1.0 LAND USE AND SOCIOECONOMICS

This chapter examines the land use and development patterns in Manteca, the City's demographics and housing profile, economic characteristics, and fiscal conditions. The information and analysis is intended to inform the General Plan Update process by providing both historical context and a baseline of existing land use, demographic, and housing development information. This chapter includes the following sections:

- 1.1 Land Use
- 1.2 Population and Housing
- 1.3 Economic and Fiscal Background Analysis

1.1 LAND USE

This section describes land use and development patterns in Manteca and identifies the regulatory framework associated with land use. Existing land use conditions, including land uses by General Plan designation and assessed land uses, are described. This chapter provides an overview of existing land use patterns, types and location of development in the city, and approved and pending projects.

KEY TERMS

City Limits: The city limits include the area within the City's corporate boundary, over which the City exercises land use authority and provides public services.

Sphere of Influence: A Sphere of Influence (SOI) is the probable physical boundary and service area of a local agency, as adopted by a Local Agency Formation Commission (LAFCO). An SOI includes both incorporated and unincorporated areas within which a city or special district will have primary responsibility for the provision of public facilities and services.

Planning Area: For the purposes of the Manteca General Plan Update, the Planning Area is defined as all lands within the city limits and Manteca SOI.

Figure 1.1-1 shows the Manteca City Limits, the adopted SOI, and the General Plan Planning Area.

REGULATORY FRAMEWORK

The regulatory framework discussion describes laws and regulations that guide land use decisions. Adopted plans that pertain to the City are also described.

STATE

California General Plan Law

Government Code Section 65300 requires that each county and city adopt a General Plan "for the physical development of the county or city, and any land outside its boundaries which bears relation to its planning."

The General Plan is a comprehensive long-term plan for the physical development of the county or city and is considered a "blueprint" for development. The General Plan provides a statement of the community's development, economic, circulation, and environmental goals and includes diagrams and text setting forth objectives, standards, policies, and programs. The General Plan must contain seven

State-mandated elements: Land Use, Open Space, Conservation, Housing, Circulation, Noise, and Safety. It may also contain any other elements that the City wishes to include. The land use element designates the general location and intensity of designated land uses to accommodate housing, business, industry, open space, education, public buildings and grounds, recreation areas, and other land uses.

The 2003 General Plan Guidelines, established by the Governor's Office of Planning and Research (OPR) to assist local agencies in the preparation of their general plans, further describe the mandatory land use element as a guide to planners, the general public, and decision makers prescribing the ultimate pattern of development for the city.

California Environmental Quality Act

The California Environmental Quality Act (CEQA) was developed to protect the quality of the environment and the health and safety of persons from adverse environmental effects. Discretionary projects are required to be reviewed consistent with the requirements of CEQA to determine if there is potential for the project to cause a significant adverse effect on the environment. Depending on the type of project and its potential effects, technical traffic, noise, air quality, biological resources, and geotechnical reports may be needed. If potential adverse effects can be mitigated, a mitigated negative declaration is required. If potentially adverse effects cannot be mitigated, an environmental impact report is required. These documents have mandated content requirements and public review times. Preparation of CEQA documents can be costly and, despite maximum time limits set forth in the Public Resources Code, can extend the processing time of a project by a year or longer.

LOCAL

City of Manteca General Plan

The City's current General Plan was last comprehensively updated in 2003, an update to the Housing Element was completed in 2010, and an update to the Circulation Element was completed in 2011. Land uses in Manteca have been developed based on the Land Use Map, goals, and policies established by the City's General Plan. The City's General Plan includes broad goals that guide land use and planning decisions within the city. The goals most related to the topic of land use include:

Land Use Element

GOAL LU-1: To provide for orderly, well-planned, and balanced growth consistent with the limits imposed by the city's infrastructure and the city's ability to assimilate new development.

GOAL LU-2: To provide adequate land in a range of densities to meet the housing needs of all income groups expected to reside in Manteca, and to regulate residential growth consistent with the capacities of City facilities and services and the ability of the community to assimilate new development.

GOAL LU-3: Provide adequate land for the development of commercial uses that provide goods and services to Manteca residents and Manteca's market area.

GOAL LU-4: Provide for land uses that expand employment, education, recreation and cultural opportunities for residents and enhance Manteca as the commercial and service center for southern San Joaquin County.

GOAL LU-5: To provide adequate land for development of public and quasi-public uses to support existing and new residential, commercial, and industrial land uses.

GOAL LU-6: Provide open space as a framework for the city, and meet the active and passive recreational needs of the community.

GOAL LU-7: Reinforce land use and development patterns that encourage walking and the use of public transit within the community.

GOAL LU-8: To reinforce strong urban design, quality development and a compact city form.

Community Design Element

GOAL CD-1: Retain the compact and cohesive community form of the City.

GOAL CD-2: Maintain a memorable City identity characterized by distinctive, high quality buildings and streetscapes.

GOAL CD-3: Establish distinct, attractive identities for neighborhoods, gateways and commercial areas.

GOAL CD-10: Establish a pedestrian and bicycle friendly environment in neighborhoods and commercial and office land use areas.

Economic Development Element

GOAL ED-1: Provide for adequate land for a wide range of commercial activities. Industrial, office and retail land should be designated in an appropriate mix to provide a full range of employment and opportunities that match the skills of Manteca residents as well as shopping to meet the needs of residents.

GOAL ED-2: Locate commercially designated land in the appropriate places to maximize job creation, local capture of commercial sales, regional and interregional competitiveness and to minimize residential/commercial conflicts.

These guiding goals are reinforced by the City's General Plan Land Use Map through the designation of commercial, mixed use, and office uses along primary transportation corridors; residential development that is proximate to existing and/or planned services, parkland, and other amenities; and permanent open space and agricultural conservation areas that buffer the community and limit the extent of growth.

Land Use Designations

Table 1.1-1 summarizes the City's General Plan land use designations for areas within the City limits, Sphere of Influence, and Planning Area by acreage and parcels. In some cases, a single parcel will have multiple land use designations, so the number of parcels listed for each designation exceeds the total number of parcels as counted by the County Assessor. Land use designations on the adopted General Plan Land Use Map, as amended through November 2015, are shown on Figure 1.1-1.

A brief description of each of the adopted General Plan land use designations is provided below.

TABLE 1.1-1: CITY OF MANTECA LAND USE DESIGNATIONS IN CITY LIMITS, SOI, AND PLANNING AREA

LAND USE	*CITY LIMITS*		*SOI*		*PLANNING AREA*	
	PARCELS	*ACREAGE*	*PARCELS*	*ACREAGE*	*PARCELS*	*ACREAGE*
Very Low Density Residential	65	163.79	218	903.32	283	1,067.11
Low Density Residential	19,656	5,182.70	1,215	2,055.60	20,871	7,238.30
Medium Density Residential	1,053	316.64	18	35.43	1,071	352.07
High Density Residential	620	392.77	3	19.26	623	412.03
Commercial Mixed Use	504	611.32	10	20.54	514	631.87
General Commercial	326	840.62	31	84.72	357	925.35
Neighborhood-Commercial	194	162.55	11	12.66	205	175.21
Business Industrial Park	53	268.98	0	0	53	268.98
Business-Professional	11	14.14	0	0	11	14.14
Light Industrial	161	648.75	50	383.29	211	1,032.04
Heavy Industrial	94	536.60	6	152.49	100	689.08
Open Space	48	367.09	1	84.23	49	451.32
Agriculture	0	0	316	3,932.54	316	3,932.54
Park	122	514.59	23	73.75	145	588.34
Public/Quasi-Public	147	938.54	11	214.14	158	1,152.68
Urban Reserve	0	0	34	954.11	34	954.11
Urban Reserve-Agriculture	0	0	154	1,733.88	154	1,733.88
Urban Reserve-Comm. Mixed Use	0	0	96	157.10	96	157.10
Urban Reserve-General Comm.	0	0	8	43.47	8	43.47
Urban Reserve-Very Low Density Res.	1	9.39	61	477.94	62	487.33
Urban Reserve-Low Density Res.	0	0	134	1,307.44	134	1,307.44
Urban Reserve-Medium Density Res.	0	0	1	19.74	1	19.74
Urban Reserve-Business Ind. Park	1	70.00	17	341.82	18	411.82
Urban Reserve-Light Ind.	0	0	1	36.11	1	36.11
Urban Reserve-Park	0	0	17	67.52	17	67.52
Urban Reserve-Public/Quasi-Public	0	0	1	11.65	1	11.65
Total	**23,077**	**11,112.69**	**2,438**	**13,122.76**	**25,515**	**24,235.46**

**TOTAL DOES NOT ADD UP DUE TO PARCEL SPLIT WITH MULTIPLE DESIGNATIONS*
SOURCES: SAN JOAQUIN COUNTY, 2016; DE NOVO PLANNING GROUP, 2016.

Very Low Density Residential (VLDR) - The VLDR designation is intended to provide for residences on larger lots and small, quasi-agricultural activities, including raising and boarding livestock. Residential units are permitted to deviate from standard lot dimensions within agricultural areas in order to cluster dwellings together and thereby allow for continued agricultural use, subject to an easement dedicated to the City allowing continued agricultural use and prohibiting further non-agricultural related development. The permitted density range is less than 2.0 units per gross acre.

Low Density Residential (LDR) - The LDR designation provides for a mix of dwelling unit types and character determined by the individual site and market conditions. The density range allows substantial flexibility in selecting dwelling unit types and parcel configurations to suit particular site conditions and housing needs. The type of dwelling units anticipated in this density range include small lots and clustered lots as well as conventional large lot detached residences. The permitted density range is 2.1 to 8.0 units per gross acre.

Medium Density Residential (MDR) - The MDR designation includes single family homes and smaller scale multi-family developments, including garden apartments, townhouses, and cluster housing. The density range accommodates small-lot single family homes that will typically be smaller in size and more affordable to residents. The permitted density range is 8.1 to 15.0 units per gross acre.

High Density Residential (HDR) - The HDR designation includes multi-family apartment style housing. The multi-family dwelling sites are typically located with direct access to arterial streets. The sites have access to the pedestrian and bikeway network along the street corridor and are located along the conceptual route of a public transportation shuttle route. Most sites are near a neighborhood park and a neighborhood commercial center or larger commercial facility. The permitted density range is 15.1 to 25.0 units per gross acre.

Commercial Mixed Use (CMU) - The CMU designation accommodates a variety of purposes including high density residential, employment centers, retail commercial, and professional offices. The mixed use concept is intended to integrate a mix of compatible uses on a single site that include sales, services, and activities which residents may need on a daily basis. With pedestrian access, these sites will enable residents to walk or bike for many local trips, instead of driving for convenience trips. The sites may be integrated vertically with mixed uses above one another, such as residential or office uses over a commercial use. Sites may also be mixed horizontally with the uses side-by-side, but linked together through common walkways, plazas and parking areas. In-fill sites in the existing urban area, particularly along the Main Street, Airport Way and Yosemite Avenue corridors may be developed entirely as multi-family residential projects. Sites developed primarily as residential may also include office and retail components. The Commercial Mixed-Use designation may also be applied to smaller parcels within neighborhoods. These small parcels accommodate a variety of uses, but on a smaller, less intense scale that is compatible with the adjacent residential uses.

Business Industrial Park (BIP) - The BIP designation is intended to provide sites for large uses in an office park environment that would include multi-tenant buildings. Business parks of this nature are well suited for research and development facilities and also provide an attractive business environment for unrelated businesses. Examples of uses include administrative and general office, corporate, or regional headquarters, research and development facilities, medical offices, professional services, and light industrial.

Business-Professional (BP) - The BP designation is intended primarily for office and related uses in a landscaped site. The BP category is specifically intended for the frontage along SR 120, and along other major roads and in the Central Business District to provide an attractive, landscaped setting for one, two, and three story office buildings. This designation provides for professional and administrative offices, medical and dental clinics, laboratories, financial institutions, public and quasi-public uses, and similar and compatible uses.

General Commercial (GC) - The GC designation provides for wholesale, warehousing, and heavy commercial uses, highway oriented commercial retail, public and quasi-public uses, and similar and compatible uses. The designation is also intended to accommodate visitor commercial, lodging, commercial recreation, and public gathering facilities, such as amphitheaters, or public gardens.

Light Industrial (LI) - The LI designation provides for industrial parks, warehouses, distribution centers, light manufacturing, public and quasi-public uses, and similar and compatible uses.

Heavy Industrial (HI) - The HI designation provides for manufacturing, processing, assembling, research, wholesale, and storage uses, trucking terminals, railroad and freight stations, and similar activities that require separation from residential uses due to noise, vibration or other characteristics incompatible with residential use.

Agriculture (AG) - The AG designation encompasses habitat, open space, natural areas, lands of special status species, wetlands and riparian areas. These areas are set aside as permanent open space preserves to protect environmentally sensitive areas.

Park (P) - The P designation provides for neighborhood, community and regional parks, golf courses, and other outdoor recreational facilities within urban development. Specific uses include public recreation sites, including ball fields, tot lots and play apparatus, adult softball and soccer playing fields, swimming pools, community center buildings, meeting facilities, libraries, art centers, after school care facilities, art in public places, facilities for night-time recreation, trails benches, interpretive markers, picnic areas, barbecue facilities, landscaping, irrigation, city wells, trees and natural habitat areas.

Public/Quasi-Public (P/QP) - The P/QP designation provides for government owned facilities, public and private schools, institutions, civic uses and public utilities, and quasi-public uses such as hospitals and churches.

Urban Reserve (UR) - The UR designation is applied to many properties around the perimeter of the City. In most instances the Urban Reserve designation overlies another designation. In these instances, the underlying designation is the intended use when the land is ultimately annexed to the City. Urban Reserve with no underlying designation indicates that the City intends to expand in the time horizon beyond the current General Plan and that it is premature to indicate a specific future land use designation in this area. Urban Reserve is shown on the Land Use Map to the north and east of the proposed growth areas.

City of Manteca Zoning Ordinance

Title 17 of the Manteca Municipal Code is the City's Zoning Ordinance. The Zoning Ordinance carries out the policies of the General Plan by classifying and regulating the uses of land and structures within the City, consistent with the General Plan. The Zoning Ordinance is adopted to protect and promote the public health, safety, comfort, convenience, prosperity, and general welfare of residents and businesses. More specifically, the purpose of the Zoning Ordinance is to achieve the following objectives:

1. To provide a precise guide for the physical development of the City in such a manner as to progressively achieve the arrangement of land uses depicted in the Manteca General Plan consistent with the goals and policies of the General Plan;
2. To facilitate prompt review of development proposals and provide for public information, review, and comment on development proposals;
3. To foster a harmonious, convenient, and workable relationship among land uses to help ensure the provision of adequate water, sewer, transportation, off-street parking and off-street loading facilities, drainage, parks, open space, and other public and community facilities and institutions;
4. To promote the stability of existing land uses that conform with the General Plan and to protect them from inharmonious influences and harmful intrusions;
5. To ensure that public and private lands are ultimately used for the purposes which are most appropriate and most beneficial from the standpoint of the City as a whole;
6. To protect and enhance real property values;
7. To ensure compatibility between residential and nonresidential development and land uses;
8. To conserve and protect the City's natural resources and features, such as creeks, significant trees, and historic and environmental resources; and

9. To safeguard and enhance the appearance of the City and its established character and the social and economic stability of agricultural, residential, commercial, industrial, and other types of improved areas.

Article II of the Zoning Ordinance includes the City's Zoning Map and provides direction for the interpretation of the Zoning Map. Articles III through V define allowable land uses within each zoning district, provide development standards for each zoning district and, where applicable, provide performance standards and identify design criteria.

Downtown Design Improvement Plan and Streetscape Improvements Project

The Downtown Design Improvement Plan and Streetscape Improvements Project applies to development within the Project area, located in downtown Manteca. The Downtown Improvement Plan covers an area of 9.1 acres, incorporating 25 city blocks. The Plan focuses on the traditional core downtown of properties along the east-west streets of Yosemite Avenue, Center Street, Mikesell Street, and Moffat Boulevard. In the north-south direction, the Plan area includes land east of the Union Pacific Railroad (UPRR) tracks at Elm Avenue, the streets of Poplar Avenue, Manteca Avenue, Sycamore Avenue, Maple Avenue, Main Street, Grant Avenue, and Lincoln Avenue. The Plan area also incorporates several blocks immediately south of the UPRR tracks.

The intent of the design guidelines for downtown Manteca is:

- To promote the continuing development and revitalization of the downtown;
- To act as a continuation and amplification of the goals and objectives for the downtown as outlined in "Vision 2020, Manteca California";
- To complement the existing and proposed land uses that are part of the overall Downtown Improvement Plan; and
- To help property owners and developers design desired improvements in a manner that will insure a positive impact on the collective character and quality of downtown and create a more secure climate for other property owners to make comparable new investments.

The Downtown Manteca Design Guidelines identify a specific set of criteria for site planning, building design, and public places (i.e., sidewalks, landscaping, parking, etc.). The Downtown Manteca Design Guidelines contain guidelines for new development on lots smaller than 9,999 square feet, new development on lots larger than 10,000 square feet, and renovations of existing buildings.

Local Agency Formation Commission of San Joaquin County

In 1963, the State Legislature created a LAFCO for each county, with the authority to regulate local agency boundary changes. Subsequently, the State has expanded the authority of a LAFCO. The goals of a LAFCO include preserving agricultural and open space land resources and providing for efficient delivery of services. The San Joaquin LAFCO has authority over land use decisions in San Joaquin County affecting local agency boundaries. Its authority extends to the incorporated cities, including annexation of County lands into a city, and special districts within the County. LAFCO has the authority to review and approve or disapprove the following:

- Annexations to or detachments from cities or districts;
- Formation or dissolution of districts;
- Incorporation or disincorporation of cities;
- Consolidation or reorganization of cities or districts;

- Extensions of service beyond an agency's jurisdictional boundaries;
- Development of, and amendments to, Spheres of Influence (SOI). The SOI is the probable physical boundary and service area of each local government agency. This may extend beyond the current service area of the agency; and
- Provision of new or different services by districts.

In addition, LAFCO conducts Municipal Service Reviews (MSRs) for services within its jurisdiction. A MSR typically includes a review of existing municipal services provided by a local agency and its infrastructure needs and deficiencies. It also evaluates financing constraints and opportunities, management efficiencies, opportunities for rate restructuring and shared facilities, local accountability and governance, and other issues.

Legislation, including Assembly Bill 1555 and Senate Bill 244, has been enacted to encourage the identification and annexation of islands, which are unincorporated areas substantially surrounded by a city or cities.

San Joaquin County's Aviation System Airport Land Use Compatibility Plan

In July 2009, the San Joaquin County's Aviation System Airport Land Use Commission adopted the Airport Land Use Compatibility Plan (ALUCP), which sets forth the "referral area boundaries" around each airport in the County and the limits on land use, building height, and population density in those areas. The ALUCP regulates land use in three major areas: safety zones, noise zones, and height restrictions. It provides land use compatibility guidelines for lands near the airport, to avert potential safety problems and to ensure unhampered airport operations. The ALUCP establishes two compatibility areas: safety and noise.

Under California Government Code Section 65302.3(a), general plans must be consistent with any airport land use plan adopted pursuant to Public Utilities Code Section 21675. The Stockton Metropolitan Airport is the closest airport to Manteca. The northernmost portion of the City of Manteca and the City's SOI are located the airport influence area for the Stockton Metropolitan Airport identified in the ALUCP. The majority of this land within the airport influence area is zoned for agricultural uses by the City's municipal code. Other land uses within the airport influence area include park, industrial, commercial, public, low density residential, and medium density residential.

The lands within the City that are located in the airport influence area for the Stockton Metropolitan Airport are not within the Airport's noise exposure contours. However, the lands within the City that are located in the airport influence area are within two of the Airport's Safety Zones: Traffic Pattern Zone 7b and Zone 8. Lands within Traffic Pattern Zone 7b cannot be developed with non-residential intensities greater than 450 persons per acre and must have open land over 10% of the site. Additionally, uses within Traffic Pattern Zone 7b cannot be hazardous to flight, and outdoor stadiums are prohibited. Non-residential development on land within Traffic Pattern Zone 8 is not subject to a maximum intensity or open space requirement. Airspace review is required for development greater than 100 feet tall on lands within Zone 7b or Zone 8. Similarly, new dumps or landfills within Zone 7b or Zone 8 are subject to the Federal Aviation Administration (FAA) notification and review and are further subject to restrictions and conditions outlined by the FAA.

San Joaquin County General Plan

San Joaquin County adopted its General Plan in December 2016. The County's General Plan provides a comprehensive set of goals, policies, and implementing actions to guide the County's growth through the year 2035. The County's General Plan includes the following Elements:

- Community Development
- Public Facilities and Services
- Public Health and Safety
- Natural and Cultural Resources

The County's General Plan establishes allowed land uses for lands within the City's SOI. While the City of Manteca General Plan Land Use Map identifies planned land uses within the SOI, San Joaquin County has ultimate land use planning and project approval authority within the SOI unless the lands are annexed to the City. The County's land use designations for areas within the SOI are summarized in Table 1.1-2 and the County's land use designations for the unincorporated area around the City are shown on Figure 1.1-2.

TABLE 1.1-2: SAN JOAQUIN COUNTY LAND USE DESIGNATIONS IN SOI

LAND USE	*PARCELS*	*ACREAGE*
Agriculture/General	466	6,137.45
Agriculture/Limited	47	138.73
Agriculture/Urban Reserve	414	3,995.05
Commercial/Freeway Service	8	21.52
Commercial/General	16	41.68
Commercial/Neighborhood	2	11.45
Commercial/Recreation	8	109.16
Industrial/General	1	2.43
Industrial/Limited	111	162.84
Open Space/Parks & Recreation	1	6.63
Open Space/Resource Conservation	31	116.59
Public	1	16.97
Residential/Low Density	1,128	1,301.26
Residential/Medium Density	7	39.67
Residential/Very Low Density	242	1,020.66
TOTAL	**2,483**	**13,122.10**

NOTE: PARCEL COUNT INCLUDES SPLIT PARCELS.
SOURCE: SAN JOAQUIN COUNTY, 2017; DE NOVO PLANNING GROUP, 2017.

EXISTING SETTING

Land Use Patterns

When discussing land use, it is important to distinguish between planned land uses and existing land uses. The General Plan land use designations identify the long-term planned use of land but do not present a complete picture of existing land uses. The San Joaquin County Assessor's office maintains a database of existing land uses on individual parcels, including the number of dwelling units and related improvements such as non-residential building square footage. This information is used as the basis for property tax assessments and is summarized in Table 1.1-3 and depicted on Figure 1.1-3.

TABLE 1.1-3: ASSESSED LAND USES – CITY OF MANTECA

LAND USE CODE	# OF PARCELS	TOTAL ACRES	% OF TOTAL ACRES
Single Family Residential	22,055	6,517.63	26.90%
Multifamily Residential	1,069	329.73	1.36%
Commercial	612	1,132.24	4.67%
Industrial Manufacturing	225	468.31	1.93%
Industrial Non-Manufacturing	138	404.56	1.67%
Institutional	447	1,986.07	8.20%
Office	129	58.69	0.24%
Open Space	3	176.14	0.73%
Parks and Recreation Facilities	47	219.18	0.90%
Agricultural	544	12,861.20	53.08%
Communication/Utilities	23	21.85	0.09%
Non-Taxable	38	23.65	0.10%
No Use Code	179	32.03	0.13%
Total	25,509	24,231.27	100.00%

SOURCE: SAN JOAQUIN COUNTY ASSESSOR'S OFFICE, 2016; DE NOVO PLANNING GROUP, 2016.

Existing land uses refer to the existing built environment, which may be different from the land use or zoning designations applied to land for planning purposes. Existing land uses are based on data provided by the County Assessor and are described below.

RESIDENTIAL

Residential uses in Manteca include single-family houses and multi-family developments.

Single family residential is the dominant developed land use type in the city, accounting for 26.9% of the city's land area. Single family residential land uses are generally located throughout the city, as shown on Figure 1.1-3. There are approximately 22,055 single family residential parcels in the city, located on 6,517.63 acres. The majority of single family residential units (20,274 parcels) are typical single family residences, with one residence located on one parcel. Rural residential uses with one residence on-site are the second most common type of single family residential use, accounting for 432 parcels on 946.77 acres.

Multifamily residential refers to parcels that contain more than one housing unit, including duplexes, triplexes, fourplexes, condominiums, townhomes, and apartment buildings. Multifamily residential accounts for 1.36% of the city's land area. The predominate type of multifamily development are duplexes and condominiums, which account for another 490 parcels on 52.9 acres. Duets or halfplexes with a shared wall account for 270 parcels located on 23.74 acres. An additional 132 parcels of fourplexes, triplexes, and apartments with three units in two or more structures are located on 35.87 acres. Multifamily uses are generally located near services, including retail and commercial uses, and are located in and around the Downtown area, along Yosemite Avenue, Main Street, and Union Road, as shown on Figure 1.1-3.

COMMERCIAL

Commercial uses, as identified by the County Assessor, are varied. The predominant type of commercial land use, based on the percent of total acres, is vacant and undeveloped commercial land, which accounts for 78 parcels, totaling 350.27 acres. Auto-related businesses (55 parcels on 99.11 acres), medical and dental offices (47 parcels on 25.72 acres), and shopping centers (103 parcels on 195.41 acres) also represent a large portion of the city's commercial uses. The motels, hotels, and mobile home parks category totals 18 parcels of developed commercial uses on 84.59 acres. Other commercial uses include convenience stores, bowling alleys, financial buildings, theaters, drive-thru restaurants, restaurants, auto agencies, and miscellaneous. As shown on Figure 1.1-3, many of the city's commercial uses are located in and around the Downtown area, and along SR 120, Yosemite Avenue, and Main Street.

Industrial

Industrial uses (manufacturing and non-manufacturing) make up 363 parcels of development on 872.87 acres. Manufacturing industrial uses include cold storage or refrigerated warehouses (six parcels on 38.17 acres), meat products processing (three parcels on 24.42 acres), heavy industrial (two parcels on 3.38 acres), and other food processing (one parcel on 12.51 acres). Non-manufacturing industrial uses include light industrial warehousing (43 parcels on 104.22 acres), active warehouses (29 parcels on 161.74 acres), light manufacturing and light industrial uses (23 parcels on 36.10 acres), and other light industrial warehouses with multiple tenants (17 parcels on 45.05 acres). Industrial uses are located along the Union Pacific Railroad line, SR 99, and SR 120.

Institutional

Institutional uses include government facilities, schools and colleges, churches, cemeteries/mortuaries, service organizations and group homes, and residential care facilities. The majority of non-residential development in the city is institutional, which includes 447 parcels on 1,986.07 acres. Institutional uses represent the second largest category of development, after single family residential.

School district properties represent the most development in the institutional category with 46 parcels on 604.00 acres. The category with the second highest amount of development is miscellaneous City and district property, which include 136 parcels on 396.99 acres. Institutional uses are located throughout the city as shown on Figure 1.1-3.

Office

The office category includes office buildings, multiple combination buildings of offices and shops, and office buildings with residential units. The city contains 129 parcels of office uses on 58.69 acres. Office uses are located throughout the city as shown on Figure 1.1-3.

Parks, Recreation Facilities, and Open Space

Parks, recreation facilities, and open space make up 47 parcels on 219.18 acres. City parks and other recreational facilities represent the highest amount of the park, recreation facilities, and open space category with 41 parcels on 195.16 acres. Parks, recreation facilities, and open space uses are located throughout the city as shown on Figure 1.1-3.

Agricultural Land

The agriculture and land category includes agricultural lands with one residence, orchards and crops, dry-farming and grazing land, and agricultural preserves. Most of this land is not developed with built structures. The irrigated fruit orchard categories (with and without a residence) have the highest land area, with 7,386.11 acres of irrigated fruit orchard on 312 parcels. The irrigated field crops categories (with and without a residence) have the second highest land area, with 3,068.26 acres of irrigated field crops on 109 parcels. Additionally, the irrigated vineyard categories (with and without a residence) have the third highest land area, with 1,738.85 acres of irrigated vineyard on 84 parcels. Agricultural uses are located along the borders of the city, as shown on Figure 1.1-3.

NON-TAXABLE

The non-taxable category includes non-taxable public-owned land, roads, and street. The city contains 38 parcels of non-taxable uses on 23.65 acres.

NO USE CODE

The no use code category identifies land without a use code assigned. The city contains 179 parcels without a use code assignment on 32.03 acres.

Development Trends

Development began in Manteca between 1914 and 1920. Residential neighborhoods were beginning to fill in by 1918. The City of Manteca was incorporated on May 28, 1918. During the 1950's, the City grew as inexpensive housing drew workers from the Sharpe Army Depot in Lathrop and industrial plants in south San Joaquin County.

Figure 1.1-4 shows the residential development trends within the City. As shown in the figure, residential development constructed before 1940 until 1959 is generally located near Downtown Manteca. Scattered rural residences constructed in the same time period are also located in the periphery of the City. From 1960 to 1999, residential development was generally constructed south of Lathrop Road, west of Austin Road, north of SR 120, and east of Airport Way. Residential construction south of SR 120 and north of Lathrop Road generally occurred between 2000 to 2016.

While agriculture still plays an important role in the local economy, the economic base has become more diversified with the development of industries and the influx of Bay Area workers seeking affordable housing. The community has grown with the addition of new neighborhoods, primarily to the north and west of the historic geographic core.

Manteca has grown outward from the geographic center at Yosemite Avenue and Main Street. Commercial development along Yosemite Avenue and Main Street is flanked by residential neighborhoods. In the early years, the community grew close to the historic center in a concentric pattern. In the decades of the 1970’s through 1990’s the community grew away from the center toward the north and west.

In the latter 1990’s, following the approval of the South Area Plan, Manteca began to grow south of SR 120. Large scale residential development south of SR 120 began in 2003. Additionally, residential development north of Lathrop Road began in late 2006.

Pending and Approved Projects

Table 1.1-4 lists recently approved and pending residential projects and Table 1.1-5 lists recently approved and pending commercial projects in the city.

TABLE 1.1-4: APPROVED AND PENDING RESIDENTIAL DEVELOPMENT PROJECTS

PROJECT NAME	*NUMBER OF LOTS / UNITS*
FINISHED LOTS (APPROVED FINAL MAP, READY TO BUILD)	
Atherton Homes at Woodward Park I Unit No. 1	62
Blossom Grove (Silva Estates)	38
Dutra Estates Unit No. 5	5
Evans Estates Unit No. 2	80
Evans Estates Unit No. 3	156
Milner Terrace Unit No. 2	49
Monte Bello Estates Unit No. 2	107
Oleander Estates Unit No. 1	2
Oleander Estates Unit No. 3	61
Pillsbury Estates Unit No. 1	3
Union Ranch Units No. 1-3(Pulte)	15
Union Ranch Unit No. 8 (Pulte)	55
Union Ranch Unit No. 9 (Pulte)	140
Woodward Estates	72
Subtotal	*845*
FINISHED APARTMENT UNITS (APPROVED SITE PLAN, READY TO BUILD)	
Alma Apts	184
Senior Housing Apt.	48
Terra Ranch Apts	200
Tesoro Apts.	148
Woodbridge Apts	172
Subtotal	*752*
ENTITLED LOTS (APPROVED TENTATIVE MAP, PENDING FINAL MAP)	
Atherton Homes at Woodward Park I	71
Atherton Homes at Woodward Park II	185
Crivello Estates Unit 2	33
DeJong Estates	352
Dolcinea	41
Evans Estates	299
Lundbom	18
Oakwood Trails	676
Oleander Estates	186
Shadowbrook	492
Sundance	514
Terra Ranch	212
Trails of Manteca	1,163
Villa Ticino West	760
Subtotal	*5,002*

PROJECT NAME	*NUMBER OF LOTS / UNITS*
SUBDIVISION PROJECTS UNDER APPLICATION	
Cerri	645
Denali	315
Hat Ranch	800
Griffin Park Master Plan	1,592
Subtotal	*3,352*
APARTMENTS UNDER APPLICATION	
Marini Complex	6
Subtotal	***6***
Total Pending Lots and Units	***1,766***
Total Finished + Entitled Single Family Lots	***5,847***
Total Under Application Single Family Lots	***3,352***
Total Finished + Under Application Apt. Units	***758***
GRAND TOTAL OF ALL UNITS / LOTS	***9,957***

SOURCE: CITY OF MANTECA, 2016.

TABLE 1.1-5: APPROVED AND PENDING NON-RESIDENTIAL DEVELOPMENT PROJECTS

PROJECT NAME	*DESCRIPTION*	*STATUS*
ABF Freight Systems	Expansion of existing trailer parking area and addition of an employee parking lot.	Under Review
Upper Parcel Commercial/Retail	860 square foot commercial/retail building for a quick serve restaurant or coffee shop.	Under Review
Islamic Center Wash Room	Add 230 square foot wash room to existing building	Under Review
Exeter 2301 Louise, LLC	Construct a fence to enclose POD units.	Under Review
North Main Street Commons	SPC, SDN, MSP, & IS for 3 commercial buildings totaling 43,157 square feet developed on 5.05 acres. Project will consist of site improvements of parking lot, lighting, infrastructure, and landscaping.	Under Review
El Huracan	Nightclub, Live music, and entertainment	Under Review
530 Commerce Ct	21,450 square foot concrete tilt-up building for 2 future tenants.	Under Review
Pro Touch Auto Repair	The repair shop will have a store front with retail in the lobby.	Under Review
Chevron Commercial Center	Increase square footage of previously approved building #1 from 3,700 square feet to 4,200 square feet and add 5 additional parking spaces.	Under Review
Binford Cycle Brokers	Change in use for cycle modification.	Under Review
530 Commerce Ct MPM	Phase II - 21,450 square foot concrete tilt-up building at 530 Commerce Ct.	Under Review
Panera Bread	4,200 square foot restaurant, 42 parking spaces drive-thru, 34% landscape, 102 seats.	Approved
Fiore Development TPM	7.8 acres to be divided into 5 parcels to remain General Commercial.	Approved
Fez	Hotel, waterpark, convention facility, outdoor sports zone, retail, dining.	Approved
Taco Bell	New Taco Bell restaurant with drive-thru.	Approved

PROJECT NAME	DESCRIPTION	STATUS
Villa Capri Apartments	10 new apartment units and demolition of 3 existing.	Approved
Manteca Chevron	Demo. & rebuild new w/ retail store.	Approved
Doctors Hospital Central Utility Plant	Construct new two-story 2,500 square foot central utility plant that will provide utilization to the existing hospital.	Approved
Seventh Day Adventist Expansion	Expansion of existing use - Place of Worship.	Approved
Hope Shelter Storage	Building a 600- square foot storage shed with wood frame.	Approved
Liberty Park	Establish design and layout, including active and passive Features of the private 8.9 acre park maintained by the Woodbridge HOA.	Approved
1340 Dupont Court	285,614 square feet speculative industrial building and associated site work.	Approved
In-Shape Manteca	Exterior façade renovation; adjustment to accessible parking; conversion of portion of rear of building to outdoor pool and spa.	Approved
Sizzler Restaurant	New 8,500 square foot sit down restaurant	Approved
Best Western	Construct a breakfast sitting area and wash area adjacent to the lobby. Two parking spaces will be removed and the existing office will be converted to a wash area.	Approved
Manteca Chevron/Circle K Gas Station	3,000 square foot convenience store, and 2,340 square foot canopy with 4 fuel pumps/8 fueling positions.	Approved
Manteca Self Storage	Renovate existing vacant 79,319 square foot, 2 story main bldg. and a 1,800 square foot accessory bldg. on 6.09 acre parcel.	Approved
2325 West Louise	MPM to alter existing MPM for new 850,000 square foot industrial cross dock facility.	Approved
Certified Collision Center	New 1.5-acre development for automotive repair - 5,500 square foot offices, 2,000 square foot storage, & 12,750 square foot repair area. 2 buildings totaling 20,250 square foot with parking, circulation, & landscaping.	Approved
B.R. Funsten Warehouse Addition	Add 68,202 square foot warehouse addition and related site work.	Approved
In-Shape Overflow Parking	Improve health club's overflow parking area.	Approved
CenterPoint Building	Construct approx. 1,199,130 square foot facility and associated site improvements on existing vacant parcel, in two phases.	Approved
Home Depot Security Fencing	Install security fencing for materials at two locations in the rear of the facility.	Approved
PG&E Corp Yard Facility	Install a compressed natural gas fueling facility for private fleet use.	Approved
Burger King Facade Remodel	Remodel of the exterior façade of an existing Burger King restaurant.	Approved
Stadium Square Food and Gas	New 3,000 square foot ARCO am/pm convenience store with 1,000 square foot car wash building, 8 island fueling area with canopy. Also includes vacuum islands, air/water, bike racks, and alternative fueling vehicle parking.	Approved

PROJECT NAME	*DESCRIPTION*	*STATUS*
Project Gamma - CenterPoint	Develop 404,657 square foot concrete tilt up warehouse. Primarily will be used for warehousing and distribution with 15,000-20,000 square foot of offices and a smaller section for custom embroidery. Refer to PST-16-81.	Approved

SOURCE: CITY OF MANTECA, 2016.

REFERENCES

City of Manteca. 2016. Manteca Municipal Code. Current through Ordinance 1590 and the June 2016 code supplement.

City of Manteca. Adopted October 6, 2003. City of Manteca General Plan 2023.

City of Manteca, 1998. Manteca Downtown Improvement Plan & Streetscape Improvements Program.

City of Manteca, 2016. Non-Residential Project Planning List: Approved, Under Review. December 2016.

City of Manteca, 2017. Project Status Report. June 6, 2017.

San Joaquin Council of Governments. May 2016. Airport Land Use Compatibility Plan Update for Stockton Metropolitan Airport.

San Joaquin Council of Governments. July 2009. Airport Land Use Compatibility Plan Update – San Joaquin County Aviation System, San Joaquin County, California.

San Joaquin County. 2016. San Joaquin County General Plan. December 2016.

San Joaquin County. 2016. Parcel Data provided by the County Assessor’s Office. October 2016.

1.2 POPULATION AND HOUSING

This section summarizes the city's demographics and housing profile. More detailed information regarding population and housing, including population and household characteristics and a housing needs assessment, is provided in the City's Housing Element.

REGULATORY FRAMEWORK

The regulatory framework discussion describes laws and regulations that guide land use decisions. Adopted plans that pertain to the City are also described.

STATE

California General Plan Law

Government Code Section 65300 requires that each county and city adopt a General Plan, as described in Section 1.1.

Housing element law (Government Code Sections 65580 through 65589.8) requires local governments to adopt a Housing Element that addresses existing and projected housing needs, including their share of the regional housing need. A Housing Element must include an analysis of existing and projected housing needs, identification of governmental and non-governmental constraints to the provision of housing, an inventory of sites appropriate to accommodate the City's housing needs, identification of resources available to assist with meeting housing needs, a review of the effectiveness of the previous Housing Element, and a plan to address the identified housing needs and constraints.

LOCAL AND REGIONAL

Regional Housing Needs Plan

California General Plan law requires each city and county to have land zoned to accommodate a fair share of the regional housing need. The share is known as the Regional Housing Needs Allocation (RHNA) and is based on a Regional Housing Needs Plan (RHNP) developed by councils of government. The San Joaquin Council of Governments (SJCOG) is the lead agency for developing the RHNP for the San Joaquin County area that includes the Cities of Escalon, Lathrop, Lodi, Manteca, Ripon, Stockton, and Tracy. Manteca's fair share of the adopted RHNA for 2014-2023 is summarized in Table 1.2-1.

The City is not required to ensure that adequate development to accommodate the RHNA occurs; however, the City must facilitate housing production by ensuring that land is available and that unnecessary development constraints have been removed. The City's Housing Element, adopted in 2010, provides for the accommodation of the 2014-2023 RHNA that has been assigned to the City of Manteca.

TABLE 1.2-1: REGIONAL HOUSING NEEDS ALLOCATION

EXTREMELY LOW INCOME	*VERY LOW INCOME*	*LOW INCOME*	*MODERATE INCOME*	*ABOVE MODERATE INCOME*	*TOTAL*
2014 - 2023					
459	466	693	825	1,958	4,401

SOURCE: SJCOG,2014-2023 REGIONAL HOUSING NEEDS PLAN (RHNP), AUGUST 2014.

City of Manteca General Plan

The City's Housing Element, one of the seven mandated General Plan elements, was adopted January 19, 2016. The Housing Element establishes the following eight goals related to the development of housing in Manteca:

1. To promote the development of affordable housing in the city of Manteca.
2. To promote mixed-use, infill, and downtown development in the city of Manteca.
3. To provide a range of housing types, densities, and designs, and meet existing and projected housing needs for all economic segments of the community.
4. To encourage the maintenance and continued improvement of the existing housing stock and residential neighborhoods.
5. To provide adequate housing opportunities for persons with special needs, including seniors, persons with disabilities, single parents, large families, persons lacking permanent shelter, and residents with extremely low incomes.
6. To promote equal opportunity to secure safe, sanitary, and affordable housing for everyone in the community regardless of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, source of income, or disability.
7. To encourage energy efficient residential and neighborhood designs that reduce total housing costs by lowering ongoing operation and maintenance costs.
8. To ensure that Housing Element programs are implemented on a timely basis and the progress of each program is monitored and evaluated annually.

The Land Use Element identifies four land use categories for residential use: Very Low Density Residential, Low Density Residential, Medium Density Residential, and High Density Residential. The Commercial Mixed Use category also allows residential uses. The Land Use Element and land use designations are described in detail in Section 1.1, Land Use.

Community Growth Management Program

The City's Community Growth Management Program is summarized in Chapter 18.04 of the City's Municipal Code. The Community Growth Management Program applies to all development project(s) within the city and those development projects outside the city seeking sewer capacity that the city council, by special agreement ratified by a city council resolution securing an approving vote of the majority of the entire city council, determines appropriate, except as otherwise provided in Chapter 18.04. No development project building permits shall be issued by the city unless and until a project allocation has been obtained by the development project in accordance with this chapter, except as otherwise provided in Chapter 18.04. The Community Growth Management Program requires projects to secure a project allocation before a building permit for such development can be issued. The allocation process involves both:

A. The sewer allocation system (as set forth in Chapter 18.04 and in subsequent city council action) which shall determine the amount of phase three sewage capacity available to each type of development; and

B. The point rating system, to be established by subsequent city council action, which shall establish a mechanism by which to evaluate specific development project proposals competing for such available sewage capacity.

EXISTING SETTING

Population and Households

Historical population growth trends in Manteca are depicted in Chart 1.2-1. Table 1.2-2 summarizes the population and household data for Manteca and San Joaquin County from 1980 through 2017.

CHART 1.2-1: CITY OF MANTECA AND SAN JOAQUIN COUNTY POPULATION TRENDS (1980-2017)

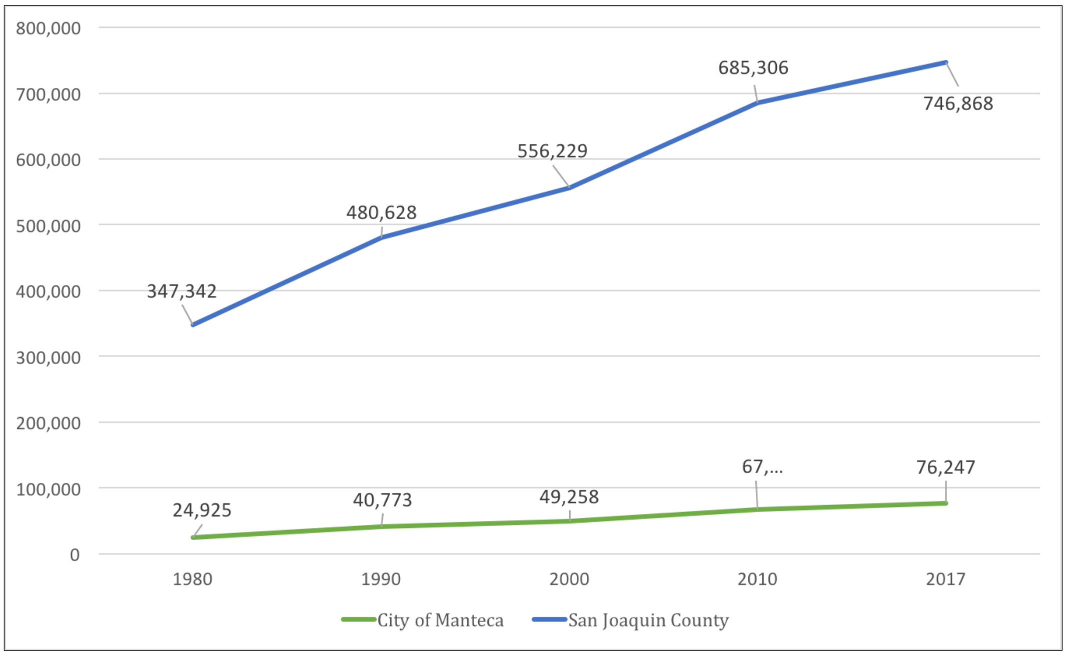


TABLE 1.2-2: POPULATION AND HOUSEHOLD GROWTH

	1980	*1990*	*2000*	*2010*	*2017*	*1980-2000 CHANGE*	*2000-2017 CHANGE*	*AVG. ANNUAL CHANGE*
				MANTECA				
Population	24,925	40,773	49,258	67,096	76,247	98%	55%	5.6%
Households	8,592	13,981	16,937	21,794	22,639	97%	34%	4.4%
Persons per household	2.87	3.02	2.98	3.08	3.15	3.8%	5.7%	0.3%
				SAN JOAQUIN COUNTY				
Population	347,342	480,628	556,229	685,306	746,868	60%	34%	3.1%
Households	124,626	166,274	189,160	212,339	219,073	52%	16%	2.0%
Persons per household	2.71	2.94	3.00	3.12	3.17	%	5.7%	0.5%

SOURCE: U.S. CENSUS, 1980, 1990, 2015; MANTECA HOUSING ELEMENT, 2016, 2010; CALIFORNIA DEPARTMENT OF FINANCE, 2010, 2015.

Manteca incorporated in 1918 and by 1920, the US Census Bureau recorded the population at 1,286. After a dramatic population increase in 1917 from post-WWI prosperity, population growth was slow and steady until 1934 when economic implications from the Great Depression reached Manteca and caused farm foreclosures and increased unemployment that kept the population under 2,000. The 1940s WW2 economy brought new industry and population inflow to Manteca. Between 1940 and 1980, Manteca's agricultural and industrial-based economy continued to grow and by 1980, the population had reached 24,925.

From 1980 to 2000, the city's population increased by 98% from 24,925 to 49,258 persons. During the 2000s and 2010s, Manteca experienced population growth increasing by approximately 32% from 49,258 to 76,247 between 2000 and 2017. Similarly, San Joaquin County's total population increased by approximately 31% during the 2000s and 2010s. Between 1980 and 2017, Manteca's population growth rate averages 5.6% per year, while that of San Joaquin County is an average of 3.1% per year. As of January 2017, Manteca's population was estimated to be 76,247, an increase of 55% from the 2000 population of 49,258.

Households have increased at a rate generally proportional to Manteca's population, with both households and populations increasing by similar percentages from 1980 to 2000 and 2010 to 2017. Over the years, the average household size has fluctuated slightly with a high of 3.15 in 2017 and a low of 2.87 in 1980. In recent years, household size has remained at relatively similar levels with an average of 3.08 persons per household in 2010 and 3.15 persons per household in 2017.

Housing Units

As shown in Table 1.2-3, the number of housing units in Manteca has increased at rates similar to the population with significant increases since 1980. In 2017, there were 25,765 housing units in the city. From 1980 to 2000, housing units increased from 9,165 to 16,368, a 79% increase.

TABLE 1.2-3: HOUSING UNITS

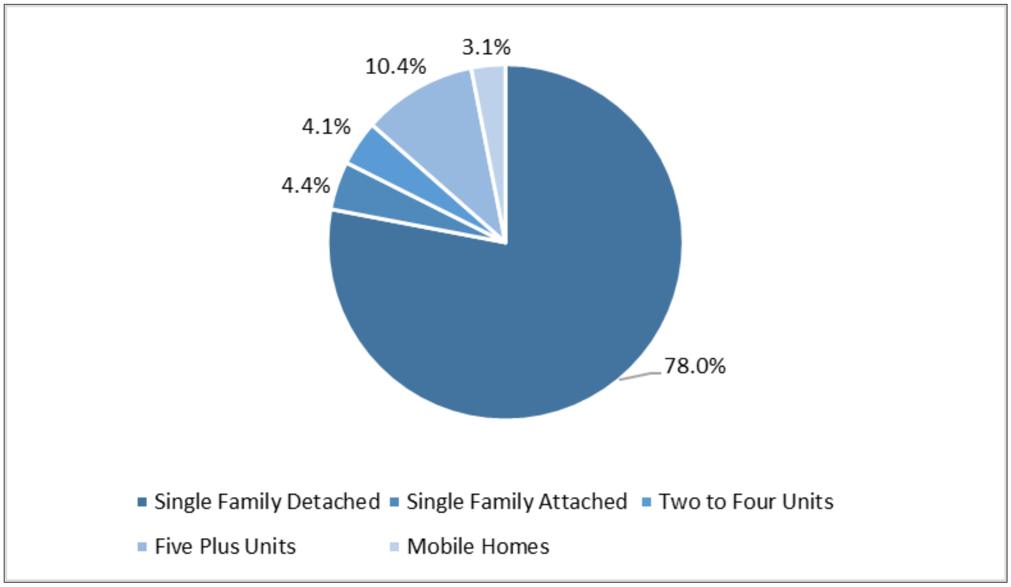
	1980	*1990*	*2000*	*2010*	*2017*	*1980-2000 CHANGE*	*2000-2017 CHANGE*
Manteca	9,165	13,466	16,368	21,618	25,765	79%	57%
San Joaquin County	136,001	158,659	181,629	215,007	241,021	34%	33%

SOURCE: U.S. CENSUS, 1990; MANTECA HOUSING ELEMENT, 2016, 2010.

As shown in Chart 1.2-2, the majority of the housing are single family detached, which account for 78.0% of housing units. The remaining housing types include single family attached (4.4%), multi-family duplexes through fourplexes (4.1%), multi-family apartments with five or more units (10.4%), and mobile homes (3.1%).

In San Joaquin County, housing units have increased at a much slower pace, with a 34% increase from 1980 to 2000. The average annual increase in housing units since 1980 in Manteca is 4.9%, compared with a 2.1% annual average increase in San Joaquin County. Due to the recent economic incline, growth in both the population and housing stock over the next few years is anticipated to remain relatively high, compared to historic averages.

CHART 1.2-2: HOUSING UNITS BY TYPE (2017)



REFERENCES

California Department of Finance. 2017. Table E-5, Population and Housing Estimates for Cities, Counties and the State, January 1, 2011-2017, with 2010 Benchmark. Sacramento, California, May 1, 2017.

California Department of Finance. 2007. State of California, Department of Finance, E-8 *Historical Population and Housing Estimates for Cities, Counties, and the State, 1990-2000*. Sacramento, California, August 2007.

City of Manteca. Manteca Municipal Code, Manteca, California. June 2016.

City of Manteca. City of Manteca 2015-2023 Housing Element. Adopted January 19, 2016.

City of Manteca. Manteca General Plan Housing Element. Adopted June 15, 2010.

U.S. Census Bureau. 2000. 2000 U.S. Census Population, Household, and Housing Unit Counts.

U.S. Census Bureau. 2010. 2010 U.S. Census Population, Housing, and Housing Unit Counts.

U.S. Census Bureau. 2015. QuickFacts, Manteca city, California. Available: http://www.census.gov/quickfacts/table/PST045215/0645484.

1.3 ECONOMIC AND FISCAL BACKGROUND ANALYSIS

This section contains information about employment characteristics, sales and spending, and the existing fiscal conditions in the City of Manteca, including General Fund operating revenue sources and operating expenditures.

The objective is to provide General Plan update participants, including the public, the consultant team, City staff, and City policymakers with a common understanding of how the City of Manteca spends its General Fund monies at present, how those monies are generated, and the implications for planning for development in the City of Manteca over the next 20 to 25 years. Considering these factors as part of the General Plan Update process will help to ensure that the City maintains a fiscally sustainable budget in addition to high quality services for residents and businesses as the community grows. This section focuses on the revenues and expenditures that comprise the City's General Fund, as this is the part of the overall City Budget that receives the City's most important discretionary revenues, and which funds critical public services, such as public safety, parks, and community services.

The following fiscal background information was compiled before the 2017/2018 budget was available; thus, the discussion reflects information available in the 2016/2017 budget and earlier budget documents.

REGULATORY FRAMEWORK

LOCAL

Municipal Budget

The City adopts a Municipal Budget for each fiscal year. The Municipal Budget is the annual spending plan which serves as the legal authority for City divisions to commit and spend financial resources. The Budget also represents the implementation plan for executing the City Council's goals, policies, and objectives for the upcoming year.

EMPLOYMENT CHARACTERISTICS

Labor Force

Table 1.3-1 summarizes population, job, and employment data from 2010 to 2015. The City's labor force decreased from 33,527 residents in the labor force in 2010 to 29,162 in 2015. In 2010, there were 19,700 jobs in Manteca. During the period from 2010 to 2015, the number of jobs in the City has increased to approximately 20,278. While the increase in jobs is moderate (2.9%), it is at a lesser rate than the City's overall growth in total population (7.7%). The City's unemployment rate decreased from 15.1% in 2010 to 8.9% in 2015.

TABLE 1.3-1: JOBS, POPULATION, AND EMPLOYMENT

Year	*Population*	*Employment Statistics*				
		Jobs	*Labor Force*	*Employed*	*Jobs / Labor Force*	*Un-employment Rate*
2010	67,096	19,700	33,527	29,660	0.59	15.1%
2015	72,251	20,278	29,162	29,872	0.70	8.9%
Change	*7.7%*	*2.9%*	*-13.0%*	*0.7%*	*18.6%*	*-6.2%*

SOURCE: US CENSUS, 2000; ACS, 2015.

The ratio of employment opportunities in Manteca to the local labor force was 0.70:1 in 2015, an increase from 0.59:1 in 2010. A jobs-to-persons in labor-force ratio that is less than 1:1 means that a percentage of local residents must travel outside of Manteca for employment, as there are not enough jobs available locally.

Industry and Occupation

Manteca's labor force is employed in a broad range of industries, including white collar, services, and blue collar. The services category, which includes a broad range of service industries, comprises 19 percent of jobs. The white collar category, which includes management, business, science, arts, sales, office, and other occupations, comprises 50 percent of jobs. The blue collar category, which includes natural resources, construction, maintenance, production, transportation, material moving, and other occupations, comprises 32 percent of jobs. The significant increase in Manteca's population and labor force has resulted in increased employment in many industries. The industries that have seen the largest growth in employment from 2010 to 2015 include the natural resources, construction and maintenance sector. Other industries experienced more modest growth; however, the management, business, science, and arts group remained relatively static.

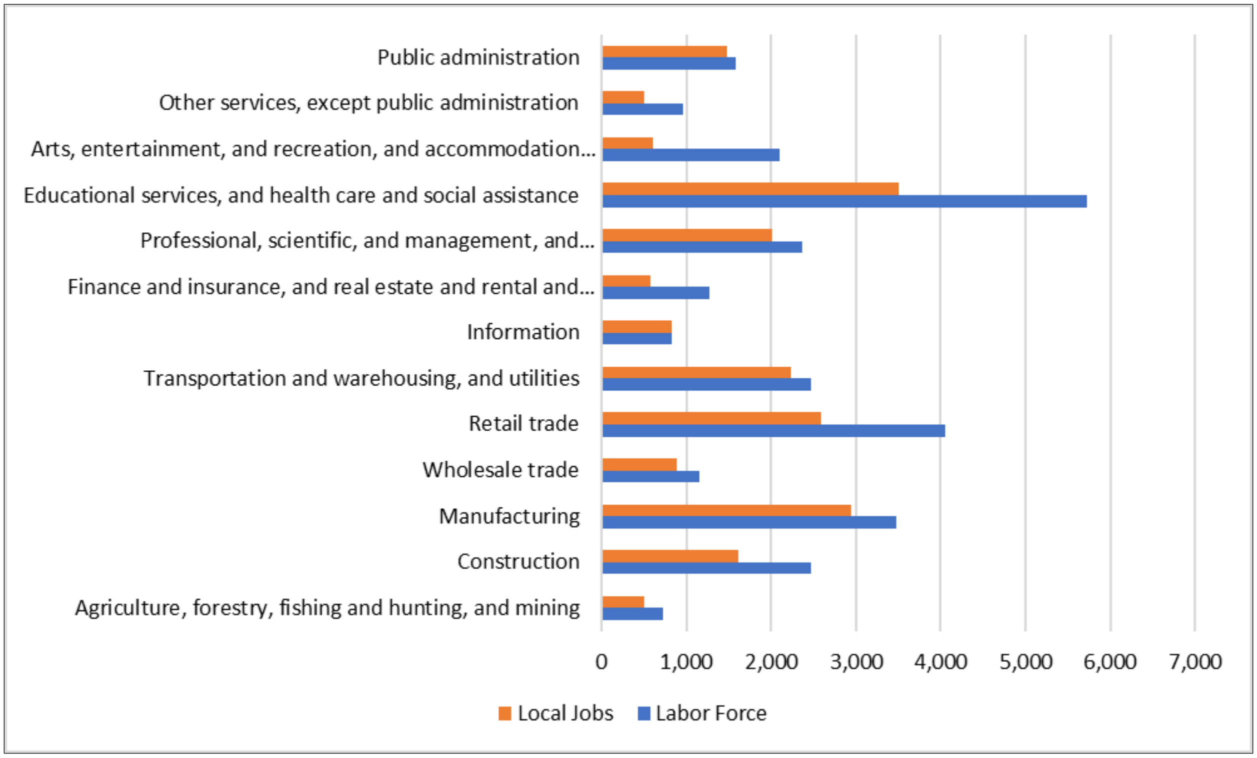
Table 1.3-2 provides a comparison of Manteca's labor force (Manteca residents over 16 who have or want a job) to the jobs that are available in the city. Since Manteca's labor force significantly exceeds the local jobs pool, it is not surprising that there are gaps in most industry categories. Overall, there are 8,884 more people in the city's labor force than there are jobs in Manteca. The industry sectors with the largest gaps include educational services, and health care and social assistance, which has a gap of approximately 2,219 jobs, the arts, entertainment, and recreation, and accommodation and food services sector, which has a gap of 1,496 jobs, and the retail trade sector, which has a gap of 1,456 jobs. The only industry which has more jobs than persons in the local labor force is the agriculture, forestry, fishing and hunting, and mining sector, which has a surplus of 2172 jobs. Chart 1.3-1 compares the employment of Manteca's residents by overall industry (labor force) to the local jobs associated with each industry.

TABLE 1.3-2: LABOR FORCE VS. JOBS BY INDUSTRY (2015)

Industry	*Labor Force*	*Local Jobs*	*Gap*
Agriculture, forestry, fishing and hunting, and mining	721	504	217
Construction	2,475	1,612	-863
Manufacturing	3,473	2,940	-533
Wholesale trade	1,149	895	-254
Retail trade	4,047	2,591	-1,456
Transportation and warehousing, and utilities	2,463	2,238	-225
Information	823	823	0
Finance and insurance, and real estate and rental and leasing	1,274	579	-695
Professional, scientific, and management, and administrative and waste management services	2,365	2,005	-360
Educational services, and health care and social assistance	5,721	3,502	-2,219
Arts, entertainment, and recreation, and accommodation and food services	2,101	605	-1,496
Other services, except public administration	962	508	-454
Public administration	1,588	1,476	-112
TOTAL	**29,162**	**20,278**	**-8,884**

SOURCE: ACS, 2015.

CHART 1.3-1: LEAKAGE/SURPLUS FACTOR BY INDUSTRY SUBSECTOR



SOURCE: ESRI RETAIL MARKETPLACE PROFILE, MANTECA CITY, CA; DE NOVO PLANNING GROUP, 2017

While industry represents the overall sector in which an individual is employed, occupation represents a person's position at their place of employment. Occupations can be generally divided into white collar, services, and blue collar; in Manteca, the majority of the city's residents are employed in white collar occupations, with sales and office occupations as the largest subset. Over the past decade, the percentage of white collar workers has decreased, while the services and blue collar categories have increased. Table 1.3-3 summarizes employment by occupation in 2010 and 2015.

TABLE 1.3-3: EMPLOYMENT BY OCCUPATION

OCCUPATION	*2010*		*2015*		*CHANGE*
	NUMBER	*PERCENT*	*NUMBER*	*PERCENT*	
White Collar	17,766	60%	14,471	50%	-10%
Management, Business, Science, and Arts	*7,185*	*24%*	*6,885*	*24%*	*0%*
Sales and Office	*10,581*	*36%*	*7,586*	*26%*	*-10%*
Services	4,020	14%	5,453	19%	5%
Blue Collar	7,874	27%	9,238	32%	5%
Natural Resources, Construction, and Maintenance	*2,654*	*9%*	*4,716*	*16%*	*7%*
Production, Transportation, and Material Moving	*5,220*	*18%*	*4,522*	*16%*	*-2%*
Total	29,660	100%	29,162	100%	-

SOURCE: ACS, 2010 AND 2015.

SALES AND SPENDING

Taxable Sales

Taxable sales indicate the value of all transactions subject to sales tax. The California Board of Equalization (BOE) publishes quarterly data regarding retail sales, total taxable sales, and the number of businesses with a sales tax permit. Total taxable sales do not reflect the gross sales since some transactions are not subject to sales tax.

Table 1.3-4 identifies taxable sales by category for the city bi-annually from 2004 through 2014. During this time, the total amount of annual taxable transactions increased by over $200 million (31%), from $693.1 million in 2004 to $907.8 million in 2014. During this same time period, the total number of businesses increased by 0.2% from 1,148 in 2004 to 1,150 in 2014. The increase in taxable sales was primarily in the retail and food services category, which represented $141.8 million of the $214.7 million increase in taxable sales. Similarly, the majority of the increase in sales tax permits was in the retail and food services category, which increased by 31% during the 2004-2014 time period, from 627 to 820 permits. This represents a significant shift from 2004, when the number of non-retail/food services permits (521) was similar to the number of retail and food services permits (627). By 2014, there were more than twice as many retail and food services permits (820) than non-retail/food services permits (330). The increased proportion of retail and food services taxable sales also reflects the growth in the retail and food services industries in Manteca.

TABLE 1.3-4: TAXABLE SALES

Year	*Retail and Food Services*		*Non-Retail/ Food Services*		*Total Outlets*	
	Sales Tax Permits	*Taxable Transactions in Thousands*	*Sales Tax Permits*	*Taxable Transactions in Thousands*	*Sales Tax Permits*	*Taxable Transactions in Thousands*
2014	820	$738,631	330	$169,204	1,150	$907,835
2012	771	$672,597	355	$138,234	1,126	$810,831
2010	756	$600,902	346	$128,530	1,102	$729,432
2008	660	$568,558	517	$127,255	1,177	$695,813
2006	636	$642,049	505	$114,714	1,141	$756,763
2004	627	$596,869	521	$96,269	1,148	$693,138
Change 2004-2014	*193*	*$141,762*	*(191)*	*$72,935*	*2*	*$214,697*
Percent Change 2004-2014	*31%*	*24%*	*(37%)*	*76%*	*0.2%*	*31%*
Countywide Change 2004-2014	2,287	$672,849	(1,547)	$655,755	(732)	$1,328,604
Countywide % Change 2004-2014	35%	11%	(28%)	41%	(5%)	15%

SOURCE: BOE, 2004; BOE, 2006; BOE, 2008; BOE, 2010; BOE, 2012; BOE, 2014.

While Manteca experienced a decline in only the number of non-retail/food services sales tax permits, in San Joaquin County there was a decline in total sales tax permits and in non-retail/food service sales tax permits. Even though Manteca and the County of San Joaquin experienced decreases in sales tax permits, both had increases in the taxable transactions in every category. While there was growth in the County's retail and food services taxable sales, the growth was at a much lesser rate, with an 11% increase compared to Manteca's 24% increase. The growth in the County's overall taxable transactions of 15% was also much lower than Manteca's 31% increase from 2004 to 2014.

As shown in Table 1.3-5, in 2014, Manteca's retail and food service sales types that represented the largest proportions of the taxable sales are general merchandise sales (21%), motor vehicle and parts sales (13%), and sales at food and drinking establishments (11%). Compared to San Joaquin County as a whole, Manteca's general merchandise sales accounted for 10% more of total taxable transactions. Total retail and food service percent of taxable transactions was higher for Manteca (at 81%) than San Joaquin County (at 68%).

TABLE 1.3-5: TAXABLE SALES DETAIL - 2014

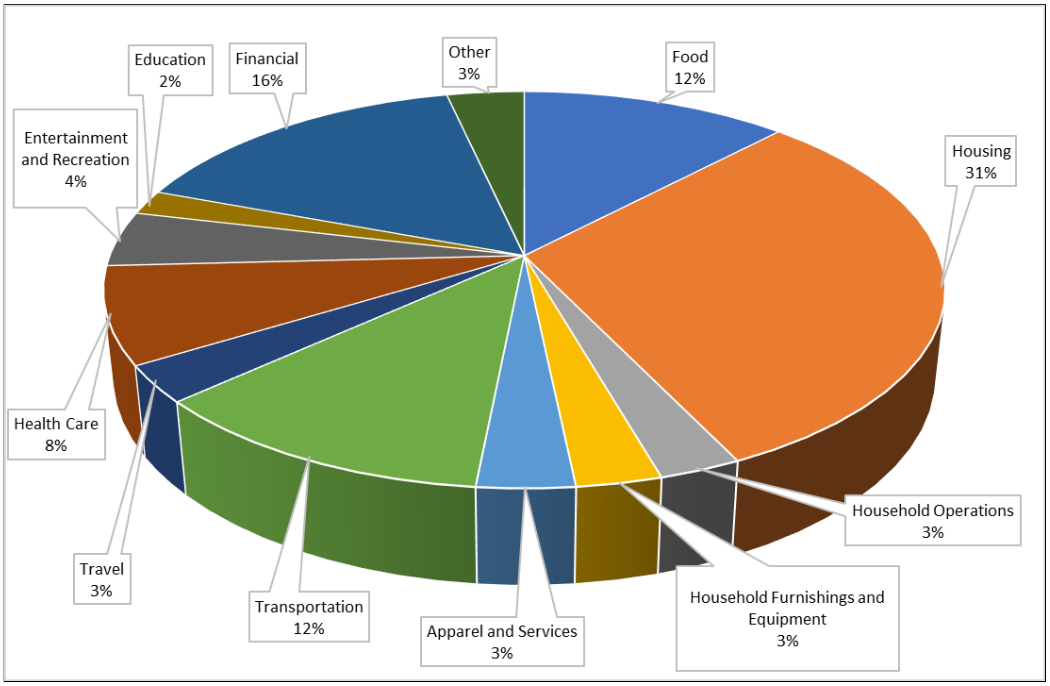
	MANTECA			*SAN JOAQUIN COUNTY*		
	SALES TAX PERMITS	*TAXABLE TRANSACTIONS IN THOUSANDS*	*TRANSACTIONS AS % OF TOTAL*	*SALES TAX PERMITS*	*TAXABLE TRANSACTIONS IN THOUSANDS*	*TRANSACTIONS AS % OF TOTAL*
RETAIL STORES AND FOOD SERVICES						
Motor Vehicle and Parts Dealers	60	120,765	13%	640	1,254,964	13%
Furniture and Home Furnishings Stores	42	19,732	2%	188	178,654	2%
Building Material, Garden Equipment and Supplies	20	49,147	5%	249	580,912	6%
Food and Beverage Stores	60	36,951	4%	632	396,822	4%
Gasoline Stations	27	90,656	10%	210	1,255,157	13%
Clothing and Clothing Accessories	41	36,188	4%	593	297,425	3%
General Merchandise	21	191,642	21%	198	1,132,756	11%
Food Service and Drinking Establishments	152	100,348	11%	1,438	763,258	8%
Electronics and Appliance Stores	--	--	0%	238	160,971	2%
Sporting Goods, Hobby, Book, and Music Stores	--	--	0%	259	156,637	2%
Health and Personal Care Stores	--	--	0%	262	137,488	1%
Nonstore Retailers	--	--	0%	2,714	99,311	1%
Miscellaneous Store Retailers	397	93,202	10%	1,279	365,807	4%
Retail and Food Service Totals	820	738,631	81%	8,900	6,780,160	68%
All Other Outlets (Non-retail and food service)	330	169,204	19%	3,965	3,251,685	32%
TOTALS	**1,150**	**907,835**	**100%**	**128,65**	**10,031,845**	**100%**

* *TAXABLE TRANSACTIONS IN THOUSANDS OF DOLLARS*
SOURCE: BOE, 2014

Consumer Spending

Chart 1.3-2 depicts annual household spending by category for Manteca in 2017. Consumer spending data is from the ESRI Market Profile and represents the amount spent by households on a variety of goods and services. Expenditures are shown by broad budget categories that are not mutually exclusive. ESRI notes that consumer spending does not equal business revenue. Categories with the highest annual spending are housing (31%), followed by financial (16%), food (12%), transportation (12%), and health care (8%).

CHART 1.3-2: AVERAGE ANNUAL HOUSING SPENDING



SOURCE: ESRI RETAIL MARKETPLACE PROFILE, MANTECA CITY, CA; DE NOVO PLANNING GROUP, 2017.

Leakage/Surplus

A leakage/surplus analysis presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand, based on the per capita sales and sales tax deviation associated with retail categories. A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The retail gap represents the difference between retail potential and retail sales.

Table 1.3-6 summarizes surplus and leakage by retail category. Charts 1.3-3 and 1.3-4 show the leakage/surplus by industry subsector and industry group, respectively.

TABLE 1.3-6: RETAIL LEAKAGE AND SURPLUS

INDUSTRY GROUP	DEMAND (RETAIL POTENTIAL)	SUPPLY (RETAIL SALES)	RETAIL GAP	LEAKAGE / SURPLUS FACTOR	NUMBER OF BUSINESSES
Motor Vehicle & Parts Dealers	$173,455,682	$121,249,586	$52,206,096	17.7	33
Automobile Dealers	$137,556,891	$58,616,789	$78,940,102	40.2	13
Other Motor Vehicle Dealers	$21,208,650	$47,688,583	-$26,479,933	-38.4	2
Auto Parts, Accessories & Tire Stores	$14,690,141	$14,944,214	-$254,073	-0.9	18
Furniture & Home Furnishings Stores	$30,905,050	$10,539,760	$20,365,290	49.1	16
Furniture Stores	$16,043,454	$7,347,060	$8,696,394	37.2	11
Home Furnishings Stores	$14,861,596	$3,192,700	$11,668,896	64.6	5

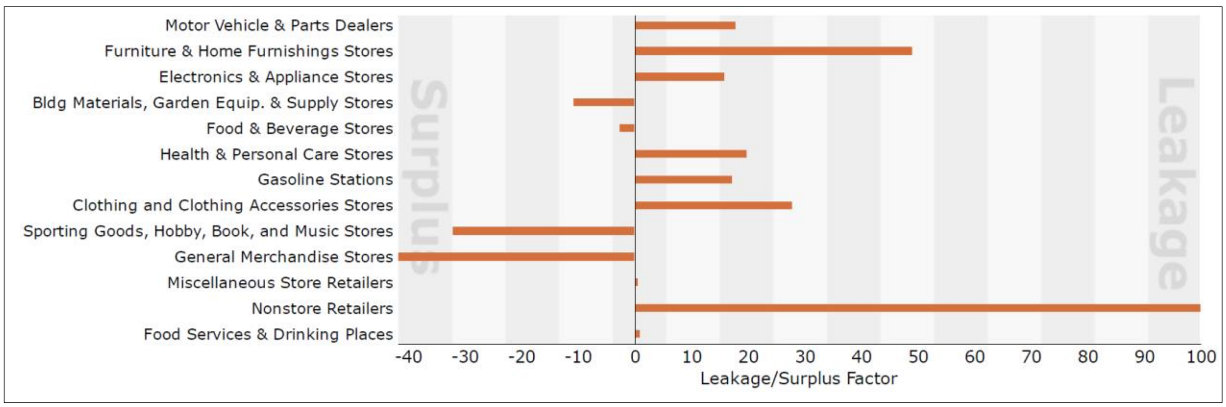
INDUSTRY GROUP	DEMAND (RETAIL POTENTIAL)	SUPPLY (RETAIL SALES)	RETAIL GAP	LEAKAGE / SURPLUS FACTOR	NUMBER OF BUSINESSES
Electronics & Appliance Stores	$30,213,591	$21,995,435	$8,218,156	15.7	14
Bldg Materials, Garden Equip. & Supply Stores	$51,224,751	$63,862,565	-$12,637,814	-11.0	56
Bldg Material & Supplies Dealers	$47,863,436	$61,936,251	-$14,072,815	-12.8	52
Lawn & Garden Equip & Supply Stores	$3,361,315	$1,926,314	$1,435,001	27.1	4
Food & Beverage Stores	$131,016,723	$138,266,381	-$7,249,658	-2.7	43
Grocery Stores	$112,118,143	$126,262,914	-$14,144,771	-5.9	26
Specialty Food Stores	$9,279,730	$6,178,124	$3,101,606	20.1	11
Beer, Wine & Liquor Stores	$9,618,850	$5,825,343	$3,793,507	24.6	6
Health & Personal Care Stores	$56,290,903	$37,645,458	$18,645,445	19.8	22
Gasoline Stations	$73,427,674	$51,839,978	$21,587,696	17.2	16
Clothing & Clothing Accessories Stores	$57,772,950	$32,716,680	$25,056,270	27.7	21
Clothing Stores	$41,281,059	$26,224,287	$15,056,772	22.3	15
Shoe Stores	$7,301,502	$5,453,161	$1,848,341	14.5	5
Jewelry, Luggage & Leather Goods Stores	$9,190,389	$1,039,232	$8,151,157	79.7	1
Sporting Goods, Hobby, Book & Music Stores	$25,863,982	$50,384,991	-$24,521,009	-32.2	17
Sporting Goods/Hobby/Musical Instr Stores	$22,393,233	$49,311,415	-$26,918,182	-37.5	15
Book, Periodical & Music Stores	$3,470,749	$1,073,576	$2,397,173	52.8	2
General Merchandise Stores	$136,268,855	$332,428,936	-$196,160,081	-41.9	21
Department Stores Excluding Leased Depts.	$81,297,338	$161,322,651	-$80,025,313	-33.0	10
Other General Merchandise Stores	$54,971,517	$171,106,285	-$116,134,768	-51.4	11
Miscellaneous Store Retailers	$30,572,211	$30,296,420	$275,791	0.5	48
Florists	$1,398,412	$692,062	$706,350	33.8	4
Office Supplies, Stationery & Gift Stores	$7,008,616	$4,383,233	$2,625,383	23.0	10
Used Merchandise Stores	$3,211,321	$11,926,527	-$8,715,206	-57.6	12
Other Miscellaneous Store Retailers	$18,953,862	$13,294,598	$5,659,264	17.5	22
Nonstore Retailers	$23,481,008	$0	$23,481,008	100.0	0
Electronic Shopping & Mail-Order Houses	$20,651,121	$0	$20,651,121	100.0	0
Vending Machine Operators	$364,041	$0	$364,041	100.0	0
Direct Selling Establishments	$2,465,846	$0	$2,465,846	100.0	0
Food Services & Drinking Places	$88,842,747	$87,433,172	$1,409,575	0.8	138
Special Food Services	$1,825,705	$211,578	$1,614,127	79.2	3
Drinking Places - Alcoholic Beverages	$1,862,183	$1,272,754	$589,429	18.8	6
Restaurants/Other Eating Places	$85,154,859	$85,948,840	-$793,981	-0.5	129

INDUSTRY GROUP	DEMAND (RETAIL POTENTIAL)	SUPPLY (RETAIL SALES)	RETAIL GAP	LEAKAGE / SURPLUS FACTOR	NUMBER OF BUSINESSES
Total Retail Trade and Food and Drink	***$909,336,127***	***$978,659,362***	***-$69,323,235***	***-3.7***	***445***
Total Retail Trade	**$820,493,380**	**$891,226,190**	**-$70,732,810**	**-4.1**	**307**
Total Food and Drink	**$88,842,747**	**$87,433,172**	**$1,409,575**	**0.8**	**138**

NOTE: SUPPLY (RETAIL SALES) ESTIMATES SALES TO CONSUMERS BY ESTABLISHMENTS. SALES TO BUSINESSES ARE EXCLUDED. DEMAND (RETAIL POTENTIAL) ESTIMATES THE EXPECTED AMOUNT SPENT BY CONSUMERS AT RETAIL ESTABLISHMENTS. SUPPLY AND DEMAND ESTIMATES ARE IN CURRENT DOLLARS. THE LEAKAGE/SURPLUS FACTOR PRESENTS A SNAPSHOT OF RETAIL OPPORTUNITY. THIS IS A MEASURE OF THE RELATIONSHIP BETWEEN SUPPLY AND DEMAND THAT RANGES FROM +100 (TOTAL LEAKAGE) TO -100 (TOTAL SURPLUS). A POSITIVE VALUE REPRESENTS 'LEAKAGE' OF RETAIL OPPORTUNITY OUTSIDE THE TRADE AREA. A NEGATIVE VALUE REPRESENTS A SURPLUS OF RETAIL SALES, A MARKET WHERE CUSTOMERS ARE DRAWN IN FROM OUTSIDE THE TRADE AREA. THE RETAIL GAP REPRESENTS THE DIFFERENCE BETWEEN RETAIL POTENTIAL AND RETAIL SALES. ESRI USES THE NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (NAICS) TO CLASSIFY BUSINESSES BY THEIR PRIMARY TYPE OF ECONOMIC ACTIVITY. RETAIL ESTABLISHMENTS ARE CLASSIFIED INTO 27 INDUSTRY GROUPS IN THE RETAIL TRADE SECTOR, AS WELL AS FOUR INDUSTRY GROUPS WITHIN THE FOOD SERVICES & DRINKING ESTABLISHMENTS SUBSECTOR.
SOURCE: ESRI RETAIL MARKETPLACE PROFILE, MANTECA CITY, CA; DE NOVO PLANNING GROUP, 2017.

The retail categories with the highest surplus sales include general merchandise stores, and sporting goods, hobby, book, and music stores. The retail categories with the most leakage include nonstore retailers, followed by furniture and home furnishing stores, and clothing and accessories stores. Motor vehicle and parts dealers, electronic and appliance stores, health and personal care stores, and gasoline stations also experience some leakage.

CHART 1.3-3: LEAKAGE/SURPLUS FACTOR BY RETAIL INDUSTRY SUBSECTOR



SOURCE: ESRI RETAIL MARKETPLACE PROFILE, MANTECA CITY, CA; DE NOVO PLANNING GROUP, 2017.

As shown in Chart 1.3-4, the industry groups with the highest surplus include used merchandise stores, other general merchandise stores, other motor vehicle dealers, and department stores. The industry groups with the highest leakage include electronic shopping and mail-order houses, vending machine operators, direct sales establishments, special food services, and jewelry, luggage, and leather goods stores.

CHART 1.3-4: LEAKAGE/SURPLUS FACTOR BY INDUSTRY GROUP

SOURCE: ESRI RETAIL MARKETPLACE PROFILE, MANTECA CITY, CA; DE NOVO PLANNING GROUP, 2017.

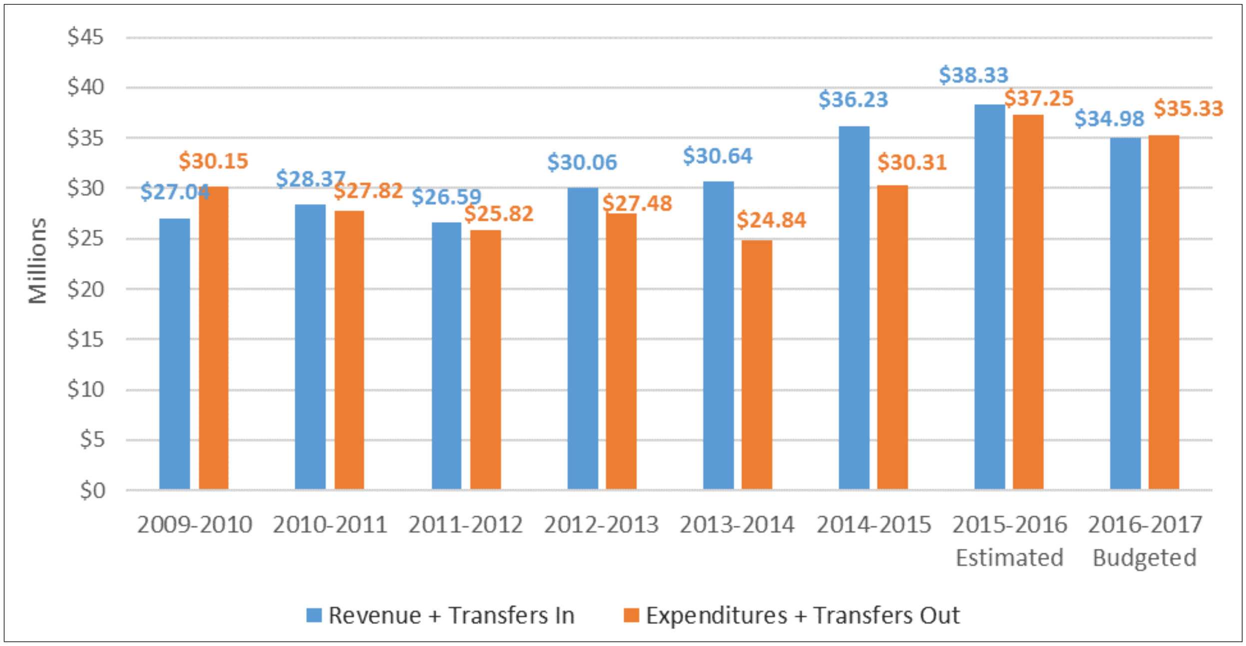
EXISTING FINANCIAL SETTING

General Fund Trends

As shown in Chart 1.3-5, City of Manteca General Fund revenues have steadily improved since fiscal year (FY) 2009/10, having been severely impacted by the national recession. In FY 2009/10, revenues plus transfers in equaled approximately $27.04 million, while General Fund expenditures plus transfers out exceeded revenues, amounting to $30.15 million. Beginning in FY 2010/11, the City of Manteca implemented broad reductions in staffing, reducing the total city employee positions from 418 to 360, representing a 13.9 percent decrease in total staffing. As a result of the staffing reduction, General Fund expenditures decreased by roughly 7.7 percent, to $27.82 million. During the same year, General Fund revenues increased year-over-year, indicating that revenues exceeded expenditures, a trend the budget continued as the economic recovery persisted.

According to recent City budgets, General Fund revenues exceeded expenditures by nearly $6 million in the finalized budgets for FY 2013/14 and 2014/15. While not finalized, the budget for FY 2015/16 showed a notable increase in expenditures and transfers to other departments, while the FY 2016/17 proposed budget included a significant increase in General Fund expenditures, with a reduction in transfers to other departments. More specifically, the FY 2015/16 expenditures plus transfers out, shown below in Chart 1.3-5, total roughly $37.3 million, of which $5.7 million consisted of transfers to other departments and $31.5 million was General Fund expenditures. The budget for FY 2016/17 projected a total of $35.3 million in expenditures and transfers out, of which $34.8 million was estimated as General Fund expenditures, suggesting the total transfers out would decrease to just $550,000 over the fiscal year.

CHART 1.3-5: TOTAL GENERAL FUND EXPENDITURES, FY 2009/2010 - FY 2016/2017



SOURCE: BAE, 2017.

Current General Fund Revenues

The City of Manteca relies on various ongoing revenue sources to balance its General Fund budget. As shown below in Chart 1.3-6, the most significant of these revenue sources, based on the proportion of the total budgeted revenues, are as follows:

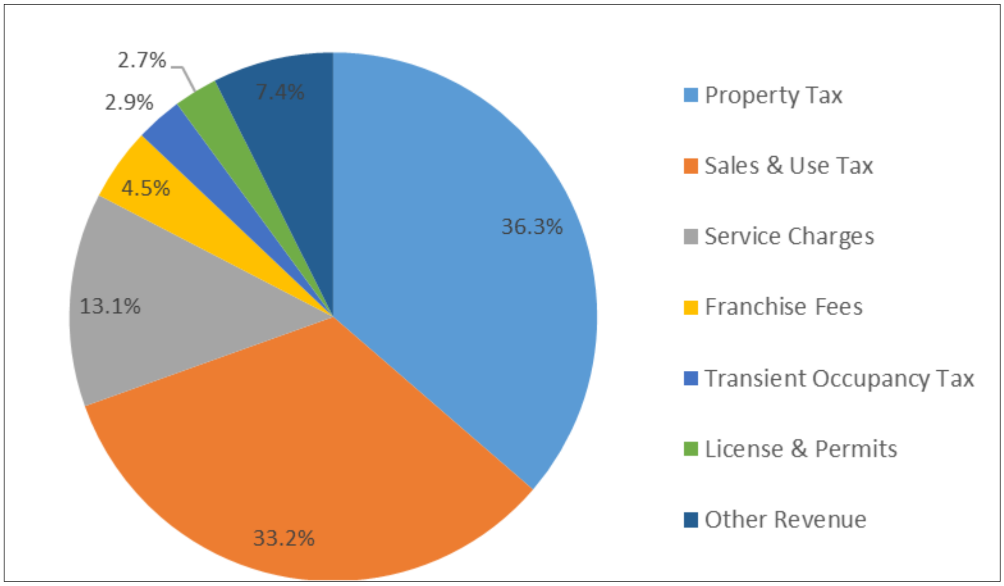
1) Property Tax
2) Sales & Use Tax
3) Service Charges
4) Franchise Fees
5) Transient Occupancy Tax
6) License & Permits

Together, these revenues account for approximately $32,387,000, or 92.6 percent, of the total General Fund revenue budgeted in FY 2016/17.

PROPERTY TAX

Property tax revenue is the General Fund's largest individual revenue source, amounting to $12.7 million, or 36.3, percent of the FY 2016/17 General Fund budget. Since FY 2009/2010, property tax revenues have steadily increased as the Manteca economy and housing market recovers from the recent Recession. For example, in FY 2009/10 the City of Manteca received roughly $9.25 million in property tax revenues. The FY 2016/17 budget revenues represented a 37.3 percent increase in anticipated property tax revenue. The general trend of increasing property tax revenues reflects continuing improvement in the state and national economies and increases in local property values.

CHART 1.3-6: GENERAL FUND REVENUE SOURCES, FY 2016/2017



SOURCE: BAE, 2017.

SALES AND USE TAX

Sales and use tax revenue comprised the second largest General Fund revenue source, accounting for 33.2 percent of the FY 2016/17 General Fund budget. The City of Manteca received $11.6 million in sales and use tax, equal to an approximately one percent share of all taxable sales generated within its borders, which includes final sales to consumers as well as taxable business-to-business sales. In addition to the one percent share, the City residents approved an additional 0.5 percent sales tax (Measure M) designated for public safety improvements. Additionally, though not allocated to the General Fund, San Joaquin County voters approved an additional 0.5 percent sales tax designated for transportation projects countywide. In summary, the City's fiscal health is highly related to the health of the retail activity and business-to-business taxable sales activity.

Overall, the City's sales tax revenues have increased by 51.8 percent over the FY 2009/10 sales tax revenues. This is likely due to a variety of circumstances, the most predominant of which was the national recession, which began in late-2007 and continued through the early 2010s. As the economic conditions continue to improve nationally, as well as locally in the City of Manteca, resident expenditures have increased, likely contributing to the increase in sales tax revenues received by the City. In addition to improving conditions, leading up to the recession, as well as during the recession, the City was able to attract several large retailers, including Costco and various businesses in the Promenade Shops at Orchard Valley, including Bass Pro Shops, JC Penney, AMC Theater, and Banana Republic, among others.

SERVICES CHARGES

Another major source of General Fund revenue is charges for services. While this category encompasses various charges for service, including small amounts for police service, fire service, parks and recreation, and public works, the majority of the revenue comes from general government support services. According to the City's Finance Department, support service revenues are characterized as general government overhead, in which the City collects revenue from other departments for providing general services. Interestingly, the support service revenue source has decreased substantially since FY 2009/10, likely correlated to the decreasing number of City employees. Whereas general government support service revenue was projected at roughly $3.47 million for FY 2016/17, actual realized revenue from the same category in FY 2009/10 was $4.94 million, indicating these revenues decreased approximately 30 percent over the 8-year time period.

FRANCHISE FEES

The City charges franchise fees to local wireless, cable, telephone, electric, and natural gas utilities for their use of City-owned streets and right-of-way's. As the City has grown, and the demand for enhanced utility services has increased, the City has seen a modest growth in franchise fee revenue. Unlike previously noted revenue sources, franchise fees are fairly stable through varying economic climates; thus, franchise fee revenues have steadily improved, at an annual rate of roughly 3.5 percent per year since FY 2009/10.

TRANSIENT OCCUPANCY TAX

The City of Manteca levies a 9.0 percent Transient Occupancy Tax (TOT), which is added on to any short-term lodging rental, principally hotel rooms. According to the 2016/17 budget, the City anticipated receiving almost $1 million in TOT revenue. This represents a relatively significant increase over FY 2009/10, when the City received $344,000, and even more recently, when the City received roughly $675,000 in FY 2013/14. Also noted in the 2016/17 budget was the ongoing negotiations between the City and McWhinney Real Estate Services regarding a potential resort and conference center. Regarding potential TOT revenue generated by the resort and conference center, initial estimates state that the project may generate as much as $2.8 million in the first year of operation, though the ongoing negotiations will likely result in a portion of the realized TOT revenue to be allocated towards financing the project.

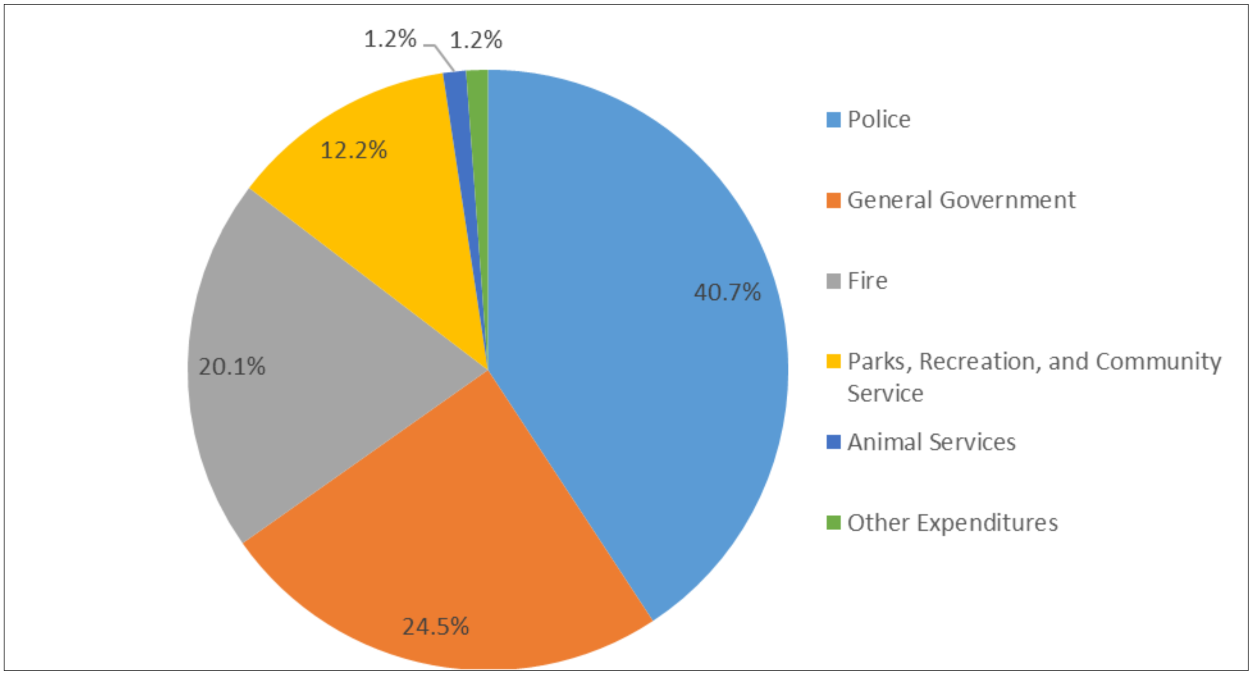
LICENSE AND PERMITS

License and permit fees consist of two major sources, including business licenses and animal licenses. In total, license and permit fees were projected to contribute roughly $935,000 to the General Fund in FY 2016/17. Business Licenses account for approximately 70 percent or the total revenue, or roughly $655,000, while animal licenses account for 29.7 percent, or $278,000, with the remaining revenue coming from other sources. Revenues from license and permits decreased quite substantially between FY 2009/10 and FY 2011/12, when the City experienced a 12.2 percent reduction in total revenue from license and permits. More recent revenue estimates indicate an increase in total license and permit revenue, with estimated FY 2016/17 revenues representing a 43.2 percent increase over FY 2011/12.

Current General Fund Expenditures

In FY 2016/17, the City's baseline General Fund expenditures were set to total $34,786,915. As shown in Chart 1.3-7, below, the most significant expenditure was to fund the Police Department, whose budget amounted to $14.17 million, or 40.7 percent of all General Fund expenditures. The General Government budgeted expenditures totaled $8.5 million, or 24.5 percent, while the Fire Department budget totaled $7.0 million, or 20.1 percent. The Parks, Recreation, and Community Service department budget accounted for an additional $4.26 million, or 12.2 percent, while the remaining 2.4 percent of expenditures were split evenly between Animal Services and Other expenditures. It should be noted that all departments receive additional program funds from non-General Fund sources. Overall, personnel expenses comprise the majority of General Fund appropriations, representing over 75 percent of General Fund operating expenses.

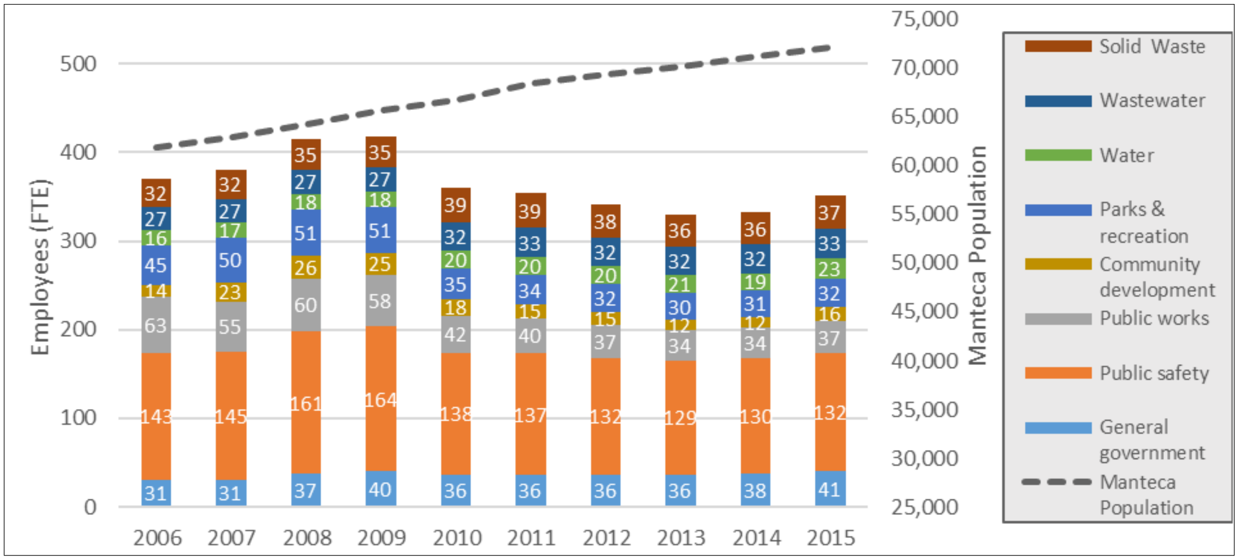
CHART 1.3-7: GENERAL FUND EXPENDITURES, FY 2016/17



SOURCE: CITY OF MANTECA, FINANCE DEPARTMENT, FY 2016/17 BUDGET, 2016; BAE, 2016.

As seen in Chart 1.3-8, as of 2015, the City of Manteca had yet to return to pre-recession staffing levels, despite the increase in population since 2006. According to the City's Comprehensive Annual Financial Report, which includes the staffing level breakdowns seen in the chart below, the City reached its lowest level of staffing in 2013, with a total of 330 full-time equivalent (FTE) staff members. Between 2013 and 2015, the City's staff count increased to 351, though still well below the pre-recession peak level of 418 FTE employees. The increase in City staffing between 2013 and 2015 corresponded to an increase in personnel expenditures from $19 million to $26 million. According to the City's Finance Department, this significant increase in expenditures also includes increases in payouts and health benefits for retirees, in addition to a new Memorandum of Understanding (MOU) which corresponded to increases in salary and benefits for employees. With respect to increasing staffing levels moving forward, the Finance Department noted that staffing needs are typically analyzed each year by individual departments in conjunction with the ability to maintain fiscal stability. Given that the City is still well below the pre-recession employment levels, it will be important to ensure that staffing levels are sufficient to meet future needs while continuing to budget for staffing within the City's available and anticipated fiscal resources.

CHART 1.3-8: CITY OF MANTECA EMPLOYMENT TRENDS BY DEPARTMENT, 2006 TO 2015



SOURCE: CITY OF MANTECA, FINANCE DEPARTMENT, FY 2014/15 COMPREHENSIVE ANNUAL FINANCIAL REPORT, 2016; BAE, 2016.

GENERAL PLAN UPDATE FISCAL CONSIDERATIONS

Existing General Plan Service Standards for General Fund Functions

This section identifies key published service standards and objectives for key General Fund functions. Existing standards may be revisited as part of the General Plan Update process.

POLICE

According to the City of Manteca Municipal Service Review (MSR), published in 2015, the City had 63 sworn police officers, equaling roughly 0.86 officers per 1,000 residents. The 2016/17 budget allocated funding to increase the number of officers to 66, which would increase the number of officers per 1,000 residents to 0.89. While the General Plan does not designate the targeted number of officers, Policy PF-P-39 states the City shall maintain the minimum feasible response times, though no explicit response time target is noted. With regard to anticipated growth, the General Plan mandates that the City will provide police service to the existing and projected population.

FIRE

The Manteca Fire Department maintains four permanent fire stations. Station 242, located at 1154 S. Union Road, serves as the Fire Department headquarters. Each station has at least one fire engine and is staffed by firefighters 24 hours a day, 7 days a week. An additional ladder truck is based at Station 242. According to the City's MSR, the Fire Department maintains a goal of at least three firefighters to arrive on the scene within five minutes on 90 percent of the calls from the dispatch center. The 2014 Annual Fire Department report suggests the department maintained an average response time of 4 minutes and 10 seconds, though was on the scene within five minutes 77 percent of the time, missing the stated response time goal. In order to achieve the stated goal, an additional station located in southeast Manteca is planned. The FY 2014/15 budget allocated funding for the design component of the new station, with the intent of beginning construction in 2017. The design of the fire station is currently underway.

Other General Plan policies relating to fire service include Policy PF-P-42, which states the City shall endeavor to maintain an overall fire insurance (ISO) rating of 4 or better. An ISO rating measures fire protection agencies against a Fire Suppression Rating Schedule, consisting of various criteria, with scoring ranging from 1 to 10, with 1 representing the highest level of protection. The ISO ratings help determine fire insurance premiums. The City of Manteca currently contains a rating of 3, exceeding the General Plan policy, and believes with the addition of the Station 5, that rating will remain or possibly improve.

PARKS

The City's key recreational infrastructure includes 49 neighborhood parks, totaling roughly 213 acres, six community parks, totaling approximately 78 acres, plus another 10 special use parks/facilities totaling roughly 91 acres. In addition to the various park facilities, the City also maintains a 3.5-mile multi-use recreational trail. Excluding the recreation trail, the City maintains roughly 5.18 acres of parks per 1,000 residents. According to General Plan policy PF-P-49, the City aims to provide five acres of developed neighborhood and community parkland per 1,000 residents, suggesting the City currently surpasses its goal.

Additionally, the City is in the process of adopting an updated Parks and Recreation Master Plan, which according to the General Plan, will guide the future of Manteca parks and recreation. According to a publicly available draft version of the Plan, the City indicates a number of existing facility needs, as well as future needs to accommodate growth. Aside from maintaining the five acres per 1,000 residents service standard, the Parks and Recreation Master Plan highlights the need for three soccer fields, one swimming facility, and two indoor basketball courts in the immediate future, with various other sports and recreation facilities needed to meet demand moving forward.

LIBRARY

The Manteca Branch Library, located at 320 W. Center Street, is part of the Stockton-San Joaquin County Public Library system. According to the City's Finance Department, library personnel are funded by the County through an ongoing contract between the City and County, though Manteca does contribute General Fund monies for materials and supplies. This is also evident from the FY 2016/17 budget, in which the City budgeted roughly $130,000 for materials and supplies, with no commitment for personnel or other services. Also noted in the FY 2016/17 budget is a deferred library expansion, cited as a $33 million project. This Capital Improvement Project has been placed in the deferred projects list within the Capital Improvement Plan section of the City's budget since the last publicly available budget from FY 2012/13.

GENERAL PLAN UPDATE SERVICE COST IMPLICATIONS

The preceding discussion indicates that future General Fund service cost increases could come from a combination of expenditures to address existing service deficiencies, and expenditures to address increased service demands from new development. The General Fund expenditure distribution shows that public safety expenditures (i.e., police and fire) make up about 60 percent of the City's General Fund expenditures; thus, it will be important for the City and local stakeholders to consider opportunities to direct new development to locations where public safety services either have existing capacity to serve additional development, or can be expanded in a cost-effective manner. For example, if the City is already targeting the southeast area for Fire Department expansion, this may be a logical area to consider accommodating new development, to ensure that the new fire station would be well-utilized. Given the high cost to construct and operate additional fire stations, the City should try to direct growth away from areas that would trigger the need for additional fire stations in order to maintain targeted response times.

GENERAL PLAN UPDATE REVENUE IMPLICATIONS

In addition to service cost considerations, the other half of the fiscal sustainability equation is new General Fund revenue generation. The General Plan Update process can consider the opportunity for new development to help diversify the City's tax base, and consider the placement of new development to optimize revenue generating potential. Regarding the former, the City and local stakeholders can consider a General Plan Update that targets growth in a range of different land use categories, which will help to diversify the different types of revenues generated. Regarding the latter, the City and local stakeholders can consider a General Plan Update strategically allocates land for specific land uses that supports revenue generation. For example, communities often reserve sites with good freeway visibility and access for regional retail and lodging development, while sites located off of busy travel corridors may be targeted for residential development, neighborhood parks, and other uses that do not require similar visibility and access. Several key revenue sources that are sensitive to land use decisions are discussed below, highlighting considerations that may be relevant to the City's long-term fiscal sustainability as the City grows.

PROPERTY TAXES

Property Tax revenues are the most important source of revenue for Manteca's General Fund, accounting for $12,707,100 in FY 2016/17. The City's property tax revenues increase as property values rise and new development activity continues. In most areas, the City receives a roughly 14 percent share of the 1.0 percent ad-valorem property tax collected by the County within the City limits. An important exception is the areas in which the property tax is allocated to the former Redevelopment Areas (RDAs), as discussed below. Within the past 12 months, new homes in Manteca sold for prices within a range of $205,550 to $620,000, or roughly $195 per square foot, while apartment properties sold within the last three years yielded $78,000 to $124,375 per unit. Should the residential real estate market continue to operate with these price ranges, the City of Manteca would receive between about $290 and $875 in annual General Fund property tax revenues for each new single-family home constructed in areas outside of former Redevelopment Areas. The lower end of the recent apartment sales prices is well below the development cost of new apartments. It is likely that new apartment construction projects would generate new property tax revenues closer to $175 or more per unit, per year, for units constructed outside of former Redevelopment Areas.

These figures are approximate, since the City's exact share of the property tax generated on a particular parcel is determined by the Tax Rate Area (TRA) within which the parcel is located. Figure 1.3-1 maps the TRAs, with the yellow shaded areas signaling that a lower proportion of property tax revenues are remitted to the City and the red shaded areas indicating a higher proportion of the revenues. As is evident from the figure, as the City undergoes its General Plan Update, the geographic distribution of growth will affect the City's portion of future property tax revenues.

Also shown in the figure, there are various TRAs in which the current property tax is allocated entirely to the former RDAs. According to the Manteca Finance Department, any property tax generated by new development within the RDAs will be allocated to the former RDAs to pay off existing obligations. Depending on the outstanding obligations of the RDAs, new development in the former RDAs may not immediately yield new property taxes for the City. Given this, the City should continue to monitor the obligations of each unique former RDA and consider the impacts on the flow of property taxes from new development over time.

Per the 2014 Master Tax Sharing Agreement currently in place between the City and San Joaquin County, should the City of Manteca in the future annex any currently unincorporated areas, the future property taxes generated by these areas would be shared between the two jurisdictions. In general, upon annexation, the property taxes associated with any previously unincorporated parcel would be divided, with 20 percent of property tax revenues going to the City's General Fund and the remainder going to the County. This agreement is well represented in Figure 1.3-1 in that the City General Fund receives noticeably lower allocations of property taxes in recently annexed areas, primarily located in the southeast and southwest of the City, compared to other locations throughout the City. The property tax sharing agreement will have similar implications for future development in these areas, and in other areas that may be annexed to the City in the future.

SALES TAXES

After property tax revenues, sales tax revenues are the General Fund's largest individual revenue source, accounting for $11,610,000 in FY 2016/17, or approximately $157 per capita. The City of Manteca receives a share equal to one percent of all taxable sales generated within its borders, which includes final sales to consumers as well as business to business sales. In addition to this one percent share, the City receives an additional 0.5 percent Measure M sales tax. Projecting an increase in local sales taxes attributable to new development can be difficult, due the complex interactions between shopper demand and retail supply. Ultimately, overall sales tax generation is a function of the amount of taxable goods purchased within the City. This is a finite amount, which is driven by household demand for taxable goods, but constrained by the limits of personal income and the availability of goods to purchase and also affected by competition for expenditures from shoppers from within a larger trade area.

The General Plan Update may influence the City of Manteca's sales tax revenues in several ways. First, a plan change that increases the projected resident population will tend to increase the captive base of retail demand within the City. Some, but not all, of the new residents' taxable expenditures will be made in stores located in Manteca, generating new local sales taxes. Second, a plan change that increases the supply of retail space (stores or restaurants) within the City will create the potential to increase the capture of expenditures and sales taxes from local residents as well as from shoppers who may be attracted from other communities to take advantage of the expanded local retail offerings. Thirdly, an alternative that attracts visitors to Manteca who would not otherwise visit may induce those visitors to also do some shopping in the City as an indirect effect of them being attracted to Manteca for their primary activity. Finally, if General Plan modifications help Manteca to be successful in attracting industrial or office users who sell taxable products to end-users (e.g., business to business sales) to locate in the City, the City may realize new sales tax revenues.

City budget documents have referenced past sales tax sharing agreements with major retailers, including Costco and Orchard Valley Shopping Center. To the extent that the City engages in sales tax sharing agreements with other retailers in the future, this will tend to constrain the revenue benefits to the City from attracting new sales tax generators.

TRANSIT OCCUPANCY TAX

The City of Manteca has a TOT Rate of nine percent. In FY 2016/17, the City expected to receive $999,000 in General Fund revenue from the hotels located within the City. As noted above, ongoing negotiations to attract a resort and conference center to the western portion of the City could potentially increase the realized TOT revenues significantly, though early indications suggest a portion of the TOT revenues may be dedicated to help finance the project.

REFERENCES

Bay Area Economics. Manteca General Plan Update Fiscal Conditions. July 2017.

California Employment Development Department, 2017. Labor Market Info, Data Library. Database accessed via: http://www.labormarketinfo.edd.ca.gov/.

ESRI, 2013. Retail Goods and Services Expenditures. 2017.

ESRI, 2013. Retail MarketPlace Profile. 2017.

ESRI, 2013. Business Summary. 2017.

State Board of Equalization, 2000. Taxable Sales in California (Sales and Use Tax) During 2000. Sacramento, CA. No year of publication listed.

State Board of Equalization, 2002. Taxable Sales in California (Sales and Use Tax) During 2002. Sacramento, CA. No year of publication listed.

State Board of Equalization, 2004. Taxable Sales in California (Sales and Use Tax) During 2004. Sacramento, CA. No year of publication listed.

State Board of Equalization, 2006. Taxable Sales in California (Sales and Use Tax) During 2006. Sacramento, CA. No year of publication listed.

State Board of Equalization, 2008. Taxable Sales in California (Sales and Use Tax) During 2008. Sacramento, CA. No year of publication listed.

State Board of Equalization, 2010. Taxable Sales in California (Sales and Use Tax) During 2010. Sacramento, CA. No year of publication listed.

State Board of Equalization, 2010. Taxable Sales in California (Sales and Use Tax) During 2012. Sacramento, CA. No year of publication listed.

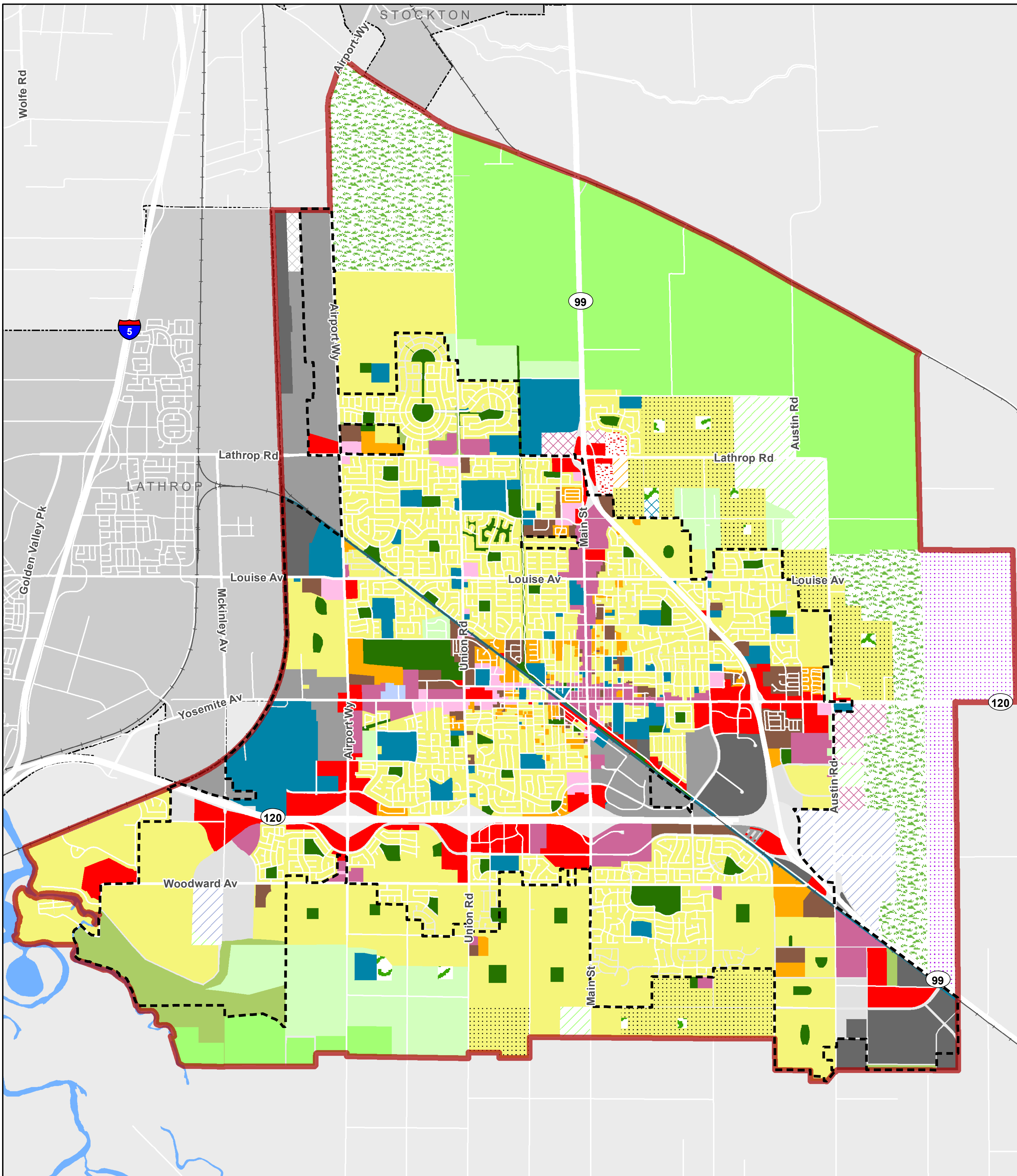
State Board of Equalization, 2010. Taxable Sales in California (Sales and Use Tax) During 2014. Sacramento, CA. No year of publication listed.

U.S. Census, 2000. 2000 Decennial Census. U.S. Census Bureau. Accessed via: http://factfinder.census.gov.

U.S. Census, 2010. 2010 Decennial Census. U.S. Census Bureau. Accessed via: http://factfinder2.census.gov.

U.S. Census, 2015. American Community Survey, 2011-2015.

This page left intentionally blank.



General Plan Designations

- AG - Agriculture
- NC - Neighborhood Commercial
- CMU - Commercial Mixed Use
- GC - General Commercial
- VLDR - Very Low Density Residential
- LDR - Low Density Residential
- MDR - Medium Density Residential
- HDR - High Density Residential
- BIP - Business Industrial Park
- BP - Business Professional
- LI - Light Industrial
- HI - Heavy Industrial
- OS - Open Space
- P - Park
- PQP - Public/Quasi-Public
- UR - Urban Reserve
- UR-AG - Urban Reserve-Agriculture
- UR-CMU - Urban Reserve-Commercial Mixed Use
- UR-GC - Urban Reserve-General Commercial
- UR-VLDR - Urban Reserve Very Low Density Residential
- UR-LDR - Urban Reserve Low Density Residential
- UR-MDR - Urban Reserve Medium Density Residential
- UR-BIP - Urban Reserve-Business Industrial Park
- UR-LI - Urban Reserve-Light Industrial
- UR-P - Urban Reserve-Park
- UR-PQP - Urban Reserve-Public/Quasi-Public

Planning Area

- Manteca City Limits
- Manteca Sphere of Influence

Source: City of Manteca GIS. Map date: October 5, 2016.

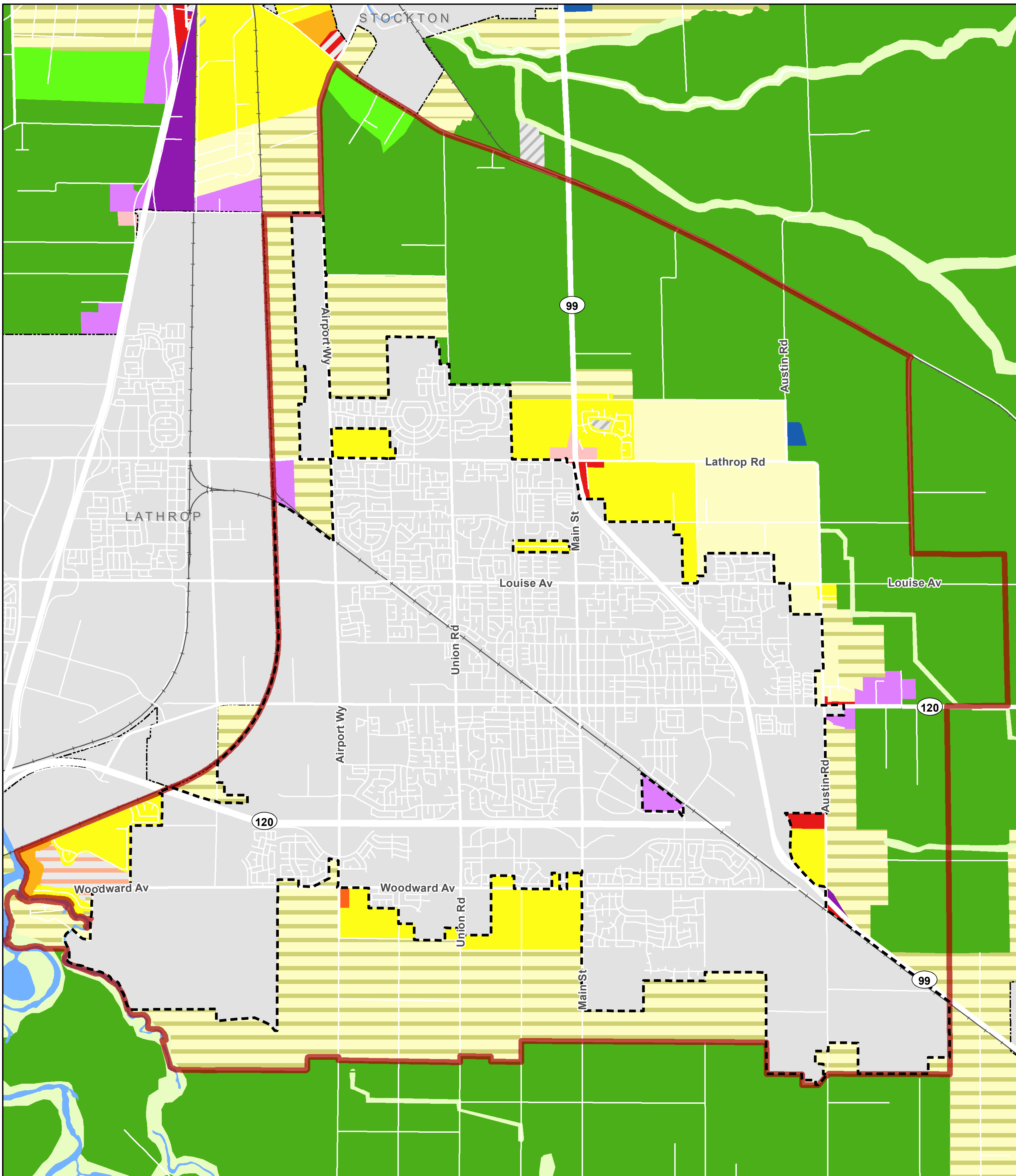
CITY OF MANTECA GENERAL PLAN UPDATE

Figure 1.1-1: General Plan Land Use Map

N

0 ½ 1
Miles
1:52,000

De Novo Planning Group
A Land Use Planning, Design, and Environmental Firm



CITY OF MANTECA GENERAL PLAN UPDATE

Figure 1.1-2: San Joaquin County General Plan 2035 Land Use Designations

San Joaquin County General Plan 2035 Designations

- Residential/Very Low Density
- Residential/Low Density
- Residential/Medium Density
- Agriculture/Limited
- Agriculture/General
- Agriculture/Urban Reserve
- Open Space / Other
- Open Space/Resource Conservation
- Open Space/Parks & Recreation
- Commercial/General
- Commercial/Neighborhood
- Commercial/Community
- Commercial/Freeway Service
- Commercial/Recreation
- Industrial/Limited
- Industrial/General
- Public
- City

Planning Area

- Manteca City Limits
- Manteca Sphere of Influence

N

0 ½ 1

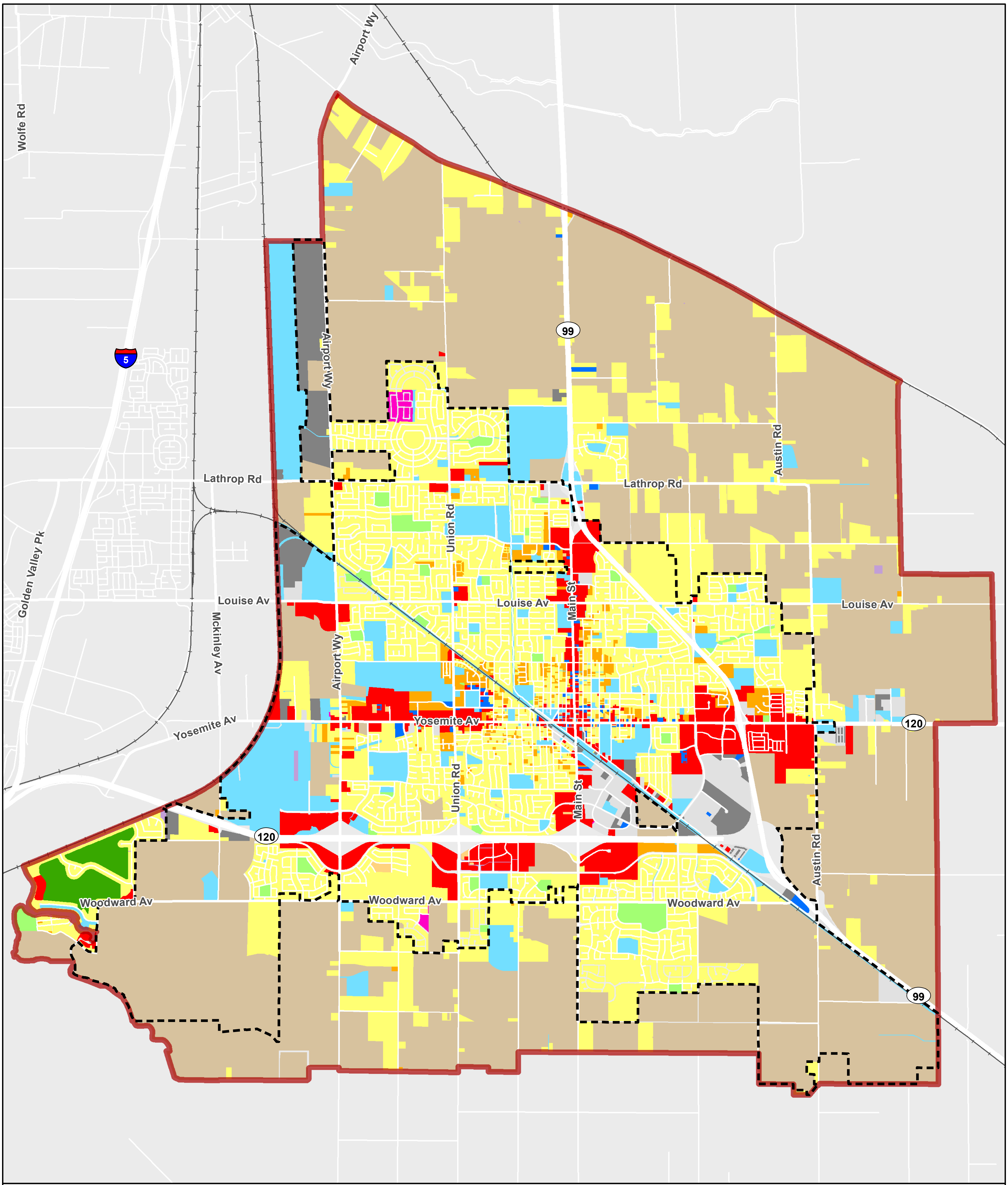
Miles

1:52,000

Source: San Joaquin County GIS, General Plan 2035; City of Manteca; San Joaquin County. Map date: May 11, 2017.

De Novo Planning Group

A Land Use Planning, Design, and Environmental Firm



CITY OF MANTECA GENERAL PLAN UPDATE

Figure 1.1-3: Assessed Land Uses

Assessor Land Use Categories

- Agricultural
- Single Family Residential
- Multifamily Residential
- Commercial
- Communication/Utilities
- Industrial Non-Manufacturing
- Industrial Manufacturing
- Institutional
- Office
- Parks and Recreation Facilities
- Open Space
- Non-Taxable
- No Use Code Assigned

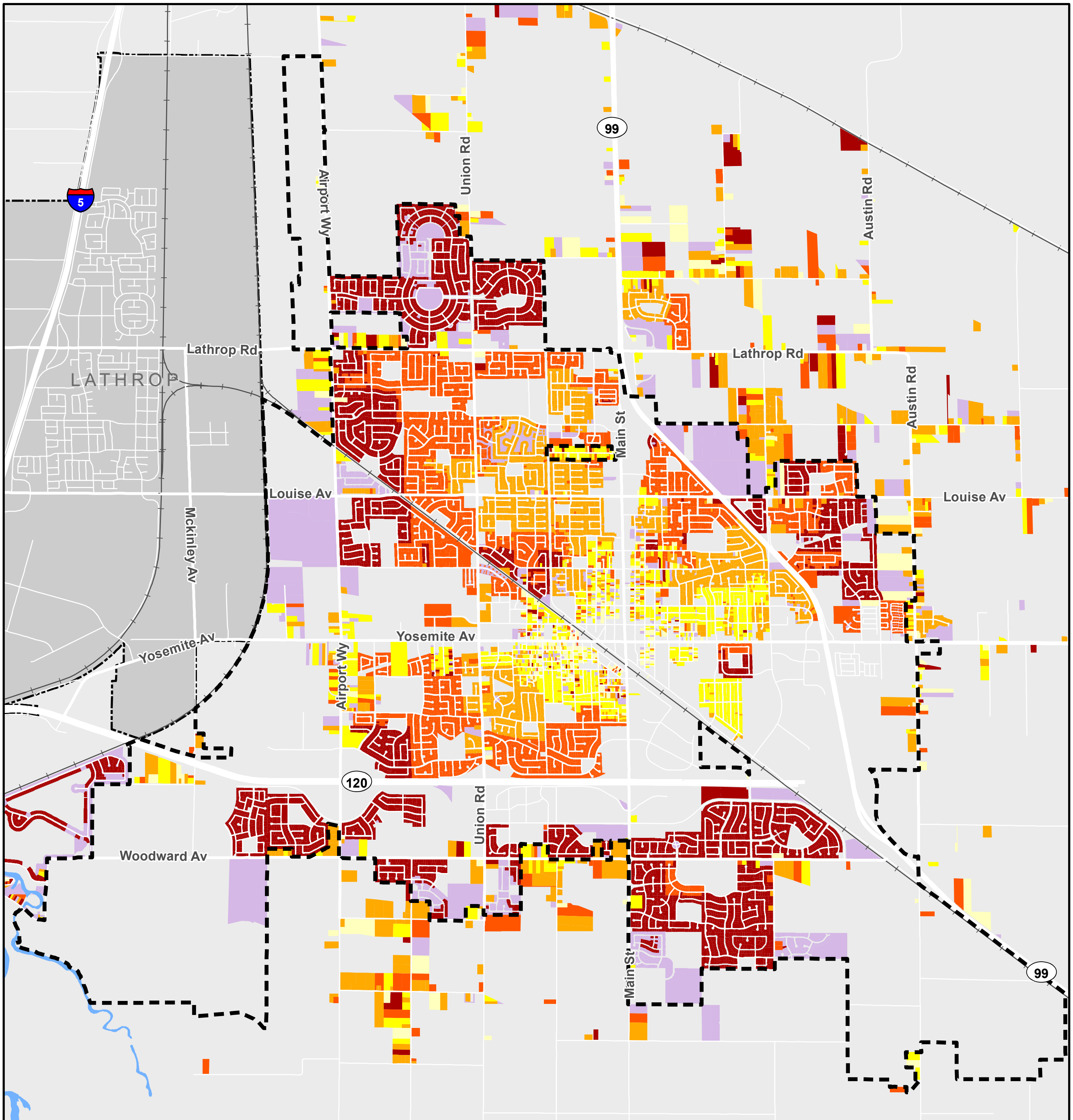
Planning Areas

- Manteca City Limits
- Manteca Sphere of Influence

0 ½ 1
Miles
1:52,000

Source: City of Manteca GIS; San Joaquin County Assessor's Office. Map date: October 19, 2016.

De Novo Planning Group
A Land Use Planning, Design, and Environmental Firm



Development Periods

- Pre-1940
- 1940-1959
- 1960-1979
- 1980-1999
- 2000-2016
- No Year Given
- Manteca City Limits

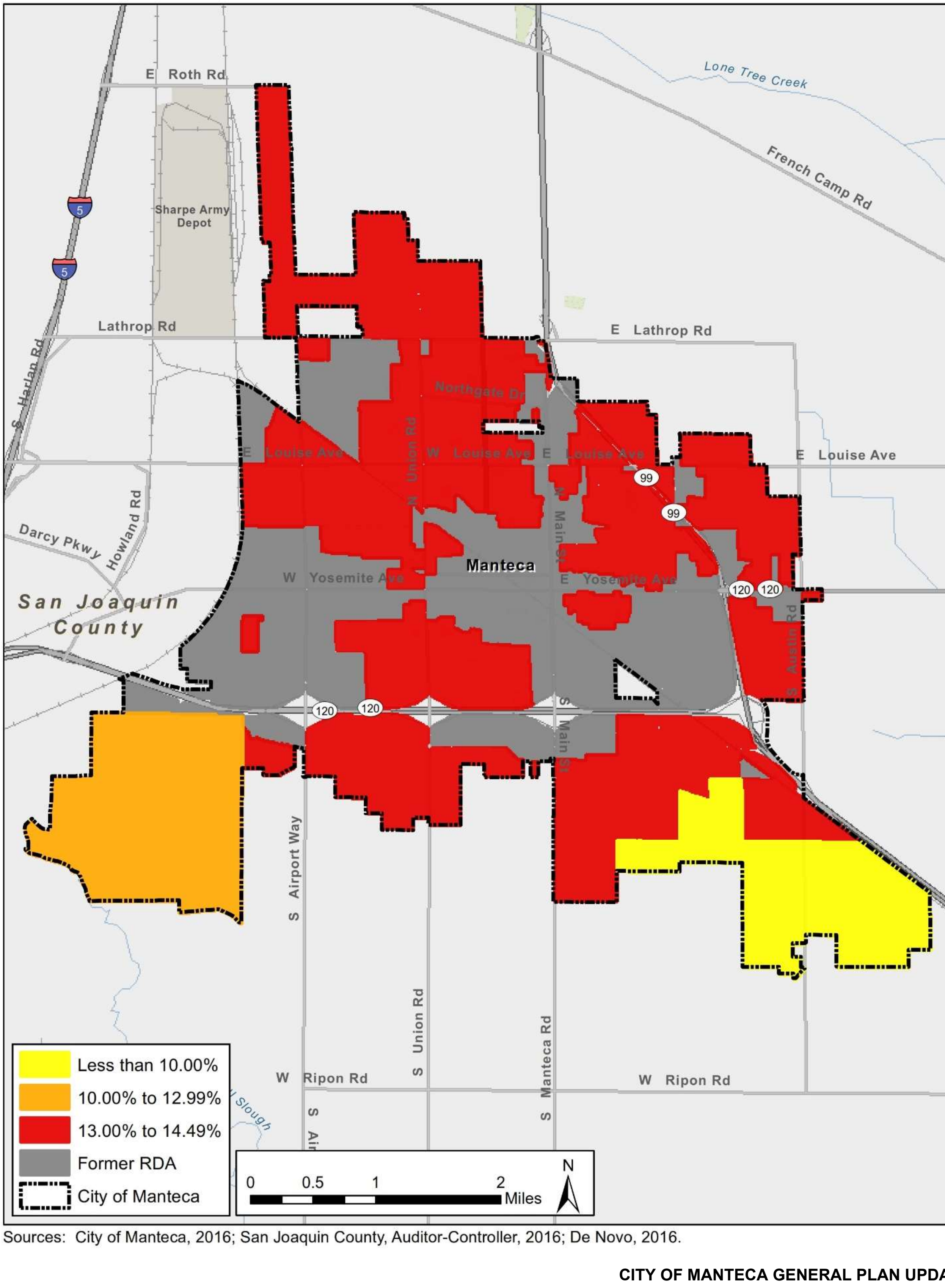
0 ½ 1
Miles
1:62,000

CITY OF MANTECA GENERAL PLAN UPDATE

Figure 1.1-4: Development Trends - Residential Uses

Source: City of Manteca GIS; San Joaquin County.
Map date: August 16, 2017.

De Novo Planning Group
A Land Use Planning, Design, and Environmental Firm



Sources: City of Manteca, 2016; San Joaquin County, Auditor-Controller, 2016; De Novo, 2016.

CITY OF MANTECA GENERAL PLAN UPDATE

Figure 1.3-1: Manteca Tax Rates

De Novo Planning Group
A Land Use Planning, Design, and Environmental Firm