

FISCAL AGREEMENT

AMONG THE REDEVELOPMENT AGENCY OF THE CITY OF STOCKTON,
THE COUNTY OF SAN JOAQUIN, THE SAN JOAQUIN COUNTY FLOOD
CONTROL DISTRICT, AND THE SAN JOAQUIN COUNTY FLOOD
CONTROL DISTRICT-ZONE 9

This Fiscal Agreement (the "Agreement") is entered into among the County of San Joaquin, a political subdivision of the State of California (the "County"), the San Joaquin County Flood Control District, a special district (the "District"), the San Joaquin Flood Control District - Zone 9, a special district (the "Zone") and the Redevelopment Agency of the City of Stockton, a public body, politic and corporate (the "Agency"):

Recitals. Each of the parties enters into this Agreement in light of the following facts:

(a) The Agency is in the process of preparing a proposed redevelopment plan amendment (the "Plan") for adoption by the City Council of Stockton (the "Council") for the West End Urban Renewal Project Area (the "Project Area") pursuant to the California Community Redevelopment Law (California Health and Safety Code Section 33000 et seq.). The Amended Plan contains a program for financing the West End Redevelopment Project (the "Project"), including construction of public improvements necessary to permit private development of the Project Area in a manner consistent with the Stockton General Plan.

(b) The Amended Plan provides for "tax increment financing" in that ad valorem taxes levied on the taxable property within the Project Area are to be allocated pursuant to California Constitution Article XVI, Section 16, and California Health and Safety Code Section 33670.

(c) The County, the District and the Zone are each a taxing agency with territory located within the Project Area.

(d) Meetings have been held at which the County, the District and the Zone have expressed concern over the fiscal impact of the Amended Plan and the anticipated allocation of tax increment monies to implement the Amended Plan.

(e) Pursuant to Health and Safety Code Section 33401, the Agency has agreed to enter into this Agreement in order to mitigate any financial burden or detriment suffered by the County, the District and the Zone as the result of the adoption of the Amended Plan.

NOW, THEREFORE, the parties agree as follows:

Section 1. Definitions. In addition to the terms defined in the Recitals to this Agreement, the terms set forth in this Section shall have the following meanings:

(a) "Amended Area Base Year" means Fiscal Year 1990-91, for which the Amended Area Base Year Value has been established.

(b) "Amended Area Base Year Value" means the assessed valuation of the property within the Amended Project Area as shown on the Amended Area Base Year assessment roll. As of the date of this Agreement, the amount of the Amended Area Base Year Value is \$263,425,526.

(c) "Amended Project Area" means the portion of the Project Area proposed to be added by the Amendment to the West End Urban Renewal Project No. 1 under consideration by the City Council as shown on the attached Exhibit A.

(d) "Catalyst Activities" means the activities necessary to implement the projects described in Part V. of the Final Report for the Amended West End Urban Renewal Redevelopment Project (April, 1991) as set forth in the attached Exhibit B which are completed within 20 years of the date of adoption of the Amended Plan. To the extent any such Catalyst Activity is a construction project, completion of that Catalyst Activity shall mean 90% completion of the project.

(e) "Catalyst Trigger Year" means the Fiscal Year during which the cumulative amount of Net Tax Increment received by the Agency since adoption of the Amended Plan plus any interest and other earnings thereon, if any, plus the cumulative amount of Net Bond Proceeds received by the Agency since the adoption of the Amended Plan is equal to the sum of each cap amount for each Catalyst Activity set forth in Exhibit B (\$100.3 million in Fiscal Year 1990-91 dollars), which sum is adjusted

annually for each Fiscal Year from Fiscal Year 1990-91 to the then current Fiscal Year by the Engineering News Record Index for construction costs published in the first week of July (or closest publication date to such date) for each respective Fiscal Year. For purposes of this Agreement, the base value of the index for construction costs shall be \$4,853.89 (as published in the Engineering News Record for the week of July 1, 1991 through July 8, 1991).

(f) "County Percentage" means the percentage on each dollar of the One Percent TIR Amount that the County would receive from the Amended Project Area if there were no provision in the Amended Plan for the allocation of Tax Increment Revenue to the Agency. This percentage will fluctuate over time but as of the date of this Agreement, the County Percentage is 40.836%.

(g) "District Percentage" means the percentage on each dollar of the One Percent TIR Amount that the District would receive from the Amended Project Area if there were no provision in the Amended Plan for the allocation of Tax Increment Revenue to the Agency. This percentage will fluctuate over time, but as of the date of this Agreement, the District Percentage is .179%.

(h) "Entities" means the County, the District and the Zone.

(i) "Existing Project Area" means the portion of the Project Area included within the West End Urban Renewal No. 1 Redevelopment Project Redevelopment Plan, adopted by City Council

Ordinance No. 686 C.S. dated October 9, 1961, as subsequently amended by City Council Ordinance No. 1078 C.S. dated April 6, 1964, City Council Ordinance No. 1685 C.S. dated May 27, 1968, City Council Ordinance No. 2567 C.S. dated September 3, 1974, and City Council Ordinance No. 3308 C.S. dated March 31, 1980, as shown on the attached Exhibit A.

(j) "Fiscal Year" means the year beginning on July 1 and ending on the following June 30.

(k) "Fiscal Year 1990-91 Value" means the assessed valuation of the property within the Existing Project Area as shown on the Fiscal Year 1990-91 assessment roll. As of the date of this Agreement, the amount of the Fiscal Year 1990-91 Value is \$74,513,168.

(l) "Net Bond Proceeds" means the proceeds of bonds, notes or other indebtedness issued by the Agency which are payable from Tax Increment Revenue and which are available for expenditure by the Agency to implement the Catalyst Activities and the Support Activities less: any portion of such proceeds used to pay costs incurred for or in connection with issuance of bonds, notes or other indebtedness; any portion of such proceeds used to establish a reserve for payment of the bonds, notes or other indebtedness; any portion of such proceeds used to pay principal, interest, redemption premiums or any other amounts owing on bonds, notes or other indebtedness previously issued by the Agency and payable from Tax Increment Revenue; any portion of

such proceeds used to pay costs incurred for obtaining credit enhancement, insurance, or swaps, hedges, or other similar devices designed to decrease the interest rate or risk of the bonds, notes or other indebtedness or increase their marketability; or any portion of such proceeds deposited in a low and moderate income housing fund in lieu of making annual payments into such fund pursuant to Health and Safety Code Sections 33334.2 and 33334.3.

(m) "Net Tax Increment" means, for a given Fiscal Year, the One Percent TIR Amount less: any amount the Agency is obligated to pay any taxing agency other than the County, the District and the Zone in that Fiscal Year; any amount the Agency is required to place in a low and moderate income housing fund with respect to the Amended Project Area pursuant to Health and Safety Code Sections 33334.2 and 33334.3; and principal, interest or other amounts the Agency is obligated to pay in that Fiscal Year on, or in connection with, bonds, notes, or other indebtedness issued by the Agency prior to the Catalyst Trigger Year to finance implementation of the Catalyst Activities and prior to the Support Trigger Year to finance implementation of the Support Activities.

(n) "One Percent TIR Amount" means, for a given Fiscal Year, that portion of the Tax Increment Revenue allocated to and actually received by the Agency attributable to the one percent

(1%) County-wide tax rate levied pursuant to California Constitution Article XIII A, Section 1(a).

(o) "Project Area" means the Existing Project Area and the Amended Project Area.

(p) "Support Activities" means the activities necessary to implement the projects described in Part V of the Final Report on the Amendment to the West End Stockton Redevelopment Project (April, 1991) as set forth in the attached Exhibit B which are completed within 25 years of the date of adoption of the Amended Plan. To the extent any such Support Activity is a construction project, completion of that Support Activity shall mean 90% completion of the project.

(q) "Support Trigger Year" means the Fiscal Year during which the cumulative amount of Net Tax Increment received by the Agency since the adoption of the Amended Plan and any interest or other earnings thereon, if any, plus the cumulative amount of Net Bond Proceeds received by the Agency since the adoption of the Amended Plan is equal to the sum of each cap amount for each Support Activity set forth in Exhibit B (\$47.4 million in Fiscal Year 1990-91 dollars), which sum is adjusted annually for each Fiscal Year by the Engineering News Record Index for construction costs published in the first week of July (or closest publication date to such date) for each respective Fiscal Year for Fiscal Year 1990-91 to the then current Fiscal Year. For purposes of this Agreement, the base value of the

index for construction costs shall be \$4,853.89 (as published in the Engineering News Record for the week of July 1, 1991 through July 8, 1991).

(r) "Tax Increment Revenue" means property taxes levied on the increases in assessed values of the property within the Amended Project Area above the amount of the Amended Area Base Year Value which, pursuant to Article XVI, Section 16 of the California Constitution, Health and Safety Code Section 33670 et seq. and the Amended Plan, are payable to the Agency to pay the principal and interest on loans, monies advanced to or indebtedness incurred by the Agency to finance or refinance, in whole or in part, redevelopment in accordance with the Amended Plan.

(s) "Zone Percentage" means the percentage on each dollar of the One Percent TIR Amount that the Zone would receive from the Amended Project Area if there were no provision in the Amended Plan for the allocation of Tax Increment Revenue to the Agency. This percentage will fluctuate over time but as of the date of this Agreement, the Zone Percentage is .486%.

Section 2. Initial Payments to the Entities. If the Entities do not adopt a resolution pursuant to Health and Safety Code Section 33676(a), beginning in Fiscal Year 1992-93 and continuing through the Catalyst Trigger Year, the Agency shall pay to the Entities the County Percentage, the District Percentage and the Zone Percentage of the portion of Tax

Increment Revenue attributable to increases in the assessed value of the taxable property in the Amended Project Area over the Amended Base Year Value which are or otherwise would be calculated annually pursuant to subdivision (f) of Section 110.1 of the Revenue and Taxation Code.

Section 3. Payments to the Entities.

(a) County. In the Fiscal Year following the Catalyst Trigger Year and in each Fiscal Year thereafter through the Support Trigger Year, the Agency shall pay to the County the County Percentage of the Net Tax Increment for that Fiscal Year less the amount of the costs incurred or paid for in connection with the Support Activities, including without limitation, principal, interest or other amounts owed on indebtedness for the Support Activities. In the Fiscal Year following the Support Trigger Year and in each Fiscal Year thereafter through the term of the Amended Plan, the Agency shall pay to the County the County Percentage of the Net Tax Increment for that Fiscal Year.

(b) District. In the Fiscal Year following the Catalyst Trigger Year and in each Fiscal Year thereafter through the Support Trigger Year, the Agency shall pay to the District the District Percentage of the Net Tax Increment for that Fiscal Year less the amount of the costs incurred or paid for in connection with the Support Activities, including without limitation, principal, interest or other amounts owed on indebtedness for the Support Activities. The Agency shall pay

to the District the District Percentage of the Net Tax Increment for that Fiscal Year.

(c) Zone. In the Fiscal Year following the Catalyst Trigger Year and in each Fiscal Year thereafter through the Support Trigger Year, the Agency shall pay to the Zone the Zone Percentage of the Net Tax Increment for that Fiscal Year less the amount of the costs incurred or paid for in connection with the Support Activities, including without limitation, principal, interest or other amounts owed on indebtedness for the Support" Activities. In the Fiscal Year following the Support Trigger Year and in each Fiscal Year thereafter through the term of the Amended Plan, the Agency shall pay to the Zone the Zone Percentage of the Net Tax Increment for that Fiscal Year.

Section 4. Additional Payment to the Entities. In addition to the payments to the Entities set forth in Sections 2 and 3 above, the Agency shall pay to the Entities beginning in Fiscal Year 2025-26 and continuing until expiration of the Amended Plan the County Percentage, the District Percentage and the Zone Percentage of that portion of Tax Increment Revenue attributable to increases in the assessed value of the taxable property in the Existing Project Area over the Fiscal Year 1990-91 Value which are or otherwise would be calculated annually pursuant to subdivision (f) of Section 110.1 of the Revenue and Taxation Code. The parties to this Agreement expressly recognize and acknowledge that except as otherwise provided in this Section 4,

all tax increment revenue from the Existing Project Area will continue to be calculated in the same manner it has been prior to adoption of the Amended Plan and will continue to flow 100% to the Agency.

Section 5. Timing of Payments. The payments required to be made pursuant to Sections 2, 3 and 4 shall be made upon delivery of the report required in Section 14, unless the payments described in Sections 2 and 4 are directly allocated to the Entities by the tax apportionment process. The tax apportionment process currently includes the factors for the annual adjustments (referenced in Sections 2 and 4) in the calculation of tax allocations.

Section 6. Indebtedness. The Agency's obligations to make payments to the Entities under Sections 2, 3 and 4 shall constitute an indebtedness of the Agency within the meaning of Health and Safety Code Section 33670, and the Agency shall claim the amounts payable under Sections 2, 3 and 4 in its annual statement of indebtedness filed with the County Auditor pursuant to Health and Safety Code Section 33675.

Section 7. Amended Plan Limits. The Amended Plan shall contain and the Agency agrees to adhere to the following limits on the use of tax increment funds:

(a) No more than \$565,000,000 of tax increment revenue may be divided and allocated to the Agency without an amendment of the Amended Plan; and

(b) No more than \$450,000,000 of bonded indebtedness may be outstanding at any one time without an amendment of the Amended Plan.

Section 8. Hotel Stockton. The Agency and the County agree to cooperate in marketing the Hotel Stockton, currently owned by the County, for a use compatible with the Amended Plan.

Section 9. Use of Housing Fund. The Agency agrees that any Tax Increment Revenue generated from the Project Area that is required to be used for low and moderate income housing pursuant to Health and Safety Code Section 33334.2 and 33334.3 shall be used in the Project Area or outside the Project Area if the City Council and the Agency adopt resolutions determining that the use outside of the Project Area will be of benefit to the Project.

Section 10. Limitations on Revenue Sharing.
Notwithstanding any other provision in this Agreement, no payments shall be made to any Entity by the Agency or received directly by any Entity from the County Auditor:

(a) which would exceed the amount, annually, that the affected Entity would have otherwise received from property taxes from the Project Area had the Amended Plan not been adopted; or

(b) the receipt of which would cause the affected Entity to violate its expenditure limitations under Article XIII B of the California Constitution; or

(c) which would be contrary to the provisions of Section 33401 of the Health and Safety Code or violate any other

provision of the California Community Redevelopment Law or the laws of the State of California.

Any excess amounts under subsections (a), (b) or (c) above shall be retained by the Agency for distribution, in the Agency's sole discretion, to other taxing entities or for the purpose of paying indebtedness incurred by the Agency in carrying out the Project.

Section 11. Limited Subordination. It is recognized by the parties that the Agency may finance improvements provided for in the Amended Plan by means of bonds or notes, and should Agency's bond counsel require amendments to this Agreement in order to facilitate such bond sale or sales, the parties agree that consent to such amendments will not be unreasonably withheld.

The Agency may request each of the Entities to subordinate its interests herein and to allow the Agency to pledge all or any portion of the Tax Increment Revenue otherwise payable to or receivable by the such Entity under this Agreement in order to secure repayment of Agency long-term bonded indebtedness incurred for the Project. For purposes of this Agreement, "long-term" shall mean in excess of three (3) years.

Each Entity agrees to comply with such request provided that the Agency first demonstrates the Agency's anticipated ability to repay such indebtedness incurred for the Project without demand being made on the payments due to or receivable by such Entity under the terms of this Agreement. Any such demonstration shall

include, without limitation, revenue forecasts, debt service schedules and satisfactory assurance by the Agency that it will reimburse such Entity in full for any payments which are due such Entity and which the Entity agrees the Agency may use if necessary to repay such indebtedness. Nothing in this Agreement shall give any of the Entities the right to approve Agency indebtedness except as the Agency may request each Entity to subordinate its rights to payments under this Agreement.

Section 12. No Contest of Plan. Each Entity agrees that this Agreement comprises all claims by it against City and/or Agency arising out of the adoption of the Plan, and is a waiver of its right to challenge the Plan. In consideration for the agreements set forth herein, each Entity agrees to forego any right or remedy it may have in law or equity to contest the preparation and adoption of the Amended Plan and the establishment of the Project.

Section 13. Term of Agreement. This Agreement shall be effective as of the date that the ordinance enacted by the Council adopting the Amended Plan for the Project becomes effective and shall terminate upon the earlier to occur: (a) the expiration of the Amended Plan; (b) the filing of an action in a court of competent jurisdiction by any person or entity challenging the adoption of the Plan or any of the proceedings in connection therewith; or (c) the certification by the Registrar

of Voters of a vote against the adoption of the Plan in a referendum election.

Section 14. Report. At the time the Agency is required to submit its annual statement of indebtedness pursuant to Section 33675 of the Health & Safety Code, the Agency shall submit to each Agency a report. The report shall set forth the Net Tax Increment Amount and Net Bond Proceeds amount for the preceding Fiscal Year and cumulatively for all past Fiscal Years from Fiscal Year 1990-1991; the cap amount for each Catalyst and Support Activity escalated by the inflation factor to the then current Fiscal Year and the status of each Catalyst Activity and Support Activity.

Section 15. General Provisions.

(a) In the event that litigation is initiated by a third party attacking the validity of this Agreement, each party agrees to bear its own costs of defense in all such litigation. Each party shall cooperate with the other parties in all such litigation. Each party agrees that it will not enter into a settlement of any such litigation without the consent of each other party.

(b) In the event that litigation is initiated by a third party attacking the validity of the Amended Plan, and any of the Entities are named as co-defendants in such litigation, the Agency agrees to bear all costs of defense of such litigation to the extent that the Agency and the Entities interests do not

conflict and to the extent that the Agency and the Entities can and are represented by counsel of the Agency's choice.

(c) If any provisions of this Agreement are held to be invalid or illegal by a court of competent jurisdiction, such invalidity or illegality shall not act to invalidate any other provisions of this Agreement and all such other provisions shall remain in full force and effect to the greatest extent legally possible.

(d) In the event any legal action or other dispute resolution activity is commenced by one of the parties to this Agreement to interpret or enforce the terms of this Agreement or to collect damages as a result of a breach thereof, the party prevailing in any such action shall be entitled to recover against the nonprevailing party all reasonable attorneys' fees and costs incurred in such action.

(e) This document is the entire and integrated agreement among the parties and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument, signed by all parties.

Dated: JUL 27 1991

Approved as to Form:

Guy D. Petzold
Deputy Agency Counsel

REDEVELOPMENT AGENCY OF
OF THE CITY OF STOCKTON

By: [Signature]
Executive Director

Attest: [Signature]
Frances Hong
Agency Secretary

Dated: 26 Aug 91

Approved as to Form:

Michael McGraw
County Counsel
Chief Deputy

COUNTY OF SAN JOAQUIN

By: George L Barber

Attest: Cindy DeBruz
DEPUTY CLERK

Dated: 26 Aug 91

Approved as to Form:

Michael McGraw
County Counsel
Chief Deputy

SAN JOAQUIN COUNTY FLOOD
CONTROL DISTRICT

By: George L Barber

Attest: Cindy DeBruz
DEPUTY CLERK

Dated: 26 Aug 91

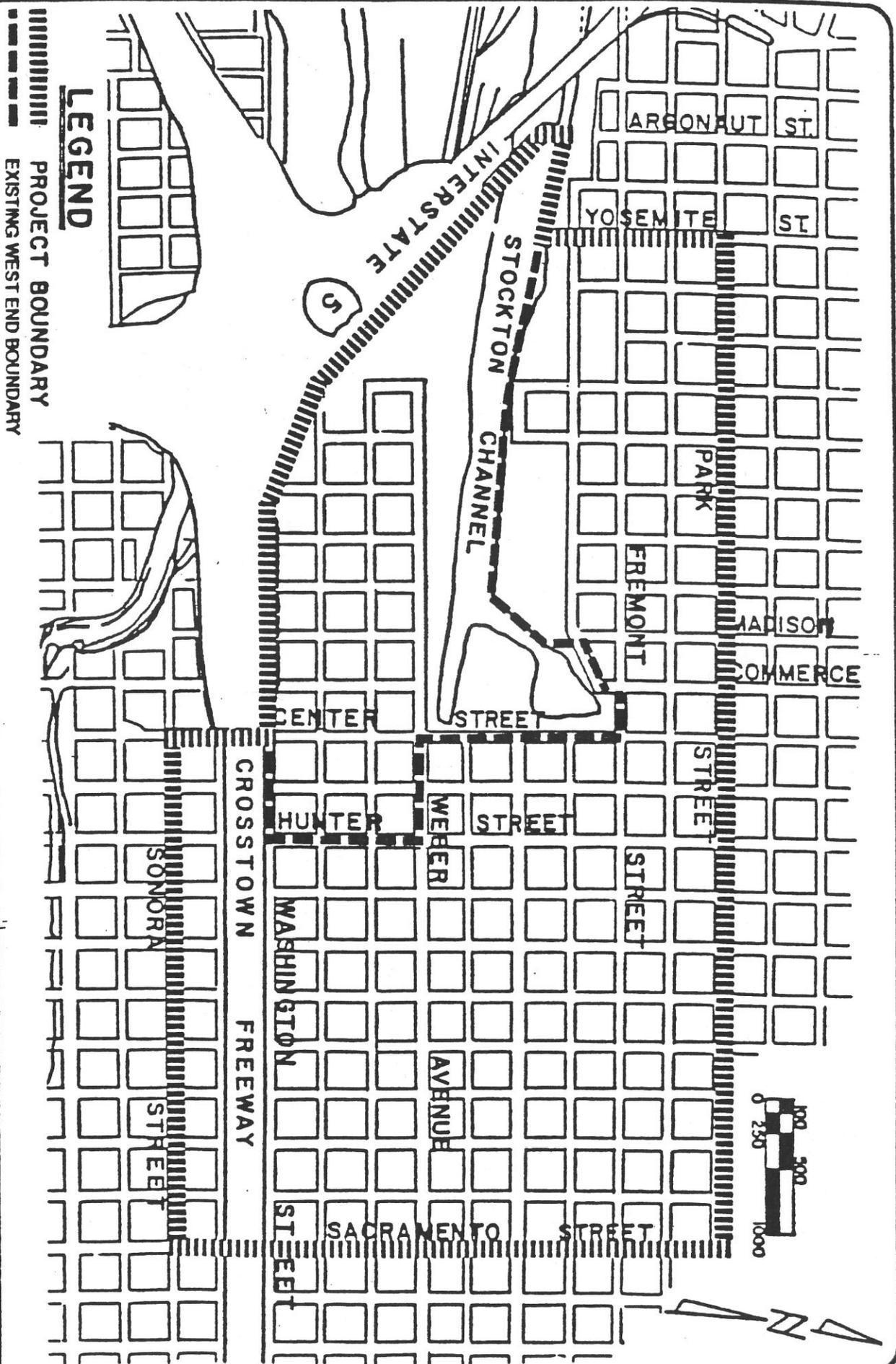
Approved as to Form:

Michael McGraw
County Counsel

SAN JOAQUIN COUNTY FLOOD
CONTROL DISTRICT - ZONE 9

By: George L Barber

Attest: Cindy DeBruz
DEPUTY CLERK



PROJECT LOCATION

EXHIBIT A

EXHIBIT B

PROJECT DESCRIPTIONS

The project descriptions that follow set forth the Catalyst Activities and the Support Activities pursuant to the Plan.

A. CATALYST ACTIVITIES

The following projects are slated for development as the Catalyst Activities:

Project 1: NORTH SHORE

Nature of the Project. North Shore refers to the catalyst site located in the proposed amendment to the existing project area. North Shore is defined as the neighborhood adjacent to the Stockton Channel directly to the north, bounded by Yosemite Street on the west, Commerce Street on the east, Fremont Street on the north, and the Stockton Channel on the south. The area currently consists of residential, commercial, and public and private marina uses. In total, the North Shore planning area is approximately 50 acres in size.

Tentative plans call for Stockton to maintain 6.6 acres as Public Access space, while the remaining acreage will be developed as commercial and residential space. Approximately 48,000 square feet of office space with accompanying surface parking of 38,400 square feet (96 cars) is planned for development in the area. In addition, 70,000 square feet of retail with 112,000 square feet (280 cars) of surface parking, and a total of 1,190 residential units with 238,000 of surface parking (595 cars) and 416,500 square feet of structured parking (1,190 cars) are to be developed as part of the project. Public improvements associated with this project include streetscaping, parking areas, a seawall and promenade. Finally, implementation of this project will require extensive land acquisition and toxic cleanup on the part of the City.

Cost. The necessary streetscaping, parking, seawall and promenade costs associated with the North Shore project are estimated at \$22.6 million. Additional costs for land acquisition and toxic cleanup are estimated at \$10.5 million for total North Shore project costs of \$33.1 million in 1990-91 dollars.

Project Purpose(s). The overall purpose of the North Shore Project is to create attractive private development opportunities

that will result in socioeconomic revitalization of the City of Stockton, in particular the Central Stockton area. Commercial and residential development planned for the North Shore project will culminate in economic revitalization for the neighborhood, providing additional housing and commercial activity that serve to support social, cultural, and economic development. The revitalization of the North Shore catalyst site will enhance the public and private marinas contained within the area. The North Shore project will help to retain existing businesses and will encourage businesses outside the Stockton area to consider the downtown by contributing to a coherently designed and aesthetically appealing urban core in Central Stockton.

Project 2: Weber Point

Nature of the Project. Weber Point is located within the existing Project Area. This site is defined as the peninsular point of land that extends into the Stockton Channel to the west of Center Street at Miner and Channel Streets. Weber Point is characterized by large amounts of vacant land and surface parking, which have occurred as a result of low economic activity and previous standards of city planning that are no longer adequate.

The Weber Point project as proposed consists of the construction of a 60,000 square foot Convention Center as well as a 166,250 square foot Hotel (300 rooms) with accompanying 30,000 square feet of retail space and 70,000 square feet of parking (215 cars). In addition, two office buildings totalling 150,000 square feet each with 23,000 square feet of parking (66 cars) each are planned for development. To help mitigate some of the parking impact resulting from the Weber Point commercial space, development of a parking structure (Assessment District Garage A) totalling 340,000 square feet (1,375 cars) will occur.

Cost. Several public improvements will be necessary to develop Weber Point, including items such as landscaping, public areas and parking improvements, which are estimated to cost \$16.5 million in 1990-91 dollars.

Project Purpose(s). The large amounts of vacant land and surface parking in the Weber Point Catalyst Site indicate that land is not being used in an optimal manner from an economic and planning perspective. In addition, the waterfront location of the site presents a prime opportunity for development of an effective and aesthetically pleasing business and cultural area that utilizes the space to its fullest potential.

The development of a Convention Center and Hotel at Weber Point will help to create an attractive urban waterfront environment that will help to draw much needed business and tourist dollars to the City. The Weber Point Project will re-focus attention on the downtown as the nexus of activity in Stockton, and will encourage businesses to reconsider the downtown as a viable location alternative.

Weber Point itself will serve as the focal point of the Central Business District, providing a place in the center of Stockton that maximizes the enjoyment, prosperity, and social/cultural advancement of the City. Weber Point will consist of a well-planned and aesthetically pleasing waterfront composition that creates an encouraging environment for employment, recreation, cultural, civic, retail, and visitor activities in Stockton.

Ultimately, successful development of Weber Point will lead to higher overall economic activity, which in turn will benefit other aspects of the City's status. Higher levels of revenues, goods, and services will serve to improve the socioeconomic condition of the City and of Central Stockton in particular.

Project 3: Channel Head

Nature of the Project. Channel Head is defined as the area formed by the four city block area contained within the boundaries of Channel Street on the north, Main Street on the south, Center Street on the west, and Hunter Street on the east. This catalyst site includes portions of the existing project area as well as the proposed amendment to the Project Area. Land use in Channel Head is currently a hodgepodge of various applications, lacking any central usage or design theme. The area consists of randomly scattered automotive uses, low-rise office buildings, and retail which all exhibit high vacancy rates.

Channel Head will renovate Hunter Square by developing 11,200 square feet of office space and 11,200 square feet of retail space, as well as provide office and retail development totalling 285,000 and 40,000 square feet, respectively. Retail and office parking accompanying the commercial development totals 24,000 square feet (73 cars), and a 305,000 square foot (935 cars) parking structure (Assessment District Parking Garage B) will also be constructed. Channel Head will also feature an open public plaza on the waterfront.

Cost. Provision of various public improvements such as streetscaping and parking structures will be necessary for the

Channel Head project, and are estimated to cost approximately \$19.9 million in 1990-91 dollars.

Project Purpose. Revitalization and redesign of the Channel Head area will help to eliminate some of the vacancies and lack of planning consistency throughout the site. A more cohesive design theme will help to eliminate the land use inconsistencies of the area, and will provide a more pedestrian-friendly environment.

Channel Head will contribute to the overall goal of establishing the City of Stockton as a regional center for economic activity through the development of office and retail space that is coherent with a synergistic land use distribution for the Central Stockton area. The redevelopment of Channel Head will add to the goal of concentrating much of Stockton's office space into an integrated and balanced Central Business District and creating a positive business atmosphere. Development at Channel Head will increase interest in the Central Stockton area by utilizing public space in a productive manner that is amenable to businesses, visitors, and residents.

Project 4: El Dorado Corridor

Nature of the Project. El Dorado Corridor is defined as the section of El Dorado Street bordered by Center Street on the west, Channel Street on the south, and Lindsay Street on the north, and adjacent to the existing Stockton City Hall. The corridor is located within the proposed amendment to the Project Area. The El Dorado Corridor contains numerous office buildings housing banks, city, state, and federal functions, and various commercial uses. The area contains large amounts of surface parking, and lacks pedestrian-oriented uses such as ground floor retail and public park space.

Development of the El Dorado Corridor will include two office buildings measuring 150,000 square feet each, along with 3,000 square feet of retail space in one of the buildings. Parking will total 30,000 square feet in each building, and two parking structures, Assessment District Parking Garage C (which also contains 15,000 square feet of retail) that provides 216,000 square feet of parking (714 cars), and Assessment District Parking Garage D that totals 195,250 square feet (710 cars).

Cost. Public improvements such as streetscaping and parking improvements necessary to implement the El Dorado Corridor project are estimated to cost approximately \$12.0 million in 1990-91 dollars.

Project Purpose. The development of integrated commercial uses in the El Dorado Corridor will help to address some of the area's deficiencies, particularly the vast amounts of surface parking and lack of sufficient ground floor retail. The El Dorado Corridor houses several city, state, and federal functions, and it is important that the site contain land uses consistent with the City's plans for an effectively designed urban downtown core.

Development of the El Dorado Corridor will contribute to Stockton's employment driven development program for social and economic revitalization of the City. El Dorado Corridor will serve as an important step towards achievement of the City's goal to create a regional urban core that fuels economic and social growth of the City. Retention of local businesses will serve as a magnet to attract businesses from outside the Stockton area, further helping to re-establish the Central Business District. Increased economic activity resulting from the El Dorado Corridor Project will benefit other areas of the City, as additional revenues and more interest in the area will help to promote higher levels of social services and infrastructure improvements throughout Stockton.

Project 5: Market Street

Nature of the Project. The Market Street Catalyst Site is located within the amendment to the Project Area and refers to the two blocks between Market and Main Streets, at Sutter and California Streets. The area currently is composed of run-down retail establishments, pawn shops, and single occupancy hotels (SRO's) that are patronized primarily by transients. Despite the development of the new American Savings building and a City parking garage in the Market Street area, Market Street exhibits significant amounts of disrepair and dilapidation.

As proposed, the Market Street Project will consist of one office building containing 150,500 square feet of office space, 21,500 square feet of retail space, and 21,500 square feet of parking (66 cars), as well as another office building with 150,000 square feet of office space, 22,500 square feet of retail, and 22,500 square feet of parking (69 cars). In addition, the Project calls for development of a parking structure (Assessment District Parking Garage F) that will house 4,500 square feet of retail and 77,500 square feet of parking (238 cars).

Cost. The necessary public improvements such as landscaping and parking facilities are anticipated to cost a total of \$8.8 million in 1990-91 dollars.

Project Purpose(s). By better utilizing the existing space for uses that are consistent with the City's goal of developing a cohesive central urban core, the Market Street Project will reduce much of the land use inconsistency and poor image of the site area. Decaying and dilapidated buildings will be renovated or replaced by modern buildings that better serve the needs of businesses and visitors in the vicinity. The Market Street Project will provide space that is more attractive and useable by office workers and pedestrians who are in the area.

Office and parking development of the Market Street Project will help to define and create an integrated Central Business District core and urban support system for attractive streetscape/open space and efficient and convenient access/parking. Provision of modern office space and accessible parking will move Stockton towards achieving status as a regional center for economic activity, and will re-establish Stockton's Central Business District as a focal point of the City. Overall enhancement of the business climate will revitalize the area, bringing economic support for much needed social services and infrastructure improvements.

Project 6: South Shore

Nature of the Project. The South Shore Project abuts the Stockton Channel with the Stockton Channel forming the northern boundary, Weber Avenue and Market Street defining the southern boundary, and Center Street and Harrison Street forming the eastern and western boundaries, respectively. The South Shore Catalyst Site is within the existing West End Project Area and contains a mix of uses including residential, retail and industrial. The area possess large amounts of surface parking and debris is scattered throughout several areas. Vacancies exist, exemplified by a large warehouse intended for use as a "boutique" type space which is now being marketed as either retail or office space, due to low demand in the area.

The Redevelopment Agency currently owns approximately 35 acres of land in this area which it plans to sell to private developers at reduced prices to encourage development.

Preliminary plans call for the South Shore Project to consist of a 50,000 square foot hotel (99 rooms) with 12,000 square feet of retail space, three retail pavilions totalling 21,600 square feet, an 86,000 square foot office building with 21,500 square feet of parking (66 cars), and an 180,000 square foot (554 cars) Parking Garage E.

Cost. Public projects such as street, parking and landscaping improvements that will enhance the South Shore Project Area are anticipated to cost \$4.3 million.¹ The City's cost for and anticipated land write downs in the South Shore area are estimated at \$5.7 million. The total cost to the Stockton Redevelopment Agency for the South Shore Project is thus estimated at \$10.0 million in 1990-91 dollars.

Project Purpose(s). In its current use, the land in South Shore does not represent the highest and best use of the property. The waterfront location of the site is valuable from an economic and planning perspective, since any properly designed development will be aesthetically enhanced by the proximity to the water. The South Shore Project will eliminate much of the surface parking that currently occupies significant portions of the available land, and will help to reduce vacancies by economic revitalization of the area.

The South Shore Project will help create a diverse waterfront business district which contributes to the integration of the Central Business District. The hotel and retail developments will increase interest in visitation to the Central Stockton area by offering modern overnight accommodations and shopping facilities, which in turn contributes to the overall social and economic vitality of the area. Economic growth fueled by activity generated by the South Shore Project will encourage further development and investment in the Central Business District and waterfront, leading to improvements in the socioeconomic condition of the downtown.

B. SUPPORT PROJECTS

The following projects are slated for development as the Support Activities:

Project 1: Project Area Infrastructure

Nature of the Project. Throughout the amended Project Area there exists significant disrepair and decay of the City's infrastructure. A program to repair and replace damaged curbs, gutters, and sidewalks, and to upgrade the overloaded sewer system is recommended as an integral part of Stockton's redevelopment program.

¹Based on a cost estimate prepared by R. W. Siegfried & Associates for the City of Stockton, 4/17/89.

Cost. City staff have identified a detailed program to repair infrastructure deficiencies in the existing and amended project areas. Included in this program are street resurfacing activities, repair of curbs, gutters, sidewalks, sanitary sewer, storm drains and completion of the seawall. In addition, many traffic improvements and water lines are in need of improvement. Costs for infrastructure improvement projects throughout the Project Area which are 90% complete on the date 25 years from the date of the adoption of the Plan shall not exceed the amount equal to \$42.4 million in 1990-91 dollars.

Project Purpose. The existing infrastructure in the amended Project Area is inadequate to support the current levels of usage, and has fallen into various states of disrepair and decay. The infrastructure that includes curbs, gutters, and sidewalks, as well as the sewer system, needs to be repaired and/or replaced to service the area.

The improvements called for in this project will fulfill the basic infrastructure needs of users in the area. The infrastructure Project will help to create a liveable and attractive environment for residents, businesses, and visitors throughout the Project Area.

Project 2: Commercial Rehabilitation Program

Nature of the Project. Many of the commercial storefronts in the amended Project Area have fallen into disrepair and/or do not present facades that are visually attractive to those living, shopping, or conducting business in the area. Many buildings lack adequate seismic reinforcements required under modern building standards. The Commercial Rehabilitation Program would be a program administered by the Redevelopment Agency providing assistance to owners of buildings in the Project Area. These funds would enable business owners to undertake facade improvements, retrofit buildings to current earthquake building codes, and implement other projects that will improve appearance and ambiance of the Project Area.

Cost. Costs for Commercial Rehabilitation Program projects throughout the Project Area which are 90% complete by the date 25 years from the date of the adoption of the Plan shall not exceed the amount equal to \$5.0 million in 1990-91 dollars.

Project Purpose. The Commercial Rehabilitation Program will provide funds enabling property owners to mitigate much of the structural blight within the Project Area. Specifically, the funds might be used for improvement of storefront facades, structural upgrading of buildings to current earthquake

standards, resolution of selected deferred maintenance, and other repairs that will enhance the appearance and/or functionality of commercial buildings in the Project Area. Overall, the Commercial Rehabilitation Program will help the City to achieve its goal of revitalizing the downtown urban core into a thriving business and residential environment.