind contemplated by Section 15126.4, subdivision (a)(1)(B). The measure requires that the TDM Plan, as repeatedly updated with each phase, “shall achieve at least a five percent reduction in combined employee and visitor vehicle miles traveled (VMT) compared with baseline VMT as projected to exist without the TDM Plan.”

Comment Letter 4 (continued)

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- MM 4.7-1, second bullet, only requires parking structures to be pre-plumbed or engineered for the installation of solar energy systems—It does not require that solar energy systems actually be built. Nor does it require any particular capacity for future solar energy systems. As such, the measures is unenforceable and there is no way to evaluate its effectiveness in violation of CEQA. Requiring installation of solar energy systems to provide renewable energy for the Project’s energy needs on all suitable surfaces is entirely feasible now, as the Sierra Club’s settlement regarding the Mariposa project demonstrates. Another example is provided below.

4-8

4-8

The comment references a Settlement Agreement between the Sierra Club, the City of Stockton and Greenlaw Development, LLC for an approximately 3.6 million square-foot warehouse project located on 203-acres of undeveloped land in South Stockton (Mariposa Industrial Park project). The Mariposa Industrial Park project is located on a large parcel of undeveloped land on the outskirts of the City. The size, location and type of project is not comparable to expansion of an existing hospital campus located on less than 20-acres in a developed urban area of the City in which only nine acres is proposed for development. This Settlement Agreement is between the City and two private entities and is not applicable to this project. This Settlement Agreement does not have the force of law relative to this project nor are the terms of the agreement required to be reviewed or evaluated relative to this project under CEQA. How one case was settled does not establish a precedent for consideration in subsequent projects.

See also Response to Comment 2-12 and the accompanying exhibits.

Comment Letter 4 (continued)

- MM 4.7-1, fourth bullet, only requires facilities that allow for installation of charging stations for electric bicycles. It does not require that the charging stations actually be built. As such, the measure is unenforceable and there is no way to evaluate its effectiveness in violation of CEQA. The City must require installation of charging facilities at a quantifiable number.

4-9

4-9

As stated in Chapter 2, Project Description, on page 2-17, the project includes 40 bicycle parking spaces and electric vehicle charging stations to be installed consistent with the adopted California Building Code requirements at the time building permits are issued. The CalGreen Building Code and the City's Municipal Code currently do not have any standards or minimum requirements for construction of electric bicycle charging facilities. In the future, if the codes and/or the CalGreen and City requirements that are in effect at the time building permits are issued are amended, the project applicant would install the required charging facilities. Spaces for electric bicycles will be provided and conduit installed for future charging stations.

As with the Response to Comment 2-13, the installation of operational charging stations for electric bicycles would be a function of market demand and the availability of power from PG&E or other reliable providers of electricity sufficient to meet the demand created by the total number of charging stations for all vehicle types. The project's TDM Plan would provide for ongoing evaluation of the number of operational charging stations needed.

The installation of operational charging stations for electric bicycles would be consistent with the building codes in effect when building permits are issued for the Parking Structure and the Acute Care Hospital Tower.

Comment Letter 4 (continued)

- MM 4.7-1, fourth bullet, only requires conduit for future electric truck charging stations. It does not require installation of chargers or specify the number of charging stations that should be provided. Further, charging stations should be allowed in additional locations on the site, as loading docks may not be the best location or provide sufficient charging stations.

4-10

4-10

Trucks delivering medical supplies, other goods, and equipment to the hospital park unload and depart in short order, approximately less than an hour. Rarely is a truck at the hospital long enough to warrant the use of a charging station or the cost of installing operational truck charging stations. The applicant will provide conduit for future charging stations at the loading docks prior to issuance of a certificate of occupancy for the Acute Care Hospital Tower, provided that the future installation of operational charging stations is based on market demand and an ability to find a private charging station vendor who anticipates a sufficient return on investment to enter into a contract to install the charging stations.

A recent Wall Street Journal article citing named sources at PG&E, Southern California Edison, and the California Energy Commission describes the challenge confronting California businesses and providers of the electricity that is to power electric vehicles, including passenger cars and trucks: the electrical generating and delivery infrastructure, coupled with regulatory permits and electrical supply equipment, could take many years to bring to widespread availability. See “Electric Big Rigs Hit the Streets, but Chargers Are Scarce,” Wall Street Journal, July 16, 2023 (Exhibit E within Appendix B of this Final EIR).

Comment Letter 4 (continued)

- MM 4.7-1, fourth bullet, impermissibly delays preparation of a Transportation Demand Management Plan in violation of CEQA. There is no reason that the applicant cannot prepare this plan now so that it can be subject to review with this EIR. Even if there was substantial evidence for why the TDM plan cannot be developed at this time, which there is not, this measure would still violate CEQA because it does not include any performance standards or criteria to govern implementation of the plan and there are not assurances that it will be “feasible and effective” at reducing GHG emissions. The City must work with the applicant to develop this TDM Plan now and allow the public to comment on it as part of the EIR.

4-11

4-11

A TDM Plan is required to be completed prior to project occupancy and there is no requirement under CEQA or from the City that the plan be circulated for public review, as discussed under Response to Comment 4-7. The revisions provided to mitigation measure 4.7-1 (see Chapter 3 of this Final EIR) adequately meet the requirements to identify the objectives of the plan to reduce vehicle trips and to set forth measures that can achieve this objective.

The applicant has agreed to publish the draft TDM Plan on their webpage and invite public comment.

Comment Letter 4 (continued)

- MM 4.7-2, GHG Emissions Reduction Program, includes gaping exceptions for payments that would be expensive or increase costs, such that there is no way for the public or City to evaluate this measure’s effectiveness, in violation of CEQA. The EIR must evaluate whether contributions to GHG emissions reduction programs or payments of GHG offset fees are feasible at this time, not defer this analysis to a later date.

4-12





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There is no reason this assessment cannot be done now, making reasonable judgements about likely costs in the near future when payments would be made.

To the extent there is uncertainty around offsets, the EIR must require the Project and its ongoing operations to take all feasible measures to reduce GHG emissions before any offsets may be purchased. Further, in order to ensure enforceability and maximize the attainment of localized co-benefits, the measure should provide that, “the applicant shall prioritize the purchase of carbon offset credits from programs within the City, the County of San Joaquin, the San Joaquin Valley Air Pollution Control District’s boundaries, and the rest of the State of California, in order of decreasing preference.”

4-12
 Cont.



4-12 The commenter criticizes what is now mitigation measure 4.7-3 (see Chapter 3, Changes to the Draft EIR) for its “gaping exceptions for payments that would be expensive or increase costs,” and insists that “[t]he EIR must evaluate whether contributions to GHG emissions reduction programs or payments of GHG offset fees are feasible at this time, not defer this analysis to a later date.” The commenter adds that “[t]here is no reason this assessment cannot be done now, making reasonable judgements about likely costs in the near future when payments would be made.”

These expectations are unrealistic. As noted in the Response to Comment 4-7, the proposed project would proceed in phases, with the last phase occurring as late as 2042. In order to ensure that the mitigation keeps pace with this phasing and does not require mitigation before it is necessary, mitigation measure 4.7-3 requires that offset packages be proposed and approved “on a phase-by-phase basis, with the required offsets for an individual phase being limited to what is necessary for that phase to achieve its proportional share of the emissions reductions needed to achieve the

Comment Letter 4 (continued)

overall efficiency threshold for the project as a whole.” Thus, for example, phase-specific offsets packages could be proposed and approved in 2025, 2028, 2030, and 2042. There is no way at present to predict the cost of GHG offsets so far into the future. The commenter may believe that, in the year 2023, the City of Stockton and the project applicant can predict the price of qualified offsets as far out in time as 2030 or 2042, but such a belief is not shared by the City as a regulatory body or by the project applicant as the entity responsible for purchasing offsets under mitigation measure 4.7-3.

The requirements in mitigation measure 4.7-3 are intended to comply with the extremely stringent requirements created by the Court of Appeal for the Fourth Appellate District in *Golden Door Properties, LLC v. County of San Diego* (2020) 50 Cal.App.5th 467, which read into CEQA offset requirements virtually as stringent as those required under California’s Cap and Trade program, as developed under the California Global Warming Solutions Act of 2006 (Assembly Bill 32 of 2006). The practical effect of this well-intentioned but challenging appellate decision was to raise the bar for what constitutes legally adequate CEQA offsets to a very high level. This outcome, for good or ill, was virtually certain to result in offset scarcity over time as more and more projects, in completing their CEQA review, are required to compete for limited qualified offsets. As more and more time passes, and as more and more project proponents seek out qualified offsets, the market will predictably tighten, and prices will predictably rise. How high the prices will go is unknown. No entrepreneur, much less a non-profit corporation, can proceed with a major development project in the face of such uncertain costs, which in theory could render the entire project financially infeasible. In recognition that mitigation measure 4.7-3 may not be sufficient to reduce the GHG-related impacts of the proposed project to a less-than-significant level, the City reiterates its prior conclusion that the impact may be significant and unavoidable.

The measure meets the requirements of CEQA Guidelines Section 15126.4, subdivision (a)(1)(B), in that it includes clear performance standards. As is permissible for an impact that a lead agency considers to be significant and unavoidable, these standards strike a balance between the reduction of environmental impacts and commercial functionality. Notably, as the California Supreme Court has said, mitigation measures “need not include precise quantitative performance standards.” (*Sierra Club v. County of Fresno* (2018) 6 Cal.5th 502, 523.)

The overall performance standard is that “the applicant shall pursue feasible measures that contribute to an off-site GHG emissions reduction program or involve the payment of GHG offset fees” in order to try to reduce GHG emissions remaining after compliance with mitigation measures 4.7-1 and 4.7-2 “to 0.50 metric tons of carbon dioxide equivalent (MT CO₂e)/service population/per year.” This performance standard, concededly, is not an absolute, in that it limits the applicant’s obligation to pursue off-site reductions and offsets to what is “feasible.” But this term – “feasible” – which can be somewhat vague and elastic when undefined is here precisely defined for purposes of mitigation measure 4.7-3. For purposes of this measure “what is ‘feasible’ ... is a function of the technical viability and overall cost of carbon offsets, and, specifically, whether such offsets (i) are reasonably commercially available, (ii) would be prohibitively expensive for the nonprofit applicant in light of the financial challenges of providing health care services, (iii) would materially increase the cost of the health care provided by the applicant, or (iv) would render the overall project or phase

Comment Letter 4 (continued)

of the project economically infeasible within the meaning of CEQA case law such as *Uphold Our Heritage v. Town of Woodside* (2007) 147 Cal.App.4th 587, 598-601 [proposal may be infeasible if ‘the marginal costs ... are so great that a reasonably prudent property owner would not proceed with’ the proposal].)”

In the face of the complete uncertainty regarding the cost of GHG offsets in coming years, the City is unaware of any better way to meet the substantive mandate of CEQA – to require the mitigation of significant environmental effects to the extent feasible – than to require the applicant to prove with substantial evidence the infeasibility, on a phase-by-phase basis, of achieving the target performance standard of “0.50 metric tons of carbon dioxide equivalent (MT CO₂e)/service population/per year.”

Even so, the City has determined that mitigation measure 4.7-3 can provide for a greater level of transparency and public participation than was required by the measure in its original form in the Draft EIR. The measure has therefore been modified and is included in Chapter 3, Changes to the Draft EIR.

Finally, there is no basis in CEQA or constitutional law for the commenter’s suggestion that mitigation measure 4.7-3 be modified to “provide that, ‘the applicant shall prioritize the purchase of carbon offset credits from programs within the City, the County of San Joaquin, the San Joaquin Valley Air Pollution Control District’s boundaries, and the rest of the State of California, in order of decreasing preference.’”

The commenter’s preference for GHG offsets as close as geographically possible to a project site is often recommended by environmental advocates in order to maximize the local and/or regional “co-benefits” of project-related GHG emissions. But, as an empirical, physical matter, no greater level of GHG mitigation is achieved by an offset source located nearby compared with one located farther away. As the California Supreme Court has emphasized, “the global scope of climate change and the fact that carbon dioxide and other greenhouse gases, once released into the atmosphere, are not contained in the local area of their emission means that the impacts to be evaluated are also global rather than local. For many air pollutants, the significance of their environmental impact may depend greatly on *where* they are emitted; for greenhouse gases, it does not.” (*Center for Biological Diversity v. Department of Fish & Wildlife* (2015) 62 Cal.4th 204, 219-220, original italics.) Indeed, the environmental impacts associated with GHG emissions are inherently cumulative in character. (*Id.* at p. 219.)

Moreover, the City is not free to disregard the legal limitations on its authority to impose mitigation measures under CEQA. Rather, the City is constrained by constitutional considerations, which do not authorize the extraction of “co-benefits” that go beyond proportional mitigation of the actual effects of proposed projects. “Mitigation measures must be consistent with all applicable constitutional requirements[.]” (CEQA Guidelines, Section 15126.4, subd. (a)(4).) These requirements include the principle that “[t]here must be an essential nexus (i.e., connection) between the mitigation measure and a legitimate governmental interest.” (*Id.*, subd. (b)(4)(A), citing *Nollan v. California Coastal Commission*, 483 U.S. 825 (1987).) In addition, “[t]he mitigation

Comment Letter 4 (continued)

measure must be ‘roughly proportional’ to the impacts of the project.” (CEQA Guidelines, § 15126.4, subd. (a)(4)(B), citing *Dolan v. City of Tigard*, 512 U.S. 374 (1994).) In particular, where, as here, “the mitigation measure is an ad hoc exaction, it must be ‘roughly proportional’ to the impacts of the project.” (CEQA Guidelines, § 15126.4, subd. (a)(4)(B), citing *Ehrlich v. City of Culver City* (1996) 12 Cal.4th 854.)

The key considerations for offsets required under CEQA is that they comply with the requirements that, as set forth in mitigation measure 4.7-3, they be real, additional, quantifiable, enforceable, validated, and permanent. Where in the United States the offsets are based does not matter from an environmental or legal standpoint, as long as these standards are met. An inflexible order of preference for offset locations from local to regional to statewide, with a prohibition on going outside California to somewhere else in the United States, would only drive up the costs of offsets and increase the overall levels of offsets that will prove to be affordable to the applicant. The applicant is far more likely to be able to feasibly obtain offsets if the operative mitigation measure allows the applicant to search the entire country to find them. An artificial limitation to the State of California, with preferences for local and regional offsets, would likely lead to a lesser overall level of mitigation.

Comment Letter 4 (continued)

B. There Are Additional, Feasible Mitigation Measures to Reduce the Project’s Significant Green House Gas Impacts.

Because the Project would result in significant GHG impacts, as the DEIR admits, the DEIR must be revised to identify all feasible mitigation measures to reduce those impacts. Pub. Res. Code § 21002.1(b); CEQA Guidelines § 15126.4. This would include, at minimum, the following measures:

- Requiring solar energy systems:

Applicant shall demonstrate how all space available for photovoltaic installation has been maximized (e.g., roof, parking areas, etc.). The City shall verify the size and scope of the solar energy system based upon the analysis of the projected power requirements and generating capacity as well as the available solar panel installation space. In the event sufficient space is not available on the subject lot to accommodate the needed number of solar panels to produce the Applicant’s base or anticipated power use, the applicant shall, prior to the issuance of the certificate of occupancy for the proposed building, provide the City with documentation demonstrating that the additional electricity demand will be supplied with 100 percent carbon-free electricity sources. These sources may include, but are not limited to, Pacific Gas and Electric Company (PG&E) 100 Percent Solar Choice electricity service option. This documentation shall also demonstrate that 100 percent carbon-free electricity sources will be utilized for the first 30 years of operation. To monitor and ensure that 100 percent of electricity demand generated by the proposed project is supplied with

4-13



Comment Letter 4 (continued)

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100 percent carbon-free electricity sources, the applicant shall maintain records of all electricity consumption and supply associated with the proposed project’s operation for five years and make these records available to the City and to the public upon request.

The Applicant, or qualified solar provider engaged by the Applicant, shall include an application to construct the photovoltaic solar energy system(s) with its building permit application for the proposed project building(s).

The photovoltaic solar energy system shall be installed and operational prior to issuance of a certificate of occupancy for the building.

The photovoltaic solar energy system owner shall be responsible for maintaining the system(s) at not less than 80% of the rated power for 20 years. At the end of the 20-year period, the building owner shall install a new photovoltaic solar energy system meeting the capacity and operational requirements of this measure, or continue to maintain the existing system, for the life of the project.

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 4-13
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4-13

As discussed under Response to Comment 4-8, there is not available space within the existing Medical Center campus to install the number of solar panels needed to supply the project’s electrical demand. As noted in the Draft EIR on page 4.7-22, the City has joined East Bay Community Energy (EBCE) that allows participating local governments to procure power on behalf of their residents, businesses, and municipal accounts from alternative suppliers while still receiving transmission and distribution service from their existing utility provider. Currently, the City obtains electrical power from Pacific Gas & Electric (PG&E) but starting in 2025 will be transitioning to EBCE. The project applicant has also indicated they would use Power Purchase Agreements to obtain power from renewable sources. Both EBCE and PG&E offer programs where businesses can obtain 100% of their energy needs from renewable sources. EBCE includes “Renewable 100”, which sources energy from wind and solar facilities within the state to provide 100% renewable energy. PG&E offers two plans, “PG&E’s Solar Choice” or “Regional Renewable Choice”. PG&E’s Solar Choice allows a business to purchase solar energy to match either 50% or 100% of their energy demand. Regional Renewable Choice allows the business to contract directly with renewable developers for a desired amount renewable energy, between 25% and 100%.

Regarding PG&E’s Solar Choice option for renewable energy, participation in that program has been delayed by the California Public Utilities Commission (CPUC) by Decision 21-12-013. The Solar Choice program also requires additional dedicated resources before enrollment can be accepted. PG&E’s Regional Renewable Choice program currently is not accepting customers for enrollment,

Comment Letter 4 (continued)

per the email from Matt Kanter of PG&E dated July 28, 2023, attached as Exhibit F within Appendix B of this Final EIR.

The project applicant will continue to explore the purchase of power from providers relying on renewable sources, subject to availability at a cost that the hospital, as a provider of healthcare services to many patients without health insurance, finds financially feasible. As noted elsewhere, CommonSpirit Health has committed to reduce greenhouse gas emissions by 50% by 2030 and be carbon neutral by 2040. See the White House press release dated June 2022, attached as Exhibit G within Appendix B of this Final EIR.

Additionally, see Responses to Comments 2-12 and 4-8 regarding the installation of solar panels. Developing a redundant system would ultimately result in greater impacts due to installing solar panels on off-site parcels and constructing the infrastructure required to transmit electricity to the project site.

Comment Letter 4 (continued)

- Requiring installation of EV charging stations:

Parking areas. Prior to issuance of occupancy permits, the Applicant shall demonstrate to the satisfaction of the City that the proposed parking areas for employee passenger automobiles are designed for and include electric vehicle (EV) charging stations. At minimum, the parking shall be designed to accommodate and will provide a number of EV charging stations equal the Tier 2 Nonresidential Voluntary Measures of the California Green Building Standards Code, Section A5.106.5.3.2.

Infrastructure. At the time of building permit submittal, the Applicant shall submit plans for review and City approval which includes the necessary infrastructure for future use of zero emission trucks.

Charging stations. Prior to issuance of occupancy permits, the Applicant shall provide the necessary infrastructure, including electrical charging stations, to adequately support all zero-emission/all-electric vehicles, trucks, and equipment that will be operating on-site or traveling to and from the site.

4-14



4-14

The Draft EIR states the project is proposing to include electric vehicle charging stations consistent with the adopted California Building Code requirements at the time building permits are issued. The current 2022 CalGreen Building Code requires parking facilities with 201 or more spaces to install 20% of the total number of parking spaces be EV capable spaces² (CG 5.106.5.3.1. EV Capable Spaces) and 25% of that 20% are to include EV charging stations.³ Page 2-17 in Chapter 2, Project Description, notes “electric vehicle spaces are contemplated to be accommodated in the new Parking Structure.” In addition, mitigation measure 4.7-1 notes that in the Parking Structure and surface parking areas, EV parking shall be installed in a minimum of 5% of the parking spaces (or 99 spaces in the Parking Structure and approximately 4 spaces in the surface lot).

The project also proposes sustainability measures which includes increasing the number of electric vehicle charging stations by 2030 (see Draft EIR p. 2-39). Please see Response to Comment 2-13 related to electric vehicle charging stations and Response to Comment 4-10 that addresses truck charging at loading docks.

² A vehicle space with electrical panel space, conduit and a termination box for a future 208/240 volt, 40-amp circuit to support EV charging. This allows for future Level 1 or Level 2 electric vehicle supply equipment (EVSE) charger.

³ The number of required EVCS (EV capable spaces provided with EVSE) spaces count towards the total number of required EV capable spaces required. EV capable spaces are defined as a vehicle space with electrical panel space and load capacity to support a branch circuit and necessary raceways, both underground and/or surface mounted, to support EV charging.

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Additional measures should also be negotiated and included in the Development Agreement, or imposed as mitigation measures, including the following:

- Ensure that a certain percentage of annual trips that commercial vehicles, delivery vans, and trucks make traveling to and from the Project site under contract with or on behalf of the Applicant are made by Zero-Emission vehicles/trucks by specified deadlines.

4-15

4-15

Vendor contracts for the supply of medical supplies and equipment are negotiated and executed by the parent company, CommonSpirit Health, on a system-wide basis. The hospital does not act independently in this regard. As a consequence, any expectation or requirement that vehicle trips by commercial vehicles described in the comment be zero-emission vehicles would be phased in on a system-wide basis consistent with CommonSpirit Health’s Climate Action Plan (CAP) that is under preparation by CommonSpirit Health. Note that the current goal of the CAP commits to carbon neutrality by 2040 and a 50% reduction in greenhouse gas emissions by 2030, a very public commitment made to and with the White House in June 2022. The detailed phasing of system-wide execution of that CAP is still being developed. One consideration is providing vendors a reasonable amount of time to transition into zero-emission vehicles.

The Medical Center does not maintain a fleet of vehicles for either maintenance or delivery services. The Medical Center contracts with various vendors for deliveries including linens, food supplies, medical supplies, etc. According to the California Department of Energy website (DOE 2023) there are only two class 8 electric vehicles registered in San Joaquin County. There are no electric or other “clean air” delivery vehicles (class 2-6) registered in the County; therefore, it would not be possible nor feasible for the Medical Center to contract with vendors using a “clean fleet” of delivery vehicles. In addition, the Medical Center does not control the vehicles used by various vendors. However, consistent with the state’s goals that mandate all medium and heavy-duty vehicles be zero emission by 2045 it is anticipated the fleet of delivery vehicles would transition to electric vehicles in compliance with state requirements for the reduction of greenhouse gases.

Comment Letter 4 (continued)

- Annual contributions to San Joaquin Regional Transit District’s Van Go! on demand ride share service, or similar programs, to facilitate transit options to the Project site.

4-16

4-16

Please see Chapter 3, Changes to the Draft EIR for revisions to mitigation measure 4.7-1 specific to the requirement to prepare a TDM Plan for the campus. The applicant has committed to provide policy support for improved bus service to the medical center campus.

Comment Letter 4 (continued)

- Funding for the California Street Separated Bikeway Project.

I 4-17

4-17

The applicant will participate in a fee program if one is adopted pursuant to the requirements of the Mitigation Fee Act (Gov. Code, §§ 66000- 66025) (also known as AB 1600) by the City Council to fund this Separated Bikeway Project.

Comment Letter 4 (continued)

- New buildings shall be constructed without any natural gas infrastructure.

I 4-18

4-18 This proposal is infeasible, both from a legal standpoint and a technical standpoint.

It is legally infeasible in light of the April 2023 decision of the Ninth Circuit Court of Appeals in *California Restaurant Association v. City of Berkeley*, 65 F.4th 1045 (2023). That opinion held that the federal Energy Policy and Conservation Act (EPCA) (42 U.S.C.A. § 6297(c)) preempted an ordinance enacted by the City of Berkeley prohibiting natural gas connections in new construction. The court reasoned that the ban effectively regulates the energy usage of natural gas fired products, some of which are regulated under the EPCA, because those products’ “energy usage” would be reduced to zero in buildings subject to Berkeley’s gas ban. EPCA, the court concluded, disallowed such an outcome.

In 2019, Berkeley enacted an ordinance that banned natural gas connections to new buildings, with narrow exceptions for infeasibility and public interest. Specifically, the ordinance prohibits natural gas infrastructure in newly constructed buildings. The California Restaurants Association sued the City, alleging that EPCA preempted the ordinance. The Ninth Circuit agreed.

Congress enacted EPCA in 1975 in response to the energy crisis of that era. The EPCA created the strategic petroleum reserve, banned certain crude oil exports, and created energy efficiency standards for certain consumer products. According to the preemption clause of the EPCA, “no State regulation concerning the energy efficiency, energy use, or water use of such covered product shall be effective with respect to such products.” As defined in EPCA, “[e]nergy” includes fossil fuels and electricity; and “energy use” means “the quantity of energy directly consumed by a consumer product at point of use.” Reading these terms together, the 9th Circuit concluded that:

EPCA preempts regulations that relate to “the quantity of [natural gas] directly consumed by” certain consumer appliances at the place where those products are used. Right off the bat, we know that EPCA is concerned with the end-user’s ability to use installed covered products at their intended final destinations. After all, a regulation that prohibits consumers from using appliances necessarily impacts the “quantity of energy directly consumed by [the appliances] at point of use.” So, by its plain language, EPCA preempts Berkeley’s regulation here because it prohibits the installation of necessary natural gas infrastructure on premises where covered natural gas appliances are used. (65 F.4th at pp. 1050-1051.)

The court’s decision has been criticized by people and entities who are concerned that its sweeping preemption holding will undermine the ability of the State of California and other states (and cities and counties within them) to address climate change through policies intended to reduce or eliminate the use of natural gas in new construction. Even so, the City’s considered judgment is that, unless the opinion is overturned or substantially modified either by the full Ninth Circuit or the United States Supreme Court, the opinion deprives the City of the ability to carry out the commenter’s suggestion that new buildings within the proposed project be constructed without any natural gas infrastructure.

Comment Letter 4 (continued)

In addition to being legally infeasible, the proposed mitigation is also technically infeasible, in that the hospital facilities cannot be operated without natural gas. Hospitals rely on boilers powered by natural gas for sterilization, kitchen usage, and HVAC reheat, to put more filtered air into the space for health and safety reasons than is needed for heating or cooling. As has been evident in recent summers, the electric power grid in California is subject to brownouts, and the capacity of the grid to accommodate population growth and increased electric vehicle use may expose the grid to more frequent and longer failures without the construction of additional power supply and delivery capacity. Eliminating natural gas use in hospitals places the delivery of essential medical services to the community at risk.

Comment Letter 4 (continued)

Stockton General Plan Policy TR-3.2 provides that the City must “Require new development and transportation projects to reduce travel demand, support electric vehicle charging, and accommodate multi-passenger autonomous vehicle travel as much as feasible.” Without the feasible, stronger mitigation measures discussed above, the Project conflicts with this Policy, and its related General Plan “Action” policies. These conflicts constitute significant land use impacts under CEQA that must be disclosed in the DEIR. *Endangered Habitats League*, 131 Cal.App.4th 777. Further, until the Project is made consistent with all General Plan policies, the City’s approval would violate State Planning and Zoning Law. *See* Gov’t Code § 65860.

4-19

II. The EIR Fails to Properly Analyze Energy Impacts.

Under CEQA, A project will have significant energy impacts if the Project will:

- a. Result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation; or
- b. Conflict with or obstruct a state or local plan for renewable energy or energy efficiency.



4-19

This comment is premised on the commenter’s contention that the City is not meeting its obligation to mitigate the proposed project’s impacts relating to greenhouse gas emissions and vehicle miles traveled to the extent feasible. The City disagrees with that assessment, for reasons discussed in responses to other comments. The Draft EIR explains on page 3-9, the City’s decisionmakers will decide if the project is generally consistent with the goals and policies of the General Plan and a “development project may be “consistent” with a general plan, taken as a whole, even though the project appears to be inconsistent or arguably inconsistent with some specific policies within the general plan.” As the Draft EIR and this Final EIR demonstrate, the City is meeting its obligation to mitigate the proposed project’s significant impacts in these categories (GHGs and VMT) to the extent feasible, consistent with CEQA requirements. In doing so, the City is also complying with Policy TR-3.2.

The commenter’s contention that its proposed mitigation measures are compelled by the “General Plan ‘Action’ policies” related to Policy TR-3.2 is not borne out by the language of those action policies (Actions TR-3.2A through TRA-3.2D). Actions TR-3.2A, TR-3.2C, and TR-3.2D all impose obligations on the City, and not on private parties. The only Action Policy imposing duties on private parties is Action TR-3.2B, which “[r]equire[s] commercial, retail, office, industrial, and multifamily

Comment Letter 4 (continued)

residential development to provide charging stations and prioritized parking for electric and alternative fuel vehicles.”

As mitigated, the proposed project will be consistent with Action TR-3.2B. Mitigation measure 4.7-1 requires that “[i]n the Parking Structure and surface parking areas, dedicated electric vehicle (EV) parking shall be installed in a minimum of 5% of the parking spaces (or 99 spaces in the Parking Structure and approximately 4 spaces in the surface lot).” The measure also requires that the applicant “[r]un conduit to designated locations for future electric truck charging stations at delivery dock locations.” These requirements comply with the letter of the Action TR-3.2B. In addition, as set forth in Chapter 2, Project Description, the project includes 40 bicycle parking spaces and electric vehicle charging stations to be installed consistent with the adopted California Building Code requirements at the time building permits are issued. The project also proposes sustainability measures which includes increasing the number of electric vehicle charging stations by 2030 (Draft EIR p. 2-39).

Comment Letter 4 (continued)

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As noted above, the DEIR does not require installation of solar energy systems that would immediately reduce GHG emissions generated from the Project’s electricity use. Page 4.5-20 of the DEIR contains the full extent of any discussion of the potential to use solar energy systems on the site as follows:

Regarding solar power, the proposed project would implement renewable energy sources including photovoltaic, solar hot water, cogeneration, fuel cells, geothermal, and wind where economically viable through the use of Power Purchase Agreements and internal funding. As solar power technology improves in the future and regulations require additional solar, it is reasonable to assume that additional solar power may be provided to the project site. In summary, the proposed project would incorporate use of renewable energy through the use of Power Purchase Agreements and internal funding in order to meet a goal of 20% by 2030, which would be feasible for the site

In other words, the DIER simply notes the Applicant’s voluntary commitments and the potential for additional state law requirements. Nowhere does the DEIR analyze whether and to what extent solar PV panels could be installed on the Project site as mitigation for the Project’s significant GHG impacts or to ensure that the Project’s substantial electricity and natural gas use is not wasteful. Such an omission violates CEQA. In *League to Save Lake Tahoe et al. v. County of Placer* (2022) 75 Cal.App.5th 63, 167-68 held that that project’s energy analysis was deficient because the EIR failed to analyze the project’s potential use of renewable energy. The requirement to analyze renewable energy is thus a procedural requirement of CEQA.

Without this analysis there is no support for the EIR’s conclusion that operational energy use is not wasteful and would have less than significant impacts.

4-20

4-20 The City disagrees that the Draft EIR’s discussion of the proposed project’s potential for the wasteful and inefficient use of energy fails to comply with *League to Save Lake Tahoe et al. v. County of Placer* (2022) 75 Cal.App.5th 63, 167-168 (*League to Save Lake Tahoe*).

That opinion invokes CEQA Guidelines Section 15126.2, subdivision (b), which provides, in pertinent part, as follows:

If analysis of the project’s energy use reveals that the project may result in significant environmental effects due to wasteful, inefficient, or unnecessary consumption use of energy, or wasteful use of energy resources, the EIR shall mitigate that energy use. This analysis should include the project’s energy use for all project phases and components, including transportation-related energy, during construction and operation. In addition to building code compliance, other relevant considerations may include, among others, the project’s size,

Comment Letter 4 (continued)

location, orientation, equipment use and any renewable energy features that could be incorporated into the project. (Guidance on information that may be included in such an analysis is presented in Appendix F.)

The Draft EIR fully complies with these requirements, addressing energy consumption from both construction and operations, and from energy sources such as electricity, natural gas, petroleum. The discussion of whether the project would result in wasteful energy also directly address the project's renewable energy potential. This latter discussion includes (see Draft EIR p. 4.5-20) the following detailed analysis:

“Given the proposed project's location in an urban area and the nature of the proposed project (i.e., an expansion of medical care facilities), there are considerable site constraints including limited land availability, incompatibility with on site and surrounding land uses for large scale power generation facilities, unknown interconnection feasibility, compatibility with utility provider systems, and no known water or geothermal resources to harness, that would eliminate the potential for biomass, geothermal, and hydroelectric renewable energy to be installed on site.

Regarding wind power, first, due to the urban nature of the site and surrounding land uses, wind turbines are generally not feasible as it represents an incompatible use. Specifically, a general rule of thumb is to install a wind turbine on a tower with the bottom of the rotor blades at least 30 feet above anything within a 500-foot horizontal radius and to be sited upwind of buildings and trees (APA 2011, NREL 2015), which the project site cannot accommodate. Secondly, ideal places for wind turbines are where the annual average wind speed is at least 9 miles per hour (4 meters per second) for small wind turbines and 13 miles per hour (5.8 meters per second) for utility-scale turbines (EIA 2022) while per the latest five-year meteorological data (2013-2017) for the Stockton Metropolitan Airport station, which is determined to be the most representative data set for the project site, shows an average wind speed of 7.8 miles per hour (3.46 meters per second). As such, wind power was not determined to be feasible for the proposed project.”

On the subject of electricity consumption, the Draft EIR noted, among other things, that “the proposed project would aim to increase use of renewable energy by 20% by 2030. In addition, Common Spirit Health announced in November 2022 an industry-leading commitment to achieve net-zero GHG emissions by 2040 with an interim target to cut operational emissions in half by 2030. This would be achieved by implementing renewable energy sources including photovoltaic, solar hot water, cogeneration, fuel cells, geothermal, and wind where economically viable through the use of Power Purchase Agreements and internal funding.” (Draft EIR, p. 4.5-18.)

The Draft EIR section on Energy (Section 4.5) had previously explained that the Legislature has enacted a series of statutes requiring that, by the year 2045, California's electricity supply be carbon neutral, with less ambitious, but ever-increasing milestones to be reached along the way:

Comment Letter 4 (continued)

Senate Bill (SB) 1078 (2002) established the California Renewables Portfolio Standard (RPS) Program and required that a retail seller of electricity purchase a specified minimum percentage of electricity generated by eligible renewable energy resources as defined in any given year, culminating in a 20% standard by December 31, 2017. These retail sellers include electrical corporations, community choice aggregators, and electric service providers. The bill relatedly required the CEC to certify eligible renewable energy resources, design and implement an accounting system to verify compliance with the RPS by retail sellers, and allocate and award supplemental energy payments to cover above-market costs of renewable energy.

SB 107 (2006) accelerated the RPS established by SB 1078 by requiring that 20% of electricity retail sales be served by renewable energy resources by 2010 (not 2017). Additionally, SB X1-2 (2011) required all California utilities to generate 33% of their electricity from eligible renewable energy resources by 2020. Specifically, SB X1-2 set a three-stage compliance period: by December 31, 2013, 20% of electricity had to come from renewables; by December 31, 2016, 25% of electricity had to come from renewables; and by December 31, 2020, 33% was required to come from renewables.

SB 350 (2015) expanded the RPS by requiring retail seller and publicly owned utilities to procure 50% of their electricity from eligible renewable energy resources by 2030, with interim goals of 40% by 2024 and 45% by 2027.

SB 100 (2018) accelerated and expanded the standards set forth in SB 350 by establishing that 44% of the total electricity sold to retail customers in California per year by December 31, 2024; 52% by December 31, 2027; and 60% by December 31, 2030, be secured from qualifying renewable energy sources. SB 100 also states that it is the policy of the state that eligible renewable energy resources and zero-carbon resources supply 100% of the retail sales of electricity to California. This bill requires that the achievement of 100% zero-carbon electricity does not increase carbon emissions elsewhere in the western grid. Additionally, 100% zero-carbon electricity cannot be achieved through resource shuffling.

SB 1020 (2022) revises the standards from SB 100, requiring the following percentage of retail sales of electricity to California end-use customers come from eligible renewable energy resources and zero-carbon resources: 90% by December 31, 2035, 95% by December 31, 2040, and 100% by December 31, 2045.

Consequently, utility energy generation from non-renewable resources is expected to be reduced based on implementation of the RPS requirements described above. The proposed project's reliance on non-renewable energy sources would be reduced accordingly.

These laws will ensure that, as the project moves forward in time, the electricity it will be receiving from the larger grid will be cleaner (i.e., it will be less and less reliance on fossil fuels). As explained in Response to Comment 4-13, the project is committed to using 100% clean energy. Thus,

Comment Letter 4 (continued)

regardless of whether the project applicant places solar panels on its structures, these structures will increasingly be powered by solar-generated electricity.

Based on all of these considerations, as well as others, the City found that the proposed project would *not* result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during Project construction or operation. For this reason, no mitigation was proposed or required for this particular impact.

In the *League to Save Lake Tahoe* case, the court did not hold that, in order to find that energy impacts are less than significant, a lead agency must require a development proponent to include solar panels as part of its project. Rather, the decision requires a two-step analysis.

“First, when the EIR analyzes the project’s energy use to determine if it creates significant effects, it should discuss whether any renewable energy features could be incorporated into the project. (Guidelines, § 15126.2, subdivision (b).) The EIR’s determination of whether the potential impact is significant is to be based on this discussion.” (75 Cal.App.5th at p. 167.) As discussed above, the EIR for the proposed project undertook this discussion and, after considering “whether any renewable features could be incorporated into the project,” found that energy-related impacts would be less than significant.

The *League to Save Lake Tahoe* decision goes on to describe a second step, which is only necessary if the lead agency has found a significant energy impact. “Second, if the EIR concludes the project’s impact on energy resources is significant, it should consider mitigating the impact by requiring uses of alternate fuels, particularly renewable ones, if applicable. (Guidelines, Appendix F., II. D. 4.)” (*Ibid.*) Here, as noted this second step was unnecessary, as there was no significant impact for which mitigation had to be imposed.

Comment Letter 4 (continued)

III. The City Must Adopt Alternative 3, the Reduced Parking Alternative

Under CEQA, a proper analysis of alternatives is essential to comply with the Act’s mandate that significant environmental impacts be avoided or substantially lessened where feasible. Pub. Res. Code § 21002; CEQA Guidelines §§ 15002(a)(3), 15021(a)(2), 15126(d); *Citizens for Quality Growth v. City of Mount Shasta* (1988) 198 Cal.App.3d 433, 443-45. The ultimate purpose of alternatives and mitigation is the same: to avoid or substantially lessen a project’s significant environmental impacts. Pub. Res. Code § 21002; CEQA Guidelines §§ 15126.4(a)(1), 15126.6(a). CEQA prohibits public agencies from approving projects as proposed if a feasible alternative would substantially lessen their significant environmental effects. *Berkeley Jets*, 91 Cal.App.4th at 1354

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City of Stockton Community Development Department
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(quoting § 21002). *Watsonville Pilots Assn. v. City of Watsonville* (2010) 183 Cal.App.4th 1059, 1089 (city violated CEQA by rejecting environmentally superior alternative that would meet most, but not all, project objectives).

4-21
 Cont.

The Sierra Club appreciates that the City included Alternative 3, the Reduced Parking Alternative, in the DEIR. Indeed, the DEIR’s analysis demonstrates that this Alternative will substantially reduce the Project’s significant Air Quality, Aesthetic, Energy, and Transportation Impacts. DEIR at ES-30 to ES-32. Moreover, unlike Alternatives 1 and 2, Alternative 3 would achieve *all* of the Project objectives. DEIR at 6-10 (“There are no project objectives that Alternative 2 would fail to achieve.”). Moreover, the Alternative is entirely feasible. Accordingly, the City Council must approve Alternative 3 and the Sierra Club urges it to do so.

4-21

The Draft EIR includes an analysis of project alternatives in Chapter 6. Alternative 3, The Reduced Parking Alternative would include all the same elements as under the proposed project but would reduce the size and capacity of the new Parking Structure. The Parking Structure would be approximately 65 ft tall, compared to 115 ft under the proposed project, and would have an approximate building area of 450,000 sf reduced from up to 800,000 sf and would provide 780 fewer parking spaces than the proposed project for a total of approximately 1,200 spaces. As indicated on page 6-14 of the Draft EIR, this alternative would meet all of the project objectives, but would be less effective in achieving the project objective to improve quantity, quality, and proximity of parking for patients, visitors, and staff; and the creation of both short-term construction jobs related to development, including grading, infrastructure and building construction, and permanent

Comment Letter 4 (continued)

employment-generating uses, consistent with City objectives for creation of employment opportunities for residents.

The determination of whether Alternative 3 is feasible, and whether it should be approved in preference to the project as proposed, will be made by the City Council and not by the City staff involved in the preparation of this Final EIR.

As case law has explained, the inclusion of an alternative in an EIR suggests that the alternative is *potentially* feasible. But this determination is not binding on agency decisionmakers (e.g., a city council), who get to determine whether a “potentially feasible” alternative is “actually feasible.” With respect to project alternatives, “[t]he issue of feasibility arises at two different junctures: (1) in the assessment of alternatives in the EIR and (2) during the agency’s later consideration of whether to approve the project.” (*California Native Plant Society v. City of Santa Cruz* (2009) 177 Cal. App. 4th 957, 981 (CNPS), citing *Mira Mar Mobile Community v. City of Oceanside* (2004) 119 Cal.App.4th 477, 489 (*Mira Mar*)). “But ‘differing factors come into play at each stage.’” (CNPS, *supra*, 177 Cal.App.4th at p. 981.) “For the first phase—inclusion in the EIR—the standard is whether the alternative is potentially feasible.” (CNPS, *supra*, 177 Cal.App.4th at p. 981, citing *Mira Mar*, *supra*, 119 Cal.App.4th at p. 489; CEQA Guidelines, § 15126.6, subd. (a).) “By contrast, at the second phase—the final decision on project approval—the decision-making body evaluates whether the alternatives are actually feasible.” (CNPS, *supra*, 177 Cal.App.4th at p. 981, citing CEQA Guidelines, § 15091, subd. (a)(3).) “At that juncture, the decisionmakers may reject as infeasible alternatives that were identified in the EIR as potentially feasible.” (CNPS, *supra*, 177 Cal.App.4th at p. 981, citing *Mira Mar*, *supra*, 119 Cal.App.4th at p. 489.)

These same principles apply to mitigation measures. (*San Diego Citizenry Group v. County of San Diego* (2013) 219 Cal.App.4th 1, 15-19.) Before an agency decision-making body can approve a proposed project with significant environmental impacts that cannot be rendered less-than-significant through mitigation measures, the body must first adopt “CEQA Findings” explaining why any alternatives that would reduce the severity of those significant impacts are “infeasible.” Such findings must be supported by substantial evidence. (CEQA Guidelines, § 15091, subds. (a)(3), (b).)

CEQA Guidelines Section 15364 generally defines “feasible” as “capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, legal, social, and technological factors.”

Alternatives can be rejected if they are *economically* infeasible. To demonstrate this kind of infeasibility, an applicant must persuade a lead agency decisionmaker, with substantial evidence, that “the marginal costs of the alternative as compared to the cost of the proposed project are so great that a reasonably prudent property owner would not proceed with the [alternative].” (*Uphold Our Heritage v. Town of Woodside* (2007) 147 Cal.App.4th 587, 600; see also *San Franciscans Upholding the Downtown Plan v. City and County of San Francisco* (2002) 102 Cal.App.4th 656, 693-694.)

Comment Letter 4 (continued)

Economic infeasibility, however, is not the only kind of infeasibility recognized under CEQA case law. There is also what is sometimes referred to as “policy infeasibility.” Under this independent concept, “[f]easibility’ under CEQA encompasses ‘desirability’ to the extent that desirability is based on a reasonable balancing of the relevant economic, environmental, social, and technological factors.” (*City of Del Mar v. City of San Diego* (1982) 133 Cal.App.3d 410, 417.)

The concept of “feasibility” also encompasses the question of whether a particular alternative or mitigation measure promotes the underlying goals and objectives of a project. (*Sierra Club v. County of Napa* (2004) 121 Cal.App.4th 1490, 1506-1509 [upholding CEQA findings rejecting alternatives in reliance on applicant’s project objectives]; see also *CNPS, supra*, 177 Cal.App.4th at p. 1001 [“an alternative ‘may be found infeasible on the ground it is inconsistent with the project objectives as long as the finding is supported by substantial evidence in the record’”]; *Citizens for Open Government v. City of Lodi* (2012) 205 Cal.App.4th 296, 314-315 (*Citizens for Open Government*) [court upholds agency action where alternative selected “entirely fulfill” a particular project objective and “would be ‘substantially less effective’ in meeting” the lead agency’s “goals”].)

Here, the Draft EIR concluded that, although Alternative 3 would meet all project objectives, “[t]he following project objectives would be achieved, but would be less effective than the proposed project due to reduced parking and construction employees required to construct the Parking Structure compared to the proposed project:

- Improve quantity, quality, and proximity of parking for patients, visitors, and staff.
- Create both short-term construction jobs related to development, including grading, infrastructure and building construction, and permanent employment-generating uses, consistent with City objectives for creation of employment opportunities for residents.”

Under the case law discussed above, the fact that the proposed project is more effective than the Reduced Parking Alternative in meeting these two objectives gives the Stockton City Council discretion to reject the alternative. As noted, case law allows agency decisionmakers the discretion to reject an alternative as infeasible if the decisionmaker concludes that the proposed project is more effective than the alternative in meeting one or more project objectives. (*Citizens for Open Government, supra*, 205 Cal.App.4th at pp. 314-315.)

At the time it considers the merits of the proposed project, along with the merits of the proposed alternatives, the Stockton City Council may also consider, and give weight to, evidence outside the EIR. (CEQA Guidelines, § 15091, subd. (b).) As CEQA Guidelines section 15131, subdivision (c), explains:

Economic, social, and particularly housing factors shall be considered by public agencies together with technological and environmental factors in deciding whether changes in a project are feasible to reduce or avoid the significant effects on the environment identified in the EIR. If information on these factors is not contained in the EIR, the information must be added to

Comment Letter 4 (continued)

the record in some other manner to allow the agency to consider the factors in reaching a decision on the project.

In addition, Alternative 3 does not meet the parking requirements of the hospital. The Institute of Traffic Engineers (ITE) periodically publishes one or more manuals presenting information related to traffic and parking spaces, among other data. See, for example, the ITE Trip Generation Manual and the ITE Parking Generation manual. The ITE Parking Generation Manual, 5th Edition, January 2019, presents the following data point for hospitals under ITE code 610 (average weekday parking demand; general urban/suburban):

- 3.74 spaces per bed

The corresponding number of parking spaces when the criteria are applied to the medical center which would have 499 beds (existing 355 + 144 Acute Care Hospital Tower) are:

- 499 beds x 3.74 spaces per bed = 1,866 spaces

Adding the Phase 5 anticipated 50 beds for a total of 549 beds changes the spaces per bed calculation:

- 549 beds x 3.74 spaces per bed = 2,053 spaces

The MDP as submitted, which provided the basis for the Draft EIR, proposed a new Parking Structure of 1,980 spaces, bringing the total parking available on campus (accounting for existing parking, parking to be eliminated, and new parking) to 2,740 spaces.

The MDP revised as of August 2023 reflects a new option for a smaller Parking Structure accommodating a range of approximately 1,368 to 1,400 spaces, a reduction of as many as 612 spaces or 31% from the original submittal. See Chapter 3 of this Final EIR for text changes to the Draft EIR reflecting this new “Parking Option B”.

The total number of parking spaces on the medical center campus in the alternative parking option in the revised MDP is 2,128 spaces, a reduction of 22% from the original submittal.

The MDP proposes *up to* 5.6 spaces per bed based on hospital experience in communities other than densely populated urban cities. The ratio of total parking spaces to beds in alternative parking option in the revised MDP is 4.26 spaces per bed (2,128 spaces / 499 beds).

Parking Option B in the revised MDP reduces the number of spaces (from 1,980 spaces to between 1,368 and 1,400 spaces) and the height (from ground floor + 9 tiers to ground floor + 6 tiers). See the illustrations provided by Clark Pacific comparing the Parking Structure as originally proposed with the revised proposal, attached hereto as Exhibit H within Appendix B of this Final EIR.

Comment Letter 4 (continued)

The commenter's support of Alternative 3 is noted and forwarded the decisionmakers for their consideration.

Comment Letter 4 (continued)

Comment Letter 4 (continued)

IV. A Revised DEIR Must Be Recirculated for Public Review and Comment.

Because of the inadequacies discussed above, the DEIR cannot form the basis of a final EIR. CEQA requires lead agencies to prepare and recirculate a supplemental draft “[w]hen significant new information is added to an environmental impact report” after public review and comment on the earlier draft EIR. Pub. Res. Code § 21092.1. The opportunity for meaningful public review of significant new information is essential “to test, assess, and evaluate the data and make an informed judgment as to the validity of the conclusions to be drawn therefrom.” *Sutter Sensible Planning, Inc. v. Sutter County Board of Supervisors* (1981) 122 Cal.App.3d 813, 822; see also *City of San Jose v. Great Oaks Water Co.* (1987) 192 Cal.App.3d 1005, 1017. An agency cannot simply release a draft report “that hedges on important environmental issues while deferring a more detailed analysis to the final [EIR] that is insulated from public review.” *Mountain Lion Coalition v. California Fish and Game Comm’n* (1989) 214 Cal.App.3d 1043, 1052.

In order to cure the egregious flaws in the DEIR identified in this letter, the City must obtain substantial new information to adequately assess the proposed Project’s environmental impacts, and to identify effective mitigation capable of alleviating the Project’s significant impacts. This new information will clearly necessitate recirculation. CEQA requires that the public be given a meaningful opportunity to review and comment upon this significant new information in the form of a recirculated draft EIR.

4-22



4-22

The commenter’s demand that the Draft EIR be substantially revised and recirculated is based on the commenter’s assumption that the commenter has identified serious flaws and omissions that the City has to address with substantial amounts of new information. Section 15088.5 of the CEQA Guidelines, recirculation of an EIR is required when “significant new information” is added to the EIR after public notice is given of the availability of the Draft EIR for public review but prior to certification of the Final EIR. The term “information” can include changes in the project or environmental setting, as well as additional data or other information. New information added to an EIR is not “significant” unless the EIR is changed in a way that deprives the public of a meaningful opportunity to comment upon a substantial adverse environmental effect of the project or a feasible way to mitigate or avoid such an effect (including a feasible project alternative). Chapter 3, Changes to the Draft EIR, includes minor revisions to the text of the Draft EIR to generally provide a clarification in response to comments. The changes provided in Chapter 3 are not considered significant new information because it does not introduce significant changes to the project, the

Comment Letter 4 (continued)

environmental setting, or add new impacts and mitigation measures. The Draft EIR adequately evaluated direct, indirect, and cumulative impacts associated with construction and operation of the project and recirculation is not required. In addition, the City released the Draft EIR for a 45-day public review period consistent with CEQA Guidelines Section 15105 and held a public hearing to take verbal comments on the Draft EIR on January 10, 2022. The City has provided the public with opportunities for public participation, pursuant to Section 15201 of the CEQA Guidelines.

A lead agency's decision on recirculation "is presumed correct" (*Citizens for a Sustainable Treasure Island v. City and County of San Francisco* (2014) 227 Cal.App.4th 1036, 1064 (*Treasure Island*) and a challenger has the burden to prove that the agency did not rely on substantial evidence when making its decision (*Laurel Heights Improvement Assn. v. Regents of Univ. of Cal.* (1993) 6 Cal.4th 1112, 1135 (*Laurel Heights II*)).

Here, the Final EIR has not revealed any new significant impacts or any substantial increases in any previously disclosed impacts. Nor can anyone credibly argue that, viewed in retrospect, the Draft EIR "was so fundamentally and basically inadequate and conclusory in nature that meaningful public review and comment were precluded."

Although the Final EIR includes modifications to mitigation measures, these modifications do not trigger recirculation. Under CEQA Guidelines Section 15088.5, subdivision (a)(3), new mitigation measures, or modifications to existing mitigation measures, do not trigger recirculation unless the new mitigation is (i) "considerably different from others previously analyzed, (ii) "would clearly lessen the environmental impacts of the project," and (iii) "the project's proponents decline[s] to adopt it." (CEQA Guidelines, § 15088.5, subd. (a)(3).) Here, the project applicant has informed the City of its willingness to accept the mitigation measures as changed in the Final EIR.

Notably, there are numerous court precedents in which mitigation measures were added to, or changed in, final EIRs without the need for recirculation. For example, in *Laurel Heights II, supra*, the court found that recirculation was not required where the Final EIR for a proposed development project included a new discussion of effects of visual glare and added a mitigation measure to address the effect. (6 Cal.4th at pp. 1135-1137; see also *Treasure Island, supra*, 227 Cal.App.4th at pp. 1061-1065 [no recirculation was required where, after consultation with Coast Guard, the City and County of San Francisco modified an EIR to require consultation with Coast Guard to address "line of sight" issues associated with new buildings]; and *Western Placer Citizens for an Agricultural & Rural Environment v. County of Placer* (2006) 144 Cal.App.4th 890, 904-905 (*Western Placer Citizens*) [no recirculation was required despite changes in project phasing in response to concerns expressed after draft EIR was circulated].)

Indeed, CEQA has been understood to *encourage* project modifications that reduce environmental impacts in response to public input. A primary purpose of an EIR is to facilitate the generation of concrete suggestions as to how projects may be modified to avoid causing, or to reduce the severity of, significant environmental impacts. As the courts have emphasized, "[t]he CEQA reporting process is not designed to freeze the ultimate proposal in the precise mold of the initial project; indeed, new and unforeseen insight may emerge during investigation, evoking revision of the

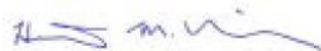
Comment Letter 4 (continued)

original proposal.” (*County of Inyo v. City of Los Angeles* (1977) 71 Cal.App.3d 185, 199; *Western Placer Citizens, supra*, 144 Cal.App.4th at p. 898.)

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Very truly yours,

SHUTE, MIHALY & WEINBERGER LLP



Heather M. Minner

cc: Margo Praus, Chair
Delta-Sierra Group, Sierra Club

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SHUTE MIHALY
WEINBERGER LLP

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Comment Letter 4 (continued)

Attachment 1

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Comment Letter 4 (continued)



June 1, 2023

Nicole Moore, Contract Planner
Stockton Community Development Dept.
Via e-mail
Nicole.Moore.Ctr@stocktonca.gov

Re: Comments on Draft Environmental Impact Report (DEIR) for the St. Joseph's Medical Center Hospital Expansion Project

Ms. Moore et al:

The Sierra Club submits the following comments on the Draft Environmental Impact Report (DEIR) for the St. Joseph's Medical Center Hospital Expansion Project (St. Joe's Expansion Project). The Sierra Club also requests that notices of scheduled public hearings and availability of documents relating to all large proposed institutional, commercial, and industrial development projects in Stockton be sent to us. Please send digital copies of notices by e-mail to Eric Parfrey at parfrey@sbcglobal.net.

4-23

4-23

The City will notify Mr. Parfrey of the availability of notices, public hearings and documents for future development projects. The comment is noted and no further response is required.

Comment Letter 4 (continued)

To be clear from the onset: The Sierra Club is not opposed to the expansion of acute care facilities at the hospital if all potentially significant impacts have been mitigated to an acceptable level. This includes adequate mitigation for all air quality, greenhouse gas emissions, and transportation issues related to the expansion of beds and increase in vehicle trips.

We are totally opposed, however, to the construction of an enormous, over-sized parking structure with 2,000 parking stalls. Instead, the City should approve Alternative 3 in the DEIR, which reduces the amount of parking from 2,000 spaces to 1,200 parking stalls and retains all of the same features of the proposed project.

4-24

4-24

The commenter's support of Alternative 3 is noted and forwarded the decisionmakers for their consideration. No further response is required.

Comment Letter 4 (continued)

Why Are 2,000 Parking Spaces Needed?

The DEIR fails to justify why so many parking spaces are required in the parking structure. No technical studies are included or cited in the DEIR to explain the methodology behind how this number was determined and whether this projected number of spaces took into account non-single occupant auto mitigation programs, such as carpooling, transit, remote work, etc.

4-25

1

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The only reference in the DEIR is Table 2.2 Expansion Building Summary, which includes a note under Phase 5 that states "Parking ratio of up to 5.6 stalls per bed." However, even this scant note implies the addition of 194 beds would require 1,140 spaces, not almost 2,000.

4-25
Cont.

4-25

The comment does not address the accuracy or adequacy of the of the Draft EIR; therefore, no further response is required. See also Response to Comment 4-21.

Comment Letter 4 (continued)

As shown in Table 4.11-1, Project Trip Generation in the DEIR, the project would generate 3,513 daily trips, including 285 trips in the AM peak hour (209 in-bound trips) and 261 trips in the PM peak hour (177 out-bound trips).

Comparing the trip generation numbers to the number of parking spaces shows a large discrepancy. Even if one were to assume a worst-case scenario that one-half of the daily 3,513 trips generated were in bound (1,756 trips), the total number is significantly less than the proposed almost 2,000 parking spaces.

4-26

4-26

The comment does not address the accuracy or adequacy of the of the Draft EIR; therefore, no further response is required. See also Response to Comment 4-21.

Comment Letter 4 (continued)

The Final EIR must include information to explain the methodology behind how this 2,000 space number was determined and whether this projected number of spaces took into account non-single occupant auto mitigation programs. The Final EIR must include and describe any technical studies that were used to calculate this number. The additional information must be circulated to the public for review, as required by the California Environmental Quality Act.

4-27

4-27

The comment does not address the accuracy or adequacy of the of the Draft EIR; therefore, no further response is required. Information relied upon to design a component of the project is not required to be publicly circulated, per the CEQA Guidelines. However, technical studies or project-specific information referenced to evaluate potential impacts associated with a project are provided with the CEQA document for public review as supporting evidence (CEQA Guidelines Section 15147).

Comment Letter 4 (continued)

We note that Alternative 3 analyzed in the DEIR reduces the amount of parking from 2,000 spaces to 1,200 parking stalls and retains all of the same features of the proposed project. The description of this alternative refers to “a parking ratio of up to 3.6 stalls per bed” (DEIR at 6-10). So, it appears that the parking could be reduced and it would not jeopardize the overall expansion project.

4-28

4-28 Please see Response to Comment 4-21.

Comment Letter 4 (continued)

The applicant must make an effort to design this aspect of the project in a sensitive environmental manner that would minimize the need to provide so many spaces for mostly single occupant cars driven to the site by workers and patients. The DEIR fails to require adequate measure to reduce trips and the need for this amount of on-site parking, such as subsidizing increased transit opportunities, such as on-demand shuttle buses.

4-29

4-29 Please see Responses to Comments 4-19 and 4-25.

Comment Letter 4 (continued)

We have discussed these issues and recommended specific feasible mitigation measures below. The City must include these measures in the Final EIR and require them as conditions of approval. If the City dismisses these measures we will be forced to consider litigation.

4-30

4-30

Please see responses to comments below that raise specific concerns regarding the project's mitigation measures. No further response is required.

Comment Letter 4 (continued)

NOP Questions Are Not Answered

We submitted a January 22, 2022 letter in response to the Notice of Preparation. We are disappointed that the DEIR fails to answer some of the questions we raised in that letter. The DEIR does include an alternative that studies a smaller parking garage as we requested.

We noted in our NOP letter that

The NOP project description fails to adequately describe the expansion in terms of the existing facility.

4-31



Recent news accounts describe the project as “a sweeping expansion that will include a new emergency department and more than 140 additional hospital beds,” including 120 acute hospital beds, 24 intensive care unit beds. Thus, the expansion would apparently equal an approximate 40% addition over the current 355 hospital beds.

In 2016, [Kaiser Permanente bought a 20% stake](#) in St. Joseph's from owner Dignity Health. Following the deal, St. Joseph's emergency department underwent an [expansion from 28 to 52 beds](#) at a cost of \$8 million.

The project appears to be the direct result of Kaiser entering into a long term financial agreement with St Joe's to provide hospitals services to Kaiser members, instead of Kaiser plans for expanding the exiting clinic on West Lane into a small hospital, as was originally planned decades ago. Is this true?

The DEIR must be much more transparent in describing the purpose of the project than the skimpy description in the NOP.

4-31
Cont.



4-31

Public Resources Code Section 21092 and CEQA Guidelines Section 15082 require that a Notice of Preparation or NOP prepared for a project shall specify the period during which comments will be received, include the date, time, and place of any public meetings or hearings, a brief description of the proposed project and its location, and probable environmental effects of the project for the project. The purpose of a NOP is to solicit guidance from responsible and trustee agencies; any involved federal agencies; and the Office of Planning and Research as to the scope and content of the environmental analysis to be included in the EIR (CEQA Guidelines Section 15375). The ten-page NOP prepared for the project includes a description of the project with enough detail to understand the various components of the project in order to solicit input on environmental concerns to be evaluated in the Draft EIR, consistent with what is required under CEQA (see Draft EIR Appendix A). The project's finances or agreements with other entities have no relevance under

Comment Letter 4 (continued)

CEQA and are not required to be discussed in either the NOP or the EIR. The comment is noted, and no further response is required.

Comment Letter 4 (continued)

The DEIR fails to answer any of our questions about the relationship between this proposed expansion and Dignity’s relationship with Kaiser. We request that the Final ER include a description about the relationship between Dignity and Kaiser. The public deserves to review this information.

4-32

4-32

The comment does not address the adequacy or accuracy of the Draft EIR; therefore, no further response is required.

Comment Letter 4 (continued)

Proposed Master Development Plan and Development Agreement is Not Available for Public Review

In our NOP letter we specifically asked when the draft Master Development Plan would be released for public review, and whether it is the intention of Dignity and/or the City to involve members of the community in the discussions finalizing the Master Development Plan. We also requested that the public review of the DEIR be accompanied by the draft Master Development Plan in its entirety.

4-33

4-33 A copy of the Draft Master Development Plan is available for review on Dignity Health’s webpage (<https://www.dignityhealth.org/central-california/locations/stjosephs-stockton/expansion/updates-and-announcements>) in addition to on the City’s website (www.stocktonca.gov/government/departments/communityDevelop/cdPlanEnv.htm).

The Draft EIR was released for public review on the City’s website on April 17, 2023, for a 45-day review period (<http://www.stocktonca.gov/government/departments/communityDevelop/cdPlanEnv.html>).

Comment Letter 4 (continued)

We also remind the City that the accompanying draft Development Agreement that is noted in the DEIR must be included as an appendix and circulated for public review.

The City has failed to respond to our request. The Master Development Plan and the draft Development Agreement are not included as appendices to the DEIR and are not posted on the City's Web page that includes the DEIR and NOP. (We have been informed by the applicant that the Plan is posted on the hospital's Web page, but no one knows this.)

4-34

4-34

A Development Agreement is a legal document between the City and the project applicant that outlines specific terms that have been negotiated in terms of fees to be paid, specific conditions of project approval, requirements set forth in mitigation measures, etc. The terms of this document are between the City and the project applicant and often does not get finalized until the project goes before the decisionmakers for review. There is no legal requirement that a Development Agreement be circulated for public review and comment. A copy will be provided in the Planning Commission's agenda packet. Additionally, the Development Agreement will go through a periodic review process per the Stockton Municipal Code section 16.128.110, which requires annual review of the document.

A copy of the Master Development Plan for the St. Joseph's Medical Center Proposed Expansion is available for review on Dignity Health's webpage (<https://www.dignityhealth.org/central-california/locations/stjosephs-stockton/expansion/updates-and-announcements>).

A copy is also on the City's webpage(www.stocktonca.gov/government/departments/communityDevelop/cdPlanEnv.html).

Please see Chapter 3, Changes to the Draft EIR for where this information has been added to the document and Response to Comment 4-33.

Comment Letter 4 (continued)

We once again request that the Master Development Plan draft Development Agreement be immediately released and posted to the City Web page and be provided to members of the public well as to members of the Planning Commission and City Council before the project is considered for approval.

4-35

3

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4-35

A copy of the Master Development Plan St. Joseph’s Medical Center Proposed Expansion is available for review on Dignity Health’s webpage (<https://www.dignityhealth.org/central-california/locations/stjosephs-stockton/expansion/updates-and-announcements>) and also on the City’s website at (<http://www.stocktonca.gov/government/departments/communityDevelop/cdPlanEnv.html>). The project’s Development Agreement will also be posted in the Planning Commission agenda packet for review. If approved, it would be adopted by ordinance by the Stockton City Council.

Comment Letter 4 (continued)

The Project Has Been Significantly Enlarged Since the NOP

The NOP described the expansion project as including a new Acute Care Hospital Tower of 281,000–331,000 square feet and five stories and 80 feet in height, accompanied by a new multi-story parking structure that would be 8 to 12 stories with 1,600 to 1,700 parking stalls.

The DEIR project description now proposes an Acute Care Hospital Tower up to five stories and 115 feet in height. The parking structure is now proposed to be 9 tiers and 115 feet in height with 1,980 parking stalls.

The DEIR must explain in detail why the Acute Care Hospital Tower has gone from 80 feet in height to 115 feet and why the parking garage has been increased in size from 1,600 to 1,700 parking stalls to 1,980 parking stalls.

4-36

4-36

It is common for a project, or specific project elements to be further refined after release of a NOP because a NOP is typically released immediately or very shortly after the lead agency determines an EIR is required (CEQA Guidelines Section 15082). The purpose of the NOP, as explained in Response to Comment 4-31, is to solicit guidance from responsible and trustee agencies; any involved federal agencies; and the Office of Planning and Research as to the scope and content of the environmental analysis to be included in the EIR (CEQA Guidelines Section 15375). The specific details of the project, available at that time, are provided to aid public agencies as to the scope of the project and any anticipated environmental concerns. The goal is to solicit any specific guidance from the agencies on the scope of the project and any other issues to evaluate in the EIR that may not have been identified. The changes to the project, specifically the Parking Structure, after release of the NOP were determined to not rise to the level of significant new information that could result in new environmental concerns that were not previously identified. The NOP clearly states specific issue areas/concerns to be further evaluated in the Draft EIR, including aesthetics and visual resources, air quality, energy, greenhouse gases, etc. It is not clear from the comment if the additional project details related to the height and size of the parking garage would have contributed to new comments on the scope of the analysis that were not addressed in the Draft EIR. The Draft EIR thoroughly evaluates all the direct and indirect impacts of the parking garage; therefore, no further response is required.

Comment Letter 4 (continued)

Transportation, Transit, and Greenhouse Emissions

As we said in our NOP letter, the proposed Master Development Plan must develop reasonable alternatives to constructing such a huge parking garage. The Master Development Plan must take into account the massive transportation, air quality, noise and other direct impacts to nearby residents (as well as patients and nearby medical workers) caused by a significant increase in single occupant vehicles attracted by the parking garage.

4-37

4-37 The comment does not address the accuracy or adequacy of the Draft EIR; therefore, no further response is required.

Comment Letter 4 (continued)

The proposed Master Development Plan and the DEIR must include very specific mitigation plans to reduce auto trips and control greenhouse emissions due to the 40% increase in hospital beds. The mitigation could, for example, involve a direct annual subsidy by the hospital of added transit service that could be used by workers and visitors.

4-38

4-38

The Draft EIR includes mitigation measures 4.7-1, 4-7-2 and mitigation measure 4.7-3 (see Chapter 3, Changes to the Draft EIR) to reduce the project's contribution of GHG emissions. Please see Chapter 3, Changes to the Draft EIR for additional specificity specific to preparation of a campus wide Transportation Demand Management Plan. See also Response to Comment 4-7.

Comment Letter 4 (continued)

The DEIR that we are now presented does include an alternative in the DEIR for a reduced parking plan, which we are thankful for. The Alternative 3 is clearly the best alternative to be adopted by the City and the applicant

4-39

4-39

The commenter’s support for Alternative 3 is noted and forwarded to the decisionmakers for their consideration.

Comment Letter 4 (continued)

What Do We Want?

We are requesting that the City not approve this large institutional project (a 40% expansion of acute care facility beds) unless the following specific air quality, greenhouse gas emissions, are included in the project's DEIR and conditions of approval:

- sufficient solar panels to provide power for all structures in the project to mitigate Greenhouse Gas emissions, rather than relying on off-site offset mitigation

I 4-40

4-40 Please see Responses to Comments 4-7 and 4-12.

Comment Letter 4 (continued)

- **utilize a "clean fleet" of light vehicles/delivery vans/trucks (Class 2 through 6) as part of business operations**

4-41

4-41 Please see Response to Comment 4-15.

Comment Letter 4 (continued)

- provide electric charging facilities on the project site sufficient to charge all employee and patient vehicles, electric trucks, and electric bicycles

4-42

4

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4-42 Please see Responses to Comments 4-9, 4-14 and 4-19.

Comment Letter 4 (continued)

- require a Transportation Demand Management Plan before project approval that includes meaningful programs to set parking fees at a level to not incentivize patients and workers to use on-site parking; use parking fees and cost savings from downsizing the parking structures to establish a local transit program which could include shuttle buses on demand

4-43

4-43 Please see Response to Comment 4-7 and Chapter 3, Changes to the Draft EIR for additional information specific to the campus-wide Transportation Demand Management Plan.

Comment Letter 4 (continued)

- approve Alternative 3 in the DEIR, which reduces the amount of parking from 2,000 spaces to 1,200 parking stalls and retains all of the same features of the proposed project

4-44

4-44

The commenter’s support of Alternative 3 is noted and forwarded to the decisionmakers for their consideration.

Comment Letter 4 (continued)

- the reduction in the size of the parking structure to a more environmentally friendly design can be accomplished by taking into account non-single occupant auto mitigation programs, such as carpooling, improved transit, remote work, etc.

4-45

4-45

The comment does not address the accuracy or adequacy of the Draft EIR; therefore, no further response is required. Please see Response to Comment 4-25.

Comment Letter 4 (continued)

Mariposa Settlement Agreement

We have attached the executed Settlement Agreement (Attachment A to this letter) between the Sierra Club, the City of Stockton, and Greenlaw Development, LLC (developer of the approved 203-acre Mariposa Industrial Park in the South Stockton area). In addition, a second much larger project, the South Stockton Commerce Center, has also agreed to include these measures in that project’s Final EIR and conditions of approval.

For the Mariposa project, the State Attorney General (AG) signed a separate Memorandum of Understanding with the City of Stockton and the developer which includes the same measures that were included in the Sierra Club settlement (Attachment B to this letter).

These measures are relevant to the review of this project. Even though the St. Joe’s expansion is a large institutional project, not an industrial warehouse, several of the environmental impacts and required mitigation measures are similar.

4-46

4-46 Please see Response to Comment 4-8.

Comment Letter 4 (continued)

Measures Recommended to Mitigate Greenhouse Gas Emissions are Inadequate

As shown in Table 4.11-1, Project Trip Generation in the DEIR, the project would generate 3,513 daily trips.

The DEIR recommends several measures to reduce Greenhouse Gas (GHG) impacts, however, some of the measures are already required by State law, or are weak, unenforceable, and written with such wide exceptions that they are meaningless. We recommend the following specific edits to the existing inadequate measures below. We have included text and additional measures based on the City's settlement agreement with the State Attorney General and the Sierra Club for the Mariposa industrial project.

Note that our attorney, Shute, Mihaly, Weinberger, has attached a letter to this letter. The SMW letter contains some very specific recommended mitigation measure text that goes into more

4-47

5

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4-47 The comment refers to more detailed comments provided below. The comment is noted, and no further response is required.

Comment Letter 4 (continued)

detail than some of the text we have recommended below. If there are any conflicts with the recommendations included in this letter and the SMW letter, the City should assume the recommended text in the SMW should prevail.

We also remind the City that this and all other large development projects must conform to the following specific goals and policies of the Stockton General Plan:

Policy TR-3.2. Require new development and transportation projects to reduce travel demand, support electric vehicle charging, and accommodate multi-passenger autonomous vehicle travel as much as feasible.

Action TR-3.2.A. Amend the parking requirements in the Development Code to encourage shared parking, require preferential parking for rideshare vehicles, and allow reduced parking requirements to support transit, bicycling, and walking.

Action TR-3.2.B. Require commercial, retail, office, industrial, and multi-family residential development to provide charging stations and prioritized parking for electric and alternative fuel vehicles.

4-48

4-48

The comment does not address the accuracy or adequacy of the Draft EIR; therefore, no further response is required. Please see Response to Comment 4-19.

Comment Letter 4 (continued)

Mitigation Measures 4.7-1 and 4.7-2 in the DEIR (pages 4.7-31 thru 4.7-33) contain numerous relevant measures that must be strengthened.

We have copied the measures as recommend in the DEIR and have offered our comments on how they must be strengthened to be effective and implementable.

Mitigation Measures 4.7-1 requires:

- New buildings shall be constructed with either a cool roof or an Energy Star roof.

Our comment: This is already required by the State CALGreen Building Code.

4-49

4-49

The commenter is correct. The 2022 CalGreen Building Code includes this requirement; therefore, this has been removed from mitigation measure 4.7-1. Please see Chapter 3, Changes to the Draft EIR for the revised mitigation measure.

Comment Letter 4 (continued)

- The parking structure shall be pre-plumbed and/or structurally engineered for the installation of complete solar energy systems as part of the parking structure and/or over surface parking.

Our comment: This measure as written is inconsistent with the Mariposa agreement and illegally defers actual mitigation (reduction of GHG) to some future date or it may never occur at all. It also fails to apply to the entire expansion project. This measure should be deleted and replaced with the following:

~~The parking structure shall be pre-plumbed and/or structurally engineered for the installation of complete solar energy systems as part of the parking structure and/or over surface parking.~~ The project shall include sufficient solar panels on the roofs of each the project's buildings or in the parking lot to provide power for the operation's base power use at the start of operations and as base power use demand increases. To be clear, enough solar panels to power each individual building must be constructed at the same

4-50



6

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time the building is finished, and in operation prior to the first occupancy permit issued by the City.

4-50
Cont.



4-50 Please see Response to Comment 2-12.

Comment Letter 4 (continued)

• In the parking structure and surface parking areas, dedicated electric vehicle (EV) parking shall be installed in a minimum of 5% of the parking spaces (or 99 spaces in the parking structure and approximately 4 spaces in the surface lot).

Our comment: The project must construct actual charging stations, which is not clear in this measure. The measure also is static; it must be evaluated and updated as more and more EV vehicles arrive on site. This measure should be deleted and replaced with the following, based on the Mariposa settlement agreement: At all times during project operation, the hospital shall be required to provide electric charging facilities on the project site sufficient to charge all electric vehicles, including the anticipated number of employee and patient vehicles, vans, electric trucks domiciled on the site, as well as electric scooters and electric bicycles. The project shall provide EV charging stations that meet, at a minimum, requirements of the State CALGreen Building Code, Tier 2 voluntary criteria.

4-51

4-51

The project will include Electric Vehicle (EV) spaces and EV Charging Stations (EVCS) consistent with mandatory requirements imposed on new construction by the California Green Building Standards Code—Part 11, Title 24, California Code of Regulations (referred to as “CalGreen”), not the more extensive Tier 1 or Tier 2 measures which are currently deemed voluntary. An option to reduce the number of spaces in the proposed new Parking Structure (from 1,980 spaces to an estimated range of 1,368 to 1,400 spaces) and the height (ground floor + 9 tiers to ground floor + 6 tiers) is proposed in response to other comments on the Draft EIR. With the reduced Parking Structure option, applying the CalGreen standards expressed in Table 5.106.5.3.1 of the Code, twenty (20) percent of the total spaces will be identified as EV spaces (274 – 280 spaces) and twenty-five (25) percent of that twenty percent will have conduit installed to accommodate EV Charging Stations (68 – 70 stations). The reference to “at all times” will apply, if at all, only after the construction and use of the new Parking Structure, which will be in compliance with the mandatory CalGreen measures related to EV spaces and charging stations as of the date of this writing, and not during construction activities related to the expansion. The installation of operational charging stations will be a function of market demand and the availability of power from PG&E or other reliable providers of electricity sufficient to meet the demand created by the charging stations. The project’s TDM Plan would provide for ongoing evaluation of the number of operational charging stations needed for both vehicles and bicycles. If the demand has exceeded the supply, the TDM Plan would be updated to provide a timeline for the phased increase of operational EV charging stations with the goal that supply remains slightly greater than demand, as a means of incentivizing the purchase and use of electric vehicles and bicycles.

Comment Letter 4 (continued)

Add the following measure:

The hospital and the expansion project shall be required to utilize a "clean fleet" of vehicles/delivery vans/trucks (Class 2 through 6) as part of business operations.

4-52

4-52 Please see Response to Comment 4-15.

Comment Letter 4 (continued)

▪ Long-term bicycle storage facilities such as bicycle lockers, pedestal posts, and rental bicycle lockers shall be provided and facilities included that allow for the installation of conduit to install charging stations for electric bicycles.

Our comment: Edit to require a charging station be installed: Long-term bicycle storage facilities such as bicycle lockers, pedestal posts, and rental bicycle lockers shall be provided ~~and facilities included that allow for the installation of conduit to~~ including installation of charging stations for electric bicycles.

4-53

4-53 Please see Responses to Comments 4-9 and 2-13.

Comment Letter 4 (continued)

• Include the installation of both interior- and exterior-facing signs, including signs directed at all dock and delivery areas, identifying idling restrictions and contact information to report violations to the California Air Resources Board (CARB), San Joaquin Valley Air Pollution Control District (SJVAPCD), and the building manager.

Our comment: OK.

4-54

4-54

The comment does not address the accuracy or adequacy of the Draft EIR; therefore, no further response is required.

Comment Letter 4 (continued)

• Run conduit to designated locations for future electric truck charging stations at delivery dock locations.

Our comment: Edit to require installation now. ~~Run conduit to~~ in designated locations for future install electric truck charging stations at delivery dock locations. At the site

4-55

7

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4-55

The comment does not address the accuracy or adequacy of the Draft EIR; therefore, no further response is required. See also Response to Comment 4-10.

Comment Letter 4 (continued)

• Post signs at every truck exit driveway providing directional information to the nearest truck route.

Our comment: OK.

4-56

4-56

The comment does not address the accuracy or adequacy of the Draft EIR; therefore, no further response is required.

Comment Letter 4 (continued)

• Include exterior outlets on all buildings to allow the use of electrically-powered landscape equipment and the use of gas-powered landscape maintenance equipment shall be prohibited on site.

4-57

Our comment: OK.

4-57

The comment does not address the accuracy or adequacy of the Draft EIR; therefore, no further response is required.

Comment Letter 4 (continued)

• Require the use of energy-efficient lighting LED for all street, parking, and building lighting. This reduces the amount of electricity consumed for outdoor lighting.

Our comment: OK.

4-58

4-58 The comment does not address the accuracy or adequacy of the Draft EIR; therefore, no further response is required.

Comment Letter 4 (continued)

- Prepare a campus-wide Transportation Demand Management (TDM) Plan. The TDM Plan shall include a variety of trip reduction strategies such as expanding upon existing alternative transportation programs; establishing an incentives-based commuter program to encourage employees to carpool and take alternative modes of travel to the hospital; increase bicycle facilities; and prioritize carpool parking, etc.
- Encourage telecommuting and alternative work schedules for those employees for whom remote work is acceptable.

Our comment: This measure illegally defers mitigation to the preparation of some future TDM Plan that may never be adopted or implemented. Shockingly, the vague list of general programs that must be included in the future TDM Plan does not specifically mention or call for improvements to the local transit system.

The most efficient way to reduce auto trips is to reduce the number of parking stalls provided on site and use the saved money to subsidize more local buses on the local transit routes that serve the hospital. Construction costs for a parking structure are approximately \$25,000 per stall, which means a 2,000 stall garage could cost approximately \$50 million. If the number of spaces were reduced by 40% from 2,000 spaces to 1,200 stalls (as is recommended in Alternative 3 analyzed in the DEIR), the construction costs savings could potentially be in the range of \$20 million. This savings could go to fund mitigation programs that discourage single-occupant auto trips, including contributions to San Joaquin Regional Transit District to increase the frequency of bus service along California Street (see below).

Any TDM Plan must also require that parking fees for the structure and surface parking must be set to serve as a disincentive, not an incentive, to use them "for free." The monies collected in parking fees must be used to fund the specific programs in the TDM Plan including subsidizing transit.

4-59

Comment Letter 4 (continued)

The existing weak and vague mitigation measures above should be edited as follows:

~~Prepare a~~ A draft campus-wide Transportation Demand Management (TDM) Plan shall be prepared and circulated for public review prior to any scheduled public hearings before the Planning Commission and City Council. The final Plan, incorporating comments received, shall be submitted to the City for approval prior to the issuance of any grading, building, or occupancy permits for the project. The TDM Plan shall be sent to local, regional, and State agencies for review and comment prior to approval by the City, including San Joaquin Council of Governments, San Joaquin Regional Transit District, San Joaquin Valley Air Pollution Control District, California Air Resources Board, and Caltrans. The TDM Plan shall be subject to noticed public hearings at the Stockton Planning Commission and the City Council, who will vote on the final approval. The Plan, as well as the Mitigation Monitoring and Reporting Program for the project, shall be reviewed for compliance at noticed public hearings at the Stockton Planning Commission and the City Council within one year of commencement of construction of the project, and every two years following.

- The TDM Plan shall include a variety of detailed trip reduction strategies and such as expanding upon existing alternative transportation programs that will reduce the rate of solo occupant auto trips to and from the project by 25% from the projected number of trips (3,513). The TDM Plan; that shall establishing an incentives-based commuter program to encourage employees to carpool and take alternative modes of travel to the hospital; increase bicycle facilities; and prioritize carpool parking, etc. The TDM Plan shall encourage telecommuting and alternative work schedules for those employees for whom remote work is acceptable. The TDM Plan shall require that parking fees for the structure and surface parking be set to serve as a disincentive, not an incentive, to use the parking. The monies collected in parking fees shall be used to fund the specific programs in the TDM Plan. The TDM Plan shall require active and on-going consultation with the San Joaquin Regional Transit District to improve the frequency of transit service (such as expansion of bus shuttle on-demand) to the campus and/or a new or expanded hospital-sponsored shuttle/transit program. The TDM Plan shall include a specific funding program that will help subsidize transit improvements.


4-59
Cont.

4-59 Please see Response to Comment 4-7 and Chapter 3, Changes to the Draft EIR.

Comment Letter 4 (continued)

- Maximize the amount of drought tolerant landscaping. Turf shall be limited to high visibility areas. Low groundcover and native grasses shall be used as an alternative to turf. Any turf used shall be warm-season turf or shall have a plant species factor of 0.6 or lower.

4-60



9

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Our comment: This measure should be moved to another chapter. Or the measures should be modified to refer to the State and City's landscaping requirements that limit turf. As written, the limitation to "to high visibility areas" is too vague.

4-60
Cont.



4-60

The text has been removed from mitigation measure 4.7-1 because it reimposes current CalGreen Building Code requirements as well as what the project has already committed to implementing, as described in Chapter 2 of the Draft EIR (see Chapter 3, Changes to the Draft EIR). The Draft EIR states on page 2-31, the proposed project includes a landscaping plan that provides a mix of new trees, groundcover and shrub plantings, and gardens throughout the area where the new buildings are proposed. The plant palette shall be California-adapted, long-lived, non-toxic and non-invasive, consistent with the Master Development Plan. California native plant species shall be incorporated where appropriate. All plant material shall have a very low water use, low water use, or medium water use rating according to the Water Use Classification of Landscape Species rating system.

Comment Letter 4 (continued)

Current Transit Service to the Hospital is Abysmal and Must be Improved

The DEIR on page 4.11-3 describes the existing transit service to the hospital. The San Joaquin Regional Transit District (RTD) operates the following routes along N. California Street in the vicinity of the proposed project. The DEIR notes that the frequency of service for all three routes is an hour or more.

- Route 5 is a Metro Hopper that operates between Fremont-Eastland Plaza/Downtown Transit Center and Mall Transfer Station via N. California Street. The route operates at a frequency of an hour between 7:35 a.m. and 4:35 p.m. on weekdays.
- Route 520 is a Local that operates between Downtown Transit Center and Hammertown-Kaiser via N. California Street. The route operates at a frequency of approximately 70 minutes between 5:55 a.m. and 5:45 p.m. on weekdays.
- Route 720 is a Local that operates between Downtown Transit Center and Wigwam and Cherokee via N. California Street. The route operates at a frequency of approximately 70 minutes between 10:05 a.m. and 4:15 p.m. on weekdays.

Our comment: Add the following mitigation measure: The project should be required to coordinate with the transit district and contribute financial support to improve the existing transit service, or provide funding to support a new or expanded hospital-sponsored on-demand shuttle service to reduce single occupant auto trips.

4-61

The Project Should Contribute to the California Street Bikeway Improvements

4-61

Please see mitigation measure 4.7-2 in Chapter 3, Changes to the Draft EIR. Providing a stand-alone shuttle service for hospital employees run by the San Joaquin Regional Transit District (SJRTD) would not be within the ability of the City to impose this requirement on the transit district since they are a separate entity.

Improvements to existing SJRTD service is a matter for SJRTD to determine. The applicant has committed to provide policy support for improved bus service to the medical center campus.

Comment Letter 4 (continued)

The Project Should Contribute to the California Street Bikeway Improvements

Page 4.11-2 of the DEIR notes that

After consultation with the City, it was determined that the City's California Street Separated Bikeway project, a City infrastructure project that is not part of the proposed project, may occur in the project vicinity while the project would be under construction. This street improvement project includes the installation of on-street bike lanes on both sides of N. California Street that are physically separated from vehicles on adjacent travel lanes by pavement markings and/or delineators, as well as a "road diet" which would reduce the vehicular travel lanes from four lanes to two lanes (i.e., one travel lane in each direction). This bikeway project has been considered in the transportation analysis of the proposed project.

This is the only mention of this important public improvement that will occur right in front of the hospital expansion project. The Final EIR should discuss and require that the project participate in the construction and/or funding of the City's California Street Separated Bikeway project.

4-62

The cost of the 2017 Stockton Bike Plan California Street Separated Bikeway Project 33A , Alpine to Oak St is approximately \$11,259,000. To our knowledge the northern section of the California Street Separated Bikeway Project 33A&B Minor to Alpine has not been funded. Local monies are important in receiving improved scoring on local and state Active Transportation Program funding applications. We recommend that the project should fund 30% of the 2017 Stockton Bike Plan California Street Separated Bikeway Project 33A , Alpine to Oak St, or approximately \$3,377,700. This contribution would give the project better chance of getting funded through ATP. The formula for ATP funding applications is 1 point provided per every 2% provided as a match. Maximum of 15 points for 30% or more of the cost.

A transportation mitigation measure should be added that would require the hospital to contribute a fair share to the cost of the improvements.

Added Mitigation Measure: The proposed project shall be required to contribute a fair share to the cost of the improvements planned for the northern section of the California Street Separated Bikeway Project.

The Mitigation Measure to Require GHG Offsets is Written with An Outrageous Loophole

4-62
Cont.

4-62 Please see Response to Comment 4-17.

Comment Letter 4 (continued)

The Mitigation Measure to Require GHG Offsets is Written with An Outrageous Loophole

Mitigation Measure 4.7-2 discusses the use of an off-site GHG emissions reduction program or involve the payment of GHG offset fees.

Once again, as in the case of the TDM Plan, this measure as written illegally defers mitigation to some future program that may never be adopted or implemented.

Making the measure even more deficient is the blatant, self-serving loophole and exception written into the measure.

The measure states baldly that:

For purposes of this mitigation measure, what is “feasible,” as that word is used in the phrase “feasible measures that contribute to an off-site GHG emissions reduction program or involve the payment of GHG offset fees,” is a function of the technical viability and overall cost of carbon offsets, and, specifically, whether such offsets (i) are reasonably commercially available, (ii) would be prohibitively expensive for the nonprofit applicant in light of the financial challenges of providing health care services, (iii) would materially increase the cost of the health care provided by the applicant (emphasis added).

The Sierra Club is generally not supportive of allowing development projects to “mitigate” GHG impacts by purchasing offset credits from some off-site location. The project should reduce emissions on the project site by reducing vehicle trips and requiring the immediate electrification of the campus vehicle fleet.

4-63

If this offset measure is retained, the offending paragraph above must be removed in its entirety. Otherwise, the measure is meaningless. The measure should also delete all extraneous summaries of the State Health and Safety Code and Code of Regulation. Simple references will suffice.

The review of the periodic reports to measure compliance with measures should be coordinated with the TDM Plan measures above, and the reviews shall occur at noticed public hearings at the Planning Commission and City Council.

4-63
Cont.

4-63 Please see Response to Comment 4-12 and Chapter 3, Changes to the Draft EIR.

Comment Letter 4 (continued)

Alternative 3: Reduced Parking Alternative Should be Adopted

We are supportive of Alternative 3 analyzed in the DEIR, which reduces the amount of parking from 2,000 spaces to 1,200 parking stalls and retains all of the same features of the proposed project. We note that the description of this alternative refers to “a parking ratio of up to 3.6 stalls per bed” (DEIR at 6-10). This is in stark contrast to the proposed project and parking structure which appears to be based on a parking ratio of up to 5.6 stalls per bed (Table 2-2 in the DEIR).

What effects would reducing the number of parking stalls in the structure have on the hospital and the surrounding community?

The analysis in the DEIR states that

The Reduced Parking Alternative would primarily address conflicts with regulations adopted for protecting scenic quality, as well as the concern raised during the NOP scoping period regarding the height and size of the Parking Structure. Less construction associated with the Parking Structure would also result in some reduction of air pollutants and GHG emissions compared to the proposed project. The alternatives analysis assumes that all applicable mitigation measures for the proposed project would also apply to this alternative.

The DEIR analysis concludes that

There are no project objectives that Alternative 3 would fail to achieve. This alternative would meet all of the project objectives, although the reduction of the Parking Structure would result in this alternative being less effective in achieving two (2) of these objectives [improve quantity, quality, and proximity of parking for patients, visitors, and staff; and create short-term construction jobs]. All other components, including building modernization, seismic upgrades, heliport options, and the general location of new components would remain the same as the proposed project” (emphasis added).

So, the DEIR concludes that the parking could be reduced and it would not jeopardize the overall expansion project.

4-64

We strongly urge the City staff, Planning Commission, and City Council to support this common sense change to the project.

4-64
Cont.

4-64 Please see Response to Comment 4-21.

Comment Letter 4 (continued)

Conclusion

We are formally requesting that the above mitigation measures be included as part of the Final EIR and any project approvals for the St. Joe's expansion project.

We also strongly urge the City staff, Planning Commission, and City Council to support Alternative 3 analyzed in the DEIR, which reduces the amount of parking from 2,000 spaces to 1,200 parking stalls and retains all of the same features of the proposed project.

We are available to meet with the applicant and City staff at any time to further discuss the programs that may be implemented to achieve our mutual goals.

4-65

4-65

Please see Responses to Comments 4-49 through 4-63. The commenter's support of Alternative 3 is noted and forwarded to the decisionmakers.

Comment Letter 4 (continued)

Attachment A

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Comment Letter 4 (continued)

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release of All Claims ("Agreement") is entered into by and between the Sierra Club, a California nonprofit public benefit association, the City of Stockton ("City"), a municipal services corporation, and Greenlaw Development, LLC, a California limited liability company ("Developer"), (collectively referred to as "Parties" or singularly "Party"), to terminate fully and finally all disputes concerning the matters set forth below.

RECITALS

WHEREAS, Developer, proposes to develop an approximately 203-acre site in the South Stockton area commonly known as the Mariposa Industrial Park for light industrial land uses (the "Project"). The conceptual site plan proposes construction and operation of 3,616,870 square feet of warehouse and ancillary office uses, approximately 1,831 auto parking spaces, 1,107 truck and trailer parking spaces, and related infrastructure. Developer has applied to the City for the following project approvals: (1) adoption of a Resolution certifying the Mariposa Industrial Park Environmental Impact Report (SCH #2020120283) ("EIR"), including a Statement of Overriding Considerations, and adoption of a Mitigation Monitoring and Reporting Program ("MMRP"); and (2) adoption of an Ordinance for the Pre-zoning of APNs 179-220-10; -11; -12; -13; -16; -17; -18; 19; and -24 (the "Property") to Industrial, Limited (IL); and (3) adoption an Ordinance for a Development Agreement; and (4) adoption of a Resolution authorizing the filing of an annexation application with the San Joaquin Local Agency Formation Commission (collectively the "Project Approvals"); and

WHEREAS, The Sierra Club and the California Attorney General submitted comments on the EIR requesting that additional air quality and other mitigation measures be included in the EIR and MMRP for the Project and that a fund to mitigate impacts on affected residents be created; and

WHEREAS, the Parties wish to resolve fully and finally all disputes which may exist between the Parties concerning the Project Approvals.

NOW, THEREFORE, based upon the foregoing recitals and the terms, conditions, covenants, and agreements contained above and incorporated in full below, the Parties agree as follows:

AGREEMENT

For good and valuable consideration, the receipt of which is acknowledged by each Party hereto, the Parties promise and agree as follows:

1. If the City approves the Project, and (i) the certified EIR and adopted MMRP include all of the Mitigation Measures in the attached Mariposa Industrial Project Enhanced Measures, and (ii) the authorized Development Agreement includes all of the revised terms in the attached Mariposa Industrial Project Enhanced Measures, then (iii) neither the Sierra Club nor any of its affiliates will file any complaints, claims, grievances, special proceedings or any other actions against the City or Developer with any state,

Comment Letter 4 (continued)

federal, or local agency or court challenging the Project Approvals or the proposed annexation of the Project site to the City of Stockton. If an affiliate of the Sierra Club is determined to have made a challenge to the Project Approvals or the proposed annexation of the Project site to the City of Stockton in violation of this Section 1, such violation shall constitute a breach of this Agreement by the Sierra Club.

2. The City will draft and consider a comprehensive Warehouse Sustainability Ordinance for future projects that establishes development standards for the construction of industrial warehousing and distribution facilities that exceed 100,000 square feet subject to periodic review for consistency with current regulatory agency recommendations before December 31, 2023. The City may incorporate the addition of warehouse sustainability requirements through its current Development Code revision/update process, provided that the ordinance is considered before December 31, 2023. City staff shall recommend adoption of the ordinance.
3. The City agrees that the Mitigation Measures in the attached Mariposa Industrial Project Enhanced Measures are designed to mitigate potentially significant environmental impacts of warehouse projects. If, prior to adopting the Warehouse Sustainability Ordinance, the City considers approving a project that proposes to develop industrial warehousing or distribution facilities that exceed 100,000 square feet, the City shall include all such applicable measures from the Mariposa Industrial Project Enhanced Measures in any Environmental Impact Report or Mitigated Negative Declaration for the project and consider requiring the project to comply with them.
4. Developer agrees to comply with the attached Mariposa Industrial Project Enhanced Measures and will comply with all applicable City building code requirements.
5. If the City approves the Project, the City will coordinate with the County of San Joaquin to develop and install signage prohibiting non-emergency vehicle access to the project site from Clark Drive or Marfargoa Road. Developer will be responsible for the costs of signage determined to be appropriate by the City and the County.
6. Developer shall pay Sierra Club \$34,350 as reimbursement for Sierra Club's attorney's fees and costs incurred in the administrative phase of the Project Approvals. Payment shall be made to the Shute, Mihaly & Weinberger LLP trust account. Developer shall make this payment within ten (10) days of the expiration of the statute of limitations set forth in Section 21167 of the Public Resources Code on actions or proceedings to attack, review, set aside, void, or annul the City of Stockton's determination of CEQA compliance for the Project Approvals, provided that no such action or proceeding has been initiated by the Sierra Club or its affiliates.
7. This Agreement shall be effective and binding upon the Parties only after the execution of both (1) this Agreement by all parties, and (2) the execution of a Memorandum of Understanding between the California Attorney General and the City relating to the City considering an ordinance to establish development standards for industrial warehouse land uses.

Comment Letter 4 (continued)

8. Miscellaneous.

- a. **Exclusive Remedies.** The Parties' sole and exclusive remedy for breach of this Agreement shall be an action for specific performance or injunction. In no event shall any Party be entitled to monetary damages for breach of this Agreement. In addition, no legal action for specific performance or injunction shall be brought or maintained until: (a) the non-breaching Party provides written notice to the breaching Party which explains with particularity the nature of the claimed breach, and (b) within thirty (30) days after receipt of said notice, the breaching Party fails to cure the claimed breach or, in the case of a claimed breach which cannot be reasonably remedied within a thirty (30) day period, the breaching Party fails to commence to cure the claimed breach within such thirty (30) day period, and thereafter diligently complete the activities reasonably necessary to remedy the claimed breach.
- b. All notices and other communications required to be provided pursuant to this Agreement shall be by electronic mail and by first class mail to the following persons at the following addresses:

SIERRA CLUB:

Margo Praus
Delta-Sierra Group
P.O. Box 9258
Stockton, CA 95208
margopraus@msn.com

with copy to:

Sierra Club
Aaron Isherwood, Coordinating Attorney
2101 Webster St., Suite 1300
Oakland, CA 94612
aaron.isherwood@sierraclub.org

with copy to:

Shute, Mihaly & Weinberger LLP
Heather Minner
396 Hayes Street
San Francisco, CA 94102
minner@smwlaw.com

Comment Letter 4 (continued)

GREENLAW DEVELOPMENT, LLC:

Greenlaw Partners
18301 Von Karmen Avenue, Suite 250
Irvine, CA 92612
Attn: Rob Mitchell
Email: rob@greenlawpartners.com

with copy to:

Cochran Law Group
18301 Von Karman Avenue, Suite 270
Irvine, California 92612
Attn: Thia Cochran
Email: thia@cochranlawgroup.com

with copy to:

Law Office of Daniel P. Doport
Daniel P. Doport
3478 Buskirk Avenue, Suite 1000
Pleasant Hill, CA 94523
Email: ddoporto@doportolaw.com

CITY OF STOCKTON:

City Attorney's Office
425 N. El Dorado Street
Stockton, CA 95202
City.attorney@stocktonca.gov

with copy to:

City Manager's Office
425 N. El Dorado Street
Stockton, CA 95202
City.manager@stocktonca.gov

- e. Binding on Successors. The terms, covenants, and conditions of this Agreement shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, successors and assignees of the respective Parties. Developer shall record a copy of this Agreement against the Property. Developer will provide a copy of the recorded Agreement to Sierra Club within fifteen (15) days of such recording. The Parties shall give notice to all other Parties of any successor or assignee to the Party.

Comment Letter 4 (continued)

- d. **Non-Admission of Liability.** The Parties acknowledge and agree that this Agreement is a settlement of disputed claims. Neither the fact that the Parties have settled nor the terms of this Agreement shall be construed in any manner as an admission of any liability by any Party.
- e. **Assistance of Counsel.** The Parties each specifically represent that they have consulted to their satisfaction with and received independent advice from their respective counsel prior to executing this Agreement concerning the terms and conditions of this Agreement.
- f. **Waiver.** Failure to insist on compliance with any term, covenant or condition contained in this Agreement shall not be deemed a waiver of that term, covenant or condition, nor shall any waiver or relinquishment of any right or power contained in this Agreement at any one time or more times be deemed a waiver or relinquishment of any right or power at any other time or times.
- g. **Severability.** Should any portion, word, clause, phrase, sentence or paragraph of this Agreement be declared void or unenforceable, such portion shall be considered independent and severable from the remainder, the validity of which shall remain unaffected.
- h. **Governing Law and Venue.** This Agreement is made and entered into in the State of California, and shall in all respects be interpreted, enforced and governed under the laws of said State without giving effect to conflicts of laws principles. Any action to enforce, invalidate, or interpret any provision of this Agreement shall be brought in San Joaquin County Superior Court.
- i. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties who have executed it and supersedes any and all other agreements, understandings, negotiations, or discussions, either oral or in writing, express or implied between the Parties to this Agreement. No representation, inducement, promise, agreement or warranty not contained in this Agreement, including, but not limited to, any purported supplements, modifications, waivers, or terminations of this Agreement shall be valid or binding, unless executed in writing by all of the Parties to this Agreement.
- j. Each of the signatories hereto represents and warrants that he or she is competent and authorized to enter into this Agreement on behalf of the Party for whom he or she purports to sign.
- k. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be considered an original but all of which shall constitute an agreement.

[SIGNATURES COMMENCE ON FOLLOWING PAGE]

Comment Letter 4 (continued)

IN WITNESS WHEREOF, the undersigned execute this Settlement Agreement and Release, and hereby agree to all terms and condition herein, on the dates set forth below.

SIERRA CLUB

By: [Signature]
Name: Michelle Brown
It: Chair, Education Group
Date: 11-11-2022

GREENLAW DEVELOPMENT, LLC

By: [Signature]
Name: Rob Mitchell
It: Partner
Date: 11/20/22

CITY OF STOCKTON

By: [Signature]
Name: Harry Black
It: City Manager
Date: 12/22/22

ATTEST:
for CLERK OF THE CITY OF STOCKTON
By: [Signature]



APPROVED AS TO FORM

By: [Signature]
Name: Taryn Jones Fox
City Attorney
Date: 12/22/22

Attachment (1): Mariposa Industrial Project Enhanced Measures
1580687

Comment Letter 4 (continued)

MARIPOSA INDUSTRIAL PROJECT
ENHANCED MEASURES

The Final EIR Mitigation Measures will be revised to include the following:

AMM AIR-1: Solar Power: Owners, operators or tenants shall include with the building permit application, sufficient solar panels to provide power for the operation's base power use at the start of operations and as base power use demand increases. Project sponsor shall include analysis of (a) projected power requirements at the start of operations and as base power demand increases corresponding to the implementation of the "clean fleet" requirements, and (b) generating capacity of the solar installation.

AMM AIR -1 (continued): CDD shall verify the size and scope of the solar project based upon the analysis of the projected power requirements and generating capacity as well as the available solar panel installation space. The photovoltaic system shall include a battery storage system to serve the facility in the event of a power outage to the extent required by the 2022 or later California Building Standards Code.

AMM AIR -1 (continued): In the event sufficient space is not available on the subject lot to accommodate the needed number of solar panels to produce the operation's base or anticipated power use, the applicant shall demonstrate how all available space has been maximized (e.g., roof, parking areas, etc.). Areas which provide truck movement may be excluded from these calculations unless otherwise deemed acceptable by the supplied reports.

AMM AIR -1 (continued): The developer or tenant, or qualified solar provider engaged by the developer or tenant shall timely order all equipment and shall install the system when the City has approved building permits and the necessary equipment has arrived. The developer or tenant shall commence operation of the system when it has received permission to operate from the utility. The photovoltaic system owner shall be responsible for maintaining the system(s) at not less than 80% of the rated power for 20 years. At the end of the 20-year period, the building owner shall install a new photovoltaic system meeting the capacity and operational requirements of this measure, or continue to maintain the existing system, for the life of the project.

Comment Letter 4 (continued)

MARIPOSA INDUSTRIAL PROJECT
ENHANCED MEASURES

<p>EMM AIR-1: Prior to the issuance of the first building permit, the applicant/developer shall demonstrate compliance with the SJVAPCD Rule 9510 (Indirect Source Review) to reduce growth in both NOx and PM10 emissions, as required by SJVAPCD and City requirements.</p>
<p>AMM AIR-1: Architectural Coatings: Construction plans shall require that architectural and industrial maintenance coatings (e.g., paints) applied on the project site shall be consistent with a VOC content of <10 g/L. Developer or tenant is not expected to exercise control over materials painted offsite by a third party.</p>
<p>AMM AIR-3: Construction Worker Trip Reduction: Project construction plans and specifications will require contractor to provide transit and ridesharing information for construction workers.</p>
<p>AMM AIR-2: SJVAPCD Regulation VIII Compliance: Construction plans and specifications shall include a Dust Control Plan incorporating the applicable requirements of Regulation VIII, which shall be submitted to the SJVAPCD for review and approval prior to beginning construction in accordance with the requirements of Regulation VIII.</p>
<p>AMM AIR -2: Emission Standards for Heavy-Duty Trucks: The following mitigation measures shall be implemented during all on-going business operations and shall be included as part of contractual lease agreement language to ensure the tenants/lessees are informed of all on-going operational responsibilities.</p> <p>The property owner/tenant/lessee shall ensure that all heavy-duty trucks (Class 7 and 8) domiciled on the project site are model year 2014 or later from start of operations and shall expedite a transition to zero-emission vehicles, with the fleet fully zero-emission by December 31, 2025 or when commercially available for the intended application, whichever date is later.</p> <p>A zero-emission vehicle shall ordinarily be considered commercially available if the vehicle is capable of serving the intended purpose and is included in California's Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project, https://californiahvip.org/ or listed as available in the US on the Global Commercial Vehicle Drive to Zero inventory.</p>

Comment Letter 4 (continued)

MARIPOSA INDUSTRIAL PROJECT
ENHANCED MEASURES

<https://globaldrivetozero.org/>. The City shall be responsible for the final determination of commercial availability, based on all the facts and circumstances at the time the determination is made, and may (but is not required to) consult with the California Air Resources Board before making such final determination. In order for the City to make a determination that such vehicles are commercially unavailable, the operator must submit documentation from a minimum of three (3) EV dealers identified on the californiahvip.org website demonstrating the inability to obtain the required EVs or equipment needed within 6 months.

"Domiciled at the project site shall mean the vehicle is either (i) parked or kept overnight at the project site more than 70% of the calendar year or (ii) dedicated to the project site (defined as more than 70% of the truck routes (during the calendar year) that start at the project site even if parked or kept elsewhere)

Zero-emission heavy-duty trucks which require service can be temporarily replaced with model year 2014 or later trucks. Replacement trucks shall be used for only the minimum time required for servicing fleet trucks.

AMM AIR-3: Zero Emission Vehicles: The property owner/tenant/lessee shall utilize a "clean fleet" of vehicles/delivery vans/trucks (Class 2 through 6) as part of business operations as follows: For any vehicle (Class 2 through 6) domiciled at the project site, the following "clean fleet" requirements apply: (i) 33% of the fleet will be zero emission vehicles at start of operations, (ii) 65% of the fleet will be zero emission vehicles by December 31, 2023, (iii) 80% of the fleet will be zero emission vehicles by December 31, 2025, and (iv) 100% of the fleet will be zero emission vehicles by December 31, 2027.

"Domiciled at the project site" shall mean the vehicle is either (i) parked or kept overnight at the project site more than 70% of the calendar year or (ii) dedicated to the project site (defined as more than 70% of the truck routes (during the calendar year) that start at the project site even if parked or kept elsewhere).

Zero-emission vehicles which require service can be temporarily replaced with alternate vehicles. Replacement vehicles shall be used for only the minimum time required for servicing fleet vehicles.

The property owner/tenant/lessee shall not be responsible to meet "clean fleet" requirements for vehicles used by common carriers operating under their own authority that provide delivery services to or from the project site.

Comment Letter 4 (continued)

MARIPOSA INDUSTRIAL PROJECT
ENHANCED MEASURES

AMM AIR-4: Demonstrate Compliance with Clean Fleet Requirements: The applicant, property owner, tenant, lessee, or other party operating the facility (the "Operator") shall utilize the zero emission vehicles/trucks required to meet the "clean fleet" requirements in AMM AIR-2 (for Class 7 and 8 vehicles) and AMM AIR-3 (for Class 2 through 6 vehicles) above. Within 30-days of occupancy, the Operator shall demonstrate to the satisfaction of CDD staff, that the applicable clean fleet requirements are being met.

AMM AIR-4 (continued): In the event that vehicles/trucks are not commercially available for the intended application, the "clean fleet requirements" may be adjusted as minimally as possible by the CDD to accommodate the unavailability of commercially available vehicles/trucks.

AMM AIR 4 (continued) The City shall quantify the air pollution and GHG emissions resulting from any modification of this condition. Within 12 months of failing to meet a "clean fleet" requirement the property owner/tenant/lessee shall implement a Voluntary Emissions Reduction Agreement (VERA) providing pound for pound mitigation of the criteria pollutant, toxic air contaminants, and GHG emissions quantified by the City through a process that develops, funds, and implements emission reduction projects, with the Air District serving a role of administrator of the emission reduction projects and verifier of the successful mitigation effort. The VERA shall prioritize projects in the South Stockton and surrounding area. Property owner/tenant/lessee shall continue to fund the VERA each year in an amount necessary to achieve pound for pound mitigation of emissions resulting from not meeting the clean fleet requirements until the owner/tenant/lessee fully complies.

AMM AIR-4 (continued): The Operator shall implement the proposed measures after CDD review and approval. Any extension of time granted to implement this condition shall be limited to the shortest period of time necessary to allow for 100% electrification under the clean fleet requirements. The CDD staff may seek the recommendation of the California Air Resources Board in determining whether there has been a manufacturing disruption or insufficient vehicles/trucks commercially available for the intended application.

AMM AIR-4 (continued): Construction Meal Destinations: Project construction plans and specifications will require the contractor to establish one or more locations for food or catering truck service to construction workers and to cooperate with food service providers to provide consistent food service.

Comment Letter 4 (continued)

MARIPOSA INDUSTRIAL PROJECT
ENHANCED MEASURES

AMM AIR-5: Condition of Approved Compliance Report: The Operator shall submit a condition of approval compliance report within 30 days of, but not later than, the following dates: December 31, 2023, December 31, 2025, and December 31, 2027. The report shall outline clean fleet requirements applicable at each report interval and include documentation demonstrating compliance with each requirement. The City shall consider each report at a noticed public hearing and determine whether the Operator has complied with the applicable clean fleet requirements. If the Operator has not met each 100% clean fleet requirement by December 31, 2027, then the Operator shall submit subsequent reports every year until the 100% clean fleet requirement is implemented. The City shall consider each subsequent report at a noticed public hearing and determine whether the Operator has complied with the clean fleet requirements, including any minimal adjustments to the requirements by the CDD to accommodate the manufacturing disruption or unavailability of commercially available vehicles/trucks, as described in the previous paragraph. Notice of the above hearings shall be provided to all properties located within 1,000 feet of the project site and through the ASK Stockton list serve.

AMM AIR-5 (continued): After the 100% clean fleet requirement has been implemented and confirmed by the CDD, the Operator shall submit to the CDD an on-going compliance report every three years containing all necessary documentation to verify that the Operator is meeting the clean fleet requirements. At the time it confirms that the 100% clean fleet requirement has been implemented, the CDD will establish the due date for the first on-going compliance report. Each subsequent on-going compliance report shall be due within 30 days of, but not later than, the three-year anniversary of the preceding due date. The on-going compliance reports and accompanying documentation shall be made available to the public upon request.

AMM AIR-6: Zero Emission Forklifts, Yard Trucks and Yard Equipment: Owners, operators or tenants shall require all forklifts, yard trucks, and other equipment used for on-site movement of trucks, trailers and warehoused goods, as well as landscaping maintenance equipment used on the site, to be electrically powered or zero-emission. The owner, operator or tenant shall provide on-site electrical charging facilities to adequately service electric vehicles and equipment.

AMM AIR-7: Truck Idling Restrictions: Owners, operators or tenants shall be required to make their best effort to restrict truck idling onsite to a maximum of three minutes, subject to exceptions defined by CARB in the document: commercial_vehicle_idling_requirements_July 2016. Idling restrictions shall be enforced by highly-visible posting at the

Comment Letter 4 (continued)

MARIPOSA INDUSTRIAL PROJECT
ENHANCED MEASURES

<p>site entry, posting at other on-site locations frequented by truck drivers, conspicuous inclusion in employee training and guidance material and owner, operator or tenant direct action as required.</p> <p>AMM AIR-8: Electric Truck Charging: At all times during project operation, owners, operators or tenants shall be required to provide electric charging facilities on the project site sufficient to charge all electric trucks domiciled on the site and such facilities shall be made available for all electric trucks that use the project site.</p> <p>AMM AIR-9: Project Operations, Food Service: Owners, operators or tenants shall establish locations for food or catering truck service and cooperate with food service providers to provide consistent food service to operations employees.</p> <p>AMM AIR-10: Project Operations, Employee Trip Reduction: Owners, operators or tenants shall provide employees transit route and schedule information on systems serving the project area and coordinate ridesharing amongst employees.</p> <p>AMM AIR-11: Yard Sweeping: Owners, operators or tenants shall provide periodic yard and parking area sweeping to minimize dust generation</p> <p>AMM AIR-12: Diesel Generators: Owners, operators or tenants shall prohibit the use of diesel generators, except in emergency situations, in which case such generators shall have Best Available Control Technology (BACT) that meets CARB's Tier 4 emission standards.</p> <p>AMM AIR-13: Truck Emission Control: Owners, operators or tenants shall ensure that trucks or truck fleets domiciled at the project site be model year 2014 or later, and maintained consistent with current CARB emission control regulations.</p> <p>AMM AIR-14: All tenant lease agreements for the project site shall include a provision requiring the tenant/lessee to comply with all applicable requirements of the MMRP, a copy of which shall be attached to each tenant/lease agreement.</p> <p>AMM AIR-14 (continued): SmartWay: Owners, operators or tenants shall enroll and participate the in SmartWay program for eligible businesses</p> <p>AMM AIR-15: Designated Smoking Areas: Owners, operators or tenants shall ensure that any outdoor areas allowing smoking are at least 25 feet from the nearest property line.</p> <p>AMM AIR 16: Project construction shall be subject to all adopted City building codes, including the adopted Green Building Standards Code, version July 2022 or later. Prior to the issuance of building permits, the applicant/developer</p>

Comment Letter 4 (continued)

MARIPOSA INDUSTRIAL PROJECT
ENHANCED MEASURES

<p>shall demonstrate (e.g., provide building plans) that the proposed buildings are designed and will be built to, at a minimum, meet the Nonresidential Voluntary Measures of the California Green Building Standards code, Divisions A.5.1, 5.2 and 5.5, including but not limited to the Tier 2 standards in those Divisions, where applicable, such as the Tier 2 advanced energy efficiency requirements as outlined under Section A5.203.1.2.</p>
<p>EMM AG-1: The project shall participate in and comply with the City's Agricultural Lands Mitigation Program, under which developers of the property shall contribute agricultural mitigation land or shall pay the Agricultural Land Mitigation Fee to the City.</p>
<p>The City and Applicant will revise the proposed Development Agreement to provide the following:</p> <p>In the DA text and in Exhibit B, to clarify that cold storage facilities are prohibited on the site and transport refrigeration units (TRUs) may not enter the site. In the DA text provide that any future proposal to construct cold storage facilities on the site or to allow TRUs to enter the site would require an amendment to the Development Agreement that shall be deemed and processed as a Major Modification to the Development Agreement, an application to the City for a conditional use permit, and be subject to review under the California Environmental Quality Act and Stockton Municipal Code Chapter 16.168.</p> <p>Section 8.3 of the DA will be revised as follows:</p> <p>8.3 Mitigation Measures. Developer agrees to and shall comply with all applicable mitigation measures attached hereto as Exhibit C and with all applicable mitigation measures in the MIP EIR, as described in the Mitigation Monitoring/Reporting Program approved by the City on _____, 2023. Developer shall include in all tenant lease agreements for the project site a provision requiring the tenant/lessee to comply with all applicable requirements of the measures in this Section 8.3, a copy of which shall be attached to each to each tenant/lease agreement.</p> <p>Section 10.1 of the DA will be revised as follows:</p> <p>10.1 Annual Review. As required by California Government Code Section 65865.1 and pursuant to Section 16.128.110 of the Development Agreement Ordinance, the City of Stockton Planning Commission shall review</p>

Comment Letter 4 (continued)

MARIPOSA INDUSTRIAL PROJECT
ENHANCED MEASURES

<p>this Agreement and all actions taken pursuant to the terms of this Agreement with respect to the development of the Project every twelve (12) months at a duly-noticed public hearing to determine good faith compliance with this Agreement ("Annual Review"). Specifically, the Annual Review shall be conducted for the purposes of determining good faith compliance with the terms and/or conditions of this Agreement, including compliance with the mitigation measures in Section 8.3 of this Agreement. Each Annual Review shall also document the status of Project development. In the event the Planning Commission recommends modification or termination of this Agreement in connection with such Annual Review, the action to effectuate such modification or termination must be taken by City Council.</p>
<p>In the DA text, to require the City to coordinate with the County to develop and install signage prohibiting non-emergency vehicle access to the project site from Clark Drive or Marfargoa Road. The Applicant will be responsible for the costs of the signage determined to be appropriate by the City and the County.</p>
<p>In the text, to require the following: Construction plans shall include a 10-foot by 65-foot landscaped berm along the 623-lineal foot and 493-lineal foot portions of the west line of the site, located north and south of Marfargoa Road, which will be required by and shown on Exhibit B to the Development Agreement. Landscaping of the berm shall include fast-growing evergreen trees to provide maximum visual screening, as determined by a qualified landscape architect. Construction plans shall also include a 10-foot wall along the 881-lineal foot and 1,316-lineal foot portions of the west line of the site, located north and south of Clark Drive, which will be required by and shown on Exhibit B to the Development Agreement. Construction plans shall also identify a 60-foot "no truck" zone along the entire length of the west line of the site, which will be required by and shown on Exhibit B to the Development Agreement. Construction plans shall also identify and prohibit building construction within a setback area located a minimum of 300 feet from the property line of residential properties along Marfargoa Road and Clark Drive. Notwithstanding the foregoing, the stairwells of ancillary/accessory buildings may encroach into the 300-foot setback area.</p>
<p>In the text, to provide that, prior to the issuance of a grading permit, the Applicant will provide \$200,000 to a non-profit organization serving disadvantaged residents of San Joaquin County approved by the City's Community Development Director, to fund a program to reduce exposure to emissions and noise from vehicle and truck traffic and industrial operations, for residents located within the geographic area bounded by Munford Avenue, Mariposa Road, Little John's Creek and the SR99 Frontage Road. The program may fund or reimburse home air filtration systems, HVAC</p>

Comment Letter 4 (continued)

MARIPOSA INDUSTRIAL PROJECT
ENHANCED MEASURES

modifications, window replacements, weather stripping, or similar improvements; publicly available electric vehicle charging station(s); and/or air quality monitoring sensors with publicly available real time data (such as PurpleAir sensors).

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Comment Letter 4 (continued)

Attachment B

Page 41 of 54 in Comment Letter 4

Comment Letter 4 (continued)

EXHIBIT 2 - MOU

MEMORANDUM OF AGREEMENT

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

RECITALS

WHEREAS areas of the City, including south Stockton, have disproportionately suffered from the environmental impacts of industrial land uses located nearby residences and other sensitive receptors such as schools, parks, and hospitals. According to CalEnviroScreen, a tool used to identify communities exposed to high levels of pollution, south Stockton’s neighborhoods are exposed to pollution burdens in the top 10% of all communities in California, with some communities registering in the top 1%.

WHEREAS because of the extremely high levels of air pollution to which this environmental justice community is disproportionately exposed, the California Air Resources Board (CARB) has designated the area of south Stockton to the northwest of the Project as a top priority for reductions in emissions and improvements in air quality under AB 617. In 2021, CARB approved Stockton’s Community Emissions Reduction Program (CERP) after an extensive public process. The CERP includes projected investments of over \$32 million in emission reduction incentives and a variety of other clean air projects in the south Stockton AB 617 community area and additional measures to reduce exposure to air pollution for sensitive receptors.

WHEREAS in recent years, the proliferation of e-commerce and rising consumer expectations of rapid shipping have contributed to a boom in warehouse development. California, with its ports, population centers, and transportation network, has found itself at the center of this trend.

WHEREAS in response to project applications consistent with this demand, the City has approved millions of square feet of warehouse and logistics space, substantial amounts of which have been or will be constructed in the south Stockton community.

WHEREAS the Attorney General has previously submitted letters to the City regarding concerns with significant environmental impacts being created by such warehouse and distribution facility projects, including the Sanchez Hoggan Annexation Project and the South Stockton Commerce Center Project.

WHEREAS the City seeks to minimize additional environmental impacts from new warehouse and distribution facility development sited in south Stockton and throughout the City.

WHEREAS the California Environmental Quality Act (CEQA), Public Resources Code section 21000 et seq. and California Code of Regulations, Title 14, Division 6, Chapter 3, Sections 15000-15387, requires, amongst other things, that the City impose feasible mitigation measures on applicable projects to minimize any significant environmental impacts. The California Supreme Court has determined that CEQA requires a lead agency “to implement all mitigation measures unless those measures are truly infeasible.” *Sierra Club v. Cty. of Fresno* (2018) 6 Cal.5th 502, 524–25 (citing *City of San Diego v. Board of Trustees of California State University* (2015) 61 Cal.4th 945, 967).

WHEREAS on August 24, 2021, the City released the Draft Environmental Impact Report (EIR) for the Mariposa Industrial Park Project. Public comments submitted on the Draft EIR, including comments from the Attorney General’s Office and the Sierra Club, raised concerns that the project’s

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Comment Letter 4 (continued)

EXHIBIT 2 - MOU

significant environmental impacts were not sufficiently disclosed, analyzed, and mitigated as required by CEQA.

WHEREAS on February 28, 2022, the City released the Final EIR for the Mariposa Industrial Park Project. In response, once again stakeholders, including the Attorney General's Office and the Sierra Club, raised concerns regarding the project, including the lack of feasible mitigation as required under CEQA.

WHEREAS the City, the Attorney General's Office, and the Sierra Club have been engaged in good-faith negotiations regarding additional feasible mitigation measures to reduce the potentially significant environmental impacts that the Mariposa Industrial Park Project may create.

WHEREAS as a result of those good-faith negotiations the City has proposed to require additional feasible mitigation measures on the Mariposa Industrial Park Project to further reduce the project's significant environmental impacts, as identified in the amended Mariposa Industrial Park Final Environmental Impact Report ("Revised Final EIR" State Clearinghouse No. 2020120283). The City Council intends to soon consider adopting: (1) a Resolution certifying that Revised Final EIR together with the adoption of CEQA Findings including a Statement of Overriding Considerations and adoption of a Mitigation Monitoring and Reporting Program ("MMRP"), (2) an Ordinance for the Pre-Zoning of APNs 179-220-10, -12, -13, -16, -17, -18, -19, and -24 (the "Property") to Industrial, Limited; (3) an Ordinance for a Development Agreement; and (4) a Resolution authorizing the filing of an annexation application with the San Joaquin Local Agency Formation Commission (collectively the "Project Approvals").

WHEREAS the City has embarked on a comprehensive update to Title 16 of the City's Municipal Code, known as the Development Code, that is intended to produce a user-friendly Development Code, serving as an effective tool to implement the General Plan, shape future growth, and help realize the community's vision of promoting investment in downtown Stockton and historically underserved areas, preserving and enhancing neighborhood character, and improving community health and safety. The City anticipates adopting and publishing a new updated Development Code in 2023.

WHEREAS the City seeks to establish an ordinance applicable to future warehouse and distribution facility development projects ("warehouse ordinance") in order to set minimum development standards to mitigate environmental impacts from those projects. Such a warehouse ordinance will also provide clarity to stakeholders, including developers and the general public, regarding the requirements needed to construct warehouse and distribution facilities in the City.

AGREEMENT

Either as part of the aforementioned ongoing Development Code amendment process or as a separate, stand-alone process, City staff shall propose a warehouse ordinance to identify and apply all feasible mitigation measures to qualifying warehouse and distribution facility projects to minimize their potentially significant environmental impacts. The proposed warehouse ordinance shall be scheduled for consideration by the City Council before December 31, 2023.

The warehouse ordinance proposed to the City Council shall apply to qualifying facilities engaged in logistics use, which is defined as any warehouse or wholesaling and distribution land use which entails facilities to be used for the storage of farm products, furniture, household goods, or other commercial goods of any nature for distribution to wholesalers and/or retailers, including cold storage. Qualifying facilities do not include self-storage or mini-storage facilities offered for rent or lease to the

Comment Letter 4 (continued)

EXHIBIT 2 - MOU

general public. Qualifying facilities shall include, at minimum, projects with a building or buildings totaling 100,000 square feet or larger.

In preparing and proposing the warehouse ordinance, City staff shall consider including at minimum the conditions included in Exhibit A. To the extent that the conditions included in Exhibit A are not included in the warehouse ordinance proposed for approval by City Council, City staff shall explain: (1) why such conditions are infeasible as defined under CEQA; (2) what alternative conditions are being proposed for inclusion in-lieu of any such omitted conditions; and (3) how such alternative conditions reduce potentially significant environmental impacts.

If the City enters into this Agreement and adopts the Project Approvals, including all of the Mariposa Industrial Project Enhanced Measures attached to the City's and Developer's separate settlement agreement with the Sierra Club, then the Attorney General shall not file any complaints, claims, grievances, special proceedings, legal challenges, or take any other actions against the City with any state, federal, or local agency or court challenging the City Council's adoption of the Project Approvals or the proposed annexation of the Property to the City of Stockton (the "AG Obligation").

GENERAL TERMS AND CONDITIONS

1. **Agreement Term.** This Agreement shall remain in effect until the City implements and complies with the commitment pursuant to the agreed-on deadline set forth herein.
2. **Default.** The Parties agree and acknowledge that time is of the essence for City staff to propose and for the City Council to consider adopting a warehouse ordinance before the December 31, 2023, deadline set forth in this Agreement. The Parties stipulate that the Superior Court in and for San Joaquin County shall have jurisdiction over the Parties and this Agreement to enforce the provisions of the Agreement until performance in full of all terms of the Agreement. The Court shall have full authority to enforce the Agreement as if the Parties had entered the Agreement as a stipulated judgment pursuant to Code of Civil Procedure, section 664.6. Nothing in this Agreement prevents the Attorney General from seeking any and all remedies for non-compliance with the Agreement.
3. **No Waiver.** This Agreement does not in any way limit or waive the Attorney General's jurisdiction, capacity, authorization, obligation, right, or discretion to determine whether any City action or failure to act complies with CEQA or any other law except as expressly provided in the AG Obligation above.
4. **Amendment.** No addition to or modification of any term or provision of this Agreement will be effective unless set forth in writing and signed by an authorized representative of each of the Parties.
5. **Signing Authority.** By signing this Agreement, the persons executing the Agreement represent that they have the capacity and authority to execute the Agreement as the representative of their respective agency and to bind their respective agency to the terms of this Agreement.
6. **Entire Agreement.** This Agreement contains the entire agreement of the Parties with respect to the subject matter of this Agreement, and supersedes all prior negotiations, discussions, agreements, commitments, and understandings with respect thereto.
7. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California.
8. **Joint Drafting.** This Agreement has been jointly drafted, and the general rule that it be construed against the drafting party is not applicable.
9. **Severability.** 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.

Comment Letter 4 (continued)

EXHIBIT 2 - MOU

10. Representation by Counsel. Each of the Parties affirmatively represents that it has been represented throughout this matter by attorneys of its own choosing. Each Party has read this Agreement and has had the terms used herein and the consequences thereof explained by its attorneys of choice. This Agreement is freely and voluntarily executed and agreed to by each Party after having been apprised of all relevant information and data furnished by its attorneys of choice. Each Party in executing this Agreement does not rely upon any inducements, promises, or representations made by any other Party except as set forth herein.
11. Counterparts and Electronic Signatures. This Agreement may be executed with counterpart signatures, each of which shall be deemed an original. The Agreement will be binding upon the receipt of original, facsimile, or electronically communicated signatures.

DATED: December ____, 2022

ROB BONTA
 Attorney General of California
 CHRISTIE VOSBURG
 Supervising Deputy Attorney General

 SCOTT LICHTIG
 Deputy Attorney General
 Attorneys for the People of the State of
 California

DATED: December ____, 2022

CITY OF STOCKTON

 HARRY BLACK
 City Manager

Comment Letter 4 (continued)

EXHIBIT 2 - MOU

EXHIBIT A

In preparing and proposing the warehouse ordinance, City staff shall consider including at minimum the following conditions on qualifying facilities. To the extent that the following conditions are not included in the warehouse ordinance proposed for approval by City Council, City staff shall explain: (1) why such conditions are infeasible as defined under CEQA; (2) what alternative conditions are being proposed for inclusion in-lieu of any such omitted conditions; and (3) how such alternative conditions reduce potentially significant environmental impacts:

Construction Mitigation:

- San Joaquin Valley Air Pollution Control District (SJVAPCD) Regulation VIII Compliance: Construction plans and specifications shall include a Dust Control Plan incorporating the applicable requirements of Regulation VIII, which shall be submitted to the SJVAPCD for review and approval prior to beginning construction in accordance with the requirements of Regulation VIII.
- Construction Vehicles & Equipment:
 - The use of electric-powered, battery-powered, natural gas, or hybrid construction equipment and vehicles are required during construction if commercially available. If substantial evidence is provided by the permittee or its contractor that such equipment is not commercially available, including a description of commercially reasonable efforts to secure such equipment, diesel-powered construction equipment greater than 50 horsepower meeting the highest rated California Air Resources Board (CARB) Tier technology available at the time of construction may be used. Prior to permit issuance, the construction contractor shall submit an equipment list confirming equipment used is compliant with the highest CARB Tier at the time of construction. Equipment proposed for use that does not meet the highest CARB Tier in effect at the time of construction, shall only be approved for use at the discretion of Stockton's Community Development Department (CDD) and shall require proof from the construction contractor that, despite reasonable best efforts to obtain the highest CARB Tier equipment, such equipment was unavailable.
 - All off-road equipment with a power rating below 19 kilowatts (e.g., plate compactors, pressure washers) used during construction of the qualifying facility(ies) shall be electric powered.
 - Subject to all other idling restrictions, off-road diesel-powered equipment shall not be left in the "on position" for more than 10 hours per day.
- Owners, operators or tenants of qualifying facilities shall provide "cool roof" specifications in construction plans verifying that the proposed roof will utilize cool roofing materials with an aged reflectance and thermal emittance values that are equal to or greater than those specified in the current edition of the CALGreen Building Standards Code, Table A5.106.11.2.3 for Tier 1 and the City's Green Building Standards within Chapter 15.72 of the Stockton Municipal Code.
- Temporary electrical hookup to the construction yard and associated work areas shall be required.
- The idling of heavy construction equipment for more than 5 minutes shall be prohibited. The owners, operators or tenants shall provide verification that construction specifications establish a

5

Comment Letter 4 (continued)

EXHIBIT 2 - MOU

five-minute idling limit for all heavy-duty construction equipment utilized during construction of the proposed qualifying facility(ies). Signage shall be posted throughout the construction site regarding the idling time limit, and the construction contractor shall maintain a log for review. The log shall verify that construction equipment operators are advised of the idling time limit at the start of each construction day. Idling limits shall be noted in the construction specifications. The maintenance of logs documenting compliance shall be required.

- The construction contractors shall maintain on the construction site an inventory of construction equipment, maintenance records, and datasheets, including design specifications and emission control tier classifications.
- Architectural and industrial maintenance coatings (e.g., paints) applied on the qualifying facility(ies) shall be consistent with a VOC content of <10 g/L. Developer or tenant is not expected to exercise control over materials painted offsite by a third party.
- Qualifying facilities shall require the construction contractor to establish one or more locations for food or catering truck service to construction workers and to cooperate with food service providers to provide consistent food service.
- Qualifying facilities shall require the construction contractor to provide transit and ridesharing information for construction workers.

Site Design:

- Qualifying facilities shall be constructed in compliance with the most current edition of all adopted City building codes, including the adopted Green Building Standards Code. Prior to the issuance of building permits, the applicant/developer of the qualifying facility(ies) shall demonstrate (e.g., provide building plans) that the proposed buildings are designed and will be built to, at a minimum, meet the Tier 2 advanced energy efficiency requirements of the Nonresidential Voluntary Measures of the California Green Building Standards code, Divisions A5.1, A5.2 and A5.5, Energy Efficiency as outlined under Section A5.203.1.2.
- Qualifying facilities and their associated loading docks must be located no closer than 300 feet from sensitive receptors, and the City staff should consider the public health and safety benefits of requiring a larger buffer, up to 1,000 ft. All such setbacks will be measured from the loading dock or any building edge, whichever is closer, to the property line of any nearby sensitive receptors using the straight-line method. The setbacks and buffers required in this ordinance shall prevail over any less-stringent standards in the City's Development Code. Sensitive receptor shall be defined as any residence including private homes, condominiums, apartments, and living quarters, schools, preschools, daycare centers, correctional facilities, parks/recreation facilities, in-home daycares, and health facilities such as hospitals, long term care facilities, retirement and nursing homes.
- Qualifying facilities must include an onsite landscaped buffer, measured from the property line of all adjacent sensitive receptors. The width of the buffer shall be proportionate to the height of the warehouse building with specified minimums as set forth below unless infeasible. Landscaping shall be installed at the periphery of the qualifying facility(ies) site along adjacent rights of way and the landscaping buffer area shall not include the right of way itself. Landscape buffers shall not be required on interior boundaries of the qualifying facility(ies).

Comment Letter 4 (continued)

EXHIBIT 2 - MOU

- The width of the buffer shall be set at a 2:1 ratio for all warehouses—for every 1 foot of building height, the buffer shall be 2 feet. The landscaping portion of this buffer shall not be less than 50% of this buffer, but may include areas to be used for bioswales, retention/detention areas and/or other stormwater and water quality management areas.
- The buffer area(s) shall include, at a minimum, a solid decorative wall(s) adjacent to sensitive receptors, natural ground landscaping, and solid screen buffering trees, as described below, unless there is an existing solid block wall. Onsite buffer areas shall not include deceleration lanes or right-turn lanes. To the extent allowed by other applicable City codes, policies and regulations the height of the decorative wall shall be at least 14 feet, except in buffer areas adjacent to sensitive receptors. For areas adjacent to sensitive receptors, the decorative wall shall be a minimum of 14 to 18 feet to the extent otherwise permitted by city codes, policies and regulations.
- Trees shall be used as part of the solid screen buffering treatment. Trees used for this purpose shall be evergreen, drought tolerant, and shall be spaced in two rows along the length of the buffer, with trees in each row offset, and each tree no greater than 15 feet on center. Spacing up to 20 feet may be allowed if wide canopy trees are used sufficient to create wall of vegetation that filters warehouse pollution. The property owner, tenant, operator, and any successors in interest shall maintain these trees for the duration of ownership, ensuring any unhealthy or dead trees are replaced with a similar tree as soon as possible.
- All landscaping shall be drought tolerant, and to the extent feasible, species with low biogenic emissions. Palm trees shall not be utilized.
- All landscaping areas shall be properly irrigated for the life of the qualifying facility(ies) to allow for plants and trees to maintain growth with no undue pruning.

Operational Mitigation

- Solar Power/Battery Energy Storage Systems:
 - The building permit application for qualifying facilities must demonstrate sufficient solar panels to provide power for the operation's base power use at the start of operations and as base power use demand increases. The application shall include analysis of plans to meet (a) projected power requirements at the start of operations and as base power demand increases corresponding to the implementation of the "clean fleet" requirements, and (b) generating capacity of the solar installation.
 - The photovoltaic system(s) shall include a battery energy storage system to serve the qualifying facility(ies) in the event of a power outage to the extent required by the most current edition of the California Building Standards Code.
 - Stockton's Community Development Department (CDD) shall verify the size and scope of the solar project based upon the analysis of the projected power requirements and generating capacity as well as the available solar panel installation space.
 - In the event sufficient space is not available on the subject lot to accommodate the needed number of solar panels to produce the operation's base or anticipated power use, the applicant of the qualifying facility(ies) shall demonstrate how all available space has

Comment Letter 4 (continued)

EXHIBIT 2 - MOU

been maximized (e.g., roof, parking areas, etc.) for photovoltaic and battery energy storage system use. Areas which provide truck movement may be excluded from these calculations unless otherwise deemed acceptable by the supplied reports and applicable building standards.

- The owners, operators or tenants, or qualified solar system contractor engaged by the developer or tenant, shall install the system when the City has approved building permits and the necessary equipment has arrived. The tenant/operator of the qualifying facility(ies) shall commence operation of the system only when it has received permission to operate from the utility. The photovoltaic system owner shall be responsible for maintaining the system(s) at not less than 80% of the rated power for 20 years. At the end of the 20-year period, the owners, operators or tenants shall install a new photovoltaic system meeting the capacity and operational requirements of this measure, or continue to maintain the existing system, for the life of the qualifying facility(ies).
- Electric Vehicles (EV): The following mitigation measures shall be implemented during all on-going business operations and shall be included as part of contractual lease agreement language to ensure the tenants/operators of the qualifying facility(ies) are informed of all on-going operational responsibilities.
 - Heavy-Duty EV Trucks: The property owners, operators or tenants of the qualifying facility(ies) shall ensure that all heavy-duty trucks (Class 7 and 8) domiciled on site are model year 2014 or later from start of operations and shall expedite a transition to zero-emission vehicles, with the fleet fully zero-emission by December 31, 2025, or when commercially available for the intended application, whichever date is later.
 - Medium-Duty EV Vehicles: The property owners, operators or tenants of the qualifying facility(ies) shall utilize a "clean fleet" of vehicles/delivery vans/trucks (Class 2 through 6) as part of business operations as follows: For any vehicle (Class 2 through 6) domiciled on site, the following "clean fleet" requirements apply: (i) 33% of the fleet will be zero emission vehicles at start of operations, (ii) 65% of the fleet will be zero emission vehicles by December 31, 2023, (iii) 80% of the fleet will be zero emission vehicles by December 31, 2025, and (iv) 100% of the fleet will be zero emission vehicles by December 31, 2027.
 - "Domiciled on site" shall mean the vehicle is either (i) parked or kept overnight at the qualifying facility(ies) more than 70% of the calendar year or (ii) dedicated to the qualifying facility(ies) site (defined as more than 70% of the truck routes during the calendar year that start at the qualifying facility(ies) site even if parked or kept elsewhere). The tenant/operator of the qualifying facility(ies) shall not be responsible to meet "clean fleet" requirements for vehicles used by common carriers operating under their own authority that provide delivery services to or from the qualifying facility(ies) site.
 - Zero-emission vehicles which require service can be temporarily replaced with alternate vehicles. Replacement vehicles shall be used for only the minimum time required for servicing fleet vehicles.

Comment Letter 4 (continued)

EXHIBIT 2 - MOU

- A zero-emission vehicle shall ordinarily be considered commercially available if the vehicle is capable of serving the intended purpose and is included in California's Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project, <https://californiahvip.org/> or listed as available in the US on the Global Commercial Vehicle Drive to Zero inventory, <https://globaldrivetozero.org/>. The City shall be responsible for the final determination of commercial availability, based on all the facts and circumstances at the time the determination is made. In order for the City to make a determination that such vehicles are commercially unavailable, the operator must submit documentation from a minimum of three (3) EV dealers identified on the californiahvip.org website demonstrating the inability to obtain the required EVs or equipment needed within 6 months.
- The tenant/operator of the qualifying facility(ies) shall utilize the zero emission vehicles/trucks required to meet the "clean fleet" requirements. Within 30 days of issuance of the final certificate of occupancy, the tenant/operator shall demonstrate to the satisfaction of CDD staff, that the applicable clean fleet requirements are being met. In the event that there is a disruption in the manufacturing of zero emission vehicles/trucks or that sufficient vehicles/trucks are not commercially available for the intended application, the "clean fleet requirements" may be adjusted as minimally as possible by the CDD to accommodate the manufacturing disruption or unavailability of commercially available vehicles/trucks.
- The tenant/operator of the qualifying facility(ies) shall implement the proposed measures after CDD review and approval. Any extension of time granted to implement this condition shall be limited to the shortest period of time necessary to allow for 100% electrification under the clean fleet requirements. The CDD staff may seek the recommendation of the California Air Resources Board in determining whether there has been a manufacturing disruption or insufficient vehicles/trucks commercially available for the intended application.
- Within 12 months of failing to meet a "clean fleet" requirement, the tenant/operator of the qualifying facility(ies) shall implement a Voluntary Emissions Reduction Agreement (VERA) providing pound for pound mitigation of the criteria pollutant, toxic air contaminants, and GHG emissions quantified by the City through a process that develops, funds, and implements emission reduction projects, with the Air District serving a role of administrator of the emission reduction projects and verifier of the successful mitigation effort. The VERA shall prioritize projects in the area surrounding the new qualifying facility(ies). The tenant/operator shall continue to fund the VERA each year in an amount necessary to achieve pound for pound mitigation of emissions resulting from not meeting the clean fleet requirements until the owner/tenant/lessee fully complies.
- At all times during operation, and to the extent the applicable utility authorizes and has capacity to support, the tenant/operator of the qualifying facility(ies) shall be required to provide electric charging facilities on site sufficient to charge all electric trucks domiciled on the site, and such facilities shall be made available for all electric trucks that use the qualifying facility(ies).
- The tenant/operator of the qualifying facility(ies) shall require all forklifts, yard trucks, and other equipment used for on-site movement of trucks, trailers and warehoused goods, as well as landscaping maintenance equipment used on the site, to be electrically powered or zero-emission.

Comment Letter 4 (continued)

EXHIBIT 2 - MOU

The tenant/operator shall provide on-site electrical charging facilities to adequately service such electric vehicles and equipment.

- EV Compliance Reporting:
 - The tenant/operator of the qualifying facility(ies) shall procure the zero emission vehicles/trucks required to meet the "clean fleet" requirements above. Within 30 days of issuance of the final certificate of occupancy, the tenant/operator shall submit a condition of approval compliance report outlining compliance with each clean fleet requirement applicable and including documentation demonstrating compliance with each requirement. The tenant/operator shall submit similar reports every two years thereafter until full compliance with the applicable clean fleet requirements is achieved. The City shall consider each report at a noticed public hearing and determine whether the tenant/operator has complied with the applicable clean fleet requirements. If the tenant/operator has not met each 100% clean fleet requirement by December 31, 2027, then the tenant/operator shall submit reports annually until the 100% clean fleet requirement is implemented. The City shall consider each subsequent report at a noticed public hearing and determine whether the Operator has complied with the clean fleet requirements, including any minimal adjustments to the requirements by the CDD to accommodate the manufacturing disruption or unavailability of commercially available vehicles/trucks, as described above. Notice of the above hearings shall be provided to all properties located within 1,000 feet of the qualifying facility(ies) site and through the ASK Stockton list serve.
 - After the 100% clean fleet requirement has been implemented and confirmed by the CDD, the tenant/operator shall submit to the CDD an on-going compliance report every three years containing all necessary documentation to verify that the clean fleet requirements are being met. At the time it confirms that the 100% clean fleet requirement has been implemented, the CDD will establish the due date for the first on-going compliance report. Each subsequent on-going compliance report shall be due within 30 days of, but not later than, the three-year anniversary of the preceding due date. The on-going compliance reports and accompanying documentation shall be made available to the public upon request.
- For qualifying facilities at which cold storage and associated transport refrigeration units (TRUs) are proposed or may be a future use, unless the owner of the facility records a covenant on the title of the underlying property ensuring that the property cannot be used to provide cold storage, a conduit shall be installed during construction of the building shell from the electrical room to 100% of the loading dock doors that have potential to serve the refrigerated space. If tenant improvement building permits are issued for any such cold storage space, electric plug-in units shall be installed at every dock door servicing the cold storage space to allow TRUs to plug in and truck operators with TRUs shall be required to utilize the electric plug-in units when at loading docks serving such refrigerated space.
- Prior to the issuance of the first building permit, the applicant/developer shall demonstrate compliance with the SJVAPCD Rule 9510 (Indirect Source Review) to reduce growth in both NOx and PM10 emissions, as required by SJVAPCD and City requirements.

Comment Letter 4 (continued)

EXHIBIT 2 - MOU

- The tenant/operator of the qualifying facility(ies) shall enroll and participate the in SmartWay program for eligible businesses.
- Truck Routes and Ingress/Egress:
 - Entry gates into the loading dock/truck court area of the qualifying facility(ies) shall be sufficiently positioned to ensure all trucks and other vehicles are contained onsite and inside the property line. Queuing, or circling of vehicles, on public streets immediately pre- or post-entry to an industrial commerce facility is strictly prohibited unless queuing occurs in a deceleration lane or right turn lane exclusively serving the qualified facility(ies).
 - Applicants shall submit to the CDD, and obtain approval of, all turning templates to verify truck turning movements at entrance and exit driveways and street intersection adjacent to industrial buildings prior to entitlement approval. Unless not physically possible, truck entries shall be located on collector streets (or streets of a higher commercial classification), and vehicle entries shall be designed to prevent truck access on streets that are not collector streets (or streets of a higher commercial classification), including, but not limited to, by limiting the width of vehicle entries.
 - Prior to issuance of certificate of occupancy, the tenant/operator of the qualifying facility(ies) shall establish and submit for approval to the CDD a truck routing plan to and from the State Highway System based on the City's latest Truck Route Map. The plan shall describe the operational characteristics of the use of the tenant/operator, including, but not limited to, hours of operations, types of items to be stored within the building, and proposed truck routing to and from the proposed facility(ies) to designated truck routes that avoids passing sensitive receptors, to the greatest extent possible. The plan shall include measures, such as signage and pavement markings, queuing analysis and enforcement, for preventing truck queuing, circling, stopping, and parking on public streets. The tenant/operator shall be responsible for enforcement of the plan. A revised plan shall be submitted to the CDD prior to a business license being issued by the City for any new tenant/operator of the property. The CDD shall have discretion to determine if changes to the plan are necessary including any additional measures to alleviate truck routing and parking issues that may arise during the life of the facility(ies). Signs and drive aisle pavement markings shall clearly identify the onsite circulation pattern to minimize unnecessary on-site vehicular travel.
 - The tenant/operator of the qualifying facility(ies) shall post signs, that may be required by the City, in prominent locations inside and outside of the building indicating that off-site parking for any employee, truck, or other operation related vehicle is strictly prohibited. City may require facility operator to post signs on surface or residential streets indicating that off-site truck parking is prohibited by City ordinance and/or the Truck Routing Plan.
 - Signs shall be installed, as required by the City, at all qualifying facility(ies) truck exit driveways directing truck drivers to the truck route as indicated in the Truck Routing Plan and State Highway System.
 - Upon commencement of operations, the tenant/operator of the qualifying facility(ies) shall be required to restrict truck idling onsite to a maximum of three minutes, subject to exceptions defined by CARB's commercial vehicle idling requirements. The facility must

Comment Letter 4 (continued)

EXHIBIT 2 - MOU

post highly-visible signs identifying these idling restrictions at the site entry and at other on-site locations frequented by truck drivers and include these restrictions in employee training and guidance material.

- Signs at the qualifying facility(ies) shall be installed, as required by the City, in public view with contact information for a local designated representative who works for the facility(ies) operator and who is designated to receive complaints about excessive dust, fumes, or odors, and truck and parking complaints for the site, as well as contact information for the San Joaquin Valley Air Pollution Control District's on-line complaint system and its complaint call-line: 1-800-281-7003. Any complaints made to the facility(ies) operator's designee shall be answered within 72 hours of receipt.
- Workforce-Related Mitigation:
 - Prior to issuance of occupancy permits, the applicant/developer shall demonstrate to the satisfaction of the City, that the proposed parking areas for employee passenger automobiles are designed and will be built to accommodate EV charging stations, at no cost to employees. At minimum, the parking areas and the number of EV charging stations for employee passenger automobiles shall equal the Tier 1 Nonresidential Voluntary Measures of the California Green Building Standards Code, Section A5.106.5.3.1.
 - Prior to issuance of occupancy permits, the applicant/developer shall demonstrate to the satisfaction of the City, that the proposed parking areas for passenger automobiles are designed and will be built to provide parking for low-emitting, fuel-efficient, and carpool/van vehicles. At minimum, the number of preferential parking spaces for passenger automobiles shall equal the Tier 1 Nonresidential Voluntary Measures of the California Green Building Standards Code, Section A5.106.5.1.1.
 - The tenant/operator of the qualifying facility(ies) shall establish locations for food or catering truck service and cooperate with food service providers to provide consistent food service to operations employees.
 - The tenant/operator of the qualifying facility(ies) shall provide employees transit route and schedule information on systems serving the qualifying facility(ies) area and coordinate ridesharing amongst employees.
 - Designated Smoking Areas: The tenant/operator of the qualifying facility(ies) shall ensure that any outdoor areas allowing smoking are at least 25 feet from the nearest property line.
- Yard Sweeping: Owners, operators or tenants of the qualifying facility(ies) shall provide periodic yard and parking area sweeping to minimize dust generation
- Diesel Generators: Owners, operators or tenants of the qualifying facility(ies) shall prohibit the use of diesel generators, except in emergency situations (including when the utility delays a facility's new electrical service connection), in which case such generators shall have Best Available Control Technology (BACT) that meets CARB's Tier 4 emission standards.

Comment Letter 4 (continued)

EXHIBIT 2 - MOU

Additional Mitigation

- To the extent a qualifying facility seeks and secures a Development Agreement with/from the City, the applicant, or its successor in interest, and the City shall comply with Government Code section 65865.1 and Stockton Development Code section 16.128.110. The City shall schedule a public hearing at the Planning Commission, with notice to all affected parties, at least every 12 months after approval of the Development Agreement, to receive and discuss the annual report on the status of the qualifying facility(ies)'s compliance with the Development Agreement. At those same hearings, the City shall review all the qualifying facility(ies)'s mitigation measures and conditions of approval for compliance.
- Applicants seeking one or more discretionary permits for proposed qualifying facility(ies) shall engage in a community outreach effort to engage the existing community in determining issues of concern that can be addressed through site design and other means during the land use entitlement process. Suggested outreach efforts include but are not limited to, hosting community meetings, making presentations at advisory and community councils, and hosting job fairs.

Comment Letter 5

Comment Letter 5

City of Stockton Community Development Department
Attention: Nicole Moore, Contract Planner
345 N. El Dorado Street, Stockton, CA 95202
Email; Nicole.Moore@stocktonca.gov
PH; 209 937 8598

Comments regarding the; Draft Environmental Impact Report,
St. Joseph’s Medical Center Hospital Expansion Project, APRIL 2023

To whom it may concern;

It is well known that providing ample amounts of low cost parking serves to induce more driving which brings with it greater emissions, poor air quality and added unhealthy outcomes.

5-1

It costs many thousands of dollars to build a car parking space. It is important to separate the cost of employee parking as an employee benefit to encourage carpooling, use of public transportation and healthy active forms of transportation like bicycling, scooter riding and walking. So those that do not need parking can chose not to take the parking benefit and have a financial benefit for not using and having a parking space built for them.

5-2

With the advent of the electric bicycle and scooter it is important to provide adequate charging facilities and storage in a fire protected area for them. I saw no mention of charging provisions in your plans

5-3

As per Stockton Bike Plan 2017 and the local SICOG Active Transportation Program To my knowledge the northern section of California Street Separated Bikeway Project 33A&B Minor to Alpine has not been funded. Here is an opportunity For St Joseph’s Hospital to become involved in the successful funding for the northern section that fronts the property on California Street. Local monies are important in receiving improved scoring on local Active Transportation Program funding applications. The active transportation options have the benefit of ghg reductions, improving fitness levels and promote good health.

5-4

DIBS is the San Joaquin Council of Government’s Transportation Demand Management Program promoting smart travel options, such as carpooling, vanpooling, riding transit, biking and walking to work to reduce traffic congestion, cut vehicle emissions and miles traveled, and improve air quality. This is done through employer outreach, marketing, and offering tools and incentives for commuters to make a change.

5-5

Yours truly,
Paul Plathe
May 22, 2023
Stockton, CA 95207

Comment Letter 5

- 5-1** The comment does not address the adequacy of the Draft EIR; therefore, no further response is required. The comment is noted and will be forwarded to the decisionmakers for their consideration.
- 5-2** The comment does not address the adequacy of the Draft EIR; therefore, no further response is required. The comment is noted and will be forwarded to the decisionmakers for their consideration.
- 5-3** The Draft EIR states the project is proposing to include electric vehicle charging stations on page 2-17 in Chapter 2, Project Description, which notes “electric vehicle spaces are contemplated to be accommodated in the new Parking Structure.” The project also proposes sustainability measures which includes increasing the number of electric vehicle charging stations by 2030 (Draft EIR p. 2-39).
- 5-4** The comment does not address the adequacy of the Draft EIR; therefore, no further response is required. The comment is noted and will be forwarded to the decisionmakers for their consideration. Please see Responses to Comments 4-17 and 4-62 regarding the California Street Separated Bikeway Project.
- 5-5** The comment does not address the adequacy of the Draft EIR; therefore, no further response is required. The comment is noted and will be forwarded to the decisionmakers for their consideration. However, please note consistent with General Plan policy SAF-4.2 that encourages major employers to participate in a TDM Plan to reduce vehicle trips, the project will be implementing a campus wide TDM Plan required under mitigation measure 4.7-1 (see Draft EIR p. 4.7-31). See also Chapter 3, Changes to the Draft EIR for the revised mitigation measure.

Appendix A

Comment Letters Received (bracketed)

CALIFORNIA STATE TRANSPORTATION AGENCY

GAVIN NEWSOM, GOVERNOR

California Department of Transportation

OFFICE OF THE DISTRICT 10 DIRECTOR
P.O. BOX 2048 | STOCKTON, CA 95201
(209) 948-7943 | FAX (209) 948-7179 TTY 711
www.dot.ca.gov



April 27, 2023

10-SJ-4-PM R017.057
St. Joseph's Medical Center
SCH#2021120439

Nicole Moore
City of Stockton
345 N El Dorado St
Stockton, CA 95202

Dear Ms. Moore:

The California Department of Transportation appreciates the opportunity to review the proposed expansion of St. Joseph's Medical Center in Stockton. The project involves the demolition of existing buildings, the construction of 331,000 square feet of new buildings, and an additional 2,066 parking spaces. The project site is in Stockton bordered by Harding Street, California Street, Cemetery Lane, and Cleveland Street. The Department has the following comments:

Caltrans recommends the establishment of programs or methods to reduce VMT such telework, flex times, preferred parking for carpool and bicycle, pedestrian, and transit amenities.

1-1

If you have any questions, please contact me at (209) 483-2582 or Nicholas Fung at (209) 986-1552.

Sincerely,

Tom Dumas
Chief, Office of Metropolitan Planning



June 1, 2023

Nicole Moore
City of Stockton
Community Development Department
345 E. N. El Dorado Street
Stockton, CA 95202

Project: Draft Environmental Impact Report for the St. Joseph’s Medical Center of Stockton Hospital Expansion Project

District CEQA Reference No: 20230385

Dear Ms. Moore:

The San Joaquin Valley Air Pollution Control District (District) has reviewed the Draft Environmental Impact Report (DEIR), from the City of Stockton (City) for the St. Joseph’s Hospital Medical Center of Stockton Expansion Project. The Project consists of an approximately 1,332,850 square foot expansion which includes: two acute care hospital towers, parking structures, a new utility plant, expansion of existing generator building, other new support facilities (Project). The Project is located within the existing St. Joseph’s Medical Center of Stockton at 1800 N. California Street in Stockton CA.

The District offers the following comments regarding the Project:

1) Assembly Bill 617

Assembly Bill 617 requires CARB and air districts to develop and implement Community Emission Reduction Programs (CERPs) in an effort to reduce air pollution exposure in impacted disadvantage communities. The Project lies near one of the impacted communities in the State selected by the California Air Resources Board (CARB) under the Assembly Bill (AB) 617 (2017, Garcia) and has the potential to expose sensitive receptors to increased air pollution within the nearby impacted community. The Stockton CERP was adopted by the District’s Governing Board in March 2021 and identifies a wide range of measures designed to reduce air pollution exposure. Therefore, in an effort to reduce air pollution exposure to the impacted disadvantaged community, the District recommends the City incorporate mitigation measures outlined in the Stockton CERP for the Project.

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For more information regarding the CERP approved for South Central Fresno, please visit the District's website at:
<http://community.valleyair.org/selected-communities/stockton/>

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2) **Project Related Emissions**

Based on information provided in the DEIR, the Project annual criteria pollutant emissions from construction and operation are not expected to exceed any of the significance thresholds as identified in the District's Guidance for Assessing and Mitigating Air Quality Impacts (GAMAQI):
<https://www.valleyair.org/transportation/GAMAQI.pdf>.

The DEIR states on page 2-12 "... it is anticipated that a Future Expansion phase would occur on properties to be determined in the future.... and these off-campus properties may be incorporated through a future administrative process." The District understands the Project is part of a Master Development Plan where future individual project-specific data may not be available at this time. As such, the DEIR should include a discussion of policies, which when implemented, will require an environmental assessment and characterization of project-level construction and operational emissions, as well as require mitigation of air quality impacts to the extent feasible at the individual project-specific level for the future expansions. The District recommends the air emissions be compared to the District significance thresholds as identified in the District's Guidance for Assessing and Mitigating Air Quality Impacts: <https://www.valleyair.org/transportation/GAMAQI.pdf>, and future projects with air emissions above the aforementioned thresholds be mitigated to below these thresholds.

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3) **Health Risk Screening/Assessment**

Based on the DEIR, the District offers the following comments on the Health Risk Assessment (HRA):

- The HRA does not evaluate air toxic emissions from the construction of the two modular buildings south of Maple Street. The District recommends including such air toxic emissions in the HRA.
- Air toxic emissions from potential heavy duty truck trips and helicopter trips were not considered in the HRA. The District recommends ensuring all potential air toxics emissions from these vehicles are included into the HRA.
- The HRA estimated cancer risk for residential receptors using a 30-year exposure period. The District recommends revising the HRA utilizing a 70- year exposure period for residential receptors consistent with District Policy 1906 (*Framework for Performing HRAs*).
- The HRA's receptor grid did not include on-site receptors representing the patients of the hospital, short-term visitors, and any workers that are not employed by the hospital (e.g.: if the hospital leases space to food service or

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medical offices). These individuals are expected to have the potential to be present on-site for more than one hour, or potentially work on-site, but not employed by the hospital. Therefore, these on-site receptors should be considered in the HRA.

- The HRA incorporated the fraction of time at home (FAH) option when calculating residential cancer risk. The FAH option should not be selected without prior justification and District approval, since it is not guaranteed all residential receptors would be away from their home, every day for eight hours a day. The HRA should evaluate potential health risk for receptors that potentially stay at home during the day (e.g.: homeschooling; teleworking).
- The HRA used deposition rates of 0.05 meters per second for multi-pathway analysis. However, the default deposition rate value of 0.02 meters per second is recommended for emissions sources that have verifiable particulate matter control devices or for emission sources that may be uncontrolled but emit only particulate matter that is 10 microns or less (e.g.: internal combustion engines, mobile sources, etc.). For this reason, the District recommends the deposition rate of 0.02 meters per second be used for the HRA, since the health risk is primarily driven by combustion sources.

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4) Truck Routing

Truck routing involves the assessment of which roads Heavy Heavy-Duty (HHD) trucks take to and from their destination, and the emissions impact that the HHD trucks may have on residential communities and sensitive receptors.

As the Project includes a new utility plant, expansion of existing generator building, and other new support facilities, it has the potential for an increase in HHD truck trips, the District recommends the City evaluate HHD truck routing patterns for the Project, with the aim of limiting exposure of residential communities and sensitive receptors to emissions. This evaluation would consider the current truck routes, the quantity and type of each truck (e.g., Medium Heavy-Duty, HHD, etc.), the destination and origin of each trip, traffic volume correlation with the time of day or the day of the week, overall Vehicle Miles Traveled (VMT), and associated exhaust emissions. The truck routing evaluation would also identify alternative truck routes and their impacts on VMT and air quality.

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5) Vegetative Barriers and Urban Greening

The District suggests the City consider the feasibility of incorporating vegetative barriers and urban greening as a measure to further reduce air pollution exposure on sensitive receptors (e.g., residential units).

While various emission control techniques and programs exist to reduce air quality emissions from mobile and stationary sources, vegetative barriers have been shown to be an additional measure to potentially reduce a population's exposure to air

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pollution through the interception of airborne particles and the update of gaseous pollutants. Examples of vegetative barriers include, but are not limited to the following: trees, bushes, shrubs, or a mix of these. Generally, a higher and thicker vegetative barrier with full coverage will result in greater reductions in downwind pollutant concentrations. In the same manner, urban greening is also a way to help improve air quality and public health in addition to enhancing the overall beautification of a community with drought tolerant, low-maintenance greenery.

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6) Clean Lawn and Garden Equipment in the Community

Gas-powered lawn and garden equipment have the potential to result in an increase of NOx and PM2.5 emissions. Utilizing electric lawn care equipment can provide residents with immediate economic, environmental, and health benefits. The District recommends the Project proponent consider the District's Clean Green Yard Machines (CGYM) program which provides incentive funding for replacement of existing gas powered lawn and garden equipment. More information on the District CGYM program and funding can be found at: <http://www.valleyair.org/grants/cgym.htm> and <http://valleyair.org/grants/cgym-commercial.htm>.

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7) On-Site Solar Deployment

It is the policy of the State of California that renewable energy resources and zero-carbon resources supply 100% of retail sales of electricity to California end-use customers by December 31, 2045. While various emission control techniques and programs exist to reduce air quality emissions from mobile and stationary sources, the production of solar energy is contributing to improving air quality and public health. The District suggests that the City consider incorporating solar power systems as an emission reduction strategy for the Project.

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8) Electric Vehicle Chargers

To support and accelerate the installation of electric vehicle charging equipment and development of required infrastructure, the District offers incentives to public agencies, businesses, and property owners of multi-unit dwellings to install electric charging infrastructure (Level 2 and 3 chargers). The purpose of the District's Charge Up! Incentive program is to promote clean air alternative-fuel technologies and the use of low or zero-emission vehicles.

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Please visit www.valleyair.org/grants/chargeup.htm for more information.

9) District Rules and Regulations

The District issues permits for many types of air pollution sources, and regulates some activities that do not require permits. A project subject to District rules and

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regulations would reduce its impacts on air quality through compliance with the District's regulatory framework. In general, a regulation is a collection of individual rules, each of which deals with a specific topic. As an example, Regulation II (Permits) includes District Rule 2010 (Permits Required), Rule 2201 (New and Modified Stationary Source Review), Rule 2520 (Federally Mandated Operating Permits), and several other rules pertaining to District permitting requirements and processes.

The list of rules below is neither exhaustive nor exclusive. Current District rules can be found online at: www.valleyair.org/rules/1ruleslist.htm. To identify other District rules or regulations that apply to future projects, or to obtain information about District permit requirements, the project proponents are strongly encouraged to contact the District's Small Business Assistance (SBA) Office at (209) 557-6446.

9a) District Rules 2010 and 2201 - Air Quality Permitting for Stationary Sources

This Project will be subject to District Rule 2010 (Permits Required) and Rule 2201 (New and Modified Stationary Source Review) and will require District permits. Prior to construction, the Project proponent should submit to the District an application for an ATC. For further information or assistance, the project proponent may contact the District's SBA Office at (209) 557-6446.

9b) District Rule 9510 - Indirect Source Review (ISR)

The Project is subject to District Rule 9510 because it will receives a project-level discretionary approval from a public agency and will equal or exceed 20,000 square feet of medical space.

The purpose of District Rule 9510 is to reduce the growth in both NOx and PM emissions associated with development and transportation projects from mobile and area sources; specifically, the emissions associated with the construction and subsequent operation of development projects. The ISR Rule requires developers to mitigate their NOx and PM emissions by incorporating clean air design elements into their projects. Should the proposed development project clean air design elements be insufficient to meet the required emission reductions, developers must pay a fee that ultimately funds incentive projects to achieve off-site emissions reductions.

Per Section 5.0 of the ISR Rule, an Air Impact Assessment (AIA) application is required to be submitted no later than applying for project-level approval from a public agency. As of the date of this letter, the District has not received an AIA application for this Project. Please inform the project proponent to immediately submit an AIA application to the District to comply with District Rule 9510 so that proper mitigation and clean air design under ISR can be incorporated into

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the Project's design. One AIA application should be submitted for the entire Project.

Information about how to comply with District Rule 9510 can be found online at: <http://www.valleyair.org/ISR/ISRHome.htm>.

The AIA application form can be found online at: <http://www.valleyair.org/ISR/ISRFormsAndApplications.htm>.

District staff is available to provide assistance and can be reached by phone at (559) 230-5900 or by email at ISR@valleyair.org.

9c) District Rule 4002 (National Emissions Standards for Hazardous Air Pollutants)

The Project will be subject to District Rule 4002 since the Project will include demolition, renovation, and removal of existing structures. To protect the public from uncontrolled emissions of asbestos, this rule requires a thorough inspection for asbestos to be conducted before any regulated facility is demolished or renovated. Any asbestos present must be handled in accordance with established work practice standards and disposal requirements.

Information on how to comply with District Rule 4002 can be found online at: <http://www.valleyair.org/busind/comply/asbestosbultn.htm>.

9d) District Rule 4601 (Architectural Coatings)

The Project will be subject to District Rule 4601 since it is expected to utilize architectural coatings. Architectural coatings are paints, varnishes, sealers, or stains that are applied to structures, portable buildings, pavements or curbs. The purpose of this rule is to limit VOC emissions from architectural coatings. In addition, this rule specifies architectural coatings storage, cleanup and labeling requirements. Additional information on how to comply with District Rule 4601 requirements can be found online at: <http://www.valleyair.org/rules/currnrules/r4601.pdf>

9e) District Regulation VIII (Fugitive PM10 Prohibitions)

The project proponent may be required to submit a Construction Notification Form or submit and receive approval of a Dust Control Plan prior to commencing any earthmoving activities as described in Regulation VIII, specifically Rule 8021 – *Construction, Demolition, Excavation, Extraction, and Other Earthmoving Activities*.

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Should the project result in at least 1-acre in size, the project proponent shall provide written notification to the District at least 48 hours prior to the project proponents intent to commence any earthmoving activities pursuant to District Rule 8021 (Construction, Demolition, Excavation, Extraction, and Other Earthmoving Activities). Also, should the project result in the disturbance of 5-acres or more, or will include moving, depositing, or relocating more than 2,500 cubic yards per day of bulk materials, the project proponent shall submit to the District a Dust Control Plan pursuant to District Rule 8021 (Construction, Demolition, Excavation, Extraction, and Other Earthmoving Activities). For additional information regarding the written notification or Dust Control Plan requirements, please contact District Compliance staff at (559) 230-5950.

The application for both the Construction Notification and Dust Control Plan can be found online at:

<https://www.valleyair.org/busind/comply/PM10/forms/DCP-Form.docx>

Information about District Regulation VIII can be found online at:

http://www.valleyair.org/busind/comply/pm10/compliance_pm10.htm

9f) Other District Rules and Regulations

The Project may also be subject to the following District rules: Rule 4102 (Nuisance) and Rule 4641 (Cutback, Slow Cure, and Emulsified Asphalt, Paving and Maintenance Operations).

10) District Comment Letter

The District recommends that a copy of the District's comments be provided to the Project proponent.

If you have any questions or require further information, please contact Cherie Reed by e-mail at Cherie.Reed@valleyair.org or by phone at (559) 230-5940.

Sincerely,

Brian Clements
Director of Permit Services



Mark Montelongo
Program Manager

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GILL MEDICAL CENTER, LLC
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June 1, 2023

Via Email

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Re: Comments of Gill Medical Center, LLC on Draft Environmental Impact Report for St. Joseph’s Medical Center Hospital Expansion Project (SCH No. 2021120439)

Dear Planning Manager Moore and Senior Project Manager Kronenberg:

Gill Medical Center, LLC (“GMC”) respectfully submits these comments on the Draft Environmental Impact Report (“DEIR”) prepared for the proposed St. Joseph’s Medical Center Hospital Expansion Project (“Project”). GMC owns real property located directly across California Street from the Project, commonly known as 1707 N. California Street (hereafter the “GMC Property”; see aerial image attached as **Exhibit A**).

While GMC supports the development of further hospital services at this location, GMC also believes it is in all parties’ interests to ensure such development is consistent with the City’s General Plan, zoning ordinance, and Housing Action Plan; that the public and decisionmakers fully understand the Project’s impacts to housing availability and the Applicant’s role in affecting such availability; and that significant environmental impacts from the Project are fully considered through proposed mitigation measures and project alternatives as required by the California Environmental Quality Act (Pub. Res. C. §§21000 et seq. and Tit. 14 Cal. Code of Regs. §§15000, et seq., hereafter “CEQA”).

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The DEIR Must Consider the Project’s Impacts to Housing Availability in the City of Stockton

The DEIR notes that “[a]t full project build-out, the Medical Center would include approximately 3,230 employees, including doctors, nurses, and administrative staff; this represents an increase of 365 employees from the current total of 2,865.” (DEIR at 4.7-29). But the EIR never addresses the environmental setting of housing under-supply and how this Project will impact that supply. Nor does it address mitigating significant

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environmental impacts from the project by including housing development as part of the Project's master plan.

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1. Environmental Setting – undersupply of housing.

"An EIR must describe existing environmental conditions in the vicinity of the proposed project, which is referred to as the 'environmental setting' for the project... This description of existing environmental conditions ordinarily serves as the 'baseline' for measuring the changes to the environment that will result from the project and for determining whether those environmental effects are significant." (Kostka & Zischke, *Practice Under the California Environmental Quality Act*, §12.16; see also CEQA Guidelines §15125(a).) The California Supreme Court explains the EIR "must delineate environmental conditions prevailing absent the project, defining a 'baseline' against which predicted effects can be described and quantified." (*Neighbors for Smart Rail v. Exposition Metro Line Construction Authority* (2013) 57 Cal.4th 439,447.)

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Stockton suffers from a severe housing shortage, and the City is currently updating the General Plan Housing Element and preparing a Housing Action Plan ("HAP") to "increase housing production by serving as a toolkit for residents, housing developers, and nonprofits identifying future potential housing locations."¹ The DEIR does not address what impact the Project will have on available housing stock in the City.

Though not disclosed, presumably a substantial portion of the 365 new employees will be skilled workers/physicians-in-training/medical professionals who will come from outside the area and require housing. The DEIR acknowledges this increase in employees will lead to significant physical impacts, such as exceeding GHG emissions (DEIR 4.7-29 to 30) but does not address how this substantial increase in employees in the City will affect housing availability. At the same time, Section 5.6, (growth inducing impacts) provides, "As described above, the proposed project would result in approximately 365 new employees, medical residents, and students. This represents a moderate number of people that would likely be hired from the regional workforce." (DEIR 5-5).

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Importantly, the City's update to the General Plan Housing Element acknowledges that the City needs thousands of additional housing units, and the HAP includes a focus on identifying parcels in the City for higher density and affordable housing development.²

¹ www.stocktongov.com/government/departments/communityDevelop/Shape/actionPlan.html

² The Background Report for the current (2015-2023) City of Stockton General Plan Housing Element states that "Countywide, the total housing need is 40,360 new units, of which the City received 11,824 units (29.3 percent)." www.stocktonca.gov/files/HousingElementBackgroundReport.pdf at p. 4BR-56 to 57. The Background Report also notes the "need to be satisfied during the Housing Element planning period is 4,343 lower income units. This remaining RHNA for lower-income units must be accommodated by vacant and underutilized sites." (Id. at 4BR-61)

GMC respectfully suggests that, as part of the Project Setting and impacts analysis, the EIR should identify the extent to which these housing obligations have been satisfied and, if there remains a shortage of housing stock under the RHNA or other standards, explain what impact the development of this Project will have on that environmental setting.

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2. Project mitigation or alternatives should incorporate housing

In addition, GMC believes the Project should incorporate housing into the master development plan as a means of not only reducing impacts to housing supply through construction of the Project, but also as a means of mitigating significant environmental effects. Such a concept is fully consistent with Stockton General Plan Policy TR-2.2., which provides that new development should "Connect housing and employment development in areas with good transit access." (DEIR 4.11-14)

In a 2019 white paper published by the American Hospital Association ("AHA") titled, "Making the Case for Hospitals to Invest in Housing" (a copy of which is attached hereto as **Exhibit B**), the AHA notes:

While hospitals and health systems have a long history of contributing crucial services in communities, innovative approaches are needed to address systemic barriers to creating truly thriving communities. Applying tactics from across sectors, such as community development and investing, may activate systemic change that health care driven strategies have not yet been able to accomplish. Housing is one upstream determinant of health that hospitals and health systems are focused on more and more. Access to safe, affordable and stable housing is key for good health."

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(*Id.* at p. 2)

Thus, AHA argues hospitals should utilize their role in communities to stimulate economic, social, and political will to increase availability of affordable housing.

The DEIR and Master Plan are, of course, silent on this point. In addition, GMC is concerned that the Applicant incorrectly believes—and has represented to the community—that zoning designations in the Project area do not allow for housing, when in fact they do. Specifically, during the April 13, 2023 Public Workshop hosted by the Applicant, representatives of St. Joseph's parent company Dignity Health were asked about incorporating housing into the Master Development Plan. In response, a Dignity representative stated that much of the property on the Project site and surrounding area is zoned "CO" (commercial office) zoning, then incorrectly stated that this zoning designation does not allow for multifamily residential uses. In fact, it does.³

³ In this same April 13, 2023, public workshop, Dignity representatives also inaccurately stated that the GMC Property was never made available to St. Joseph's for its expansion purposes. In fact, GMC *has* previously offered

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As the City is aware, the CO designation expressly permits multifamily residential development in that zoning district – either as part of a mixed-use project or as a stand-alone residential project. Indeed, last year GMC worked with the City to rezone the entirety of the GMC Property to CO (the western portion was previously zoned for low-density residential) for purposes of developing that property as a mixed-use project that would incorporate commercial office space and multi-family residential uses.

Hospital representatives are certainly aware that the current “CO” zoning of the GMC Property supports multi-family residential, as GMC and Dignity are currently involved in litigation arising out of Dignity’s attempt to prevent construction of any type of multi-family residential uses at the GMC Property by invoking obsolete deed restrictions. A copy of the complaint filed and served in *Gill Medical Center, LLC v. Dignity Health*, San Joaquin County Superior Court Case No. STK-CV-UCC-2022-0010368, is attached hereto as **Exhibit C**.

As background, in 2006 GMC purchased from Dignity’s predecessor several separate parcels that now form a substantial portion of the GMC Property. As part of that sale, Dignity’s predecessor recorded various restrictions purporting to require that the property be developed with a 30,000 sq. ft. medical office building and that Dignity shall have the authority to review and approve any site plan for development of those particular parcels.

In 2022, following several years of discussing various development options for that property with Dignity executives, GMC presented a site plan to Dignity for review and approval that proposed the development of 30,000 sq. ft. of medical office space along California Street (as Dignity claims the deed restrictions require) and which also included 10,000 sq. ft of commercial/administrative space, a 10,000 sq. ft. daycare, and 75 residential apartment units. The site plan also includes parking, which could be made available to Dignity.⁴ GMC proposed to Dignity that the residential units be designed to cater to Dignity physician residents, nurses, and other staff who would benefit from living adjacent to the St. Joseph’s hospital and forming a truly integrated hospital campus. Dignity representatives rejected this site plan on the basis that mixed-use residential was detrimental to the community—a suggestion flatly contradicted by City staff’s designation of this property as a top-ten Housing Action Plan Priority Site. In response to Dignity’s refusal to approve its proposed development, GMC was forced to bring suit to request a declaration that Dignity’s deed restrictions are unreasonable and unenforceable and to allow a mixed-use project with a multi-family residential component to proceed. That litigation is ongoing at this time.

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to make that property available for St. Joseph’s expansion. Indeed, in 2016, St. Joseph’s leadership explicitly requested architectural renderings from GMC depicting a 250-bed hospital expansion on the property, only for the Hospital to pursue its expansion entirely to the east of California St., while refusing to participate in any project or to approve any site plan proposed by GMC since.)

⁴ Dignity currently leases the GMC Property for parking for its employees.

These facts are relevant to the City's consideration of the Project because not only are the DEIR and Master Development Plan devoid of any efforts to address housing impacts from the Project, but Dignity is actively and arbitrarily preventing development of a multi-family housing project adjacent to the Project site. GMC's effort to construct multi-family housing could not only serve many of the hospital's hundreds of new employees, but would also serve to mitigate other environmental impacts from the Project. And Dignity can easily implement this mitigation by simply working with GMC to withdraw its opposition to development of multi-family housing adjacent to the Project Site. Indeed, approval of multi-family residential on the GMC Property reinforces Stockton General Plan Policy LU-6.1, which prioritizes the development of vacant, underutilized infill parcels, such as the Gill Property. (DEIR 3-6)

For example, even with all identified mitigation measures incorporated and all Project alternatives considered, the Project's greenhouse gas emissions ("GHG") impacts, as well as aesthetic impacts, will remain significant and unavoidable. Under CEQA, an EIR must propose and describe mitigation measures to minimize the significant environmental effects identified in that EIR. (*King & Gardnier Farms, LLC v. County of Kern* (2020) 45 Cal.App.5th 814, 852) Likewise, the California Supreme Court has described the discussion of mitigation measures and alternatives as "the core of an EIR." (*Citizens of Goleta Valley v. Board of Supervisors* (1990) 52 Cal.3d. 553, 564). In addition to a no-project alternative, an EIR must discuss a reasonable range of Project alternatives, that would feasibly attain most of the project's basic objectives while reducing or avoiding any of its significant effects and evaluate the comparative merits of those alternatives. (CEQA Guidelines § 15126.6). Decisionmakers can approve an alternative to a project because they possess "the flexibility to implement that portion of a project which satisfies their environmental concerns." (*South of Market Community Action Network v. City & County of San Francisco* (2019) 33 Cal.App.5th 321, 336)

In this instance, doing something as simple as identifying the GMC Property as future multi-family housing development, and withdrawing its opposition to GMC's proposed mixed-use development on that property, is a feasible project alternative or mitigation measure within Dignity's control that would not only attain all of the Project's basic objectives, but also would work to reduce potentially significant impacts to traffic (Impact 4.11-1) and GHG-based significant and unavoidable impacts from the Project (Impacts 4.7-1, 4.7-2, and 4.7-3) resulting from 365 new employees, including those traveling to work at the hospital.

While the DEIR unsuccessfully attempts to mitigate these significant impacts by including additional bicycle storage and e-bike charging facilities, preparing a future transportation demand management plan that encourages ridesharing and alternative transportation, and installing dedicated electric charging stations in the parking structure, the DEIR fails to discuss any mitigation measures or alternatives that would reduce the number of employees commuting to the Project in the first place. Integrated and/or adjacent housing catering to hospital employees would do just that and could provide a feasible project change, mitigation measure, or alternative that

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Nicole D. Moore
Christine Kronenberg
June 1, 2023
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would reduce these impacts to less-than-significant levels consistent with CEQA. (see Mitigation Measures 4.7-1 and 4.7-2)

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Moreover, the proposed 115-foot tall parking structure contributes to significant and unavoidable aesthetic impacts from the Project. (DEIR 4.2-12) Alternative 3 proposed a "Reduced Parking Alternative" that would limit the parking tower to "ground plus 5 tiers" and a height of 65 feet (vs. 115 feet). The DEIR notes that this alternative would attain all project objectives, but would be less effective than the proposed Project at attaining the objectives to "improve quantity, quality, and proximity of parking for patients, visitors, and staff" as well the objective of creating employment opportunities due to the reduced parking structure size and capacity (780 fewer spaces for a total of 1,200 spaces vs. 1,980 spaces). Of interest, if the Project included a residential component like that discussed above, the need for employee parking in the tower would be substantially reduced – leaving more parking available for visitors and patients.

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Accordingly, GMC respectfully suggests that the EIR should include an alternative that incorporates a residential component as part of the master plan. The GMC Property, as a Housing Action Plan top-ten Priority Site in the City of Stockton, is ideally suited to mitigate the environmental, traffic and growth inducing effects that stem from this hospital expansion project.

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Very truly yours,



RICKY GILL
GILL MEDICAL CENTER, LLC

Attachments:

- EXHIBIT A:** Aerial Image of 1707 N. California St. (the Gill Property)
- EXHIBIT B:** "Making the Case for Hospitals to Invest in Housing", AHA, 2019
- EXHIBIT C:** Complaint filed in *Gill Medical Center, LLC v. Dignity Health (San Joaquin County Superior Court Case No. STK-CV-UCC-2022-0010368)*

EXHIBIT A



EXHIBIT B

Improving the health of individuals—and their neighborhoods and communities as a whole—is one of the most complex and pressing challenges today in the United States. As anchor organizations, or place-based economic engines in our communities, hospitals and health systems have the opportunity to meet this challenge by making meaningful upstream investments to improve community health.

Many hospitals already are providing more than stand-alone acute care services and transforming to provide care across the continuum to promote health and well-being in their communities. Given the inextricable link between affordable, quality housing and good health, housing is one area that hospitals and health systems are starting to focus on more and more.

The American Hospital Association (AHA), in collaboration with NORC at the University of Chicago, is serving as the evaluation partner for a new initiative, Accelerating Investments for Healthy Communities (AIHC). This issue brief, the first in a series, discusses how hospitals are addressing social determinants through investments in affordable housing. It also outlines an innovative framework, the capital absorption framework, which the Center for Community Investment (CCI) developed and is now using to help health care organizations assess their local community investment system.

Accelerating Investments for Healthy Communities

The Center for Community Investment (CCI) is leading Accelerating Investments for Healthy Communities (AIHC), an initiative designed to increase health system investments in upstream determinants of health, with an emphasis on affordable housing. Launched in January 2018 and funded by the Robert Wood Johnson Foundation, the initiative is providing intensive training to a cohort of hospitals and health systems on how to refine investment strategies around affordable housing in order to leverage existing resources with community partners—and make the greatest impact on the health of the community.

During phase one (January 2018–December 2018), eight nonprofit health organizations that already were investing outside their walls were chosen to participate in an intensive series of learning labs and receive individualized consultation and support to formulate and refine strategies for affordable housing investment. Six hospitals and health systems moved on to phase two (January 2019–December 2020) and will work with CCI and local partners to expand the availability of affordable housing in their communities. *(See Table 2 on page 7 for a list of the participating hospitals and health systems.)*

The American Hospital Association (AHA), in collaboration with NORC at the University of Chicago, is serving as the evaluation partner to learn about investments by hospitals and health systems in their communities to improve the health of the population. The work is guided by the overarching question, “What will it take for leading health organizations to devote more and different assets to investments in affordable housing and other upstream factors that improve community health?” The AHA and NORC will conduct a mixed-methods evaluation and synthesize findings in a series of issue briefs throughout the project as well as a final report.



AIHC, led by CCI, is helping hospitals refine their community investment strategies around affordable housing. By collaborating with community partners and leveraging assets such as financial resources, land and expertise, health care organizations can make the greatest impact on the health of their communities.

During the initial phase of the project, the AHA and NORC identified two emerging themes for getting buy-in and making the case for investing in affordable housing:

- Mission-driven commitment to address health equity and social determinants
- Strategic alignment with care and payment models

The AHA and NORC, with funding from the Robert Wood Johnson Foundation, will continue to follow participating hospitals and health systems during the next two years, learning more and sharing observations about what drives hospitals to invest in affordable housing and what makes such initiatives successful.

Focusing on innovation as hospitals and health systems invest in affordable housing creates an opportunity to catalyze community revitalization efforts. The ongoing work of the AIHC initiative can inform and encourage other hospitals and health systems to invest in affordable housing and advance the health and well-being of their communities.

Addressing Social Determinants by Investing in Affordable Housing

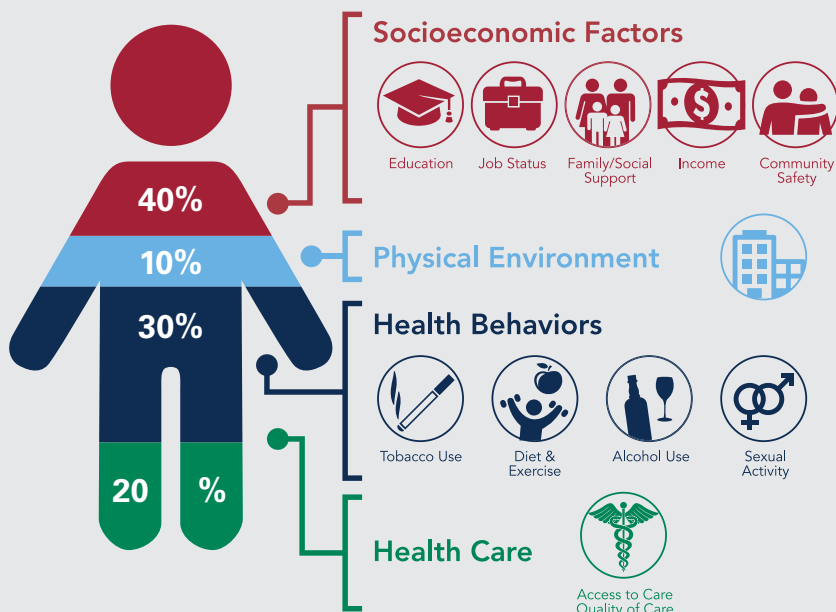
Improving the health of communities is one of the most complex and important challenges in the United States today. Given the myriad social, environmental and economic factors that contribute to health, making meaningful and sustainable improvements in the health and well-being of individuals and creating healthy communities cannot be accomplished by one organization or sector alone.

Hospitals and health systems—as anchor organizations, or place-based economic engines in their communities—have the opportunity to make meaningful upstream investments to improve community health. (See *Addressing Social Determinants of Health sidebar on page 3.*) While hospitals and health systems have a long history of contributing crucial services in communities, innovative approaches are needed to address systemic barriers to creating truly thriving communities. Applying tactics from across sectors, such as community development and investing, may activate systemic change that health care-driven strategies have not yet been able to accomplish.

Housing is one upstream determinant of health that hospitals and health systems are focused on more and more. Access to safe, affordable and stable housing is key for good health.

“Housing instability” is an umbrella term for the continuum between homelessness and stable, secure housing. (See *Figure 1, Range of Housing Types, on page 4.*) It can take many forms, such as substandard physical conditions—e.g., leaky roof, poor heating and cooling, exposure to allergens or pests—severe rent burden, or homelessness. Studies have associated housing instability with poor health and increased health care utilization. (See *Table 1, Housing Instability and Health, on page 4.*)

Addressing Social Determinants of Health



Source: University of Wisconsin Population Health Institute, County Health Rankings and Roadmaps, 2019. www.countyhealthrankings.org

Research shows approximately 80 percent of health outcomes are attributed to factors outside of medical care, including socioeconomic factors, the physical environment and health behaviors.¹ Social determinants of health include factors such as access to healthy food, access to transportation, housing status, social isolation and community safety.

Efforts to address these nonmedical needs are crucial to individual health and well-being and community health. As the health care field transforms from providing more than stand-alone acute care services to

promoting health and well-being, hospitals and health systems are adapting their models of care to partner with communities and address the conditions in which people are born, grow, live, work and age.

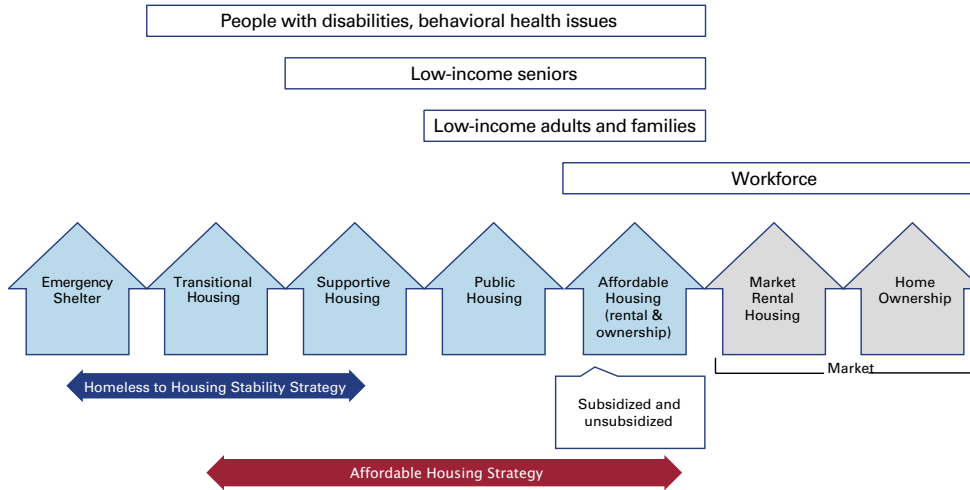
Adopting population health strategies, often supported by alternative payment models, creates new opportunities for hospitals and health systems to proactively align social determinants of health initiatives, address health disparities and advance their mission. In 2009, health inequities cost the health care system \$82 billion, and

costs are projected to reach \$126 billion by 2020.²

Understanding that a person's ability to reach their highest potential for health is tied to more than access to and the quality of health care they receive is important. However, addressing the social needs of individual patients does not address the structural and systemic root causes of poor health. Advancing health in America will require a systemic transformation in our health care system and communities, where health organizations are active participants in helping their communities thrive.

FIGURE 1: Range of Housing Types

Target Populations:



Source: Center for Community Investment, 2019. Adapted from Housing continuum by SixEightFour, 2009. <http://sixeightfour.blogspot.com/2009/03/housing-continuum.html?m=1>

TABLE 1
Housing Instability and Health

Forms of housing instability include:	Are associated with:
<ul style="list-style-type: none"> • Homelessness • High housing costs relative to income • Overcrowding • Poor housing quality • Multiple moves 	<p>Health risks for children:</p> <ul style="list-style-type: none"> • General poor health • Asthma • Low weight • Development delays • Increased lifetime risk of depression <p>Health risks for adults:</p> <ul style="list-style-type: none"> • Reduced access to care • Postponing needed health care • Postponing needed medications • Mental distress • Difficulty sleeping • Incidents of depression

Source: Enterprise Community Partners, Inc., 2019. Adapted from *Impact of affordable housing on communities: A review of the evidence base*, 2014. <https://homeforallsmc.org/wp-content/uploads/2017/05/Impact-of-Affordable-Housing-on-Families-and-Communities.pdf>

Challenges for affordable housing initiatives

Supporting affordable housing is an emerging strategy for many hospitals and health systems, though some already are doing it through housing preservation, development and advocacy efforts.³ Existing and emerging affordable housing initiatives are designed to address the growing mismatch between people's income levels and housing costs by preserving or building homes that are not being produced by traditional market dynamics. As such, many of these initiatives focus on disadvantaged communities where the need is great but the conventional market is not able to meet that need. However, funding streams that hospitals have historically used to address affordable housing, such as community or philanthropic grants, may be neither sustainable nor adequate for scaling the project or truly revitalizing the community.

Opportunities for upstream investment

This is where upstream investment comes into play. Investing—paying for goods and services that will have value over time, with the expectation of some form of return—as compared to spending is an emerging tactic for addressing social determinants of health. An overall system of community investment has developed to help overcome market failures and transform disadvantaged communities. Hospital-driven investment in affordable housing initiatives can contribute to this system. To be effective, upstream investment to improve community health requires action by health care organizations as well as the existence or creation of threshold conditions in communities.

The Center for Community Investment at the Lincoln Institute of Land Policy has developed the capital absorption framework⁴ to help improve a community's ability to attract needed resources. By working through three core functions – establishing shared priorities, creating a pipeline of investable projects, and strengthening the enabling environment of policies and practices that facilitate successful investment – communities can engage new stakeholders, attract new capital, and increase the speed and scale of investments. (See *Figure 2, What Is the Capital Absorption Framework?* on page 6.) This framework can help hospitals and health systems assess their local community investment system. In turn they can explore potential roles to play in bringing new ideas, assets, and partnerships to help strengthen the system and accelerate efforts to address the social determinants of health.



Accelerating Investments for Healthy Communities

CCI launched the AIHC initiative with support from the Robert Wood Johnson Foundation to help a group of hospitals and health systems already investing in affordable housing expand the scale and impact of their work, using the capital absorption framework. AIHC aims to help participating organizations:

- think strategically and systematically about how to deploy financial resources, land and expertise;
- advance affordable housing as a platform for creating more equitable, healthier communities; and
- adopt sustainable financing mechanisms.

The focus is on leading hospitals and health systems to better understand what it takes to get started on this work and any barriers to implementation. This knowledge will light the path for other hospitals and health systems to invest in affordable housing and advance the health and well-being of their communities.

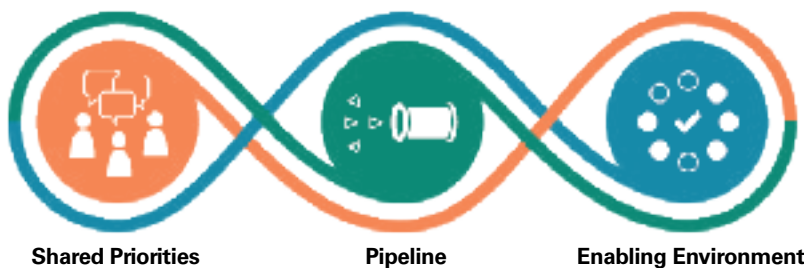
FIGURE 2: What Is the Capital Absorption Framework?⁴

Since 2011, the founders of CCI have been testing and refining a framework for better organizing and deploying community investment. The center designed the capital absorption framework to encourage a more systemic approach to this work and better direct investment capital to areas of need.

The capital absorption framework consists of three key components:

1. Establishing **shared priorities** across stakeholders. Participants identify the community's highest priorities, define their targeted results and agree on a strategy to achieve them.
2. Creating a **pipeline** of deals and projects. By examining deals in progress, analyzing whether they support the priorities and considering where there may be gaps, participants build a pipeline of deals and develop a strategy for moving them forward together to achieve greater impact and efficiency.
3. Strengthening the **enabling environment**. Armed with a clear sense of shared priorities and a pipeline of deals and projects, participants determine whether the necessary policies, practices and capacities exist to facilitate those deals and then strategize ways to address missing components.

Capital Absorption Framework



Source: Center for Community Investment, 2018.

AIHC Phase One: Observations and Emerging Themes

Investing in affordable housing in the manner and scale described here is new work for many hospitals and health systems. During phase one of Accelerating Investments for Healthy Communities, participating hospitals and health systems were introduced to the capital absorption framework and began building cross-disciplinary core project teams.

As evaluation partners, the AHA and NORC followed the cohort of hospitals during this learning process and began preliminary analysis, through collection of baseline data and introductory interviews, to gain insight into what it takes for hospitals to do this work. Two major themes arose during this initial evaluation period, as demonstrated by hospitals and health systems in the cohort:

- Mission-driven commitment to address health equity and social determinants
- Strategic alignment with payment and care models

Methodology

During the fall of 2018, AHA and NORC completed introductory interviews with the eight hospitals participating in phase one. Interviewees received a list of discussion topics in advance that included (1) motivating factors for investing in affordable housing, (2) the AIHC team and its structure, (3) developing an investment strategy and (4) challenges and lessons learned to date. A high-level analysis of these interviews and supporting secondary data sources[†] provided the foundation for the emerging themes identified in this issue brief.

The project seeks to engage leading hospitals with the purpose of gleaning insights for the rest of the field. As such, certain characteristics are common across the cohort, including:

1. The participating hospitals and health systems all have some history in addressing social determinants of health—and in particular, housing—with several having extensive track records investing in affordable housing.
2. Participants were seeking to expand their strategies of supporting underinvested areas and vulnerable populations.
3. Project teams included individuals with diverse roles in the hospital or health system, such as vice president of mission, vice president of philanthropy, director of community health, strategy and chief operating officer, grants officer, and manager of community benefits.

[†] Secondary data sources included the AIHC phase one applications, phase one learning lab homework assignments, and community health needs assessments.

TABLE 2 AIHC Participants

- Bon Secours Mercy Health**
- Boston Medical Center
- Dignity Health**
- Henry Ford Health System*
- Kaiser Permanente
- Nationwide Children's Hospital
- ProMedica*
- UPMC

*Participation in phase one only
**Recent and/or pending merger

Mission-driven commitment to address health equity and social determinants

All of the participating hospitals and health systems demonstrated an underlying commitment and drive to address the social determinants of health, with an emphasis on housing. They expressed widespread acceptance that, if their goal was to advance equity and improve health, it was their responsibility to support their communities. This mission-driven commitment was linked to certain characteristics of the different types of organizations, including:

Anchor organizations. As place-based organizations that are physically rooted in their local communities, these hospitals and health systems described a sense of responsibility and commitment to their neighborhood or community. This dedication manifests itself through the desire to be an active participant in community revitalization, partner with other community stakeholders and invest in the well-being of the community.

Nonprofit. Addressing social determinants of health connects to the core mission of nonprofit hospitals and health systems. They are required to conduct community health needs assessments (CHNAs) and implement strategies to address priority health needs in their communities. This process necessitates a level of engagement and community health focus for the health care organization. While not all of the participating hospitals prioritized housing in their CHNAs, their status as nonprofit hospitals provides a platform to address community health needs.

Safety-net. As safety-net hospitals or health systems caring for vulnerable populations, these participants described a commitment to look upstream at the root causes of health and illness to address health equity issues for their patients and in the community at large.

Faith-based. These hospitals and health systems described their commitment to address equity and affordable housing in the context of their spiritual conviction and that of their founders.

The augmented focus on social determinants of health across the health care field is a component of the evolving concept of what it means to be a hospital or health system. Hospitals are providing more than stand-alone acute care services and are transforming to provide care across the continuum and promote health and well-being in their communities.

What AIHC Participants Are Saying

“Is the role of a safety net hospital . . . charity or is it equity? Because if you have an opportunity to go beyond filling a gap for a person that quite frankly becomes a gap again once the filler is removed, if you can alter the life course of a person so that you eliminate that gap and sort of send that person toward independence versus perpetual dependence, why wouldn't we do that?”

“We want to think of ourselves as health care providers second, in service to our main work of developing healthy communities.”

All participating hospitals and health systems noted that their ability to do this work is an outgrowth of their long-standing organizational commitment to addressing social determinants of health. Some of the hospitals chose to join the AIHC initiative for the “acceleration effect” of being part of such a cohort: They were seeking new tools and strategies to elevate the impact of their work. All participants recognized they had room to grow in how their organizations address affordable housing.

Strategic alignment with care and payment models

While mission is a driving factor for hospitals and health systems investing in affordable housing, the old mantra, “no margin, no mission” also applies for many. New care delivery and payment models are creating the strategic alignment to augment support for affordable housing. Across participating hospitals, interviewees described the alignment of affordable housing with their organization’s strategy, particularly when they had a health insurance plan or accountable care organization (ACO). Hospitals that are part of an ACO or have their own health plan are charged with addressing the drivers of poor outcomes and high costs, which link to social determinants of health.



The shift from providing care to also addressing social determinants can be challenging for hospitals and providers. By framing social determinants as part of the care redesign strategy, hospitals can start to conceptualize their core strategic mission to include social determinants. This strategic connection appears crucial for getting buy-in and making the case that investing in affordable housing is both sustainable and strategically important.

Next Steps

The AHA and NORC will spend the next two years learning what drives hospitals to invest in affordable housing and what makes initiatives successful. We will explore several areas, including how hospitals are building a culture that makes addressing social determinants of health an organizational priority. We will continue to explore the evolution of the work around the following areas:

- **Building the will.** Participants described various ways in which they are generating the “will” to advance affordable housing efforts within their hospital or health system. We will further explore how hospitals are building the will in their organizations and communities.
- **Organizational structure and changes.** Organizational characteristics, such as those identified in this brief around mission and payment and care models, will continue to be areas for exploration as we tease out how structure serves as a mechanism and facilitates the work and also can serve as a lever for community investment. In addition, some of the participating health systems are going through major organizational changes, such as mergers, which we anticipate will influence their work. We will track how these mergers impact the implementation of work on affordable housing at the hospital and system levels.

-
- **Community alignment.** Several hospitals cited project alignment with existing citywide or neighborhood revitalization and civic activity. We will explore how local will and momentum impact affordable housing initiatives.
 - **Team structure and engagement.** The teams draw on the expertise of a variety of stakeholders from across the hospitals (e.g., community benefit manager, treasurer, health plan director, etc.) and community. We will continue to monitor which roles are most beneficial for advancing affordable housing work.
 - **Identifying roles.** The roles that the hospital or health system play in affordable housing vary and include investor, developer, convener and manager. We will continue to explore the extent to which these labels capture the role played by hospitals and health systems, and how the participants determine what role to play in their community.

Focusing on innovation as hospitals and health systems invest in affordable housing creates an opportunity to demonstrate their value as anchor organizations in their communities and offers tremendous potential to catalyze community revitalization efforts. Over the next two years, AIHC project partners hope that learnings from the Accelerating Investments for Healthy Communities program can serve as a path forward for other hospitals looking to invest in addressing the social determinants of health.

Read More About AIHC

Project Press Release

Center for Community Investment. (2019, February 20). Announcing AIHC participants: Six hospitals and health systems step up efforts to increase affordable housing in their regions [Blog post]. Retrieved from <https://centerforcommunityinvestment.org/blog/announcing-aihc-participants-six-hospitals-and-health-systems-step-efforts-increase-affordable>

Project Write-ups and Relevant Articles

Abrams, A. (2019, February 25). Putting health care dollars to work. Retrieved from <https://shelterforce.org/2019/02/25/putting-health-care-dollars-to-work/>

Gaskins, A. (2018, May 16). AIHC on site: Learning from Bon Secours in West Baltimore [Blog post]. Cambridge, MA: Center for Community Investment. Retrieved from <https://centerforcommunityinvestment.org/blog/aihc-site-learning-bon-secours-west-baltimore>.

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Hacke, R. & Gaskins, A. (2019). How can clinicians catalyze investments to improve community health? *AMA Journal of Ethics*, 21(3), 262-268. doi:10.1001/amajethics.2019.262. Retrieved from <https://journalofethics.ama-assn.org/article/how-can-clinicians-catalyze-investments-improve-community-health/2019-03>

Capital Absorption Framework

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Center for Community Investment. (2019, January). *Defining shared priorities: The capital absorption framework part 1*. Retrieved from https://centerforcommunityinvestment.org/sites/default/files/2019-01/Defining%20Shared%20Priorities_0.pdf

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Endnotes

¹ Artiga, S. & Hinton, E. (2018, May 10). *Beyond health care: The role of social determinants in promoting health and health equity*. Retrieved from <https://www.kff.org/disparities-policy/issue-brief/beyond-health-care-the-role-of-social-determinants-in-promoting-health-and-health-equity/>

² PwC Health Research Institute. (2015, June). *Medical cost trend: Behind the numbers 2016*. Retrieved from <https://www.achp.org/wp-content/uploads/pwc-hri-medical-cost-trend-2016.pdf>

³ A number of guides and organizations have tracked hospitals and health systems work in affordable housing including:

- American Hospital Association. (2017, August). *Social determinants of health series: Housing and the role of hospitals*. Retrieved from <https://www.aha.org/aharet-guides/2017-08-22-social-determinants-health-series-housing-and-role-hospitals>
- Hacke, R. & Deane, KG. (2017, March). *Improving community health by strengthening community investment*. Retrieved from <https://www.rwjf.org/en/library/research/2017/03/improving-community-health-by-strengthening-community-investment.html>
- Healthcare Anchor Network coordinated by the Democracy Collaborative <https://www.healthcareanchor.network/>
- Build Healthy Places Network <https://www.buildhealthyplaces.org/>
- Urban Institute's Emerging Strategies for Integrating Health and Housing <https://www.urban.org/policy-centers/cross-center-initiatives/social-determinants-health/projects/emerging-strategies-integrating-health-and-housing>

⁴ Hacke, R., Wood, D., & Urquilla, M. (Revised 2018, March). *Community investment: Focusing on the system, a working paper*. Retrieved from https://centerforcommunityinvestment.org/sites/default/files/2018-03/CI_FocusingOnTheSystem.pdf

EXHIBIT C

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14 SUPERIOR COURT OF THE STATE OF CALIFORNIA

15 COUNTY OF SAN JOAQUIN

16 GHI MEDICAL CENTER, LLC

17 Plaintiff,

18 v.

19 DIGNITY HEALTH,

20 Defendant.

CASE NO. _____

COMPLAINT

DECLARATORY AND INJUNCTIVE
RELIEF

21
22
23 **I. INTRODUCTION**

24 1. This is an action to invalidate certain deed restrictions that defendant Dignity Health
25 ("Dignity") is wrongfully seeking to block plaintiff GHI Medical Center, LLC's ("GHI Medical
26 Center") much-needed, long-planned development project at 1707 North California Street (the
27 "Property"), a large, centrally located parcel in Stockton's California Street corridor.

1 2. Over the past 16 years, Gill Medical Center – a family-owned business deeply
2 invested in the success of this community – has incurred substantial costs improving and enlarging
3 the Property and paying for its development. However, Dignity – which sold the property to Gill
4 Medical Center in 2006 subject to certain restrictive covenants, including certain conditions on
5 development – has refused to consider any viable development project on the Property.

6 3. Most recently, Dignity has unreasonably withheld its consent to Gill Medical Center's
7 proposal to construct a 30,000-square-foot medical office building that includes complementary, and
8 tract-needed, ancillary commercial and residential space – including plans for a daycare – in this
9 under-served area. The project Dignity has rejected is the fourth such proposal Gill Medical Center
10 has made to Dignity over the past 16 years – proposals that Gill Medical Center has developed at
11 great expense and in reliance on Dignity's own representations.

12 4. Dignity has given no explanation for its objection to the project, and has refused to
13 provide any guidance regarding the form of project it would approve – leaving Gill Medical Center
14 only to guess whether it will ever obtain Dignity's approval of any viable development project.
15 Dignity's unreasonable and indefensible reliance on these unilateral, vague restrictions is directly
16 harming Gill Medical Center by preventing the development of its own real property.

17 5. In the more than 16 years that have passed since Gill Medical Center purchased the
18 property from Dignity, conditions in Stockton and San Joaquin County have changed dramatically,
19 rendering Dignity's efforts to obstruct Gill Medical Center's commercial and residential
20 development fundamentally oppressive, inequitable, and harmful to the very community it purports
21 to serve.

22 6. Given Dignity's history of rejecting development proposals – even those proposals
23 developed directly in response to Dignity's own requests – Gill Medical Center is left with no choice
24 but to seek a judicial remedy. As a result of Defendant's repeated, bad faith efforts to obstruct
25 development of the California Street property – despite its clear benefits to Dignity itself and the
26

1 Stockton community as a whole. Gill Medical Center now seeks declaratory and injunctive relief in
2 this Court to invalidate the deed restrictions. Dignity is relying on an administrative, to compel Dignity
3 to approve the project Gill Medical Center has proposed.

4 **II. THE PARTIES**

5 7. Gill Medical Center is a family-owned California limited liability company.
6 Gill Medical Center and its principals – including Dr. Jasbir Gill, Dr. Param Gill, Chaman Gill and
7 Ricky Gill (collectively, the “Gill Family”) – have a long record of demonstrated success and
8 contributions to the San Joaquin County community, including in medicine, agriculture, and
9 commercial real estate development.

10 8. Dr. Jasbir Gill and Dr. Param Gill also own and operate a women’s medical practice,
11 Dr. Gill Obstetrics & Gynecology Medical Group, Inc. (“Gill OB/GYN”), that has provided state-of-
12 the-art care to women in San Joaquin County for 25 years. Among other relevant notes, Dr. Param
13 Gill is the former Chief of Staff at St. Joseph’s Medical Center (“St. Joseph’s”), and Dr. Jasbir Gill is
14 the past president of the San Joaquin County Medical Society.

15 9. Defendant Dignity is a California nonprofit corporation previously known as Catholic
16 Healthcare West. In 2019, Dignity merged with Catholic Health Initiatives to form a national
17 hospital system known as CatholicSpirit Health.

18 10. Dignity is a member of non-party Port City Operating Company, LLC, which owns
19 and operates St. Joseph’s, an acute care hospital located in Stockton with a primary address of 1800
20 North California Street.

21 11. Dignity owns the real property associated with St. Joseph’s that the restrictive
22 covenants at issue in this case purport to benefit.

23 **III. THE PROPERTY**

24 12. Gill Medical Center owns the real property commonly known as 1707 North
25 California Street, Stockton, CA 95204 (the “Property”).

1 13. The Property as it exists today consists of numerous parcels that, together, constitute
2 a full block comprising roughly 4.4 acres. The Property is located between California Street to the
3 east, Walnut Street to the south, East Chestnut Street to the north, and North Wood Lane to the west.
4 The Property is located directly to the west of St. Joseph's, across California Street. It is also located
5 directly to the north of (that is, across Walnut Street from) two commercial properties owned by the
6 Gill Family: a medical office building known as Gill Grove Medical, located at 1617 N. California
7 Street, and a commercial development known as Gill Grove Retail, located at 1687 N. California
8 Street.

9
10 **(IV) GILL MEDICAL CENTER PURCHASES THE PROPERTY FROM**
11 **DIGNITY.**

12 14. In 2005, the CEO of Dignity, Don Wiley, approached Dr. Jashir Gill with a proposal
13 Specifically, Wiley proposed that Dr. Jashir Gill (or the medical practice owned by Dr. Jashir Gill
14 and his wife, Dr. Parvati Gill) purchase a significant piece of real property owned by Dignity and
15 located across California Street from the hospital campus.

16 15. At the time Dignity proposed to sell that property to the Gills, it comprised 15 parcels
17 totaling at least 2.29 acres. The property that Dignity owned at that time, and proposed to sell,
18 included most – but not all – of the block bounded by California, Walnut, and Chestnut Streets and
19 North Wood Lane.

20 16. The parcels that Dignity proposed to sell the Gills are substantially reflected in the
21 map below, which identifies 14 of the 15 parcels:

22
23
24
25
26
27
28 The real property at 1617 and 1687 N. California St. is owned by the Jashir S. Gill Family
United Partnership, which is also the sole member of Gill Medical Center.

COMPLAINT



17. The property that Dignity proposed to sell included 7 houses on the 15 parcels to be sold, which were then occupied – and had long been occupied – by residential tenants.

18. Dignity did not own – and could not sell – two parcels in the middle of that same block, single family homes that were separately owned by third parties. The two parcels that Dignity did not own were the real properties commonly known as 415 E. Walnut Street and 417 E. Walnut Street.

19. Wiley proposed that the Gills purchase the property for \$1,950,000.

20. The Gills agreed to purchase the California Street property for the price proposed by Dignity and, in July 2005, the parties executed a non-binding Land Sale Term Sheet reflecting the basic terms of the contemplated purchase and sale.

21. The parties subsequently drafted an agreement for the purchase and sale of the California Street property (the "Sale Agreement"), as discussed in this report, and Dr. Jason Gill and Dr. Parant Gill executed the Sale Agreement with Dignity in March 2006.

22. On or about September 1, 2006, Dr. Jason Gill and Dr. Parant Gill assigned the rights under the Sale Agreement to Gill Medical Center.

23. The purchase and sale transaction subsequently closed, and the deed conveying the California Street property (as it then existed) to Gill Medical Center was recorded on September 15, 2006 (the "Deed"). The Deed is attached hereto as Exhibit 1.

24. Prior to recording the Deed, Dignity recorded a Declaration of Restrictive Covenants (the "Declaration"). The Declaration is attached hereto as Exhibit 2.

25. Section 15 of the Sale Agreement provides that the prevailing party in any dispute arising out of that agreement is entitled to recover its reasonable attorneys' fees, expenses and costs.

26. Section 8.3 of the Declaration provides that the prevailing party in any dispute arising from or based on the Declaration is entitled to recover its reasonable attorneys' fees, costs and expenses.

V. THE DEED RESTRICTIONS

27. The Deed and Declaration contain three categories of perpetual restrictions that Dignity has attempted or threatened to enforce against Gill Medical Center, and that are therefore at issue in this case:

A. The Use Restrictions

28. The Deed includes an Exhibit B titled "Covenants, Agreements and Restrictions," which purports to impose certain restrictions on the uses for which the property may be developed (the "Use Restrictions"). Most relevant here, the Use Restrictions in the Deed provide that

Gill Medical Center is inquiring that the Property subject to this Grant Deed is used for a purpose complementary to the Hospital use of the dominant tenement. Accordingly, provided the dominant tenement continues to be used as an acute care hospital facility under the direction of the Grantor or Grantor's Affiliate (defined below), the Property shall be used primarily for the construction and maintenance of a Medical Office Building ("MOB") of not less than sixty thousand (60,000) gross square feet and ancillary uses related to such facility, including without limitation parking, medical office and ancillary administrative uses.

1 Prior to the commencement of construction of the MOB, Grantor shall
2 submit site plans for the entire Property to Grantor for review and
3 approval, which such approval may be granted or withheld in Grantor's
4 sole and absolute discretion, including the approval of any structures
5 on the Property that are incorporated as part of the MOB, on a
6 temporary or permanent basis, whether such structures consist of an
7 MOB and complete the development of the Property
8 substantially consistent with the site plans approved by Grantor.

9 29. The Deed expressly provides that "[t]he grant of the Property to Grantee by Grantor
10 pursuant to the Grant Deed to which this Exhibit B is attached is made expressly subject to [those]
11 covenants, agreements and restrictions."

12 30. The Declaration, which Dignity recorded prior to the Deed, sought to impose a
13 different, inconsistent version of the Restrictions on the Property. Specifically, the Declaration
14 provides in relevant part as follows:

15 1. Use Restrictions

16 1.1 The Burdened Property shall be used solely for the construction
17 and maintenance of a Medical Office Building ("MOB") of not less
18 than thirty thousand (30,000) gross square feet and ancillary uses
19 related to such facility, including without limitation parking, medical
20 office, and ancillary administrative areas.

21 1.2 Before completion of the MOB, the Burdened Property shall be
22 used for accommodating additional parking spaces for the Burdened
23 Property in accordance with historical use of the Property. Such
24 historical use shall be calculated based upon the preceding five (5)
25 years. After completion of the MOB, the Burdened Property shall
26 continue to be used for parking to accommodate the needs of the
27 Burdened Property on a non-exclusive basis on weekends, holidays,
28 and after regular business hours, which shall be before 8:00 a.m. and
after 6:00 p.m. Monday through Friday. Signs may be posted on the
Burdened Property, in accordance with all applicable laws and
regulations, to notify potential users of the parking spaces of the rules
established by this Declaration.

1 At least seventy-five percent (75%) of the Occupants of the
Burdened Property, or its pattern thereof, must be authorized and
admitted to practice medicine at St. Joseph's Medical Center (the

1 Hospital. In the event that the Occupant is a medical group, the
2 licensed percent (100%) of the physicians in that group must be
3 certified to practice at the Hospital in order for that Occupant to
4 qualify as an Occupant certified to practice medicine at the Hospital.
5 New physicians joining such a group shall become certified to practice
6 at the Hospital by the date that is no more than two hundred seventy
7 (270) days from the date of that physician's occupancy.

8 Notwithstanding such inspection of the Burdened Property, may be
9 leased to a Person who is not on the medical staff at the Hospital until
10 after the space has been marketed for at least ninety (90) days to
11 physicians on the medical staff at the Hospital and such physicians are
12 affirmatively unwilling to lease the space. After that time, said space on
13 the Burdened Property may be leased to a Person who is not on the
14 medical staff at the Hospital provided that the Owner of the Burdened
15 Property provides its prior written approval of the proposed tenant,
16 which approval shall not be unreasonably withheld.

17
18 **31. The Deed and Declaration are vague with respect to the meaning of the Use**
19 **Restrictions, are neither version of the Use Restrictions expressly prohibit any particular use of the**
20 **Property. Neither the Deed nor the Declaration define the terms "Medical Office Building" or**
21 **"ancillary uses related to such facility."**

22
23 **32. The Use Restrictions in the Deed and Declaration are internally inconsistent in**
24 **several respects. For example, while the Deed purports to provide that the Property "shall be used**
25 **primarily for the construction and maintenance of a Medical Office Building," the Declaration**
26 **purports to provide that it "shall be used solely for the construction and maintenance of a Medical**
27 **Office Building."**

28 **B. The Noncompetitive Restrictions**

29
30 **33. The Declaration also purports to restrict Gil Medical Center from using the property**
31 **to provide a wide range of services that would compete with services Dignity provides at St**
32 **Joseph's (the "Noncompetitive Restrictions"). Specifically, the Declaration provides that**

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1 limitation the following: rehabilitation services, referral laboratory,
2 clinical laboratory, imaging center, pharmacy, acute care providers
3 clinics, acute inpatient care, inpatient skilled nursing
4 facility, transitional care services, inpatient sub-acute services, intensive
5 cardiology (including cardiac physiology and cardiac catheterization and
6 coronary surgery), occupational medicine, urgent care emergency
7 services, free-standing diagnostic imaging center, reference laboratory
8 gastroenterology laboratory, blood draw station, anatomy pathology,
9 nuclear medicine, ultrasound services, CT scanner services, magnetic
10 resonance imaging (MRI) services, x-ray services, radiation therapy,
11 echocardiography, therapeutic services, cardiac rehabilitation and
12 chronic dependency rehabilitation of any type, pathology services,
13 oral surgery, any type or kind of outpatient surgical facility (including
14 shared or pooled arrangements) which provides ambulatory surgical
15 care for, and/or surgical treatment of patients who remain for less than
16 twenty-four (24) hours, emergency or any other emergency services
17 conducted on a regular after-hours basis, physical therapy or
18 rehabilitation services.

19 C. The Repurchase Option

20 34. The Deed also purports, in conclusory terms, to grant Dignity the right to repurchase
21 the Property (the "Repurchase Option").

22 35. Specifically, Exhibit B to the Deed provides that

23 Grantee shall commence construction of the MOB upon the Property
24 no later than eighteen (18) months from the date of the recording of
25 this Grant Deed. For the purposes of this Paragraph B, "commence
26 construction" shall mean the pouring of the concrete foundation for the
27 MOB. Grantor shall have the right to repurchase the Property upon the
28 same terms and conditions on which the Property was sold to Grantee
if Grantee has not commenced construction of the MOB on or before the date that is 18 months from the date this Grant Deed is recorded.

36. The Sale Agreement contains substantially identical language, but also purports to
create an option that survives or perpetually "until any one of the following events occurs: (A) the
date that Buyer takes action to Commence Construction, (B) Seller actually purchases the Subject
Property, or (C) Seller provides a written notice to Buyer stating that it will not purchase the Subject
Property." The option language in the Sale Agreement also purports to provide that it "shall survive
the Closing Date."

37 Because the Deed was recorded on September 17, 2006, the 18-month time period set
38 out in the Deed expired on March 15, 2008.

**VI. GIL MEDICAL CENTER IMPROVES THE PROPERTY, INCURRED
39 SUBSTANTIAL COSTS IN ANTICIPATION OF FUTURE DEVELOPMENT**

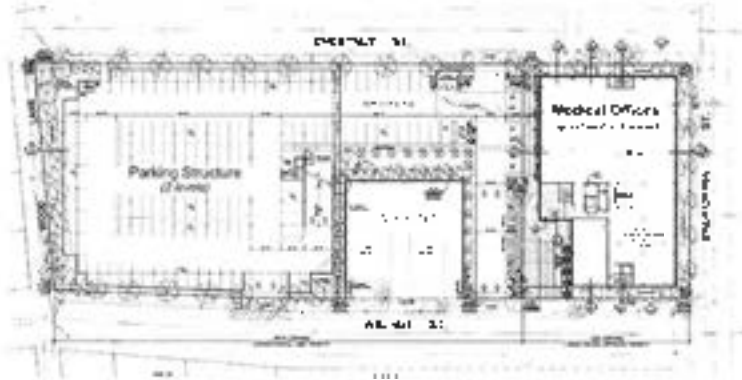
40 Shortly after purchasing the Property, Gil Medical Center began improving it at
41 substantial cost in preparation for future development. Specifically, Gil Medical Center proceeded
42 to demolish the homes located on the 15 parcels comprising the Property, and to level those parcels
43 such that a commercial development of the entire Property would be possible.

44 49. Gil Medical Center incurred costs in excess of \$2 million in improving the Property in
45 preparation for development.

**VII. GIL MEDICAL CENTER PLANS AND OBTAINS APPROVAL OF A
46 MEDICAL OFFICE BUILDING, BUT THE FINANCIAL CRISIS PREVENTS
47 ITS CONSTRUCTION.**

48 As it prepared the Property for development, Gil Medical Center developed and
49 obtained Dignity's approval of its plans to construct an 88,000 square foot, four-story medical office
50 and commercial building on the Property (the "Original MOB"), as well as a two-story parking
51 garage.

52 50. The cost of the Original MOB project was increased significantly by the fact that the
53 property, as it then existed, did not include the parcels of 451 1/2 Walnut Street and 471 1/2 Walnut
54 Street. These two parcels, located in the middle of the block that Gil Medical Center otherwise
55 owned, significantly impacted the development opportunities of the larger property, resulting in
56 separating the location available for construction of the MOB from the location available for parking
57 to serve the building's needs, as illustrated by the following drawing of plans for the Original MOB
58 development.



42. With Dignity's full knowledge and approval, Gill Medical Center planned to construct the Original MOB with significant retail space on the first floor. In particular, Gill Medical Center's plans for the Original MOB, which Dignity approved, included a bank, a pharmacy, and a cafe on the first floor of the building.

43. In January 2008, Gill Medical Center obtained the Stockton Planning Commission's unanimous approval of the Original MOB project.

44. In May 2008, Dignity sent a letter of intent to lease the entire first floor of the Original MOB (comprising more than 19,000 square feet or approximately 22 percent of the building) for a 10-year term with two 5-year options. Dignity proposed to lease that space "for medical offices and general administrative offices and any other uses permitted by law." Dignity subsequently withdrew its request to lease the first floor of the Original MOB, instead proposing to lease only a minimal amount of space – 1,500 square feet (or less than 2 percent of the building) – on the Original MOB.

45. Construction of the Original MOB was slated to begin in late 2008, but became impossible due both to Dignity's refusal to lease any meaningful amount of space in the building, and the global financial crisis that struck that year, forcing Gill Medical Center to pay development costs for the Property on hold.

1 **VIII. GIL MEDICAL CENTER ENLARGES AND FURTHER IMPROVES THE**
2 **PROPERTY AT SIGNIFICANT EXPENSE.**

3 46. In 2005, Gil Medical Center succeeded in acquiring the remaining two parcels, 415
4 E. Walnut Street and 417 E. Walnut Street, that Dignity had never owned and therefore could not
5 have sold it in the 2006 transaction.

6 47. Gil Medical Center acquired those two parcels for a total price of \$190,000 and, as it
7 had earlier done with the remainder of the parcels on the block, proceeded to demolish the houses on
8 those parcels to prepare the larger Property for development.

9 48. By acquiring those two parcels – thereby uniting the entire block of real property
10 bounded by California Street, Walnut Street, Chestnut Street, and Wood Lane – Gil Medical Center
11 fundamentally changed the development potential of the larger Property as compared with the
12 possibilities that had existed when Dignity sold it a portion of that property in 2006.

13 **IX. GIL MEDICAL CENTER MAKES NEW DEVELOPMENT PROPOSALS,**
14 **BUT DIGNITY LEADERSHIP REJECTS EVERY CONCEPT PRESENTED.**

15 49. In 2015, Gil Medical Center approached Dignity leadership to resume discussions
16 regarding construction of a medical office building project on the Property. As in 2008, however,
17 Dignity refused to commit to leaving any space to build a building, rendering it financially infeasible

18 50. In April 2016, Gil Medical Center met with Dignity leadership – specifically, its
19 CEO Don Wiley and CEO Terry Spring – to discuss Dignity's desire to negotiate a parking license
20 on the Property, as well as Gil Medical Center's desire to remove the Use Restrictions that impacted
21 the Property, in light of the substantially changed circumstances that had developed over the prior
22 decade.

23 51. During that meeting, Wiley and Spring agreed that the Use Restrictions and
24 Repurchase Options were no longer relevant and expressed their agreement with amending the
25 recorded documents to remove them. Wiley and Spring specified, however, that the Non-Compete
26 Restriction needed to remain in place.

1 52. Despite Wiley and Spring's acknowledgment that the Use Restrictions were no
2 longer relevant, they subsequently reneged on their agreement to amend the recorded documents to
3 remove them. In explaining their change of position at a May 2016 meeting, Spring explained that
4 Dignity objected to amending the recorded documents because it believed it might need the Property
5 for a future expansion of St. Joseph's if its current expansion plans—which entailed significant
6 construction in a relatively compact area on the east side of California Street—proved not to be
7 viable. During the May 2016 meeting, the parties again expressly discussed the Repurchase Option,
8 and Spring stated Dignity would be willing to remove that provision from the Dred.

9
10 53. Despite Dignity's change of position, Gill Medical Center responded by suggesting
11 that the parties explore a cooperative partnership in which Dignity would construct an expansion of
12 St. Joseph's on the real property owned by Gill Medical Center on the west side of California Street,
13 including the 1707 N. California St. property.

14 54. Gill Medical Center met again with Dignity leadership regarding the hospital
15 expansion proposal in September 2016, then presented conceptual plans and drawings for such a
16 cooperative hospital expansion project at another meeting with Dignity leadership in February 2017.
17 Gill Medical Center incurred substantial costs developing the plans for that expansion in direct
18 response to input from Dignity leadership.

19 55. The hospital expansion project proposed by Gill Medical Center would have entailed
20 337 new hospital beds—precisely the number Dignity leadership stated they would need—as well as
21 a medical office building with retail on its ground floor and a parking garage (the "Hospital
22 Expansion Second MOU"). At Dignity's request, Gill Medical Center subsequently redesigned its
23 proposal to include 250 rather than 337 new hospital beds.

24 56. Dignity repeatedly delayed responding to the Hospital Expansion MOU proposal.
25 Ultimately, Dignity rejected the proposal—which Gill Medical Center estimates would have saved
26 hundreds of millions of dollars as compared with the alternative expansion plan the hospital

1 ultimately adopted – only on August 2019, more than three years after Gil Medical Center first
2 raised it.

3 **X. THE GILL FAMILY BUILDS AN ADJACENT COMMERCIAL RETAIL
4 DEVELOPMENT, CHANGING THE PROPERTY'S USES AGAIN WITH
5 DIGNITY'S FULL KNOWLEDGE.**

6 51. As Gil Medical Center worked to improve the Property and to obtain Dignity's
7 approval of its plans for an MOU there, the Gill Family also began working to build a commercial
8 and retail development on the parcel it owns immediately to the west of the Property.

9 52. Over the course of the 2015-16 Lanchome, the Gill Family successfully developed the
10 real property commonly known as 1687 North California Street with a new commercial and retail
11 building named Gil Grove Retail.

12 53. The Stockton Planning Commission gave its unanimous approval to the Gil Grove
13 Retail project in February 2016. As a condition of its approval, the Planning Commission required
14 that Gil Medical Center construct a new parking lot on the Property (that is, 1707 N. California St.)
15 and dedicate that lot to serve the minimum parking requirements of both Gil Grove Retail (1687 N.
16 California St.) and the adjacent building known as Gil Grove Medical (1617 N. California St.). The
17 map below depicts the Property, the then-proposed location of Gil Grove Retail, and the portion of
18 the Property dedicated to serving Gil Grove Retail's required parking.
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60 Dignity had full notice of the planned development of Gil Grove Retail, including the construction of the parking lot on the Property, both of which Gil Grove Medical Center specifically invited Dignity leadership on in 2016. Dignity raised no objection at any time to the development of Gil Grove Retail or the use of the Property for parking dedicated to the Gil Grove Buildings.

61 Indeed, immediately after the Gil Family obtained development approval for Gil Grove Retail, including approval for the parking on eastern portion of the Property, and with full knowledge of those developments, Dignity sought and obtained a license from Gil Grove Medical to allow its employees to park on the remainder (the western portion) of the Property. In addition, during the course of developing Gil Grove Retail, the Gil Family cooperated with Dignity in its re-laying of an underground communications cable between St. Joseph's and Dignity's radiology clinic on the Gil Grove Medical building.

62 Gil Grove Retail was completed in 2017, and now includes Class A tenants such as Starbucks, Subway, and Wegmans. Since its completion and full leasing, the Gil Grove Retail development serves hundreds if not the thousands of Dignity employees, patients and visitors on a daily

1 basis, demonstrating both the need for commercial development on the California Street portion and
2 its complementarity to Dignity's operations.

3 **XI. GILL MEDICAL CENTER PROPOSES A LARGE MEDICAL OFFICE
4 BUILDING, BUT DIGNITY LEADERSHIP REFUSES TO COMMIT TO
5 LEASING ANY SPACE, RENDERING THE PROJECT FINANCIALLY
6 NONVIABLE.**

7 65. In response to Dignity's eventual rejection of their hospital expansion and MOB
8 proposal, Gill Medical Center again sought to collaborate with Dignity leadership regarding
9 development projects the hospital would support on the Property.

10 64. In August 2019, Gill Medical Center met again with Wiley, this time also meeting
11 with the hospital's head architect, to obtain input on the hospital's needs. Wiley suggested that Gill
12 Medical Center develop an MOB proposal that would provide space Wiley said would be needed for
13 the hospital's outpatient radiology, for an outpatient surgery center, and also for the significant
14 number of new physician residency programs the hospital was in the process of adding.

15 65. In response to input from Wiley regarding the hospital's needs and its expansion
16 plans, Gill Medical Center incurred significant project costs developing plans and drawings for a
17 new project. Specifically, Gill Medical Center developed, in 2020, presented Dignity with a
18 proposal to construct a 175,000 square foot medical office building and 10-story parking structure
19 (the "Third MOB").

20 66. Despite Wiley's prior representations regarding the hospital's significant needs for
21 leased space, when Gill Medical Center presented the Third MOB project, Dignity again refused to
22 commit to leasing any space on that building, rendering it financially nonviable.

23 **XII. GILL MEDICAL CENTER PROPOSES A MEDICAL OFFICE BUILDING
24 WITH ANCILLARY COMMERCIAL AND RESIDENTIAL USES, BUT
25 DIGNITY LEADERSHIP REJECTS THE PROPOSAL.**

26 67. In light of the fundamentally changed circumstances in Stockton since the 2009
27 purchase of the Property, and given Dignity's repeated refusal to participate in the previously
28

1 proposed medical office building projects, which rendered them unavailable. CUMC Medical Center
2 again evolved its approach in an effort to deliver a viable medical office project with ancillary
3 elements, all of which are complementary to the hospital and greatly needed in St. Joseph's California
4 Street corridor.

5 68. In 2022, CUMC Medical Center developed and presented plans for a medical office
6 building that also includes commercial space (as every iteration of the MOB project had included)
7 and residential space that would mark a significant improvement in housing availability in the
8 vicinity of St. Joseph's.

9 69. Specifically, in 2022, CUMC Medical Center presented plans for a project that includes
10 30,000 square feet of medical office space (meeting the admittedly outdated Use Restrictions), but
11 which also includes ancillary elements including 10,000 square feet of commercial and
12 administrative space, a 10,000 square foot daycare, and 75 residential apartments (the Fourth
13 MOB).

14 70. The Fourth MOB meets all of the 2006 Use Restrictions, to the extent any such
15 restrictions remain in effect, in that it offers 30,000 square feet of medical office space (space which
16 would be available for lease to practitioners admitted to practice at St. Joseph's, as the Declaration's
17 Use Restrictions purport to require); it also offers ancillary space highly complementary to Dignity,
18 including very much needed commercial, retail and residential opportunities that are currently
19 unavailable in the area.

20 71. In particular, the Fourth MOB's ancillary commercial and retail uses not only serve
21 the primary MOB elements of the project, but also would benefit Dignity by making available
22 significant and material services to its employees, patients, and visitors. The commercial and retail
23 uses would provide services presently unavailable in the area.

24 72. The residential apartments would be available for use by Dignity employees, by the
25 significant number of new residents that Dignity is recruiting – a number that will grow to some 180

1 physician's on an annual basis – by modeling nurses needed to fill workforce shortages, and even by
2 family members – forced a place to stay while visiting loved ones undergoing treatment. It would,
3 in turn, only help Dignity to attract and retain talent, and to improve patient and visitor experiences.

4 23. Despite the Fourth MOB's clear benefits, and its satisfaction of the Use Restrictions,
5 both in letter and spirit, in March 2022, Wiley rejected it out of hand, telling Gil Medical Center
6 representatives that he "really likes this project, but will be sending a nasty letter." In response to
7 Gil Medical Center noting that the Fourth MOB's 75 apartments would be available to rent by the
8 hundreds of new physician residents Dignity's recruiting to Stockton, Wiley responded that he
9 "really did not care" where those residents lived.

10 24. Over the course of several months of discussion that followed, Dignity repeatedly
11 rejected the Fourth MOB. On May 19, 2022 – in addition to rejecting the Fourth MOB without
12 explanation, Dignity purported – for the first time in 16 years – to exercise its right to repurchase the
13 Property pursuant to the terms of the Purchase and Sale Agreement.

14 25. In fact, as Gil Medical Center promptly responded on June 3, 2022, Dignity's
15 repurchase option long ago expired by virtue of Dignity's knowing failure to exercise it at any time
16 over the prior decade, during which time it was fully aware – indeed, it repeatedly discussed with
17 Gil Medical Center – that Gil Medical Center had not been able to commence construction of the
18 MOB. (Since Gil Medical Center's letter of June 3, 2022, Dignity has never again mentioned the
19 repurchase option.)

20 26. On August 23, 2022, Gil Medical Center representatives met virtually with
21 representatives from CommonSpirit, Dignity's sole owner, in an effort to answer any questions
22 Dignity might have about the Fourth MOB and to obtain the long-awaited approval contemplated by
23 the recorded documents.

24 27. Following that meeting, on August 26, 2022, Gil Medical Center emailed to follow
25 up with CommonSpirit, specifically requesting that CommonSpirit either approve the Fourth MOB

1 project or provide "feedback from [CommonSpirit] as to what does and does not work from your
2 perspective" so that the project could move forward. Gill Medical Center requested a response by
3 September 8.

4 74. Gill Medical Center received no response from Dignity or CommonSpirit on
5 September 8. Instead, CommonSpirit repeatedly delayed in providing any response. Finally, on
6 October 3, CommonSpirit sent an email again rejecting the Exhibit MOB, expressing its opinion that
7 "the present multi-use project proposed by Gill Medical Center does not match the intent of the
8 2006 transaction documents" and asserting that it rejects the 2022 multi-use project proposal as
9 inconsistent with the development restrictions set out in the 2006 transaction documents."

10 75. Rather than provide any specific feedback to allow the project to move forward in
11 some fashion, despite Gill Medical Center's express request – and its 16-year history of attempting
12 to develop the Property at great cost – CommonSpirit simply repeated its old, worn position that it is
13 "open to any development proposal that is consistent with the conditions set forth in the 2006
14 transaction documents."
15

16 76. The following day, October 4, Gill Medical Center responded to correct several
17 misstatements in CommonSpirit's October 3 email, to reiterate that the project meets all the
18 purportedly applicable Use Restrictions, and to "respectfully request that CommonSpirit reconsider
19 its position and promptly grant approval of the proposal(s) Medical Center has submitted."

20 77. Gill Medical Center requested a response by October 7. CommonSpirit has not
21 responded.
22

23 **XIII. DIGNITY AND COMMONSPIRIT DEMONSTRATE THEIR REFUSAL TO**
24 **APPROVE DEVELOPMENT OF THE PROPERTY STEMS FROM (B)(1)**
25 **FAITH.**

26 78. In rejecting, failing to respond to, and refusing to participate in the numerous
27 proposals presented by Gill Medical Center, Dignity (including through CommonSpirit) has
28

1 repeatedly demonstrated that it would never grant approval of any viable project of the Property, no
2 matter how beneficial to the hospital or the community will argue.

3 82. To the extent it has ever provided any reasons for rejecting the Fourth MOB,
4 Dignity's stated reasons (which its new owner, CommonSpirit, has relayed) are purely pretextual. For
5 example, while Dignity (through CommonSpirit) now apparently objects to the inclusion in the
6 Fourth MOB of ancillary commercial uses, Dignity previously gave its approval to the Original
7 MOB project, which included precisely such uses—namely, a bank and pharmacy.
8

9 83. Similarly, while Dignity (through CommonSpirit) now objects to the inclusion of
10 ancillary commercial uses in the Fourth MOB, Dignity never objected to the inclusion of significant
11 commercial and retail uses in any of the prior successive iterations of the MOB project. And, while
12 Dignity (through CommonSpirit) now objects to conclusively fish on to the inclusion of ancillary
13 residential uses in the Fourth MOB, it has never explained how or why those uses violate the terms
14 of the Use Restrictions.
15

16 84. Standing alone, Dignity's refusal to grant approval of any such project would be a
17 breach of its obligations under the outlined and articulated Use Restrictions in the Densford
18 Declaration, including its duty of good faith and fair dealing. But the recent history of Dignity's
19 conduct has demonstrated that its breaches stem from a deeper, intentional, bad-faith effort to
20 obstruct Gail Medical Center's efforts to develop the Property. Dignity's bad-faith conduct stems
21 from motivations both personal and competitive.
22

23 85. First, Dignity's bad-faith conduct stems in part from Dignity CEO Don Wray's regret
24 at selling the Property to Gail Medical Center. Wray has expressly stated in the presence of
25 witnesses that he regrets selling the Property and that his superiors have criticized him for doing so.
26

27 86. Second, Dignity's bad-faith conduct stems from its longer effort to prevent Gail
28 Medical Center from competing with Dignity in the provision of a wide range of much-needed
healthcare services to the people of San Joaquin County.

1 88. In parallel to its efforts to develop the 1767 N. California St. Property, Gill Medical
2 Center's principals, namely, the Gill family, have separately been engaged in a long-term plan to
3 develop a state-of-the-art women's hospital and healthcare campus (the "Gill Women's Hospital")
4 between Stockton and Lodi on property it owns north of Highway Road.

5 89. As the only entity currently offering women's acute care services in Stockton,
6 Dignity is well aware of plans for the Gill Women's Hospital, which would both compete with
7 Dignity in the provision of those acute care services – including labor and delivery services, and also
8 offer significant additional services that Dignity does not provide at St. Joseph's, such as inpatient
9 obstetrics and in vitro fertilization (IVF).

10 90. In an effort to obstruct the development of the Gill Women's Hospital, in 2021
11 negotiations regarding an unrelated contract pursuant to which Gill OB/GYN would have taught
12 obstetrics and gynecology residents at St. Joseph's, Dignity attempted to include a "non-competitor"
13 provision that would both have precluded development of the Gill Women's Hospital and limited the
14 universe of potential medical tenants on the Property. The anti-competitive language Dignity
15 proposed would have curtailed women's healthcare access in San Joaquin County to serve Dignity's
16 narrow economic interests, including its interest in deterring competition from the Gill family and its
17 affiliates, including Gill Medical Center.

18 91. As advocates for expanded women's healthcare access, Gill OB/GYN rejected
19 Dignity's restrictive proposed conditions. Instead, Gill OB/GYN elected to provide teaching services
20 free of charge to St. Joseph's residents in Emergency Medicine, Internal Medicine and Family
21 Medicine.

22 92. Dignity's conduct also makes clear that it is attempting to use its perceived authority
23 to adjust development purposes on the Property to frustrate the unrelated development of a

24
25
26
27
28 ¹ In addition to operating St. Joseph's, Dignity also manages San Joaquin General Hospital in
French Camp, the next closest hospital offering women's acute care services.

1 competing hospital by the Cal. family. For example, in rejecting the Third MOH project in 2021, a
2 time at which Dignity was actively trying to frustrate the development of Cal. Women's Hospital
3 Wiley stated, in the presence of witnesses that his relationship with the Cal's is fractured," a
4 consideration that (true or not) should have had no bearing on Dignity's approval of the MOH
5 project.

6
7 93. In addition, in rejecting the Fourth MOH project in October 2022, Dignity through
8 Commission 94 expressly led its position on development of the Property to its opposition to the
9 unrelaxed development of Cal. Women's Hospital. Specifically, Commission 94 alleged (incorrectly
10 that the Cal's had chosen to "contain" market share via a new campus – at the expense of enhancing
11 patient care as contemplated in the 2006 transaction documents.

12
13 94. In fact, as Dignity is fully aware, the Noncomplete Restrictions in the Declaration
14 expressly purport to prohibit the use of the Property for acute care hospital services – or for any of
15 more than 50 other services – meaning that the Cal's necessarily must provide those services at a
16 location other than the Property that Dignity itself chose to encumber in that manner.

17
18 95. Dignity's thinly veiled attempts to obstruct Cal. Medical Center's development of the
19 Property because of the Cal's separate efforts to provide competing, much-needed women's
20 health care services amount to bad faith, anticompetitive conduct.

21
22 96. Dignity's conduct is equitable, offensive to basic principles of good faith and fair
23 dealing, and contrary to the significant public interests in the provision of healthcare and access to
24 housing. It requires judicial intervention.

25
26 **XIV. FUNDAMENTALLY CHANGED CIRCUMSTANCES IN STOCKTON
27 RENDER THE DEED RESTRICTIONS OPPRESSIVE AND
28 UNENFORCEABLE.**

29
30 97. Dignity's bad-faith efforts to leverage the deed restrictions against Cal. Medical
31 Center would be unreasonable and unjustified in any event. But that conclusion is even more true in
32 light of the fundamental changes that have impacted Stockton since 2006, the year the Deed and

1 Declaration were recorded. These fundamental changes directly impact both the viable uses of the
2 property and the burden's net benefit associated with the restrict covenants which Dignity is relying on to
3 prevent G II Medical Center's development of the Court's MOU.

4 **A. The Housing Crisis**

5 98. Since 2006, Stockton has experienced well-publicized, ideal housing crises that
6 together represent a fundamental change to the city and its housing needs.

7 99. In 2006, Stockton was growing rapidly due in part to a booming housing market that
8 had seen the construction of record numbers of new homes over the prior five years.

9 100. Beginning in 2007, and following national trends, Stockton's housing market began
10 to collapse and, by the summer of 2008, Stockton's rate of residential foreclosure was among the
11 highest in the country.

12 101. With the devastating crash of markets in Stockton and nationally, new residential
13 construction stopped precipitously. While more than 6,000 new units were built annually in San
14 Joaquin County at the market's peak in 2005-06, new residential construction in the county dropped
15 below 1,000 units annually beginning in 2006 and remained below 2,000 units annually in every
16 year through 2016.

17 102. As a direct result of the precipitous drop in residential construction that began during
18 the Great Recession, Stockton and San Joaquin County are now again in the midst of a severe
19 housing crisis. The San Joaquin Council of Governments assessed that during the period from 2014
20 to 2023, San Joaquin County should construct some 40,000 new residential units. Yet as of 2017,
21 fewer than 7,000 had been built, leaving the county on a trajectory to fall 20,000 residential units
22 short of the number needed to meet its housing needs by 2023.

23 103. That systemic shortage of housing that has led to a dramatic, rapid rise in housing
24 costs, to many residents being unable to purchase a home, and to a historic homelessness crisis. By
25 one estimate, between the years of 2012 and 2017, homelessness in Stockton nearly doubled.

1 **B. Changes in the Healthcare Market**

2 104 In addition to fundamental changes in the health care market, the past 16 years have seen
3 dramatic changes in the delivery of healthcare services in Stockton and, as a result, a fundamentally
4 reduced need for medical office space.

5 105 First, the San Joaquin Valley is dealing with a severe shortage of physicians that has,
6 in turn, reduced the demand for medical offices. According to the Future Health Workforce
7 Commission, as of 2020 the San Joaquin Valley had only 79 primary care physicians per 100,000
8 people, a number that is between 50 and 67 percent of the number of primary care physicians the
9 federal government recommends (60 to 80 primary care physicians per 100,000 people). In addition,
10 as in California overall, many physicians in Stockton are presently nearing retirement, which will
11 further decrease the demand for medical office space in the near future.

12 106 Second, over the past 16 years, Dignity has moved to a "hospitalist" model of care in
13 which it employs or contracts with physicians who provide care exclusively at St. Joseph's, rather
14 than in a medical office setting. Specifically, Dignity first implemented a hospitalist program in
15 September 2007. Since that time, and increasing in the years since, Dignity's adoption of the
16 hospitalist model has substantially reduced the demand for medical office space in the vicinity of St.
17 Joseph's.

18 107 Third, the increasingly widespread adoption of telehealth, in which patients visit their
19 healthcare providers by means of virtual meeting or videoconferencing technology, also has
20 significantly reduced the demand for in-person outpatient visits in the Stockton area. Telehealth has
21 grown significantly since 2006 (and will continue to grow significantly in the future as a result of
22 the COVID-19 pandemic and legislative changes – including the adoption of legislation that requires
23 insurers to reimburse telehealth services at the same rates as services delivered in-person – designed
24 to reduce the differential treatment of telehealth and in-person visits to healthcare providers.
25
26
27
28

1 118. While telehealth's visits surged and then peaked during the pandemic, the use of
2 telehealth remains far above pre-pandemic levels, representing a longer-term change in the delivery
3 of healthcare services that will continue to significantly impact the demand for medical office space
4 in Stockton.

5 **FIRST CAUSE OF ACTION**
6 **Declaratory Relief - Use Restrictions**

7 109. The preceding paragraphs are incorporated by reference as if set forth herein.

8 110. A factual controversy has arisen, and now exists, between Gil Medical Center and
9 Dignity regarding the validity, interpretation and effect of the Use Restrictions contained in the *Deed*
10 *and Declaration*, and the parties' respective rights and duties thereunder.

11 111. Specifically, Dignity contends that the Use Restrictions refer to and enforce and effect
12 the more restrictive version of the Use Restrictions found in the *Declaration* app.s, and that
13 those restrictions stifle Gil Medical Center's plans to develop the Fourth MOB.

14 112. By contrast, Gil Medical Center contends that the Use Restrictions are no longer
15 enforceable, that if they are enforceable—the less restrictive version of the Use Restrictions found
16 in the *Deed* would apply, that the Fourth MOB satisfies those restrictions, and that Dignity is
17 obligated to provide its reasonable consent to that project.

18 113. Gil Medical Center seeks a judicial determination of the parties' rights and duties
19 pursuant to the Use Restrictions in the *Deed and Declaration*, and the validity of Dignity's conduct
20 relating to those restrictions.

21 114. Declaratory relief is necessary and appropriate to determine the parties' rights and
22 duties. Gil Medical Center has suffered, and will continue to suffer harm in the form of uncertainty
23 regarding its rights to proceed with development on the Property, unless and until the declaration is
24 made.

1 115. Specifically, Gill Medical Center seeks a declaration that the Use Restrictions in the
2 Deed and Declaration are unreasonable and unenforceable because of the changed circumstances
3 surrounding the Property, because their enforcement would be unduly oppressive and inequitable,
4 and/or because their enforcement would serve no purpose other than disproportionately burdening
5 the Property with no corresponding benefit.

6 116. In the alternative, Gill Medical Center seeks a declaration that:

7 a. To the extent any of the Use Restrictions are enforceable, the less restrictive version
8 of the Use Restrictions in the Deed governs; and

9 b. To the extent they are enforceable, the Use Restrictions allow for ancillary
10 commercial and residential uses as part of the medical office building; and

11 c. The Fourth MOB project satisfies the Use Restrictions, to the extent they are
12 enforceable, and Dignity therefore must consent to the Fourth MOB project; and

13 d. In any event, Dignity cannot unreasonably withhold its consent to any project
14 submitted for approval pursuant to the Use Restrictions, but must act reasonably and in good faith in
15 giving approval to any such project.

16 117. Gill Medical Center is entitled to its reasonable attorneys' fees and costs pursuant to
17 Section 8.3 of the Declaration and Section 11.3 of the Sale Agreement.

18
19
20 **SECOND CAUSE OF ACTION**
21 **Declaratory Relief – Repurchase Option**

22 118. The preceding paragraphs are incorporated by reference as if set forth herein.

23 119. An actual controversy has arisen, and now exists, between Gill Medical Center and
24 Dignity regarding the validity, interpretation and effect of the Repurchase Option contained in the
25 Deed and Sale Agreement, and the parties' respective rights and duties thereunder.

1 120. Specifically, on May 18, Dignity purported to exercise the Repurchase Option
2 contained in Section 7(b)(2) of the Sale Agreement. Gill Medical Center subsequently rejected
3 Dignity's purported exercise of that option.

4 121. Declaratory relief is necessary and appropriate to determine the parties' rights and
5 duties. Gill Medical Center has suffered, and will continue to suffer harm, in the form of uncertainty
6 regarding its rights to proceed with development on the Property, unless and until that declaration is
7 made.

8 122. Gill Medical Center seeks a judicial determination of the parties' rights and duties
9 pursuant to the Repurchase Option in the Deed and Sale Agreement, and the validity of Dignity's
10 purported rights under that option. Specifically, Gill Medical Center seeks a declaration that

11 a. The Repurchase Option in the Deed and Sale Agreement has expired because Dignity
12 failed to exercise it within a reasonable time following expiration of 18 months after the Deed was
13 recorded on September 15, 2006, and
14

15 b. In addition to (i) the alternative, Dignity has waived or abandoned any right to
16 exercise the Repurchase Option in the Deed and Sale Agreement as a result of knowingly and
17 intentionally failing to exercise it within a reasonable time following expiration of 18 months after
18 the Deed was recorded on September 15, 2006, and

19 c. In addition to (i) the alternative, Dignity is equitably estopped from exercising the
20 Repurchase Option by affirmatively representing to Gill Medical Center, beginning in 2010 – 2012
21 after the option already had expired, in any event, that Dignity agreed the Repurchase Option was
22 outdated and unnecessary and could be removed from the Deed, and
23

24 d. In addition to (i) the alternative, Dignity is barred by applicable statutes of limitations
25 from attempting to exercise or enforce the Repurchase Option.

26 123. Gill Medical Center is entitled to its reasonable attorneys' fees and costs pursuant to
27 Section 13 of the Sale Agreement.
28

**THIRD CAUSE OF ACTION
Declaratory Relief - Noncompetes Restrictions**

124. The preceding paragraphs are incorporated by reference as if set forth herein.

125. An actual controversy has arisen, and now exists, between Gill Medical Center and Dignity regarding the validity, interpretation, and effect of the Noncompetes Restrictions contained in the Declaration, and the parties' respective rights and duties thereunder.

126. Declaratory relief is necessary and appropriate to determine the parties' rights and duties. Gill Medical Center has suffered, and will continue to suffer harm in the form of uncertainty regarding its rights to proceed with development on the Property, and to use or lease the Property for the provision of services purportedly prohibited by the Noncompetes Restrictions, unless and until that declaration is made.

127. Gill Medical Center seeks a judicial determination of the parties' rights and duties pursuant to the Noncompetes Restrictions in the Declaration, and the validity of Dignity's conduct relating to these restrictions.

128. Specifically, Gill Medical Center seeks a declaration that the Noncompetes Restrictions are unreasonable and unenforceable because they are restraints on trade contrary to public policy, because their enforcement would be unduly oppressive and inequitable, and/or because their enforcement would serve no purpose other than disproportionately burdening the Property with no corresponding benefit.

129. Gill Medical Center is entitled to its reasonable attorneys' fees and costs pursuant to Section 8.3 of the Declaration.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for judgment against Defendant as follows:

1. Grant First Cause of Action, for a declaration that the Use Restrictions in the Declaration and Declaration are unreasonable and unenforceable to the extent they are enforceable, that the

1 Is to state MHIH project meets their requirements and that Dignity will not unreasonably withhold its
2 consent to any projects submitted for approval pursuant to the Use Restrictions.

3 2. Court's Second Cause of Action for a declaration that the Repurchase Option in the
4 Deed and Sale Agreement has expired or, in addition or in the alternative, that Dignity has waived
5 that option is equitably estopped from exercising it, or is barred by the applicable statutes of
6 limitations from exercising it.

7 3. Court's Third Cause of Action for a declaration that the Non-Compete Restriction is
8 unreasonable and unenforceable.

9 4. Is reasonable attorney's fees, expert's fees and costs pursuant to Section 13 of the
10 Sale Agreement and Section 2.3 of the Declaration; and

11 5. For such other relief as the Court deems just and equitable.

12 Dated this 8th day of November, 2022

13 *John Conger*

14 *Colin H. Hunter* (colin@angelaw.com)

15 *Edward A. Piper* (Cal. Bar No. 788789)
16 ed@angelaw.com

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CO-09-AMSI

EXHIBIT 1

RECORDING REQUESTED BY
First American Title Company of Stockton

AND WHEN RECEIVED MAIL TO:

Gill Medical Center, LLC
P.O. Box 6724
Stockton, CA 95204
Attn: Lacey S. Gill

FORM # 29008-1548287

03 17 2009 01 190 144 02 00

Page 1 of 16

Printed in California, Ventura

County of San Joaquin

008-1-4703008

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Printing FORM 29008 01/08 04



APN: 127-140-1R, 127-130-
1R, 22, 23, 24, 31, 32, 33, 34, 36, 43, 46

SPACE ABOVE THIS LINE FOR RECORDERS USE

File No. 29225485 (85)

Survey Monument Fee
\$10.00

GRANT DEED

The undersigned Grantor(s) Declare(s) DOCUMENTARY TRANSFER TAX (5% SEPARATE
DECLARATION, CITY TRANSFER TAX \$8.00,
SURVEY MONUMENT FEE \$10.00

- | * | computed on the consideration or full value of property conveyed, OR
- | * | computed on the consideration or full value less value of liens and/or encumbrances remaining at time of sale,
- | * | unincorporated area; | * | City of Stockton, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, CATHOLIC
HEALTHCARE WEST, a California nonprofit public benefit corporation, as necessary by trustee to ST.
JOSEPH'S MEDICAL CENTER OF STOCKTON, a California non-profit public benefit corporation,
("Grantor's")

hereby GRANTS to GILL MEDICAL CENTER, LLC, a California limited liability company ("Trustee") the
following described property in the City of Stockton, County of San Joaquin, State of California:

FOR LEGAL DESCRIPTION SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

THIS CONVEYANCE IS MADE EXPRESSLY SUBJECT TO THE COVENANTS, AGREEMENTS AND
RESTRICTIONS CONTAINED IN EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF, AND
BY ACCEPTING THIS GRANT DEED, GRANTEE ACKNOWLEDGES THE SAME

Dated: 7/17/09

GRANTOR:
CATHOLIC HEALTH CARE, WEST, a
California nonprofit public benefit corporation

By: [Signature]
 Print Name: William J. Hunt
 Is: President, Group Operations

By: [Signature]
 Print Name: Karl L. Silberstein
 Is: V.P., Financial Operations

MAIL TAX STATEMENTS TO: SAME AS ABOVE

09 07 2009

2009 07 17
14:28:11

DO NOT RECORD

FILER REQUESTS
DO NOT RECORD STAMP VALUE

DECLARATION OF TAX DUE. SEPARATE PAGE
(Revenue & Taxation code 21932 (1931))
NOTE: This Declaration is not a public record.

DOCUMENT #
FILE NO.: 23025485 (85)
DATE: September 14, 2006

Grantor:

Catholic Healthcare West

Grantee:

Gil Medical Center, LLC

Property located in:

Unincorporated

City of Stockton

APN: 127-180-1B, 127-180-1B, 22, 23, 24, 31, 32, 33, 34, 34, 43, 48

DOCUMENTARY TRANSFER TAX 12,143.00

Computed on full value

Computed on full value less liens or encumbrances remaining at time of sale

CITY CONVEYANCE TAX 10

"I declare, under penalty of perjury, under the laws of the State of California that the foregoing is true and correct."

Date:

9/14/06


Betty Silvestre

For: First American Title Company of Stockton

12/10/06 2:04PM - 1/15/07

19 15/2006 PCOR Page 4

T 7 0000 00 0000

1000 000000

Recorder-Recorder-County Clerk
Paid By: FIRST AMER TITLE CO



10/11/06
Page 4 of 11

STATE OF California)
COUNTY OF Sacramento)

On Sept. 14, 2006 before me, Bill Verrios

Notary Public, personally appeared William J. Hill & Karl L. Silbertain personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Signature
Bill Verrios

My Commission Expires: Nov 18, 2009
Notary Name: Bill Verrios
Notary Registration Number: 1622063

This area for official notarial use
Notary Phone: (916) 951-2403
County of Principal Place of Business: Sacramento

STATE OF _____)
COUNTY OF _____)

On _____ before me, _____
Notary Public, personally appeared _____

_____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature

My Commission Expires: _____
Notary Name: _____
Notary Registration Number: _____

This area for official notarial use
Notary Phone: _____
County of Principal Place of Business: _____

General Address

EDITION "A"

Order Number: 2000000000
Map Number: 1

LEGAL DESCRIPTION

All property in the City of Stockton, County of San Joaquin, State of California, described as follows:

PARCEL ONE:

LOT 17, AS SHOWN UPON MAP ENTITLED, HAWTHORNE PARK, FILED FOR RECORD MAY 27, 1945 IN VOL. 11 OF MAPS AND PLATS, PAGE 101, SAN JOAQUIN COUNTY RECORDS

PARCEL TWO:

A PORTION OF SECTION 34 C.M. MORRIS' GRANT, "EL RANCHO DEL CAMPO DE LOS FRANCISCO", DESCRIBED AS FOLLOWS:

BEGINNING AT A STEEL ANGLE AT THE NORTHWEST CORNER OF PROPERTY OF DR. W. A. WALSH AS DESCRIBED IN DEED RECORDED IN BOOK OF OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, VOL. 587, PAGE 3, SAID POINT OF BEGINNING BEING IN THE EAST LINE OF WOOD LANE, AND BEARING NORTH 17° 12' WEST 97.00 FEET FROM THE INTERSECTION OF THE EAST LINE OF SAID WOOD LANE WITH THE NORTH LINE OF WALNUT STREET, THENCE NORTH 17° 12' WEST ALONG THE EAST LINE OF WOOD LANE, 36.70 FEET TO A STEEL ANGLE IN THE WESTERLY PRODUCTION OF THE SOUTH PRODUCTION OF THE SOUTH LINE OF CHESNUT STREET, 66.32 FEET TO A STEEL ANGLE, THENCE SOUTH 17° 12' EAST 98.24 FEET TO A STEEL ANGLE AT THE NORTHEAST CORNER OF SAID WALSH PROPERTY, 66.37 FEET TO THE POINT OF BEGINNING.

NOTE: A RE-SURVEY OF THIS AND OTHER PROPERTY WAS FILED FOR RECORD APRIL 14, 1934 IN VOL. 4 OF SURVEYS, PAGE 301, SAN JOAQUIN COUNTY RECORDS.

PARCEL THREE:

LOT 4 IN BLOCK "C", AS SHOWN UPON MAP ENTITLED, MC CLEOD'S ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD MAY 26, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS

PARCEL FOUR:

LOT 5 IN BLOCK "C", AS SHOWN UPON MAP ENTITLED, MC CLEOD'S ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD MAY 26, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS

PARCEL FIVE:

LOT 6 IN BLOCK "C", AS SHOWN UPON MAP ENTITLED, MC CLEOD'S ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD MAY 26, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS.

PARCEL SIX:

LOT 15 IN BLOCK "C", AS SHOWN UPON MAP ENTITLED, MC CLEOD'S ADDITION TO THE CITY

The American Title

A-1

5:10 APR 11

11:01
Page 4 of 11

Volume Reference

EXHIBIT "A" Cont. Listed

Order Number 21440000
Map Number 2

OF STOCKTON, FILED FOR RECORD MAY 26, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 34, SAN JOAQUIN COUNTY RECORDS.

PARCEL SEVEN:

THAT PORTION OF SECTION 22, C.M. WEBBER'S GRANT, 'EL RANCHO DEL CAMPO DE LOS MANANES', DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF LOT 15 IN BLOCK "C" OF INCLOSURE ADDITION IN THE CITY OF STOCKTON, AS PER MAP FILED MAY 26, 1892 IN BOOK OF MAPS, VOL. 2, PAGE 34, SAN JOAQUIN COUNTY RECORDS; THENCE ALONG THE NORTH LINE OF WALNUT STREET AS SHOWN ON MAP OF SURVEY FILED APRIL 14, 1908 IN BOOK OF SURVEYS, VOL. 4, PAGE 301, SAN JOAQUIN COUNTY RECORDS, SOUTH 89° 17' WEST 58.23 FEET TO A STEEL ANGLE AT THE SOUTHEAST CORNER OF PROPERTY DESCRIBED IN DEED TO WILLIAM E. REBLY, ET UX, RECORDED JANUARY 18, 1937, IN BOOK OF OFFICIAL RECORDS, VOL. 561, PAGE 358; THENCE ALONG THE EAST LINE OF SAID LAST MENTIONED PROPERTY, NORTH 17° 52' WEST, 95.07 FEET TO THE NORTHEAST CORNER OF SAID REBLY LAND; THENCE NORTH 79° 19' EAST 55.42 FEET TO A POINT IN THE WEST LINE OF SAID BLOCK "C", THENCE ALONG THE WEST LINE OF SAID BLOCK "C", SOUTH 19° 04' 30" EAST 105.40 FEET TO THE POINT OF BEGINNING.

PARCEL EIGHT:

A PORTION OF SECTION 22, C.M. WEBBER'S GRANT, 'EL RANCHO DEL CAMPO DE LOS MANANES', DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTH LINE OF WALNUT STREET WITH THE EAST LINE OF WOOD LANE, SAID INTERSECTION BEING THE NORTHWEST CORNER OF THE PARCEL OF LAND DESCRIBED IN DEED FROM HILLGARY TO CITY OF STOCKTON RECORDED MAY 2, 1883 IN BOOK A OF DEEDS, VOL. 384, PAGE 233, SAN JOAQUIN COUNTY RECORDS; THENCE NORTH 78 DEGREES 46 MINUTES EAST ALONG THE NORTH LINE OF WALNUT STREET AS DESCRIBED IN ABOVE MENTIONED DEED, A DISTANCE OF 40.48 FEET TO THE TRUE POINT OF BEGINNING OF THE FOLLOWING DESCRIBED TRACT OF LAND; THENCE COURSE ALONG THE SAID NORTH LINE OF WALNUT STREET, NORTH 78 DEGREES 46 MINUTES EAST 79.00 FEET; THENCE NORTH 17 DEGREES 12 MINUTES WEST AND PARALLEL TO THE EAST LINE OF SAID WOOD LANE, A DISTANCE OF 39.07 FEET; THENCE SOUTH 78 DEGREES 54 MINUTES WEST 48.88 FEET; THENCE SOUTH 17 DEGREES 22 MINUTES EAST 98.00 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL NINE:

LOTS 7 AND 8 IN BLOCK "C", AS SHOWN UPON MAP ENTITLED, INCLOSURE ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD MAY 26, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 34, SAN JOAQUIN COUNTY RECORDS.

PARCEL TEN:

LOT 2 IN BLOCK "C" AS SHOWN UPON MAP ENTITLED, INCLOSURE ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD MAY 26, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 34, SAN JOAQUIN COUNTY RECORDS.

PARCEL ELEVEN:

First American Title

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Map 21440000

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County Name

OFFICE "A" Gold Trust

Order Number

Estimate

Page Number

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A PORTION OF SECTION 18 OF E. M. WEBER'S GRANT, EL RANCHO DEL CAMPO DE LOS FRANCISCO, DESCRIBED AS FOLLOWS:

A TRACT OF LAND LYING BETWEEN LOT 18 OF TRACT NO. 99 HAWTHORNE PARK, ACCORDING TO THE OFFICIAL MAP FILED MAY 27, 1946, IN VOL. 11 OF MAPS AND PLATS, PAGE 101, SAN JOAQUIN COUNTY RECORDS, AND LOT 1 IN BLOCK "C" OF MC CLOUD ADDITION TO STOCKTON, ACCORDING TO THE OFFICIAL MAP FILED MAY 26, 1992 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 18, OF HAWTHORNE PARK, AND RUN THENCE SOUTH 13 DEGREES 53 MINUTES 30 SECONDS EAST ALONG THE EAST LINE OF SAID LOT 18, 100.28 FEET TO THE SOUTHEAST CORNER OF SAID LOT; THENCE NORTH 79 DEGREES 19 MINUTES EAST 9.16 FEET TO THE WEST LINE OF BLOCK "C" OF MC CLOUD ADDITION; THENCE NORTH 19 DEGREES 06 MINUTES EAST ALONG THE WEST LINE OF BLOCK "C" MC CLOUD ADDITION TO THE POINT OF BEGINNING.

PARCEL TWELVE:

LOT 18 AS SHOWN UPON MAP ENTITLED, HAWTHORNE PARK, FILED FOR RECORD MAY 27, 1946 IN VOL. 11 OF MAPS AND PLATS, PAGE 101, SAN JOAQUIN COUNTY RECORDS.

PARCEL THIRTEEN:

A PORTION OF SECTION 18, E. M. WEBER'S GRANT, EL RANCHO DEL CAMPO DE LOS FRANCISCO, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF WALNUT STREET WITH THE EAST LINE OF WOOD LANE, SAID INTERSECTION BEING THE NORTHWEST CORNER OF THE PARCEL OF LAND DESCRIBED IN DEED FROM MARYANN TO CITY OF STOCKTON RECORDED MAY 2, 1922 IN BOOK A OF DEEDS 400354, PAGE 313, SAN JOAQUIN COUNTY RECORDS; THENCE NORTH 79° 46' EAST ALONG THE NORTH LINE OF WALNUT STREET AS DESCRIBED IN THE ABOVE MENTIONED DEED, A DISTANCE OF 65.46 FEET; THENCE NORTH 17° 17' WEST PARALLEL WITH THE EAST LINE OF SAID WOOD LANE, A DISTANCE OF 98 FEET; THENCE SOUTH 79° 46' WEST 65.27 FEET TO A POINT IN THE EAST LINE OF WOOD LANE; THENCE SOUTH 17° 17' EAST ALONG THE EAST LINE OF WOOD LANE, 97 FEET TO THE POINT OF BEGINNING.

PARCEL FOURTEEN:

LOTS 7, 8 AND 9 IN BLOCK "C" AS SHOWN UPON MAP ENTITLED, MC CLOUD'S ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD MAY 26, 1992 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS.

PARCEL FIFTEEN:

LOTS 10, 11 AND 12 IN BLOCK "C" AS SHOWN UPON MAP ENTITLED, MC CLOUD'S ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD MAY 26, 1992 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS.

EXCEPT THEREFROM THAT PORTION OF SAID LOT 10 AS GRANTED TO THE CITY OF STOCKTON BY DEED RECORDED MARCH 9, 1976 IN BOOK 4093 OF OFFICIAL RECORDS, PAGE 541, SAN JOAQUIN COUNTY RECORDS.

THE AMERICAN TRUST

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Exhibit "B"

COVENANTS, AGREEMENTS, AND RESTRICTIONS

The grant of the Property to Grantee by Grantor pursuant to the Grant Deed to which this Exhibit B is attached is made expressly subject to the following covenants, agreements and restrictions:

A. Grantor owns that certain real property located adjacent to the Property, in the County of San Joaquin, State of California, and more particularly described on Exhibit B-1 ("dominant tenement"). The dominant tenement is used and operated by Grantor as an acute care hospital currently called St. Joseph's Medical Center ("The Hospital"). Grantor has an interest in ensuring that the Property subject to this Grant Deed is used for a purpose complementary to the hospital use of the dominant tenement. Accordingly, provided the dominant tenement continues to be used as an acute care hospital facility under the direction of the Grantor or Grantor's Affiliate (defined below), the Property shall be used primarily for the construction and maintenance of a Medical Office Building ("MOB") of not less than thirty thousand (30,000) gross square feet and ancillary uses related to such facility, including without limitation parking, medical office and ancillary administrative areas. For the purposes of this Grant Deed, "Grantor's Affiliate" shall mean an entity controlled by, controlling or under common control with Grantor, including a parent or subsidiary, or a corporation, partnership, limited liability company, or any successor entity controlled by Grantor or under common control with Grantor resulting from the reorganization, merger of, or consolidation with Grantor.

B. Grantee shall commence construction of the MOB upon the Property no later than eighteen (18) months from the date of the recordation of this Grant Deed. For the purposes of this Paragraph B, "commence construction" shall mean the pouring of the concrete foundation for the MOB. Grantor shall have the right to repurchase the Property upon the same terms and conditions for which the Property was sold to Grantee by Grantor if Grantee has not commenced construction of the MOB on or before the date that is 18 months from the date this Grant Deed is recorded. In the event Grantor repurchases the Property under this Paragraph B, Grantee, at its sole cost and expense, shall return the Property to Grantor in the condition received, free of any liens or encumbrances incurred or caused by Grantee. Notwithstanding the foregoing, if Grantor has demolished an existing building in anticipation of the construction of the MOB, Grantee shall not be required to re-construct such building; and if Grantee has completed pre-construction improvements in accordance with all applicable laws and in anticipation of the construction of the MOB, such improvements may remain, provided that, in either situation above, Grantee has not created a situation that requires additional action to eliminate a threat to health, safety, or the environment.

C. Prior to the commencement of construction of the MOB, Grantee shall submit site plans for the entire Property to Grantor for review and approval, which such approval may be granted or withheld in Grantor's sole and absolute discretion, including the approval of any structures on the Property that are incorporated as part of the MOB, on a temporary or permanent basis. Grantee shall commence construction of the MOB and complete the development of the Property substantially consistent with the site plans approved by Grantor.

D. (1) No sale in whole or in part of the Property by Grantee shall be consummated without Grantee providing Grantor a right of first refusal as described below.

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MOB PROJECT

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provided that at such time Grantor or Grantor's Affiliate is constructing to utilize the dominant tenement as an acute care hospital facility and provided further, that none of the following shall be deemed a sale under this paragraph: (a) a transfer of interest to any successor-in-interest of Grantor, even if such transfer involves a sale, provided that (i) the original Grantee (or Grantee's heirs if Grantee is an individual) or (ii) individuals or entities comprised of physicians on the active medical staff of the Hospital (or their respective heirs) retain a fifty percent (50%) minimum interest, with fifty percent (50%) or more of the voting rights in the successor-interest, or (b) if Grantee, or Grantee's successor-in-interest, is a limited liability company, corporation, or partnership, the addition of new members, shareholders or partners into such entity or the internal transfers of interests among existing members, shareholder or partners, provided that (i) the original Grantee, or Grantee's heirs if Grantee is an individual, or (ii) individuals or entities comprised of physicians on the active medical staff of the Hospital (or their respective heirs) retain a fifty percent (50%) minimum interest, with fifty percent (50%) or more of the voting rights therein, or (c) a transfer of an interest in any estate planning trust or entity for the benefit of the Grantee or Grantee's successor in interest, or (d) if Grantee is a limited liability company, corporation, or partnership, the change from one type of entity to another type of entity for tax or estate planning reasons, with the same identity of interests in the new entity. In no event, however, shall the additions, changes, or transfers described in (a) through (d) in this paragraph serve as a subterfuge to evade Grantor's right of first refusal.

(2) Subject to D(1) above, if Grantee receives from any third party a bona fide offer to purchase the Property, including improvements, at a price and on terms acceptable to Grantee, Grantee shall provide Grantor with written notice of such offer ("Offer Notice"), which each Offer Notice shall specify the purchase price, terms and conditions of the third party offer. Grantor shall have the right to purchase the Property, including improvements, on the same terms and conditions and at the same purchase price as the Offer Notice by providing written notice of such exercise ("Intent to Exercise") to Grantee within fifteen (15) days following receipt of the Offer Notice ("Review Period"). Notwithstanding the terms of the third party offer, Grantor's Intent to Exercise shall be subject to Grantor's internal corporate and/or Board approvals. Grantee shall have no less than ninety (90) days after expiration of the Review Period (or such longer time as may be specified as a due diligence period or similar period in the Offer Notice) to obtain Grantor's internal corporate and/or Board approvals and to consummate the transaction on the terms contained in Grantee's Offer ("Transaction Term").

(3) If Grantor does not timely provide Grantee with the Intent to Exercise, or in either fails to consummate the purchase of such Property prior to the end of the Transaction Term, Grantee shall be free to sell such Property to a third party provided that (i) the price is not less than ninety five percent (95%) of the offering price in the Offer Notice, and (ii) the other terms of the sale are not more favorable to the purchaser, than those set forth in Offer Notice.

(4) If Grantee fails to consummate the sale or other transfer of such Property as set forth in D(2) above within: (a) one hundred eighty (180) days after expiration of the Review Period, if Grantor does not accept Grantee's Offer within the Review Period, or (b) the later to occur of (i) the expiration of the Transaction Term, or (ii) one hundred eighty (180) days after expiration of the Review Period, if Grantor has timely accepted Grantee's Offer, then Grantee may not sell or transfer the Property without first offering such Property to Grantor again as set forth in D(2) above, and the remaining provision of this Paragraph D shall remain in effect so that Grantee will have a continuing right of first refusal.

(5) The right of first refusal described in this Paragraph D shall continue to bind any transferee, buyer, or successor of Grantor, regardless of the method by which such person acquired Grantor's interest in the Property.

E The covenants and restrictions set forth in this Exhibit B shall burden the Property, as the servient tenement, and shall run with the land which constitutes the Property, and shall be binding upon Grantee and each of Grantee's successors and assigns. The covenants and restrictions set forth in this Exhibit B (1) shall benefit Grantor and Grantor's Affiliates for so long as Grantor and/or Grantor's Affiliates remain in existence and operate as an acute care hospital facility on the dominant tenement, and (2) shall also benefit the dominant tenement, and shall run with the land which constitutes the dominant tenement, and shall benefit Grantor and each of Grantor's successors and assigns, subject to the same limitation set forth in E(1) above.

F If the Property is at any time used by any party whatsoever for any prohibited purpose or is transferred to a party in violation of the Restrictions contained herein, then Grantee or Grantor's successors or assigns may specifically enforce the covenants and restrictions set forth in this Exhibit B, and shall have all remedies available at law and equity, including the right to an injunction to prevent such impermissible uses or transfer.

DESCRIPTION OF DOMINANT TENEMENT

THAT CERTAIN REAL PROPERTY SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SAN JOAQUIN, CITY OF STOCKTON, DESCRIBED AS FOLLOWS:

PARCEL ONE PORTION OF APN 127 150-44

A TRACT OF LAND SITUATE IN SECTION 19 OF C.M. WEBER GRANT, EL RANCHO DEL CAMPO DE LOS FRANCESCOS, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIN IN THE NORTH LINE OF HARDING WAY (FORMERLY NORTH STREET) IN THE CITY OF STOCKTON, BEARING WESTERLY 75 FEET ALONG THE NORTH LINE OF SAID HARDING WAY WITH THE WEST LINE OF THE 45 FOOT STRIP KNOWN AS CEMETERY LANE AND DESCRIBED IN DEED RECORDED IN BOOK "A" OF DEEDS, VOL. 15, PAGE 781, SAN JOAQUIN COUNTY RECORDS; THENCE NORTHERLY AND PARALLEL TO THE WEST LINE OF SAID CEMETERY LANE AND ALONG THE WEST LINE OF B. M. WOODHULL PROPERTY, 95.0 FEET TO AN IRON PIPE AT CORNER OF SAID WOODHULL PROPERTY; THENCE WESTERLY AND PARALLEL TO THE NORTH LINE OF HARDING WAY AND ALONG THE SOUTH LINE WOODHULL PROPERTY, 49.87 FEET TO A POINT; THENCE SOUTHERLY PARALLEL TO THE WEST LINE OF LOT 1 BLOCK "P" OF SUPPLEMENTAL MAP OF McCLOUD ADDITION TO THE CITY OF STOCKTON, AS PER MAP FILED AUGUST 30, 1892, 94.45 FEET TO A POINT IN THE NORTH LINE OF HARDING WAY; THENCE EASTERLY ALONG THE NORTH LINE OF HARDING WAY, 86 FEET TO THE POINT OF BEGINNING.

EXCEPT THAT PORTION CONVEYED TO GEORGE O'NEILL AND WIFE, BY DEED RECORDED APRIL 11, 1939 IN BOOK 649 OF OFFICIAL RECORDS, PAGE 97, SAN JOAQUIN COUNTY RECORDS, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIN IN THE NORTH LINE OF HARDING WAY (FORMERLY NORTH STREET) SAID PIN BEARING WESTERLY 75 FEET ALONG THE NORTH LINE OF SAID HARDING WAY FROM THE INTERSECTION OF THE NORTH LINE OF SAID HARDING WAY WITH THE WEST LINE OF THE 45 FOOT STRIP KNOWN AS CEMETERY LANE AND DESCRIBED IN DEED RECORDED IN BOOK "A" OF DEEDS, VOL. 15, PAGE 781, SAN JOAQUIN COUNTY RECORDS; THENCE CONTINUING WESTERLY 22.0 FEET ALONG SAID NORTH LINE OF HARDING WAY TO A POINT IN THE CENTER LINE PRODUCED SOUTHERLY OF AN 8 INCH BRICK WALL; THENCE NORTHERLY 67.05 FEET ALONG SAID CENTER LINE AND SAID CENTER LINE PRODUCED TO A 1/2 INCH IRON PIPE; THENCE EASTERLY 16.85 FEET TO A 1/2 INCH IRON PIPE ON THE WEST LINE OF THE FORMER B. M. WOODHULL PROPERTY; THENCE SOUTHERLY 67.40

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FEET ALONG SAID WEST LINE OF SAID B. M. WOODHULL PROPERTY AND PARALLEL WITH SAID CEMETERY LANE TO THE POINT OF BEGINNING.

PARCEL TWO: PORTION OF APN 127-130-44

A PORTION OF SECTION 19 OF C.M. WILBER GRANT, "EL RANCHO DEL CAMPO DE LOS FRANCISCOS, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS.

COMMENCING AT THE NORTHEAST CORNER OF LOT 1 IN BLOCK "P" OF SUPPLEMENTAL MAP OF MCCLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 15, SAN JOAQUIN COUNTY RECORDS, THENCE EASTERLY PARALLEL WITH THE NORTH LINE OF HARDING WAY AND ALONG THE NORTH LINE OF PROPERTY FORMERLY OWNED BY O. M. HOOL, 66 FEET; THENCE SOUTHERLY PARALLEL WITH THE WEST LINE OF CEMETERY LANE, 55 FEET; THENCE WESTERLY PARALLEL WITH THE NORTH LINE OF HARDING WAY AND ALONG THE SOUTH LINE OF PROPERTY FORMERLY OWNED BY O. M. HOOL, 36 FEET TO A POINT ON THE EAST LINE OF LOT 1 IN BLOCK "P"; SUPPLEMENTAL MAP OF MCCLOUD ADDITION, THENCE NORTHERLY ALONG THE EAST LINE OF SAID LOT 1, 55 FEET TO THE POINT OF BEGINNING.

PARCEL THREE: PORTION OF APN 127-130-54

LOT 7 IN BLOCK 1, AS SHOWN UPON MAP ENTITLED, NORTH PARK ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD SEPTEMBER 26, 1932 IN VOL. 2 OF MAPS AND PLATS, PAGE 28, SAN JOAQUIN COUNTY RECORDS.

PARCEL FOUR: PORTION OF APN 127-150-54

LOT 5 IN BLOCK "P", AS SHOWN UPON MAP ENTITLED, SUPPLEMENTAL MAP OF MCCLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 15, SAN JOAQUIN COUNTY RECORDS.

PARCEL FIVE: PORTION OF APN 127-150-34

LOT 4 IN BLOCK "P", AS SHOWN UPON MAP ENTITLED, SUPPLEMENTAL MAP OF MCCLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 15, SAN JOAQUIN COUNTY RECORDS.

PARCEL SIX: APN 127-160-03

LOT 5 IN BLOCK "L" OF MCCLOUDS ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD MAY 26, 1891 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS.

PARCEL SEVEN: APN 127-160-04

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LOTS 3 AND 4 IN BLOCK "L", AS SHOWN UPON MAP ENTITLED, SUPPLEMENTAL MAP OF MCCLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 15, SAN JOAQUIN COUNTY RECORDS.

PARCEL EIGHT- APN 127-164-06

LOTS 16, 17 AND 18 IN BLOCK "L", AS SHOWN UPON MAP ENTITLED, SUPPLEMENTAL MAP OF MCCLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 16, SAN JOAQUIN COUNTY RECORDS.

AND THE NORTH 38 FEET OF LOTS 19, 20 AND 21 IN BLOCK "L", AS SHOWN UPON MAP ENTITLED, SUPPLEMENTAL MAP OF MCCLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 16, SAN JOAQUIN COUNTY RECORDS.

PARCEL NINE- APN 127-164-07

LOTS 15, 19, 20 AND 21 IN BLOCK "L" OF THE MAP AND SUPPLEMENTAL MAP OF MCCLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 AND AUGUST 14, 1896, RESPECTIVELY, SAN JOAQUIN COUNTY RECORDS.

EXCEPT THEREFROM THE NORTH 38 FEET OF LOTS 19, 20 AND 21, AS CONVEYED BY MARY RUSSELL TO STOCKTON, CALIFORNIA COMPANY OF JEHOVAH'S WITNESSES, A CORPORATION, BY DEED RECORDED DECEMBER 31, 1951 AS INSTRUMENT NO. 40851, SAN JOAQUIN COUNTY RECORDS.

PARCEL TEN- APN 127-164-08

LOT 14 IN BLOCK "L", AS SHOWN UPON MAP ENTITLED, SUPPLEMENTAL MAP OF MCCLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 15, SAN JOAQUIN COUNTY RECORDS.

PARCEL ELEVEN- APN 127-164-11

LOT 2 IN BLOCK "L", AS SHOWN UPON MAP ENTITLED, SUPPLEMENTAL MAP OF MCCLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 15, SAN JOAQUIN COUNTY RECORDS.

PARCEL TWELVE- APN 127-164-17

LOT 6 IN BLOCK "L" OF MCCLOUDS ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD MAY 26, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS.

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EXCEPT THEREFROM THAT PORTION AS DESCRIBED IN DEED TO THE CITY OF STOCKTON, A MUNICIPAL CORPORATION, RECORDED JANUARY 29, 1880 AS INSTRUMENT NO 50061422 SAN JOAQUIN COUNTY RECORDS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF LOT 6 BLOCK "L" AS SAID LOT AND BLOCK ARE SO DESIGNATED AND DELINEATED ON THAT CERTAIN MAP ENTITLED "SUPPLEMENTAL MAP OF MC CLOUD'S ADDITION TO THE CITY OF STOCKTON" AS FILED ON AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 15, SAN JOAQUIN COUNTY RECORDS, THENCE EASTERLY 24 FEET ALONG THE NORTH LINE OF SAID LOT; THENCE SOUTHERLY 50 FEET ALONG A LINE 24 FEET EASTERLY OF AND PARALLEL WITH THE EAST LINE OF CALIFORNIA STREET TO A POINT ON THE SOUTH LINE OF SAID LOT, THENCE WESTERLY 24 FEET ALONG SAID SOUTH LINE TO THE EAST LINE OF CALIFORNIA STREET BEING ALSO THE SOUTHWEST CORNER OF SAID LOT, THENCE NORTHERLY 50 FEET ALONG SAID EAST LINE OF CALIFORNIA STREET TO THE HEREINBEFORE MENTIONED POINT OF BEGINNING.

PARCEL THIRTEEN: APN 127-164-20

THE EAST 30 FEET OF LOT 10; THE EASTERLY 58 FEET OF THE WESTERLY 82 FEET OF LOTS 8 AND 9, THE EASTERLY 75 FEET OF LOT 7, THE WEST 20 FEET OF LOT 10, THE EAST 18 FEET OF EACH OF LOTS 8 AND 9, ALL OF LOT 11, ALL IN BLOCK "L", AS SHOWN UPON MAP ENTITLED "SUPPLEMENTAL MAP OF MC CLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 15, SAN JOAQUIN COUNTY RECORDS.

EXCEPT FROM A PORTION OF SAID LAND ALL MINERAL RIGHTS INCLUDING RIGHTS TO OIL, GAS AND OTHER HYDROCARBON SUBSTANCES BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID REAL PROPERTY WITHOUT THE RIGHT OF SURFACE ENTRY.

PARCEL FOURTEEN: APN 127-164-21

LOTS 12 AND 13 IN BLOCK "L", AS SHOWN UPON MAP ENTITLED "SUPPLEMENTAL MAP OF MC CLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AUGUST 30, 1892 IN VOL. 2 OF MAPS AND PLATS, PAGE 14, SAN JOAQUIN COUNTY RECORDS.

PARCEL FIFTEEN: APN 127-173-28

ALL OF LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 AND 18 IN BLOCK "M" AS THE SAME ARE SHOWN AND DELINEATED ON THAT CERTAIN MAP ENTITLED "SUPPLEMENTAL MAP OF MC CLOUD ADDITION TO THE CITY OF STOCKTON WHICH MAP WAS FILED FOR RECORD AUGUST 30, 1892 IN BOOK OF MAPS AND PLATS, VOL.

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2, PAGE 15, SAN JOAQUIN COUNTY RECORDS, AND ALL THAT PORTION OF WYANDOTTE STREET AS SHOWN UPON SAID REFERENCE MAP AS THE SAME WAS ABANDONED BY THE STOCKTON CITY COUNCIL RECORDED APRIL 19, 1991, RECORDER'S INSTRUMENT NO. 910324, SAN JOAQUIN COUNTY RECORDS

EXCEPTING FROM LOTS 8, 9, 10 AND 11 SO MUCH OF SAID LOTS AS LIE WITHIN THE EXTERIOR BOUNDARIES OF CALIFORNIA STREET AS SAID STREET IS NOW TRAVELED AND ESTABLISHED.

ALSO EXCEPTING FROM THE EAST 12.62 FEET OF LOT 13 AND THE WEST 12 OF LOT 14 HEREIN ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET BELOW THE SURFACE OF SAID LOTS AS THE SAME WERE RESERVED IN THE DEED RECORDED JUNE 22, 1989 RECORDER'S INSTRUMENT NO. 3805978, SAN JOAQUIN COUNTY RECORDS

PARCEL SIXTEEN APN 127-174-30

ALL OF LOTS 1, 2, 3, 4, 5, 6, 7, 8 AND 9 IN BLOCK N AS SAID LOTS AND BLOCK AS SHOWN AND DELINEATED UPON THAT CERTAIN MAP ENTITLED, SUPPLEMENTAL MAP OF MC CLOUD ADDITION TO THE CITY OF STOCKTON FILED FOR RECORD AUGUST 30, 1892 IN BOOK OF MAPS AND PLATS, VOL. 2, PAGE 15, SAN JOAQUIN COUNTY RECORDS; AND ALL THAT PORTION OF HAWTHORNE STREET AS SHOWN UPON SAID ABOVE REFERRED MAP AS THE SAME WAS ABANDONED BY THE STOCKTON CITY COUNCIL RECORDED JULY 27, 1987 RECORDER'S INSTRUMENT NO. 8707382, SAN JOAQUIN COUNTY RECORDS

EXCEPTING FROM SAID LOTS 8 AND 9 ABOVE REFERRED TO THAT PORTION OF SAID LOTS 8 AND 9 DESCRIBED IN DEEDS TO THE CITY OF STOCKTON, A MUNICIPAL CORPORATION RECORDED OCTOBER 3, 1978 IN BOOK OF OFFICIAL RECORDS, VOL. 4456, PAGE 463, SAN JOAQUIN COUNTY RECORDS AND RECORDED OCTOBER 31, 1978 IN BOOK OF OFFICIAL RECORDS, VOL. 4468, PAGE 123, SAN JOAQUIN COUNTY RECORDS.

PARCEL SEVENTEEN APN 127-186-44

PARCEL SEVENTEEN-A:

LOTS 10, 11, 12, 13, 14, 15, 16, 17 AND 18 IN BLOCK N, SUPPLEMENTAL MAP OF MC CLOUD ADDITION TO THE CITY OF STOCKTON FILED FOR RECORD AUGUST 30, 1892 IN BOOK OF MAPS AND PLATS, VOL. 2, PAGE 15, SAN JOAQUIN COUNTY RECORDS

EXCEPT THAT PORTION OF LOTS 10 AND 11 DESCRIBED IN DEED TO THE CITY OF STOCKTON RECORDED SEPTEMBER 10, 1976 IN BOOK OF OFFICIAL RECORDS, VOL. 4178, PAGE 377, SAN JOAQUIN COUNTY RECORDS

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PARCEL SEVENTEEN-B:

LOTS 1 THROUGH 10 INCLUSIVE IN BLOCK 43, SUPPLEMENTAL MAP OF MC CLOUD ADDITION TO THE CITY OF STOCKTON FILED FOR RECORD AUGUST 30, 1892 IN BOOK OF MAPS AND PLATS, VOL. 2, PAGE 15, SAN JOAQUIN COUNTY RECORDS

EXCEPT THAT PORTION DESCRIBED IN DEED TO THE CITY OF STOCKTON RECORDED JULY 26 1961 IN BOOK OF OFFICIAL RECORDS, VOL. 2440, PAGE 264, SAN JOAQUIN COUNTY RECORDS

PARCEL SEVENTEEN-C:

A PORTION OF SECTION 19 OF C. M. WEBER GRANT, DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY LINE OF CALIFORNIA STREET WITH THE NORTHERLY LINE OF WALNUT STREET AS SHOWN UPON MAP OF NORTH PARK ADDITION TO STOCKTON ACCORDING TO THE OFFICIAL MAP THEREOF FILED IN BOOK OF MAPS AND PLATS, VOL. 7, PAGE 21, SAN JOAQUIN COUNTY RECORDS. THENCE EASTERLY ALONG THE NORTHERLY LINE OF WALNUT STREET TO THE WESTERLY LINE OF CEMETERY LANE; THENCE NORTHERLY ALONG THE WESTERLY LINE OF CEMETERY LANE TO THE SOUTHERLY LINE OF BLOCK 0 AS SHOWN UPON MAP ENTITLED SUPPLEMENTAL MAP OF MC CLOUD ADDITION TO THE CITY OF STOCKTON ACCORDING TO THE OFFICIAL MAP THEREOF FILED IN BOOK OF MAPS AND PLATS, VOL. 2, PAGE 15, SAN JOAQUIN COUNTY RECORDS; THENCE WESTERLY ALONG THE SOUTHERLY LINE OF BLOCK 0 TO THE EASTERLY LINE OF CALIFORNIA STREET; THENCE SOUTHERLY ALONG SAID EASTERLY LINE OF CALIFORNIA STREET TO THE POINT OF COMMENCEMENT

EXCEPT THAT PORTION TO THE CITY OF STOCKTON BY DEED RECORDED JULY 26, 1961 IN BOOK OF OFFICIAL RECORDS, VOL. 2440, PAGE 264, SAN JOAQUIN COUNTY RECORDS

TOGETHER WITH THE NORTH 1/2 OF ABANDONED WALNUT STREET LYING BETWEEN THE EASTERLY AND WESTERLY BOUNDARY LINE OF SAID PARCEL TWO IF EXTENDED SOUTHERLY

EXCEPT THAT PORTION OF ABOVE DESCRIBED ABANDONED WALNUT STREET WHICH LIES WITHIN THE BOUNDARIES OF SECOND AMENDED PARCEL MAP FILED FOR RECORD APRIL 17, 1975 IN BOOK OF PARCEL MAPS, VOL. 1, PAGE 140, SAN JOAQUIN COUNTY RECORDS.

PARCEL FOUR:

LOTS 6, 8, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24 AND 25 IN BLOCK 2 OF NORTH PARK ADDITION TO STOCKTON FILED FOR RECORD SEPTEMBER 26, 1892 IN BOOK OF MAPS AND PLATS, VOL. 2, PAGE 22, SAN JOAQUIN COUNTY RECORDS.

2025 03/14

10/27
10/27 10/27

TOGETHER WITH THE SOUTH 1/2 OF ABANDONED WALNUT STREET LYING BETWEEN THE EASTERLY AND WESTERLY BOUNDARY LINE OF ABOVE BLOCK 2, BE EXTENDED NORTHERLY

EXCEPT THEREFROM THAT PORTION LYING WITHIN THE BOUNDARIES OF SECOND AMENDED PARCEL MAP FILED FOR RECORD APRIL 17, 1975 IN BOOK OF PARCEL MAPS, VOL. 1, PAGE 140, SAN JOAQUIN COUNTY RECORDS

PARCEL FIVE:

UNIT NOS. 1, 2, 3, 4, 5, 6 AND 7 AS SHOWN UPON SECOND AMENDED PARCEL MAP, ST. JOSEPH'S HOSPITAL MEDICAL OFFICE BUILDING, A CONDOMINIUM PROJECT AS SAID MAP WAS FILED FOR RECORD APRIL 17, 1975 IN BOOK OF PARCEL MAPS, VOL. 1, PAGE 140, SAN JOAQUIN COUNTY RECORDS.

TOGETHER WITH AN APPURTENANT INTEREST IN THE COMMON PROPERTY FOR EACH OF THE AFORESAID UNITS AS DEFINED BY THE AMENDED DECLARATION RECORDED JUNE 5, 1975 IN BOOK OF OFFICIAL RECORDS, VOL. 1990, PAGE 56, SAN JOAQUIN COUNTY RECORDS.

AN INTEREST IN THE IMPROVEMENTS LOCATED UPON COMMON PROPERTY AS SHOWN ON SECOND AMENDED PARCEL MAP, ST. JOSEPH'S HOSPITAL MEDICAL OFFICE BUILDING, A CONDOMINIUM PROJECT AS SAID MAP WAS FILED FOR RECORD APRIL 17, 1975 IN BOOK OF PARCEL MAPS, VOL. 1, PAGE 140, SAN JOAQUIN COUNTY RECORDS.

PARCEL EIGHTEEN: APN 127-190-09 AND 127-190-10

LOT 15 AND THE WEST 34.9 FEET OF LOT 16 IN BLOCK 1 OF NORTH PARK ADDITION TO THE CITY OF STOCKTON, ACCORDING TO THE OFFICIAL MAP THEREOF, FILED FOR RECORD JULY 3, 1895 IN VOL. 2 OF MAPS AND PLATS, PAGE 21, SAN JOAQUIN COUNTY RECORDS.

PARCEL NINETEEN: APN 127-190-19

LOTS 1, 2, 3, 4, 9, 10 AND THE WEST ONE-HALF OF LOT 11 IN BLOCK 1 OF NORTH PARK ADDITION TO THE CITY OF STOCKTON, ACCORDING TO THE OFFICIAL MAP THEREOF, FILED FOR RECORD JULY 3, 1895 IN VOL. 2 OF MAPS AND PLATS, PAGE 21, SAN JOAQUIN COUNTY RECORDS.

PARCEL TWENTY: PORTION OF APN 127-190-31

BEGINNING AT THE NORTHEAST CORNER OF LOT 5 IN BLOCK 1 OF NORTH PARK ADDITION TO THE CITY OF STOCKTON, ACCORDING TO THE OFFICIAL MAP

ALL THEREIN

1997
Page 15 of 17

THEREOF, FILED FOR RECORD JULY 3, 1895 IN VOL. 2 OF MAPS AND PLATS, PAGE 21, SAN JOAQUIN COUNTY RECORDS; THENCE SOUTH $13^{\circ} 54'$ EAST, ALONG THE EAST LINE OF LOTS 5 AND 6 IN SAID BLOCK 1 OF NORTH PARK ADDITION, A DISTANCE OF 90.00 FEET TO A POINT ON THE EXISTING NORTH LINE OF HARDING WAY (FORMERLY KNOWN AS NORTH STREET); THENCE SOUTH $79^{\circ} 06' 30''$ WEST, ALONG SAID EXISTING NORTH LINE OF HARDING WAY, A DISTANCE OF 68.01 FEET TO A POINT; THENCE NORTH-WESTERLY ON A CURVE TO THE RIGHT, RADIUS 20.00 FEET, THE LONG CHORD OF WHICH BEARS NORTH $56^{\circ} 52' 45''$ WEST, 28.27 FEET, AN ARC DISTANCE OF 31.40 FEET TO A POINT; THENCE NORTH $13^{\circ} 54'$ WEST, A DISTANCE OF 70.01 FEET TO A POINT ON THE NORTH LINE OF SAID LOT 5; THENCE NORTH $78^{\circ} 08' 30''$ EAST ALONG THE SAID NORTH LINE OF LOT 5, A DISTANCE OF 84.00 FEET TO A POINT, SAID POINT AS HEREINAFFORE REFERRED TO, THE POINT OF BEGINNING.

PARCE. TWENTY-ONE PORTION OF APN 127-190-31

LOT 4 IN BLOCK 1 OF NORTH PARK ADDITION TO THE CITY OF STOCKTON, ACCORDING TO THE OFFICIAL MAP THEREOF, FILED FOR RECORD JULY 3, 1895 IN VOL. 2 OF MAPS AND PLATS, PAGE 21, SAN JOAQUIN COUNTY RECORDS.

EXCEPT THE WEST 13.64 FEET AS DESCRIBED IN DEED TO THE CITY OF STOCKTON, RECORDED AUGUST 16, 1973 IN BOOK 3792 OF OFFICIAL RECORDS, PAGE 523, SAN JOAQUIN COUNTY RECORDS.

NO. 127-190-31

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EXHIBIT 2

9

RECORDED AT THE REQUEST OF
AN INDIVIDUAL RECORDED DIRECTLY BY THE

Catholic Healthcare West,
14700 Dine Drive
Rancho Cordova, California 95670
Attention: Legal Department

DOC # 2016-100266
Title/No. of Job Encl. No.
Page 2 of 40
Recorded in Official Record
County of San Joaquin
Case # 1700706
Recorder-Recorder-Clerk
Paid by 2017 AMR TITLE CO



Public Record Act, Section 54957.2, et seq.

DECLARATION OF RESTRICTIVE COVENANTS

THIS DECLARATION OF RESTRICTIVE COVENANTS (the "Declaration") is made
this 7th day of June, 2016, by CATHOLIC HEALTHCARE WEST, a California corporation
(the "Declarant"), with reference to the following facts:

RECIPIENTS

- A. Declarant owns this certain real property located in the County of San Joaquin, State of California, more particularly described in Exhibit A, which hereinafter is the "Benefited Property";
- B. Declarant also owns this certain real property located in the County of San Joaquin, State of California, more particularly described in Exhibit B, hereinafter is the "Benefited Property";
- C. Declarant also owns this certain real property located in the County of San Joaquin, State of California, more particularly described in Exhibit C, hereinafter is the "Benefited Property";

AGREEMENT

NOW THE FOREGOING, Declarant hereby declares as follows:

1. **Definitions:** The purposes hereof, the following terms when used with initial capitalization shall have the following meanings:

6

existing building owned by other person require approval of the Board of Directors. Notwithstanding the foregoing, such a transfer of the ownership of a building shall apply only to the original building located on a lot and shall not be subject to the provisions of this Article if the building is a party.

3. Design Approval

3.1. Any proposed change to any portion of the exterior of a principal or special structure as defined herein is prohibited, unless the proposed change is approved by the Board of Directors. The nature of the proposed change shall be determined by the Board of Directors and shall include, but not be limited to, the following: (a) alterations to the exterior of the building, including, but not limited to, painting and landscaping, awnings, signs, and other attachments; (b) the installation of a new or replacement roof structure; (c) installation of any exterior lighting; (d) any change in the height of the building; and (e) any other change as determined by the Board of Directors. The Board of Directors shall be permitted to limit the scope and the approval of the Board.

3.2. All multi-story buildings, towers, skyscrapers, towers with spires, spire-like structures or other structures hereinafter defined shall be subject to the provisions of the Standard Design Guidelines in the plan and specifications hereto. Notwithstanding any changes to this Article, all alterations made to a structure shall have a way which maintains the appearance of any original structure, whether currently occupying the property or otherwise, including a change in color scheme. All alterations shall be subject to and approved by the Board.

3.3. No approval for the alteration of a structure shall be granted if such alteration is deemed to be inharmonious with the general appearance and to be developed on the Record Property.

3.4. The Board of Directors shall have a reasonable time to approve or disapprove any proposed change to any building as defined herein after the written request was received by the Board, but shall not be deemed approved if no action is taken within 30 days of the receipt of the request by the Board.

3.5. The Board of Directors may charge a fee to cover the cost of a review by its architect or other affiliate which is a party to the Record Property.

4. Use Restrictions

4.1. The Record Property shall be used only for the residential and commercial use of the Medical Office Building. MCO's shall not use the facility for any other purpose, including, but not limited to, a school facility, as well as other uses for parking, medical office and meeting when used for such uses.

4.2. Notwithstanding to the MCO, the Board of Directors shall be authorized to require additional parking spaces on the Record Property, or to otherwise limit the use of the Property. Such additional spaces shall be subject to and approved by the Board.

13. *W. S. v. W. B.* After granting leave of absence to Plaintiff from the Defendant's employment on the basis that Plaintiff's absence from the Defendant's employment was necessary to care for her ill children, Plaintiff is entitled to reinstatement to her position. Plaintiff's absence from the Defendant's employment was necessary to care for her ill children and is not a voluntary resignation. Plaintiff is entitled to reinstatement to her position.

14. Plaintiff's absence from work from 11/11/11 to 11/23/11 is excused because Plaintiff was caring for her ill children. Plaintiff is entitled to reinstatement to her position. Plaintiff's absence from work from 11/11/11 to 11/23/11 is excused because Plaintiff was caring for her ill children and is not a voluntary resignation. Plaintiff is entitled to reinstatement to her position. Plaintiff's absence from work from 11/11/11 to 11/23/11 is excused because Plaintiff was caring for her ill children and is not a voluntary resignation. Plaintiff is entitled to reinstatement to her position.

15.

16. Plaintiff is entitled to reinstatement to her position.

17.

18. Plaintiff's absence from work from 11/11/11 to 11/23/11 is excused because Plaintiff was caring for her ill children. Plaintiff is entitled to reinstatement to her position. Plaintiff's absence from work from 11/11/11 to 11/23/11 is excused because Plaintiff was caring for her ill children and is not a voluntary resignation. Plaintiff is entitled to reinstatement to her position.

19. Plaintiff's absence from work from 11/11/11 to 11/23/11 is excused because Plaintiff was caring for her ill children. Plaintiff is entitled to reinstatement to her position. Plaintiff's absence from work from 11/11/11 to 11/23/11 is excused because Plaintiff was caring for her ill children and is not a voluntary resignation. Plaintiff is entitled to reinstatement to her position.

technology software, furniture, and other personal equipment, except for facility and administrative support that is necessary for the operation of the facility, and for the purchase, installation, and ongoing maintenance of patient care and medical equipment that is not emergency or life-support technology, may be self-financed through the use of health benefit plan self-insurance trust arrangements.

14. The entities shall file for Section 501(c)(3) status, or, alternatively, shall file for status for a tax-exempt organization under the Internal Revenue Code, and shall integrate the plan assets, which, for example, will be used to fund health benefits by:

(A) setting up a self-insurance trust arrangement, which, unless otherwise specified in the trust agreement, shall be a trust for the benefit of the plan participants and dependent family members of such participants, and shall be irrevocable, and the trust agreement shall be provided to each participant, and the trust agreement shall be one of the trust agreements maintained in compliance with primary medical underwriting requirements, and shall be subject to a general policy;

(B) amending part of the plan trust agreement to make it revocable and allowing participants to terminate the trust agreement at the election of the participant; the Administrator shall be required to modify the trust agreement to comply with the above-stated requirements if the plan trust agreement proposed for the plan trust agreement is not approved by the Administrator; and (C) amending the trust agreement to make it irrevocable and to make the trust agreement irrevocable for the benefit of the plan participants and dependent family members of such participants. The Administrator shall file the trust agreement with the appropriate State and Federal Government Department, the appropriate State health Care Plan Oversight and Regulation Authority, and the appropriate Federal health care regulatory agency, and shall file the trust agreement with the appropriate State and Federal health care regulatory agency.

15. In addition to the health care trust agreement proposed by an Oversight of the Decedent for part of the plan trust agreement, each trust agreement for the plan trust agreement shall be a self-insurance trust agreement for the plan trust agreement that is subject to the plan trust agreement.

16. There shall be no self-insurance trust agreement for the plan trust agreement that is subject to the plan trust agreement that is not a self-insurance trust agreement for the plan trust agreement. The trust agreement shall be a self-insurance trust agreement for the plan trust agreement that is subject to the plan trust agreement.

V. Miscellaneous

17. The trust agreement for the plan trust agreement shall comply with all laws, regulations and requirements, as well as conditions, that apply to the trust agreement and all laws, regulations and requirements, as well as conditions, that apply to the plan trust agreement. The trust agreement shall comply with all laws, regulations and requirements, as well as conditions, that apply to the plan trust agreement. The trust agreement shall comply with all laws, regulations and requirements, as well as conditions, that apply to the plan trust agreement.

11 Notice. All notices or communications required or permitted under this Declaration shall be given in writing and they shall be delivered either (a) by personal delivery (in which case such notice shall be deemed delivered on the date of delivery), (b) by next business day counter service (e.g., Federal Express, UPS or other similar service), (c) by which case such notice shall be deemed delivered on the business day following date of deposit with the proper service, or (d) by United States mail, first class, postage prepaid, registered or certified, return receipt requested (in which case such notice shall be deemed delivered on the third (3rd) day following the date of deposit with the United States Postal Service).

IN WITNESS WHEREOF, Declarant has caused this Declaration to be duly first hereunto set forth.

'Declarant'

HEALTHCARE WEST, a
California nonprofit
corporation

By William J. Hunt
Name: William J. Hunt
Title: President, Group Operations

By Karl L. Silberstein
Name: Karl L. Silberstein
Title: V.P., Financial Operations

EXHIBITS

- Exhibit A: Description of Donation To donor
- Exhibit B: Legal Description
- Exhibit C: Mutual Aid Religious Directory For Health Care Services

STATE OF CALIFORNIA
COUNTY OF SACRAMENTO

On Sept. 14, 2006, before me, Bill Verrios, a Notary Public in and for the State of California, personally appeared William J. Hunt, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. He acknowledged to me that he executed the instrument.

Personal appearance of the party or parties.

Personal appearance of the party or parties by video.

WITNESS my hand and official seal.

Bill Verrios
Notary Public **BILL VERRIOS**



NOTARY SEAL

STATE OF CALIFORNIA
COUNTY OF SACRAMENTO

On Sept 14, 2006, before me, Bill Verrios, a Notary Public in and for the State of California, personally appeared Karl L. Silberstein, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. He acknowledged to me that he executed the instrument.

Personal appearance of the party or parties.

Personal appearance of the party or parties by video.

WITNESS my hand and official seal.

Bill Verrios
Notary Public **BILL VERRIOS**



NOTARY SEAL

DESCRIPTION OF DOMINANT TENEMENT

THAT CERTAIN REAL PROPERTY SITUATED IN THE STATE OF CALIFORNIA
COUNTY OF SAN JOAQUIN, SAID DOMINANT TENEMENT IS DESCRIBED AS FOLLOWS:

PARCELS AND PORTIONS OF ACRES TO-WIT:

A TRACT OF LAND AND NEARLY NEARLY THEREABOUTS WHICH GRANT THE BENEFIT
OF EASE TO THE THIS GRANTOR HAS AND MORE PARTICULARLY DESCRIBED AS
FOLLOWS:

BEGINNING AT AN IRON PIN IN THE NORTH END OF HARDING WAY (FORMERLY
NORTH STREET) IN THE CITY OF STOCKTON BEARING WESTERLY 75 FEET ALONG
THE NORTH END OF SAID HARDING WAY WITH THE WEST LINE OF THE 49 FOOT
STRIP KNOWN AS CENTER LINE AND DESCRIBED IN THE ESCROW BOOK NO. 200
OF THE COUNTY OF SAN JOAQUIN COUNTY RECORDS TRACT
NORTHWEST AND PART OF THE WEST LINE OF SAID 1927 1/2 ACRES TRACT
ADJOINING WEST LINE OF THE NORTHWEST PROPERTY AS SAID IN PARAGRAPH
47 CORNER OF SAID NORTHWEST PROPERTY THENCE WESTERLY AND PARALLEL
TO THE NORTH END OF HARDING WAY AND ALONG THE NORTH END OF SAID
PROPERTY 494 FEET TO A IRON PIN, THENCE SOUTH PARALLEL TO THE WEST
LINE OF THE BLOCK 1000 NEIGHBORHOOD MAPS, MAP NO. 1000 IN ADDITION TO THE
CITY OF STOCKTON AS REFERRED TO IN SECTION 1000, PARAGRAPH 10 TO 13 POINT IN
THE NORTH END OF HARDING WAY, THENCE EASTERLY ALONG THE NORTH END
OF HARDING WAY, 111 FEET TO THE POINT OF BEGINNING.

THE FEEDERAL EASES CONVEYED TO GEORGE C. SMITH, AND WIFE BY DEED
RECORDED APRIL 1, 1909 IN BOOK NO. 60 OF THE COUNTY RECORDS, PAGE 97 WAS
GIVEN IN COUNTY RECORDS, AND MORE PARTICULARLY DESCRIBED AS
FOLLOWS:

BEGINNING AT AN IRON PIN AT THE NORTH END OF HARDING WAY (FORMERLY
NORTH STREET) SAID PIN BEARING WESTERLY 75 FEET ALONG THE NORTH END
OF SAID HARDING WAY FROM THE INTERSECTION OF THE NORTH END OF SAID
HARDING WAY WITH THE WEST LINE OF THE 49 FOOT STRIP KNOWN AS CENTER
LINE AND DESCRIBED IN COUNTY RECORDS TRACT NO. 200 OF THE COUNTY OF SAN
JOAQUIN COUNTY RECORDS, THENCE EASTERLY ALONG THE WEST LINE OF SAID
TRACT 494 FEET PARALLEL TO THE NORTH END OF THE CENTER LINE
PROPERTY TO THE IRON PIN OF AN EASE, SIDE WALL, THENCE NORTHWEST 650
FEET ALONG SAID CENTER LINE AND SAID CENTER LINE PRODUCE TO A POINT IN
THE NORTHWEST CORNER OF SAID TRACT, THENCE NORTHWESTERLY TO THE WEST
LINE OF THE BLOCK 1000 NEIGHBORHOOD PROPERTY, THENCE WESTERLY 111

THE WESTING SAYS WEST 1/4, OF S30 E 1/4, W08 T11 R03 E17V AND PARALLEL WITH AND TO THE EAST OF THE JOHNSTON PLOTS 594.

PARTIAL TWO PORTION OF A/S 17/19/34

AS SHOWN ON SECTION 4 OF 1/4 M. WOOD GRANT, OF 1856 (P. 17) OF VOLUME 17 OF 1856 CONVEYANCES AND INSTRUMENTS, OF VAN RENO COUNTY RECORDS.

COMMENCING AT THE NORTHEAST CORNER OF THE 1/4 IN BLOCK 797 OF THE SUPPLEMENTAL MAP OF THE CITY OF STOCKTON, CALIF. FOR RECORD AS SET FORTH IN VOLUME 17 OF MAPS AND PLATS, PAGE 13, VAN RENO COUNTY RECORDS, THENCE EASTERLY PARALLEL WITH THE SOUTH SIDE OF HARRISON WAY AND ALONG THE NORTH LINE OF PROPERTY FORMERLY OWNED BY O. M. DENNEY, THENCE NORTHERLY PARALLEL WITH THE WEST LINE OF LAMBERTY LANE, 55 FEET, THENCE NORTHERLY PARALLEL WITH THE NORTH LINE OF HARRISON WAY AND ALONG THE SOUTH LINE OF PROPERTY FORMERLY OWNED BY O. M. DENNEY, UP TO A POINT ON THE EAST LINE OF THE 1/4 IN BLOCK 797, SUPPLEMENTAL MAP OF THE CITY OF STOCKTON, THENCE NORTHERLY ALONG THE EAST LINE OF SAID LOT 1, 55 FEET, TO THE POINT OF BEGINNING.

PARTIAL THREE PORTION OF A/S 17/19/34

LOT 7 IN BLOCK 1, AS SHOWN UPON MAP 15, THE SOUTH PARK ADDITION TO THE CITY OF STOCKTON, CALIF. FOR RECORD SEPTEMBER 26, 1902 IN VOLUME 7 OF MAPS AND PLATS PAGE 24, VAN RENO COUNTY RECORDS.

PARTIAL FOUR PORTION OF A/S 17/19/34

LOT 5 IN BLOCK 1, AS SHOWN UPON MAP 15, THE SOUTH PARK ADDITION TO THE CITY OF STOCKTON, CALIF. FOR RECORD SEPTEMBER 26, 1902 IN VOLUME 7 OF MAPS AND PLATS PAGE 24, VAN RENO COUNTY RECORDS.

PARTIAL FIVE PORTION OF A/S 17/19/34

LOT 4 IN BLOCK 1, AS SHOWN UPON MAP 15, THE SOUTH PARK ADDITION TO THE CITY OF STOCKTON, CALIF. FOR RECORD SEPTEMBER 26, 1902 IN VOLUME 7 OF MAPS AND PLATS PAGE 24, VAN RENO COUNTY RECORDS.

PARTIAL SIX PORTION OF A/S 17/19/34

LOT 3 IN BLOCK 1, AS SHOWN UPON MAP 15, THE SOUTH PARK ADDITION TO THE CITY OF STOCKTON, CALIF. FOR RECORD SEPTEMBER 26, 1902 IN VOLUME 7 OF MAPS AND PLATS PAGE 24, VAN RENO COUNTY RECORDS.

PART 11 SIX APN 271605

LOTS 3 AND 4 IN BLOCK 11, AS SHOWN ON A MAP ENTITLED SUPPLEMENTAL MAP OF McCLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AT GUEST 15 IN VOL 219 MAPS AND PLANS PAGE 15 SAN JOAQUIN COUNTY RECORDS

PART 12 EIGHT APN 271606

LOTS 17, 18 AND 19 IN BLOCK 11, AS SHOWN ON A MAP ENTITLED SUPPLEMENTAL MAP OF McCLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AT GUEST 15 IN VOL 219 MAPS AND PLANS PAGE 16 SAN JOAQUIN COUNTY RECORDS

AND THE NORTH HALF OF LOTS 10 AND 11 IN BLOCK 11, AS SHOWN ON A MAP ENTITLED SUPPLEMENTAL MAP OF McCLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AT GUEST 15 IN VOL 219 MAPS AND PLANS PAGE 16 SAN JOAQUIN COUNTY RECORDS

PART 13 NINE APN 271607

LOTS 15, 19, 20 AND 21 IN BLOCK 11 OF THE MAP AND SUPPLEMENTAL MAP OF McCLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AT GUEST 15, 1997 AND GUEST 14, 1998 RESPECTIVELY, SAN JOAQUIN COUNTY RECORDS

EXCEPT FOR THE NORTH HALF OF LOTS 10, 11 AND 21, AS CONVEYED BY MARY RUSSELL TO STOCKTON, CALIFORNIA COMPANY OF TRADING WHEELS, A CORPORATION, BY DEED RECORDED FEBRUARY 11, 1997 AS INSTRUMENT 50448 IN SAN JOAQUIN COUNTY RECORDS

PART 14 TEN APN 271608

LOT 10 IN BLOCK 11, AS SHOWN ON A MAP ENTITLED SUPPLEMENTAL MAP OF McCLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AT GUEST 15 IN VOL 219 MAPS AND PLANS PAGE 15 SAN JOAQUIN COUNTY RECORDS

PART 15 ELEVEN APN 271609

LOT 2 IN BLOCK 11, AS SHOWN ON A MAP ENTITLED SUPPLEMENTAL MAP OF McCLOUD ADDITION TO THE CITY OF STOCKTON, FILED FOR RECORD AT GUEST 15 IN VOL 219 MAPS AND PLANS PAGE 15 SAN JOAQUIN COUNTY RECORDS

PARCEL TWENTY - A/N 127-14117

LOT 12 IN BLOCK 1700 AS SHOWN IN ADDITION TO CHIEFLY OF STOCKPORT 1712 FOR RECORD MAP 25-002 IN VOL. 2 OF MAPS AND PLATS PAGE 14 SAN JOAQUIN COUNTY RECORDS

EXCEPT THE ALLGOME TRACT 200-209 AS DESCRIBED IN HELD BY THE CITY OF STOCKTON A MUNICIPAL CORPORATION RECORDS MAP 181 AND 24-188 AS SET FORTH IN 60-873082 SAN JOAQUIN COUNTY RECORDS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THUS SAY AD THE NORTHWEST CORNER OF 161 BLOCK 17 AS SAID LOT AND 200 & ARE SO DESIGNATED AND DEFINED BY THE CERTAIN MAP, NEIL LEE SUPPLEMENTAL MAP OF SAID CITY IN ADDITION TO THE CITY OF STOCKTON AS DEFINED IN VOLS. 1 & 2 IN VOL. 2 OF MAPS AND PLATS PAGES 14 SAN JOAQUIN COUNTY RECORDS, CORNER EASTERLY 241.61 FEET ALONG THE NORTH LINE OF SAID LOT THENCE S09°10'17"E RLY 46.111 FEET ALONG A LINE 74.837 FEET LONG RLY 61 AND PARALLEL WITH THE EAST LINE OF 1611 DORNIA STREET TO A POINT ON THE SOUTH LINE OF SAID LOT THENCE WEST 101.11 FEET ALONG SAID SOUTH LINE TO THE EAST LINE OF CALIFORNIA STREET BEING ALSO THE SOUTHWEST CORNER OF SAID LOT THENCE NORTH 81.175 FEET ALONG SAID EAST LINE OF CALIFORNIA STREET TO THE HERETOFORE ASSISTED POINT OF BEGINNING

PARCEL THIRTY - A/N 127-14624

THE EAST 1/2 OF LOT 10, THE EAST 1/2 OF LOT 7 OF THE WEST 1/4 OF THE 1/4 OF 466 S AND 9 THE EAST 1/2 OF LOT 10 OF THE WEST 1/4 OF THE 1/4 OF THE EAST 1/2 OF BLOCK 101 S AND 9 V1 OF LOT 11, ALL IN BLOCK 101 AS SHOWN UPON MAP ENTITLED SUPPLEMENTAL MAP OF SAID CITY IN ADDITION TO HELD BY THE CITY OF STOCKTON, HELD FOR RECORD MAP 181 IN VOL. 2 OF MAPS AND PLATS, PAGE 14 SAN JOAQUIN COUNTY RECORDS

EXCEPT FROM A JOINT OWNERSHIP SAID LAND AND ALL MINERAL RIGHTS INCLUDING OILS TO OIL GAS AND OTHER HYDROCARBONS SUBSTANCES BELOW A DEPTH OF 80 FEET FROM THE SURFACE OF SAID REAL PROPERTY WITHIN THE 9000 FEET SURFACE AREA

PARCEL FOURTEEN - A/N 127-14669

LOTS 2 AND 11 IN BLOCK 717 AS SHOWN UPON MAP ENTITLED SUPPLEMENTAL MAP OF SAID CITY IN ADDITION TO THE CITY OF STOCKTON HELD FOR RECORD MAP 181 IN VOL. 2 OF MAPS AND PLATS PAGE 14 SAN JOAQUIN COUNTY RECORDS

PARCEL FIFTEEN - A/N 127-14725

ALL OF LOTS 1, 2 & 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 & 15 AS SHOWN ON MAP AS THE SAME ARE SHOWN AND IDENTIFIED ON THE CITY'S MAP ENTITLED METROPOLITAN MAP OF THE CITY OF STOCKTON THE CITY OF STOCKTON WHICH MAP WAS FILED FOR RECORD IN VOL. 1, 192 IN BOOK OF MAPS AND PLATS, PAGE 2, PAR. 5, SAN JOAQUIN COUNTY RECORDS AND ALL THE PORTION OF WYANDOTTEN PLACE AS SHOWN UPON SAID METROPOLITAN MAP WAS ABANDONED BY THE CITY OF STOCKTON IN 1917. THE PORTION ABOVE DESCRIBED HEREIN IS SHOWN ON THE CITY'S MAP OF STOCKTON, CALIFORNIA.

ESSENTIAL PARTS OF LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 & 15 WITH THE ENTIRE PORTIONS OF CALIFORNIA STREET AS SAID MAP IS NOW REGULATED AND ESTABLISHED.

ALSO EXCEPTING FROM THE TAXABLE VALUE OF LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 & 15 THE CITY OF STOCKTON, CALIFORNIA MUST PAY FOR THE PORTION OF WYANDOTTEN PLACE AS SHOWN AND IDENTIFIED ON THE ABOVE MAP ENTITLED METROPOLITAN MAP OF THE CITY OF STOCKTON THE CITY OF STOCKTON WHICH MAP WAS FILED FOR RECORD IN VOL. 1, 192 IN BOOK OF MAPS AND PLATS, PAGE 2, PAR. 5, SAN JOAQUIN COUNTY RECORDS AND ALL THE PORTION OF WYANDOTTEN PLACE AS SHOWN UPON SAID METROPOLITAN MAP WAS ABANDONED BY THE CITY OF STOCKTON IN 1917. THE PORTION ABOVE DESCRIBED HEREIN IS SHOWN ON THE CITY'S MAP OF STOCKTON, CALIFORNIA.

PARCEL SIXTEEN, APPROXIMATELY

LOT 1, 2, 3, 4, 5, 6, 7 & 8 AS SHOWN IN BLOCK 5 AS SAID THE SAID BLOCK AS SHOWN AND IDENTIFIED IN THE CERTAIN SAID ENTITLED SUPPLEMENTAL MAP OF THE CITY OF STOCKTON THE CITY OF STOCKTON WHICH MAP WAS FILED FOR RECORD IN BOOK OF MAPS AND PLATS, VOL. 7, PAR. 15, SAN JOAQUIN COUNTY RECORDS AND ALL THE PORTION OF WYANDOTTEN PLACE AS SHOWN UPON SAID MAP AS IDENTIFIED ON THE SAID MAP WAS ABANDONED BY THE CITY OF STOCKTON IN 1917. THE PORTION ABOVE DESCRIBED HEREIN IS SHOWN ON THE CITY'S MAP OF STOCKTON, CALIFORNIA.

ESSENTIAL PARTS OF LOTS 1, 2, 3, 4, 5, 6, 7 & 8 WITH THE ENTIRE PORTION OF WYANDOTTEN PLACE AS SHOWN AND IDENTIFIED ON THE ABOVE MAP ENTITLED METROPOLITAN MAP OF THE CITY OF STOCKTON THE CITY OF STOCKTON WHICH MAP WAS FILED FOR RECORD IN VOL. 1, 192 IN BOOK OF MAPS AND PLATS, PAGE 2, PAR. 5, SAN JOAQUIN COUNTY RECORDS AND ALL THE PORTION OF WYANDOTTEN PLACE AS SHOWN UPON SAID METROPOLITAN MAP WAS ABANDONED BY THE CITY OF STOCKTON IN 1917. THE PORTION ABOVE DESCRIBED HEREIN IS SHOWN ON THE CITY'S MAP OF STOCKTON, CALIFORNIA.

PARCEL SEVENTEEN, APPROXIMATELY

PARCEL SEVENTEEN, A:

LOT 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 & 13 AS SHOWN IN BLOCK 5, SUPPLEMENTAL MAP OF THE CITY OF STOCKTON THE CITY OF STOCKTON WHICH MAP WAS FILED FOR RECORD IN VOL. 1, 192 IN BOOK OF MAPS AND PLATS, PAGE 2, PAR. 15, SAN JOAQUIN COUNTY RECORDS AND ALL THE PORTION OF WYANDOTTEN PLACE AS SHOWN UPON SAID METROPOLITAN MAP WAS ABANDONED BY THE CITY OF STOCKTON IN 1917. THE PORTION ABOVE DESCRIBED HEREIN IS SHOWN ON THE CITY'S MAP OF STOCKTON, CALIFORNIA.

THE EAST PORTION OF LOT 10 AS MORE FULLY DESCRIBED SUBJECT IS THE CITY OF STOCKTON RECORDS OF MAPS AND PLANS, VOL. 1, PAGE 15, SAN JOAQUIN COUNTY RECORDS AND ALSO OF SAN JOAQUIN COUNTY RECORDS.

PARCEL SIXTYEIGHT

THE EAST PORTION OF LOT 10 AS MORE FULLY DESCRIBED SUBJECT IS THE CITY OF STOCKTON RECORDS OF MAPS AND PLANS, VOL. 1, PAGE 15, SAN JOAQUIN COUNTY RECORDS.

THE WEST PORTION DESCRIBED IS THE CITY OF STOCKTON RECORDS OF MAPS AND PLANS, VOL. 1, PAGE 15, SAN JOAQUIN COUNTY RECORDS.

PARCEL SEVENTEEN

APPROXIMATELY SECTION 10, T4S, R4E, W2B, RABANT DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EAST-BY-LINE OF CALIFORNIA STREET WITH THE SOUTHERLY LINE OF WALNUT STREET AS SHOWN UPON MAP OF NORTH PARK ADDITION, STOCKTON, ACCORDING TO THE OFFICIAL MAP THEREON, BEING BOOK OF MAPS AND PLANS, VOL. 1, PAGE 15, SAN JOAQUIN COUNTY RECORDS, THENCE EAST BY AND ALONG THE SOUTHERLY LINE OF WALNUT STREET TO THE WEST-BY-LINE OF FRANKLIN LANE, THENCE SOUTHERLY ALONG THE WEST-BY-LINE OF FRANKLIN LANE TO THE SOUTHERLY LINE OF BLOCK 10 AS SHOWN UPON MAP ENTITLED SUPPLEMENTAL MAP OF NORTH PARK ADDITION, THE CITY OF STOCKTON, ACCORDING TO THE OFFICIAL MAP THEREON, BEING BOOK OF MAPS AND PLANS, VOL. 2, PAGE 15, SAN JOAQUIN COUNTY RECORDS, THENCE WESTERLY ALONG THE SOUTHERLY LINE OF BLOCK 10 (THE EAST-BY-LINE OF CALIFORNIA STREET), THENCE SOUTHERLY ALONG SAID SOUTHERLY LINE OF CALIFORNIA STREET TO THE POINT OF COMMENCEMENT.

THE WEST PORTION OF THE CITY OF STOCKTON IS THE CITY OF STOCKTON RECORDS OF MAPS AND PLANS, VOL. 1, PAGE 15, SAN JOAQUIN COUNTY RECORDS.

THE OTHER WEST PORTION OF THE CITY OF STOCKTON IS THE CITY OF STOCKTON RECORDS OF MAPS AND PLANS, VOL. 1, PAGE 15, SAN JOAQUIN COUNTY RECORDS.

EXCEPT THAT PORTION OF BLOCK 10 AS MORE FULLY DESCRIBED WALNUT STREET, WHICH LIES WITHIN THE BOUNDARIES OF THE ABOVE DESCRIBED PARCEL MAP THEREON, BEING BOOK OF MAPS AND PLANS, VOL. 1, PAGE 15, SAN JOAQUIN COUNTY RECORDS.

PARCEL FOUR:

LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 AND 15 IN BLOCK 1 OF SOUTH PARK ADDITION TO STOCKYUS IN BLOCK 100 NORTH STREETS SUBDIVISION BOOK OF MAPS AND PLATS, VOL. 2 PAGE 26 SAN JOAQUIN COUNTY RECORDS

EXCEPT WITH THE SOUTH 1/2 OF ADJACENT WALNUT STREET, 15.54 FEET BETWEEN THE EASTERLY AND WASTERLY BOUNDARIES AND THE ADJACENT BLOCK 13 EXCEPT NORTHERLY

EXCEPT THE REMAINING PORTION LYING WITHIN THE BOUNDARIES OF ACERTY AMENDED PARCEL MAP FILED FOR RECORD APRIL 17, 1975 IN BOOK OF PARCEL MAPS VOL. 1, PAGE 14 SAN JOAQUIN COUNTY RECORDS

PARCEL FIVE:

LOTS 1, 2, 3, 4, 5, 6 AND 7 AS SHOWN UPON A PLAT SUBMITTED FOR RE-RECORDATION OF THE HOSPITAL MEDICAL OFFICE BUILDING, A CONDOPMINUM FACILITY AS SAID MAP WAS FILED FOR RECORD APRIL 17, 1975 IN BOOK OF PARCEL MAPS VOL. 1 PAGE 14, SAN JOAQUIN COUNTY RECORDS

TOGETHER WITH AN ACQUIRED INTEREST IN THE COMMON PROPERTY OF EACH OF THE SAID SAID UNITS AS SET FORTH BY THE AMENDED DECLARATION RECORDED IN SAN JOAQUIN COUNTY OFFICIAL RECORDS, VOL. 1092 PAGE 30 SAN JOAQUIN COUNTY RECORDS

AS IS HEREIN SET FORTH IMPROVEMENTS TO SAID COMMON PROPERTY AS SHOWN ON SAID MAP FILED PARCEL MAP 51 UNITS HOSPITAL MEDICAL OFFICE BUILDING, A CONDOPMINUM PROJECT AS SAID MAP WAS FILED FOR RECORD APRIL 17, 1975 IN BOOK OF PARCEL MAPS VOL. 1 PAGE 14, SAN JOAQUIN COUNTY RECORDS

PARCEL SIXTEEN: AEN 171 669 AND 171 667

LOTS AND THE WEST 1/2 SECTION 16 IN BLOCK 1 OF 502 BLOCK ADDITION TO THE CITY OF STOCKTON, ACCORDING TO THE OFFICIAL MAP FILED FOR RECORD APRIL 1, 1955 IN VOL. 7 OF MAPS AND PLATS, PAGE 2, SAN JOAQUIN COUNTY RECORDS

PARCEL NINETEEN: AEN 171 691, 26

LOTS 1, 2, 3, 4 AND 5 THE WEST ONE HALF LOT 1, IN BLOCK 1 OF SOUTH PARK ADDITION TO THE CITY OF STOCKTON, ACCORDING TO THE OFFICIAL MAP FILED FOR RECORD APRIL 1, 1955 IN VOL. 7 OF MAPS AND PLATS, PAGE 2 SAN JOAQUIN COUNTY RECORDS

PART TWENTY (PORTION OF APN 12-18-31)

BEGINNING AT THE NORTHEAST CORNER OF LOT 3 IN BLOCK 1 OF NORTH PARK ADDITION TO THE CITY OF STOCKTON, ACCORDING TO THE OFFICIAL MAP THEREOF, FILED FOR RECORD JULY 1, 1985 IN VOL. 2 OF MAPS AND PLATS, PAGE 21, SAN JOAQUIN COUNTY RECORDS, THENCE SOUTH 17° 51' EAST ALONG THE EAST LINE OF LOTS 5 AND 6 IN SAID BLOCK 1 OF NORTH PARK ADDITION, A DISTANCE OF 500 FEET TO A POINT ON THE EXISTING NORTH LINE OF HARBING WAY (FORMERLY KNOWN AS NORTH STREET), THENCE SOUTH 72° 04' 30" WEST, ALONG SAID EXISTING NORTH LINE OF HARBING WAY, A DISTANCE OF 800 FEET TO A POINT, THENCE NORTHWESTERLY ON A CURVE TO THE RIGHT, RADIUS 2000 FEET, THE LONG CHORD OF WHICH BEARS NORTH 52° 17' WEST, 2527 FEET, AN ARC DISTANCE OF 3140 FEET TO A POINT, THENCE SPOCIE 17° 51' WEST, A DISTANCE OF 500 FEET TO A POINT ON THE NORTH LINE OF SAID LOT 3, THENCE NORTH 79° 08' 30" EAST ALONG THE SAID NORTH LINE OF LOT 3, A DISTANCE OF 47.00 FEET TO A POINT, SAID POINT AS HEREBEFORE REFERRED TO, THE POINT OF BEGINNING.

PART TWENTY ONE (PORTION OF APN 12-19-31)

LOT 4 IN BLOCK 1 OF NORTH PARK ADDITION TO THE CITY OF STOCKTON, ACCORDING TO THE OFFICIAL MAP THEREOF, FILED FOR RECORD JULY 1, 1985 IN VOL. 2 OF MAPS AND PLATS, PAGE 21, SAN JOAQUIN COUNTY RECORDS.

EXCEPT THE WEST 1164 FEET AS HEREBEFORE REFERRED TO THE CITY OF STOCKTON, RECORDED AUGUST 10, 1979 IN BOOK 598 OF OFFICIAL RECORDS, PAGE 571, SAN JOAQUIN COUNTY RECORDS.

Exhibit B-7

Declaration of Restrictive Easements

LEGAL DESCRIPTION

THE CERTAIN REAL PROPERTY SHOWN ON THE STATE OF CALIFORNIA COUNTY OF SAN JOAQUIN, CITY OF MARIETTA (SEE SHEET 14-1 HEREON)

PARCEL ONE

LOT 2, VASQUEZ SUBDIVISION, TRACT 14, BEING PART OF THE 31 1/2 BLOCK 111, 1/4 SECTION 17, T4N, R4E, S14E, SAN JOAQUIN COUNTY, CALIFORNIA

PARCEL TWO

A PORTION OF SECTION 17, T4N, R4E, S14E, SAN JOAQUIN COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT A STEEL NAIL AT THE SOUTHWEST CORNER OF THE PROPERTY TO BE HEREIN AS DESCRIBED IN THE RECORDED PLANS OF ORIGINAL RECORDS OF SAN JOAQUIN COUNTY (VOC 11), PAGE 1, SAID POINT OF BEGINNING BEING ON THE EAST LINE OF WOOD LANE AND BEARING S081° 17' 12" W 30.00 FEET FROM THE INTERSECTION OF THE EAST LINE OF SAID WOOD LANE WITH THE NORTH LINE OF WALNUT STREET THENCE NORTH 17° 12' WEST ALONG THE EAST LINE OF WOOD LANE 86.00 FEET TO A STEEL NAIL IN THE NORTHERLY EXTENSION OF THE SOUTH PRODUCTIONS OF THE NORTH LINE OF CHITRALI STREET 42.00 FEET TO A STEEL NAIL, THENCE SOUTH 17° 12' EAST 35.00 FEET TO A STEEL NAIL AT THE NORTHEAST CORNER OF SAID REAL PROPERTY, TO BE SET TO THE EAST OF BEGINNING.

NOTE: A PORTION OF THIS REAL PROPERTY WAS DEED TO RECORD APRIL 10, 1981 IN SAC 400 31 BLOCKS, PAGE 60, SAN JOAQUIN COUNTY RECORDS.

PARCEL THREE

LOT 4, BLOCK 111, AS SHOWN FROM RECORDED PLANS, BEING ADDITION TO THE CITY OF MARIETTA, PLAT FOR RECORD MAY 25, 1957, VOLUME 110 MAPS AND PLATS PAGE 34, SAN JOAQUIN COUNTY RECORDS.

PARCEL FOUR

LOT 2, BLOCK 111, AS SHOWN FROM MAPS (VOC 11), SHEET 14-1, ADDITION TO THE CITY OF MARIETTA, BEING ADDITION MAY 25, 1957, VOLUME 110 MAPS AND PLATS PAGE 34, SAN JOAQUIN COUNTY RECORDS.

PARCEL FIVE

LOT 1, BLOCK 111, AS SHOWN FROM MAPS (VOC 11), SHEET 14-1, ADDITION TO THE

CITY OF STOCKTON 2015-16 BUDGET FISCAL YEAR 2015, 2016, 2017, 2018 MAPS AND PLATS
PAGE 4 SAN JUAN COUNTY RECORDS

PARCEL SIX

THE EAST HALF OF A SE 1/4 SECTION 20 AND THE SOUTHWEST 1/4 SECTION 20 OF THE
CITY OF STOCKTON, FILED FOR RECORD MAY 26, 1963, VOL. 2 OF MAPS AND PLATS,
PAGE 14, SAN JUAN COUNTY RECORDS.

PARCEL SEVEN

THE WESTERN SECTION 12 AND EAST 1/2 EAST 1/4 RANGE 10E T4MBE 010N
TRANSFERS TO THE CITY OF STOCKTON

BEGINNING AT THE SOUTHWEST CORNER OF LOT 11 IN BLOCK 100 OF WOODHILL
ADDITION TO THE CITY OF STOCKTON, AS PER MAP FILED MAY 26, 1963 IN BOOK OF
MAPS VOL. 2, PAGE 14 SAN JUAN COUNTY RECORDS, THENCE ALONG THE NORTH
LINE OF SAID LOT 11 EAST AS SHOWN ON MAP OF SURVEY FILED APRIL 10, 1963 IN BOOK
OF SURVEYS VOL. 4, PAGE 5, SAN JUAN COUNTY RECORDS, 66.10 FEET ALONG
54.00 FEET TO A STREET ANGLE AT THE SOUTHWEST CORNER OF PROPERTY DESCRIBED IN
DEED TO WILLIAM E. KELLY, WHICH IS RECORDED LAST FEB. 20, 1970 IN BOOK OF
DEEDS NO. 242036 VOL. 96 PAGE 159 THENCE ALONG THE EAST LINE OF SAID EAST
MENTIONED PROPERTY 200.00 FEET WEST 90.00 FEET TO THE NORTHEAST CORNER
OF SAID LOT 11, THENCE NORTH 79° 15' EAST 164.2 FEET TO A POINT IN THE
ALSO DESCRIBED BLOCK, 100, THENCE ALONG THE WEST LINE OF SAID BLOCK 100,
NORTH 79° 15' EAST 164.2 FEET TO THE POINT OF BEGINNING.

PARCEL EIGHT

A PORTION OF SECTION 19 1/4 W 1/4 T4MBE 010N R10E SAN JUAN COUNTY RECORDS
TRANSFERS TO THE CITY OF STOCKTON

COMMENCING AT THE INTERSECTION OF THE SOUTH LINE OF WALNUT STREET WITH
THE EAST LINE OF WOOD LAKE, AND INTERSECTION BEING THE NORTHWEST CORNER
OF THE PARCEL OF LAND DESCRIBED IN DEED FROM SILVANO TORO TO CITY OF STOCKTON
RECORDED MAY 2, 1972 IN BOOK OF DEEDS VOL. 94 PAGE 123, SAN JUAN
COUNTY RECORDS, THENCE NORTH 82° 42' 45" EAST 160 FEET TO THE NORTH
LINE OF WALNUT STREET AS DESCRIBED IN BOOK MENTIONED ABOVE, A DISTANCE OF
25.00 FEET TO THE POINT OF BEGINNING OF THE FOLLOWING DESCRIBED TRACT
OF LAND, THENCE CONTINUED ALONG THE SAID NORTH LINE OF WALNUT STREET
NORTH 75 DEGREES 45 MINUTES EAST 100 FEET, THENCE NORTH 47 DEGREES 42
MINUTES WEST AND PARALLEL TO THE EAST LINE OF SAID WOOD LAKE A DISTANCE
OF 100 FEET, THENCE SOUTH 75 DEGREES 45 MINUTES WEST 100 FEET, THENCE
SOUTH 75 DEGREES 45 MINUTES EAST 100 FEET TO THE POINT OF BEGINNING.

PARCEL NINE

LOTS 2 AND 3 IN BLOCK 70 - AS SHOWN FROM MAP ENTITLED, "ACT 1200'S ADDITION TO THE CITY OF STOCKTON" FILED FOR RECORD MAY 26, 1905 IN VOL. 2 OF MAPS AND PLATS PAGE 14 SAN JOAQUIN COUNTY RECORDS

PARCEL TEN

LOT 1 IN BLOCK 70 - AS SHOWN FROM MAP ENTITLED, "ACT 1200'S ADDITION TO THE CITY OF STOCKTON" FILED FOR RECORD MAY 26, 1905 IN VOL. 2 OF MAPS AND PLATS PAGE 14 SAN JOAQUIN COUNTY RECORDS

PARCEL ELEVEN

A PORTION OF SECTION 19 OF C. M. WILBER'S GRANT, THE PART TO BE CANNED BY LOS FRANCIS, DESCRIBED AS FOLLOWS:

A TRACT OF LAND LYING BETWEEN THE 1/4 OF TRACT NO. 911 AND HIGGINS PARK ACCORDING TO THE OFFICIAL MAP DATED MAY 27, 1942 IN VOL. 11 OF MAPS AND PLATS, PAGE 101 SAN JOAQUIN COUNTY RECORDS - AND LOT 1 IN BLOCK 107 OF METEED ADDITION TO STOCKTON ACCORDING TO THE OFFICIAL MAP DATED MAY 25, 1915 IN VOL. 2 OF MAPS AND PLATS, PAGE 14 SAN JOAQUIN COUNTY RECORDS DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 11, OF HAWTHORNE PARK, AND RUN THENCE SOUTH 39 DEGREES 41 MINUTES 35 SECONDS EAST ALONG THE EAST LINE OF SAID LOT 11 100.25 FEET TO THE SOUTHEAST CORNER OF SAID LOT; THENCE NORTH 70 DEGREES 19 MINUTES 15 SECONDS WEST 50 FEET TO THE WEST LINE OF BLOCK 107 OF METEED ADDITION; THENCE NORTH 19 DEGREES 28 MINUTES EAST ALONG THE WEST LINE OF BLOCK 107 OF METEED ADDITION TO THE POINT OF BEGINNING.

PARCEL TWELVE

LOT 17 AS SHOWN FROM MAP ENTITLED, HAWTHORNE PARK, FILED FOR RECORD MAY 27, 1942 IN VOL. 11 OF MAPS AND PLATS, PAGE 101 SAN JOAQUIN COUNTY RECORDS

PARCEL THIRTEEN

A PORTION OF SECTION 19 OF C. M. WILBER'S GRANT, THE PART TO BE CANNED BY LOS FRANCIS, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF WALNUT STREET WITH THE EAST LINE OF WINDMILL LANE SAID INTERSECTION BEING THE "NORTHWEST" CORNER OF THE BLOCK 107 LAND DESCRIBED IN DEED FROM METEED TO THE CITY OF STOCKTON;

RECORDED MAY 2, 1923 IN BOOK A OF DEEDS BOOK 366 PAGE 121 SAN JUAN COUNTY RECORDS THE NORTH 79-40 EAST ALONG THE NORTH END OF WALNUT STREET AS DESCRIBED IN THE ABOVE MENTIONED DEED. A DISTANCE OF 65.44 FEET, THIRTY NORTH 17-12 WEST PARALLEL WITH THE EAST LINE OF SAID WOOD LANE, A DISTANCE OF 96 FEET THENCE SOUTH 18-36 WEST 45.91 FEET TO A POINT IN THE EAST LINE OF WOOD LANE THENCE SOUTH 17-12 EAST ALONG THE EAST LINE OF WOOD LANE 89 FEET TO THE POINT OF BEGINNING.

PARCEL FOURTEEN

LOTS 7, 8 AND 9 IN BLOCK "C" AS SHOWN UPON MAP ENTITLED, "MC CLUID'S ADDITION TO THE CITY OF STOCKTON" FILED FOR RECORD MAY 26, 1916 IN VOL. 1 OF MAPS AND PLATS PAGE 14, SAN JUAN COUNTY RECORDS

PARCEL FIFTEEN

LOTS 11, 12 AND 13 IN BLOCK "C" AS SHOWN UPON MAP ENTITLED, "MC CLUID'S ADDITION TO THE CITY OF STOCKTON" FILED FOR RECORD MAY 26, 1916 IN VOL. 1 OF MAPS AND PLATS PAGE 14, SAN JUAN COUNTY RECORDS

EXCEPT THEREUPON THAT PORTION OF SAID LOT 12 AS GRANTED TO THE CITY OF STOCKTON BY DEED RECORDED MARCH 8, 1914 IN BOOK 409 OF DEEDS RECORDS PAGE 341 SAN JUAN COUNTY RECORDS

Exhibit C
Department of Retirement Companies

ETHICAL AND RELIGIOUS DIRECTIVES
FOR HEALTH CARE SERVICES

11

11/15/2011

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Ethical and
Religious
Directives for
Catholic Health
Care Services

Fourth Edition

UNITED STATES CONFERENCE OF
CATHOLIC BISHOPS

U.S. CONF. OF
CATH. BISHOPS
Page 23 of 44

The book edition of the *Report and Response Committee on Catholic Health Care Services* was developed by the Committee on Health Care of the American Conference of Catholic Bishops and approved at its annual meeting by the full body of bishops at its June 2017 General Meeting. This edition of the Committee's report respects all pertinent policies, is recommended for implementation by the Bishops' Conference and is approved for publication by the undersigned.

Monaghan William P. D.D.
General Secretary
USCCB

Excerpt from *The Document of October 1, 2017* (March 14, 2018), at paragraph 4 (http://www.usccb.org/press-releases/2018/03/14/)

USCCB's 2018 report will be distributed free of charge to all dioceses, as well as copies of the report will be sent to all members of the American Conference of Catholic Bishops. Members of the USCCB staff will be provided with copies of the report at no charge.

USCCB-170115-0111

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Preamble

Health care in the United States is marked by extraordinary change. Not only is there continuing change in clinical practice due to technological advances, but the health care system in the United States is being challenged by both institutional and social factors. At the same time, there are a number of developments within the Catholic Church affecting the ecclesial witness of health care. Among these are significant changes in religious orders and congregations, the increased prominence of lay men and women, a heightened awareness of the Church's social role in the world, and developments in moral theology since the Second Vatican Council. A contemporary understanding of the Catholic health care ministry must take into account the new challenges presented by a changing health care system and an American society.

Throughout the document, with the aid of new research, a body of moral principles is developed that expresses the Church's teaching on health care, moral issues, and the process of the gathering and application of the ever-changing circumstances of health care and its delivery. In response to today's challenges, these moral principles of Catholic teaching provide the rationale and direction for the mission of the Ethical and Religious Division for Catholic Health Care Services.

These *Director's Guidelines* are statements. *Health and Moral Care* published in 1981. There we presented the theological principles that guide the Church's vision of health care and the six guidelines to share in the healing mission of the Church, expressed and fully understood by the health care team and all other participants in it. These are presented as a unity with Americans

both the living and the departed, through the efforts of the Church's ministers to reach the members and the faithful Catholic clergy of the Church - the ordained priests and deacons. The purpose of this Study and Program Division is to include them. At the same time, the students of religious health care that flow from the Church's teaching about the dignity of the human person, should be given an educational program in order to avoid the kind of Catholic health care crisis.

The Ethics and Spirituality Committee will conduct research into and identify legal, financial, and program. They should be open to various solutions, including the sale of the land which they purchased, and perhaps in the form of their assets, and perhaps some that require the FA's voluntary teaching. This Division will be helpful to Catholic professionals engaged in health care services at work settings. The main responsibility is to provide the participants with the support they understand in the light of the real world. This is intended to be a study, however, since the Division has decided to understand the nature of the health care services of human welfare of the past that might be used as a model.

The Division will also be assisted through an extensive period of consultation with bishops, the clergy and lay people, other students, physicians and other health care providers. While providing our Catholic and secular, the Division does not have an official of the company under the Catholic health care system. However, the Division will be referred periodically to the United States Conference of Catholic Bishops (USCCB), the National Conference of Catholic Bishops, or the light of other relevant Church teaching, in order to address new insights from theological and social research and new requirements of public policy.

The Division began with a general meeting, and the program's strategy (plans for the Catholic health care ministry) will be developed in the future. A study will be completed. The first section of the program, in terms of its introduction and an understanding of the program's goals, will be developed from the perspective of the Catholic faith. The second section of the program, in terms of its, will be developed and provide the nature of the Catholic health care system will be brought to the attention of the Division.

General Introduction

The Church has a long sought to embody our Savior's concern for the sick. The gospel accounts of Jesus' ministry show special attention to his care of healing the lame and a number of lepers (Mt 8:16, 23; 9:10-13; 10:8). In the parable of the speck and the log (Mt 18:12, 14), he taught us how to remove a speck (Lk 11:14), to guard against the log (Mt 23:16), and to keep it from getting back in (Lk 11:18, 22-24; 17:14-15). Indeed, the Gospels are replete with accounts of how the Lord healed every kind of ailment and disease (Mt 9:35; 12:13; 13:12; 16:17; 17:14-18; 20:30-34; 23:1-5; 24:46; 25:31-46; 26:13; 28:1-2). The apostle Paul also wrote of how the "Savior" healed all of us (1 Cor. 1:3).

Since healing remains one of the chief concerns of all Christians, it should be a chief concern of the Church. In fact, this concern has brought forth special medical and hospital ministries (Mt 9:10-13; 23:1-5; 24:46; 25:31-46) that might have been better organized and more abundantly provided.

The remedy of Christ's death on the cross for all mankind leads us to see Christ's love in the motivating principle of healing care for the healing and recuperation of persons who get sick or are lame. In providing a cure, we express the redemptive power of Christ's passion, death, and resurrection, and in so doing, empowered by the Holy Spirit, we give opportunity for a final act of redemption with Christ.

For the Church, our concern with healing and death can take on a positive and dynamic meaning through the redemptive power of Christ's suffering and death on the cross, and our healing care provided in the only healing of Jesus, which

the life of Jesus may also be recalled from Paul's 1 Cor. 15:1-8. Our ministry for healing the lame and the broken conforms and gives to healing of every order that being remembered by a Catholic tradition that is more basic, closer to the cross than for those who are in Christ's suffering and death as the basic principle of the new mission. "God Himself will stand to with those who are God. He will give them life that their pain and their God is no more death or mourning, weeping or pain" (1 Cor. 15:26-28) and "God has passed over" (Rev. 7:14).

In a similar situation of healing care, the Church has served the sick, suffering, and dying in various ways throughout time. The primary service of individual and remote care has provided shelter for the injured, comfort to the sick, and homes for the aged, blind, and the infirm. In the United States, the more religious communities as well as diocesan hospitals and health care centers in Catholic health care institutions and centers have provided an effective Catholic presence in health care. Modeling their efforts on the gospel principle of the Good Samaritan, these communities of women and men have ministered and cared for neighbors in need (Mt 10:12-13). The Church's mission requires that the service offered in the past will be continued into the future.

While many religious orders have continued and contributed to the health care ministry, the Catholic Church's health care ministry has been largely limited to the demands of the human body by the teachings of Christ and sustained by the forces of Christ's resurrection. It is desired to be benefited and sustained by Christ's resurrection as this is the part of Christ's body that by death and resurrection has been resurrected in the flesh, "with and without." These Jesus' resurrection teachings in the health care ministry through our health care ministry and

gence, and the Catholic Church's faith was affirmed by the Church to maintain the clarity of teaching and doctrine. They are guided by the Church's moral teaching to make their own decisions with respect to Catholicism.

Guiding health care approaches to having more of a focus on a specific area within the world church. The primary focus is to provide education and support to the people who have been and are still affected by the virus of AIDS. The focus is on the support of patients, their families, the health care providers, the church, and the wider community. The focus is on the support of the people who are affected by the disease. The focus is on the support of the people who are affected by the disease. The focus is on the support of the people who are affected by the disease.

In a time of rapid medical advances, rapid technological developments, and social change, there are many opportunities for growth and change. It is a time of rapid medical advances, rapid technological developments, and social change. It is a time of rapid medical advances, rapid technological developments, and social change.

The Church cannot remain a static institution. Every moral dilemma, there are many questions about which she provides normative guidance and direction. In the absence of a determination by the magisterium, but never contrary to church teaching, the guidance of approved authors can offer appropriate guidance for ethical decision making.

The Catholic Church's moral teaching is the primary moral teaching of the Church. The Church's moral teaching is the primary moral teaching of the Church. The Church's moral teaching is the primary moral teaching of the Church.

The challenge before the Church is to continue to be a moral teaching of the Church. The Church's moral teaching is the primary moral teaching of the Church. The Church's moral teaching is the primary moral teaching of the Church.

PART ONE

The Social Responsibility of Catholic Health Care Services

Introduction

Their tradition of Christ's healing mission has led institutionally based Catholic health care services in the United States to become an integral part of the social fabric. In 1980, today, the Catholic health care system stands as a beacon of hope and a challenge to the "realities" of health care technology, social and moral challenges. The Mission of Catholic health care institutions and services is being challenged and guided by authentic principles that inform the Church's teaching tradition.

First, Catholic health care institutions are called to a commitment to promote and defend human dignity, plus the recognition of its essential responsibility and respect for every human life from its beginning of conception and death. The first right of the human person, the right to life, is a right that makes the very purpose of existence, a life lived in joyful health care.

Second, the Church is called to care for the poor, especially to respond to the needs of those in all levels of Catholic health care. The Church's prompt response to health care needs that the majority of health care delivery systems provide is to provide health care for the poor in Catholic institutions. Furthermore, attention should be given to the health care needs of the poor, the vulnerable, and the underserved.¹

Third, Catholic health care delivery systems are called to be non-discriminatory. The mission of health care is to provide care to all, regardless of race, ethnicity, gender, and social class.

Fourth, there is a profound moral and fundamental right of the individual and health care to form a common purpose and work that serves as goals.²

Finally, Catholic health care institutions stand as a beacon of hope for all people. In the 21st century, the Church's health care system and its institutions stand with growing vigor and confidence aware that the right of each person to have health care is dependent and not contingent on the place of health care in the community. The responsible stewardship of health care requires the development of a long-term strategy that provides for a level of access to care consistent with the principle of solidarity and with respect for the more vulnerable and poor individuals and persons.

The Church's tradition, social mission, and moral teaching will increasingly require the medical stewardship capacity in the health care of the Church. Catholic health care does not limit the right of individual persons by releasing patients or persons medical procedures that are judged to be wrong by the teaching authority of the Church.

Directive

1. Catholic hospitals and health care systems are called to be providers of health care to the poor in need of it. This mission must be sustained by the Gospel of Jesus Christ and guided by the moral teaching of the Church.
2. Catholic health care should be provided in a spirit of mutual respect among all persons that requires them to care with their lives and their families with the compassion of Christ's mission to give mercy to all a state of grace and hope.
3. Catholic health care systems are called to be non-discriminatory. Catholic health care should be provided to all by race, ethnicity, gender, and social class.

agencies for those people whose social conditions place them in a disadvantaged position, making them particularly vulnerable to discrimination. In some circumstances and the wider context, therefore, and the various legal provisions, the ability of those with disabilities and chronic dependencies, and all their social conditions and changes. In particular, the person who is not a person with a disability, regard to the nature of their work must be judged in a specific context of its compatibility with the stated legal rules and to which will be subject to all other persons.

4. A Catholic employer must apply a specific approach to working conditions of persons with disabilities, especially with the purpose of providing them a fair and equitable access to the workplace, regardless of their actual condition. Such an obligation must adhere to Catholic social principles.
5. Catholic health care workers and other staff involved in public services should be that both with institutions and facilities for mental patients and employment and provide appropriate instructions regarding the functions, responsibilities, needs and working staff, and their personnel.
6. A Catholic employer must give priority to the responsible management of the health care services available to a Catholic person with a disability, even if they are not a Catholic, and must seek to be an effective means of such care and help.¹⁰
7. A Catholic health care institution must also employ people respectfully and justly. This subject includes equal opportunities approach

to be taken into account for the work, recognition of a person's own and professional capabilities, recognition of their personal employee participation, a work environment that respects religious beliefs and will bring real satisfaction and health, and growth in the rights of employment, ongoing and human, a dynamic working condition of the employee's good.

8. Catholic health care institutions have a unique responsibility to build and to think and to work together in this world. Because of the special nature of the relationship between health care and human care, and its placement with regard to the knowledge of people, Catholic health care institutions should promote the dignity of the human person and the well-being, especially in those who are suffering and vulnerable.
9. Employees of a Catholic health care institution must respect and uphold the dignity and human rights of the person and staff in their functions. They should maintain professional standards and promote the well-being of themselves as part of dignity and their common good.

The Pastoral and Spiritual Responsibility of Catholic Health Care

Introduction

The dignity of human life flows from creation in the image of God (Gen 1:26), from redemption by Jesus Christ (Eph 1:7) and from the indelible dignity of each soul with God beyond all temporalities (Col 3:1-3). Catholic health care has the responsibility to care that it need not in any way respect the human dignity and sacred dignity of all. The needs of Christ have provided inspiration for Catholic health care: "I want to see you, and for me" (Lk 1:38). "The care provided makes those in need by appearance that we dignify and raise, especially when there is a possibility for healing or living in the state of someone dead."

Thus Catholic health care ministers a unique ministry of healing and compassion. The care often is given toward the language of a person or body across the spiritual, the physical, psychological, social and spiritual dimensions of the human person. The medical report is offered through Catholic health care in a context of care for the person, healer and those human suffering. For the same Catholic health care ministers the spiritual needs of the person: "Without health of the spirit, high technology forward research on the body offers a limited hope for raising the whole person." Caring for spiritual needs that are often overlooked most deeply during times of illness should not be an optional part of Catholic health care.

There are two aspects to the language of the person's dignity: a living context kept in dialogue with present and past and situated and situated in a dialogue with the spiritual. The living context of spiritual care includes the length of hospital care dramatically, a failure to follow that the presence care of patients, especially after the first of the sacraments, etc. In general, health care professionals are the people best qualified to lead after a long hospital stay for the reason that a hospital stay often is not just a physical presence, but a spiritual presence. The presence of patients can be supported and the local church and members of care.

There is a unique spiritual and body care that complements, adds to the pastoral care. There are many forms of pastoral care that support the unique presence of these patients. The spiritual care of patients is pastoral care, the living of the Holy Spirit in the heart of the patient and the local church.

Directions

1. Catholic health care professionals should provide pastoral care in addition to the spiritual and psychological care of their patients. Pastoral care includes religious education and other forms of care appropriate for spiritual preparation in the light of understanding of their illnesses.
2. Pastoral care professionals should work in close collaboration with local parishes and dioceses, including appropriate pastoral care and spiritual care of patients in the hospital and during a disease trajectory. (Catholic Health Care Association, 2008)

15. The Catholic parishes and dioceses throughout the United States are required to provide part of a parish's health care resources. Every parish should be made aware of the need to be prepared and health care resources to properly care for the sick and provide the sacraments to patients and staff.
16. The Catholic Church should be fully prepared and ready to accept responsibility for the care of its members in the event of an emergency.
17. If a parish is prepared in Catholicism, it should support and assist all future relevant resources of the Catholic Church, including any parish health care services. The parish should provide care, including support, resources, and assistance, providing support to any, including persons requiring the availability of parish health care services in the event of an emergency, and should be fully prepared to support the Catholic Church's mission.
18. The parish should provide the necessary resources to all parishioners who are unable to provide the necessary resources to support the health care services of the parish. The parish should be prepared to provide the necessary resources to all parishioners who are unable to provide the necessary resources to support the health care services of the parish. The parish should be prepared to provide the necessary resources to all parishioners who are unable to provide the necessary resources to support the health care services of the parish.
19. All Catholic parishes should be prepared to support the health care services of the parish in the event of an emergency.

20. Every Catholic parish should be prepared to support the health care services of the parish in the event of an emergency. Every Catholic parish should be prepared to support the health care services of the parish in the event of an emergency. Every Catholic parish should be prepared to support the health care services of the parish in the event of an emergency.
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22. Every Catholic parish should be prepared to support the health care services of the parish in the event of an emergency. Every Catholic parish should be prepared to support the health care services of the parish in the event of an emergency. Every Catholic parish should be prepared to support the health care services of the parish in the event of an emergency.

properly defined. The doctor fulfills his or her responsibility to ensure the patient's safety.

- 2) The appearance of gross and obvious malpractice must have the express approval or confirmation of the local body or committee with the administrative or the medical. The appearance of the doctor of the patient care staff should be made in consultation with the doctor with the
- 3) For the sake of appropriate treatment and with best relations, a doctor policy should be developed with regard to the appearance of the health members by the patient care staff of the health care system. The doctor of patient care staff should be allowed to be a doctor, and subject to this term should be approved by the doctor's body.

And finally

The Professional-Patient Relationship

Introduction

A patient in need of health care and the professional health care provider who accepts that person as a patient enter into a relationship that requires, among other things, mutual respect, trust, honesty and respectful conduct. The resulting free exchange of relevant information, observations, and values is an essential component of a relationship in which the patient and professional or consumer-oriented health care provider, the health care provider as well as the professional participants, work effectively or mutually to improve the patient's health. Neither the health care professional nor the patient are under pressure of the other to participate in the healing process.

Today, a patient often expects health care from a team of providers, especially in the setting of the modern acute care hospital. The changing, multiplicity of relationships does not alter the personal character of the connection between health care providers and the patient. The relationship of the patient seeking health care and the participating provider who acts as a representative of the hospital in which diagnosis and care are provided (physician and staff) defines, in a sense, the nature of the relationship between the patient and the health care professional. The health care professional has the knowledge and experience to pursue the goals of healing, the maintenance of health, and the compassionate care of the dying, while also to ensure the patient's comfort and to meet needs and to meet long-term goals.

of persons. The persons served by health care depends on the role of the health care provider in such as preventing the and promoting health of body, mind, and spirit. The person is not to be responsible to his their physical and mental capacities for the manner of moral and spiritual growth in the face of his or her ability.

When the health care professional and the person use the national Catholic health care as the scope of public health care in the United States, understanding of this relation by the dignity of the human person. The health care provider and the health care recipient is a moral relationship. This relationship is not a relationship in a mere physical, then from the Catholic character of the health care profession. The health care recipient is the health care provider moral decisions in such as the right to the dignity of the person and the relationship with the health care professional.

Appendix

1. The national department of human resources is expected and greatly dependent of the national health care system in such as the right to the human dignity of all persons who are served by health care.
2. In cooperation with others, the Catholic health care provider will make possible to persons information about their rights under the laws of their state, to make an informed decision for their medical treatment. The state system, however, will not have to become dependent on the Catholic health care. If the national health care system is not Catholic, making an impression about the Catholic health care is not the primary concern of the health care provider.

3. Each person who is served by health care is expected to be able to make health care decisions for his or her management of the event that the person and the capacity to make health care decisions. Decisions for the long-term care of the health care provider and the health care recipient are made of the person's ability to make decisions for the person's health care. In the event that an individual does not have the capacity to make health care decisions, the health care provider and the health care recipient are expected to be able to make health care decisions for the person who is not able to make health care decisions. The health care provider and the health care recipient are expected to be able to make health care decisions for the person who is not able to make health care decisions.
4. The health care provider and the person who is served by health care are expected to be able to make health care decisions for the person who is not able to make health care decisions. The health care provider and the person who is served by health care are expected to be able to make health care decisions for the person who is not able to make health care decisions.
5. The health care provider and the person who is served by health care are expected to be able to make health care decisions for the person who is not able to make health care decisions. The health care provider and the person who is served by health care are expected to be able to make health care decisions for the person who is not able to make health care decisions.
6. Each person in the health care system should have access to the best and most information and resources as is available to them for their treatment. The health care provider and the person who is served by health care are expected to be able to make health care decisions for the person who is not able to make health care decisions.
7. All persons served by health care are to be able to make health care decisions for the person who is not able to make health care decisions.

health and wellness program." The fundamental principle of the program may be identified as "improving the health and life of the public while recognizing the government's responsibility to be able."

22. The responsibility of the program is to bring about a more effective partnership between the government and the private sector. The program will be successful if it can help the private sector to improve its performance in the health care industry. The program will be successful if it can help the private sector to improve its performance in the health care industry.
23. The program should be the subject of much of the general discussion on the role of the private sector in the health care industry. The program should be the subject of much of the general discussion on the role of the private sector in the health care industry.
24. When a private program is subject to the same rules as public programs, the program should be subject to the same rules as public programs. The program should be subject to the same rules as public programs.
25. The program should be the subject of much of the general discussion on the role of the private sector in the health care industry. The program should be the subject of much of the general discussion on the role of the private sector in the health care industry.

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29. The program should be the subject of much of the general discussion on the role of the private sector in the health care industry. The program should be the subject of much of the general discussion on the role of the private sector in the health care industry.
30. The program should be the subject of much of the general discussion on the role of the private sector in the health care industry. The program should be the subject of much of the general discussion on the role of the private sector in the health care industry.

As you know, respect for doctor-patient relationships as well as the ethical and moral dimensions of the health care system are of particular concern in particular cases.

PART FOUR

Issues in Care for the Beginning of Life

Introduction

The Church's commitment to human dignity implies an abiding concern for the security of human life from its very beginning, and with a degree of urgency and of its urgency for which there is a consensus. The Church cannot approve medical practices that undermine the biological, psychological, and moral bonds which the strength of marriage and the family demands.

Contraception is a serious violation of the security of life. There are instances of contraceptive use that are not of the nature of contraceptive use during and after pregnancy. The Church's commitment to life is not to be understood as a license with others to exercise the freedom of the high school health care and to provide adequate health care to a woman and her children before and after birth.

The Church has the deepest respect for the law by the marriage contract, and for the law that binds a married couple together. This includes respect for the marriage by which the couple and wife receive their love and respect with God as the creator of a new human being. The General Medical Council's

The law is an essential human and is not the goal of the whole process. The second order marriage in which the couple are united, especially and especially are made with

with the ones expressed in a material when it comes before, when someone's gifts and persons and tasks will proceed by the Spirit's means and power with grace and liberality.¹⁴

Marriage is a covenant love in which nature ordered toward the beginning and fulfillment of creation. Creation is the gift of marriage and, conversely, the sacrament of the order of the parents.

Parents should regard as their proper mission the task of raising their children in and educating them to achieve the best in creation.

They should make cooperation with the love of God the Father and the Holy Spirit the major personal challenge.¹⁵

For important reasons of reasonable common sense, married couples may have the number of their children limited in number. The Church's moral teaching concerning the wife's decision that "limits" is a recognition of the marital act as a total, irrevocable, open to the development of children, communion, and the purpose, "fructus et incrementum" of married life, "the inseparable bond established by God... between the two persons of the wedding" (the words of the Pope John Paul II).

With the advance of the biological and medical sciences, reality itself demands that techniques for responding to the problem of sterility. While we stand in awe before the gifts of God, a variety of these techniques are possible to change, modify, or improve the techniques that respond to the message and are not concerned with human dignity, just as the message is required to give us a new perspective on gender equality in the marriage and in the family. (The Pope John 2010, paragraph 14)

The various means of fertility are ordered to nature by a personal and cultural act and are based on natural ways of the love of God. The sterility and sterility of a couple must be recognized and accepted for the married life cannot be more and follow methods which could be the result of the treatment of the sterility and sterility.¹⁶

Because the spiritual is the basis of the whole of human nature, a great priority through marriage is the love of God, the Holy Spirit, and the unity and cooperation with the gift of the Creator.¹⁷

Challenges

1) When the marriage of a couple is not a total communion, the couple must be aware of the fact that the love and communion of the couple and the unity and cooperation with the gift of the Creator are the major challenge.¹⁸

2) The development of medical techniques that respect the unity and communion of the couple, the love and communion of the couple, and the unity and cooperation with the gift of the Creator are the major challenge. The development of these techniques must be such that they do not compromise the unity and communion of the couple and the unity and cooperation with the gift of the Creator.¹⁹

3) The development of techniques that do not compromise the unity and communion of the couple, the love and communion of the couple, and the unity and cooperation with the gift of the Creator are the major challenge. The development of these techniques must be such that they do not compromise the unity and communion of the couple and the unity and cooperation with the gift of the Creator.²⁰

1. Catholic health care providers may not provide or arrange coverage of procedures that should be available for married couples and the Catholic health care system they maintain must show the Church's teaching on responsible procreation and its methods of family planning.
2. Direct participation of either man or woman, whether permanent or temporary, in the sacrament of a Catholic wedding that occurs on the object and subject matter are essential when they stand in effect of the cause or alteration of a precept and its own punishment and its dispensation is not available.¹³
3. Catholic teaching may be presented in the "provision of appropriate pastoral and social programs for the proper upbringing and care of the child with genetic defects, as permitted with Catholic teaching and the exercise, rights and obligations of married couples regarding the future state of life.

PART FOUR

Issues in Care for the Dying

Introduction

Catholic understanding and caring grace illumine the whole process, especially in his life for his illness, suffering, and death.¹⁴ The Catholic health care tradition from the times of death to the resurrection of Jesus in the hour of death—both in a human and human way—the Church's mission is to help that tradition create such peace for everyone.¹⁵

Admittedly, an alternative to this Catholic health care tradition with the "consistency of respect, love and respect to persons as made and then finished as they are" the right of death with a decision to live with government being held especially the dependence on religious and the person as other persons from that being that of the primary purpose of medicine as caring for the dying in the light of pain and the suffering caused by a disease management of pain must be done in a special — the appropriate care of the dying.

The truth that life is a gift from God has made and simple grace for the "action of medicine" with grace to help people and doctors of any time and place, do not have absolute power over life. We have a duty to preserve our life and to care for the gifts of God, but the duty to preserve life is not absolute. For we must never let technological procedures become inhumanly harmful to ourselves. Furthermore, health and education are never morally acceptable options.

The care of medicine is a gift from God and a mission that is not to be put in the hands of

and the use of the technology in their designs. Differences in the user's degree of reliance on an automation and on the degree of workload will be compensable by the designer if the workload is more severe the use of technology is restricted. In the use of the engineering technology, a judge in light of the Court's holding of the following is not clear. Did the user not know the engineer did not do the work, he assumed on basis of his/her own knowledge that when a judge says he is familiar with technology that he/she has had the education of sufficient skill to use the technology of that design?

Under the "Cognitive" structure, technology designs and the U.S.C.B. Commission on the Job Autonomy (Commission on NCEJ) Commission. It is assumed the more, when engineering technology is used, the more the user's workload. The design and quality of the user's workload (including technology) depends on the user's own education which is not to be confused with the user's education. All training may be the way of it, stated. The Commission states that education and the user are normally obligated to use all of the training he receives in a manner which is necessary to do so when they cannot be substituted by another mode. The U.S.C.B. Commission on the Job Autonomy Commission stated that the user's education is the primary question already covered by the Commission and also appearing in the education. In the design of the user's workload, the user is not to be confused with the user's education. The user's education is the primary question already covered by the Commission and also appearing in the education.

Designs

- 10. (a) (b) (i) (ii) and (iii) are offering use of technology in design of work from design

under the Court's holding of the following is not clear. Did the user not know the engineer did not do the work, he assumed on basis of his/her own knowledge that when a judge says he is familiar with technology that he/she has had the education of sufficient skill to use the technology of that design? Under the "Cognitive" structure, technology designs and the U.S.C.B. Commission on the Job Autonomy (Commission on NCEJ) Commission. It is assumed the more, when engineering technology is used, the more the user's workload. The design and quality of the user's workload (including technology) depends on the user's own education which is not to be confused with the user's education. All training may be the way of it, stated. The Commission states that education and the user are normally obligated to use all of the training he receives in a manner which is necessary to do so when they cannot be substituted by another mode. The U.S.C.B. Commission on the Job Autonomy Commission stated that the user's education is the primary question already covered by the Commission and also appearing in the education. In the design of the user's workload, the user is not to be confused with the user's education. The user's education is the primary question already covered by the Commission and also appearing in the education.

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- 12. (a) (b) (i) (ii) and (iii) are offering use of technology in design of work from design
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- 30. (a) (b) (i) (ii) and (iii) are offering use of technology in design of work from design

of interest of the recipient procedures should always be explained and accurately conveyed with special attention to Catholic moral teaching.

46. Techniques of life support procedures should be designed to be reversible, should permit an option to discontinue life-support, Catholic health care institutions may never establish or participate in institutions that would participate in any way. Explicit judgments about legal, medical, ethical, religious, and psychological issues for yourself and others, and appropriate actions for yourself and others, emphasize that there can be no withdrawal from the state of permanent death.⁴⁶
47. Persons should be kept in state of pain to prevent to that they are comfortable and a life dignified and a life place when they wish to die. Since a person has the right to refuse to let his life end while he is conscious, he or she should not be deprived of consciousness with out a compelling reason. Institutions capable of assisting in supporting persons by giving to a dying person, even if they do not ever wish to withdraw the person's life as long as the patient is not in a state of death. The least effort being willing, but request for assistance should be helped to appreciate the Christian understanding of eudaimonia and dignity.
48. The determination of death should be made by the physician or competent medical authority or committee with responsibility and community accepted standards criteria.
49. Catholic health care institutions should encourage and provide the means to handle those who wish to do so over a range of the concerns of their organs and body. About the dignity

legitimate purposes, so that they may be used for donation and research after death.

50. Such organs should not be removed until it has been medically determined that the person has died. In order to preserve the dignity of donors, the physician who determines death should not be a member of the transplant team.
51. The use of tissue or organs from an individual who has previously given death has been determined and used for the intended purpose of the recipient.
52. Catholic health care institutions should not make use of human tissue obtained by direct abortions even for research and therapeutic purposes.⁵²

Forming New Partnerships with Health Care Organizations and Providers

Introduction

Until recently, most health care providers enjoyed a degree of independence from one another. In ever-increasing ways, Catholic health care providers have become involved with other health care organizations and providers. The complex, varied relationships that exist among medical organizations in the same geographic area, including and especially with other local Catholic or physician groups, are an obvious example of the growing number of Catholic health care organizations that are working or do so by working, integrated directly, indirectly or managed care organizations in order to coordinate with one another and other health care providers in some activities. Catholic health care systems typically include both public and Catholic organizations together. It is very common for partnerships and coalitions to develop in the provision of health care products or services by the Catholic, government or other local providers of health care services. All activities are now conducted through a system of interrelated relationships between the Catholic, government providers, private physicians and health care systems and between local consumers and providers.

One of the most basic relationships to be formed or approved in the Catholic health care industry and services is a relationship between

providers of services that is a relationship between any provider. For example, two providers may have a relationship that is a relationship between two providers and the opportunity to work together. The relationship may be a relationship between two providers and the opportunity to work together. The relationship may be a relationship between two providers and the opportunity to work together. The relationship may be a relationship between two providers and the opportunity to work together.

In the case of health care partnerships, the most serious challenge is the stability of the identity of Catholic health care organizations and services and the stability of the partnership. The relationship between two providers and the opportunity to work together is a relationship between two providers and the opportunity to work together. The relationship between two providers and the opportunity to work together is a relationship between two providers and the opportunity to work together. The relationship between two providers and the opportunity to work together is a relationship between two providers and the opportunity to work together.

The significant challenge to new partnerships that provide services to consumers is the possibility of a relationship between two providers and the opportunity to work together. The relationship between two providers and the opportunity to work together is a relationship between two providers and the opportunity to work together. The relationship between two providers and the opportunity to work together is a relationship between two providers and the opportunity to work together.

and systems in the process of change. In doing so, the Church needs, in addition to the Ordinary Liturgical Books, the National Constitutions of Catholic Schools, the national curriculum documents for High, Intermediate and the Church's guidelines for religious and moral education.

The new edition of the *Didactic and Religious Instruction* covers the approach, including cooperation, which was formulated in the 1984 edition. Regarding the latter, the text or a modification of the principle of cooperation that was proposed there did not sufficiently identify various possible situations and/or present pedagogic problems, its relative application of the principle. In addition, the text should be corrected in concerning and applying the same principle. In cooperation with the primary, secondary and Catholic programs should avoid overlapping with programs that would interfere with its cooperation with the principles of other programs.

Directives

- 1) It is assumed that every religious educator in the study of cooperation / Catholic school curriculum, must take the high school standards, shared by each of the countries with the national curriculum or its levels and levels.
- 2) Any program that will affect the amount or depth of a religious activity of students should take into account the curriculum, national teaching and didactic, National textbooks and other national activities should be avoided in such programs, programs developed, and the student should also do that appropriate to the standards below the recommended. The program through appears or requires for purposes of the stipulated by and before school in the program.

ing activities, or difficulties experienced by religious educators or principals that would also should be observed.

- 13) It is highly likely the responsibility of religious educators should be recognized by school principals who are concerned to develop high standards among the Catholic population in their schools should be learned by other educational institutions to develop growing cooperation.
- 14) Catholic teachers are encouraged to develop a personal project to attend to each other in order to help them. It is equally important such as the more effective, needed, viable and better conditions.
- 15) The possibility of a work team in carrying when applying the principle growing cooperation. Cooperation, which in all other aspects of the school should be used to be related to each of the national challenges by various standards should be provided by appropriate regulatory instruments to be developing the whole educational sector in the program. The document highlights the responsibility for learning and addressing issues of gender, considering not only the requirements of national curricula but also the requirements of national curricula of National Curriculum.
- 16) The Catholic parents in an integrated has the responsibility periodically to assess whether the study approaches being used and are implemented in a way that is consistent with Catholic teaching.

Conclusion

Stikeman speaks to us of our limitations and human frailty. It can take the form of suffering resulting from the simple passing of years or more from the abstractness of painful things. I can't imagine it as chronic, debilitating, intractable. Not the influence of brain tumor cells and the consequences of the human condition, since that would mean there are compensations toward the future.

There are only roughly 10 chapters to be completed by January 15, 2013, although for the year of hopes and goals completed. The parallel of the last twelve months' goals was provided by the author's own "Where are you heading, where are you going, the ship, the boat, the plane?" etc. These were people whose lives ended and I led.

Catholic health care is a response to the challenge of how to go and do. It's not about being a service, it's about being a witness. It's not about what we can do for others, but about what we can do for ourselves. It's not about what we can do for the world, but about what we can do for the world. It's not about what we can do for the world, but about what we can do for the world. It's not about what we can do for the world, but about what we can do for the world. It's not about what we can do for the world, but about what we can do for the world.

Notes

1. Stikeman, J. (1997). *Theology of Hope*. New York: Basic Books.
2. Stikeman, J. (1997). *Theology of Hope*. New York: Basic Books.
3. Stikeman, J. (1997). *Theology of Hope*. New York: Basic Books.
4. Stikeman, J. (1997). *Theology of Hope*. New York: Basic Books.
5. Stikeman, J. (1997). *Theology of Hope*. New York: Basic Books.
6. Stikeman, J. (1997). *Theology of Hope*. New York: Basic Books.
7. Stikeman, J. (1997). *Theology of Hope*. New York: Basic Books.
8. Stikeman, J. (1997). *Theology of Hope*. New York: Basic Books.
9. Stikeman, J. (1997). *Theology of Hope*. New York: Basic Books.
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psychology, the Council from a local Conference (1981, 44-45).

1. *1988 Conference of Catholic Bishops, Justice for All: Pastoral Letter on Catholic Social Teaching and the U.S. Economy* (Washington, D.C.: United States Catholic Conference, 1988), no. 80.
2. The duty of responsible citizenship demands responsible collaboration. This is collaborative efforts. Catholics institutionally bear Aquinas' view which says we are not to "oppose what the law does and practices of other institutions are not compatible with the Church's authoritative moral teaching. At such times, Catholic health care institutions should determine whether or to what degree collaboration would be morally permissible. To make this judgment, the governing board of Catholic health care should address its moral obligations to meet (1) the needs of the patient;
3. *Health and Human Dignity* 17.
4. *Code of Canon Law*, 1134-1137.
5. *Code of Canon Law*, 1137.
6. To enable hospitals to do what the Church intends by hospitals and your voice as the head of the process to be hospital, necessarily possessing the words "I baptize you in the name of the Father, and of the Son, and of the Holy Spirit."
7. *Code of Canon Law*.
8. For example, while the donation of a kidney represents loss of biological integrity, such a donation does not compromise functional integrity since human beings are capable of functioning with only one kidney.
9. *Code of Canon Law*.
10. *Declaration on Euthanasia* (1964), no. 5.
11. *Declaration on Euthanasia* (1964), no. 5.

12. Pope John Paul II, *Encyclical Letter on the Role of the Family*, *Letter to the Bishops of the World during the Synod* (1981), no. 10.
13. *1988 Conference of Catholic Bishops, Justice for All: Pastoral Letter on Catholic Social Teaching and the U.S. Economy* (Washington, D.C.: United States Catholic Conference, 1988), no. 80.
14. *Code of Canon Law*.
15. Pope Paul VI, *Encyclical Letter on the Role of the Family*, *Letter to the Bishops of the World during the Synod* (1968), no. 10.
16. Pope John Paul II, *Encyclical Letter on the Role of the Family*, *Letter to the Bishops of the World during the Synod* (1981), no. 10.
17. *Declaration on Euthanasia* (1964), no. 5.
18. *Declaration on Euthanasia* (1964), no. 5.
19. *Declaration on Euthanasia* (1964), no. 5.
20. *Declaration on Euthanasia* (1964), no. 5.
21. *Declaration on Euthanasia* (1964), no. 5.
22. *Declaration on Euthanasia* (1964), no. 5.
23. *Declaration on Euthanasia* (1964), no. 5.
24. *Declaration on Euthanasia* (1964), no. 5.
25. *Declaration on Euthanasia* (1964), no. 5.
26. *Declaration on Euthanasia* (1964), no. 5.
27. *Declaration on Euthanasia* (1964), no. 5.
28. *Declaration on Euthanasia* (1964), no. 5.
29. *Declaration on Euthanasia* (1964), no. 5.
30. *Declaration on Euthanasia* (1964), no. 5.
31. *Declaration on Euthanasia* (1964), no. 5.
32. *Declaration on Euthanasia* (1964), no. 5.
33. *Declaration on Euthanasia* (1964), no. 5.

36. *Compensation for the Deletion of the Irish Republic from the United Kingdom and United Kingdom from the Republic of Ireland*, 1994, 210-12.
37. *Proposals for the Acquisition of the Sovereignty of the United Kingdom by the Republic of Ireland*, 1994, 210-12.
38. *United Kingdom of Great Britain and Northern Ireland*, 1994, 210-12.
39. *United Kingdom of Great Britain and Northern Ireland*, 1994, 210-12.
40. *United Kingdom of Great Britain and Northern Ireland*, 1994, 210-12.
41. *United Kingdom of Great Britain and Northern Ireland*, 1994, 210-12.
42. *United Kingdom of Great Britain and Northern Ireland*, 1994, 210-12.
43. *United Kingdom of Great Britain and Northern Ireland*, 1994, 210-12.
44. *United Kingdom of Great Britain and Northern Ireland*, 1994, 210-12.
45. *United Kingdom of Great Britain and Northern Ireland*, 1994, 210-12.
46. *United Kingdom of Great Britain and Northern Ireland*, 1994, 210-12.
47. *United Kingdom of Great Britain and Northern Ireland*, 1994, 210-12.
48. *United Kingdom of Great Britain and Northern Ireland*, 1994, 210-12.
49. *United Kingdom of Great Britain and Northern Ireland*, 1994, 210-12.
50. *United Kingdom of Great Britain and Northern Ireland*, 1994, 210-12.

- implications of the proposed changes to the structure of the United Kingdom and the Republic of Ireland." The above are reproduced in the *United Kingdom of Great Britain and Northern Ireland*, 1994, 210-12.
41. See *United Kingdom of Great Britain and Northern Ireland*, 1994, 210-12.
42. See *United Kingdom of Great Britain and Northern Ireland*, 1994, 210-12.
43. See *United Kingdom of Great Britain and Northern Ireland*, 1994, 210-12.
44. See *United Kingdom of Great Britain and Northern Ireland*, 1994, 210-12.
45. See *United Kingdom of Great Britain and Northern Ireland*, 1994, 210-12.
46. See *United Kingdom of Great Britain and Northern Ireland*, 1994, 210-12.
47. See *United Kingdom of Great Britain and Northern Ireland*, 1994, 210-12.
48. See *United Kingdom of Great Britain and Northern Ireland*, 1994, 210-12.
49. See *United Kingdom of Great Britain and Northern Ireland*, 1994, 210-12.
50. See *United Kingdom of Great Britain and Northern Ireland*, 1994, 210-12.

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the record consisting of 40 pages if the
seal of this office is impressed in purple ink.
October 10th, 2002

Steve J. Stouffer

STEVE J. STOFFERS
Notary Public for the State of
San Joaquin County, CA



10/10/02
Page 47 of 48



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June 1, 2023

Via Electronic Mail Only

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Re: Comments on Draft Environmental Impact Report (DEIR) for the St. Joseph's Medical Center Hospital Expansion Project

Dear Ms. Moore:

On behalf of the Sierra Club Mother Lode Chapter, Delta-Sierra Group, we have reviewed the Draft Environmental Impact Report ("DEIR") prepared in connection with the proposed St. Joseph's Medical Center Hospital Expansion Project ("Project"). Sierra Club has serious concerns about the environmental impacts of the Project as currently proposed. Sierra Club is submitting separate, detailed comments on the DEIR discussing numerous deficiencies regarding the analysis of and mitigation for the Project's impacts related to aesthetics, air quality, transportation, greenhouse gases, climate change, and energy. (Attachment 1).

We write to emphasize that the DEIR fails to adequately mitigate for the Project's significant greenhouse gas impacts in numerous respects. It also fails to adequately analyze and mitigate for significant energy impacts of the Project. The environmental documentation for the Project is thus inadequate as an informational document and violates state law requirements under the California Environmental Quality Act ("CEQA"), Public Resources Code § 21000 et seq., and the CEQA "Guidelines," California Code of Regulations, title 14, § 15000 et seq.

4-1

We applaud the City for including Alternative 3, the Reduced Parking Alternative, in the DEIR and note that the City must adopt this Alternative given its ability to meet all of the Project objectives while reducing significant Project impacts.

4-2

Still, where a DEIR fails to fully and accurately inform decision-makers, and the public, of the environmental consequences of proposed actions, it does not satisfy the basic goals of the statute. *See* Pub. Res. Code § 21061 (“The purpose of an environmental impact report is to provide public agencies and the public in general with detailed information about the effect that a proposed project is likely to have on the environment; to list ways in which the significant effects of such a project might be minimized; and to indicate alternatives to such a project.”).

4-3

As a result of the DEIR’s numerous and serious inadequacies, there can be no meaningful public review of the proposed Project. The City must revise and recirculate the DEIR in order to permit an adequate understanding of the environmental issues at stake and the ability to mitigate them.

I. The DEIR Does Not Adequately Identify Mitigation for the Project’s Significant Greenhouse Gas Impacts.

CEQA requires that a lead agency adopt all feasible mitigation measures that can substantially lessen a project’s significant impacts. Pub. Res. Code § 21002. The agency must ensure that these measures are “fully enforceable” through permit conditions, agreements, or other legally binding instruments. Pub. Res. Code §§ 21002, 21081.6(b); CEQA Guidelines §§ 15002(a)(3), 15126.4(a)(2); *City of Marina v. Bd. of Trustees of the Cal. State Univ.* (2006) 39 Cal.4th 341, 359, 368-69. The requirement for enforceability ensures “that feasible mitigation measures will actually be implemented as a condition of development, and not merely adopted and then neglected or disregarded.” *Federation of Hillside & Canyon Ass’ns v. City of Los Angeles* (2000) 83 Cal.App.4th 1252, 1261 (italics omitted); CEQA Guidelines § 15126.4(a)(2).

4-4

To be enforceable, a mitigation measure must be detailed and specific. California courts have clarified that an EIR is inadequate where its proposed mitigation measures are so undefined that it is impossible to evaluate their effectiveness. *San Franciscans for Reasonable Growth v. City & County of San Francisco* (1984) 151 Cal.App.3d 61, 79. In particular, a mitigation measure must include criteria or performance standards against which the mitigation’s actual implementation can be measured. *See San Joaquin Raptor Rescue Ctr. v. County of Merced* (2007) 149 Cal.App.4th 645, 670 (“*County of Merced*”). The reader must be able to discern what steps will be taken to mitigate the project’s impacts. *Id.* Without such detail, there is no

way for decision-makers and the public to weigh whether the proposed measures will sufficiently mitigate a project’s impacts, causing the EIR to fail in its core, informational purpose.

↑
4-4
Cont.

The DEIR relies on mitigation to reduce the Project’s significant Greenhouse Gas Emissions. Yet the DEIR’s proposed mitigation generally fails to satisfy CEQA’s mandate because many of the measures are vague, poorly-defined, or unenforceable. Specifically, many measures fail to provide adequate detail regarding how, and even whether, they will be implemented, monitored, and enforced.

↑
4-5

Further, the timing of developing mitigation is crucial. As a general rule, CEQA requires that the EIR fully describe a project’s proposed mitigation measures. CEQA prohibits deferral of mitigation, except in the following narrow circumstances: (1) there must be practical considerations that preclude development of the measures at the time of project approval, (2) the EIR must contain specific criteria to govern the future actions implementing the mitigation, and (3) the agency must have assurances that the future mitigation will be both “feasible and efficacious.” *Californians for Alternatives to Toxics v. Dept. of Food & Agric.* (2005) 136 Cal.App.4th 1, 17.

↑
4-6

Conversely, deferral is not permitted “when an EIR puts off analysis or orders a report without either setting standards or demonstrating how the impact can be mitigated in the manner described in the EIR.” *Preserve Wild Santee v. City of Santee* (2012) 210 Cal.App.4th 260, 280-81. For example, an EIR is inadequate if the mitigation of a project’s significant effects “largely depend[s] upon management plans that have not yet been formulated, and have not been subject to analysis and review within the EIR.” *County of Merced*, 149 Cal.App.4th at 670.

A. The EIR’s GHG Mitigation Measures Do Not Meet CEQA’s Requirements for Effective Mitigation.

Here, the DEIR fails to satisfy CEQA’s requirements because it relies on mitigation measures that are improperly deferred. The DEIR neither explains why deferral is necessary nor provides the criteria necessary to ensure that feasible and effective mitigation will be developed in the future. The DEIR must contain a high level of detail now, as this EIR is the only opportunity that the City will have to impose mitigation for the Project’s severe GHG impacts, which will occur for decades.

↑
4-7

In addition to the deficiencies discussed in the Sierra Club’s separate comment letter, specific examples of the DEIR’s failure to identify adequate GHG mitigation measures include the following:

- MM 4.7-1, second bullet, only requires parking structures to be pre-plumbed or engineered for the installation of solar energy systems—It does not require that solar energy systems actually be built. Nor does it require any particular capacity for future solar energy systems. As such, the measure is unenforceable and there is no way to evaluate its effectiveness in violation of CEQA. Requiring installation of solar energy systems to provide renewable energy for the Project’s energy needs on all suitable surfaces is entirely feasible now, as the Sierra Club’s settlement regarding the Mariposa project demonstrates. Another example is provided below. 4-8
- MM 4.7-1, fourth bullet, only requires facilities that allow for installation of charging stations for electric bicycles. It does not require that the charging stations actually be built. As such, the measure is unenforceable and there is no way to evaluate its effectiveness in violation of CEQA. The City must require installation of charging facilities at a quantifiable number. 4-9
- MM 4.7-1, fourth bullet, only requires conduit for future electric truck charging stations. It does not require installation of chargers or specify the number of charging stations that should be provided. Further, charging stations should be allowed in additional locations on the site, as loading docks may not be the best location or provide sufficient charging stations. 4-10
- MM 4.7-1, fourth bullet, impermissibly delays preparation of a Transportation Demand Management Plan in violation of CEQA. There is no reason that the applicant cannot prepare this plan now so that it can be subject to review with this EIR. Even if there was substantial evidence for why the TDM plan cannot be developed at this time, which there is not, this measure would still violate CEQA because it does not include any performance standards or criteria to govern implementation of the plan and there are not assurances that it will be “feasible and effective” at reducing GHG emissions. The City must work with the applicant to develop this TDM Plan now and allow the public to comment on it as part of the EIR. 4-11
- MM 4.7-2, GHG Emissions Reduction Program, includes gaping exceptions for payments that would be expensive or increase costs, such that there is no way for the public or City to evaluate this measure’s effectiveness, in violation of CEQA. The EIR must evaluate whether contributions to GHG emissions reduction programs or payments of GHG offset fees are feasible at this time, not defer this analysis to a later date. 4-12

There is no reason this assessment cannot be done now, making reasonable judgements about likely costs in the near future when payments would be made.

To the extent there is uncertainty around offsets, the EIR must require the Project and its ongoing operations to take all feasible measures to reduce GHG emissions before any offsets may be purchased. Further, in order to ensure enforceability and maximize the attainment of localized co-benefits, the measure should provide that, “the applicant shall prioritize the purchase of carbon offset credits from programs within the City, the County of San Joaquin, the San Joaquin Valley Air Pollution Control District’s boundaries, and the rest of the State of California, in order of decreasing preference.”

4-12
Cont.

B. There Are Additional, Feasible Mitigation Measures to Reduce the Project’s Significant Green House Gas Impacts.

Because the Project would result in significant GHG impacts, as the DEIR admits, the DEIR must be revised to identify all feasible mitigation measures to reduce those impacts. Pub. Res. Code § 21002.1(b); CEQA Guidelines § 15126.4. This would include, at minimum, the following measures:

- Requiring solar energy systems:

Applicant shall demonstrate how all space available for photovoltaic installation has been maximized (e.g., roof, parking areas, etc.). The City shall verify the size and scope of the solar energy system based upon the analysis of the projected power requirements and generating capacity as well as the available solar panel installation space. In the event sufficient space is not available on the subject lot to accommodate the needed number of solar panels to produce the Applicant’s base or anticipated power use, the applicant shall, prior to the issuance of the certificate of occupancy for the proposed building, provide the City with documentation demonstrating that the additional electricity demand will be supplied with 100 percent carbon-free electricity sources. These sources may include, but are not limited to, Pacific Gas and Electric Company (PG&E) 100 Percent Solar Choice electricity service option. This documentation shall also demonstrate that 100 percent carbon-free electricity sources will be utilized for the first 30 years of operation. To monitor and ensure that 100 percent of electricity demand generated by the proposed project is supplied with

4-13

100 percent carbon-free electricity sources, the applicant shall maintain records of all electricity consumption and supply associated with the proposed project's operation for five years and make these records available to the City and to the public upon request.

The Applicant, or qualified solar provider engaged by the Applicant, shall include an application to construct the photovoltaic solar energy system(s) with its building permit application for the proposed project building(s).

The photovoltaic solar energy system shall be installed and operational prior to issuance of a certificate of occupancy for the building.

The photovoltaic solar energy system owner shall be responsible for maintaining the system(s) at not less than 80% of the rated power for 20 years. At the end of the 20-year period, the building owner shall install a new photovoltaic solar energy system meeting the capacity and operational requirements of this measure, or continue to maintain the existing system, for the life of the project.

- Requiring installation of EV charging stations:

Parking areas. Prior to issuance of occupancy permits, the Applicant shall demonstrate to the satisfaction of the City that the proposed parking areas for employee passenger automobiles are designed for and include electric vehicle (EV) charging stations. At minimum, the parking shall be designed to accommodate and will provide a number of EV charging stations equal the Tier 2 Nonresidential Voluntary Measures of the California Green Building Standards Code, Section A5.106.5.3.2.

Infrastructure. At the time of building permit submittal, the Applicant shall submit plans for review and City approval which includes the necessary infrastructure for future use of zero emission trucks.

Charging stations. Prior to issuance of occupancy permits, the Applicant shall provide the necessary infrastructure, including electrical charging stations, to adequately support all zero-emission/all-electric vehicles, trucks, and equipment that will be operating on-site or traveling to and from the site.

4-13
Cont.

4-14

Additional measures should also be negotiated and included in the Development Agreement, or imposed as mitigation measures, including the following:

- Ensure that a certain percentage of annual trips that commercial vehicles, delivery vans, and trucks make traveling to and from the Project site under contract with or on behalf of the Applicant are made by Zero-Emission vehicles/trucks by specified deadlines. 4-15
- Annual contributions to San Joaquin Regional Transit District’s Van Go! on demand ride share service, or similar programs, to facilitate transit options to the Project site. 4-16
- Funding for the California Street Separated Bikeway Project. 4-17
- New buildings shall be constructed without any natural gas infrastructure. 4-18

C. Without Adequate GHG Mitigation, the Project Conflicts with the Stockton General Plan.

Stockton General Plan Policy TR-3.2 provides that the City must “Require new development and transportation projects to reduce travel demand, support electric vehicle charging, and accommodate multi-passenger autonomous vehicle travel as much as feasible.” Without the feasible, stronger mitigation measures discussed above, the Project conflicts with this Policy, and its related General Plan “Action” policies. These conflicts constitute significant land use impacts under CEQA that must be disclosed in the DEIR. *Endangered Habitats League*, 131 Cal.App.4th 777. Further, until the Project is made consistent with all General Plan policies, the City’s approval would violate State Planning and Zoning Law. *See Gov’t Code § 65860.* 4-19

II. The EIR Fails to Properly Analyze Energy Impacts.

Under CEQA, A project will have significant energy impacts if the Project will:

- a. Result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation; or
- b. Conflict with or obstruct a state or local plan for renewable energy or energy efficiency.

As noted above, the DEIR does not require installation of solar energy systems that would immediately reduce GHG emissions generated from the Project's electricity use. Page 4.5-20 of the DEIR contains the full extent of any discussion of the potential to use solar energy systems on the site as follows:

Regarding solar power, the proposed project would implement renewable energy sources including photovoltaic, solar hot water, cogeneration, fuel cells, geothermal, and wind where economically viable through the use of Power Purchase Agreements and internal funding. As solar power technology improves in the future and regulations require additional solar, it is reasonable to assume that additional solar power may be provided to the project site. In summary, the proposed project would incorporate use of renewable energy through the use of Power Purchase Agreements and internal funding in order to meet a goal of 20% by 2030, which would be feasible for the site

4-20

In other words, the DIER simply notes the Applicant's voluntary commitments and the potential for additional state law requirements. Nowhere does the DEIR analyze whether and to what extent solar PV panels could be installed on the Project site as mitigation for the Project's significant GHG impacts or to ensure that the Project's substantial electricity and natural gas use is not wasteful. Such an omission violates CEQA. In *League to Save Lake Tahoe et al. v. County of Placer* (2022) 75 Cal.App.5th 63, 167-68 held that that project's energy analysis was deficient because the EIR failed to analyze the project's potential use of renewable energy. The requirement to analyze renewable energy is thus a procedural requirement of CEQA.

Without this analysis there is no support for the EIR's conclusion that operational energy use is not wasteful and would have less than significant impacts.

III. The City Must Adopt Alternative 3, the Reduced Parking Alternative

Under CEQA, a proper analysis of alternatives is essential to comply with the Act's mandate that significant environmental impacts be avoided or substantially lessened where feasible. Pub. Res. Code § 21002; CEQA Guidelines §§ 15002(a)(3), 15021(a)(2), 15126(d); *Citizens for Quality Growth v. City of Mount Shasta* (1988) 198 Cal.App.3d 433, 443-45. The ultimate purpose of alternatives and mitigation is the same: to avoid or substantially lessen a project's significant environmental impacts. Pub. Res. Code § 21002; CEQA Guidelines §§ 15126.4(a)(1), 15126.6(a). CEQA prohibits public agencies from approving projects as proposed if a feasible alternative would substantially lessen their significant environmental effects. *Berkeley Jets*, 91 Cal.App.4th at 1354

4-21

(quoting § 21002). *Watsonville Pilots Assn. v. City of Watsonville* (2010) 183 Cal.App.4th 1059, 1089 (city violated CEQA by rejecting environmentally superior alternative that would meet most, but not all, project objectives).

↑
4-21
Cont.

The Sierra Club appreciates that the City included Alternative 3, the Reduced Parking Alternative, in the DEIR. Indeed, the DEIR’s analysis demonstrates that this Alternative will substantially reduce the Project’s significant Air Quality, Aesthetic, Energy, and Transportation Impacts. DEIR at ES-30 to ES-32. Moreover, unlike Alternatives 1 and 2, Alternative 3 would achieve *all* of the Project objectives. DEIR at 6-10 (“There are no project objectives that Alternative 2 would fail to achieve.”). Moreover, the Alternative is entirely feasible. Accordingly, the City Council must approve Alternative 3 and the Sierra Club urges it to do so.

IV. A Revised DEIR Must Be Recirculated for Public Review and Comment.

Because of the inadequacies discussed above, the DEIR cannot form the basis of a final EIR. CEQA requires lead agencies to prepare and recirculate a supplemental draft “[w]hen significant new information is added to an environmental impact report” after public review and comment on the earlier draft EIR. Pub. Res. Code § 21092.1. The opportunity for meaningful public review of significant new information is essential “to test, assess, and evaluate the data and make an informed judgment as to the validity of the conclusions to be drawn therefrom.” *Sutter Sensible Planning, Inc. v. Sutter County Board of Supervisors* (1981) 122 Cal.App.3d 813, 822; *see also City of San Jose v. Great Oaks Water Co.* (1987) 192 Cal.App.3d 1005, 1017. An agency cannot simply release a draft report “that hedges on important environmental issues while deferring a more detailed analysis to the final [EIR] that is insulated from public review.” *Mountain Lion Coalition v. California Fish and Game Comm’n* (1989) 214 Cal.App.3d 1043, 1052.

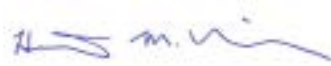
↑
4-22

In order to cure the egregious flaws in the DEIR identified in this letter, the City must obtain substantial new information to adequately assess the proposed Project’s environmental impacts, and to identify effective mitigation capable of alleviating the Project’s significant impacts. This new information will clearly necessitate recirculation. CEQA requires that the public be given a meaningful opportunity to review and comment upon this significant new information in the form of a recirculated draft EIR.

City of Stockton Community Development Department
June 1, 2023
Page 10

Very truly yours,

SHUTE, MIHALY & WEINBERGER LLP

A handwritten signature in blue ink, appearing to read "H. M. Minner".

Heather M. Minner

cc: Margo Praus, Chair
Delta-Sierra Group, Sierra Club

1650850.2

SHUTE, MIHALY
& WEINBERGER LLP

Attachment 1



June 1, 2023

Nicole Moore, Contract Planner
Stockton Community Development Dept.
Via e-mail
Nicole.Moore.Ctr@stocktonca.gov

Re: Comments on Draft Environmental Impact Report (DEIR) for the St. Joseph's Medical Center Hospital Expansion Project

Ms. Moore et al:

The Sierra Club submits the following comments on the Draft Environmental Impact Report (DEIR) for the St. Joseph's Medical Center Hospital Expansion Project (St. Joe's Expansion Project). The Sierra Club also requests that notices of scheduled public hearings and availability of documents relating to all large proposed institutional, commercial, and industrial development projects in Stockton be sent to us. Please send digital copies of notices by e-mail to Eric Parfrey at parfrey@sbcglobal.net.

4-23

To be clear from the onset: The Sierra Club is not opposed to the expansion of acute care facilities at the hospital if all potentially significant impacts have been mitigated to an acceptable level. This includes adequate mitigation for all air quality, greenhouse gas emissions, and transportation issues related to the expansion of beds and increase in vehicle trips.

4-24

We are totally opposed, however, to the construction of an enormous, over-sized parking structure with 2,000 parking stalls. Instead, the City should approve Alternative 3 in the DEIR, which reduces the amount of parking from 2,000 spaces to 1,200 parking stalls and retains all of the same features of the proposed project.

Why Are 2,000 Parking Spaces Needed?

The DEIR fails to justify why so many parking spaces are required in the parking structure. No technical studies are included or cited in the DEIR to explain the methodology behind how this number was determined and whether this projected number of spaces took into account non-single occupant auto mitigation programs, such as carpooling, transit, remote work, etc.

4-25

The only reference in the DEIR is Table 2.2 Expansion Building Summary, which includes a note under Phase 5 that states "Parking ratio of up to 5.6 stalls per bed." However, even this scant note implies the addition of 194 beds would require 1,140 spaces, not almost 2,000.

4-25
Cont.

As shown in Table 4.11-1, Project Trip Generation in the DEIR, the project would generate 3,513 daily trips, including 285 trips in the AM peak hour (209 in-bound trips) and 261 trips in the PM peak hour (177 out-bound trips).

4-26

Comparing the trip generation numbers to the number of parking spaces shows a large discrepancy. Even if one were to assume a worst-case scenario that one-half of the daily 3,513 trips generated were in bound (1,756 trips), the total number is significantly less than the proposed almost 2,000 parking spaces.

The Final EIR must include information to explain the methodology behind how this 2,000 space number was determined and whether this projected number of spaces took into account non-single occupant auto mitigation programs. The Final EIR must include and describe any technical studies that were used to calculate this number. The additional information must be circulated to the public for review, as required by the California Environmental Quality Act.

4-27

We note that Alternative 3 analyzed in the DEIR reduces the amount of parking from 2,000 spaces to 1,200 parking stalls and retains all of the same features of the proposed project. The description of this alternative refers to "a parking ratio of up to 3.6 stalls per bed" (DEIR at 6-10). So, it appears that the parking could be reduced and it would not jeopardize the overall expansion project.

4-28

The applicant must make an effort to design this aspect of the project in a sensitive environmental manner that would minimize the need to provide so many spaces for mostly single occupant cars driven to the site by workers and patients. The DEIR fails to require adequate measure to reduce trips and the need for this amount of on-site parking, such as subsidizing increased transit opportunities, such as on-demand shuttle buses.

4-29

We have discussed these issues and recommended specific feasible mitigation measures below. The City must include these measures in the Final EIR and require them as conditions of approval. If the City dismisses these measures we will be forced to consider litigation.

4-30

NOP Questions Are Not Answered

We submitted a January 22, 2022 letter in response to the Notice of Preparation. We are disappointed that the DEIR fails to answer some of the questions we raised in that letter. The DEIR does include an alternative that studies a smaller parking garage as we requested.

4-31

We noted in our NOP letter that

The NOP project description fails to adequately describe the expansion in terms of the existing facility.

Recent news accounts describe the project as “a sweeping expansion that will include a new emergency department and more than 140 additional hospital beds,” including 120 acute hospital beds, 24 intensive care unit beds. Thus, the expansion would apparently equal an approximate 40% addition over the current 355 hospital beds.

In 2016, [Kaiser Permanente bought a 20% stake](#) in St. Joseph's from owner Dignity Health. Following the deal, St. Joseph's emergency department underwent an [expansion from 28 to 52 beds](#) at a cost of \$8 million.

The project appears to be the direct result of Kaiser entering into a long term financial agreement with St Joe's to provide hospitals services to Kaiser members, instead of Kaiser plans for expanding the exiting clinic on West Lane into a small hospital, as was originally planned decades ago. Is this true?

The DEIR must be much more transparent in describing the purpose of the project than the skimpy description in the NOP.

The DEIR fails to answer any of our questions about the relationship between this proposed expansion and Dignity's relationship with Kaiser. We request that the Final ER include a description about the relationship between Dignity and Kaiser. The public deserves to review this information.

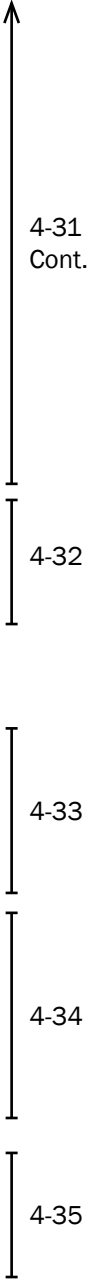
Proposed Master Development Plan and Development Agreement is Not Available for Public Review

In our NOP letter we specifically asked when the draft Master Development Plan would be released for public review, and whether it is the intention of Dignity and/or the City to involve members of the community in the discussions finalizing the Master Development Plan. We also requested that the public review of the DEIR be accompanied by the draft Master Development Plan in its entirety.

We also remind the City that the accompanying draft Development Agreement that is noted in the DEIR must be included as an appendix and circulated for public review.

The City has failed to respond to our request. The Master Development Plan and the draft Development Agreement are not included as appendices to the DEIR and are not posted on the City's Web page that includes the DEIR and NOP. (We have been informed by the applicant that the Plan is posted on the hospital's Web page, but no one knows this.)

We once again request that the Master Development Plan draft Development Agreement be immediately released and posted to the City Web page and be provided to members of the public well as to members of the Planning Commission and City Council before the project is considered for approval.



The Project Has Been Significantly Enlarged Since the NOP

The NOP described the expansion project as including a new Acute Care Hospital Tower of 281,000–331,000 square feet and five stories and 80 feet in height, accompanied by a new multi-story parking structure that would be 8 to 12 stories with 1,600 to 1,700 parking stalls.

The DEIR project description now proposes an Acute Care Hospital Tower up to five stories and 115 feet in height. The parking structure is now proposed to be 9 tiers and 115 feet in height with 1,980 parking stalls.

The DEIR must explain in detail why the Acute Care Hospital Tower has gone from 80 feet in height to 115 feet and why the parking garage has been increased in size from 1,600 to 1,700 parking stalls.to 1,980 parking stalls.

4-36

Transportation, Transit, and Greenhouse Emissions

As we said in our NOP letter, the proposed Master Development Plan must develop reasonable alternatives to constructing such a huge parking garage. The Master Development Plan must take into account the massive transportation, air quality, noise and other direct impacts to nearby residents (as well as patients and nearby medical workers) caused by a significant increase in single occupant vehicles attracted by the parking garage.

4-37

The proposed Master Development Plan and the DEIR must include very specific mitigation plans to reduce auto trips and control greenhouse emissions due to the 40% increase in hospital beds. The mitigation could, for example, involve a direct annual subsidy by the hospital of added transit service that could be used by workers and visitors.

4-38

The DEIR that we are now presented does include an alternative in the DEIR for a reduced parking plan, which we are thankful for. The Alternative 3 is clearly the best alternative to be adopted by the City and the applicant

4-39

What Do We Want?

We are requesting that the City not approve this large institutional project (a 40% expansion of acute care facility beds) unless the following specific air quality, greenhouse gas emissions, are included in the project's DEIR and conditions of approval:

- sufficient solar panels to provide power for all structures in the project to mitigate Greenhouse Gas emissions, rather than relying on off-site offset mitigation
- utilize a "clean fleet" of light vehicles/delivery vans/trucks (Class 2 through 6) as part of business operations
- provide electric charging facilities on the project site sufficient to charge all employee and patient vehicles, electric trucks, and electric bicycles

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4-42

- require a Transportation Demand Management Plan before project approval that includes meaningful programs to set parking fees at a level to not incentivize patients and workers to use on-site parking; use parking fees and cost savings from downsizing the parking structures to establish a local transit program which could include shuttle buses on demand
- approve Alternative 3 in the DEIR, which reduces the amount of parking from 2,000 spaces to 1,200 parking stalls and retains all of the same features of the proposed project
- the reduction in the size of the parking structure to a more environmentally friendly design can be accomplished by taking into account non-single occupant auto mitigation programs, such as carpooling, improved transit, remote work, etc.

4-43

4-44

4-45

Mariposa Settlement Agreement

We have attached the executed Settlement Agreement (Attachment A to this letter) between the Sierra Club, the City of Stockton, and Greenlaw Development, LLC (developer of the approved 203-acre Mariposa Industrial Park in the South Stockton area). In addition, a second much larger project, the South Stockton Commerce Center, has also agreed to include these measures in that project's Final EIR and conditions of approval.

4-46

For the Mariposa project, the State Attorney General (AG) signed a separate Memorandum of Understanding with the City of Stockton and the developer which includes the same measures that were included in the Sierra Club settlement (Attachment B to this letter).

These measures are relevant to the review of this project. Even though the St. Joe's expansion is a large institutional project, not an industrial warehouse, several of the environmental impacts and required mitigation measures are similar.

Measures Recommended to Mitigate Greenhouse Gas Emissions are Inadequate

As shown in Table 4.11-1, Project Trip Generation in the DEIR, the project would generate 3,513 daily trips.

The DEIR recommends several measures to reduce Greenhouse Gas (GHG) impacts, however, some of the measures are already required by State law, or are weak, unenforceable, and written with such wide exceptions that they are meaningless. We recommend the following specific edits to the existing inadequate measures below. We have included text and additional measures based on the City's settlement agreement with the State Attorney General and the Sierra Club for the Mariposa industrial project.

4-47

Note that our attorney, Shute, Mihaly, Weinberger, has attached a letter to this letter. The SMW letter contains some very specific recommended mitigation measure text that goes into more

detail than some of the text we have recommended below. If there are any conflicts with the recommendations included in this letter and the SMW letter, the City should assume the recommended text in the SMW should prevail.

We also remind the City that this and all other large development projects must conform to the following specific goals and policies of the Stockton General Plan:

Policy TR-3.2. Require new development and transportation projects to reduce travel demand, support electric vehicle charging, and accommodate multi-passenger autonomous vehicle travel as much as feasible.

Action TR-3.2.A. Amend the parking requirements in the Development Code to encourage shared parking, require preferential parking for rideshare vehicles, and allow reduced parking

requirements to support transit, bicycling, and walking.

Action TR-3.2.B. Require commercial, retail, office, industrial, and multi-family residential development to provide charging stations and prioritized parking for electric and alternative fuel vehicles.

4-48

Mitigation Measures 4.7-1 and 4.7-2 in the DEIR (pages 4.7-31 thru 4.7-33) contain numerous relevant measures that must be strengthened.

We have copied the measures as recommend in the DEIR and have offered our comments on how they must be strengthened to be effective and implementable.

Mitigation Measures 4.7-1 requires:

- New buildings shall be constructed with either a cool roof or an Energy Star roof.

Our comment: This is already required by the State CALGreen Building Code.

- The parking structure shall be pre-plumbed and/or structurally engineered for the installation of complete solar energy systems as part of the parking structure and/or over surface parking.

Our comment: This measure as written is inconsistent with the Mariposa agreement and illegally defers actual mitigation (reduction of GHG) to some future date or it may never occur at all. It also fails to apply to the entire expansion project. This measure should be deleted and replaced with the following:

~~The parking structure shall be pre-plumbed and/or structurally engineered for the installation of complete solar energy systems as part of the parking structure and/or over surface parking. The project shall include sufficient solar panels on the roofs of each the project's buildings or in the parking lot to provide power for the operation's base power use at the start of operations and as base power use demand increases. To be clear, enough solar panels to power each individual building must be constructed at the same~~

4-49

4-50

time the building is finished, and in operation prior to the first occupancy permit issued by the City.

↑ 4-50
Cont.

- In the parking structure and surface parking areas, dedicated electric vehicle (EV) parking shall be installed in a minimum of 5% of the parking spaces (or 99 spaces in the parking structure and approximately 4 spaces in the surface lot).

Our comment: The project must construct actual charging stations, which is not clear in this measure. The measure also is static; it must be evaluated and updated as more and more EV vehicles arrive on site. This measure should be deleted and replaced with the following, based on the Mariposa settlement agreement: At all times during project operation, the hospital shall be required to provide electric charging facilities on the project site sufficient to charge all electric vehicles, including the anticipated number of employee and patient vehicles, vans, electric trucks domiciled on the site, as well as electric scooters and electric bicycles. The project shall provide EV charging stations that meet, at a minimum, requirements of the State CALGreen Building Code, Tier 2 voluntary criteria.

4-51

Add the following measure:

The hospital and the expansion project shall be required to utilize a "clean fleet" of vehicles/delivery vans/trucks (Class 2 through 6) as part of business operations.

4-52

- Long-term bicycle storage facilities such as bicycle lockers, pedestal posts, and rental bicycle lockers shall be provided and facilities included that allow for the installation of conduit to install charging stations for electric bicycles.

Our comment: Edit to require a charging station be installed: Long-term bicycle storage facilities such as bicycle lockers, pedestal posts, and rental bicycle lockers shall be provided ~~and facilities included that allow for the installation of conduit to~~ including installation of charging stations for electric bicycles.

4-53

- Include the installation of both interior- and exterior-facing signs, including signs directed at all dock and delivery areas, identifying idling restrictions and contact information to report violations to the California Air Resources Board (CARB), San Joaquin Valley Air Pollution Control District (SJVAPCD), and the building manager.

Our comment: OK.

4-54

- Run conduit to designated locations for future electric truck charging stations at delivery dock locations.

Our comment: Edit to require installation now. ~~Run conduit to~~ In designated locations for ~~future~~ install electric truck charging stations at delivery dock locations. At the sitef

4-55

- Post signs at every truck exit driveway providing directional information to the nearest truck route.

Our comment: OK.

4-56

- Include exterior outlets on all buildings to allow the use of electrically-powered landscape equipment and the use of gas-powered landscape maintenance equipment shall be prohibited on site.

Our comment: OK.

4-57

- Require the use of energy-efficient lighting LED for all street, parking, and building lighting. This reduces the amount of electricity consumed for outdoor lighting.

Our comment: OK.

4-58

- Prepare a campus-wide Transportation Demand Management (TDM) Plan. The TDM Plan shall include a variety of trip reduction strategies such as expanding upon existing alternative transportation programs; establishing an incentives-based commuter program to encourage employees to carpool and take alternative modes of travel to the hospital; increase bicycle facilities; and prioritize carpool parking, etc.
- Encourage telecommuting and alternative work schedules for those employees for whom remote work is acceptable.

Our comment: This measure illegally defers mitigation to the preparation of some future TDM Plan that may never be adopted or implemented. Shockingly, the vague list of general programs that must be included in the future TDM Plan does not specifically mention or call for improvements to the local transit system.

The most efficient way to reduce auto trips is to reduce the number of parking stalls provided on site and use the saved money to subsidize more local buses on the local transit routes that serve the hospital. Construction costs for a parking structure are approximately \$25,000 per stall, which means a 2,000 stall garage could cost approximately \$50 million. If the number of spaces were reduced by 40% from 2,000 spaces to 1,200 stalls (as is recommended in Alternative 3 analyzed in the DEIR), the construction costs savings could potentially be in the range of \$20 million. This savings could go to fund mitigation programs that discourage single-occupant auto trips, including contributions to San Joaquin Regional Transit District to increase the frequency of bus service along California Street (see below).

4-59

Any TDM Plan must also require that parking fees for the structure and surface parking must be set to serve as a disincentive, not an incentive, to use them “for free.” The monies collected in parking fees must be used to fund the specific programs in the TDM Plan including subsidizing transit.

The existing weak and vague mitigation measures above should be edited as follows:

Prepare a **A draft** campus-wide Transportation Demand Management (TDM) Plan **shall be prepared and circulated for public review prior to any scheduled public hearings before the Planning Commission and City Council. The final Plan, incorporating comments received, shall be submitted to the City for approval prior to the issuance of any grading, building, or occupancy permits for the project. The TDM Plan shall be sent to local, regional, and State agencies for review and comment prior to approval by the City, including San Joaquin Council of Governments, San Joaquin Regional Transit District, San Joaquin Valley Air Pollution Control District, California Air Resources Board, and Caltrans. The TDM Plan shall be subject to noticed public hearings at the Stockton Planning Commission and the City Council, who will vote on the final approval. The Plan, as well as the Mitigation Monitoring and Reporting Program for the project, shall be reviewed for compliance at noticed public hearings at the Stockton Planning Commission and the City Council within one year of commencement of construction of the project, and every two years following.**

- The TDM Plan shall include a variety of **detailed** trip reduction strategies **and such as expanding upon existing** alternative transportation programs **that will reduce the rate of solo occupant auto trips to and from the project by 25% from the projected number of trips (3,513).** The TDM Plan; **that shall** establishing an incentives-based commuter program to encourage employees to carpool and take alternative modes of travel to the hospital; increase bicycle facilities; and prioritize carpool parking, etc. The TDM Plan shall encourage telecommuting and alternative work schedules for those employees for whom remote work is acceptable. The TDM Plan shall require that parking fees for the structure and surface parking be set to serve as a disincentive, not an incentive, to use the parking. The monies collected in parking fees shall be used to fund the specific programs in the TDM Plan. The TDM Plan shall require active and on-going consultation with the San Joaquin Regional Transit District to improve the frequency of transit service (such as expansion of bus shuttle on-demand) to the campus and/or a new or expanded hospital-sponsored shuttle/transit program. The TDM Plan shall include a specific funding program that will help subsidize transit improvements.
- Maximize the amount of drought tolerant landscaping. Turf shall be limited to high visibility areas. Low groundcover and native grasses shall be used as an alternative to turf. Any turf used shall be warm-season turf or shall have a plant species factor of 0.6 or lower.

4-59
Cont.

4-60

Our comment: This measure should be moved to another chapter. Or the measures should be modified to refer to the State and City’s landscaping requirements that limit turf. As written, the limitation to “to high visibility areas” is too vague.

4-60
Cont.

Current Transit Service to the Hospital is Abysmal and Must be Improved

The DEIR on page 4.11-3 describes the existing transit service to the hospital. The San Joaquin Regional Transit District (RTD) operates the following routes along N. California Street in the vicinity of the proposed project. The DEIR notes that the frequency of service for all three routes is an hour or more.

- Route 5 is a Metro Hopper that operates between Fremont-Eastland Plaza/Downtown Transit Center and Mall Transfer Station via N. California Street. The route operates at a frequency of an hour between 7:35 a.m. and 4:35 p.m. on weekdays.
- Route 520 is a Local that operates between Downtown Transit Center and Hammertown-Kaiser via N. California Street. The route operates at a frequency of approximately 70 minutes between 5:55 a.m. and 5:45 p.m. on weekdays.
- Route 720 is a Local that operates between Downtown Transit Center and Wigwam and Cherokee via N. California Street. The route operates at a frequency of approximately 70 minutes between 10:05 a.m. and 4:15 p.m. on weekdays.

4-61

Our comment: Add the following mitigation measure: The project should be required to coordinate with the transit district and contribute financial support to improve the existing transit service, or provide funding to support a new or expanded hospital-sponsored on-demand shuttle service to reduce single occupant auto trips.

The Project Should Contribute to the California Street Bikeway Improvements

Page 4.11-2 of the DEIR notes that

After consultation with the City, it was determined that the City’s California Street Separated Bikeway project, a City infrastructure project that is not part of the proposed project, may occur in the project vicinity while the project would be under construction. This street improvement project includes the installation of on-street bike lanes on both sides of N. California Street that are physically separated from vehicles on adjacent travel lanes by pavement markings and/or delineators, as well as a “road diet” which would reduce the vehicular travel lanes from four lanes to two lanes (i.e., one travel lane in each direction). This bikeway project has been considered in the transportation analysis of the proposed project.

4-62

This is the only mention of this important public improvement that will occur right in front of the hospital expansion project. The Final EIR should discuss and require that the project participate in the construction and/or funding of the City’s California Street Separated Bikeway project.

The cost of the 2017 Stockton Bike Plan California Street Separated Bikeway Project 33A , Alpine to Oak St is approximately \$11,259,000. To our knowledge the northern section of the California Street Separated Bikeway Project 33A&B Minor to Alpine has not been funded. Local monies are important in receiving improved scoring on local and state Active Transportation Program funding applications. We recommend that the project should fund 30% of the 2017 Stockton Bike Plan California Street Separated Bikeway Project 33A , Alpine to Oak St, or approximately \$3,377,700. This contribution would give the project better chance of getting funded through ATP. The formula for ATP funding applications is 1 point provided per every 2% provided as a match. Maximum of 15 points for 30% or more of the cost.

A transportation mitigation measure should be added that would require the hospital to contribute a fair share to the cost of the improvements.

Added Mitigation Measure: The proposed project shall be required to contribute a fair share to the cost of the improvements planned for the northern section of the California Street Separated Bikeway Project.

The Mitigation Measure to Require GHG Offsets is Written with An Outrageous Loophole

Mitigation Measure 4.7-2 discusses the use of an off-site GHG emissions reduction program or involve the payment of GHG offset fees.

Once again, as in the case of the TDM Plan, this measure as written illegally defers mitigation to some future program that may never be adopted or implemented.

Making the measure even more deficient is the blatant, self-serving loophole and exception written into the measure.

The measure states baldly that:

For purposes of this mitigation measure, what is “feasible,” as that word is used in the phrase “feasible measures that contribute to an off-site GHG emissions reduction program or involve the payment of GHG offset fees,” is a function of the technical viability and overall cost of carbon offsets, and, specifically, whether such offsets (i) are reasonably commercially available, (ii) would be prohibitively expensive for the nonprofit applicant in light of the financial challenges of providing health care services, (iii) would materially increase the cost of the health care provided by the applicant (emphasis added).

The Sierra Club is generally not supportive of allowing development projects to “mitigate” GHG impacts by purchasing offset credits from some off-site location. The project should reduce emissions on the project site by reducing vehicle trips and requiring the immediate electrification of the campus vehicle fleet.

4-62
Cont.

4-63

If this offset measure is retained, the offending paragraph above must be removed in its entirety. Otherwise, the measure is meaningless. The measure should also delete all extraneous summaries of the State Health and Safety Code and Code of Regulation. Simple references will suffice.

The review of the periodic reports to measure compliance with measures should be coordinated with the TDM Plan measures above, and the reviews shall occur at noticed public hearings at the Planning Commission and City Council.

Alternative 3: Reduced Parking Alternative Should be Adopted

We are supportive of Alternative 3 analyzed in the DEIR, which reduces the amount of parking from 2,000 spaces to 1,200 parking stalls and retains all of the same features of the proposed project. We note that the description of this alternative refers to “a parking ratio of up to 3.6 stalls per bed” (DEIR at 6-10). This is in stark contrast to the proposed project and parking structure which appears to be based on a parking ratio of up to 5.6 stalls per bed (Table 2-2 in the DEIR).

What effects would reducing the number of parking stalls in the structure have on the hospital and the surrounding community?

The analysis in the DEIR states that

The Reduced Parking Alternative would primarily address conflicts with regulations adopted for protecting scenic quality, as well as the concern raised during the NOP scoping period regarding the height and size of the Parking Structure. Less construction associated with the Parking Structure would also result in some reduction of air pollutants and GHG emissions compared to the proposed project. The alternatives analysis assumes that all applicable mitigation measures for the proposed project would also apply to this alternative.

The DEIR analysis concludes that

There are no project objectives that Alternative 3 would fail to achieve. This alternative would meet all of the project objectives, although the reduction of the Parking Structure would result in this alternative being less effective in achieving two (2) of these objectives [improve quantity, quality, and proximity of parking for patients, visitors, and staff; and create short-term construction jobs]. All other components, including building modernization, seismic upgrades, heliport options, and the general location of new components would remain the same as the proposed project” (emphasis added).

So, the DEIR concludes that the parking could be reduced and it would not jeopardize the overall expansion project.

4-63
Cont.

4-64

We strongly urge the City staff, Planning Commission, and City Council to support this common sense change to the project.

↑ 4-64
Cont.

Conclusion

We are formally requesting that the above mitigation measures be included as part of the Final EIR and any project approvals for the St. Joe's expansion project.

We also strongly urge the City staff, Planning Commission, and City Council to support Alternative 3 analyzed in the DEIR, which reduces the amount of parking from 2,000 spaces to 1,200 parking stalls and retains all of the same features of the proposed project.

We are available to meet with the applicant and City staff at any time to further discuss the programs that may be implemented to achieve our mutual goals.

4-65

Sincerely,

s/s Margo Praus, Chair

Delta-Sierra Group, Sierra Club

- cc: Michael Williams, Christina Sinclair, Martha Lofgren, St. Josephs
Scott Lichtig, California Attorney General's Office
Stanley Armstrong, California Air Resources Board
Patia Siong and Harout Sagherian, San Joaquin Valley Air Pollution Control
District
Heather Minner and Winter King, Shute, Mihaly, & Weinberger
Aaron Isherwood and Kartik Raj, Sierra Club Environmental Law Program
San Joaquin Council of Governments
San Joaquin Regional Transit District
Stockton City Council
Stockton Planning Commission

Attachment A: Sierra Club Settlement Agreement with City of Stockton

Attachment B: Attorney General's Memorandum of Agreement with City of Stockton

1651699.1

Attachment A

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release of All Claims ("Agreement") is entered into by and between the Sierra Club, a California nonprofit public benefit association, the City of Stockton ("City"), a municipal services corporation, and Greenlaw Development, LLC, a California limited liability company ("Developer"), (collectively referred to as "Parties" or singularly "Party"), to terminate fully and finally all disputes concerning the matters set forth below.

RECITALS

WHEREAS, Developer, proposes to develop an approximately 203-acre site in the South Stockton area commonly known as the Mariposa Industrial Park for light industrial land uses (the "Project"). The conceptual site plan proposes construction and operation of 3,616,870 square feet of warehouse and ancillary office uses, approximately 1,831 auto parking spaces, 1,107 truck and trailer parking spaces, and related infrastructure. Developer has applied to the City for the following project approvals: (1) adoption of a Resolution certifying the Mariposa Industrial Park Environmental Impact Report (SCH #2020120283) ("EIR"), including a Statement of Overriding Considerations, and adoption of a Mitigation Monitoring and Reporting Program ("MMRP"); and (2) adoption of an Ordinance for the Pre-zoning of APNs 179-220-10; -11; -12; -13; -16; -17; -18; 19; and -24 (the "Property") to Industrial, Limited (IL); and (3) adoption an Ordinance for a Development Agreement; and (4) adoption of a Resolution authorizing the filing of an annexation application with the San Joaquin Local Agency Formation Commission (collectively the "Project Approvals"); and

WHEREAS, The Sierra Club and the California Attorney General submitted comments on the EIR requesting that additional air quality and other mitigation measures be included in the EIR and MMRP for the Project and that a fund to mitigate impacts on affected residents be created; and

WHEREAS, the Parties wish to resolve fully and finally all disputes which may exist between the Parties concerning the Project Approvals.

NOW, THEREFORE, based upon the foregoing recitals and the terms, conditions, covenants, and agreements contained above and incorporated in full below, the Parties agree as follows:

AGREEMENT

For good and valuable consideration, the receipt of which is acknowledged by each Party hereto, the Parties promise and agree as follows:

- I. If the City approves the Project, and (i) the certified EIR and adopted MMRP include all of the Mitigation Measures in the attached Mariposa Industrial Project Enhanced Measures, and (ii) the authorized Development Agreement includes all of the revised terms in the attached Mariposa Industrial Project Enhanced Measures, then (iii) neither the Sierra Club nor any of its affiliates will file any complaints, claims, grievances, special proceedings or any other actions against the City or Developer with any state,

federal, or local agency or court challenging the Project Approvals or the proposed annexation of the Project site to the City of Stockton. If an affiliate of the Sierra Club is determined to have made a challenge to the Project Approvals or the proposed annexation of the Project site to the City of Stockton in violation of this Section 1, such violation shall constitute a breach of this Agreement by the Sierra Club.

2. The City will draft and consider a comprehensive Warehouse Sustainability Ordinance for future projects that establishes development standards for the construction of industrial warehousing and distribution facilities that exceed 100,000 square feet subject to periodic review for consistency with current regulatory agency recommendations before December 31, 2023. The City may incorporate the addition of warehouse sustainability requirements through its current Development Code revision/update process, provided that the ordinance is considered before December 31, 2023. City staff shall recommend adoption of the ordinance.
3. The City agrees that the Mitigation Measures in the attached Mariposa Industrial Project Enhanced Measures are designed to mitigate potentially significant environmental impacts of warehouse projects. If, prior to adopting the Warehouse Sustainability Ordinance, the City considers approving a project that proposes to develop industrial warehousing or distribution facilities that exceed 100,000 square feet, the City shall include all such applicable measures from the Mariposa Industrial Project Enhanced Measures in any Environmental Impact Report or Mitigated Negative Declaration for the project and consider requiring the project to comply with them.
4. Developer agrees to comply with the attached Mariposa Industrial Project Enhanced Measures and will comply with all applicable City building code requirements.
5. If the City approves the Project, the City will coordinate with the County of San Joaquin to develop and install signage prohibiting non-emergency vehicle access to the project site from Clark Drive or Marfargoa Road. Developer will be responsible for the costs of signage determined to be appropriate by the City and the County.
6. Developer shall pay Sierra Club \$34,350 as reimbursement for Sierra Club's attorney's fees and costs incurred in the administrative phase of the Project Approvals. Payment shall be made to the Shute, Mihaly & Weinberger LLP trust account. Developer shall make this payment within ten (10) days of the expiration of the statute of limitations set forth in Section 21167 of the Public Resources Code on actions or proceedings to attack, review, set aside, void, or annul the City of Stockton's determination of CEQA compliance for the Project Approvals, provided that no such action or proceeding has been initiated by the Sierra Club or its affiliates.
7. This Agreement shall be effective and binding upon the Parties only after the execution of both (1) this Agreement by all parties, and (2) the execution of a Memorandum of Understanding between the California Attorney General and the City relating to the City considering an ordinance to establish development standards for industrial warehouse land uses.

8. Miscellaneous.

- a. **Exclusive Remedies.** The Parties' sole and exclusive remedy for breach of this Agreement shall be an action for specific performance or injunction. In no event shall any Party be entitled to monetary damages for breach of this Agreement. In addition, no legal action for specific performance or injunction shall be brought or maintained until: (a) the non-breaching Party provides written notice to the breaching Party which explains with particularity the nature of the claimed breach, and (b) within thirty (30) days after receipt of said notice, the breaching Party fails to cure the claimed breach or, in the case of a claimed breach which cannot be reasonably remedied within a thirty (30) day period, the breaching Party fails to commence to cure the claimed breach within such thirty (30) day period, and thereafter diligently complete the activities reasonably necessary to remedy the claimed breach.
- b. All notices and other communications required to be provided pursuant to this Agreement shall be by electronic mail and by first class mail to the following persons at the following addresses:

SIERRA CLUB:

Margo Praus
Delta-Sierra Group
P.O. Box 9258
Stockton, CA 95208
margopraus@msn.com

with copy to:

Sierra Club
Aaron Isherwood, Coordinating Attorney
2101 Webster St., Suite 1300
Oakland, CA 94612
aaron.isherwood@sierraclub.org

with copy to:

Shute, Mihaly & Weinberger LLP
Heather Minner
396 Hayes Street
San Francisco, CA 94102
minner@smwlaw.com

GREENLAW DEVELOPMENT, LLC:

Greenlaw Partners
18301 Von Karmen Avenue, Suite 250
Irvine, CA 92612
Attn: Rob Mitchell
Email: rob@greenlawpartners.com

with copy to:

Cochran Law Group
18301 Von Karman Avenue, Suite 270
Irvine, California 92612
Attn: Thia Cochran
Email: thia@cochranlawgroup.com

with copy to:

Law Office of Daniel P. Doport
Daniel P. Doport
3478 Buskirk Avenue, Suite 1000
Pleasant Hill, CA 94523
Email: ddoporto@doportolaw.com

CITY OF STOCKTON:

City Attorney's Office
425 N. El Dorado Street
Stockton, CA 95202
City.attorney@stocktonca.gov

with copy to:

City Manager's Office
425 N. El Dorado Street
Stockton, CA 95202
City.manager@stocktonca.gov

- e. Binding on Successors. The terms, covenants, and conditions of this Agreement shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, successors and assignees of the respective Parties. Developer shall record a copy of this Agreement against the Property. Developer will provide a copy of the recorded Agreement to Sierra Club within fifteen (15) days of such recording. The Parties shall give notice to all other Parties of any successor or assignee to the Party.

- d. **Non-Admission of Liability.** The Parties acknowledge and agree that this Agreement is a settlement of disputed claims. Neither the fact that the Parties have settled nor the terms of this Agreement shall be construed in any manner as an admission of any liability by any Party.
- e. **Assistance of Counsel.** The Parties each specifically represent that they have consulted to their satisfaction with and received independent advice from their respective counsel prior to executing this Agreement concerning the terms and conditions of this Agreement.
- f. **Waiver.** Failure to insist on compliance with any term, covenant or condition contained in this Agreement shall not be deemed a waiver of that term, covenant or condition, nor shall any waiver or relinquishment of any right or power contained in this Agreement at any one time or more times be deemed a waiver or relinquishment of any right or power at any other time or times.
- g. **Severability.** Should any portion, word, clause, phrase, sentence or paragraph of this Agreement be declared void or unenforceable, such portion shall be considered independent and severable from the remainder, the validity of which shall remain unaffected.
- h. **Governing Law and Venue.** This Agreement is made and entered into in the State of California, and shall in all respects be interpreted, enforced and governed under the laws of said State without giving effect to conflicts of laws principles. Any action to enforce, invalidate, or interpret any provision of this Agreement shall be brought in San Joaquin County Superior Court.
- i. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties who have executed it and supersedes any and all other agreements, understandings, negotiations, or discussions, either oral or in writing, express or implied between the Parties to this Agreement. No representation, inducement, promise, agreement or warranty not contained in this Agreement, including, but not limited to, any purported supplements, modifications, waivers, or terminations of this Agreement shall be valid or binding, unless executed in writing by all of the Parties to this Agreement.
- j. Each of the signatories hereto represents and warrants that he or she is competent and authorized to enter into this Agreement on behalf of the Party for whom he or she purports to sign.
- k. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be considered an original but all of which shall constitute one agreement.

[SIGNATURES COMMENCE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned execute this Settlement Agreement and Release, and hereby agree to all terms and condition herein, on the dates set forth below.

SIERRA CLUB

By: [Signature]
Name: Mary Pruss
Its: Chair, Sierra Club Group
Date: 11-11-2022


GREENLAW DEVELOPMENT, LLC

By: [Signature]
Name: Rob Mitchell
Its: Partner
Date: 11/20/22

CITY OF STOCKTON

By: [Signature]
Name: Harry Black
Its: City Manager
Date: 12/22/22

ATTEST:
for CLERK OF THE CITY OF STOCKTON
By: [Signature]



APPROVED AS TO FORM

By: [Signature]
Name: Ta'ryn Jones Fox
City Attorney
Date: 12/22/22

Attachment (1): Mariposa Industrial Project Enhanced Measures
1581998.7

The Final EIR Mitigation Measures will be revised to include the following:

AMM AIR-1: Solar Power: Owners, operators or tenants shall include with the building permit application, sufficient solar panels to provide power for the operation's base power use at the start of operations and as base power use demand increases. Project sponsor shall include analysis of (a) projected power requirements at the start of operations and as base power demand increases corresponding to the implementation of the "clean fleet" requirements, and (b) generating capacity of the solar installation.

AMM AIR -1 (continued): CDD shall verify the size and scope of the solar project based upon the analysis of the projected power requirements and generating capacity as well as the available solar panel installation space. The photovoltaic system shall include a battery storage system to serve the facility in the event of a power outage to the extent required by the 2022 or later California Building Standards Code.

AMM AIR -1 (continued): In the event sufficient space is not available on the subject lot to accommodate the needed number of solar panels to produce the operation's base or anticipated power use, the applicant shall demonstrate how all available space has been maximized (e.g., roof, parking areas, etc.). Areas which provide truck movement may be excluded from these calculations unless otherwise deemed acceptable by the supplied reports.

AMM AIR -1 (continued): The developer or tenant, or qualified solar provider engaged by the developer or tenant shall timely order all equipment and shall install the system when the City has approved building permits and the necessary equipment has arrived. The developer or tenant shall commence operation of the system when it has received permission to operate from the utility. The photovoltaic system owner shall be responsible for maintaining the system(s) at not less than 80% of the rated power for 20 years. At the end of the 20-year period, the building owner shall install a new photovoltaic system meeting the capacity and operational requirements of this measure, or continue to maintain the existing system, for the life of the project.

MARIPOSA INDUSTRIAL PROJECT
ENHANCED MEASURES

<p>EMM AIR-1: Prior to the issuance of the first building permit, the applicant/developer shall demonstrate compliance with the SJVAPCD Rule 9510 (Indirect Source Review) to reduce growth in both NOx and PM10 emissions, as required by SJVAPCD and City requirements.</p>
<p>AMM AIR-1: Architectural Coatings: Construction plans shall require that architectural and industrial maintenance coatings (e.g., paints) applied on the project site shall be consistent with a VOC content of <10 g/L. Developer or tenant is not expected to exercise control over materials painted offsite by a third party.</p>
<p>AMM AIR-3: Construction Worker Trip Reduction: Project construction plans and specifications will require contractor to provide transit and ridesharing information for construction workers.</p>
<p>AMM AIR-2: SJVAPCD Regulation VIII Compliance: Construction plans and specifications shall include a Dust Control Plan incorporating the applicable requirements of Regulation VIII, which shall be submitted to the SJVAPCD for review and approval prior to beginning construction in accordance with the requirements of Regulation VIII.</p>
<p>AMM AIR -2: Emission Standards for Heavy-Duty Trucks: The following mitigation measures shall be implemented during all on-going business operations and shall be included as part of contractual lease agreement language to ensure the tenants/lessees are informed of all on-going operational responsibilities.</p> <p>The property owner/tenant/lessee shall ensure that all heavy-duty trucks (Class 7 and 8) domiciled on the project site are model year 2014 or later from start of operations and shall expedite a transition to zero-emission vehicles, with the fleet fully zero-emission by December 31, 2025 or when commercially available for the intended application, whichever date is later.</p> <p>A zero-emission vehicle shall ordinarily be considered commercially available if the vehicle is capable of serving the intended purpose and is included in California's Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project, https://californiahvip.org/ or listed as available in the US on the Global Commercial Vehicle Drive to Zero inventory.</p>

<https://globaldrivetozero.org/>. The City shall be responsible for the final determination of commercial availability, based on all the facts and circumstances at the time the determination is made, and may (but is not required to) consult with the California Air Resources Board before making such final determination. In order for the City to make a determination that such vehicles are commercially unavailable, the operator must submit documentation from a minimum of three (3) EV dealers identified on the californiahvip.org website demonstrating the inability to obtain the required EVs or equipment needed within 6 months.

"Domiciled at the project site" shall mean the vehicle is either (i) parked or kept overnight at the project site more than 70% of the calendar year or (ii) dedicated to the project site (defined as more than 70% of the truck routes (during the calendar year) that start at the project site even if parked or kept elsewhere)

Zero-emission heavy-duty trucks which require service can be temporarily replaced with model year 2014 or later trucks. Replacement trucks shall be used for only the minimum time required for servicing fleet trucks.

AMM AIR-3: Zero Emission Vehicles: The property owner/tenant/lessee shall utilize a "clean fleet" of vehicles/delivery vans/trucks (Class 2 through 6) as part of business operations as follows: For any vehicle (Class 2 through 6) domiciled at the project site, the following "clean fleet" requirements apply: (i) 33% of the fleet will be zero emission vehicles at start of operations, (ii) 65% of the fleet will be zero emission vehicles by December 31, 2023, (iii) 80% of the fleet will be zero emission vehicles by December 31, 2025, and (iv) 100% of the fleet will be zero emission vehicles by December 31, 2027.

"Domiciled at the project site" shall mean the vehicle is either (i) parked or kept overnight at the project site more than 70% of the calendar year or (ii) dedicated to the project site (defined as more than 70% of the truck routes (during the calendar year) that start at the project site even if parked or kept elsewhere).

Zero-emission vehicles which require service can be temporarily replaced with alternate vehicles. Replacement vehicles shall be used for only the minimum time required for servicing fleet vehicles.

The property owner/tenant/lessee shall not be responsible to meet "clean fleet" requirements for vehicles used by common carriers operating under their own authority that provide delivery services to or from the project site.

MARIPOSA INDUSTRIAL PROJECT
ENHANCED MEASURES

AMM AIR-4: Demonstrate Compliance with Clean Fleet Requirements: The applicant, property owner, tenant, lessee, or other party operating the facility (the "Operator") shall utilize the zero emission vehicles/trucks required to meet the "clean fleet" requirements in AMM AIR-2 (for Class 7 and 8 vehicles) and AMM AIR-3 (for Class 2 through 6 vehicles) above. Within 30-days of occupancy, the Operator shall demonstrate to the satisfaction of CDD staff, that the applicable clean fleet requirements are being met.

AMM AIR-4 (continued): In the event that vehicles/trucks are not commercially available for the intended application, the "clean fleet requirements" may be adjusted as minimally as possible by the CDD to accommodate the unavailability of commercially available vehicles/trucks.

AMM AIR 4 (continued) The City shall quantify the air pollution and GHG emissions resulting from any modification of this condition. Within 12 months of failing to meet a "clean fleet" requirement the property owner/tenant/lessee shall implement a Voluntary Emissions Reduction Agreement (VERA) providing pound for pound mitigation of the criteria pollutant, toxic air contaminants, and GHG emissions quantified by the City through a process that develops, funds, and implements emission reduction projects, with the Air District serving a role of administrator of the emission reduction projects and verifier of the successful mitigation effort. The VERA shall prioritize projects in the South Stockton and surrounding area. Property owner/tenant/lessee shall continue to fund the VERA each year in an amount necessary to achieve pound for pound mitigation of emissions resulting from not meeting the clean fleet requirements until the owner/tenant/lessee fully complies.

AMM AIR-4 (continued): The Operator shall implement the proposed measures after CDD review and approval. Any extension of time granted to implement this condition shall be limited to the shortest period of time necessary to allow for 100% electrification under the clean fleet requirements. The CDD staff may seek the recommendation of the California Air Resources Board in determining whether there has been a manufacturing disruption or insufficient vehicles/trucks commercially available for the intended application.

AMM AIR-4 (continued): Construction Meal Destinations: Project construction plans and specifications will require the contractor to establish one or more locations for food or catering truck service to construction workers and to cooperate with food service providers to provide consistent food service.

MARIPOSA INDUSTRIAL PROJECT
ENHANCED MEASURES

AMM AIR-5: Condition of Approved Compliance Report: The Operator shall submit a condition of approval compliance report within 30 days of, but not later than, the following dates: December 31, 2023, December 31, 2025, and December 31, 2027. The report shall outline clean fleet requirements applicable at each report interval and include documentation demonstrating compliance with each requirement. The City shall consider each report at a noticed public hearing and determine whether the Operator has complied with the applicable clean fleet requirements. If the Operator has not met each 100% clean fleet requirement by December 31, 2027, then the Operator shall submit subsequent reports every year until the 100% clean fleet requirement is implemented. The City shall consider each subsequent report at a noticed public hearing and determine whether the Operator has complied with the clean fleet requirements, including any minimal adjustments to the requirements by the CDD to accommodate the manufacturing disruption or unavailability of commercially available vehicles/trucks, as described in the previous paragraph. Notice of the above hearings shall be provided to all properties located within 1,000 feet of the project site and through the ASK Stockton list serve.

AMM AIR-5 (continued): After the 100% clean fleet requirement has been implemented and confirmed by the CDD, the Operator shall submit to the CDD an on-going compliance report every three years containing all necessary documentation to verify that the Operator is meeting the clean fleet requirements. At the time it confirms that the 100% clean fleet requirement has been implemented, the CDD will establish the due date for the first on-going compliance report. Each subsequent on-going compliance report shall be due within 30 days of, but not later than, the three-year anniversary of the preceding due date. The on-going compliance reports and accompanying documentation shall be made available to the public upon request.

AMM AIR-6: Zero Emission Forklifts, Yard Trucks and Yard Equipment: Owners, operators or tenants shall require all forklifts, yard trucks, and other equipment used for on-site movement of trucks, trailers and warehoused goods, as well as landscaping maintenance equipment used on the site, to be electrically powered or zero-emission. The owner, operator or tenant shall provide on-site electrical charging facilities to adequately service electric vehicles and equipment.

AMM AIR-7: Truck Idling Restrictions: Owners, operators or tenants shall be required to make their best effort to restrict truck idling onsite to a maximum of three minutes, subject to exceptions defined by CARB in the document: commercial_vehicle_idling_requirements_July 2016. Idling restrictions shall be enforced by highly-visible posting at the

MARIPOSA INDUSTRIAL PROJECT
ENHANCED MEASURES

<p>site entry, posting at other on-site locations frequented by truck drivers, conspicuous inclusion in employee training and guidance material and owner, operator or tenant direct action as required.</p> <p>AMM AIR-8: Electric Truck Charging: At all times during project operation, owners, operators or tenants shall be required to provide electric charging facilities on the project site sufficient to charge all electric trucks domiciled on the site and such facilities shall be made available for all electric trucks that use the project site.</p> <p>AMM AIR-9: Project Operations, Food Service: Owners, operators or tenants shall establish locations for food or catering truck service and cooperate with food service providers to provide consistent food service to operations employees.</p> <p>AMM AIR-10: Project Operations, Employee Trip Reduction: Owners, operators or tenants shall provide employees transit route and schedule information on systems serving the project area and coordinate ridesharing amongst employees.</p> <p>AMM AIR-11: Yard Sweeping: Owners, operators or tenants shall provide periodic yard and parking area sweeping to minimize dust generation</p> <p>AMM AIR-12: Diesel Generators: Owners, operators or tenants shall prohibit the use of diesel generators, except in emergency situations, in which case such generators shall have Best Available Control Technology (BACT) that meets CARB's Tier 4 emission standards.</p> <p>AMM AIR-13: Truck Emission Control: Owners, operators or tenants shall ensure that trucks or truck fleets domiciled at the project site be model year 2014 or later, and maintained consistent with current CARB emission control regulations.</p> <p>AMM AIR-14: All tenant lease agreements for the project site shall include a provision requiring the tenant/lessee to comply with all applicable requirements of the MMRP, a copy of which shall be attached to each tenant/lease agreement.</p>
<p>AMM AIR-14 (continued): SmartWay: Owners, operators or tenants shall enroll and participate the in SmartWay program for eligible businesses</p>
<p>AMM AIR-15: Designated Smoking Areas: Owners, operators or tenants shall ensure that any outdoor areas allowing smoking are at least 25 feet from the nearest property line.</p>
<p>AMM AIR 16: Project construction shall be subject to all adopted City building codes, including the adopted Green Building Standards Code, version July 2022 or later. Prior to the issuance of building permits, the applicant/developer</p>

MARIPOSA INDUSTRIAL PROJECT
ENHANCED MEASURES

<p>shall demonstrate (e.g., provide building plans) that the proposed buildings are designed and will be built to, at a minimum, meet the Nonresidential Voluntary Measures of the California Green Building Standards code, Divisions A5.1, S-2 and S-5, including but not limited to the Tier 2 standards in those Divisions, where applicable, such as the Tier 2 advanced energy efficiency requirements as outlined under Section A5.203.1.1.2.</p>
<p>EMM AG-1: The project shall participate in and comply with the City's Agricultural Lands Mitigation Program, under which developers of the property shall contribute agricultural mitigation land or shall pay the Agricultural Land Mitigation Fee to the City.</p>
<p>The City and Applicant will revise the proposed Development Agreement to provide the following:</p> <p>In the DA text and in Exhibit B, to clarify that cold storage facilities are prohibited on the site and transport refrigeration units (TRUs) may not enter the site. In the DA text provide that any future proposal to construct cold storage facilities on the site or to allow TRUs to enter the site would require an amendment to the Development Agreement that shall be deemed and processed as a Major Modification to the Development Agreement, an application to the City for a conditional use permit, and be subject to review under the California Environmental Quality Act and Stockton Municipal Code Chapter 16.168.</p> <p>Section 8.3 of the DA will be revised as follows:</p> <p>8.3 Mitigation Measures. Developer agrees to and shall comply with all applicable mitigation measures attached hereto as Exhibit C and with all applicable mitigation measures in the MIP EIR, as described in the Mitigation Monitoring/Reporting Program approved by the City on _____, 2023. Developer shall include in all tenant lease agreements for the project site a provision requiring the tenant/lessee to comply with all applicable requirements of the measures in this Section 8.3, a copy of which shall be attached to each to each tenant/lease agreement.</p> <p>Section 10.1 of the DA will be revised as follows:</p> <p>10.1 Annual Review. As required by California Government Code Section 65865.1 and pursuant to Section 16.128.110 of the Development Agreement Ordinance, the City of Stockton Planning Commission shall review</p>

MARIPOSA INDUSTRIAL PROJECT
ENHANCED MEASURES

<p>this Agreement and all actions taken pursuant to the terms of this Agreement with respect to the development of the Project every twelve (12) months at a duly-noticed public hearing to determine good faith compliance with this Agreement ("Annual Review"). Specifically, the Annual Review shall be conducted for the purposes of determining good faith compliance with the terms and/or conditions of this Agreement, including compliance with the mitigation measures in Section 8.3 of this Agreement. Each Annual Review shall also document the status of Project development. In the event the Planning Commission recommends modification or termination of this Agreement in connection with such Annual Review, the action to effectuate such modification or termination must be taken by City Council.</p>
<p>In the DA text, to require the City to coordinate with the County to develop and install signage prohibiting non-emergency vehicle access to the project site from Clark Drive or Marfargoa Road. The Applicant will be responsible for the costs of the signage determined to be appropriate by the City and the County.</p>
<p>In the text, to require the following: Construction plans shall include a 10-foot by 65-foot landscaped berm along the 623-lineal foot and 493-lineal foot portions of the west line of the site, located north and south of Marfargoa Road, which will be required by and shown on Exhibit B to the Development Agreement. Landscaping of the berm shall include fast-growing evergreen trees to provide maximum visual screening, as determined by a qualified landscape architect. Construction plans shall also include a 10-foot wall along the 881-lineal foot and 1,316-lineal foot portions of the west line of the site, located north and south of Clark Drive, which will be required by and shown on Exhibit B to the Development Agreement. Construction plans shall also identify a 60-foot "no truck" zone along the entire length of the west line of the site, which will be required by and shown on Exhibit B to the Development Agreement. Construction plans shall also identify and prohibit building construction within a setback area located a minimum of 300 feet from the property line of residential properties along Marfargoa Road and Clark Drive. Notwithstanding the foregoing, the stairwells of ancillary/accessory buildings may encroach into the 300-foot setback area.</p>
<p>In the text, to provide that, prior to the issuance of a grading permit, the Applicant will provide \$200,000 to a non-profit organization serving disadvantaged residents of San Joaquin County approved by the City's Community Development Director, to fund a program to reduce exposure to emissions and noise from vehicle and truck traffic and industrial operations, for residents located within the geographic area bounded by Munford Avenue, Mariposa Road, Little John's Creek and the SR99 Frontage Road. The program may fund or reimburse home air filtration systems, HVAC</p>

MARIPOSA INDUSTRIAL PROJECT
ENHANCED MEASURES

modifications, window replacements, weather stripping, or similar improvements; publicly available electric vehicle charging station[s]; and/or air quality monitoring sensors with publicly available real time data (such as PurpleAir sensors).

11/04/17 4

Attachment B

MEMORANDUM OF AGREEMENT

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

RECITALS

WHEREAS areas of the City, including south Stockton, have disproportionately suffered from the environmental impacts of industrial land uses located nearby residences and other sensitive receptors such as schools, parks, and hospitals. According to CalEnviroScreen, a tool used to identify communities exposed to high levels of pollution, south Stockton’s neighborhoods are exposed to pollution burdens in the top 10% of all communities in California, with some communities registering in the top 1%.

WHEREAS because of the extremely high levels of air pollution to which this environmental justice community is disproportionately exposed, the California Air Resources Board (CARB) has designated the area of south Stockton to the northwest of the Project as a top priority for reductions in emissions and improvements in air quality under AB 617. In 2021, CARB approved Stockton’s Community Emissions Reduction Program (CERP) after an extensive public process. The CERP includes projected investments of over \$32 million in emission reduction incentives and a variety of other clean air projects in the south Stockton AB 617 community area and additional measures to reduce exposure to air pollution for sensitive receptors.

WHEREAS in recent years, the proliferation of e-commerce and rising consumer expectations of rapid shipping have contributed to a boom in warehouse development. California, with its ports, population centers, and transportation network, has found itself at the center of this trend.

WHEREAS in response to project applications consistent with this demand, the City has approved millions of square feet of warehouse and logistics space, substantial amounts of which have been or will be constructed in the south Stockton community.

WHEREAS the Attorney General has previously submitted letters to the City regarding concerns with significant environmental impacts being created by such warehouse and distribution facility projects, including the Sanchez Hoggan Annexation Project and the South Stockton Commerce Center Project.

WHEREAS the City seeks to minimize additional environmental impacts from new warehouse and distribution facility development sited in south Stockton and throughout the City.

WHEREAS the California Environmental Quality Act (CEQA), Public Resources Code section 21000 et seq. and California Code of Regulations, Title 14, Division 6, Chapter 3, Sections 15000-15387, requires, amongst other things, that the City impose feasible mitigation measures on applicable projects to minimize any significant environmental impacts. The California Supreme Court has determined that CEQA requires a lead agency “to implement all mitigation measures unless those measures are truly infeasible.” *Sierra Club v. Cty. of Fresno* (2018) 6 Cal.5th 502, 524–25 (citing *City of San Diego v. Board of Trustees of California State University* (2015) 61 Cal.4th 945, 967).

WHEREAS on August 24, 2021, the City released the Draft Environmental Impact Report (EIR) for the Mariposa Industrial Park Project. Public comments submitted on the Draft EIR, including comments from the Attorney General’s Office and the Sierra Club, raised concerns that the project’s

significant environmental impacts were not sufficiently disclosed, analyzed, and mitigated as required by CEQA.

WHEREAS on February 28, 2022, the City released the Final EIR for the Mariposa Industrial Park Project. In response, once again stakeholders, including the Attorney General’s Office and the Sierra Club, raised concerns regarding the project, including the lack of feasible mitigation as required under CEQA.

WHEREAS the City, the Attorney General’s Office, and the Sierra Club have been engaged in good-faith negotiations regarding additional feasible mitigation measures to reduce the potentially significant environmental impacts that the Mariposa Industrial Park Project may create.

WHEREAS as a result of those good-faith negotiations the City has proposed to require additional feasible mitigation measures on the Mariposa Industrial Park Project to further reduce the project’s significant environmental impacts, as identified in the amended Mariposa Industrial Park Final Environmental Impact Report (“Revised Final EIR” State Clearinghouse No. 2020120283). The City Council intends to soon consider adopting: (1) a Resolution certifying that Revised Final EIR together with the adoption of CEQA Findings including a Statement of Overriding Considerations and adoption of a Mitigation Monitoring and Reporting Program (“MMRP”); (2) an Ordinance for the Pre-Zoning of APNs 179-220-10, -12, -13, -16, -17, -18, -19, and -24 (the “Property”) to Industrial, Limited; (3) an Ordinance for a Development Agreement; and (4) a Resolution authorizing the filing of an annexation application with the San Joaquin Local Agency Formation Commission (collectively the “Project Approvals”).

WHEREAS the City has embarked on a comprehensive update to Title 16 of the City’s Municipal Code, known as the Development Code, that is intended to produce a user-friendly Development Code, serving as an effective tool to implement the General Plan, shape future growth, and help realize the community’s vision of promoting investment in downtown Stockton and historically underserved areas, preserving and enhancing neighborhood character, and improving community health and safety. The City anticipates adopting and publishing a new updated Development Code in 2023.

WHEREAS the City seeks to establish an ordinance applicable to future warehouse and distribution facility development projects (“warehouse ordinance”) in order to set minimum development standards to mitigate environmental impacts from those projects. Such a warehouse ordinance will also provide clarity to stakeholders, including developers and the general public, regarding the requirements needed to construct warehouse and distribution facilities in the City.

AGREEMENT

Either as part of the aforementioned ongoing Development Code amendment process or as a separate, stand-alone process, City staff shall propose a warehouse ordinance to identify and apply all feasible mitigation measures to qualifying warehouse and distribution facility projects to minimize their potentially significant environmental impacts. The proposed warehouse ordinance shall be scheduled for consideration by the City Council before December 31, 2023.

The warehouse ordinance proposed to the City Council shall apply to qualifying facilities engaged in logistics use, which is defined as any warehouse or wholesaling and distribution land use which entails facilities to be used for the storage of farm products, furniture, household goods, or other commercial goods of any nature for distribution to wholesalers and/or retailers, including cold storage. Qualifying facilities do not include self-storage or mini-storage facilities offered for rent or lease to the

general public. Qualifying facilities shall include, at minimum, projects with a building or buildings totaling 100,000 square feet or larger.

In preparing and proposing the warehouse ordinance, City staff shall consider including at minimum the conditions included in Exhibit A. To the extent that the conditions included in Exhibit A are not included in the warehouse ordinance proposed for approval by City Council, City staff shall explain: (1) why such conditions are infeasible as defined under CEQA; (2) what alternative conditions are being proposed for inclusion in-lieu of any such omitted conditions; and (3) how such alternative conditions reduce potentially significant environmental impacts.

If the City enters into this Agreement and adopts the Project Approvals, including all of the Mariposa Industrial Project Enhanced Measures attached to the City's and Developer's separate settlement agreement with the Sierra Club, then the Attorney General shall not file any complaints, claims, grievances, special proceedings, legal challenges, or take any other actions against the City with any state, federal, or local agency or court challenging the City Council's adoption of the Project Approvals or the proposed annexation of the Property to the City of Stockton (the "AG Obligation").

GENERAL TERMS AND CONDITIONS

1. **Agreement Term.** This Agreement shall remain in effect until the City implements and complies with the commitment pursuant to the agreed-on deadline set forth herein.
2. **Default.** The Parties agree and acknowledge that time is of the essence for City staff to propose and for the City Council to consider adopting a warehouse ordinance before the December 31, 2023, deadline set forth in this Agreement. The Parties stipulate that the Superior Court in and for San Joaquin County shall have jurisdiction over the Parties and this Agreement to enforce the provisions of the Agreement until performance in full of all terms of the Agreement. The Court shall have full authority to enforce the Agreement as if the Parties had entered the Agreement as a stipulated judgment pursuant to Code of Civil Procedure, section 664.6. Nothing in this Agreement prevents the Attorney General from seeking any and all remedies for non-compliance with the Agreement.
3. **No Waiver.** This Agreement does not in any way limit or waive the Attorney General's jurisdiction, capacity, authorization, obligation, right, or discretion to determine whether any City action or failure to act complies with CEQA or any other law except as expressly provided in the AG Obligation above.
4. **Amendment.** No addition to or modification of any term or provision of this Agreement will be effective unless set forth in writing and signed by an authorized representative of each of the Parties.
5. **Signing Authority.** By signing this Agreement, the persons executing the Agreement represent that they have the capacity and authority to execute the Agreement as the representative of their respective agency and to bind their respective agency to the terms of this Agreement.
6. **Entire Agreement.** This Agreement contains the entire agreement of the Parties with respect to the subject matter of this Agreement, and supersedes all prior negotiations, discussions, agreements, commitments, and understandings with respect thereto.
7. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California.
8. **Joint Drafting.** This Agreement has been jointly drafted, and the general rule that it be construed against the drafting party is not applicable.
9. **Severability.** 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.

10. Representation by Counsel. Each of the Parties affirmatively represents that it has been represented throughout this matter by attorneys of its own choosing. Each Party has read this Agreement and has had the terms used herein and the consequences thereof explained by its attorneys of choice. This Agreement is freely and voluntarily executed and agreed to by each Party after having been apprised of all relevant information and data furnished by its attorneys of choice. Each Party in executing this Agreement does not rely upon any inducements, promises, or representations made by any other Party except as set forth herein.
11. Counterparts and Electronic Signatures. This Agreement may be executed with counterpart signatures, each of which shall be deemed an original. The Agreement will be binding upon the receipt of original, facsimile, or electronically communicated signatures.

DATED: December ___, 2022

ROB BONTA
Attorney General of California
CHRISTIE VOSBURG
Supervising Deputy Attorney General

SCOTT LICHTIG
Deputy Attorney General
Attorneys for the People of the State of
California

DATED: December ___, 2022

CITY OF STOCKTON

HARRY BLACK
City Manager

EXHIBIT A

In preparing and proposing the warehouse ordinance, City staff shall consider including at minimum the following conditions on qualifying facilities. To the extent that the following conditions are not included in the warehouse ordinance proposed for approval by City Council, City staff shall explain: (1) why such conditions are infeasible as defined under CEQA; (2) what alternative conditions are being proposed for inclusion in-lieu of any such omitted conditions; and (3) how such alternative conditions reduce potentially significant environmental impacts:

Construction Mitigation:

- San Joaquin Valley Air Pollution Control District (SJVAPCD) Regulation VIII Compliance: Construction plans and specifications shall include a Dust Control Plan incorporating the applicable requirements of Regulation VIII, which shall be submitted to the SJVAPCD for review and approval prior to beginning construction in accordance with the requirements of Regulation VIII.
- Construction Vehicles & Equipment:
 - The use of electric-powered, battery-powered, natural gas, or hybrid construction equipment and vehicles are required during construction if commercially available. If substantial evidence is provided by the permittee or its contractor that such equipment is not commercially available, including a description of commercially reasonable efforts to secure such equipment, diesel-powered construction equipment greater than 50 horsepower meeting the highest rated California Air Resources Board (CARB) Tier technology available at the time of construction may be used. Prior to permit issuance, the construction contractor shall submit an equipment list confirming equipment used is compliant with the highest CARB Tier at the time of construction. Equipment proposed for use that does not meet the highest CARB Tier in effect at the time of construction, shall only be approved for use at the discretion of Stockton's Community Development Department (CDD) and shall require proof from the construction contractor that, despite reasonable best efforts to obtain the highest CARB Tier equipment, such equipment was unavailable.
 - All off-road equipment with a power rating below 19 kilowatts (e.g., plate compactors, pressure washers) used during construction of the qualifying facility(ies) shall be electric powered.
 - Subject to all other idling restrictions, off-road diesel-powered equipment shall not be left in the "on position" for more than 10 hours per day.
- Owners, operators or tenants of qualifying facilities shall provide "cool roof" specifications in construction plans verifying that the proposed roof will utilize cool roofing materials with an aged reflectance and thermal emittance values that are equal to or greater than those specified in the current edition of the CALGreen Building Standards Code, Table A5.106.11.2.3 for Tier 1 and the City's Green Building Standards within Chapter 15.72 of the Stockton Municipal Code.
- Temporary electrical hookup to the construction yard and associated work areas shall be required.
- The idling of heavy construction equipment for more than 5 minutes shall be prohibited. The owners, operators or tenants shall provide verification that construction specifications establish a

five-minute idling limit for all heavy-duty construction equipment utilized during construction of the proposed qualifying facility(ies). Signage shall be posted throughout the construction site regarding the idling time limit, and the construction contractor shall maintain a log for review. The log shall verify that construction equipment operators are advised of the idling time limit at the start of each construction day. Idling limits shall be noted in the construction specifications. The maintenance of logs documenting compliance shall be required.

- The construction contractors shall maintain on the construction site an inventory of construction equipment, maintenance records, and datasheets, including design specifications and emission control tier classifications.
- Architectural and industrial maintenance coatings (e.g., paints) applied on the qualifying facility(ies) shall be consistent with a VOC content of <10 g/L. Developer or tenant is not expected to exercise control over materials painted offsite by a third party.
- Qualifying facilities shall require the construction contractor to establish one or more locations for food or catering truck service to construction workers and to cooperate with food service providers to provide consistent food service.
- Qualifying facilities shall require the construction contractor to provide transit and ridesharing information for construction workers.

Site Design:

- Qualifying facilities shall be constructed in compliance with the most current edition of all adopted City building codes, including the adopted Green Building Standards Code. Prior to the issuance of building permits, the applicant/developer of the qualifying facility(ies) shall demonstrate (e.g., provide building plans) that the proposed buildings are designed and will be built to, at a minimum, meet the Tier 2 advanced energy efficiency requirements of the Nonresidential Voluntary Measures of the California Green Building Standards code, Divisions A5.1, A5.2 and A5.5, Energy Efficiency as outlined under Section A5.203.1.2.
- Qualifying facilities and their associated loading docks must be located no closer than 300 feet from sensitive receptors, and the City staff should consider the public health and safety benefits of requiring a larger buffer, up to 1,000 ft. All such setbacks will be measured from the loading dock or any building edge, whichever is closer, to the property line of any nearby sensitive receptors using the straight-line method. The setbacks and buffers required in this ordinance shall prevail over any less-stringent standards in the City's Development Code. Sensitive receptor shall be defined as any residence including private homes, condominiums, apartments, and living quarters, schools, preschools, daycare centers, correctional facilities, parks/recreation facilities, in-home daycares, and health facilities such as hospitals, long term care facilities, retirement and nursing homes.
- Qualifying facilities must include an onsite landscaped buffer, measured from the property line of all adjacent sensitive receptors. The width of the buffer shall be proportionate to the height of the warehouse building with specified minimums as set forth below unless infeasible. Landscaping shall be installed at the periphery of the qualifying facility(ies) site along adjacent rights of way and the landscaping buffer area shall not include the right of way itself. Landscape buffers shall not be required on interior boundaries of the qualifying facility(ies).

- The width of the buffer shall be set at a 2:1 ratio for all warehouses—for every 1 foot of building height, the buffer shall be 2 feet. The landscaping portion of this buffer shall not be less than 50% of this buffer, but may include areas to be used for bioswales, retention/detention areas and/or other stormwater and water quality management areas.
- The buffer area(s) shall include, at a minimum, a solid decorative wall(s) adjacent to sensitive receptors, natural ground landscaping, and solid screen buffering trees, as described below, unless there is an existing solid block wall. Onsite buffer areas shall not include deceleration lanes or right-turn lanes. To the extent allowed by other applicable City codes, policies and regulations the height of the decorative wall shall be at least 14 feet, except in buffer areas adjacent to sensitive receptors. For areas adjacent to sensitive receptors, the decorative wall shall be a minimum of 14 to 18 feet to the extent otherwise permitted by city codes, policies and regulations.
- Trees shall be used as part of the solid screen buffering treatment. Trees used for this purpose shall be evergreen, drought tolerant, and shall be spaced in two rows along the length of the buffer, with trees in each row offset, and each tree no greater than 15 feet on center. Spacing up to 20 feet may be allowed if wide canopy trees are used sufficient to create wall of vegetation that filters warehouse pollution. The property owner, tenant, operator, and any successors in interest shall maintain these trees for the duration of ownership, ensuring any unhealthy or dead trees are replaced with a similar tree as soon as possible.
- All landscaping shall be drought tolerant, and to the extent feasible, species with low biogenic emissions. Palm trees shall not be utilized.
- All landscaping areas shall be properly irrigated for the life of the qualifying facility(ies) to allow for plants and trees to maintain growth with no undue pruning.

Operational Mitigation

- Solar Power/Battery Energy Storage Systems:
 - The building permit application for qualifying facilities must demonstrate sufficient solar panels to provide power for the operation's base power use at the start of operations and as base power use demand increases. The application shall include analysis of plans to meet (a) projected power requirements at the start of operations and as base power demand increases corresponding to the implementation of the "clean fleet" requirements, and (b) generating capacity of the solar installation.
 - The photovoltaic system(s) shall include a battery energy storage system to serve the qualifying facility(ies) in the event of a power outage to the extent required by the most current edition of the California Building Standards Code.
 - Stockton's Community Development Department (CDD) shall verify the size and scope of the solar project based upon the analysis of the projected power requirements and generating capacity as well as the available solar panel installation space.
 - In the event sufficient space is not available on the subject lot to accommodate the needed number of solar panels to produce the operation's base or anticipated power use, the applicant of the qualifying facility(ies) shall demonstrate how all available space has

been maximized (e.g., roof, parking areas, etc.) for photovoltaic and battery energy storage system use. Areas which provide truck movement may be excluded from these calculations unless otherwise deemed acceptable by the supplied reports and applicable building standards.

- The owners, operators or tenants, or qualified solar system contractor engaged by the developer or tenant, shall install the system when the City has approved building permits and the necessary equipment has arrived. The tenant/operator of the qualifying facility(ies) shall commence operation of the system only when it has received permission to operate from the utility. The photovoltaic system owner shall be responsible for maintaining the system(s) at not less than 80% of the rated power for 20 years. At the end of the 20-year period, the owners, operators or tenants shall install a new photovoltaic system meeting the capacity and operational requirements of this measure, or continue to maintain the existing system, for the life of the qualifying facility(ies).
- Electric Vehicles (EV): The following mitigation measures shall be implemented during all on-going business operations and shall be included as part of contractual lease agreement language to ensure the tenants/operators of the qualifying facility(ies) are informed of all on-going operational responsibilities.
 - Heavy-Duty EV Trucks: The property owners, operators or tenants of the qualifying facility(ies) shall ensure that all heavy-duty trucks (Class 7 and 8) domiciled on site are model year 2014 or later from start of operations and shall expedite a transition to zero-emission vehicles, with the fleet fully zero-emission by December 31, 2025, or when commercially available for the intended application, whichever date is later.
 - Medium-Duty EV Vehicles: The property owners, operators or tenants of the qualifying facility(ies) shall utilize a "clean fleet" of vehicles/delivery vans/trucks (Class 2 through 6) as part of business operations as follows: For any vehicle (Class 2 through 6) domiciled on site, the following "clean fleet" requirements apply: (i) 33% of the fleet will be zero emission vehicles at start of operations, (ii) 65% of the fleet will be zero emission vehicles by December 31, 2023, (iii) 80% of the fleet will be zero emission vehicles by December 31, 2025, and (iv) 100% of the fleet will be zero emission vehicles by December 31, 2027.
 - "Domiciled on site" shall mean the vehicle is either (i) parked or kept overnight at the qualifying facility(ies) more than 70% of the calendar year or (ii) dedicated to the qualifying facility(ies) site (defined as more than 70% of the truck routes during the calendar year that start at the qualifying facility(ies) site even if parked or kept elsewhere). The tenant/operator of the qualifying facility(ies) shall not be responsible to meet "clean fleet" requirements for vehicles used by common carriers operating under their own authority that provide delivery services to or from the qualifying facility(ies) site.
 - Zero-emission vehicles which require service can be temporarily replaced with alternate vehicles. Replacement vehicles shall be used for only the minimum time required for servicing fleet vehicles.

- A zero-emission vehicle shall ordinarily be considered commercially available if the vehicle is capable of serving the intended purpose and is included in California's Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project, <https://californiahvip.org/> or listed as available in the US on the Global Commercial Vehicle Drive to Zero inventory, <https://globaldrivetozero.org/>. The City shall be responsible for the final determination of commercial availability, based on all the facts and circumstances at the time the determination is made. In order for the City to make a determination that such vehicles are commercially unavailable, the operator must submit documentation from a minimum of three (3) EV dealers identified on the californiahvip.org website demonstrating the inability to obtain the required EVs or equipment needed within 6 months.
- The tenant/operator of the qualifying facility(ies) shall utilize the zero emission vehicles/trucks required to meet the "clean fleet" requirements. Within 30 days of issuance of the final certificate of occupancy, the tenant/operator shall demonstrate to the satisfaction of CDD staff, that the applicable clean fleet requirements are being met. In the event that there is a disruption in the manufacturing of zero emission vehicles/trucks or that sufficient vehicles/trucks are not commercially available for the intended application, the "clean fleet requirements" may be adjusted as minimally as possible by the CDD to accommodate the manufacturing disruption or unavailability of commercially available vehicles/trucks.
- The tenant/operator of the qualifying facility(ies) shall implement the proposed measures after CDD review and approval. Any extension of time granted to implement this condition shall be limited to the shortest period of time necessary to allow for 100% electrification under the clean fleet requirements. The CDD staff may seek the recommendation of the California Air Resources Board in determining whether there has been a manufacturing disruption or insufficient vehicles/trucks commercially available for the intended application.
- Within 12 months of failing to meet a "clean fleet" requirement, the tenant/operator of the qualifying facility(ies) shall implement a Voluntary Emissions Reduction Agreement (VERA) providing pound for pound mitigation of the criteria pollutant, toxic air contaminants, and GHG emissions quantified by the City through a process that develops, funds, and implements emission reduction projects, with the Air District serving a role of administrator of the emission reduction projects and verifier of the successful mitigation effort. The VERA shall prioritize projects in the area surrounding the new qualifying facility(ies). The tenant/operator shall continue to fund the VERA each year in an amount necessary to achieve pound for pound mitigation of emissions resulting from not meeting the clean fleet requirements until the owner/tenant/lessee fully complies.
- At all times during operation, and to the extent the applicable utility authorizes and has capacity to support, the tenant/operator of the qualifying facility(ies) shall be required to provide electric charging facilities on site sufficient to charge all electric trucks domiciled on the site, and such facilities shall be made available for all electric trucks that use the qualifying facility(ies).
- The tenant/operator of the qualifying facility(ies) shall require all forklifts, yard trucks, and other equipment used for on-site movement of trucks, trailers and warehoused goods, as well as landscaping maintenance equipment used on the site, to be electrically powered or zero-emission.

The tenant/operator shall provide on-site electrical charging facilities to adequately service such electric vehicles and equipment.

- EV Compliance Reporting:
 - The tenant/operator of the qualifying facility(ies) shall procure the zero emission vehicles/trucks required to meet the "clean fleet" requirements above. Within 30 days of issuance of the final certificate of occupancy, the tenant/operator shall submit a condition of approval compliance report outlining compliance with each clean fleet requirement applicable and including documentation demonstrating compliance with each requirement. The tenant/operator shall submit similar reports every two years thereafter until full compliance with the applicable clean fleet requirements is achieved. The City shall consider each report at a noticed public hearing and determine whether the tenant/operator has complied with the applicable clean fleet requirements. If the tenant/operator has not met each 100% clean fleet requirement by December 31, 2027, then the tenant/operator shall submit reports annually until the 100% clean fleet requirement is implemented. The City shall consider each subsequent report at a noticed public hearing and determine whether the Operator has complied with the clean fleet requirements, including any minimal adjustments to the requirements by the CDD to accommodate the manufacturing disruption or unavailability of commercially available vehicles/trucks, as described above. Notice of the above hearings shall be provided to all properties located within 1,000 feet of the qualifying facility(ies) site and through the ASK Stockton list serve.
 - After the 100% clean fleet requirement has been implemented and confirmed by the CDD, the tenant/operator shall submit to the CDD an on-going compliance report every three years containing all necessary documentation to verify that the clean fleet requirements are being met. At the time it confirms that the 100% clean fleet requirement has been implemented, the CDD will establish the due date for the first on- going compliance report. Each subsequent on-going compliance report shall be due within 30 days of, but not later than, the three-year anniversary of the preceding due date. The on-going compliance reports and accompanying documentation shall be made available to the public upon request
- For qualifying facilities at which cold storage and associated transport refrigeration units (TRUs) are proposed or may be a future use, unless the owner of the facility records a covenant on the title of the underlying property ensuring that the property cannot be used to provide cold storage, a conduit shall be installed during construction of the building shell from the electrical room to 100% of the loading dock doors that have potential to serve the refrigerated space. If tenant improvement building permits are issued for any such cold storage space, electric plug-in units shall be installed at every dock door servicing the cold storage space to allow TRUs to plug in and truck operators with TRUs shall be required to utilize the electric plug-in units when at loading docks serving such refrigerated space.
- Prior to the issuance of the first building permit, the applicant/developer shall demonstrate compliance with the SJVAPCD Rule 9510 (Indirect Source Review) to reduce growth in both NOx and PM10 emissions, as required by SJVAPCD and City requirements.

- The tenant/operator of the qualifying facility(ies) shall enroll and participate the in SmartWay program for eligible businesses.
- Truck Routes and Ingress/Egress:
 - Entry gates into the loading dock/truck court area of the qualifying facility(ies) shall be sufficiently positioned to ensure all trucks and other vehicles are contained onsite and inside the property line. Queuing, or circling of vehicles, on public streets immediately pre- or post-entry to an industrial commerce facility is strictly prohibited unless queuing occurs in a deceleration lane or right turn lane exclusively serving the qualified facility(ies).
 - Applicants shall submit to the CDD, and obtain approval of, all turning templates to verify truck turning movements at entrance and exit driveways and street intersection adjacent to industrial buildings prior to entitlement approval. Unless not physically possible, truck entries shall be located on collector streets (or streets of a higher commercial classification), and vehicle entries shall be designed to prevent truck access on streets that are not collector streets (or streets of a higher commercial classification), including, but not limited to, by limiting the width of vehicle entries.
 - Prior to issuance of certificate of occupancy, the tenant/operator of the qualifying facility(ies) shall establish and submit for approval to the CDD a truck routing plan to and from the State Highway System based on the City's latest Truck Route Map. The plan shall describe the operational characteristics of the use of the tenant/operator, including, but not limited to, hours of operations, types of items to be stored within the building, and proposed truck routing to and from the proposed facility(ies) to designated truck routes that avoids passing sensitive receptors, to the greatest extent possible. The plan shall include measures, such as signage and pavement markings, queuing analysis and enforcement, for preventing truck queuing, circling, stopping, and parking on public streets. The tenant/operator shall be responsible for enforcement of the plan. A revised plan shall be submitted to the CDD prior to a business license being issued by the City for any new tenant/operator of the property. The CDD shall have discretion to determine if changes to the plan are necessary including any additional measures to alleviate truck routing and parking issues that may arise during the life of the facility(ies). Signs and drive aisle pavement markings shall clearly identify the onsite circulation pattern to minimize unnecessary on-site vehicular travel.
 - The tenant/operator of the qualifying facility(ies) shall post signs, that may be required by the City, in prominent locations inside and outside of the building indicating that off-site parking for any employee, truck, or other operation related vehicle is strictly prohibited. City may require facility operator to post signs on surface or residential streets indicating that off-site truck parking is prohibited by City ordinance and/or the Truck Routing Plan.
 - Signs shall be installed, as required by the City, at all qualifying facility(ies) truck exit driveways directing truck drivers to the truck route as indicated in the Truck Routing Plan and State Highway System.
 - Upon commencement of operations, the tenant/operator of the qualifying facility(ies) shall be required to restrict truck idling onsite to a maximum of three minutes, subject to exceptions defined by CARB's commercial vehicle idling requirements. The facility must

post highly-visible signs identifying these idling restrictions at the site entry and at other on-site locations frequented by truck drivers and include these restrictions in employee training and guidance material.

- Signs at the qualifying facility(ies) shall be installed, as required by the City, in public view with contact information for a local designated representative who works for the facility(ies) operator and who is designated to receive complaints about excessive dust, fumes, or odors, and truck and parking complaints for the site, as well as contact information for the San Joaquin Valley Air Pollution Control District's on-line complaint system and its complaint call-line: 1-800-281-7003. Any complaints made to the facility(ies) operator's designee shall be answered within 72 hours of receipt.
- Workforce-Related Mitigation:
 - Prior to issuance of occupancy permits, the applicant/developer shall demonstrate to the satisfaction of the City, that the proposed parking areas for employee passenger automobiles are designed and will be built to accommodate EV charging stations, at no cost to employees. At minimum, the parking areas and the number of EV charging stations for employee passenger automobiles shall equal the Tier 1 Nonresidential Voluntary Measures of the California Green Building Standards Code, Section A5.106.5.3.1.
 - Prior to issuance of occupancy permits, the applicant/developer shall demonstrate to the satisfaction of the City, that the proposed parking areas for passenger automobiles are designed and will be built to provide parking for low-emitting, fuel-efficient, and carpool/van vehicles. At minimum, the number of preferential parking spaces for passenger automobiles shall equal the Tier 1 Nonresidential Voluntary Measures of the California Green Building Standards Code, Section A5.106.5.1.1.
 - The tenant/operator of the qualifying facility(ies) shall establish locations for food or catering truck service and cooperate with food service providers to provide consistent food service to operations employees.
 - The tenant/operator of the qualifying facility(ies) shall provide employees transit route and schedule information on systems serving the qualifying facility(ies) area and coordinate ridesharing amongst employees.
 - Designated Smoking Areas: The tenant/operator of the qualifying facility(ies) shall ensure that any outdoor areas allowing smoking are at least 25 feet from the nearest property line.
- Yard Sweeping: Owners, operators or tenants of the qualifying facility(ies) shall provide periodic yard and parking area sweeping to minimize dust generation
- Diesel Generators: Owners, operators or tenants of the qualifying facility(ies) shall prohibit the use of diesel generators, except in emergency situations (including when the utility delays a facility's new electrical service connection), in which case such generators shall have Best Available Control Technology (BACT) that meets CARB's Tier 4 emission standards.

Additional Mitigation

- To the extent a qualifying facility seeks and secures a Development Agreement with/from the City, the applicant, or its successor in interest, and the City shall comply with Government Code section 65865.1 and Stockton Development Code section 16.128.110. The City shall schedule a public hearing at the Planning Commission, with notice to all affected parties, at least every 12 months after approval of the Development Agreement, to receive and discuss the annual report on the status of the qualifying facility(ies)'s compliance with the Development Agreement. At those same hearings, the City shall review all the qualifying facility(ies)'s mitigation measures and conditions of approval for compliance.
- Applicants seeking one or more discretionary permits for proposed qualifying facility(ies) shall engage in a community outreach effort to engage the existing community in determining issues of concern that can be addressed through site design and other means during the land use entitlement process. Suggested outreach efforts include but are not limited to, hosting community meetings, making presentations at advisory and community councils, and hosting job fairs.

City of Stockton Community Development Department
Attention: Nicole Moore, Contract Planner
345 N. El Dorado Street, Stockton, CA 95202
Email; Nicole.Moore@stocktonca.gov
PH; 209 937 8598

Comments regarding the; Draft Environmental Impact Report,
St. Joseph’s Medical Center Hospital Expansion Project, APRIL 2023

To whom it may concern;

It is well known that providing ample amounts of low cost parking serves to induce more driving which brings with it greater emissions, poor air quality and added unhealthy outcomes.

5-1

It costs many thousands of dollars to build a car parking space. It is important to separate the cost of employee parking as an employee benefit to encourage carpooling, use of public transportation and healthy active forms of transportation like bicycling, scooter riding and walking. So those that do not need parking can chose not to take the parking benefit and have a financial benefit for not using and having a parking space built for them.

5-2

With the advent of the electric bicycle and scooter it is important to provide adequate charging facilities and storage in a fire protected area for them. I saw no mention of charging provisions in your plans

5-3

As per Stockton Bike Plan 2017 and the local SJCOG Active Transportation Program
To my knowledge the northern section of California Street Separated Bikeway Project 33A&B Minor of Alpine has not been funded. Here is an opportunity For St Joseph’s Hospital to become involved in the successful funding for the northern section that fronts the property on California Street. Local monies are important in receiving improved scoring on local Active Transportation Program funding applications. The active transportation options have the benefit of ghg reductions, improving fitness levels and promote good health.

5-4

DIBS is the San Joaquin Council of Government’s Transportation Demand Management Program promoting smart travel options, such as carpooling, vanpooling, riding transit, biking and walking to work to reduce traffic congestion, cut vehicle emissions and miles traveled, and improve air quality. This is done through employer outreach, marketing, and offering tools and incentives for commuters to make a change.

5-5

Yours truly,
Paul Plathe
May 22, 2023
Stockton, CA 95207

Appendix B

Exhibits Supporting Responses to Comments

2355 E Camelback Rd
Suite 525
Phoenix, AZ 85016
P: 480.499.9146
F: 480.499.9200
www.ameresco.com

August 1, 2023

Robert O'Hare, DBIA
CommonSpirit Health
3400 Data Drive
Rancho Cordova, CA 95670
Transmitted via Email: robert.o'hare@commonspirit.org

Re: Preliminary Responses to Solar Power Inquiries at Dignity Health St. Joseph's Medical Center (SJMC), located at 1800 N California St, Stockton, CA 95204

Dear Robert:

As requested, Ameresco offers the following responses to your inquiries at the SJMC project site:

- 1. Inquiry:** Based on providing (on 6/21/2023) SJMC's annual load of 19,602,561 kWh and SJMC's peak demand of 3,150kW, please estimate how large of a solar system (in wattage) and land (in acres) SJMC would need to take the SJMC facility off-grid for a 24-hour period.

Response: Based on the very basic annual load and peak demand figures that were provided to us, our very rough, high-level estimates for SJMC are:

 - 12.5 MW of PV to offset 100% of building usage.
 - ~32 acres of ground mounted PV.
 - 4 MW / 28 MWh BESS (assuming 50% of the daily usage would be produced by solar).
- 2. Inquiry:** Please confirm whether the estimate of 32 acres includes or excludes power for electric vehicle (EV) charging stations.

Response: The SJMC annual load information that was provided to us on 6/21/2023 excluded new EV charging stations; therefore, EV charging stations are excluded in our very high-level estimate.
- 3. Inquiry:** Please provide what kW can be delivered using the roof of the SJMC parking structure.

Response: Unfortunately, we have not yet conducted enough analysis to understand what kW can truly be delivered using the roof of the SJMC parking structure. There are a number of items that we need to better understand in order to give a credible response to this inquiry. These items include, but are not limited to:

 - Glare analysis for the heli pad that is anticipated to be designed and constructed.
 - Structural analysis of the top level of the garage, as well as point load analysis of the top level of the garage. The structural engineering analysis plays a pivotal role in determining what type of racking system (i.e. superstructure, monoplane,

August 1, 2023

Page 2

t-canopy, etc.) we can construct on the top of the parking garage, as well as how much solar can be installed on this racking system. The point load analysis is important in helping us understand how we can install the racking system on the top level of the parking garage.

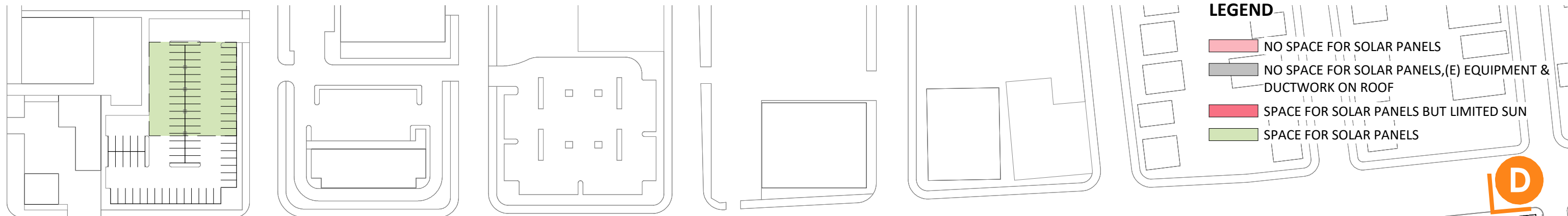
- Our understanding is that the current entitlement package reserves the rights to build more heli pads for Trauma designation. Accordingly, should space/area for additional heli pads be considered with a solar design? And if so, how many heli pads should be considered, and where will they be located?

We wish to accentuate that our responses to SJMC's inquiries in this letter are very "back of the envelope" in nature. We look forward to the opportunity to pursue this analysis in greater detail. Should you have any questions or requests for additional information at this time, please feel free to contact me directly at 480.499.9155 or at dhunter@ameresco.com. Thank you very much, Robert.

Respectfully,

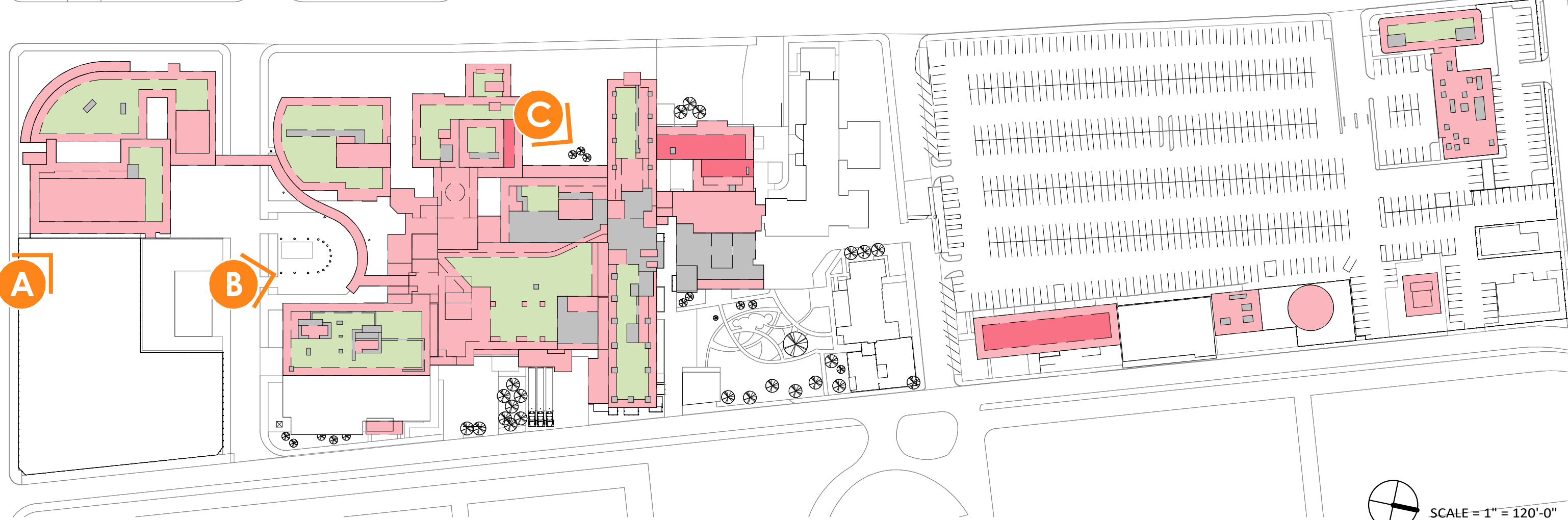


Daniel Hunter, MBA, CEM, FMP
Senior Business Development Manager
Ameresco, Inc.



LEGEND

- NO SPACE FOR SOLAR PANELS
- NO SPACE FOR SOLAR PANELS, (E) EQUIPMENT & DUCTWORK ON ROOF
- SPACE FOR SOLAR PANELS BUT LIMITED SUN
- SPACE FOR SOLAR PANELS



SCALE = 1" = 120'-0"

SOLAR PANEL KEY NOTES

LETTER	COMMENT
1	(E) MECHANICAL UNITS IN SCREEN ENCLOSURE
2	MAJOR EGRESS ON ENTIRE ROOF EDGE, 10' CLEARANCE
3	(E) ROOF POP OUT FOR LIGHT
4	(E) STRUCTURE NOT WIDE ENOUGH TO SUPPORT SOLAR PANELS
5	(E) HELISTOP & REQUIRED FATO CLEARANCE
6	EGRES FOR HELISTOP TO ELEVATOR AND PATIENT TOWER
7	(E) GLASS SKYLIGHT STRUCTURE
8	(E) OUTDOOR OCCUPIABLE SPACE
9	(E) TOWER NOT STRUCTURALLY OR SEISMICALLY ABLE TO SUPPORT NEW SOLAR PANELS

SOLAR PANEL KEY NOTES

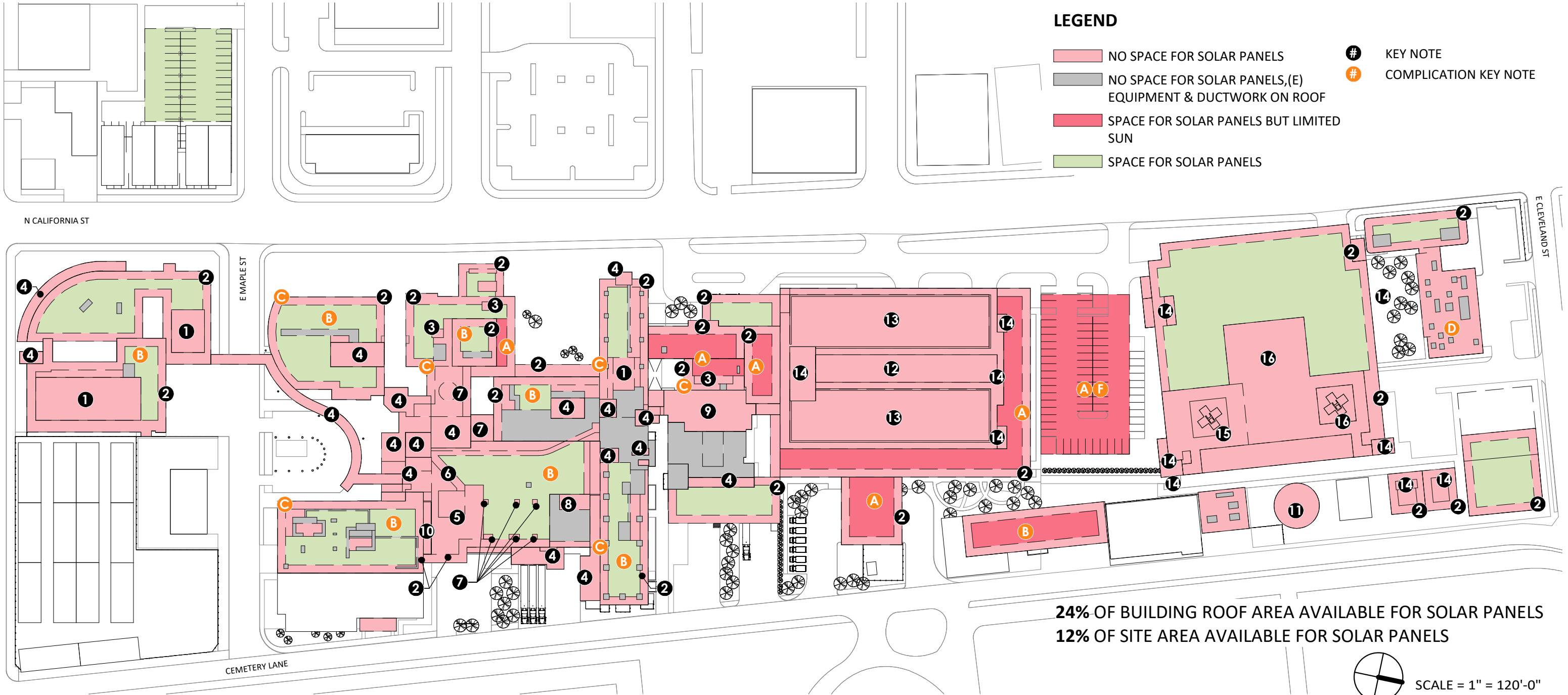
LETTER	COMMENT
10	(E) MECHANICAL SHAFT OPENING
11	(E) TANK
12	NEW ROOF GARDEN AT LEVEL 2
13	MECHANICAL UNITS IN SCREEN ENCLOSURE
14	STRUCTURE NOT WIDE ENOUGH TO SUPPORT SOLAR PANELS
15	HELISTOP & REQUIRED FATO CLEARANCE
16	POTENTIAL SECOND HELISTOP AND PARKING SPACE IN FUTURE

COMPLICATIONS

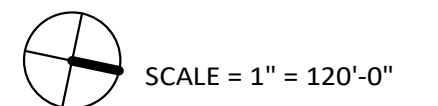
LETTER	COMMENT
A	LIMITED SUN DURING WINTER AND/OR SUMMER SOLSTICE, NOT IDEAL AREA FOR SOLAR PANELS
B	ANCHORING TO ROOF WILL NEED TO BE COORDINATED WITH SLOPING, STRUCTURE, AND ROOF DRAINS
C	(E) PARAPETS ARE TOO LOW, FALL PROTECTION MAY BE REQUIRED AROUND ROOFS.
D	MINIMAL ROOF AREA AROUND MECHANICAL EQUIPMENT NOT IDEAL FOR SOLAR PANELS
F	FUTURE EXPANSION AREA FOR HOSPITAL.

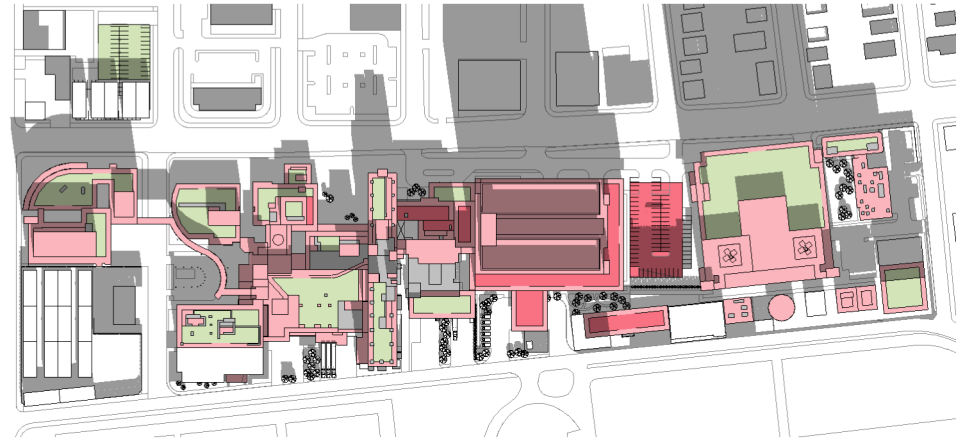
LEGEND

	NO SPACE FOR SOLAR PANELS	#	KEY NOTE
	NO SPACE FOR SOLAR PANELS, (E) EQUIPMENT & DUCTWORK ON ROOF	#	COMPLICATION KEY NOTE
	SPACE FOR SOLAR PANELS BUT LIMITED SUN		
	SPACE FOR SOLAR PANELS		

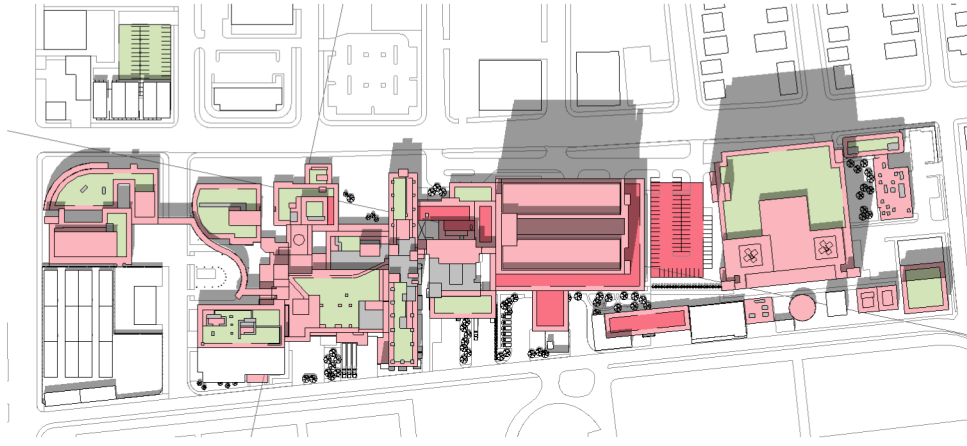


24% OF BUILDING ROOF AREA AVAILABLE FOR SOLAR PANELS
12% OF SITE AREA AVAILABLE FOR SOLAR PANELS

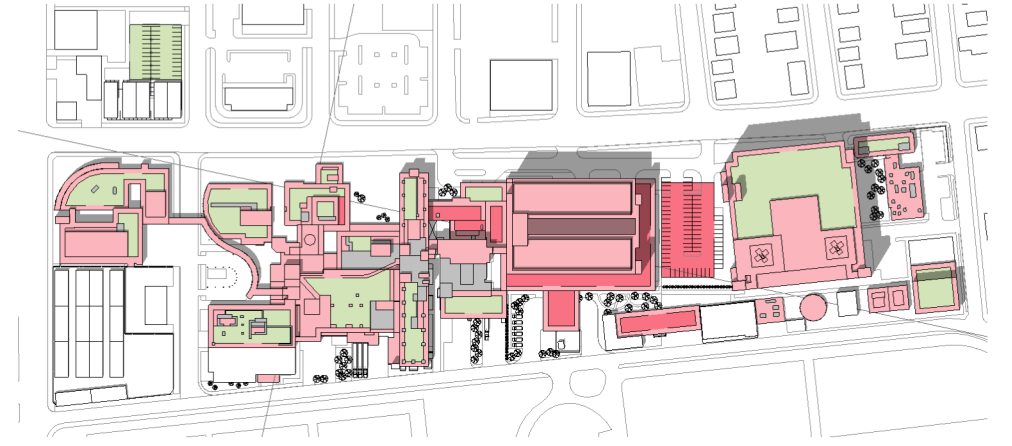




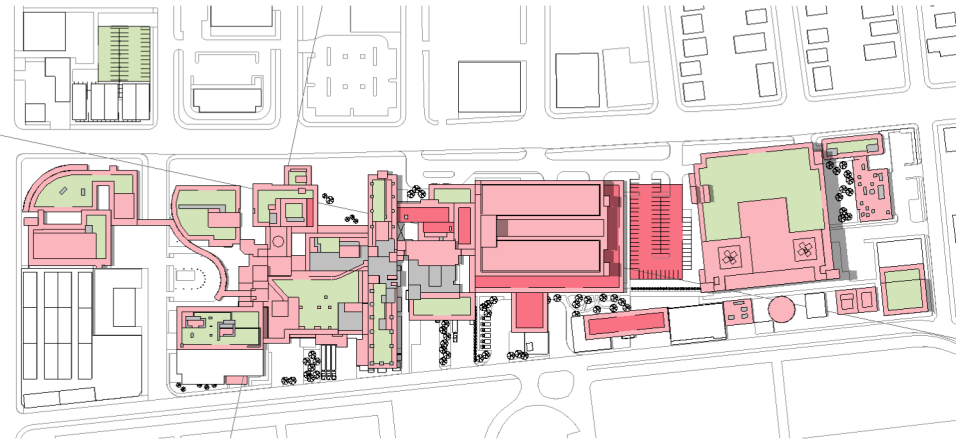
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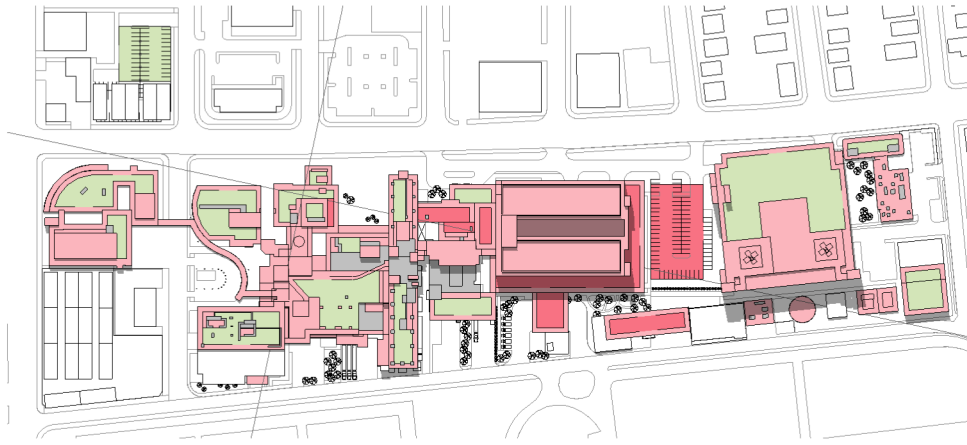
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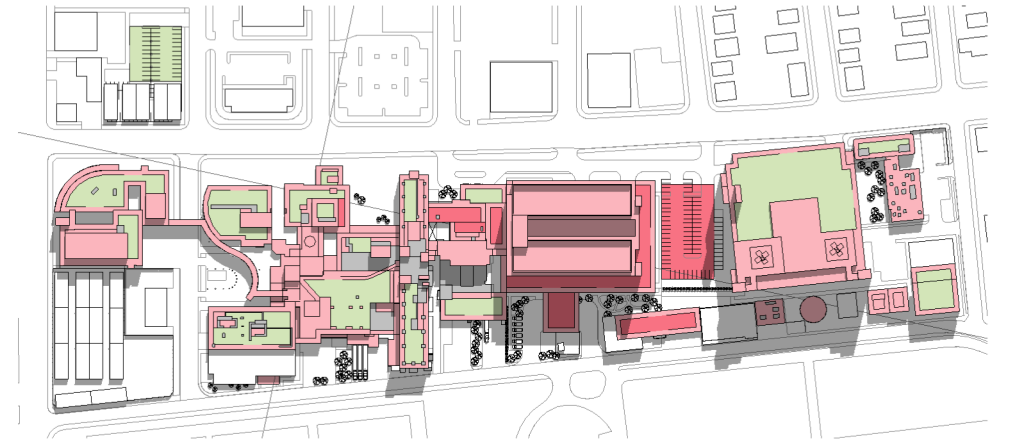
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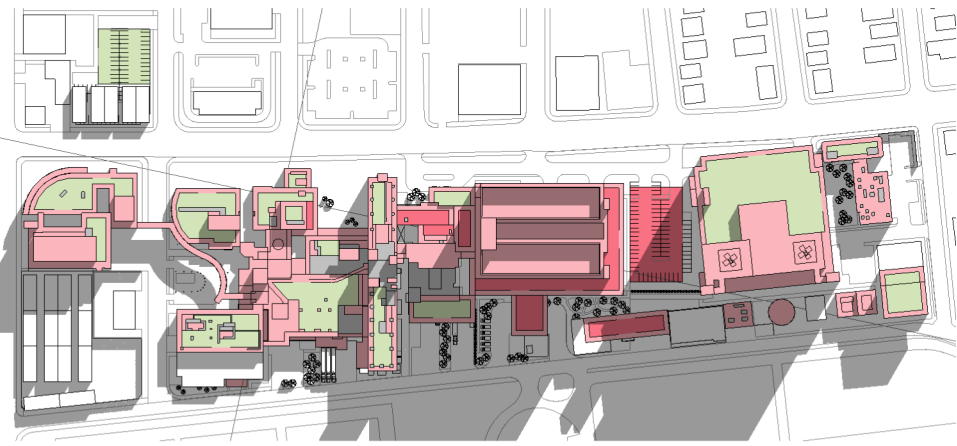
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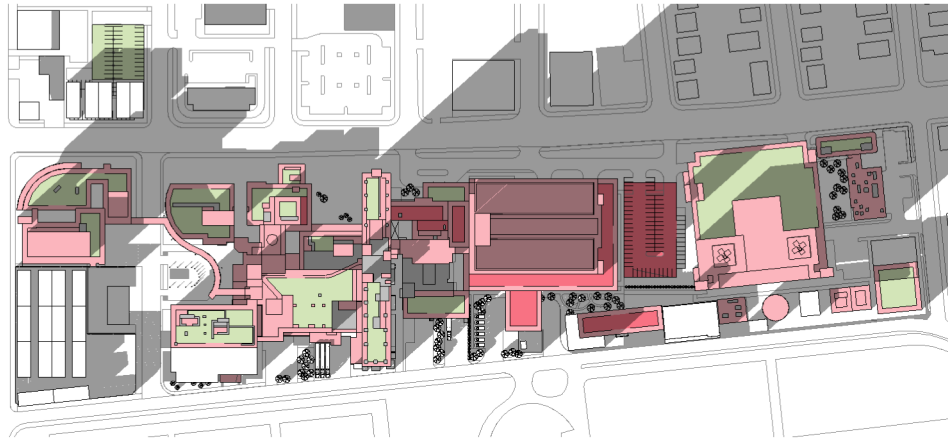


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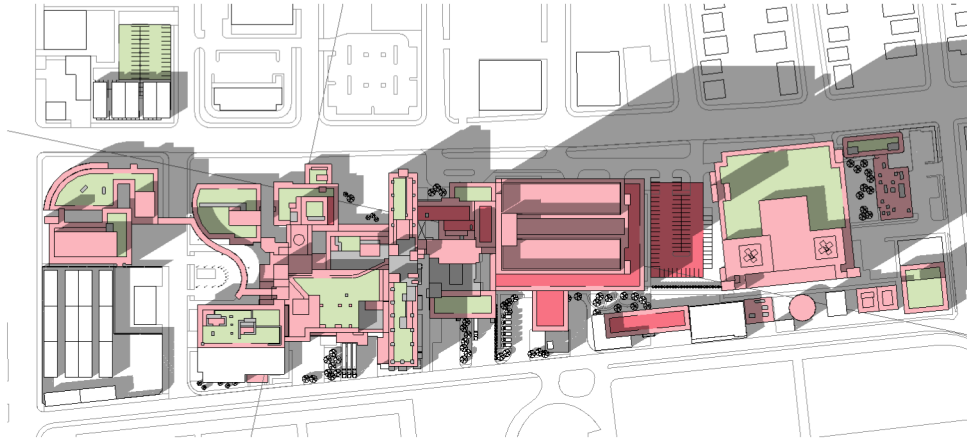


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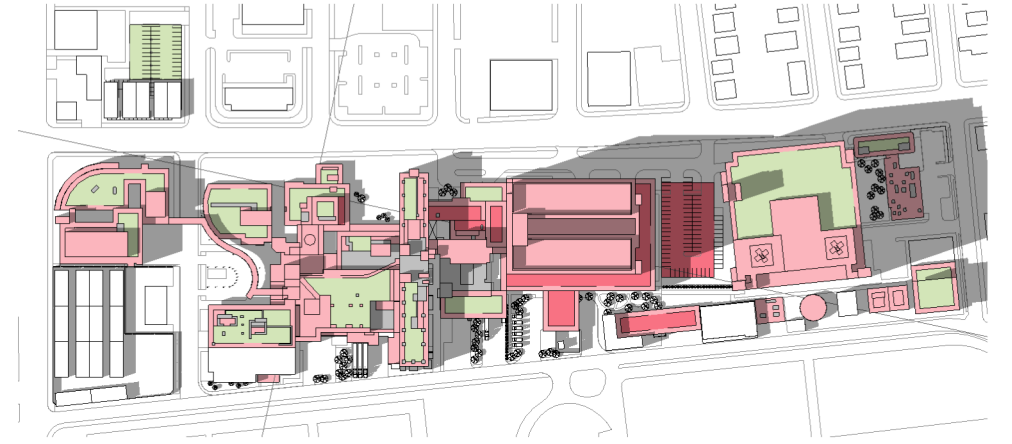
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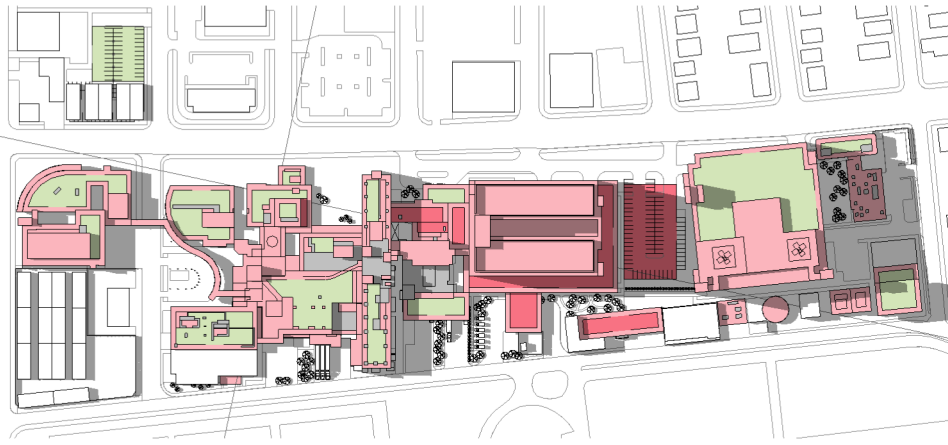
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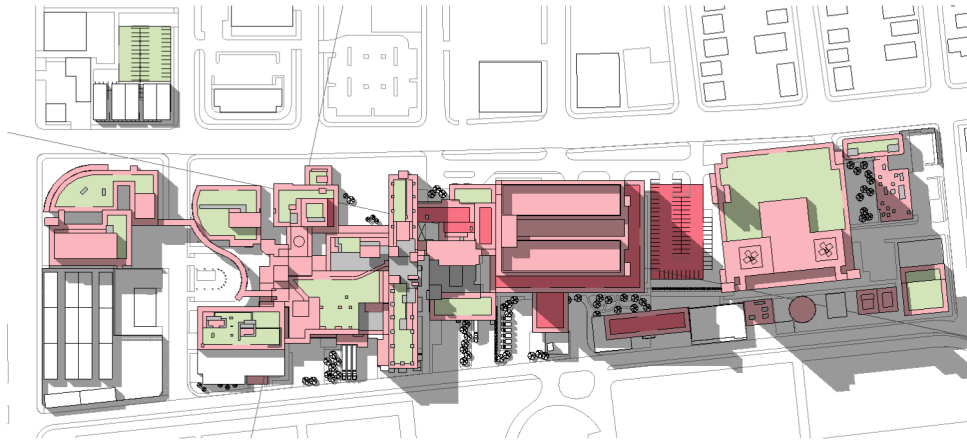
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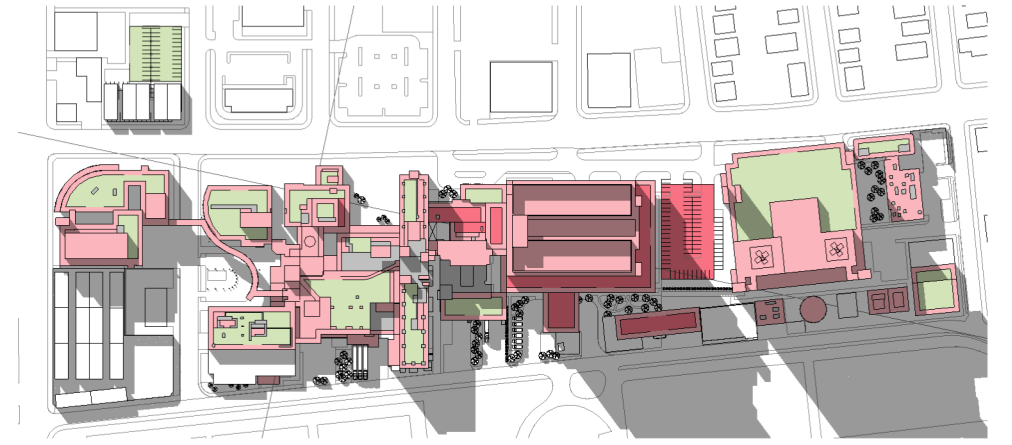
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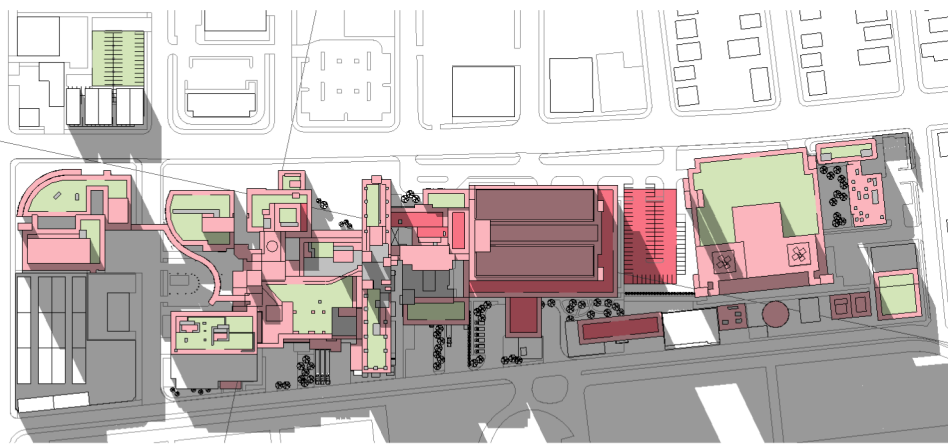
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SCALE = 1" = 400'-0"

August 01, 2023

Mr. Robert O'Hare
Manager | Planning, Design & Construction
National Real Estate Services
CommonSpirit Health
10901 Gold Center Drive, Suite 300
Rancho Cordova, CA 95670

Project: **St. Joseph's Medical Center Stockton | Master Plan**
Project No.: 50000.00

Re: Photovoltaic Solar Panel Feasibility

Dear Robert,

We greatly appreciate the opportunity to work with CommonSpirit Health on the St. Joseph's Medical Center Stockton (SJMCS) expansion project over the past four years. We value the trust you have placed in our expertise over the last ten years, and are committed to delivering innovative and practical solutions that align with your organizational goals.

During our discussions regarding the future growth of the medical center, the topic of installing photovoltaic solar panels to offset the energy needs of the campus was raised. While we understand the desire to explore sustainable energy solutions, we have thoroughly evaluated the feasibility of this proposal and do not believe that installing solar panels at SJMCS is practical from energy offsetting and cost standpoint. Below are some key factors influencing this decision:

Complex Utility Infrastructure: The nature of hospitals necessitates a significant utility infrastructure be installed on the roofs of buildings to support critical support and MEP systems required for delivering patient care. Hospitals are also required to upgrade and update equipment during the life of a facility in order to meet the needs of evolving technology and added service lines. Installing photovoltaic panels on the roof would limit the ability to provide for this need as well as the amount of roof area available for installation would be very limited due the roof area already used for the critical support and MEP equipment.

Regulatory Constraints: Hospitals are subject to stringent regulations enforced by California's Department of Health Care Access and Information (HCAI) organization, which includes specific seismic requirements and seismic testing of equipment. The structural systems necessary to support roof mounted photovoltaic systems on a hospital building would be increased over what one would see in a non-hospital installation. The increases would occur with the supports needed for the actual photovoltaic panels as well as the main building structure of the building to address the seismic loads being imposed from the photovoltaics. Such requirements extend not only to the support of the photovoltaic panels themselves but also to the wiring and cabling infrastructure, which are more substantial than those of non-Acute care facilities.

Shading and Site Constraints: The anticipated growth of the hospital will result in a densely developed project site, featuring multi-story hospital buildings and parking garages. We conducted a comprehensive solar study, which revealed that a significant portion of the available site areas that can support photovoltaic panels will be shaded, thereby limiting the optimal production of solar panels. While the roof of the parking garage offers potential for panel installation, the few available locations at grade are not contiguous, leading to an inefficient and disjointed system installation.

To the extent solar panels might be able to be installed on 24% of the rooftop space and 9.3% of the site area, the amount of power likely to be generated annually is estimated to be 1.7GWh and represent 8.2% of the total needs of the expansion and 5.78% of the campus-wide need. Given the extent of the benefit of solar panels in this circumstance in terms of power generation, and the prospect of having to remove panels in the future to accommodate new equipment on rooftops to the provision of new and improved healthcare services, the cost of installation is not warranted.

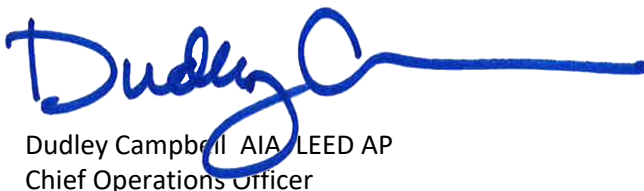
Considering the above factors, it is our professional opinion that photovoltaic panels are not a practical solution to achieve the desired cost savings and energy offsetting goals. We are committed to assisting CommonSpirit Health in identifying feasible and effective strategies that align with your sustainability objectives while considering the unique challenges of the healthcare environment.

Our team is available to engage in further discussions in evaluating other potential options for reducing energy consumption and the carbon footprint at SJMCS. We understand the importance of environmental responsibility and are dedicated to assisting you in achieving your long-term sustainability goals.

Thank you once again for considering Devenney Group as your trusted partner in healthcare architecture. We remain committed to delivering exceptional service and collaborating with you to create state-of-the-art healthcare facilities that meet the evolving needs of the communities that they serve.

Please do not hesitate to reach out to us if you have any questions or require further information. We look forward to the opportunity to discuss potential alternative solutions that will align with your vision and objectives.

Sincerely,



Dudley Campbell AIA LEED AP
Chief Operations Officer

File

Emailed 08.01.2023



ELECTRICAL SYSTEMS

SUMMARY

The electrical systems will include:

- Normal power system including service entrance switchgear.
- Emergency power supply system includes generator, paralleling switchgear, and automatic transfer switches.
- Renewable Energy Systems (PV)

PROJECT DESCRIPTION

- Building Type: Patient Tower, Parking Garage, CUP
- Levels: 4, 9, 1
- Building Area: 214,483 GSF, 420,000 GSF, 19,768 GSF
- Construction Type: New Construction

GENERAL REQUIREMENTS

All systems will be designed and installed in accordance with the following codes, standards, and guidelines. The latest or locally applicable version will apply except where stated.

CODES

- California Building Code (CBC) – Current Edition
- California Electrical Code (CEC) – Current Edition Title 24, Part 3 - California Electrical Code
- California Electrical Code (CEC) – Current Edition Title 24, Part 6 – Energy Code
- NFPA 70: National Electrical Code – Current Edition
- NFPA 72: National Fire Alarm Code – Current Edition
- NFPA 99: Health Care Facilities – Current Edition
- NFPA 101: Life Safety Code – Current Edition
- NFPA 101A: Guide on Alternative Approaches to Life Safety
- NFPA 110: Standard for Emergency and Standby Power Systems – Current Edition
- Americans with Disabilities Act (ADA)

STANDARDS

- American Institute of Architects Guidelines for Design and Construction of Hospital and Healthcare Facilities
- ASME A17.1 Safety Code for Elevators and Escalators
- ANSI - American National Standards Institute
- NEMA - National Electrical Manufacturer Association
- IEEE - Institute of Electrical and Electronic Engineers



- UL – Underwriter's Laboratories

GUIDELINES

- Dignity Health - Facilities Program Design Criteria
- Illuminating Engineering Society of North America (IESNA)
- USGBC LEED-HC v.4.1 Rating System

PATIENT TOWER SITE UTILITY ELECTRICAL DISTRIBUTION

A new 1200A, 12KV exterior service will be provided for the New Patient Tower to be fed by PG&E. The service will have a battery cabinet, PG&E meter section, a main draw out vacuum circuit breaker section, (3) 400A, draw-out vacuum feeder circuit breakers and a section capable of future addition of more circuit breakers for future expansion. All circuit breakers shall be provided with appropriate metering and relays for coordination. It is anticipated that this service will be fed by PG&E from California Street. Discussions and coordination with PG&E will be required to finalize the connection point.

This service will provide power for the New Patient Tower Addition, the new Central Utility Plant, existing water softener, existing Thermal Storage Tank and the Plant Operation Building if it is relocated. The load on the existing feeder and transformer currently feeding the CUP equipment will be reduced significantly. Also, this feeder is from a non-complying switchgear system in the hospital. We strongly recommend this feeder with its switchgear at CUP location be disconnected and removed.

The complete 12KV service switchboard assembly will be 216" wide x 104" deep. The assembly will require 8' clearances in the front and back. The location of this service will partly depend on PG&E's input and which final option is selected.

The total area required would be 25' x 33'.

This includes land space for (2) future circuit breakers in case they are needed in the future for any more additions to the hospital complex. Each breaker can serve a load of 4MVA.

PATIENT TOWER BUILDING ELECTRICAL DISTRIBUTION

We recommend (2) normal power transformers and (1) Emergency Power



transformer be provided for the New Patient Tower and located at grade level outside the New Patient Tower. These would be fluid-filled transformers. They would require an area of 20' x 40'.

The 480V switchboards and transfer switches fed by these transformers would be located indoors on Level 0.

They would require an area of 25' x 15'.

Additional distribution switchgear at this level would require another space of 18' x 10'. This can be in the same room as above or adjacent to it.

A dedicated room for IT, Communications (Technology Equipment Center) at this floor would be 20' x 10'.

Upper floors will require:

For electrical – minimum (2) rooms – each 10' x 12'.

For Technology Distribution Rooms – minimum (2) rooms – each 10' x 10'.

CUP SITE UTILITY ELECTRICAL DISTRIBUTION

The CUP requires two transformers – (1) 12KV/480V 3MVA for normal power. and (1) 4.16KV/480V 750KVA for emergency power. Locate these outside the CUP building on grade. This pad mounted transformer shall be fluid filled. They would require an area of 28' x 16'.

CUP BUILDING ELECTRICAL DISTRIBUTION

The 3MVA transformer would feed a 4000A, 480/277V indoor switchboard. This Switchboard would feed the (3) chillers, chilled water pumps, condenser water pumps, condenser fans; (3) transfer switches – 70A Life Safety, 100A Critical and 1000A Equipment Branches. It would feed a 100A, 480/277V normal power panel, 30KVA transformer and 100A, 120/208V panel all for house power.

Please note the chillers are (N + 1) so only two chillers are used in sizing the 3MVA transformer.



The 750KVA emergency transformer would feed a 1600A, 480/277V switchboard which would feed the 350-ton chiller and related chiller water pumps, condenser water pumps, condenser fan, boilers, and primary hot water pumps. All thru the 1000A ATS and a 1200A, 480/277V indoor switchboard.

This switchboard would also feed the Critical and Life Safety transfer switches. All three transfer switches would feed their own 480-120/208V transformers and subpanels. The 1600A emergency switchboard would also feed the fire pump (assumed 150HP) for the Parking Garage.

The 480V switchgear and transfer switches would be located indoors together with distribution switchgear such as small transformers and panels. These would require a total of two electrical rooms, 10' x 12' and a 20' x 10'.

PARKING GARAGE SITE UTILITY ELECTRICAL DISTRIBUTION

We have two options for providing electrical service for the garage for consideration by the Facility.

Option 1: Provide a 480V 3ph 4W service from PG&E. This will require a pad mounted outdoor PG&E transformer. This service would need to be sized to run all the lights, elevators, fire pumps, any exhaust fans, power for security, gate operators, EVCS, etc.

This project is expected to have a total of 280 new EV charging stations (EVCS) in the new parking garage, 15 stations in the new ED walk-in surface parking, and 8 stations in the OSMB surface parking.

The EV charging stations located within the new parking garage and ED surface parking will be fed from the new parking garage utility service. The EV charging stations in the OSMB surface parking will be fed from an existing building nearby.

Option 2: Provide a 480V power feeder from the CUP switchgear to the garage switchboard. This feeder will run all the loads noted in Option 1 except for the fire pump. The fire pump will still require a new 480 Volt service from PG&E.

We recommend Option 1.

PARKING GARAGE BUILDING ELECTRICAL DISTRIBUTION



The Garage will require emergency power for egress lights, heliport, lights, ancillary power, elevator. This would be provided by the emergency switchboard at the CUP through two transfer switches- one for the fire pump and one for the remaining items required to be on emergency power. This system is difficult to estimate at this stage of the project but will add cost to the project.

Total Site Area required for = 22'-6" x 15'
 PG&E Transformer, Switchgear

SERVICE POWER DESIGN LOADS

A summary of the calculated electrical demand for the entire facility, as served by the utility, is presented below. These demand estimates are based on California Electrical Code sizing calculations and prior experience on similar projects. Real measured demand will be some fraction of the code calculated demand values used to size the electrical distribution system capacities.

Building	Building Area (SF)	Calculated Load (kVA)
Patient Tower	214,483	4,288.2
CUP	19,768	338.6
Parking Garage + 295 EVCS	420,000	(393.75 + 2,301.00) = 2,694.75
		7,321.55

EMERGENCY POWER SUPPLY SYSTEM

Emergency power for the building will be supplied by (2) packaged diesel driven standby generator, enclosed in a weatherproof acoustical enclosure, located at the existing generator building. The engine will be Tier 2 compliant with the option to add a Diesel Particulate Filter (DPF).

The project will require adding (2) 4160V generators with new paralleling switchgear and a larger above ground diesel fuel tank.

The existing generator building will need to be extended by another 50' x 40'.

The existing above ground diesel fuel oil tank can remain and a second larger above ground tank provided to meet the current code and demands of the new generators.



Actual work will need to be carefully planned out as the existing generators must remain operational all the time.

Loss of voltage at any automatic transfer switch will signal the generator to start. Transfer switches will then automatically transfer building emergency loads to generator power following designated load priorities, with Emergency loads (Critical, Life Safety) taking priority, followed by Legally Required Standby (Equipment) loads. The automatic transfer switches will be four-pole, closed transition, bypass isolation type with reverse power relays as required by PG&E. Emergency system components will be in a separate electrical room with a two-hour fire rating and battery powered emergency lighting.

RENEWABLE ENERGY SYSTEMS

New solar photovoltaic panels are to be installed throughout the campus to maximize on-site solar generation on the existing roofs and the new planned buildings and parking garage. The California Electrical Code now allows for interconnection of solar and battery sources at locations other than the service equipment and point of common coupling as was traditional in the past. The code now allows for feeder taps and line side connections of alternate, on-site power generation sources such as solar and battery backup allowing opportunities for interconnection of on-site alternate power sources to existing building distribution systems. The project intent will be to interconnect the new solar systems at 480/277V or 208V/120V secondary distribution systems as close as possible to the installed location of the new solar arrays.

Solar panels must be placed to provide clearance by code around roof edges, roof ridges, and mechanical equipment and drains and vents. As such, the layout of the panels will be smaller groups of arrays will have to be installed where there is sufficient roof space to permit the installation of the roof panels and racking support. Since this will result in smaller, distributed arrays, a string inverter or micro-inverter design approach will be more efficient than a centralized inverter system. Solaredge and Enphase are two leading-edge manufacturers for string inverters and microinverters, respectively, and provide maximum power point tracking to maximize output of the solar panels. Power metering should be provided at all interconnections for data and power trending of the campus PV installation.

For both the existing buildings and new tower, CUP, and parking garage; the simulated design assumes a total installed peak power of approximately 1.44 MW, with 3,190 total panels at 450W each (Mfgr basis of design: LG 450W). The total simulated annual solar power production is approximately 1.7GWh.



For the existing buildings alone, the design assumed a total installed peak power of 693.1KW with 1,518 total panels at 450W each. The total simulated annual solar power production is approximately 904.9MWh.

For the new tower, CUP, and parking garage, the design assumed a total installed peak power of 752.4KW with 1,672 total panels at 450W each. The total simulated annual solar power production is approximately 806.4MWh.

Existing electrical load consumption data was provided for the existing campus. Averaging the data provided over the last three years, the existing campus consumes approximately 19,624,244 kWh annually (or 19.624 GWh annually). A good portion of the existing load on the camps will be removed; however, a new hospital tower and CUP will be installed, resulting in an increase in load on the campus. As a conservative estimate, the existing consumption can be increased by 50% which would put the assumed power consumption of the proposed project at approximately 29,436,366 kWh (or 29.436 GWh).

The simulated PV yearly solar production is 5.78% of the anticipated campus-wide yearly electrical consumption for existing, after demolition of the buildings and CUP, and new expansion buildings; and approximately 8.2% of the anticipated new expansion buildings.

The design assumes 3,190 solar panels, with each panel having an area of approximately 24SF, for a total solar area of 76,560SF. For a site area of 820,212 SF, the solar area comprises approximately 9.3% of the site area. Given the extent of the benefit of solar panels in this circumstance in terms of power generation, and the prospect of having to remove panels in the future to accommodate new equipment on rooftops to the provision of new and improved healthcare services, the cost of installation is not warranted.

See the following summary of solar arrays in the design between new and existing buildings on the campus.



SOLAR PV PANEL ARRAY SCHEDULE					
	DESCRIPTION	NO. OF MODULES	MODULE WATTAGE	INSTALLED PEAK WATTS (KW)	
NEW BUILDINGS	P Garage - 1	378	450	170.1 KW	
	P Garage - 2	375	450	168.8 KW	
	P Garage - 3	210	450	94.5 KW	
	P Garage - 4	190	450	85.5 KW	
	CLP-1	81	450	36.5 KW	
	CLP-2	60	450	27.0 KW	
	CLP-3	99	450	44.6 KW	
	Main Entrance -1	18	450	8.1 KW	
	Main Entrance - 2	18	450	8.1 KW	
	Utility - 1	100	450	45.0 KW	
	Utility - 2	143	450	64.4 KW	
	SUBTOTAL FOR EXISTING BLDGS		1672		752.4 KW
	SIMULATED ANNUAL KWH PRODUCTION FOR EXISTING BLDGS				806400 KWH
	EXISTING BUILDINGS	HCCL Bldg - 1	51	450	23.0 KW
		HCCL Bldg - 2	24	450	10.8 KW
HCCL Bldg - 3		18	450	8.1 KW	
HCCL Bldg - 4		8	450	3.6 KW	
W Wing - 1		42	450	18.9 KW	
W Wing - 2		8	450	3.6 KW	
W Wing - 3		8	450	3.6 KW	
W Wing - 4		5	450	2.3 KW	
W Wing - 5		5	450	2.3 KW	
W Wing - 6		5	450	2.3 KW	
W Wing - 7		5	450	2.3 KW	
W Wing - 8		8	450	3.6 KW	
W Wing - 9		6	450	2.7 KW	
W-Wing - 10		8	450	3.6 KW	
E Wing - 1		18	450	8.1 KW	
E Wing - 2		26	450	11.7 KW	
E Wing - 3		8	450	3.6 KW	
E Wing - 4		8	450	3.6 KW	
E Wing - 5		8	450	3.6 KW	
E Wing - 6		8	450	3.6 KW	
E Wing - 7		5	450	2.3 KW	
E Wing - 8		5	450	2.3 KW	
E Wing - 9		5	450	2.3 KW	
E-Wing 10		5	450	2.3 KW	
S Wing - 1		18	450	8.1 KW	
SE Wing - 1		99	450	44.6 KW	
SE Wing - 3		110	450	49.5 KW	
SE Wing - 2		117	450	52.7 KW	
Heart Ctr - 1		97	450	43.7 KW	
Heart Ctr - 2		57	450	25.7 KW	
Heart Ctr - 3		62	450	27.9 KW	
Heart Ctr - 4		29	450	13.1 KW	
Heart Ctr - 5		14	450	6.3 KW	
OSU - 1		135	450	60.8 KW	
OSU - 3		31	450	14.0 KW	
OSU - 2		70	450	31.5 KW	
Cance Ctr - 1		25	450	11.3 KW	
Cance Ctr - 2		8	450	3.6 KW	
Cance Ctr - 3		14	450	6.3 KW	
Cance Ctr - 4		37	450	16.7 KW	
Cance Ctr - 5		44	450	19.8 KW	
Cance Ctr - 6		14	450	6.3 KW	
Cance Ctr - 7		28	450	12.6 KW	
Wmen & Childm Pavilion - 1		30	450	13.5 KW	
Wmen & Childm Pavilion - 2		40	450	18.0 KW	
Wmen & Childm Pavilion - 3		44	450	19.8 KW	
Wmen & Childm Pavilion - 4		19	450	8.6 KW	
Wmen & Childm Pavilion - 5		3	450	1.4 KW	
Wmen & Childm Pavilion - 6		39	450	17.6 KW	
Wmen & Childm Pavilion - 7		37	450	16.7 KW	
SUBTOTAL NEW BLDGS		1518		683.1 KW	
SIMULATED ANNUAL KWH PRODUCTION FOR NEW BLDGS				904900 KWH	
TOTAL EXISTING + NEW BLDGS		3190		1435.5 KW	
TOTAL SIMULATED ANNUAL KWH PRODUCTION				1711300.0 KWH	
				OR 1.71 GWH	

<https://www.wsj.com/articles/electric-big-rigs-hit-the-streets-but-chargers-are-scarce-50d882b2>

AUTOS INDUSTRY

Electric Big Rigs Hit the Streets, but Chargers Are Scarce

California and other states have accelerated adoption of electric-truck fleets, while grid upgrades needed for charging could take years

By [Jennifer Hiller](#) [Follow](#)

July 16, 2023 9:00 am ET



California plans to require all new medium- and heavy-duty truck sales be zero-emissions by 2036. PHOTO: JUSTIN SULLIVAN/GETTY IMAGES

Heavy-duty electric trucks are rolling out across the country. The electric grid upgrades and equipment needed to plug them in aren't.

As automakers deliver new electric trucks to fleet customers, parking lots that once needed enough power for a few floodlights now might need to draw as much power as a skyscraper. But the necessary grid improvements could take years.

In January, California utility PG&E told charging provider FreeWire Technologies that one of its large fleet customers wouldn't be able to charge trucks for a few years during summer afternoons when California electricity use peaks. The company would be unrestricted during cooler months, according to an email reviewed by The Wall Street Journal.

Capacity upgrades would take at least until 2026, PG&E told FreeWire, which is installing chargers paired with batteries for that customer and others to avoid the wait.

“Temporary load restrictions in some cases enable us to energize a customer to meet their current needs while we work to build new infrastructure and increase capacity,” PG&E said in an email to the Journal.

Similar issues are popping up across the U.S. as logistics firms place larger EV truck orders.

“One or two trucks, everybody’s got. It’s when they try to do their fleets,” said Calvin Butler, chief executive of utility Exelon, which operates in five Eastern states and Washington, D.C. Butler said he urges fleet managers to reach out as early as possible.

The challenge is especially acute in California, where drayage trucks, which carry containerized cargo to and from ports and rail centers, face a looming deadline. The state will require any new drayage trucks added to fleets starting next year to run on electric batteries or hydrogen fuel cells. California also plans to phase out sales of new gasoline-powered passenger cars, pickup trucks and SUVs by 2035 and require all new medium- and heavy-duty truck sales be zero-emissions by 2036.

Electric trucks have the potential to reduce air emissions for communities by eliminating diesel use. Trucks represent 6% of the vehicles on California’s roads, but a quarter of the state’s on-road greenhouse-gas emissions, according to state regulators. California plans to spend \$1.7 billion for medium- and heavy-duty infrastructure for zero-emission vehicles by 2026.

A state analysis in 2021 estimated California would have 180,000 medium- and heavy-duty zero-emission vehicles by 2030 that would need 157,000 chargers, many of those at depots operated by the fleet owners. The California Trucking Association estimates there are fewer than 700 chargers at depots now.

Fleet owners must figure out how to install chargers at their depots, which they often lease. The engineering and power management is so complex that it takes collaboration with equipment providers, truck makers, utilities and landlords.

Chargers will also be needed on the road but there is no network of electric truck stops yet. California has the most EV fast chargers for regular passenger cars nationally, which technically could charge trucks, but those sites aren’t designed to fit industrial vehicles.

A primary problem is the mismatch in how fleets and utilities plan. Demand for electricity has stayed relatively flat for decades and utilities don't usually build infrastructure where they anticipate customers might want power; they wait for certainty. Traditional customers such as new shopping malls take years to design and build.

But truck fleets may need as much or more power than a mall and arrive in a fraction of the time. They often plan truck orders a year in advance. They position trucks near highways, rail or ports, not available power. As fleets add trucks they may need to draw an additional 6 to 8 megawatts of power or more.



A mobile charging system in California runs on natural gas. PHOTO: PROLOGIS MOBILITY

“That’s about 1,000 homes,” said Steve Powell, chief executive of utility Southern California Edison. “We may need a new substation or something like that and a line to be built.” If so, that could take four or five years, he said.

Some delays, including yearlong waits for city permits and electrical supply equipment, are beyond the control of utilities or fleets.

California is trying to speed the deployment of chargers as it simultaneously adds new clean generation and closes fossil-fuel plants to comply with a law passed in 2018 requiring the state to decarbonize its power grid by 2045. During a heat wave last September, it narrowly avoided rolling power outages, in part, by asking customers to use less power.

By 2030, electric-vehicle charging is expected to account for nearly 5% of the state’s peak demand.

“It’s an increase in our electricity use. We’ve got to plan for it,” said Patty Monahan, lead commissioner for transportation at the California Energy Commission.

Monahan said the state has been able to absorb other grid demands such as the addition of data centers, but called replacing a fuel distribution system unprecedented.

“We had over 100 years to get a refueling system ready for all the gasoline and diesel internal combustion vehicles we have, and now in the next 10 to 15 years we’re trying to do that same thing for zero-emission transportation,” she said.

In lieu of chargers, temporary solutions can include mobile substations, batteries or generators. Powell said Southern California Edison has come across some fleets powering chargers using diesel generators—the fuel regulators are trying to avoid—so that new EV trucks don’t sit unused.

“The idea is that you’re decarbonizing and helping with local air pollution,” Powell said. “The diesel generators certainly aren’t doing that.”

Pacific Drayage Services has so far added six EVs into its fleet of around 300 mostly diesel trucks in Southern California. When company President Jim Gillis told utility workers that he would eventually need 120 heavy-duty electric trucks at his company’s 10-acre service site in Compton, they “basically laughed at me,” he said. Upgrades would take five to 10 years.

Instead, Gillis is installing a system of chargers paired with battery storage. It can discharge power to trucks even during times of grid stress. The battery storage itself can recharge at a time of day when electricity prices are the cheapest. He is also hedging—Gillis tripled his usual order of new diesel trucks from 30 to 100, which will arrive by year-end, just beating the deadline before California phases them out.

“You almost have to have a degree in electrical engineering to really understand some of the stuff that we’re going through right now,” Gillis said.

Write to Jennifer Hiller at jennifer.hiller@wsj.com

Appeared in the July 17, 2023, print edition as ‘Electric Big Rigs Hit Streets But Chargers Remain Scarce’.

Karen Hojas

From: Rob Vandling -AZ <rob.vandling@commonspirit.org>
Sent: Monday, July 31, 2023 10:50 AM
To: Karen Hojas; Robert O'Hare -CA
Subject: Fwd: Two more Rob for SJMC - PG&E

FYI

Robert W. Vandling, CEM, CAP, CDSM
Sustainability Program Manager
National Real Estate Services

CommonSpirit Health®

3033 N. 3rd Ave
Attn: NRES
Phoenix, AZ 85013
480.205.4900 (M)
Rob.Vandling@commonspirit.org

----- Forwarded message -----

From: **Kanter, Matt** <MIK3@pge.com>
Date: Fri, Jul 28, 2023 at 1:01 PM
Subject: RE: Two more Rob for SJMC - PG&E
To: Rob Vandling -AZ <rob.vandling@commonspirit.org>

USE CAUTION - EXTERNAL EMAIL

Classification: Public

Rob,

For your awareness, Chris Silverman also reached out to me on this topic. Here's what I sent to him, which I think will address your questions. The difference between what I'm sending to him and you is that I can provide a full list of Dignity service agreements that are on the waiting list.

If we don't have any green tariff options through PG&E, is your organization looking to CCA enrollment when East Bay Community Energy expands to Stockton next year?

Solar Choice waiting list: All enrollment on Solar Choice is on hold per California Public Utility Commission directive in [Decision 21-12-013](#). All customers attempting to enroll are placed on a waitlist for future enrollment if capacity becomes available. I can provide a list of Dignity sites to the customer or to third parties with authorization.

Regional Renewable Choice: There are currently no projects online that are taking customers for enrollment, so any cost differences would be speculative since there is nothing available at this time.

Future green tariff options: We are going through a [proceeding right now with the Commission](#) to determine the future of the green access programs, so hopefully we have a little bit more direction on how customers can subscribe to community solar in the next 6 months or so. For right now though, Solar Choice is on hold until we can procure more dedicated resources for the program.

Full list of Solar Choice waiting list service agreements on a separate, encrypted email.

Matt

Matt Kanter

(He/Him/His)

Customer Relationship Manager

matt.kanter@pge.com

(415) 813-9456



Power Outage Information Center: 1-800-743-5002

Business Customer Service Center: 1-800-468-4743

Building and Renovations: 1-877-743-7782

www.pge.com/healthcareforbiz

From: Kanter, Matt <matt.kanter@pge.com>
Sent: Tuesday, July 25, 2023 3:20 PM
To: Rob Vandling -AZ <rob.vandling@commonspirit.org>
Subject: RE: Two more Rob for SJMC - PG&E

Classification: Public

Rob,

Let me get something from the PG&E program manager for you. Stay tuned!

Matt

Matt Kanter

(He/Him/His)

Customer Relationship Manager

matt.kanter@pge.com

(415) 813-9456



Power Outage Information Center: 1-800-743-5002

Business Customer Service Center: 1-800-468-4743

Building and Renovations: 1-877-743-7782

www.pge.com/healthcareforbiz

From: Rob Vandling -AZ <rob.vandling@commonspirit.org>

Sent: Tuesday, July 25, 2023 1:14 PM

To: Kanter, Matt <matt.kanter@pge.com>

Subject: Fwd: Two more Rob for SJMC - PG&E

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This email was sent from an EXTERNAL source. Do you know this person? Are you expecting this email? Are you expecting any links or attachments? If suspicious, do not click links, open attachments, or provide credentials. Don't delete it. **Report it by using the "Report Phish" button.**

Matt -

In relation to the first request below, could you send me an email stating that the PG&E's solar program subscription is currently closed and that Dignity Health is currently on the wait list when/if it were to reopen?

Thanks.

Robert W. Vandling, CEM, CAP, CDSM

Sustainability Program Manager
National Real Estate Services

CommonSpirit Health®

3033 N. 3rd Ave
Attn: NRES
Phoenix, AZ 85013
480.205.4900 (M)
Rob.Vandling@commonspirit.org

----- Forwarded message -----

From: Robert O'Hare -CA <robert.o'hare@commonspirit.org>

Date: Tue, Jul 25, 2023 at 8:43 AM

Subject: Two more Rob for SJMC - PG&E

To: Rob Vandling -AZ <rob.vandling@commonspirit.org>

Cc: Karen Hojas <Karen.Hojas@cumming-group.com>

1. PG&E Solar Program: Did I hear/ see that PG&E's solar program in Stockton/ State is oversubscribed and the hospital is on the waiting list. If yes - do we have a PG&E key account rep that we can get an email from to this effect?

2. PG&E Renewable Choice: Did I hear/ see that participation in the PG&E renewable energy program(s) would cost \$0.04 per kWh more than the hospital is now paying? If yes - do we have a PG&E key account rep that we can get an email from to this effect?

--

Sincerely,

Robert O'Hare, DBIA

Manager | Planning, Design & Construction

National Real Estate Services

Ideation | Input | Activator | Positivity | Arranger

CommonSpirit Health®

Address

3400 Data Drive

Rancho Cordova, CA 95670

916-387-5124 (M)

robert.o'hare@commonspirit.org

<https://commonspirit.org>

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We respect your privacy. Please review our privacy policy for more information.

<http://www.pge.com/en/about/company/privacy/customer/index.page>

You can read about PG&E's data privacy practices [here](#) or at PGE.com/privacy.

JUNE 30, 2022

FACT SHEET: Health Sector Leaders Join Biden Administration's Pledge to Reduce Greenhouse Gas Emissions 50% by 2030

Health Sector Steps Up to Protect Public Health and Lower Costs

Today, the Biden-Harris Administration announced that 61 of the largest U.S. hospital and health sector companies responded to the Administration's Health Sector Climate Pledge, committing to reduce greenhouse gas emissions 50% by 2030. The new commitments represent over 650 hospitals and thousands of other providers across the country, and include plans to strengthen resilience to climate change, protect public health, and lower costs. The health care sector accounts for 8.5% of U.S. emissions, so these bold commitments advance President Biden's goal to reduce nationwide greenhouse gas emissions 50-52% in 2030 and reach net-zero emissions in 2050.

Today, historic commitments are being made across the health care industry, including:

- Two of the five largest US private hospital and health systems (Ascension and CommonSpirit Health) and the largest US public health system have pledged to halve their carbon emissions by 2030.
- Leading health sector suppliers like Pfizer and AstraZeneca have stepped up to achieve net-zero emissions ahead of the 2050 pledge timeline.
- Major medical associations, including America's Essential Hospitals, the American Association of Medical Colleges, and the National Academy of Medicine, have committed to taking climate action.

The full list of the 61 organizations is outlined below.

President Biden sees action on climate change as a public health priority. Studies show that the increasingly dangerous consequences of climate change are affecting public health, through more frequent and intense severe weather, extreme heat, and threats to food and water security. The Biden-

Harris Administration is committed to using every available tool to protect public health, while moving full-speed ahead with our mission to tackle the climate crisis, to create jobs, grow the clean energy economy, and lower costs for families.

The Biden-Harris Administration launched the Health Sector Climate Pledge on Earth Day 2022 through the Department of Health and Human Services (HHS). Since then, over 650 private and public hospitals and health centers, along with pharmaceutical companies, medical device-makers, suppliers, and group purchasing organizations have signed the pledge, joining more than 200 federal hospitals and health facilities from HHS, the Department of Veterans Affairs (VA) and the Military Health System. These organizations are also developing climate resilience plans for facilities and communities, including plans to support individuals and communities most vulnerable to the impacts of climate change. Today, the White House and HHS are re-opening the Health Care Sector Pledge until October 28th, 2022 to build on these historic commitments ahead of the United Nations Climate Conference in November.

Private Sector Pledge Signers

61 organizations have signed the pledge, representing a large share of the US health sector, including:

- **Health Systems, Hospitals and Other Providers**
 - Providence Health, HealthPartners, Kedren Health, CommonSpirit Health, University Medical Center of El Paso, NYC Health + Hospitals, Boston Medical Center, Baystate Health, Stanford Children's Health, Stanford Health Care, Atrium Health, Cherokee Health Systems, University of California Health, Northwell Health, Rush University System for Health, Northern Arizona Healthcare, Hackensack Meridian Health, UW Medicine, RWJBarnabas Health, Sun River Health, NYU Langone Health, Ascension, Henry Ford Health, Mass General Brigham, Boston Children's Hospital, Tufts Medicine, Southcoast Health, Children's National Hospital, Mount Sinai Health System, Kaiser Permanente, Keck Medicine of USC, Beth Israel Deaconess Medical Center, Montefiore, Seattle Children's, Valley Children's Healthcare, University of Nebraska Medical Center and Nebraska Medicine, Advocate Aurora Health,

Gillette Children's, University of Utah Health, Steward Health Care System, DaVita

- **Other Industry Organizations**

- Philips, AstraZeneca, Owens & Minor, NewGen Surgical, Chiesi Group, Pfizer, AmerisourceBergen, Excellus Health, Blue Shield of California, Vizient, Aspirus, Anthem, WCM Waste and Compliance Management

- **Associations, Nonprofits and Technical Assistance Organizations**

- National Academy of Medicine, Association of American Medical Colleges, the Joint Commission, Health Care Without Harm, American College of Physicians (NJ), Kimball Sustainable Healthcare, Mazzetti

Leading by Example to Advance Health & Climate Goals

Last year, the Administration established the Office of Climate Change and Health Equity at HHS to identify and address health disparities exacerbated by climate impacts. Since then, the Administration has invested over \$8 billion in the Low-Income Home Energy Assistance Program (LIHEAP) to help low-income Americans manage energy costs in the face of extreme weather.

The VA has made substantial progress implementing its 2021 Climate Action Plan, including incorporating climate resilience requirements into construction standards, assessing the adequacy of critical supply stockpiles to align with projected climate change impacts, and developing agency wide strategies to address mission risk amplified by climate change. Within its medical centers, VA has also successfully initiated efforts to transition to zero-emission vehicles, is accelerating efforts to increase energy and water efficiency, and is expanding upon existing and new sources of carbon-pollution free electricity.

Today, the Administration is announcing a series of new resources to support the health sector in transitioning to clean energy, reducing emissions, and building climate resilience:

- **Federal Health Sector Emissions Reduction Resources.** HHS, with contributions from the Department of Energy (DOE), the Environmental Protection Agency (EPA), the Department of Housing and Urban

Development (HUD) and the Department of Agriculture (USDA), is launching the “Accelerating Healthcare Sector Action on Climate Change and Health Equity” webinar series to provide education and training on sustainable infrastructure financing, climate emergency preparedness, and emissions tracking from the health sector supply chain.

- **Federal Health Network on Decarbonization Best Practices.** The VA, Military Health System, and Indian Health Service are launching a coalition to exchange best practices on emissions reduction and climate resilience with a plan to share their learning with private-sector organizations.
- **National Research Forum on Climate Impacts and Heart Health.** HHS is launching *The Million Hearts Climate Change & Cardiovascular Disease Collaborative (CCC)*, a national forum for health care organizations to learn about climate change and the effects of air pollution on cardiovascular health, and to review evidence-based interventions to address those threats.
- **Health Sector Emissions Assessment Toolkit.** HHS’s Agency for Health Care Research Quality (AHRQ) will release a suite of resources to facilitate consistent measurement and reporting of health facility emissions data and to provide guidance on transitioning to greener models of care delivery.
- **Federal Funding for Climate Smart Health Facilities.** The Department of Housing and Urban Development (HUD) launched the Green Mortgage Insurance Premium which will provide incentives for ongoing care facilities to implement energy and water efficiency upgrades. This program will lower costs for renovation and rehabilitation of facilities and increasing the safety of the populations they serve.

Private Health Care Systems Leading the Way

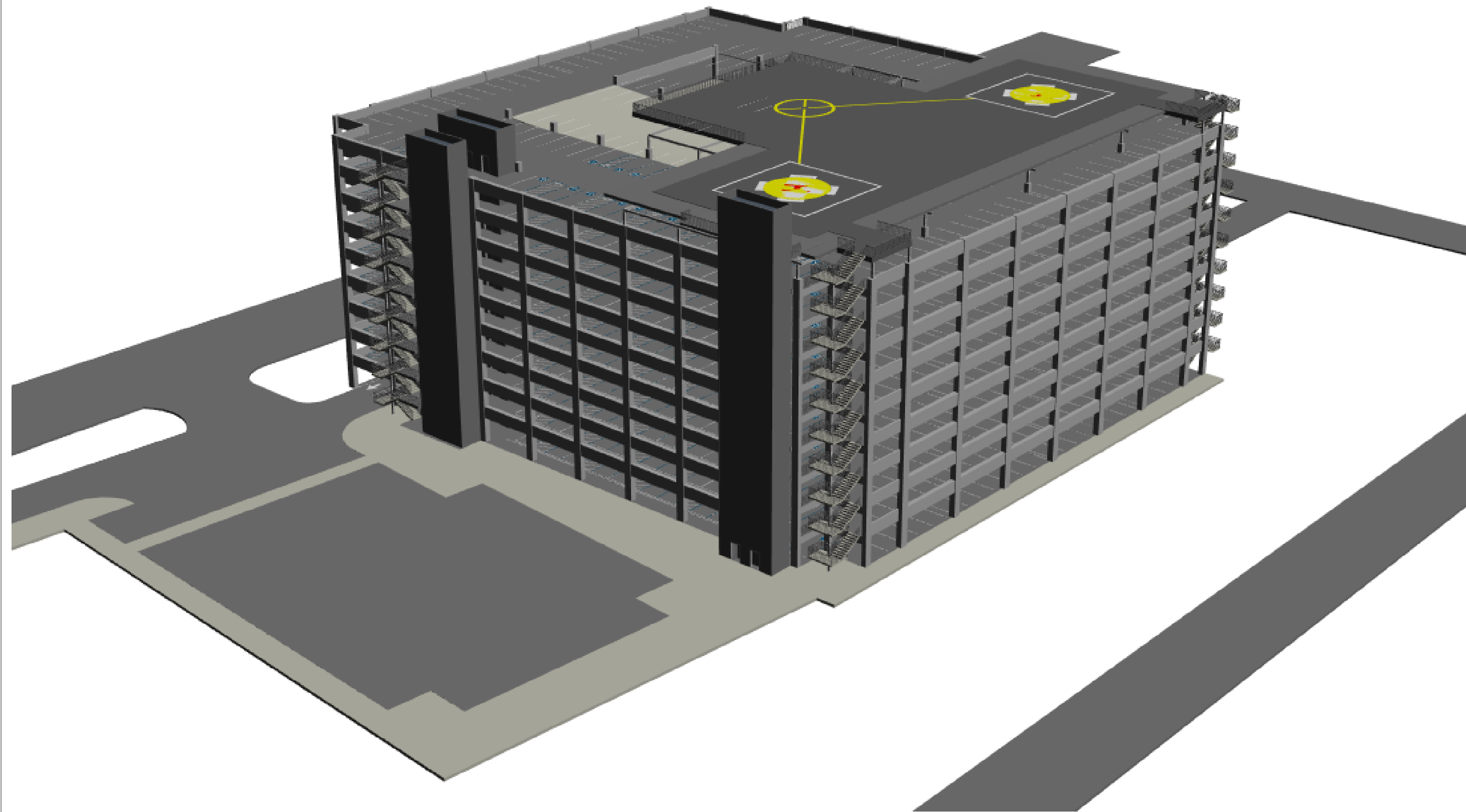
Private health care systems are taking up the mantle on climate action – going beyond the HHS Health Care Sector Climate Pledge to achieve even greater progress on climate resilience:

- **Tackling Super-Polluting Medical Gases:** Providence Health, Advocate Aurora Health, and Children’s National Hospital have committed to reduce emissions from medical anesthetic gases used in surgical procedures by over 75% – keeping these dangerous greenhouse gasses

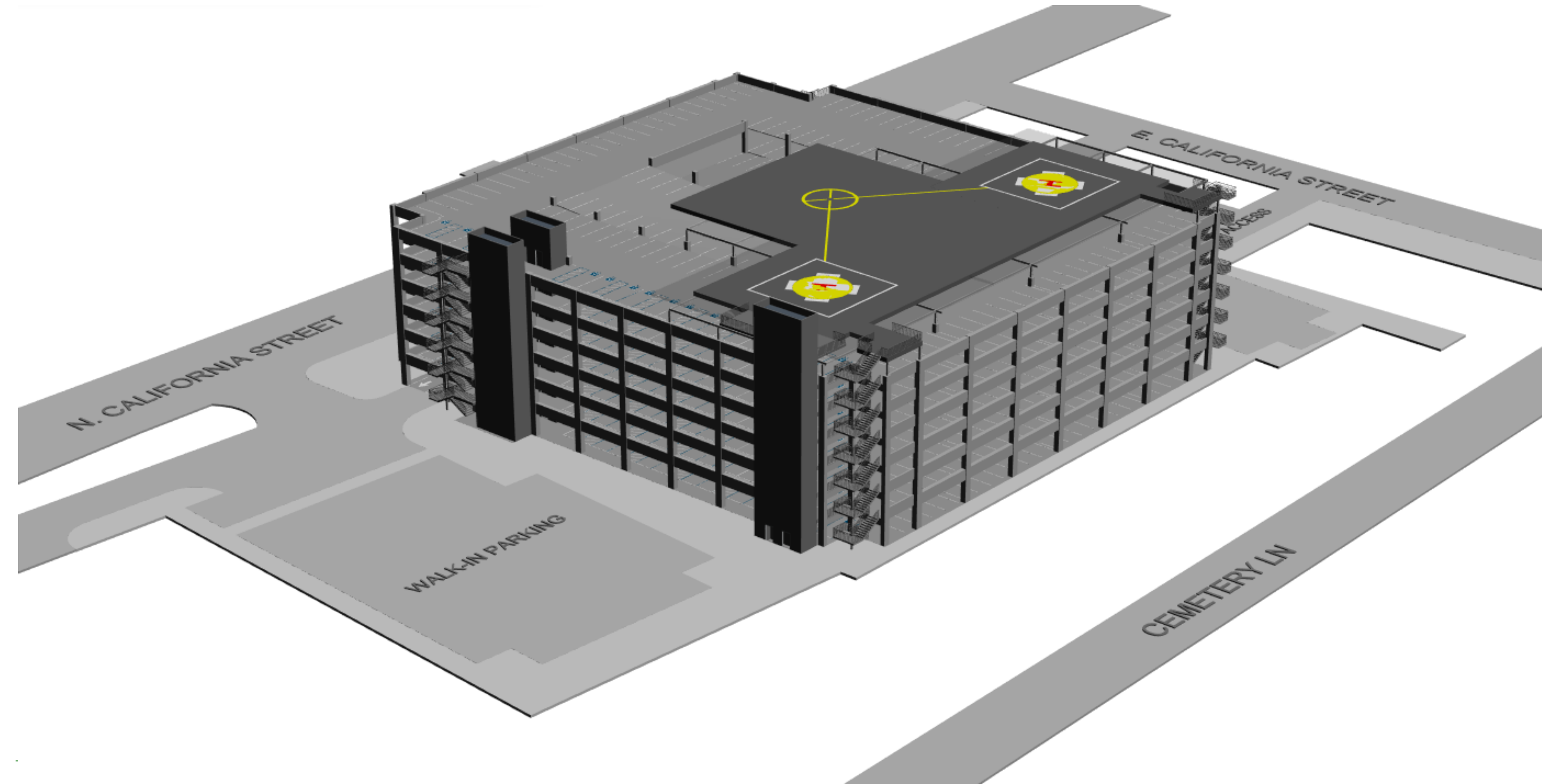
from being vented into the environment. AstraZeneca and Chiesi Group are tackling emissions from fluorinated gases used in common devices like inhalers, with the goal of reducing their carbon footprint by at least 90%.

- **Investing in Clean Energy:** Blue Shield of California, NYC Health + Hospitals, AmerisourceBergen, Kaiser Permanente, Children's National Hospital and others have constructed on-site solar arrays and other clean energy generation sources to reduce emissions and provide direct benefits for surrounding communities. Kaiser Permanente has added over 44 MW of on-site solar generation – enough to power 9,600 homes, while the energy from Children's National Hospital will benefit communities through a solar program that will lower utility costs for 325 families by up to \$500 a year.
- **Achieving Carbon Neutrality:** Seattle Children's Hospital, Philips, Kaiser Permanente, and Blue Shield California have all surpassed their pledge commitment and already achieved carbon neutrality.
- **Building Climate Resilience in Vulnerable Communities:** Valley Children's Healthcare, University of Utah, and CommonSpirit Health have developed and implemented detailed climate resilience plans that put the focus on communities most vulnerable to the impacts of climate change, because the cascading impacts on health such as poor air quality from wildfires, extreme heat, and increased instances of vector-borne diseases are hitting those communities first.
- **Increasing Transparency on Climate Costs-Impacts:** Vizient, AstraZeneca, and DaVita are leading the charge to ensure that company costs and accounting include risks to organizations from climate impacts through the Task Force of Climate Related Financial Disclosure. These actions will ensure that companies make climate-smart investments with information about how climate can disrupt health care supply chains, damage facilities or impact energy supply.

DESIGN COMPARISON



PREVIOUS DESIGN
G+9 (10 TIERS)



CURRENT DESIGN
G+6 (7 TIERS)

N. CALIFORNIA STREET

VEHICULAR ENTRANCE 1

VEHICULAR ENTRANCE 2

VEHICULAR ENTRANCE 3

E. CLEVELAND STREET

E. CLEVELAND STREET ACCESS

PROPOSED G+6 (7 TIER)
PARKING STRUCTURE

WALK-IN PARKING

NEW ACUTE CARE HOSPITAL TOWER

NEW CENTRAL UTILITY PLANT

DIGNITY HEALTH PARKING STRUCTURE

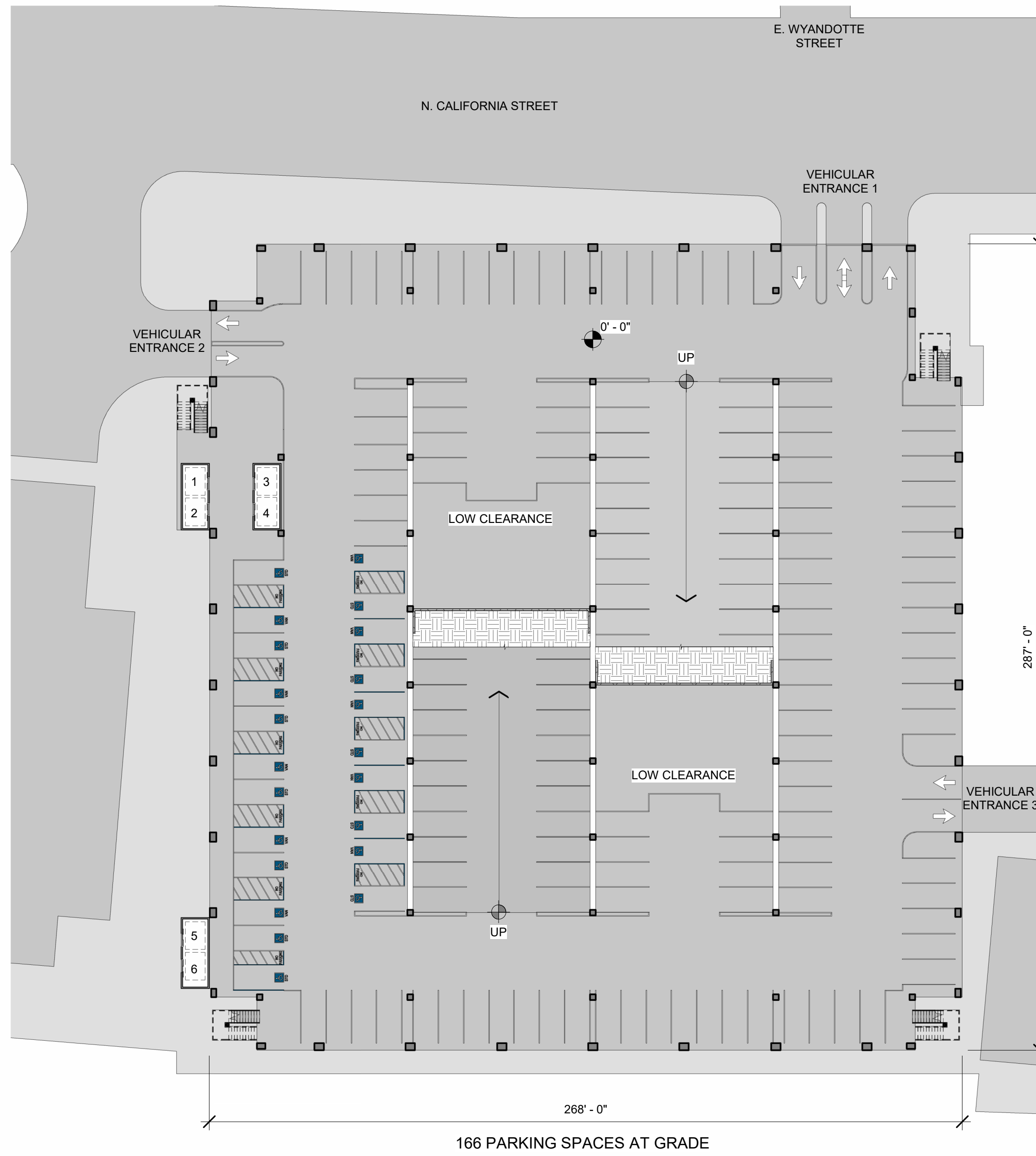
SITE PLAN

SCALE: 1" = 20'-0"



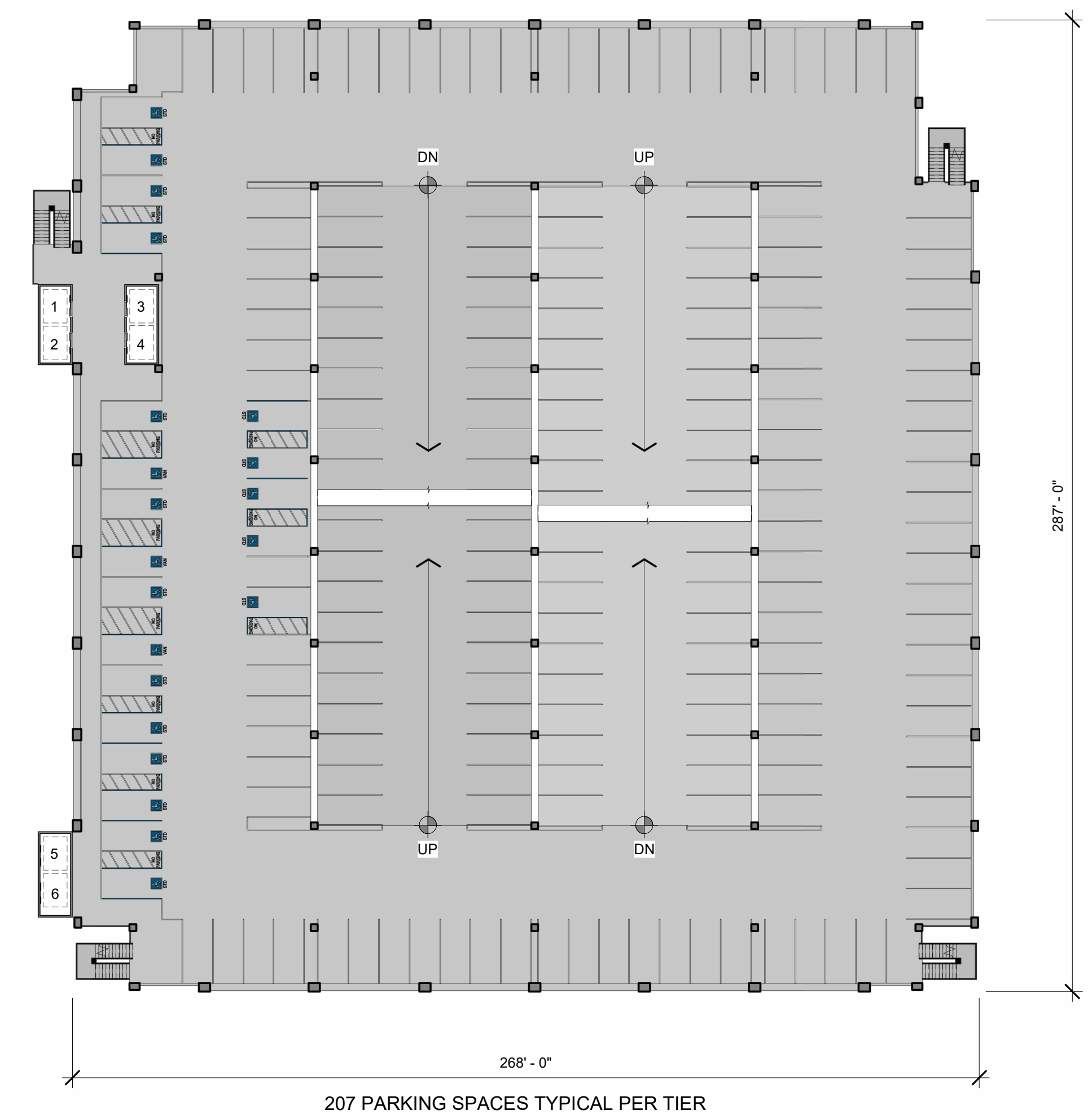
A.1

06/23/23

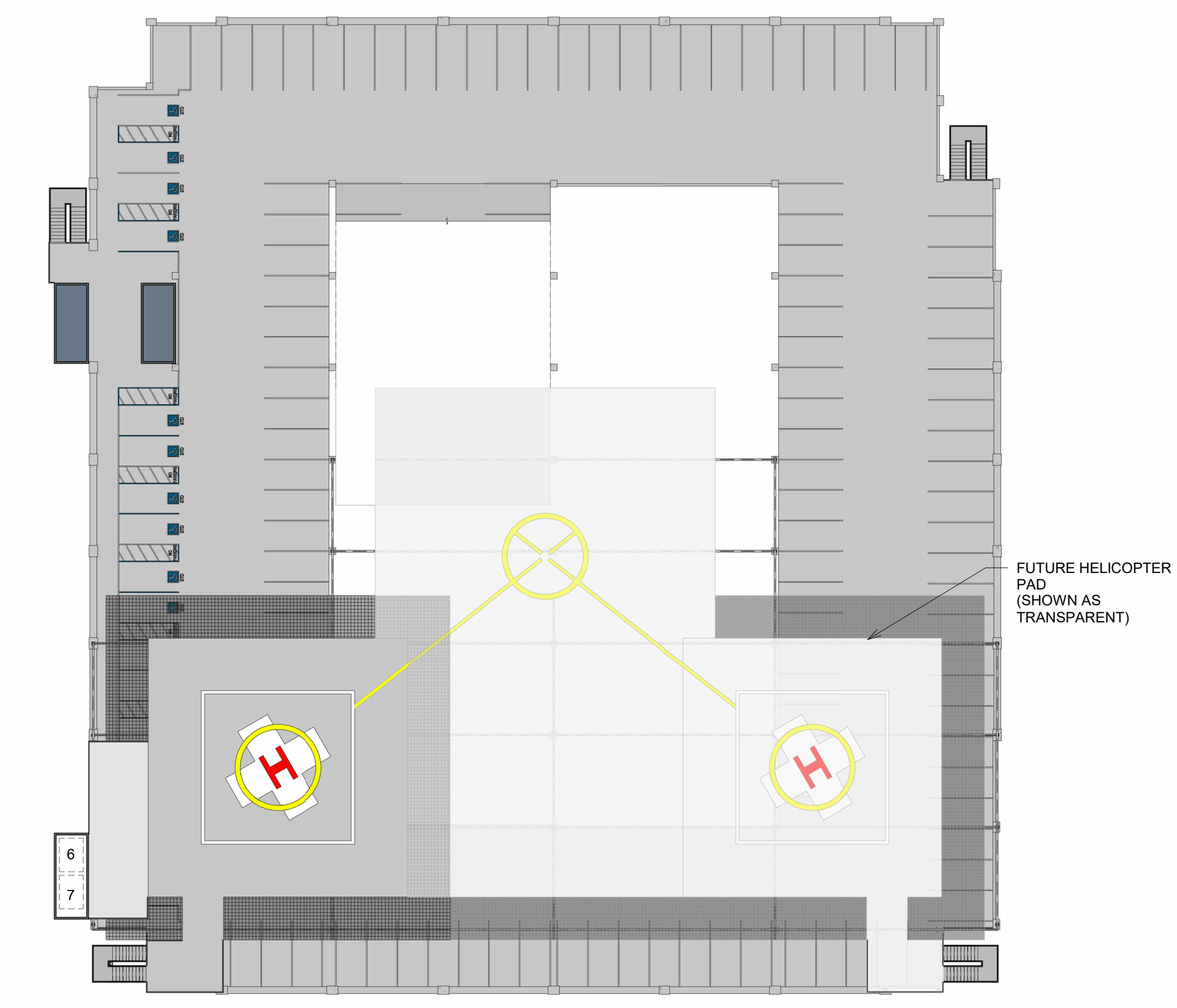


① Level 1
1/32" = 1'-0"

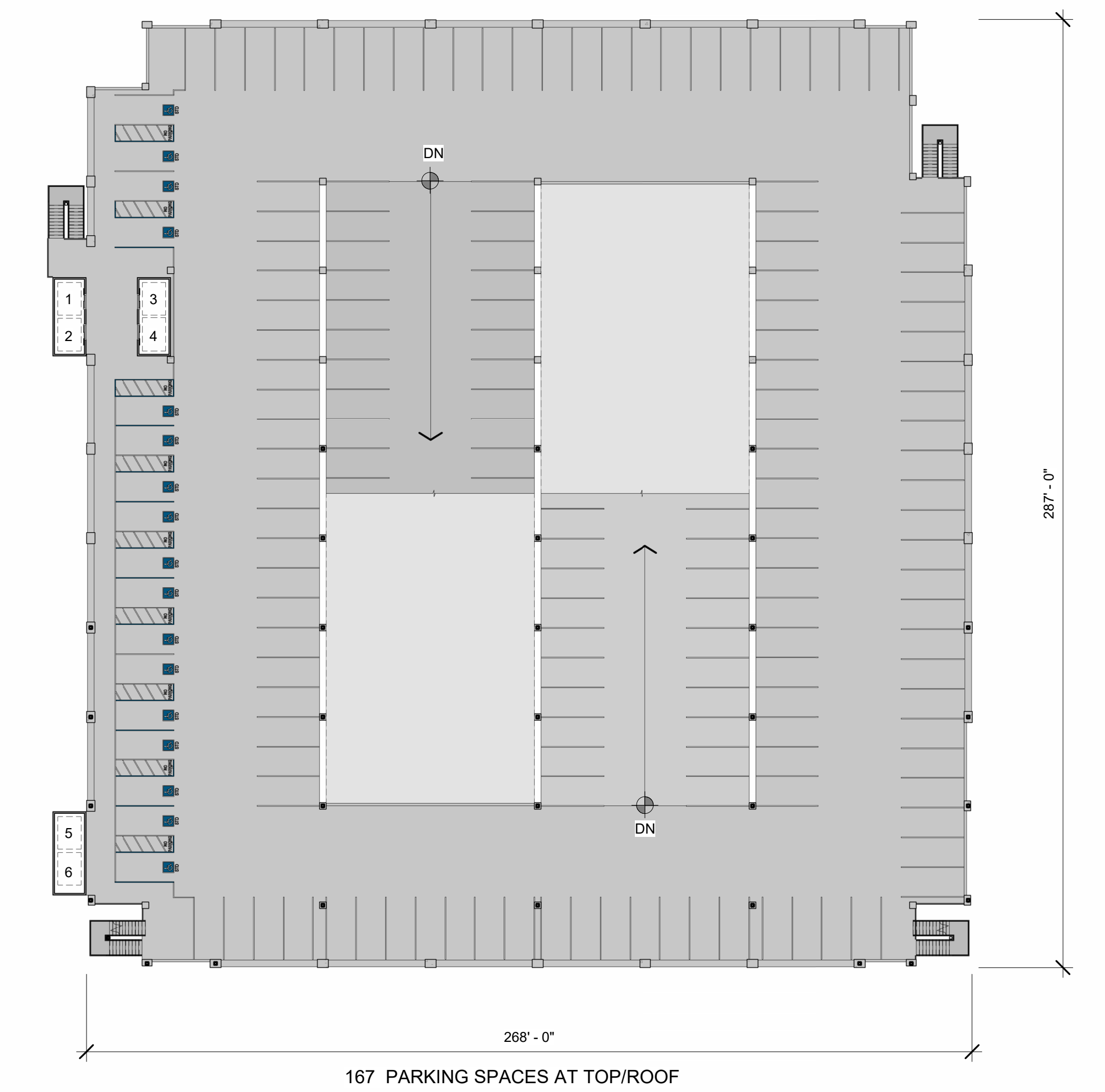
AREA SUMMARY	PARKING SUMMARY
<ul style="list-style-type: none"> Level 1 = 75,705 sf Level 2 = 74,745 sf Level 3 = 74,745 sf Level 4 = 74,745 sf Level 5 = 74,745 sf Level 6 = 74,745 sf Level 7 = 62,965 sf 	<ul style="list-style-type: none"> Level 1 = 166 Spaces Level 2 = 207 Spaces Level 3 = 207 Spaces Level 4 = 207 Spaces Level 5 = 207 Spaces Level 6 = 207 Spaces Level 7 = 167 Spaces
<ul style="list-style-type: none"> Total Area = 512,395 sf Heliport = 7,197 sf 	<ul style="list-style-type: none"> Total Parking Spaces: 1368 Total Accessible Spaces: 137 (10%)



② Level 2 - 6 (Typical)
1/32" = 1'-0"



④ Level 8 - Heliport
1/32" = 1'-0"

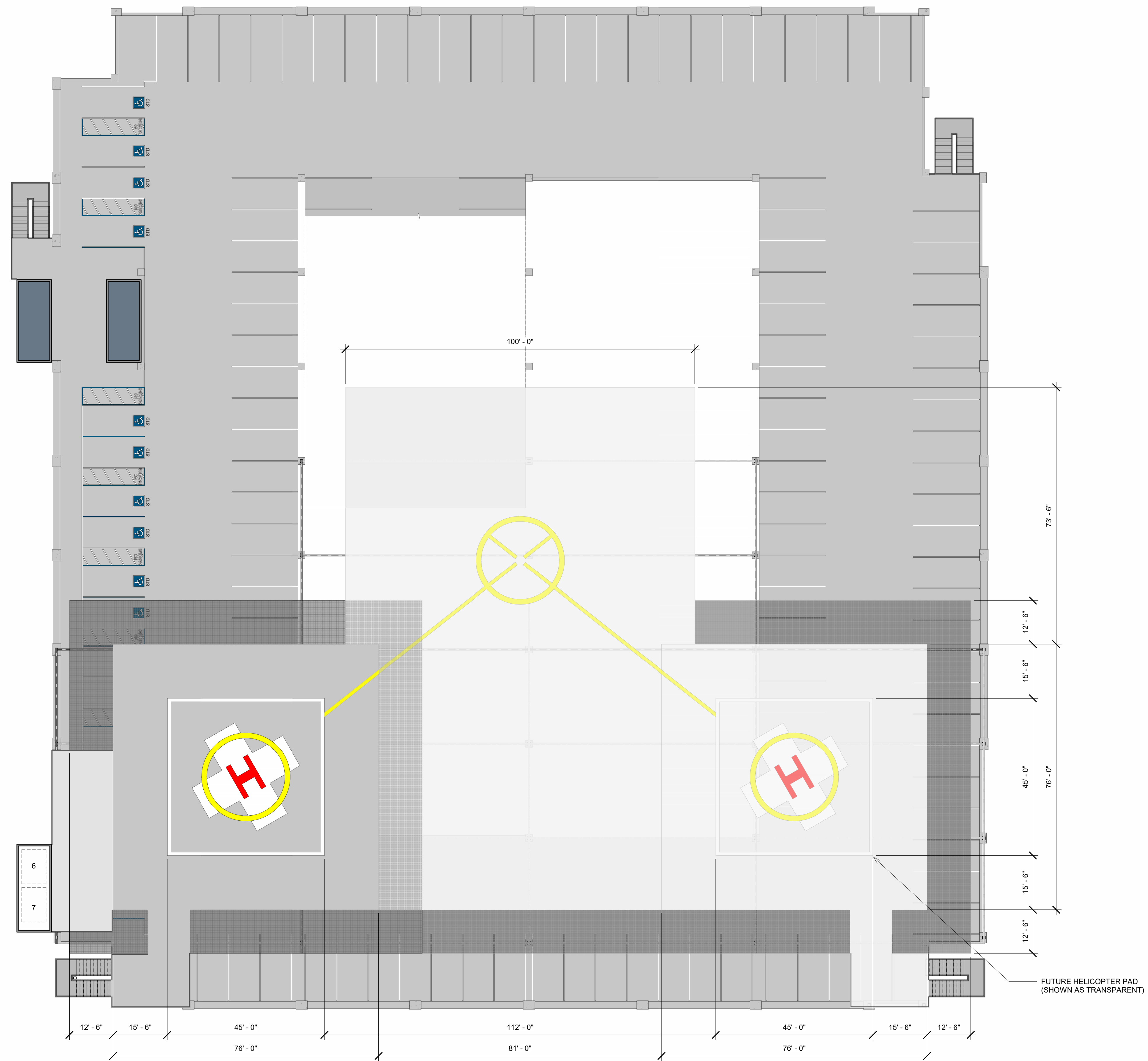


③ Level 7
1/32" = 1'-0"

DIGNITY HEALTH PARKING STRUCTURE

PLAN VIEWS

SCALE: 1/32" = 1'-0"

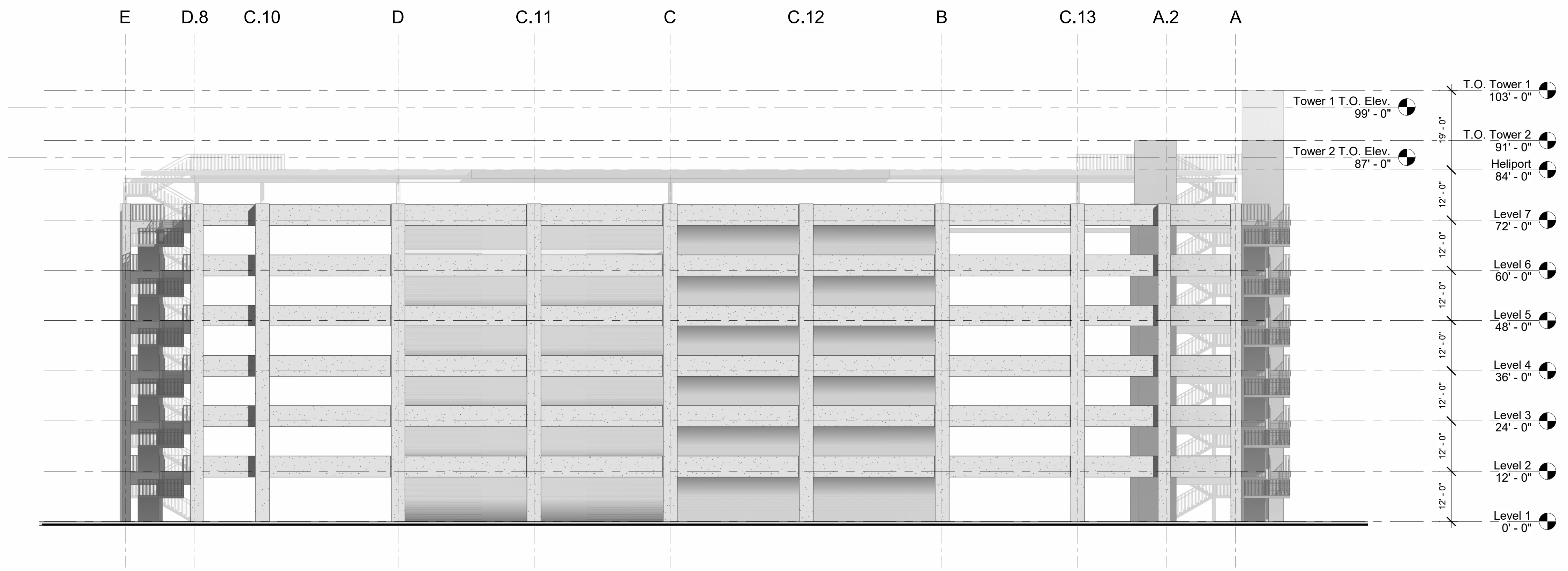


① Level 8 - Dual Heliport Enlarged
 1/16" = 1'-0"

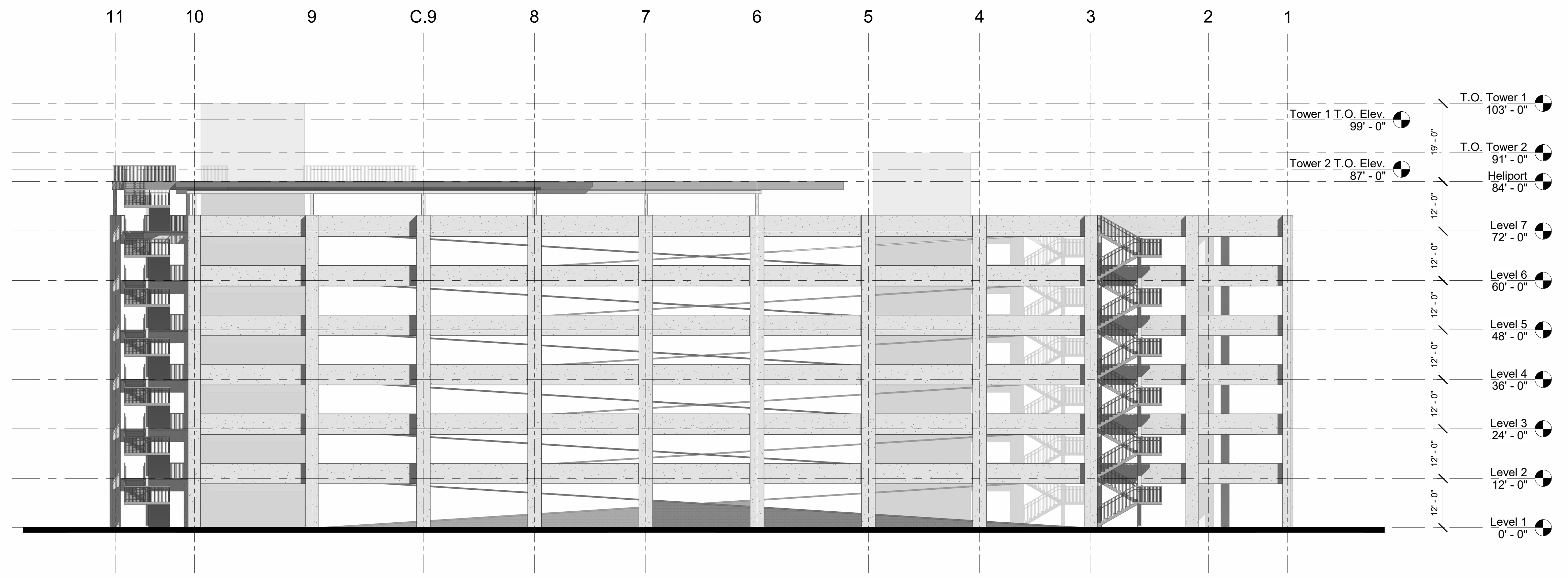
DIGNITY HEALTH PARKING STRUCTURE

ENLARGED HELIPORT PLAN

SCALE: 1/16" = 1'-0"



① North
1/16" = 1'-0"

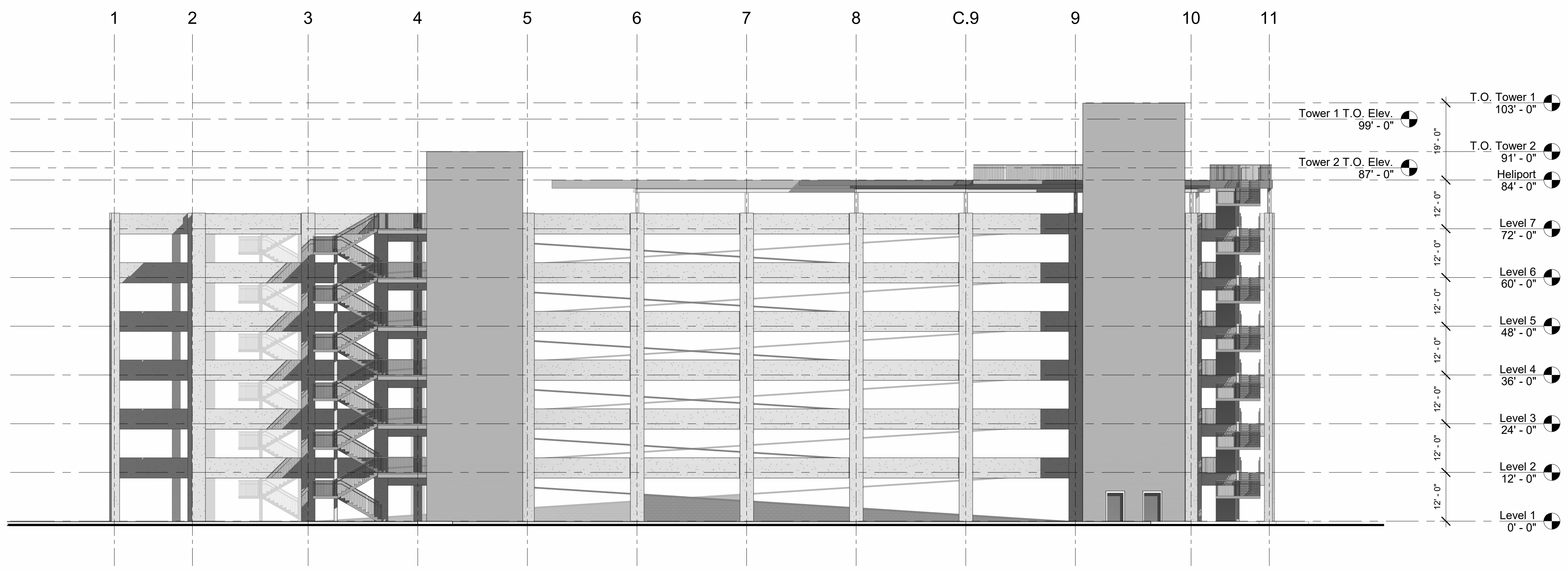


② East
1/16" = 1'-0"

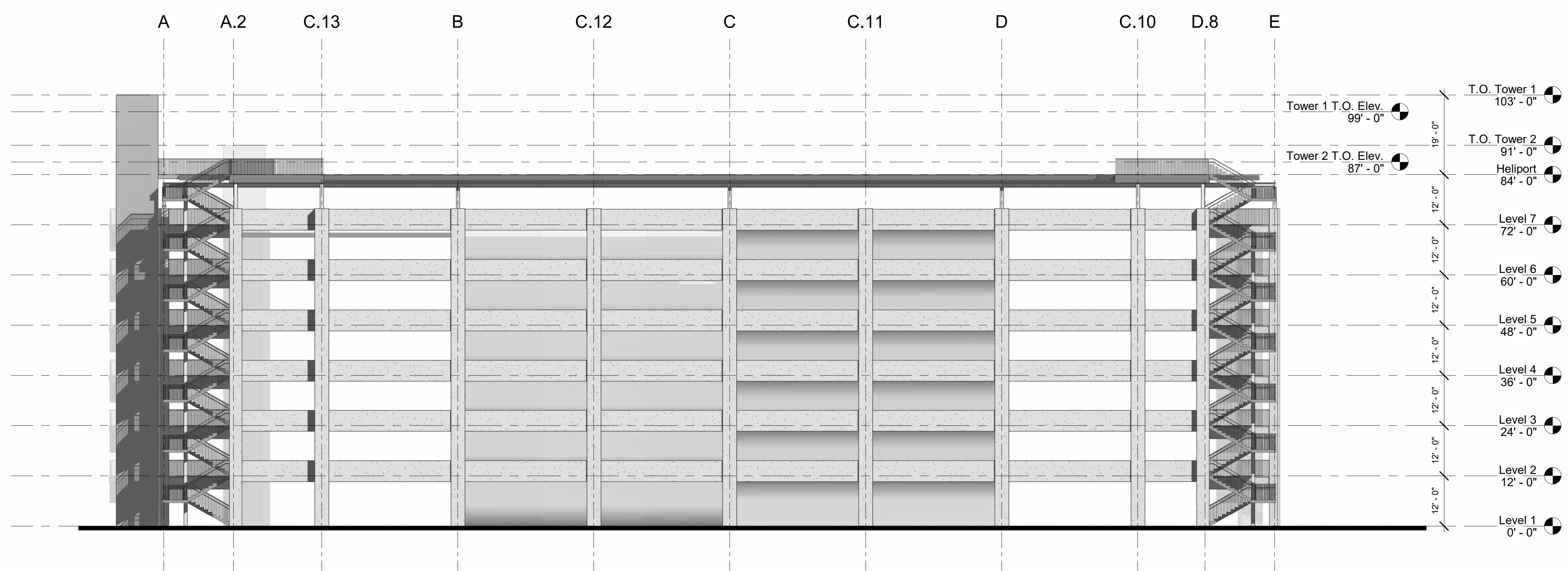
DIGNITY HEALTH PARKING STRUCTURE

NORTH AND EAST ELEVATIONS

SCALE: 1/16" = 1'-0"



② West
1/16" = 1'-0"



① South
1/16" = 1'-0"

DIGNITY HEALTH PARKING STRUCTURE

SOUTH AND WEST ELEVATIONS

SCALE: 1/16" = 1'-0"