

**Downtown Stockton
Management District Plan**

**A Plan for Renewal and Expansion of the
Existing Downtown Stockton Management District**

*Prepared pursuant to the State of California
Property and Business Improvement Law of 1994
(and as amended in 2001) to renew and expand the
Existing management district in Downtown Stockton*

Prepared for the:

Downtown Stockton Property and Business Owners

Stockton City Council

Downtown Stockton Alliance



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Downtown Stockton Management District Plan

Table of Contents:

I.	Executive Summary History, Mission and Vision of the Downtown Stockton Management District	Page 3
II.	Why the Reestablishment of a Management District for Downtown Stockton?	Page 5
III.	What is a Management District?	Page 7
IV.	Accomplishments of the Downtown Stockton Management District Overview of successes from 1998 - 2007 <ul style="list-style-type: none">• Economic Development: Business and Investor Attraction• Economic Development: Visitor Attraction, Downtown Events, and Programs• Public Policy/Advocacy Programs• Clean Team – Downtown Maintenance• Safety and Security: Hospitality Guides• Additional Accomplishments	Page 8
V.	Management District Boundaries A. District Boundaries, 2008 - 2017 B. Benefit Zone Boundaries, 2008 – 2017 C. Business Assessment District Boundaries	Page 12
VI.	Management District Business Plan A. Process to Reestablish the Management District Business Plan B. Downtown Stockton Management District Business Plan, 2008 – 2017 <u>Services Provided</u> <ul style="list-style-type: none">• Development and Management of a Downtown Entertainment District• Economic Development: Business and Investor Attraction• Economic Development: Visitor and Guest Attraction• Management Services and Advocacy/Public Policy Activities• Safety and Security: Hospitality Guides• Clean Team: Comprehensive Downtown Maintenance Program <u>Services Provided to each Benefit Zone</u> <u>Management District Operating Budgets</u> <u>Business Assessment District Operating Budgets</u>	Page 14
VII.	Engineer’s Report A. Assessment Methodology B. Assessment Calculations C. Annual Assessment Adjustments D. Time and Manner for Collecting Assessments E. Disestablishment F. City of Stockton, County of San Joaquin, and Other Government Assessments	Page 20
VIII.	Management District Governance A. Owners’ Association – Downtown Stockton Alliance B. Staffing and Program Structure	Page 26
IX.	Continuation of City of Stockton Services	Page 28
X.	Strategic Partnerships	Page 29
XI.	Management District Rules and Regulations	Page 31
XII.	Implementation Timetable	Page 32
	List of Appendices	Page 33

I. Executive Summary

History of the Downtown Management District: The Downtown Stockton Management District is a public/private partnership uniting almost 300 property owners and 1300 downtown businesses. After a series of public meetings with property owners and stakeholders, an election was held in the summer of 1997 and the Downtown Stockton Management District was formed with an initial five-year assessment period. The Downtown Stockton Alliance was incorporated in 1996 as a 501(c)(6) corporation for the purpose of managing the district, which began operations in January, 1998. In 2002, the District was renewed for a second five-year period with 82% approval by assessed property owners. In 2006, the Mission Statement of the Downtown Stockton Alliance was updated to reflect ongoing revitalization successes.

Mission of the Downtown Stockton Alliance: To develop, promote, and maintain historic downtown Stockton as a regional business, cultural and entertainment destination.

Vision Statement: An exciting, extended-hours downtown, incorporating our diverse culture, the Arts, recreation, entertainment, and sports with vibrant business, financial, governmental, and residential centers.

Goals: The five primary goals of the Management District remain:

1. Develop and implement an aggressive outreach marketing program to attract new downtown investment and new businesses to the central city.
2. Promote existing events and create new events and programs which draw local residents and visitors to downtown Stockton from throughout Northern California.
3. Form public policy for downtown's revitalization and advance the interests and rights of downtown property owners and businesses, including enhanced incentives and expedited permitting.
4. Implement a broader sidewalk cleaning, graffiti and litter abatement and private property improvement program to enhance the overall appearance of downtown and promote a sense of safety and security.
5. Establish and grow an every-day Hospitality & Information Guide program to welcome visitors, employees, and residents to downtown Stockton.

Location: The District will include approximately 123 blocks in the downtown, central historic, core area and along both north and south shores of the Stockton Deepwater Channel, including Central Parking District surface lots on Fremont Street, the U.S. Post Office, the ACE Station, and additional parcels on the south shore. This is approximately 15 additional blocks. The District, with new parcels highlighted, is illustrated in the map located in **Appendix A**.

Budget: Total property assessment Management District budget for 2008, is \$1,249,829. The total business assessment Management District budget for 2008 is \$28,500.

Maximum Assessment: Property assessments may be subject to changes, not to exceed four percent (4%) per year, subject to approval by the Board of Directors.

City Services: The City of Stockton will continue the existing policy of maintaining existing levels of services within the district, per the first ten years of the district.

District Formation: District formation/renewal requires submission of petitions from property owners representing more than 50 percent (50%) of total assessments and the return of mail ballots evidencing a majority in favor of the assessment.

Duration: The reestablished district will have a ten-year life, beginning January 1, 2008, with a five-year Performance Check-In, on January 1, 2013. After ten years the petition process must be repeated for the district to continue.

II. Why the Reestablishment of a Management District for Downtown Stockton?

Several reasons exist for continuation and reestablishment of the existing Downtown Stockton Management District.

The Need to Continue to Build Upon Downtown's Improving Image

Downtown Stockton continues to suffer from a lingering negative image held by residents, and the general public throughout the region and State. This negative image impedes investment by businesses and developers who may contemplate locating in downtown. The Alliance has an almost ten-year record of success in eliciting positive news stories in print, television, promotional advertising and on websites. This positive promotion should be continued and accelerated as more redevelopment projects are completed.

The Need to Continue to Attract New Businesses and Investors

Over the past nine years, the Alliance has developed successful partnerships with downtown property owners, brokers and the City of Stockton, which have resulted in a 400% increase in new downtown businesses and a 99% increase in downtown property values. Alliance efforts have also resulted in a substantial increase in downtown relocations, as existing businesses grow and succeed. Partnerships with the San Joaquin Small Business Development Center, County Revolving Loan Fund, and local lending institutions are providing business consulting, entrepreneur workshops and niche financing designed to keep existing businesses strong in an increasingly competitive downtown environment. This momentum should be maintained.

The Need to Continue to Develop "People Generators" for Downtown

The Alliance has enjoyed success in the production of special events, over the past nine years, including the Friday Farmer's Market, Taste of Downtown restaurant tours, Festival of Lights and the award-winning Downtown Art Walk. In addition, the Alliance has partnered with the City of Stockton and other organizations to assist in the production of events such as 4th of July Waterfest, Jazz on the Waterfront, Gala Reopening of the Bob Hope Theatre and the annual Asparagus Festival. These events draw well over 100,000 visitors to downtown each year – visitors who spend cash at local restaurants, businesses, and service providers. As new projects, such as the Cinemas, the Bob Hope Theatre, Stockton Ballpark and Arena are completed the efforts of the Alliance to introduce new audiences and encourage repeat visitors remain vitally important.

Continuation of Private Sector Control and Accountability

A 23-member Downtown Stockton Alliance Board of Directors oversees the Downtown Stockton Management District, ensuring district services are delivered with quality and at the lowest cost. The board is comprised of property and business owners, residents or designated representatives of the Central Business District, East End Area, Area South of the Crosstown Freeway, and Channel Area, as well as representatives of the Arts, the Non-Profit Sector, Financial Institutions, Media Ownership, and Downtown Residents. The district has realized substantial success over nine years with only modest assessment increases, averaging just 1% per year. The Downtown Stockton Alliance has generated significant additional revenue streams, maximizing assessment dollars for the benefit of downtown property owners. The district has proven to be flexible, fiscally responsible, and results-driven. Without the constraints of government, the district can move quickly to respond to emerging issues. Alliance staff has developed critical areas of expertise and provides consistent leadership on revitalization issues. Through hard work they have earned "a seat at the table" and proactively advance the priorities of downtown property and business owners.

Continuation of a Unified Voice for Downtown Revitalization

The Downtown Stockton Management District and the Downtown Stockton Alliance take great pride in the coalition of public and private property owners, business owners, organizations, and stakeholders which has been created and continues to work toward the common goal of a revitalized downtown. Coalition members include the various Chambers of Commerce, a variety of ethnic and cultural organizations, the City of Stockton, Council of Governments, County of San Joaquin, State of California, Stockton Arts Commission, Stockton Symphony, Stockton Unified School District, San Joaquin RTD, San Joaquin Regional Rail Commission, and many others. The Alliance has acted as the unifying force to keep these diverse groups focused on the long-term commitment required to revitalize our central city.

III. What is a Management District?

A Property and Business Improvement District (PBID) is a tool available to property and business owners to improve a downtown or other commercial area. A PBID is a special benefit assessment district designed to raise funds within a specific geographic area. Funds are raised through a special assessment on real property and/or businesses, with the level of services and improvements determined by those who pay the assessments. All funds raised must be spent within the district boundaries and benefit those who pay the assessments. The International Downtown Association estimates that there are more than 1200 PBID's throughout North America. These management districts have an impressive track record for improving downtowns and other commercial areas. They have consistently reduced crime, enhanced cleanliness and image, and improved the business climate in cities throughout the country.

Downtown Stockton's Management District was formed pursuant to the Property and Business Improvement District Law of 1994 (PBID Law), and is one of the oldest PBID's in the state of California. The law allows PBID's to provide such services as:

- Enhanced Security Services
- Enhanced Maintenance Services
- Marketing of the Area and Event Production
- Small Business Training
- Parking Management
- Business Recruitment and Retention
- Hospitality District Management
- Advocacy – One Unified Voice Representing the Area

State law was amended in 2001 to provide for up to a 10-year life for the management district. The renewal is for such an additional 10-year period, with a Performance Check In at the end of the first five years. The "Property and Business Improvement District Law of 1994", as amended, is provided in **Appendix K**.

IV. Accomplishments of the Downtown Stockton Management District

Highlights from 1998 to 2007 in downtown Stockton, as related to the District's five primary goals:

Economic Development: Business and Investor Attraction

- Property values have risen approximately 99%, as determined by a nine-year property survey of 31 major downtown properties.
- Major buildings have completed renovations, including the Cort Tower, the Kress Legal Center, Waterfront Warehouse, Mansion House and Cal-Main Building.
- Three additional major buildings are nearing completion of their renovations, including Courthouse Square (The Marketplace), California Building and Biondi Bros. Furniture.
- Construction of several new, market-rate commercial projects in downtown has been completed in the past three years, including the Council of Governments, WorkNet, and Guaranty Bank Regional Offices.
- Major catalyst projects have reached completion in the past nine years, including Dean DeCarli Waterfront Square, Stewart-Eberhardt Essential Services building, City Centre Cineplex, SJ RTD Transit Center, Stockton Ballpark and Arena.
- Additional catalyst projects nearing completion include the Sheraton at Regent Pointe, with the first 42 units of market-rate housing in downtown, and a new downtown Marina.
- Award-winning historical restorations have been completed on the Bob Hope Theatre (Fox-California) and the Hotel Stockton, resulting in increased entertainment, vibrancy and affordable housing units for downtown.
- Annual new businesses in downtown have increased 400% since 1998
- Public-sector employment is growing, with plans progressing for a new San Joaquin County Administration Building and Courts Facilities.
- Incorporation of the Downtown Stockton Enterprise Loan Fund (DSELF), providing niche financing to new and existing businesses from Harding Way in the North, to Charter Way in the South.
- Alliance marketing and promotion of the Commercial Facade Improvement Forgivable Loan and Zero Fees for Vacant Buildings programs have consistently supported the rehabilitation of older buildings.
- Lease rates for ground floor spaces have risen approximately 35% since 1998.
- Alliance marketing efforts include an engaging and interactive website, averaging over 3,500 unique visitors per month; www.myspace.com/downtownstockton, effectively penetrating the under 30-year-old market and adding an average of 50 new "friends" each month; consistent radio promotion with an Alliance "jingle" on KJOY, The River, KWIN and The Hawk; printed advertisements in The Record, Comstock's Business, Central Valley Business Journal, the Caravan, Guide to the Arts and San Joaquin Official Visitor's Guide and television advertising for downtown events on Telemundo. In 2007, the Alliance-published *Downtowner*, will reach 9,000 readers each and every month and includes features on downtown events and projects, a Real Estate section with properties for lease or sale, Business Spotlights, Sports Corner, Postcards from the Past, and City Art Scene.
- Regular columns and letters in The Record raise public awareness about downtown issues and the work of the Alliance.
- Development of strong working relationships with media representatives has resulted in substantial unpaid publicity in Comstock's Business, The Record, and Central Valley Business Journal and on regional media websites, blogs and television stations.
- The Alliance represents downtown interests and assists in development of positive coverage of downtown issues and projects through representation on the Editorial Advisory Board of the Central Valley Business Journal.

Economic Development: Visitor Attraction, Downtown Events, and Programs

- Alliance events have brought over a million people to downtown in the past nine years. These events include the Friday Farmer's Market, Taste of Downtown, Harvest Festival, Friday Night Live, Festival of Lights, First Night Stockton, and the award-winning Downtown Stockton Art Walk. The Alliance has also provided critical assistance to organizations and event promoters which has resulted in the successful relocation of the Stockton Asparagus Festival and the Business Leadership Summit, to downtown. The Gala Reopening of the Bob Hope Theatre, Hot August Car Show, annual Asian New Year Festival, Jazz on the Waterfront, Holidays in the Park, and the 75th Birthday for the Bob Hope Theatre were all produced through partnership with the Alliance.
- The Alliance utilizes a variety of publications as "people generators" for downtown. *The Downowner*, a quarterly Restaurant Guide, *Shop, Dine & Explore* visitor's guide, Snapshot on Downtown, event handbills, and posters are designed and published in-house to market downtown special events and businesses. In 2006, the Alliance distributed over 150,000 marketing pieces throughout the region.

Public Policy/Advocacy Programs

- City Council was lobbied by the Alliance to invest nearly three-quarters of the total proceeds from sale of the City-owned landfill into downtown improvements.
- The Alliance successfully lobbied for \$1 million for the order and delivery of three downtown trolleys to serve workers, outlying parking lots, and special events.
- Alliance input resulted in a new, expanded Commercial Facade Improvement Forgivable Loan and Zero Fees for Vacant Buildings programs.
- Partnership with SJ RTD resulted in Alliance maintaining ongoing support from forty property and business owners for the downtown Transit Center and increased ridership of the trolleys.
- Alliance staff and Directors provided critical input on the 2006 update of the City's Downtown Strategic Action Plan and lobbied successfully to place development of a wide range of residential product and an Arts & Entertainment District in downtown as top priorities for the next five years.
- Alliance staff and Directors provided critical input on the update of the City's General Plan.
- Alliance leadership led to the incorporation of the Downtown Stockton Enterprise Loan Fund, a coalition comprised of the Alliance, Small Business Development Center, the County's Revolving Loan Fund, and local investor financial institutions, to provide niche financing to an expanded downtown business community. Ongoing administration, marketing and primary oversight responsibilities are met by the Alliance.
- Alliance represents downtown interests through representation on the Board of Directors and Government Relations Committee of the Greater Stockton Chamber of Commerce, the Economic Development Task Force of the San Joaquin Partnership, the Executive Committee of the Business Leadership Summit, and all Committees of the Downtown Action Team.
- Alliance leadership resulted in a Comprehensive Downtown Maintenance Program as part of the proposed renewal of the District.
- Alliance lobbying resulted in the creation of a Downtown Hospitality & Entertainment District as part of the proposed renewal of the District.

The Clean Team – Downtown Maintenance

- A staff of twelve; one full-time supervisor oversees a crew of eleven full and part-time technicians. Four work on daily power washing of sidewalks and public spaces; one

works on daily landscape maintenance; six work on litter removal over 107 blocks in downtown. Staff has removed over 400 tons of trash and debris since 1998.

- Sidewalks in Zones 1 and 2 receive litter abatement services daily, Monday – Friday, 7am – 1pm. High traffic public spaces receive litter abatement services more often, on an as needed basis, seven days per week, 7am – 11 pm.
- Staff interacts with the City, County, SJ RTD, Waste Management, and Cal Trans to facilitate garbage removal, street sweeping, graffiti and illegal dumping abatement, and repairs and/or replacement of streetscape fixtures (bollards, benches, landscaping, tree grates, etc.).
- Staff maintains strong working partnership with members of the DAT Safety & Security Committee, including Code Enforcement/Neighborhood Services, Stockton Police Department, and Downtown Bicycle Officers resulting in vigorous enforcement in the downtown.
- Alliance invested in state-of-the-industry hot water power washing equipment with water filtration and reclamation systems to meet or exceed all environmental requirements and improve the cleanliness of downtown sidewalks and public spaces.
- Sidewalks in Zones 1 and 2 are power washed regularly, with high-traffic spaces cleaned more often, as needed. Staggered crews are scheduled seven days per week, between 3 am and Midnight.
- The district has purchased and provided, free of charge, to downtown businesses over 100 hanging flower baskets each year, as well as colorful banners to beautify downtown.

The Safe Team – Hospitality Guides

- A staff of seven; one full-time Community Outreach Coordinator oversees a crew of six full and part-time Guides. Uniformed, radio-equipped Guides patrol the district on foot and act as eyes and ears for the Stockton Police Department. The Guides deter and report crimes such as car theft and trespassing, drug activity, aggressive panhandling and other nuisance activities. The Coordinator attends monthly DAT Safety & Security and Parking & Circulation committee meetings to share information on crime and transportation/event management. The Safe Team serves as community ambassadors, providing downtown visitors, workers, and jurors with directions, information, free maps, and general assistance.
- Each year, Guides provide assistance to over 5,000 downtown visitors. In addition, they respond to over 2,300 annual requests from downtown businesses to help resolve everything from parking, street lighting, emergency clean-up, and permitting issues.
- Guides report security issues directly to Stockton Police Department on average 25 times per year and provide critical follow-up to ensure resolution.
- In the past ten years, violent crime in downtown has been reduced 19%. Since 2004, crime in the downtown fell another 12.3%. This double digit drop occurred, even while the crime rates for the State of California (per the California Crime Index) have risen and crime statistics for all reporting districts in the City of Stockton have remained flat or risen.
- Alliance staff provided valuable input to Stockton Police and City staff on placement of downtown security cameras.
- Hospitality Guides work Alliance events and because of their knowledge of downtown and high level of customer service, are in high demand to assist with events produced by other organizations and local promoters.
- Hospitality Guides have developed a critical partnership with SJ RTD to provide extended-hour services, including directions and assistance to downtown visitors and event participants in locating and utilizing the downtown trolleys.
- Guides lead historic downtown and Farmer's Market tours to over 1,000 school children each year; new outreach has resulted in an increase in tours to senior groups.

- Partnership with the County court system has resulted in a program to provide Guide escorts, directions, Dining Guides, and general assistance to jurors, who are often first-time downtown visitors.

Additional Accomplishments

1. Inaugural Mayor's Award for the Creation of the Downtown Stockton Art Walk from the Stockton Arts Commission, 2006.
2. Regional Excellence Award, Honorable Mention, for Marketing from the San Joaquin Council of Governments, 2006.
3. Stockton All America City Award, 2004. The Downtown Stockton Alliance was one of three projects selected to support the City's second successful bid for an All America City Award.
4. Crystal Eagle Award for Economic Development, from the California Downtown Association, 2002.
5. Regional Excellence Award for Cooperative Downtown Development from the San Joaquin Council of Governments, 2002.
6. 2001 City of Stockton Mayor's All America City Beautification Award for efforts in beautifying and maintaining downtown.
7. Target Opportunities for Pollution Prevention – San Joaquin (TOPPS) Environmental Excellence Award, 2000, for cleaning downtown Stockton and removing graffiti and blight.
8. Regional Excellence Award for Community Involvement from the San Joaquin Council of Governments, 2000.

V. Management District Boundaries

A. District Boundaries, 2008 – 2017

The Downtown Stockton Management District will include approximately 123 blocks. The District will add new territory to match evolving downtown growth trends. The District is illustrated in the map in **Appendix B**, and is bounded by the following:

Beginning at the southwest corner of Lindsay Street and Southern Pacific Railroad tracks and traveling south along the west side of the SPRR tracks to Washington Street. West along the south side of Washington Street to the west side of Stanislaus Street, then south along the west side of Stanislaus Street to the north side of Lafayette Street. West along the northern side of Lafayette Street, then south along the east side of parcels facing the east side of California Street to Sonora Street. Then west along Sonora Street to El Dorado Street; some parcels on the north and south sides of Sonora Street have been included and some have been excluded, reference **Appendix B** for a detailed map of those parcels. South along El Dorado Street to Church Street, then west along Church Street to Center Street.

North along Center Street to the south side of Washington Street, then west along Washington Street to the west side of Lincoln Street. North on Lincoln Street to the south side of Weber Avenue; some parcels facing the east side of Lincoln Street may be included; reference **Appendix B** for a detailed map of those parcels. West along the south side of Weber Avenue to the east side of Mormon Slough; some parcels facing the south side of Weber Avenue may be included; reference **Appendix B** for a detailed map of those parcels. Northwest along the east side of Mormon Slough to the south side of the Stockton Deepwater Channel.

East along the Stockton Deepwater Channel to the west side of Center Street, following the easterly border of the Channel north to Steamboat Levee; then following the northerly border of the Channel east to the west side of Miner Levee. Along the western and northern border of Miner Levee to Harrison Street. North along Harrison Street to Fremont Street, then east along Fremont Street to Lincoln Street. East along the north side of parcels facing Fremont Street to Madison Street. North along Madison Street to the Oak Street, then east along the north side of parcels facing Oak Street to Center Street. Continue east along Oak Street to Hunter Street, south along Hunter Street to Fremont Street, then east along Fremont Street to San Joaquin Street. South on San Joaquin Street to Lindsay street, then east along Lindsay Street to the point of beginning.

The Management District boundaries are recommended for the following reasons:

- The north shore of the Stockton Deepwater Channel has seen tremendous redevelopment, with the completion of a waterfront ballpark, events center and arena and Stockton Sheraton at Regent Pointe, scheduled for completion in October 2007. High visitor traffic necessitates the need to provide increased maintenance and hospitality services for walkways, surface parking lots, and proposed garages in the immediate future, especially during events.
- Expanded boundaries were crafted after stakeholder meetings where those property owners expressed interest in expanded services and a willingness to pay for those services through the property-based improvement district.
- Areas to the north and south of the Management District boundaries remain omitted, due to high concentrations of residential properties. Properties zoned solely for residential

use, and properties utilized exclusively for residential use and containing fewer than six units shall be exempt from property assessment.

B. Benefit Zone Boundaries

Downtown property owners have benefited from different levels of improvements and activities over the past nine years. These benefit zones contain different levels of activities based on the needs within each zone. Three different benefit zones have been operated in the Downtown Management District. The zone boundaries are as follows:

Zone 1: Zone 1 follows along the western and northern border of Miner Levee to Harrison Street. North along Harrison Street to Fremont Street, then east along Fremont Street to Lincoln Street. East along the north side of parcels facing Fremont Street to Madison Street. North along Madison Street to the Oak Street, then east along the north side of parcels facing Oak Street to Center Street. Continue east along Oak Street to Hunter Street, south along Hunter Street to Fremont Street, then east along Fremont Street to San Joaquin Street. South on San Joaquin Street to Lindsay street, then east along Lindsay Street to American Street. South along American Street including most parcels fronting the east side of American Street to Washington Street, including APN No. 14918006 fronting Main Street.

Zone 2: Zone 2 includes all parcels in the Management District to the east and south of Zone 1.

Zone 3: Zone 3 includes all parcels south of the Stockton Deepwater Channel and west of Center Street within the District boundaries.

Property assessment benefit zone boundaries are illustrated on the Management District map provided herewith, as **Appendix B**.

C. Business Assessment District Boundaries

The Business Assessment District/Zone begins at the northeast corner of Miner Avenue heading south to Channel Street, then east to Stanislaus Street. South along the east side of parcels fronting Stanislaus Street, excluding APN No. 13927009, to Market Street. West along Market Street, excluding APN Nos. 14920010, 14920008, 14920007, 14915020, and 14915021 fronting Market Street and APN No. 14915022 fronting California Street, to California Street. Continuing west along the south side of APN Nos. 14913006, 14913003, 14913001, 14912010, and 14912009. North along the west side of APN No. 14912009 to Market Street. West along Market Street to Hunter Street, excluding APN No. 14914024. West along APN Nos. 14903004 and 14903006 to El Dorado Street, then north along El Dorado Street to the point of beginning.

Businesses located within these boundaries, operating under a Stockton City Business License Classification 6-030.1, 6-030.4, 6-030.5, 6-030.9, 6-034.3, and 6-034.5, and are open after 7:00 pm, shall pay an annual Business Assessment, in conjunction with their annual Business License fee. Said assessments shall be used for supplemental business services required for the development, marketing, maintenance, and security of the Stockton Entertainment District.

Business assessment district boundaries are illustrated on the map provided herewith, as **Appendix C**.

VI. Management District Business Plan

A. Process to Reestablish the Management District Business Plan

1. The reestablishment of the management district began with a survey of business owners and meetings with a variety of stakeholders and property owners in the summer and fall of 2006, to assess their satisfaction with the management district services and their ongoing needs. (See Property/Business Survey & Meeting results, **Appendix D**). Following positive votes by the Downtown Stockton Alliance Board in July, Alliance staff began the process of reestablishing the district.
2. The following new Business Plan has been created to reflect the stated needs and desires of downtown Stockton property and business owners, as reflected in a series of stakeholder meetings and in the July, 2006 survey.
3. Three plan review workshops were held in February, 2007, along with dozens of individual meetings with property owners.
4. On March 20, 2007 the plan was presented to a gathering of property and business owners at two special meetings in the offices of the Downtown Stockton Alliance.

B. Downtown Stockton Management District Business Plan, 2008 – 2017

As determined by downtown Stockton property and business owners, the top priorities for ongoing improvements and activities within the Management District boundaries include enhanced security, hospitality and maintenance services, economic development and marketing, visitor and guest attraction, and continued advocacy for downtown property owner priorities. Based upon surveys and meetings with these owners, the following improvement and service activities are recommended for the reestablishment of the management district.

Services Provided

Development and Management of a Downtown Entertainment District

- Expand the relationship with the City of Stockton's Redevelopment and Economic Development Departments, as well as with the San Joaquin Partnership, local and regional developers, and brokers, to develop a strong package of both development and business incentives to attract experienced developers, desirable projects and quality operators to the Hospitality & Entertainment District (HED).
- Expand the partnership with the Stockton Police Department to develop security training and programs for HED employees and to provide highest-quality security for the HED.
- Expand the Hospitality Guide program of the Downtown Stockton Alliance to provide a trained, customer-service oriented presence in the HED, especially during extended hours of operation.
- Develop a Hospitality Resource Partnership/Panel with representatives from the Downtown Stockton Alliance, Stockton Police Department, City of Stockton Redevelopment and Economic Development Departments, Central Parking District, Hospitality Businesses, downtown residents, and other stakeholders to facilitate safety, security, and best-practices management of the HED.

Economic Development: Business and Investor Attraction

- The Alliance will hire a Marketing Director to oversee a comprehensive marketing program for downtown, including generating positive coverage in publications such as The Record, Central Valley Business Journal, Comstock's Business, Sacramento News & Review, and other local and regional publications; advertising via radio, print, and other media; development of various outreach marketing materials to support the mission of the Downtown Stockton Alliance.

- Expand partnerships with City of Stockton Economic Development Department, the San Joaquin Partnership, local and regional brokers, and County-wide Chambers of Commerce to develop programs and incentives to attract business and investors to downtown, such as the expanded Façade Loan Program and Zero Fees for Vacant Buildings programs.
- Develop enhanced incentives to encourage the adaptive reuse of historic downtown buildings and streamline the development process.
- Expand partnership with San Joaquin Delta College Small Business Development Center (SBDC) to provide education, training, and services to existing downtown businesses to assist them in remaining competitive and growing.
- Enhance outreach efforts to attract and recruit top-performing retailers, restaurants, and hospitality and entertainment businesses to downtown.
- Ongoing enhancement and expansion of www.downtownstockton.org website to recruit investors, businesses, and visitors to downtown Stockton.
- Complete development and implementation of a comprehensive branding program and action plan to recruit new businesses and strengthen existing businesses.

Economic Development: Visitor and Guest Attraction

- Raise the bar on development and production of all Alliance events, such as Friday's Stockton Farmer's Market, Taste of Downtown restaurant tours, and the award-winning Downtown Stockton Art Walk.
- Expansion of Alliance partnerships with the City of Stockton and other organizations to enhance the production of downtown events such as Holidays in the Park, Festival of Lights, 4th of July Waterfest, and Hot August Car Shows.
- Enhanced use of the Shop, Dine & Explore and Downtown Snapshot publications through partnerships with the Stockton Conference & Visitor's Center, county-wide Chambers of Commerce, San Joaquin Partnership, and others to encourage San Joaquin visitors to experience downtown Stockton.
- Enhanced partnership with the City of Stockton Events Staff to facilitate development and production of an annual schedule of top-quality downtown events at a variety of venues, including the Bob Hope Theatre, DeCarli Square, Weber Point, Waterfront Warehouse, and Stockton Events Center.
- Expand and enhance production of *The Downtowner* to promote and market downtown events, entertainment, and businesses.
- Complete development and implementation of a comprehensive branding program and action plan for marketing the greater Stockton area to visitors and tourists.

Management Services and Advocacy/Public Policy Activities

- Coordination of Alliance programs to serve the above goals of the management district
- Advocacy and public policy activities to advance the priorities, rights, and privileges of downtown property and business owners.
- Coordination of management district programs and activities with partnering organizations, including the City, County, State and other public sector partners, chamber of commerce, Stockton Conference & Visitor's Center, San Joaquin Partnership, non-profit, ethnic, and cultural organizations.
- Continue developing and growing additional revenue streams to fund additional district programs and maximize assessment dollars.

Safety and Security: Hospitality Guides

Despite substantial improvements in downtown public safety, security remains a major concern among downtown businesses, their employees, and visitors. The Hospitality Guide program addresses these concerns and creates a public perception of safety and security in downtown,

especially after hours. Equipped with security radios and trained in property security procedures by the Stockton Police Department, the Guides present a uniformed and friendly presence along downtown streets and in public spaces, often after dark. Guides also operate as additional “eyes and ears” of the Police Department, interacting with businesses to obtain information on emerging “security hot spots” in downtown, communicating information quickly to the Police Department, and coordinating follow-up of actions taken. The results of the Guide Program have included a substantial reduction in downtown crime, panhandling, graffiti, and illegal dumping.

- Expand the Guide foot patrols on downtown sidewalks and public spaces, as the District expands its hours of operations, including evenings and weekends.
- Enhance the partnership with the Stockton Police Department to provide the highest-quality training for Guides and ensure communication to reduce the number of nuisance violations in downtown.
- Expand the hospitality outreach of Guides to provide information to visitors, employees, and jurors to encourage their exploration of downtown, patronage of downtown businesses, and ensure a positive downtown experience.
- Expand the Guide Tour Program to include as many school children and seniors as possible in Farmer’s Market, Civic Pride, and Historic Downtown tours.
- Continue to refer individuals in need of support services to a variety of local and regional service providers and agencies.

The Clean Team: Comprehensive Downtown Maintenance Program

A comprehensive downtown maintenance program was crafted following stakeholder meetings where property owners expressed interest in expanded services and a willingness to pay for those services through the property-based improvement district. A fragmented system of providing maintenance services has included the Downtown Stockton Alliance, City of Stockton Parks & Recreation and Public Works Departments, and several subcontractors. The new program provides for a single point of contact for all downtown maintenance services: The Downtown Stockton Alliance. This program provides for maximum oversight and accountability, stable funding via property assessments and new services at a minimal cost to property owners. Alliance direction of the program provides a proven history of quality performance and financial oversight by an organization located downtown, with local employees, and which can respond quickly and cost-effectively to maintain the walkways, public spaces, and streetscapes of downtown Stockton. In addition, the Alliance is a non-profit organization with all income directed back into downtown, which supports the local economy and long-range vision for downtown revitalization.

- Downtown Stockton Alliance Operations Director shall be recruited to manage all aspects of the maintenance program, including supervision and management of personnel, oversight of budget and all Alliance maintenance subcontracts, representation of downtown maintenance issues and priorities, and coordination with partnering organizations, including Stockton Police Department, Redevelopment, Public Works, Municipal Utilities Department, County, State, Waste Management, and downtown property and business owners.
- Within the District’s Zones 1 and 2, sidewalk, alley, and public spaces (plazas, squares, walkways, etc.) power washing, using new state-of-the-industry hot water power washing equipment, which includes water reclamation and filtration, and a new sidewalk rotary scrubbing machine.
- Litter and debris removal from sidewalks, gutters, walkways, and promenades within the District’s Zones 1 and 2.
- Weeding, litter removal, and maintenance of streetscape and median plantings within the District’s Zones 1 and 2.
- Hand-pruning of streetscape trees under 20-feet, within the District’s Zones 1 and 2.

- Litter and debris removal from the stairwells and elevators of Central Parking District garages, within the District's Zones 1 and 2.
- Maintenance and watering of streetscape beautification efforts, including outdoor planters and hanging flower baskets, within the District's Zones 1 and 2.

Services Provided to each Benefit Zone

Downtown property owners have benefited from different levels of activities in different Benefit Zones over the past nine years. These Benefit Zones contain different levels of activities based on the needs within each zone. Three different benefit zones have been operated in the Downtown Management District. Benefit Zones are based on input from stakeholder meetings, where property owners expressed interest in expanded services and a willingness to pay for those services through the property-based improvement district. The Benefit Zone Map is located in **Appendix B**.

Zone 1

This zone includes the Stockton Deepwater Channel area (north shore) and the central business district and receives the highest level of overall services, including:

- The Safe Team: Hospitality Guide Program
- The Clean Team: Comprehensive Downtown Maintenance Program
- Economic Development: Business and Investor Attraction
- Economic Development: Marketing, Promotions and Special Events for Visitor and Guest Attraction
- Management Services and Advocacy/Public Policy Services

Zone 2

This zone includes properties east of the central business district and south of Washington Street and receives services, including:

- The Clean Team: Comprehensive Downtown Maintenance Program
- Economic Development: Business and Investor Attraction
- Economic Development: Marketing, Promotions and Special Events for Visitors and Guest Attraction
- Management Services and Advocacy/Public Policy Services

Zone 3

This zone includes properties in the Stockton Deepwater Channel area (south shore) and receives the lowest level of overall services, including:

- Economic Development: Business and Investor Attraction
- Economic Development: Marketing, Promotions and Special Events for Visitors and Guest Attraction
- Management Services and Advocacy/Public Policy Services

Management District Operating Budgets

The 2008 operating budget, as well as five-year operating budget projections for the Management District is provided in **Appendix E**. The budget is based on the following assumptions:

- Total program revenue may be adjusted each year by an amount, not to exceed four percent (4%), subject to approval by the Board of Directors. The projections in **Appendix E** illustrate a four percent (4%) annual increase. The proposed rates are "maximum assessment rates". Over the first ten years of the District, annual assessment increases have averaged 1%. The Downtown Stockton Alliance Board of

Directors (property and business owners) and staff will strive to continue their demonstrated fiscal responsibility and keep assessment rates as low as possible.

- Revenues for activities within a specific benefit zone (i.e. Hospitality Guides and Maintenance) are restricted to activities within the set benefit zone.
- Revenues for district-wide activities (i.e. Economic Development, Marketing, Management, and Public Policy activities) may be reallocated among district-wide activities from year to year, based upon District needs and budgets fine-tuned by the Downtown Stockton Alliance Board of Directors.

Management District Income Projections

Income is projected to be a total of \$1,249,829, with \$544,336 from private owner assessments, \$489,896 from assessments levies on nine public agencies, and an additional \$215,597 from events, sponsorships, publication and merchandise sales, grants, and miscellaneous revenue sources.

Management District Expense Projections

- Economic Development/Business and Investor Attraction budget, in the amount of \$147,055 includes expenditures for a full-time Economic Development Director and full-time administrative assistant to maintain accurate databases for downtown properties, assessments, and owners; research and compile meaningful economic data on downtown; development of marketing materials directed to developers and investors; advertising and marketing expenses to recruit new businesses to downtown; development and implementation of programs to support existing downtown businesses and encourage their growth and sustainability in downtown; coordination of commercial property tours; enhancement of the www.downtownstockton.org website to market downtown properties; and development of focused marketing events to attract large numbers of potential developers, investors and businesses to downtown Stockton. This budget is shared by all benefit zones.
- Economic Development/Visitor and Guest Attraction budget, in the amount of \$212,032 includes expenditures for a full-time Marketing Director, a part-time Events Coordinator and a part-time graphic designer to oversee all aspects of production of *The Downowner* and Alliance marketing materials, as well as development and production of special events, such as the Friday Stockton Farmer's Market, Taste of Downtown restaurant tours, and award-winning Downtown Stockton Art Walk. Staff will also serve as liaison to other organizations, including the City of Stockton, to provide assistance and expertise in production of events such as Holidays in the Park, Festival of Lights, 4th of July Waterfest, and the Business Leadership Summit. This budget is shared by all benefit zones.
- The Community Outreach and Hospitality Guide budget, in the amount of \$206,870, includes funding for an additional four part-time Guides, bringing the total number of Alliance Guides to ten and a full-time Coordinator. Supplies, uniforms, program insurance, and other related administrative expenses are also included in the budget. This budget is funded by Zone 1 property assessments.
- The Clean Team and Comprehensive Downtown Maintenance Program is budgeted at \$345,347, and includes two full-time Supervisors, and team of two full-time and ten part-time (12) Maintenance Technicians. Equipment maintenance, supplies, uniforms, and training/education are also included in the budget. This budget is funded by Zone 1 and 2 property assessments.
- Management and Advocacy/Public Policy Services budget, in the amount of \$304,025, includes a full-time Executive Director, one, full-time Accounting/Human Resources/Administrative Assistant, rent, utilities, office expenses, program and special

event insurance, and other related administrative expenses, which support the various programs. This budget is shared by all benefit zones.

Additionally, the budget includes line items for a capital expenditures fund, contingency reserve fund, and potential 401k Plan Company Match for all employees, for a total reserve fund of \$34,500. See the 2008 data in the Management District Five-Year Budget Projections, **Appendix E**.

Business Assessment District Operating Budgets

The 2008 operating budget, as well as five-year operating budget projections for the Business Assessment District is provided in **Appendix F**. The budget is based on the following assumptions:

- In 2008, the Business Assessment District revenue will be 20% of the business assessments for 2012 ($\$142,500 * 20\% = \$28,500$). The business assessments shall be implemented at 20% in 2008, 40% in 2009, 60% in 2010, 80% in 2012 and 100% in 2012. Total program revenue in 2012 shall be \$142,500.
- Following 2012, total program revenue may be adjusted each year in an amount, not to exceed four percent (4%), subject to approval by the Board of Directors. The projections in **Appendix F** illustrate the five-year implementation of business assessments. The proposed rates are “maximum assessment rates”.

Business Assessment District Income Projections

Income for 2008 is projected to be a total of \$28,500 from business assessments.

Business Assessment District Expense Projections

- Safety and security budget, in the amount of \$20,000, includes funding for two part-time Guides, for extended hours of staffing (5pm – Midnight). Supplies, uniforms, program insurance, and other related administrative expenses are also included in the budget.
- Marketing budget in the amount of \$5,000, includes expenditures for distinctive district banners, marketing materials (handbills, brochures, etc.), and advertising of the district and its special events and entertainment in radio, print and other media.
- Maintenance budget in the amount of \$3,000 includes supplemental litter abatement, tracking District litter removal with specific numbers, and interfacing with neighborhoods on maintenance issues.
- Advocacy and administration budget, in the amount of \$500, includes funding for program administration, representation and advocacy before the City Council, and interfacing with the Hospitality Resource Partnership/Panel and the Central Parking District.

VII. Engineer's Report

A. Assessment Methodology

1. Parcel Assessment Methodology

To develop the Management District assessment methodology, the work of the economic consulting firm of Economic Planning Systems (EPS) and the engineering firm, MHM Engineers & Surveyors, was utilized. Each parcel owner will pay for the benefit received. For the Downtown Stockton Management District, four variables will be used for assessment establishment:

- Parcel square footage;
- First floor building square footage;
- Upper floor building square footage; and
- Parcel usage

This assessment methodology weighs parcel square footage and ground floor square footage by a factor of 1.0 and upper floor building square footage by a factor of 0.5 (basement square footage is not included in the calculations). EPS explains the methodology as follows:

“The ground floor receives the most immediate and direct benefit from improvements and activities financed through the Downtown Stockton Management District Plan. As a result, the assessment formula places the greatest emphasis on the portion of the parcel receiving the most benefit: the first floor area of the building and the parcel area. The portions of the parcel receiving less direct benefit are the upper floors of the building,” hence, the reduced assessment for upper floors.

Parcel square footage is relevant to the highest and best use of a parcel and will reflect the long-term value implications of the Management District. Realizing that residential uses will not benefit from marketing, economic development and public policy/advocacy activities to the same degree as commercial and public uses, the residential parcel and first floor assessment rate has been established at 60% and upper floor building square footage has been established at 30% of the commercial parcel assessment rate (basements are not included in the calculations). This is equal to the amount in the overall district budget established for marketing, economic development and public policy/advocacy and the cost of administrative support for those activities. Residential parcels in Zone 3 will not be assessed because they will not receive a benefit from any of the services provided. Residential parcels with six units or less do not derive benefit from the proposed improvements, and will not be assessed.

Cost Allocations: Economic development/business and investor attraction, visitor and guest attraction services, marketing, and management/public policy/advocacy services are provided throughout the Management District. Hospitality guide/security services are provided only to Zone One of the Management District. Maintenance services are provided only to Zones One and Two of the Management District. Hospitality guides/security costs are allocated to parcels within Zone One. Maintenance costs are allocated to parcels within Zones One and Two.

2. Business Assessment Methodology

To develop the Business District assessment methodology, the work of the consulting firm of Downtown Resources, Inc. was utilized. For the Downtown Stockton Business Assessment District, four variables will be used for assessment establishment:

- City of Stockton Business License Classification;
- Maximum occupancy of the business, as determined by the Stockton Fire Marshall;
- Hours of operation between 7 – 11 pm; and
- Hours of operation extending beyond 11 pm.

This methodology weighs hours of operation between 7 pm and 11 pm by a factor of 1.0 and hours of operation extending beyond 11 pm by a factor of 2.0. Downtown Resources explains the methodology as follows:

“Businesses within the assessed categories with hours of operation extending beyond 11 pm, receive the most immediate and direct benefit from improvements and activities financed through the BID (Management District). As a result, the assessment formula places the greatest emphasis on those businesses receiving the most benefit: those businesses with hours of operation extending beyond 11 pm. The businesses not open beyond 11 pm are receiving less direct benefit, hence, the reduced assessment for those businesses.”

Businesses located within the Business Assessment District boundaries, operating under a Stockton City Business License Classification 6-030.1, 6-030.4, 6-030.5, 6-030.9, 6-034.3, and 6-034.5, and are open after 7:00 pm, shall pay an annual Business Assessment, in conjunction with their annual Business License fee. These assessments shall be used for supplemental business services required for the development, marketing, maintenance, and security of the Downtown Stockton Business Assessment District.

Cost Allocations: Marketing, special events, maintenance, and security are provided throughout the Downtown Stockton Business Assessment District. The direct cost of hospitality guides/security and maintenance services are allocated to businesses within the district, in relation to hours of operation of the assessed businesses. The business assessment shall be implemented over a five-year period as follows:

- First year of the reestablished Management District (2008), 20% of the assessment amount for 2012;
- Second year of the reestablished Management District (2009), 40% of the assessment amount for 2012;
- Third year of the reestablished Management District (2010), 60% of the assessment amount for 2012;
- Fourth year of the reestablished Management District (2011), 80% of the assessment amount for 2012;
- Fifth year of the reestablished Management District (2012), 100% of the assessment amount for 2012.

B. Assessment Calculations

1. Parcel Assessment Calculations

The parcel assessment methodology is applied to a database that has been constructed by the Downtown Stockton Alliance, with assistance from its consultants, the City of Stockton and County of San Joaquin.

Parcel data was obtained from the San Joaquin County Assessor’s Office and City of Stockton. Verification forms were sent to parcel owners in the fall of 1996. County and City data was cross-checked by an extensive site survey undertaken by the staff of the Downtown Stockton Alliance and verified each year in July. Alliance staff, with assistance from San Joaquin County,

performed an extensive database update in mid-2006. A second database update was completed in February 2007, with assistance from the City of Stockton.

An assessment notice will be sent to all property owners within the boundary of the Management District. The assessment notice will contain parcel and building square footage information and property owners may request further verification of data by submitting proof of parcel and/or building square footage, on or before June 1, 2007 (which is two months prior to the submission of the new district's assessment information to the County Assessor).

A list of parcels included in the Management District is included in **Appendix G**.

Based on the preceding methodology, property data compiled by the Downtown Stockton Alliance and City of Stockton, and the Management District budget, square footage assessments during the 2008 operations of the Management District will not exceed the sum of the following, within each benefit zone:

Commercial Parcels	Zone 1	Zone 2	Zone 3
Parcel Square Footage <i>Condominium owners will be assessed their pro rata share of the lot</i>	\$0.0762 / sqft	\$0.0422 / sqft	\$0.0230 / sqft
First Floor Building Square Footage	\$0.0762 / sqft	\$0.0422 / sqft	\$0.0230 / sqft
Upper Floor(s) Building Square Footage	\$0.0381 / sqft	\$0.0211 / sqft	\$0.0115 / sqft

Residential Condominium Parcels	Zone 1	Zone 2	Zone 3
Parcel Square Footage <i>Condominium owners will be assessed their pro rata share of the lot</i>	\$0.0457 / sqft	\$0.0253 / sqft	\$0.0000 / sqft
First Floor Building Square Footage	\$0.0457 / sqft	\$0.0253 / sqft	\$0.0000 / sqft
Upper Floor(s) Building Square Footage	\$0.0229 / sqft	\$0.0127 / sqft	\$0.0000 / sqft

Treatment of Residential Property: Parcels used exclusively for multi-family residential use (i.e. apartments) are considered commercial parcels and will be subject to assessments as commercial parcels. Parcels used exclusively for residential uses (i.e. condominiums) will benefit from, and be assessed for, the public safety and maintenance components of the PBID, but will not benefit from, and will not be assessed for, economic development and marketing services. Parcels may have their assessments adjusted by a pro rata share of the annual budget for economic development and marketing services. Residential uses in Zone 3 will not be assessed parcel square footage and/or building square footage because they will not receive a benefit from any of the services provided. Parcels with exclusively residential uses with six units or less do not receive benefit from the proposed improvements and will not be assessed.

Treatment of Mixed-Use Residential/Commercial Property: Parcels that contain both rental residential and commercial uses will be subject to commercial PBID assessments. Parcel square footage is relevant to the highest and best use of a parcel and will reflect the long-term value implications of the Management District. Mixed-use residential/commercial parcels will be assessed the parcel square footage assessment based on the highest and best use of the parcel. Such parcels will be assessed the building square footage assessment based on the square footage of each use (commercial and residential). Assessments for commercial uses and residential uses shall be paid by the assessed parcel owner. Assessments for any common areas designated for the use of condominium residents shall be paid by the assessed parcel owner or by the Homeowners' Association. It will be the assessed parcel's responsibility or the

responsibility of the Homeowners' Association to distribute these costs to the condominium owners by their prorata share.

2008 assessments will not exceed the stated rates noted in this business plan. Parcels utilized exclusively for residential use and containing fewer than six units shall be exempt from assessment.

2. Business Assessment Calculations

The preceding methodology for business assessments is applied to a database that has been constructed by the Downtown Stockton Alliance, with assistance from its consultants and the City of Stockton.

Business license data was first obtained from the City of Stockton. City data was cross-checked, and occupancy and hours of operation data was collected, by an extensive site survey undertaken by the staff of the Downtown Stockton Alliance in February, 2007.

An assessment notice will be sent to all impacted business owners within the proposed boundary of the Business Assessment District. The assessment notice will contain business license category, hours of operation, and maximum business occupancy information. Business owners may request further verification of data by submitting proof of business license, hours of operation, and occupancy, on or before September 1, 2007 (which is two months prior to the submission of the new district's assessment information to the City of Stockton).

Businesses located within the Business Assessment District boundaries, operating under a Stockton City Business License Classification 6-030.1, 6-030.4, 6-030.5, 6-030.9, 6-034.3, and 6-034.5, and are open after 7:00 pm, shall pay an annual Business Assessment, in conjunction with their annual Business License fee. Said assessments shall be used for supplemental business services required for the development, marketing, maintenance, and security of the Stockton Entertainment District.

A list of businesses to be included in the Management District's Business Assessment District is included in **Appendix H**.

Based on the preceding methodology, business data compiled by the Downtown Stockton Alliance and City of Stockton, and the Business Assessment District budget, business assessments during the 2008 operations of the Management District will not exceed the sum of the following, within each benefit zone:

Businesses with hours of operation ending between 7 pm and 11 pm	2008 Annual Assessment
Occupancy 600 and above	\$4,000.00
Occupancy 250-599	\$2,000.00
Occupancy 100-249	\$1,000.00
Occupancy 1-99	\$500.00

Businesses with hours of operation ending after 11 pm	2008 Annual Assessment
Occupancy 600 and above	\$8,000.00
Occupancy 250-599	\$4,000.00
Occupancy 100-249	\$2,000.00
Occupancy 1-99	\$1,000.00

Business assessments shall be phased in over five years and shall not be fully funded until 2012. Assessments shall be implemented at 20% of the 2012 assessment amount in 2008, 40% of the 2012 assessment amount in 2009, 60% of the 2012 assessment amount in 2010, 80% of the 2012 assessment amount in 2011, and 100% of the 2012 assessment amount in 2012. See projected five-year operating budget for the Business Assessment District, **Appendix F**.

In future years, assessments may change, up or down, if business or occupancy information changes and/or Management District budgets change pursuant to the adjustment. In any event, assessments will not exceed the limits described in the following section of this Management District Plan.

C. Annual Assessment Adjustments

For the ten years of the Management District, annual property assessments may be adjusted by the Downtown Stockton Alliance Board of Directors each year in an amount not to exceed four percent (4%). Actual annual increases may range from zero to four percent and will be subject to annual review and approval of the Downtown Stockton Alliance Board of Directors. Beginning in 2013, annual business assessments may also be adjusted by the Downtown Stockton Alliance Board of Directors each year, in an amount not to exceed 4%. In any event, assessment rates will not exceed the maximum levels for coming years, as noted in **Appendices E and F**.

Any annual budget surplus or deficit will be rolled over into the following year’s Management or Business Assessment District budget. Assessments will be set based upon surpluses or deficits that are carried forward within the constraints of the maximum 4% annual adjustment for the Management District each year, and after 2012 for the Business Assessment District.

D. Time and Manner for Collecting Assessments

As provided by state law, the Downtown Stockton Management District property assessments will appear as a separate line item on annual property tax bills prepared by the County of San Joaquin. Property tax bills are generally distributed in the fall and payment is expected by lump sum or installment. Existing laws for enforcement and appeal of property taxes apply to the Management District parcel assessments.

As provided by state law, the Downtown Stockton Business Assessment District business assessments will appear as a separate line item on annual business license bills prepared by the City of Stockton. Business license bills are distributed on a staggered cycle throughout the calendar year and payment to the District is expected by lump sum. Existing laws for enforcement and appeal of business license fees apply to the Management District business assessments.

E. Disestablishment

State law provides for the disestablishment of a Management District pursuant to an annual review process. Each year that the Management District is in existence, there will be a 30-day period during which the parcel owners will have the opportunity to request disestablishment of the district. This 30-day period begins each year on the anniversary day that the district was first established by the Stockton City Council.

Within that 30-day period, if a written petition is submitted by the owners of real property who pay fifty percent (50%) or more of the assessments levied, the district will be disestablished. The City Council will hold a public hearing on disestablishing the district prior to actually doing so.

F. City of Stockton, County of San Joaquin, and Other Government Assessments

The Management District Plan assumes that local governmental agencies, including the City of Stockton, County of San Joaquin, Stockton Unified School District, State of California, San Joaquin Regional Rail Commission and San Joaquin Regional Transit District will pay assessments for the special benefits conferred to parcels owned by these public agencies within the boundaries of the Management District, as per Article XIII D of the State of California Constitution, added in November, 1996.

Review of this Downtown Stockton Property and Business Improvement District Management District Plan and preparation of the Engineers Report was completed by:



Orin N. Bennett
State of California
Registered Civil Engineer No. 25169



VIII. Management District Governance

A. Owners' Association – Downtown Stockton Alliance

The Downtown Stockton Alliance, a private non-profit entity, will contract with the City of Stockton to administer and implement the activities and improvements specified in the management district plan. The Downtown Stockton Alliance is governed by a twenty-three (23) member board of directors composed of property and business owners within the boundaries of the district.

Members of the Board can be nominated by the property and business owners that are assessed within the Management District and, per the requirements of the Downtown Stockton Alliance By-Laws. To ensure broad representation and accountability, the following Board composition is recommended to continue:

- A majority of downtown Stockton property owners representing each of the four benefit zones (Zone 1, Zone 2, Zone 3 and Business Assessment District); and
- Other directors as noted in the by-laws of the Downtown Stockton Alliance (see **Appendix I**).

B. Staffing and Program Structure

The Business Plan for the Downtown Stockton Management District provides for hospitality guides, maintenance technicians, and marketing and economic development professionals. Based upon the Management District budget provided in the Appendix, the following staffing and program relationships are expected:

A full-time **Executive Director** (ED) will continue to provide oversight and accountability for the entire Management District. The ED will have primary responsibility for strategic planning, initiation of programs and hiring of staff. Other duties will include budget development and financial oversight of all accounting, including 401k and annual taxes, human resources and personnel, and workplace safety and insurance requirements. Direct reports will include Economic Development and Marketing Directors, two Maintenance Supervisors and an Accounting/Human Resources/Administration Coordinator. In addition, the ED will oversee "The Clean Team" Maintenance Program and negotiate all contracts between outside vendors and customers. In addition, the ED will serve as the primary liaison to City departments, including the Downtown Action Team, Stockton Police Department, Neighborhood Services, Central Parking District, and Public Works, County of San Joaquin Facilities Department, and the Hospitality Resource Partnership.

A full-time **Economic Development Director** will supervise one full-time administrative assistant, manage all economic development databases (assessments, properties, businesses, demographics, etc.), actively recruit targeted businesses, investors and developers, assist property owners in marketing (leasing and sales) their downtown properties and implement programs to strengthen and retain existing downtown businesses.

A full-time **Marketing Director** will supervise a Community Outreach Coordinator, Events Coordinator, and Graphic Designer, as well as oversee all aspects of production of The Downtowner and Alliance marketing materials, develop and produce special events to increase the profile and bring visitors to downtown.

A full-time **Community Outreach Coordinator** will supervise “The Safe Team” Hospitality/Security Guides, and develop and oversee implementation of the Downtown Tours and Jury Programs. The COC will report to the Marketing Director and serve as a liaison to Hospitality Resource Partnership and City departments, including Stockton Police Department, Neighborhood Services, Central Parking District, Public Works, and Downtown Action Team Subcommittees, including Safety & Security and Parking & Circulation.

A full-time **Accounting/Human Resources/Administrative Assistant** will have responsibility for daily accounting, human resources compliance and provide administrative assistance to the Executive Director.

A full-time **Economic Development Assistant** will provide administrative and database management assistance to the Economic Development Director.

A part-time **Events Coordinator** will oversee development and production of special events, including budgets, for the Friday Stockton Farmer’s Market, Taste of Downtown restaurant tours, and Downtown Stockton Art Walk. EC will also serve as liaison to other organizations, including the City of Stockton, to provide assistance and expertise in production of events such as Holidays in the Park, Festival of Lights, 4th of July Waterfest and the Business Leadership Summit. EC will coordinate with all staff to ensure smooth operations and highest level of events management.

A part-time **Graphic Designer** will oversee design and layout of *The Downtowner* and District marketing materials, including brochures, handbills, posters, and advertising.

The preceding staffing structure may be adjusted as deemed appropriate by the Downtown Stockton Alliance Board of Directors. A chart illustrating this staffing and program structure is provided in **Appendix J**.

IX. Continuation of City Services

The City of Stockton will adopt a policy to maintain the current base level of services throughout the life of the Management District.

The Management District is created by City ordinance; therefore the City will have the responsibility to contract with an entity to deliver improvements, activities, and services. To encourage cost-effective operations, maximize stakeholder accountability, and encourage a unified downtown management structure, the City will contract with the Downtown Stockton Alliance to undertake day-to-day activities in the District. The term of service shall be the term of the District.

X. Strategic Partnerships

These partnerships are critical to the success of the Downtown Stockton Management District. Information and collaboration is shared among several economic development groups; the ongoing revitalization of downtown is dependent upon the work and harmony of these partnerships.

- The **City of Stockton** staff works closely with District staff on attraction of new businesses and investors, public safety and maintenance, and the development of public projects that are currently underway. The Alliance has been a partner in setting City policy and City Council agendas that affect the downtown area.
- The **San Joaquin-Delta College Small Business Development Center (SBDC)** works with the Alliance to develop and implement programs to strengthen and educate existing downtown businesses and to provide business consulting services as part of the Downtown Stockton Enterprise Loan Fund (DSELF).
- The **County of San Joaquin**, particularly the Economic Development staff, including the Revolving Loan Fund, which provides underwriting and loan management for the DSELF.
- **San Joaquin RTD** is the provider for public transportation in the downtown, including the new Transit Center and downtown trolleys, and has partnered closely with Alliance staff to facilitate downtown circulation during special events.
- The various chambers of commerce, including the **Greater Stockton, Hispanic, Asian-American and African-American Chambers**, all work together for regional economic development and governmental issues, as well as sharing information to forward small business growth and downtown revitalization.
- The **Stockton Conference & Visitor's Center** is working to further development of Stockton as a tourist destination and bring conferences, meetings, and small conventions to recently completed facilities. The Alliance works closely with the SCVB on marketing and special events.
- The **San Joaquin Partnership** is a private-public nonprofit economic development corporation designed to recruit and assist business and industry in locating in San Joaquin County. The Alliance serves on the Economic Development Task Force and works with the Partnership on job creation and retention.
- The **San Joaquin Regional Rail Commission/ACE Commuter Train** offers commuter rail service from the Robert J. Cabral Station on the eastern boundary of the District to Tracy, Livermore, Pleasanton, and San Jose. The Commission is currently beginning redevelopment of the neighborhood surrounding the station, an area included in the proposed boundary expansion of the reestablished District.
- The **Council of Governments** provides county-wide transportation and transit planning and has worked with the Alliance on projects including the Weber Avenue Streetscape, Measure K renewal, and Highway 99 Task Force.
- The **State of California** has been a partner with the Alliance working through Senator Mike Machado and Assembly members Barbara Matthews and Greg Aghazarian's offices to assist with state initiatives and support.
- The **US Government**, through Congressman Richard Pombo and Congressman Dennis Cardoza's offices, has also assisted with downtown projects, aiding the City, Alliance and other downtown agencies with federal grants and funding opportunities.
- A **variety of non-profit and other downtown organizations**, including the Chinese Benevolent Association, the Filipino Center, Stockton Symphony, Dance for Power, and Tidewater Gallery & Artists Cooperative, have partnered successfully with the Alliance to develop programs and events which benefit downtown.

- **California State University Stanislaus – Stockton Campus** is anchoring development of educational, commercial, and non-profit facilities on the northern boundary of downtown.
- The **Port of Stockton** continues to grow its partnership with downtown and the Alliance with development of Rough and Ready Island.

XI. Management District Rules and Regulations

Pursuant to the Property and Business Improvement Law of 1994, a management district may establish rules and regulations that uniquely apply to the district. These rules and regulations will continue to be employed by the Downtown Stockton Management District.

A. Assessment Policy on Property Tax-Exempt Organizations

An owner of real property located within the Property and Business Improvement District may reduce the amount of the assessment to be levied if all of the following conditions are met:

- a. The property owner is a non-profit organization which has obtained federal tax-exemption under Internal Revenue Code Section 501(c)(3) or California franchise tax-exemption under the Revenue and Taxation Code 23701d.
- b. The class or category of real property is exempt, in whole or in part, from real property taxation.
- c. The property owner makes the request in writing to the Management District prior to the submission of the District assessment rolls to the County Auditor, accompanied by documentation of the tax-exempt status of the property owner and the class or category of real property. Requests for reduction shall be submitted to the Management District Board, through the Alliance Executive Director.

If all of these conditions are met, the amount of the assessment to be levied shall be reduced by the same proportion to the real property tax exemption granted to the property.

B. Competitive Bidding

The Board of Directors will continue the policy for competitive bidding, when required.

C. Treatment of Multi-Family Residential Housing

A 1996 revision to the Property and Business Improvement District Law of 1994 clarifies that properties zoned exclusively for residential use are exempt from management district assessments. For properties not zoned exclusively for residential use, multi-family residential buildings will be considered commercial income properties and subject to Downtown Stockton Management District assessments. A multi-family building is defined as one containing six (6) or more residential units.

D. Local Purchasing Preference Policy

The Downtown Stockton Management District shall continue a local purchasing preference policy that directs District staff to purchase goods and services from downtown Stockton vendors, provided that pricing and standards of quality remain competitive.

XII. Implementation Timetable

The reestablishment of the Downtown Stockton Management District is expected to take place under the following timetable, and the expected positive vote of District property owners will allow the first year of the reestablished District to commence on January 1, 2008.

June 2006: Business needs assessment and survey circulated to downtown businesses.

July 2006: Property owners meetings and annual Board Strategic Planning Session evaluated District services and management, considered boundary expansion, need to reestablish the District, and enhancement of services. Reestablishment program was approved by the Alliance Board.

October 2006 – February 2007: New Management Plan developed and assessment methodology refined.

February, 2007: Plan Review Meetings conducted with owners and stakeholders in February to solicit input on Plan.

March, 2007: One-on-one meetings with major property owners and two additional meetings with property owners from throughout the District to solicit input on new Management Plan; Alliance Board approves final Management Plan; Petition Drive completed.

April, 2007: Petitions submitted to City Clerk.

May, 2007: Council passes Resolution of Intention, Resolution Preliminarily Approving Engineer's Report, Management Plan, boundary map, and dates for Public meeting and hearing; ballots mailed to all property owners.

July, 2007: Ballot campaign completed; Public Hearing and Final Tabulation of Ballots; Adoption of Resolution Forming Renewed District.

The reestablished Downtown Stockton Management District will have a ten-year life through the end of the year 2017; assessments shall be levied through the fiscal year of 2016-2017. In order to continue the Management District for an additional life, the preceding petition and public hearing process shall be repeated.

For additional information related to the Management District Plan, please call the Downtown Stockton Alliance staff at (209) 464-5246.

Appendices:

- Appendix A:** Map of Downtown Stockton Management District (new parcels highlighted), 2008 - 2017
- Appendix B:** Map of Downtown Stockton Management District Benefit Zones, 2008 – 2017
- Appendix C:** Map of Business Assessment District, 2008 - 2017
- Appendix D:** 2006 Business Needs Assessment Survey and Property – Business Owners’ Meeting Results
- Appendix E:** Downtown Stockton Management District Five-Year Budget Projections
- Appendix F:** Downtown Stockton Business Assessment District Five-Year Budget Projections
- Appendix G:** Downtown Stockton Management District Property Assessment Calculation Table
- Appendix H:** Downtown Stockton Business Assessment District Business Assessment Calculation Table
- Appendix I:** ByLaws of Downtown Stockton Alliance, Inc., A California Nonprofit Corporation
- Appendix J:** Downtown Stockton Alliance Organizational Chart
- Appendix K:** Property and Business Improvement District Law of 1994 (PBID Law); California Streets and Highways Code - Sections 36600 to 36671