

# Downtown Stockton Property-Based Business Improvement District

## Management District Plan



City of Stockton, California

December 2016

Prepared by:  
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*Prepared pursuant to the State of California  
Property and Business Improvement District Law of 1994  
and Article XIIIID of the California Constitution  
to create a property-based business improvement district*

**Downtown Stockton  
Property and Business Improvement District  
Management District Plan**

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## SECTION 1: Executive Summary

Established in 1997 and renewed in 2002 and 2007, the Downtown Stockton PBID was initiated by petition from downtown property and business owners. The District’s activities and improvements aim to improve and convey special benefits to properties located within downtown Stockton.

To guide the PBID for the next ten years, a PBID recertification steering committee and the Downtown Stockton Alliance (DSA) board of directors have developed a new PBID Management Plan that responds to today’s market opportunities and district challenges. The District will provide new improvements and activities, including both environmental and economic enhancements. Each of the activities is designed to meet the goals of the District; to improve the appearance and safety of the District, to increase building occupancy and lease rates, to encourage new business development and attract ancillary businesses and services. As described in the Management District Plan, it is proposed that the PBID will provide funding for enhanced maintenance, safety, homeless initiatives, beautification and economic development programs, above and beyond those provided by the City of Stockton.

### **Summary Management Plan**

Pursuant to California Streets and Highways Code, the “Property and Business Improvement District Law of 1994 as amended”, the existing Downtown Stockton PBID is being renewed for a ten-year term. Upon receipt of petitions signed by property owners representing greater than 50% of the District budget, the City of Stockton will initiate a ballot procedure to officially re-establish and renew the PBID.

<b>Location</b>	The District encompasses approximately 123 blocks in the downtown central core. It primarily runs west along the Stockton channel to the I-5 Freeway, north to Fremont and Oak Streets, east to the railroad, and south to Sonora Street.
<b>Why Renew the PBID?</b>	<p>In the renewal process, Downtown Stockton property and business owners have stated the following reasons for continuing the PBID:</p> <ul style="list-style-type: none"> <li>- Keep downtown clean, safe and attractive</li> <li>- Address the homeless issue</li> <li>- Make downtown more commercially competitive</li> <li>- Create an arts and culturally diverse community</li> <li>- Downtown property and business owners have a stronger voice when unified through the PBID</li> </ul> <p>Approximately 140 downtown stakeholders, mostly property and business owners responded to an online and mailed survey seeking priorities for PBID renewal. Overall, respondents rated the existing PBID with a “B” grade – “services are good but there is room for improvement”. Priorities for the next term of the PBID include:</p> <ul style="list-style-type: none"> <li>- Business development to attract new retail, restaurant and arts</li> <li>- Increase safety efforts to address homelessness and transients</li> <li>- Maintain cleanliness and beautification efforts</li> </ul>

	<ul style="list-style-type: none"> <li>- Continue to provide special events</li> </ul>																								
<p><b>Services and Activities</b></p>	<p>The PBID will finance activities and improvements that will improve Downtown Stockton’s environment for property owners, residents, workers and visitors, including:</p> <p><b><u>Environment:</u></b></p> <ul style="list-style-type: none"> <li>- Maintenance Teams that sweep, scrub and pressure wash sidewalks, remove litter and graffiti, increase the frequency of trash removal and maintain landscaping throughout the District.</li> <li>- Safety Ambassadors that provide information on activities and attractions, work with local police, business and property owners to prevent crime and reduce homelessness and improve quality of life issues.</li> <li>- Beautification improvements that make Downtown Stockton more visually attractive, which may include: wayfinding signage, trash cans, holiday décor, enhanced streetscape, planters, etc.</li> </ul> <p><b><u>Economic:</u></b></p> <ul style="list-style-type: none"> <li>- Economic and business development activities to support the growth and vitality of existing business investments, promote a stronger business mix, and enhance the image of Downtown Stockton as a destination for consumer and investment revenues.</li> <li>- Marketing to promote a positive image of downtown as a regional destination, and services aimed at attracting a diverse cultural consumer base, quality commercial and office tenants, and private investment.</li> </ul> <p><b><u>Advocacy/Administration:</u></b></p> <ul style="list-style-type: none"> <li>- Advocate on downtown policy issues that will improve the downtown business environment.</li> <li>- Provide daily management to carry out the day-to-day PBID operations.</li> </ul>																								
<p><b>Budget</b></p>	<table border="1"> <thead> <tr> <th data-bbox="500 1297 1214 1339">ACTIVITY</th> <th data-bbox="1214 1297 1382 1339">TOTAL</th> </tr> </thead> <tbody> <tr> <td colspan="2" data-bbox="500 1339 1382 1381"><b>ENVIRONMENTAL ENHANCEMENTS</b></td> </tr> <tr> <td data-bbox="500 1381 1214 1451">Ambassadors, Homeless Initiative, Maintenance, Beautification</td> <td data-bbox="1214 1381 1382 1451"></td> </tr> <tr> <td data-bbox="500 1451 1214 1486"><b>Total Environmental Enhancements</b></td> <td data-bbox="1214 1451 1382 1486"><b>\$650,000</b></td> </tr> <tr> <td colspan="2" data-bbox="500 1486 1382 1528"><b>ECONOMIC ENHANCEMENTS</b></td> </tr> <tr> <td data-bbox="500 1528 1214 1591">Business Development, Communications, Marketing, Special Events, Parking Management</td> <td data-bbox="1214 1528 1382 1591"></td> </tr> <tr> <td data-bbox="500 1591 1214 1627"><b>Total Economic Enhancements</b></td> <td data-bbox="1214 1591 1382 1627"><b>\$240,000</b></td> </tr> <tr> <td colspan="2" data-bbox="500 1627 1382 1669"><b>ADVOCACY/ADMINISTRATION</b></td> </tr> <tr> <td data-bbox="500 1669 1214 1705">Downtown Advocacy and District Management</td> <td data-bbox="1214 1669 1382 1705"></td> </tr> <tr> <td data-bbox="500 1705 1214 1740"><b>Total Advocacy/Administration</b></td> <td data-bbox="1214 1705 1382 1740"><b>\$180,000</b></td> </tr> <tr> <td data-bbox="500 1740 1214 1776"><b>PBID RESERVE</b></td> <td data-bbox="1214 1740 1382 1776"><b>\$10,000</b></td> </tr> <tr> <td data-bbox="500 1776 1214 1812"><b>TOTAL PBID BUDGET</b></td> <td data-bbox="1214 1776 1382 1812"><b>\$1,080,000</b></td> </tr> </tbody> </table>	ACTIVITY	TOTAL	<b>ENVIRONMENTAL ENHANCEMENTS</b>		Ambassadors, Homeless Initiative, Maintenance, Beautification		<b>Total Environmental Enhancements</b>	<b>\$650,000</b>	<b>ECONOMIC ENHANCEMENTS</b>		Business Development, Communications, Marketing, Special Events, Parking Management		<b>Total Economic Enhancements</b>	<b>\$240,000</b>	<b>ADVOCACY/ADMINISTRATION</b>		Downtown Advocacy and District Management		<b>Total Advocacy/Administration</b>	<b>\$180,000</b>	<b>PBID RESERVE</b>	<b>\$10,000</b>	<b>TOTAL PBID BUDGET</b>	<b>\$1,080,000</b>
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<p><b>Method of Financing</b></p>	<p>Levy of assessments upon real property that benefit from improvements and activities.</p>																								

<p><b>Assessments</b></p>	<p>Annual assessments are based upon an allocation of program costs and a calculation of lot square footage, first floor building square footage plus upper floor building square footage for each of the respective benefit zones. Estimated annual maximum assessment rates for the first year of the district follow:</p> <table border="1" data-bbox="540 436 1325 699"> <thead> <tr> <th>Zones</th> <th>Lot</th> <th>First Floor</th> <th>Upper Floor</th> </tr> </thead> <tbody> <tr> <td>Zone 1: Commercial</td> <td>\$0.0800</td> <td>\$0.0800</td> <td>\$0.0400</td> </tr> <tr> <td>Zone 1: Residential</td> <td>\$0.0480</td> <td>\$0.0480</td> <td>\$0.0240</td> </tr> <tr> <td>Zone 2: Commercial</td> <td>\$0.0443</td> <td>\$0.0443</td> <td>\$0.0222</td> </tr> <tr> <td>Zone 2: Residential</td> <td>\$0.0266</td> <td>\$0.0266</td> <td>\$0.0133</td> </tr> <tr> <td>Zone 3: Commercial</td> <td>\$0.0242</td> <td>\$0.0242</td> <td>\$0.0121</td> </tr> <tr> <td>Zone 3: Residential</td> <td>\$0.0000</td> <td>\$0.0000</td> <td>\$0.0000</td> </tr> </tbody> </table>	Zones	Lot	First Floor	Upper Floor	Zone 1: Commercial	\$0.0800	\$0.0800	\$0.0400	Zone 1: Residential	\$0.0480	\$0.0480	\$0.0240	Zone 2: Commercial	\$0.0443	\$0.0443	\$0.0222	Zone 2: Residential	\$0.0266	\$0.0266	\$0.0133	Zone 3: Commercial	\$0.0242	\$0.0242	\$0.0121	Zone 3: Residential	\$0.0000	\$0.0000	\$0.0000
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<p><b>Cap</b></p>	<p>Annual assessments may increase no more than 5% per year, consistent with the increase in consumer price index (CPI) and increases in program costs. The determination of annual adjustments in assessment rates will be subject to the review and approval of the Owners' Association of the Downtown Stockton Alliance.</p>																												
<p><b>City Services</b></p>	<p>The City of Stockton has established and documented the base level of pre-existing City services. The PBID will not replace any pre-existing general City services.</p>																												
<p><b>Collection</b></p>	<p>PBID assessments appear as a separate line item on the annual San Joaquin County property tax bills.</p>																												
<p><b>District Governance</b></p>	<p>The PBID will be managed by the Downtown Stockton Alliance (DSA). DSA's Owners' Association comprising of a majority of downtown Stockton property owners will help determine the PBID uses and budget each year.</p>																												
<p><b>District Continuation</b></p>	<p>California law for PBID district formation/continuation requires the submission of petitions signed by property owners in the proposed district who will pay more than 50% of the total assessments (i.e. petitions must represent more than 50% of the \$1,080,000 to be assessed). Petitions are submitted to the Stockton City Council, and the City will mail ballots to all affected property owners. The majority of ballots returned, as weighted by assessments to be paid, must be in favor of the PBID in order for the City Council to consider approval.</p>																												
<p><b>Duration</b></p>	<p>The district will have a 10-year life beginning January 1, 2018. In five years (i.e. 2023), the DSA and downtown property owners will undertake a review of the Management District Plan and PBID programs. Any new or increased assessments that are not consistent with the provisions of this Management District Plan will require a new mail ballot process.</p>																												

## Section 2: PBID Boundary

### ***PBID Boundary***

The District encompasses approximately 123 blocks in the downtown central core. It primarily runs west along the Stockton channel to the I-5 Freeway, north to Fremont and Oak Streets, east to the railroad, and south to Sonora Street.

Specifically, the district boundary is as follows:

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. 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. 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. 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 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.

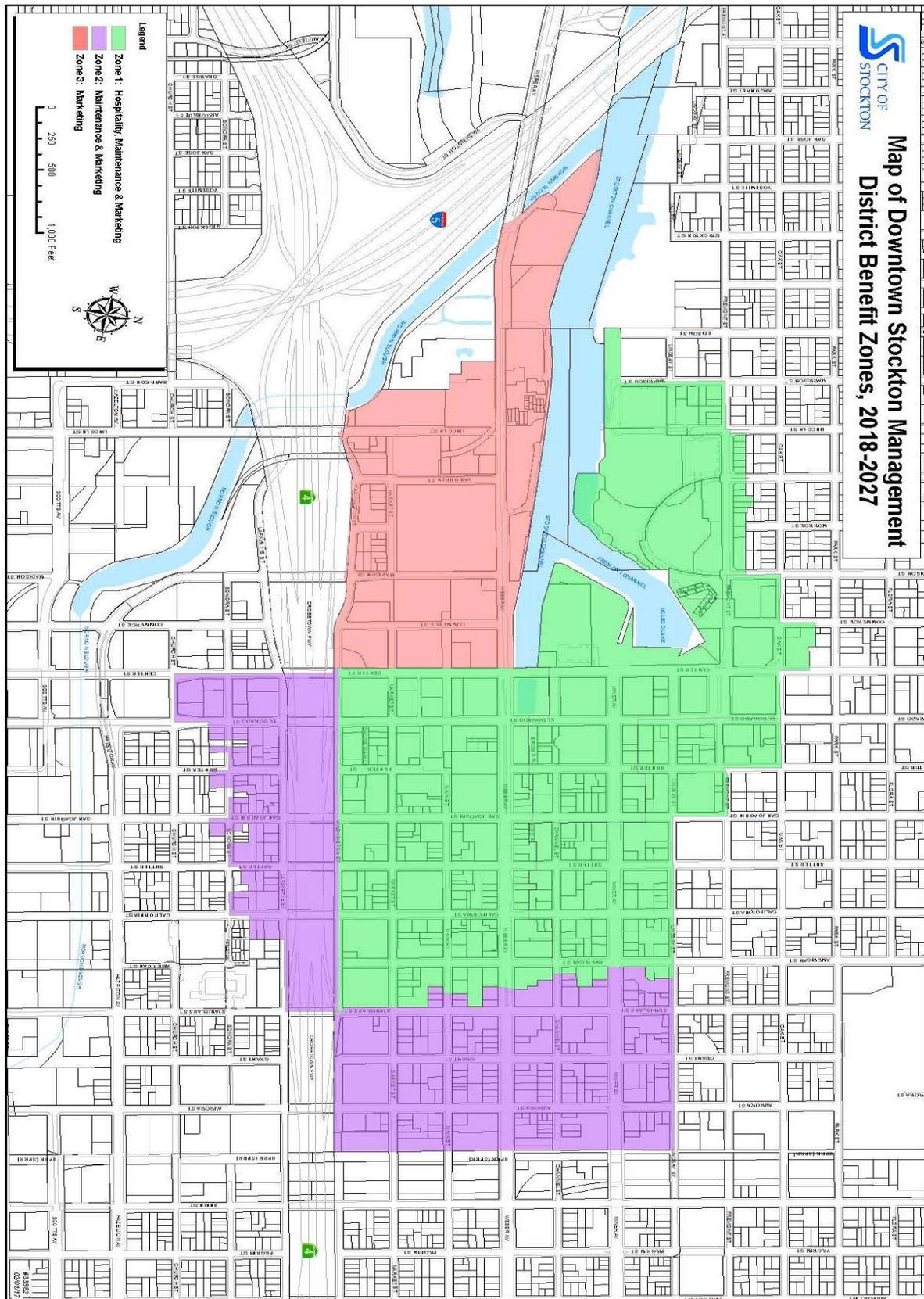
Because the scope and nature of the District and level of services to be provided vary in different parts of the District, three benefit zones have been established based on these variations. The following is a description of these benefit zones:

**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 14918006 fronting Main Street.

**Zone 2:** Zone 2 includes all parcels in the 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.

The PBID boundary is illustrated by the map on the following page.



## Section 3: PBID Activity and Improvement Plan

As determined by area property and business owners, the top priority for services and activities within the Downtown Stockton PBID area include:

- ◆ Environmental Enhancements (Public Safety, Maintenance, Homeless Outreach, Beautification)
- ◆ Economic Development and Marketing (Business recruitment and retention, Market downtown to tenants, brokers and investors)
- ◆ Administration/Advocacy

The goals for the PBID are to:

- 1) Provide a safe and clean environment within the District that will attract private investment and more business and residential activity, and improve assessed parcels.
- 2) Improve commerce within the PBID by filling vacancies and increasing lease and rental rates to encourage reinvestment within the district.

Based upon these findings, the following service and activity categories will be funded by the PBID. The following narrative provides recommendations for the PBID's first year of operation. District activities may be amended in subsequent years within the following general categories. Final activities and budgets will be subject to the review and approval of the PBID Owners' Association prior to City Council approval.

### **Environmental Enhancements**

To respond to stakeholder priorities and guiding principles to make Downtown both more welcoming, clean and beautiful, the PBID funded Ambassador program will be strengthened moving forward. It provides for an increase in funding for Safety Ambassadors and Clean Team to allow for increases in program labor costs and a focused effort to address the homeless and transient population.

PBID Environmental Enhancements activities and improvements are intended to improve commerce and the quality of life by making each individual assessed parcel safer, cleaner and more attractive which will encourage investment dollars downtown and generate additional pedestrian traffic. Environment activities specially benefit each individual assessed parcel, including commercial, government, parking structures, non-profits and residential.

### **Safety Ambassadors**

The Safety Ambassadors will continue to provide security services for the individual assessed parcels located within the District in the form of patrolling personnel and downtown ambassadors. The purpose of the Safety Ambassadors is to prevent, deter and report illegal activities taking place on the streets, sidewalks, storefronts, parking lots and alleys. The presence of the Safety Ambassadors is intended to deter such illegal activities as public urination, indecent exposure, trespassing, drinking in public, prostitution, illegal panhandling, illegal vending, and illegal dumping. The Ambassadors that act as the "eyes and ears" on the

street will supplement, not replace, other ongoing police, security and patrol efforts within the District. The Safety Ambassadors will maintain communication with the Stockton Police Department area patrols and intends to report illegal activities to them. The Safety Ambassadors will only be provided to benefit Zone 1 as that has the highest concentration of pedestrian traffic and commercial activity.

### **Night Security Patrol**

The PBID may continue to invest in the night vehicle patrol which currently patrols the District approximately 40 hours per week. Their services are to support the police department, property owners and tenants in overall efforts to prevent crime and reduce street disorder. Their presence is a deterrent to theft and burglary from motor vehicles and disorderly conduct.

### **Options for Enhanced Security and Homeless Outreach**

The PBID renewal process has evidenced continued property owners concern with both the reality and perception of public safety within the PBID. There are a variety of elements contributing to this concern, including ongoing challenges with homeless populations, and nuisance crimes, compounding maintenance issues, and creating an intimidating street atmosphere.

In order to effectively address these concerns the PBID may also fund, in addition to the information and safety ambassadors, programs and activities that target nuisance crimes. Based on best practices from other PBID districts in California, the additional funded activities may include the following to be determined by the PBID Owner's Association and approved by the City Council:

- A "navigator program" in which ambassadors would be tasked with a case management approach to match chronic homeless individuals with available social services (Sacramento, Santa Monica).
- A community prosecutor that would provide restorative justice remedies, such as, community service hours, removing graffiti, and gum scraping, to individuals convicted of nuisance crimes (Sacramento, San Diego).
- Supplemental security patrols (in addition to ambassadors) working under the exclusive direction of the PBID Owner's Association and responding to activity exclusively within the boundaries of the PBID (Sacramento).
- Adjust ambassador training and deployment from hospitality to more of a private security emphasis (Los Angeles).

### **Clean Team Program**

In order to consistently deal with cleaning issues, a Clean Team program will continue to be provided as it has for the last 20 years. A multi-dimensional approach has been developed consisting of the following elements. The clean team will only provide service to properties within benefit Zones 1 and 2 of District boundaries. The special benefit to parcels from these services is increased commercial activity which directly relates to increases in lease rates and customer usage.

**Downtown Stockton Clean Team:** The Clean Team consistently deals with maintenance issues within the District. To effectively deal with the maintenance issues facing Downtown

Stockton, a multi-dimensional approach has been developed consisting of the following elements:

**Sidewalk Maintenance:** Uniformed, radio-equipped personnel sweep litter, debris, and refuse from sidewalks and gutters of the District, and clean all sidewalk hardscape such as trash receptacles, benches, and parking meters.

**Alley Maintenance:** The Clean Team and Ambassadors can each have responsibility in this area. The Ambassadors address owner and tenant compliance with City code issues on cleanliness of sidewalks, alleys and illegal dumping. The Clean Team crew can sweep alleys, remove graffiti and clear the alleys of debris when a responsible party cannot be found for illegal dumping or other violations.

**Graffiti Removal:** The Clean Team can remove graffiti using solvent and pressure washing. The District will maintain a zero-tolerance graffiti policy. All tags will aim to be removed within 48 hours of notification.

**Sidewalk Pressure Washing:** Pressure wash all sidewalks, alleys and plazas on an as needed basis with areas of high pedestrian traffic receiving the highest concentration. However, during drought years pressure washing may not be permitted.

**Landscape Maintenance:** Public landscape areas including; medians, tree wells, and planters will be maintained and kept free of litter and weeds and pruning of trees 20' and under.

Estimated deployment of the Safety Ambassadors, Night Patrol and Clean Team is anticipated on the following table:

<b>Maintenance Frequencies</b>	<b>Zone 1</b>	<b>Zone 2</b>
<i>Maintenance F.T.E.</i>	<i>220 hours per week (approximately 5.5 F.T.E.)</i>	
Average Weekly Coverage	7 days/week	5 days/week
Litter removal/pan & broom	Twice per day	Once per day
Detail cleaning of public amenities	Twice per day	Once per day
Graffiti removal	Daily as needed	Daily as needed
Large Object removal	As needed	As needed
Street Tree Well Maintenance	As needed	As needed
Weed removal/spraying	Seasonal as needed	Seasonal as needed
Pressure washing/spot cleaning	Daily/as needed	Daily/as needed
Pressure washing/scheduled cleaning	2 nights per week	Once per month
<b>Ambassadors and Security Patrol</b>	<b>Zone 1 Only</b>	
<i>Ambassadors F.T.E.</i>	<i>160 hours per week (approximately 4.0 F.T.E.)</i>	
Coverage	6 days/week 8 to 20 hours daily	
Primary method of coverage	Foot patrols/EV	
Patrol rounds	4 rounds per shift	
Night Security Patrol	40 hours per week - vehicle	
Business contacts	6-10 per shift	
Visitor contacts	Daily unlimited	
Jury Contacts	1 hour daily	
Tours	2 hours weekly	
Outreach with street populations	Daily as needed	
Reporting	Daily unlimited	

### **Beautification**

In addition to clean and safe services, the PBID budget may include funds for beautification and placemaking improvements that are defined as cosmetic enhancements that improve the appearance and walkability within the PBID, in turn encouraging customer traffic and improved quality of life for residents. Examples of beautification improvements might include:

- Design and installation of flowering planters and baskets
- Directional/wayfinding signage or themed historical downtown signage
- Street furniture and amenities, such as benches, kiosks and lighting
- Design and installation of art and decorative elements
- Holiday décor or tree lighting
- Bicycle racks and other hardware
- Urban design and/or planning services to advance beautification efforts
- Other cosmetic enhancements that improve the PBID's appearance.

## **Economic Enhancements**

Business development ranked highest among property and business owners as the single most important program that the PBID should provide. Moving forward with the PBID, economic development and marketing activities will shift from consumer marketing to investor marketing. All benefit zones will receive and benefit from the Economic Enhancement activities. The PBID's Economic Development Committee will develop annual work programs that may include the following:

### **Economic Development**

Services to aid in efforts to attract a stronger mix of businesses and work with tenants/owners and city staff to expedite the city permitting process. Options may include:

- Design and production of investor marketing packages to assist real estate brokers, developers and property owners in business recruitment efforts.
- Maintenance of a district database with local market and real estate information.
- Market research and market-based planning to target private investment to strengthen the downtown marketplace.
- Trouble-shooting and permitting liaison services to assist property and business owners to invest and operate in the district. Coordinate with the City on these services.
- Enhanced research and development of the downtown website.
- Coordinate efforts with the City of Stockton in developing an outreach program to property owners, real estate brokers and local/regional businesses to develop under-utilized downtown properties.
- Business retention efforts to encourage existing businesses to grow.

### **Destination Marketing**

Programs that aim to position downtown Stockton as a dining, retail and arts destination. Marketing programs must demonstrate collective benefits to business and property owners. Options may include:

- Advertising, including branding, coordinated campaigns and increased placement and frequency in mass media venues.
- Public relations efforts to promote a positive image and overall experience.
- Increased distribution and enhanced quality of publications, including the downtown map and directory and future activity guides.
- Improved special event production and promotions.
- Design, installation and maintenance of a new downtown directional signage system.

### **Communication**

Services to better inform business and property owners.

- Continued publication of a downtown district newsletter.
- PBID ratepayer surveys to measure overall satisfaction with programs.
- Media relations activities to project a creative and exciting business image in local, regional and national media.

### **Special Events**

The Special Events budget is reserved for opportunities to continue providing existing events downtown, e.g. Full Moon Riders, Love You Baby, the Great Big Read, Music to our Ears, or to add additional events that present themselves during the life of the district. These special

events improve commerce by drawing people downtown and introducing them to opportunities to dine, shop, or engage in commerce.

### **Parking Initiatives**

The PBID will work in concert with the City staff to explore options for improving parking management and mobility options to and within Downtown. Options include identifying employee parking and transit options, creating parking promotions for consumers and modifying parking fee hours to encourage consumer traffic during non-business hours.

### **Advocacy, Administration and Reserve**

The PBID supports a professional staff that delivers programs and advocates on behalf of the Downtown district. The PBID allows downtown property owners to project a unified voice and elevate their influence in policies and issues that affect the central business district. Funds are allocated to office and support services such as bookkeeping, office rent, insurance, office equipment and professional development and training for the staff and the PBID's Owners' Association. A \$10,000 operating reserve is also budgeted as a contingency for any payment of delinquencies and/or unforeseen budget adjustments.

## Section 4: PBID Assessment Budget

### 2018 PBID Assessment Budget

The following table outlines the PBID maximum assessment budget for 2018.

EXPENDITURES	BUDGET	% of Budget
Environmental Enhancements	\$650,000	60.19%
Economic Enhancements	\$240,000	22.22%
Advocacy/Administration	\$180,000	16.67%
PBID Reserve	\$10,000	0.93%
<b>Total Expenditures</b>	<b>\$1,080,000</b>	<b>100.00%</b>
REVENUES		
Assessment Revenues	\$1,060,440	98.19%
Other Revenues (1)	\$19,560	1.81%
<b>Total Assessment District Revenues</b>	<b>\$1,080,000</b>	<b>100.00%</b>

(1) Other non-assessment funding to cover the cost associated with general benefit.

### Budget Adjustments

- Annual assessments may increase no more than 5% per year, consistent with the increase in consumer price index (CPI) and/or other increases in program costs. The determination of annual adjustments in assessment rates will be subject to the review and approval of the board of the Owners Association.
- Revenues for Environmental and Economic Enhancements service categories may be reallocated among these service categories from year to year based upon district needs and budgets developed by the Owners' Association. The reallocation shall not exceed 10% per year.

### 10-Year Maximum Budget

The following table illustrates the PBID's maximum annual budget for the 10-year life term, adjusting it by the maximum 5% inflation factor.

ACTIVITY	2018	2019	2020	2021	2022
Environmental	\$650,000	\$682,500	\$716,625	\$752,456	\$790,079
Economic	\$240,000	\$252,000	\$264,600	\$277,830	\$291,722
Advocacy/Admin	\$180,000	\$189,000	\$198,450	\$208,373	\$218,791
Reserve Fund	\$10,000	\$10,500	\$11,025	\$11,576	\$12,155
<b>TOTAL BUDGET</b>	<b>\$1,080,000</b>	<b>\$1,134,000</b>	<b>\$1,190,700</b>	<b>\$1,250,235</b>	<b>\$1,312,747</b>

ACTIVITY	2023	2024	2025	2026	2027
Environmental	\$829,583	\$871,062	\$914,615	\$960,346	\$1,008,363
Economic	\$306,308	\$321,623	\$337,704	\$354,589	\$372,319
Advocacy/Admin	\$229,731	\$241,217	\$253,278	\$265,942	\$279,239
Reserve Fund	\$12,763	\$13,401	\$14,071	\$14,775	\$15,513
<b>TOTAL BUDGET</b>	<b>\$1,378,384</b>	<b>\$1,447,303</b>	<b>\$1,519,668</b>	<b>\$1,595,652</b>	<b>\$1,675,434</b>

## Section 5: Public Sector Participation

### Existing City Services

The City Council, by adopting this plan, will confirm its intention to ensure an existing level of services in the district equivalent to the level that is being provided elsewhere in the City. Assessment funds will pay for services that are above and beyond those services provided by the City.

### Rationale for Public Property Assessments

Proposition 218 states that no parcel is exempt from assessments if that parcel receives benefit from the improvements and activities. This includes government and Public use parcels. The City of Stockton and any other government owned parcels within the PBID boundary will pay their assessment based on the special benefits conferred to those parcels. All publicly owned parcels specially benefit from the PBID activities as they make each assessed parcel cleaner, safer, more attractive, and economically vibrant. Specifically, these parcels specially benefit from: removing graffiti from their buildings, patrolling their sidewalks, connecting the homeless to available resources, cleaning up any debris or trash, powerwashing the sidewalks, beautifying the public right-of-ways, and increased business development.

Therefore, government uses are assessed for the special benefits they receive from the PBID activities. The assessment methodology to allocate the cost of these improvements is consistent with all other land uses in the district: parcel square footage plus first floor building square footage and upper floor building square footage. Please see Section 6: Assessment Methodology for further discussion.

The publicly owned parcels within the PBID boundary and their respective assessments are indicated below.

APN	OWNER NAME	SITE	ZONE	Parcel Assmt
139-100-01-0000	California State Of	31 E Channel St	1	\$10,553.59
139-310-25-0000	California State Of	622 E Lindsay St	2	\$1,600.24
149-020-05-0000	California State Of	45 N Hunter Square Plz	1	\$860.10
149-020-06-0000	California State Of	33 N Hunter Square Plz	1	\$840.11
149-290-01-0000	California State Of	212 S Sutter St	2	\$3,977.84
				<b>\$17,831.88</b>
139-260-17-0000	San Joaquin Council Of Gov	555 E Weber Ave	1	<b>\$4,194.52</b>
149-062-13-0000	San Joaquin County Housing Auth	421 S El Dorado St #B	2	\$1,155.69
149-062-14-0000	San Joaquin County Housing Auth	448 S Center St	2	\$1,744.30
				<b>\$2,900.00</b>

APN	OWNER NAME	SITE	ZONE	Parcel Assmt
149-120-01-0000	San Joaquin County Of	121 S San Joaquin St	1	\$10,769.18
149-120-16-0000	San Joaquin County Of	102 S San Joaquin St	1	\$20,159.87
149-160-01-0000	San Joaquin County Of	222 E Weber Ave	1	\$19,984.00
149-140-24-0000	San Joaquin County Of	24 S. Hunter St.	1	\$7,468.44
149-160-13-0000	San Joaquin County Of	327 E. Main St.	1	\$2,544.55
149-160-14-0000	San Joaquin County Of	44 N. San Joaquin St.	1	\$13,457.03
				<b>\$74,383.07</b>
151-140-17-0000	San Joaquin Regional Rail Comm	949 E Channel St	2	\$4,875.86
151-150-08-0000	San Joaquin Regional Rail Comm	E Of Ctr	2	\$2,111.36
151-190-10-0000	San Joaquin Regional Rail Comm	948 E Main St	2	\$1,356.89
				<b>\$8,344.12</b>
139-260-01-0000	San Joaquin Regional Transit Dist	130 N Sutter St	1	\$1,716.20
139-260-02-0000	San Joaquin Regional Transit Dist	401 E Weber Ave	1	\$1,500.18
139-260-03-0000	San Joaquin Regional Transit Dist	409 E Weber Ave	1	\$1,716.12
139-260-04-0000	San Joaquin Regional Transit Dist	417 E Weber Ave	1	\$1,716.20
139-260-05-0000	San Joaquin Regional Transit Dist	425 E Weber Ave	1	\$1,716.20
139-260-06-0000	San Joaquin Regional Transit Dist	445 E Weber Ave	1	\$1,716.20
139-260-07-0000	San Joaquin Regional Transit Dist	117 N California St	1	\$900.10
139-260-08-0000	San Joaquin Regional Transit Dist	125 N California St	1	\$900.10
				<b>\$11,881.32</b>
137-190-29-0000	Stockton City Of	525 N Center St	1	\$9,946.44
137-190-32-0000	Stockton City Of	601 N Center St	1	\$3,554.92
137-202-13-0000	Stockton City Of	321 W Fremont St	1	\$416.05
137-202-14-0000	Stockton City Of	329 W Fremont St	1	\$520.07
137-202-15-0000	Stockton City Of	337 W Fremont St	1	\$320.04
137-202-16-0000	Stockton City Of	345 W Fremont St	1	\$288.04
137-202-18-0000	Stockton City Of	505 N Monroe St	1	\$672.08
137-204-18-0000	Stockton City Of	225 W Fremont St	1	\$1,986.56
137-204-20-0000	Stockton City Of	247 W Fremont St	1	\$576.07
137-216-09-0000	Stockton City Of	401 W Fremont St	1	\$309.31
137-216-10-0000	Stockton City Of	411 W Fremont St	1	\$320.04
137-216-11-0000	Stockton City Of	423 W Fremont St	1	\$320.04
137-216-12-0000	Stockton City Of	427 W Fremont St	1	\$320.04
137-216-13-0000	Stockton City Of	439 W Fremont St	1	\$320.04
137-216-14-0000	Stockton City Of	447 W Fremont St	1	\$288.04
137-250-29-0000	Stockton City Of	*no Site Address*	1	\$895.29
137-260-05-0000	Stockton City Of	448 W Weber Ave	3	\$378.69
137-260-07-0000	Stockton City Of	445 W Main St	3	\$217.35
137-260-16-0000	Stockton City Of	605 W Weber Ave	3	\$336.61
137-260-17-0000	Stockton City Of	517 W Weber Ave	3	\$336.61
137-260-26-0000	Stockton City Of	*no Site Address*	3	\$400.64
137-260-31-0000	Stockton City Of	402 W Weber Ave	3	\$409.52
137-260-32-0000	Stockton City Of	402 W Weber Ave	3	\$1,270.77

APN	OWNER NAME	SITE	ZONE	Parcel Assmt
137-260-33-0000	Stockton City Of	*no Site Address*	3	\$377.10
137-280-08-0000	Stockton City Of	S Madison St	3	\$873.14
137-330-01-0000	Stockton City Of	348 W Market St	3	\$120.75
137-330-02-0000	Stockton City Of	338 W Market St	3	\$120.75
137-330-03-0000	Stockton City Of	326 W Market St	3	\$120.75
137-330-04-0000	Stockton City Of	318 W Market St	3	\$120.75
137-330-08-0000	Stockton City Of	248 W Market St	3	\$72.45
137-330-09-0000	Stockton City Of	248 W Market St	3	\$48.30
137-330-10-0000	Stockton City Of	240 W Market St	3	\$120.75
137-330-11-0000	Stockton City Of	226 W Market St	3	\$120.75
137-330-12-0000	Stockton City Of	220 W Market St	3	\$120.75
137-330-13-0000	Stockton City Of	214 W Market St	3	\$63.08
137-330-14-0000	Stockton City Of	103 S Madison St	3	\$97.36
137-330-15-0000	Stockton City Of	115 S Madison St	3	\$91.77
137-330-16-0000	Stockton City Of	119 S Madison St	3	\$181.13
137-330-17-0000	Stockton City Of	125 S Madison St	3	\$176.30
137-330-18-0000	Stockton City Of	126 S Monroe St	3	\$153.95
137-330-19-0000	Stockton City Of	124 S Monroe St	3	\$181.13
137-330-20-0000	Stockton City Of	333 W Washington St	3	\$767.91
137-360-24-0000	Stockton City Of	110 S Lincoln Ave	3	\$90.55
137-360-26-0000	Stockton City Of	109 S Van Buren St	3	\$572.36
137-360-27-0000	Stockton City Of	120 S Lincoln Ave	3	\$316.37
137-360-28-0000	Stockton City Of	400 W Market St	3	\$138.85
137-360-39-0000	Stockton City Of	434 W Market St	3	\$219.77
137-360-52-0000	Stockton City Of	*no Site Address*	3	\$88.75
137-370-02-0000	Stockton City Of	666 W Weber Ave	3	\$925.70
137-370-03-0000	Stockton City Of	504 W Weber Ave	3	\$3,008.63
137-370-09-0000	Stockton City Of	*no Site Address*	3	\$131.02
137-370-10-0000	Stockton City Of	103 S Lincoln Ave	3	\$65.98
137-410-01-0000	Stockton City Of	404 W Fremont St	1	\$7,528.06
137-410-02-0000	Stockton City Of	310 W Fremont St	1	\$14,337.81
137-410-05-0000	Stockton City Of	248 W Fremont St	1	\$1,512.59
137-410-09-0000	Stockton City Of	*no Site Address*	1	\$6,970.47
137-410-10-0000	Stockton City Of	300 N Harrison St	1	\$7,981.16
137-410-11-0000	Stockton City Of	46 W Fremont St	1	\$2,505.43
137-410-14-0000	Stockton City Of	248 W Fremont St	1	\$31,670.75
137-410-16-0000	Stockton City Of	306 W Fremont St	1	\$6,762.67
137-410-17-0000	Stockton City Of	404 W Fremont St	1	\$35,569.40
139-060-30-0000	Stockton City Of	555 N El Dorado St	1	\$7,214.40
139-070-10-0000	Stockton City Of	425 N El Dorado St	1	\$6,557.61
139-080-01-0000	Stockton City Of	6 E Lindsay St	1	\$1,521.62
139-080-02-0000	Stockton City Of	20 E Lindsay St	1	\$720.09
139-080-04-0000	Stockton City Of	345 N El Dorado St	1	\$2,288.43
139-080-07-0000	Stockton City Of	345 N Hunter St	1	\$1,440.18
139-090-01-0000	Stockton City Of	235 N Center St	1	\$16,162.02
139-090-02-0000	Stockton City Of	141 N El Dorado St	1	\$5,808.73

APN	OWNER NAME	SITE	ZONE	Parcel Assmt
139-090-03-0000	Stockton City Of	205 N Center St	1	\$1,126.52
139-090-05-0000	Stockton City Of	N Center St	1	\$34.80
139-090-08-0000	Stockton City Of	221 N Center St	1	\$16,276.03
139-090-09-0000	Stockton City Of	*no Site Address*	1	\$1,800.23
139-110-01-0000	Stockton City Of	130 N El Dorado St	1	\$1,041.73
139-110-06-0000	Stockton City Of	136 N El Dorado St	1	\$1,124.30
139-110-07-0000	Stockton City Of	126 N El Dorado St	1	\$1,469.70
139-120-01-0000	Stockton City Of	140 N Hunter St	1	\$713.08
139-120-18-0000	Stockton City Of	350 E Channel St	1	\$6,837.73
139-120-19-0000	Stockton City Of	131 N San Joaquin St	1	\$6,559.69
139-120-22-0000	Stockton City Of	130 N Hunter St	1	\$6,691.55
139-250-26-0000	Stockton City Of	216 N California St	1	\$803.29
145-190-03-0000	Stockton City Of	873 W Weber Ave	3	\$2,072.36
145-270-06-0000	Stockton City Of	833 W Weber Ave	3	\$3,923.83
145-270-09-0000	Stockton City Of	701 W Weber Ave	3	\$3,257.37
145-270-10-0000	Stockton City Of	W Weber Ave	3	\$310.02
149-020-01-0000	Stockton City Of	22 E Weber Ave	1	\$24,567.69
149-020-03-0000	Stockton City Of	E Weber St	1	\$420.21
149-030-03-0000	Stockton City Of	S El Dorado St	1	\$489.89
149-040-01-0000	Stockton City Of	22 E Market St	1	\$12,855.11
149-040-10-0000	Stockton City Of	*no Site Address*	1	\$1,032.76
149-130-01-0000	Stockton City Of	414 E Market St	1	\$13,411.67
149-130-02-0000	Stockton City Of	424 E Market St	1	\$400.05
149-130-03-0000	Stockton City Of	430 E Market St	1	\$564.06
149-130-04-0000	Stockton City Of	440 E Market St	1	\$400.05
149-130-05-0000	Stockton City Of	113 S California St	1	\$400.05
149-130-06-0000	Stockton City Of	121 S California St	1	\$440.06
149-130-07-0000	Stockton City Of	124 S Sutter St	1	\$1,600.20
149-140-13-0000	Stockton City Of	323 E Market St	1	\$496.06
149-140-14-0000	Stockton City Of	26 S San Joaquin St	1	\$692.08
149-140-17-0000	Stockton City Of	311 E Market St	1	\$336.04
149-140-25-0000	Stockton City Of	369 E Market St	1	\$1,916.23
149-140-27-0000	Stockton City Of	242 E Main St	1	\$3,971.69
149-170-08-0000	Stockton City Of	431 E Main St	1	\$1,800.23
149-170-09-0000	Stockton City Of	445 E Main St	1	\$1,800.23
149-170-12-0000	Stockton City Of	39 N California St	1	\$1,320.17
149-170-22-0000	Stockton City Of	25 N American St	1	\$1,603.14
149-170-25-0000	Stockton City Of	27 N California St	1	\$1,704.21
149-180-05-0000	Stockton City Of	24 N American St	1	\$2,404.77
149-180-17-0000	Stockton City Of	25 N Grant St	2	\$642.50
149-180-21-0000	Stockton City Of	725 E Main St	2	\$1,905.33
149-230-01-0000	Stockton City Of	*no Site Address*	2	\$3,995.38
				<b>\$325,653.53</b>
139-150-05-0000	United States Of America	401 N San Joaquin St	1	<b>\$5,994.58</b>

APN	OWNER NAME	SITE	ZONE	Parcel Assmt
137-190-30-0000	Stockton Unified School Dist	135 W Fremont St	1	\$9,103.69
137-270-22-0000	Stockton Unified School Dist	302 W Weber Ave	3	\$12,342.31
				<b>\$21,446.00</b>

## **Section 6: Assessment Methodology**

### ***General***

This Management District Plan provides for the levy of assessments for the purpose of providing services and activities that specially benefit real property in the PBID. These assessments are not taxes for the general benefit of the City, but are assessments for the services and activities which confer special benefits upon the real property for which the services and activities are provided.

### ***Assessment Factors***

Downtown Stockton property owners and business owners have emphasized that the assessment formula for the Downtown Stockton PBID be fair, balanced, and have a direct relationship to special benefits received. The State enabling legislation also states, "Assessments levied on real property...shall be levied on the basis of the estimated benefit to the real property within the...district."

The method used to determine proportional special benefits are measured by each parcel's lot square footage, first floor building square footage, plus the upper floor building square footage. Each parcel's proportional lot size, first floor building square footage and upper floor building square footage represents each parcel's proportional special benefit compared to other parcels within in respective benefit zone. Lot square footage is relevant to the best use of a property and will reflect the long term special benefit implications of the improvement district. First floor and Upper floor building square footage is relevant to the interim use of a property and is utilized to measure short and mid-term impacts.

Lot Square Footage Defined. Lot square footage is defined as the total amount of area within the borders of the parcel. The borders of a parcel are defined on the County Assessor parcel maps.

First Floor Building Square Footage Defined. First floor building square footage is defined as the first floor gross building square footage as determined by the outside measurements of a building.

Upper Floor Building Square Footage Defined. Upper floor building square footage is defined as the remaining gross building square footage less the first floor building square footage as determined by the outside measurements of a building. Basements are not included in this allocation.

The PBID activities are primarily provided at the street level and thus allocating the greatest special benefit to the lot and first floor of a building. The upper floors of a building also benefit from the PBID activities but since they are not on the ground floor and do not receive the direct benefit, the upper floors are assessed at 50% of the ground floor to acknowledge their diminished special benefit.

## **Special Benefit Analysis**

All special benefits derived from the assessments outlined in this report are for property related activities directly benefiting each individual assessed parcel in the PBID. The special benefit must affect the individual assessable parcel in a way that is particular and distinct from its effect on other parcels, and that real property in general and the public at large do not share. No parcel's assessment shall be greater than the special benefits received.

Streets and Highways Code Section 36601(e) states that "Property and business improvement districts formed throughout this state have conferred special benefits upon properties and businesses within their districts, and have made those properties and businesses more useful by providing the following benefits: (1) Crime reduction. A study by the Rand Corporation has confirmed a 12-percent reduction in the incidence of robbery and an 8-percent reduction in the total incidence of violent crimes within the 30 districts studied. (2) Job creation. (3) Business attraction. (4) Business retention. (5) Economic growth. (6) New investments.

The PBID's goal is to fund activities and improvements that provide a cleaner, safer, and more attractive and economically vibrant environment as outlined in Section B. The goal of improving the economic vitality is achieved by improving the safety, cleanliness, marketing, and appearance of each specially benefitted parcel in an effort to increase commerce, to increase building occupancy and lease rates, and to attract more customers, employees, tenants and investors.

Each parcel will specially benefit from:

- Cleaner and safer sidewalks, streets, alleyways, and common areas
- Real and perceived public safety improvements
- Greater pedestrian traffic
- Enhanced rental incomes
- Improved business climate
- New business and investment
- Well managed programs and services

Specifically, each parcel benefits from each of the PBID activities as defined below.

### **Safety**

The enhanced safety activities make the area more attractive for businesses, customers, residents, and ultimately private investment. When business location decisions are made, "lower levels of public safety lead to increased uncertainty in decision making and can be perceived as a signal of a socio-institutional environment unfavorable for investment. Uncertainty affects the investment environment in general. But in particular, it increases the fear of physical damage to investment assets (or to people) or their returns...Almost universally, places with lower crime rates are perceived as more desirable".<sup>1</sup> Once economic investment occurs within the district, pedestrian traffic and commercial activity will increase. The special benefit to assessed parcels from these services is the likelihood of increased lease rates and tenant occupancy due to the increase of commercial activity, and an increase in

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<sup>1</sup> "Accelerating economic growth and vitality through smarter public safety management" IBM Global Business Services Executive Report, September 2012, pg. 2

customers that follow from having a safer environment.

**Maintenance and Beautification**

The maintenance and beautification activities benefit each assessed parcel within the PBID by providing a clean and aesthetically appealing environment. This is achieved through sidewalk sweeping and power washing, removing litter and graffiti, and trash removal. In addition, the beautification activities benefit each assessed parcel by providing wayfinding signage, sidewalk benches, holiday décor, planters, etc. These activities create the environment needed to achieve the PBID goals.

**Economic Development**

The economic development activities will specially benefit each assessed parcel by encouraging business development and investment. This generates customer traffic which directly relates to increases in commercial activity including residential serving businesses, filling of vacant storefronts and offices, and ultimately increased lease rates for retail and office space.

**Special Benefit Conclusion**

Based on the special benefits each assessed parcel receives from the PBID activities, we concluded that each of the proposed activities provides special benefits to the real property within the district, and that each parcel's assessment is in direct relationship to and no greater than the special benefits received.

The special benefit to parcels from the proposed PBID activities and improvements described in this report is equal to or exceeds the total amount of the proposed assessment. Each individual assessed parcel's assessment is no greater than the special benefit it receives from the PBID activities.

## **General Benefit Analysis**

As required by the State Constitution Article XIID Section 4(a), the general benefits of an assessment district must be quantified and separated out so that the cost of the activities that are attributed to general benefit are deducted from the cost assessed against each specially benefitted parcel. General benefits are benefits from the PBID activities and improvements that are not special in nature, are not “particular and distinct”, and are not over and above the benefits that other parcels receive. This analysis will evaluate and determine the level of general benefits that (1) parcels inside of the Downtown Stockton PBID, (2) parcels outside of the PBID, and (3) the public at large may receive.

### **General Benefit to Parcels Inside of the Downtown Center PBID**

The Downtown Stockton PBID provides funds for activities and improvements that are designed and created to provide special benefits to each individually assessed parcel within the District. Each individual assessed parcel will specially benefit from the cleaner and safer public rights-of-way and increased economic activity, thus 100% of the benefits conferred on these parcels are distinct and special in nature and that 0% of the PBID activities provide a general benefit to parcels in the District boundary.

### **General Benefit to Parcels Outside of the PBID**

All the PBID activities and improvements are provided solely to each of the individual assessed parcels in the PBID boundary. Each of the PBID activities is provided to the public right-of-ways (streets, alleys, sidewalks) adjacent to all specially benefitted parcels or tenants in the PBID. None of the surrounding parcels will directly receive any of the PBID activities. Any benefits these parcels may receive are incidental to providing special benefits to the assessed parcels, and thus any cost associated to the incidental benefits are not reduced from the cost of providing special benefit.

### **General Benefit to the Public At Large**

In addition to general benefit analysis to the parcels outside of the Downtown Stockton PBID boundary, there may be general benefits to the public at large, i.e., those people that are either in the PBID boundary and not specially benefitted from the activities, or people outside of the PBID boundary that may benefit from the PBID activities. In the case of the Downtown Stockton PBID, the public at large are those people that are within the PBID boundary that do not pay an assessment and do not specially benefit (employees, tenants, and customers) from the PBID activities.

To calculate the general benefit the public at large may receive we determine the percentage of each PBID activity budget that may benefit the general public. In this case, the Environmental Enhancement activities may generally benefit the public as the general public may appreciate the enhanced level of maintenance, security and beautification as it passes through the District. The Economic Enhancements such as; economic development and marketing activities are tailored to benefit the tenants of each parcel and are not intended to benefit the general public. If there are any public benefits, they are incidental and collateral to providing special benefits to the assessed parcels.

We then apply a Relative Benefit factor to the Environment Enhancement activities accounting for the potential benefit the general public may receive. The relative benefit factor is a basic unit of measure that compares the benefit the general public receives compared to the public

that specially benefits (employees, tenants, customers) from this activity. Since the specially benefitted public receives 100% of the activities and special benefit it is assigned a relative benefit factor of 1.0 for this activity. The general public does not directly receive any District activity and thus, is assigned a relative benefit factor less than 1.0. There is no scientific method to determine the relative benefit factors, however in our professional experience of over 50 years as a Registered Civil Engineer and the results of previous studies conducted to determine a relative benefit factor for the general public in Los Angeles and other jurisdictions the general public receives a relative benefit factor of 0.05 for the Environmental Enhancement activities. Based on our professional experience and the results of previous studies, it is reasonable to conclude that this relative benefit factor properly accounts for the general public that is not specially benefitted.

The relative benefit factor is then multiplied by the District activity's budget percentage to determine the overall benefit factor. The following table illustrates this calculation.

	A	B	C	D	E
<b>ACTIVITY</b>	<b>Budget Amount</b>	<b>% of Budget</b>	<b>General Benefit Factor</b>	<b>General Benefit Percent (B x C)</b>	<b>General Benefit Allocation (A x D)</b>
Environmental	\$650,000	60.19%	5.00%	3.01%	\$19,560

This analysis indicates that \$19,560 of the Environmental Enhancement activities may be attributed to general benefit to the public at large, and must be raised from sources other than special assessments.

**General Benefit Conclusion**

Using the sum of the three measures of general benefit described above we find that \$19,560 or 1.81% of the total budget may be general in nature and will be funded from sources other than special assessments.

**Assessment Calculation**

As previously discussed, the PBID activities are segregated into three benefit zones to account for various levels of services area needs and benefits. The table below summarizes the PBID activities provided to each benefit zone.

<b>Activity</b>	<b>Zone1</b>	<b>Zone 2</b>	<b>Zone 3</b>
Environmental Enhancements			
- Safety Ambassadors	X		
- Clean Team	X	X	
- Beautification	X	X	
Economic Enhancements	X	X	X
Advocacy/Administration	X	X	X

The preceding methodology is applied to a database that has been constructed by the Downtown Stockton Alliance and the San Joaquin County Assessor's Office.

**Benefit Zone Adjustments:** The assessments are adjusted to reflect anticipated service frequencies within each of two benefit zones:

- **Benefit Zone 1**, which includes the core of the PBID, provides a higher frequency of environmental enhancements.
- **Benefit Zone 2**, which includes areas east and south of Zone 1 provides all the same services as Zone 1 except for the Safety Ambassadors.
- **Benefit Zone 3**, includes all remaining properties southwest of Zone 1 and receives all activities under Economic Enhancements but will not receive any services from the Environmental Enhancements.

**Total Estimated Assessments:** Based upon the methodology, property data and the proposed PBID budget, approximate lot and building assessments are calculated. Assessments will not exceed the following amounts per foot during the first year of the renewed PBID:

Zones	Lot	First Floor	Upper Floor
Zone 1: Commercial	\$0.0800	\$0.0800	\$0.0400
Zone 1: Residential	\$0.0480	\$0.0480	\$0.0240
Zone 2: Commercial	\$0.0443	\$0.0443	\$0.0222
Zone 2: Residential	\$0.0266	\$0.0266	\$0.0133
Zone 3: Commercial	\$0.0242	\$0.0242	\$0.0121
Zone 3: Residential	\$0.0000	\$0.0000	\$0.0000

**Sample Parcel Assessments**

**Zone 1:** To calculate the assessment for a commercial parcel in Zone 1 with a 5,000 square foot lot, a 5,000 square foot first floor and 15,000 square feet upper floor the calculation is as follows:

Lot square feet (5,000) x \$0.0800 =	\$400.00
First floor building square feet (5,000) x \$0.0800 =	\$400.00
Upper floor building square feet (15,000) x \$0.0400 =	<u>\$600.00</u>
Total Parcel Assessment =	\$1,400.00

**Zone 2:** To calculate the assessment for a commercial parcel in Zone 2 with a 5,000 square foot lot, a 5,000 square foot first floor and 15,000 square feet upper floor the calculation is as follows:

Lot square feet (5,000) x \$0.0443 =	\$221.50
First floor building square feet (5,000) x \$0.0443 =	\$221.50
Upper floor building square feet (15,000) x \$0.0222 =	<u>\$333.00</u>
Total Parcel Assessment =	\$776.00

**Zone 3:** To calculate the assessment for a commercial parcel in Zone 3 with a 5,000 square foot lot, a 5,000 square foot first floor and 15,000 square feet upper floor the calculation is as follows:

Lot square feet (5,000) x \$0.0242 =	\$121.00
First floor building square feet (5,000) x \$0.0242 =	\$121.00
Upper floor building square feet (15,000) x \$0.0121 =	<u>\$181.50</u>
Total Parcel Assessment =	\$423.50

The assessment calculation is the same for every parcel in the PBID respective of each benefit zone and land use type.

### **Property Use Considerations**

The methodology provides the following treatments for property used exclusively for residential uses:

**Treatment of Residential Property:** Proposition 218 states that no parcel is exempt from assessments if that parcel receives benefit from the improvements and activities, this includes residential use parcels. Residential uses will fully benefit from environmental enhancement services and will pay a full share of these services; however, economic enhancement services will not benefit residential uses and the residential rate is adjusted accordingly. The residential portion of commercial and mixed-use parcels with residential uses will be subject to the adjusted residential assessment rate. Residential parcels with 6 or more units are considered a commercial enterprise and therefore assessed at the commercial rate.

## **Annual Assessment Adjustments**

### **Budget Adjustment**

Annual assessments may increase no more than 5% per year, consistent with the increase in consumer price index (CPI) and increases in program costs. The determination of annual adjustments in assessment rates will be subject to the review and approval of the Owners' Association of the Downtown Stockton Alliance.

### **Time and Manner for Collecting Assessments**

As provided by state law, the Downtown Stockton PBID assessment will appear as a separate line item on the annual San Joaquin County property tax bills, or by a special manual bill prepared by the District and either paid in one lump sum or in two equal installments. Laws for enforcement and collection of property taxes also apply to the PBID assessment.

### **Disestablishment**

State law provides for the disestablishment of a PBID pursuant to an annual process. The 30-day period begins each year on the anniversary day that the City Council first establishes the District. Within this annual 30-day period, if the owners of real property who pay more than 50 percent of the assessments levied submit a written petition for disestablishment, the PBID may be dissolved by the City Council. The City Council must hold a public hearing on the proposed disestablishment before voting on whether or not to disestablish the district.

### **Duration**

The PBID will have a ten-year term commencing January 1, 2018 through December 31, 2027. Any major modifications or new or increased assessments during the term of the district that

are not consistent with the provisions of original Management District Plan will require a new mail ballot process.

During Year 5 of the district, or at any other time as determined by the Owners' Association, a formal review of the PBID will be conducted that considers changes in market dynamics, new development, and other influences on the district. The district, through a petition and ballot process, may then be renewed prior to the expiration of the ten-year term.

### **Future Development**

As a result of continued development, the District may experience the addition or subtraction of assessable footage for parcels included and assessed within the District boundaries. The modification of parcel improvements assessed within the District may then change upwards or downwards the amount of total footage assessment for these parcels, pursuant to Government Code 53750, will be prorated to the date they receive the temporary and/or permanent certificate of occupancy.

In future years, the assessments for the special benefits bestowed upon the included PBID parcels may change in accordance with the assessment methodology formula identified in the Management District Plan and Engineer's Report provided the assessment rate does not change. If the assessment formula changes and causes an increase in assessments, then a Proposition 218 ballot will be required for approval of the formula changes.

### **Bond Issuance**

No bonds will be issued to finance improvements.

## **Section 7: PBID Governance**

### ***City Council***

Following the submission of petitions from property owners representing more than 50% of the assessments to be paid, the City Council, upon holding a public hearing on the proposed District, may elect to renew the PBID. The PBID is renewed by a City Council resolution, including the levy of an assessment on property, if the assessment is first approved by parcel owners in a balloting process.

### ***PBID Governance***

Consistent with business improvement district legislation throughout the nation, California's "Property and Business Improvement District Law of 1994" establishes a governance framework that allows property owners who pay assessments the ability to determine how the assessments are used. This Management District Plan may be subject to changes if required by the state of California or the City of Stockton.

### **Downtown Stockton PBID**

The Downtown Stockton Alliance (DSA), a 501(c)6 California nonprofit corporation, will continue to be the Owner's Association and governing board for the renewed PBID. The role of the Owner's Association is consistent with similar PBIDs and downtown management organizations throughout California and the nation. The Owner's Association determines budgets, assessment adjustments and monitor service delivery. As part of the Management Plan, the DSA, working as the Owner's Association, oversees the delivery of day-to-day PBID services in order to:

- Reduce overall administrative costs of the PBID;
- Leverage PBID funds with other resources, programs and capabilities provided by the Downtown Stockton Alliance;
- Eliminate the potential for duplication of enhanced services and activities;
- Ensure that Downtown is represented by a unified voice.

Pursuant to the State of California PBID legislation, the DSA, when conducting PBID business, is subject to disclosure and notification guidelines set by the Ralph M. Brown Act and California Public Records Act.

The DSA has configured its board of directors to represent all benefit zones within the PBID. The goal and spirit of the board's composition is to have a majority of Downtown property owners, but also include representatives from downtown businesses, residents, and governments that pay PBID assessments.

Board members are selected through a nominating process that invites all stakeholders to participate. A nominating committee develops an annual slate of board nominations, and nominations are voted on at an annual meeting of PBID ratepayers.

## Section 8: Implementation Timeline

The Downtown Stockton PBID will have a ten-year life from January 1, 2018 to December 31, 2027.

In order for the PBID to meet the start-up date of January 1, 2018, the formation needs to adhere to the following schedule:

Formation Schedule	Dates
Petitions distributed to property owners	February
Marketing campaign to obtain signed petitions: presentations, neighborhood meetings, 50% weighted vote targeting	February - April
City Council adopts Resolution of Intention	Early May
Assessment ballots mailed to property owners	Mid May
City Council holds public hearing and tabulates ballots	Late June