

NEW BUSINESS



AGENDA ITEM 15.02

August 28, 2012

TO: Mayor and City Council

FROM: Michael E. Locke, Program Specialist / Interim Deputy City Manager

SUBJECT: **STRATEGIC INITIATIVE III.5 – DOWNTOWN REVITALIZATION PRESENTATION AND DISCUSSION RELATED TO THE URBAN LAND INSTITUTE ADVISORY SERVICES PANEL FINAL REPORT – STOCKTON CA DOWNTOWN REVITALIZATION**

RECOMMENDATION

It is recommended that City Council, by motion action, accepts the Final Report of the Urban Land Institute for Downtown Revitalization (Attachment A) and authorizes the Mayor to convene the formation meeting of the Public / Private Partnership for Downtown Stockton revitalization within 90-120 days, per the recommendation of the Advisory Panel of the Urban Land Institute.

Summary

The Urban Land Institute (ULI) Report is the culmination of an intense community engagement to principally address the Stockton Downtown Revitalization. While the report covers a broad range of recommendations, the initiating action is the formation of a Public / Private Partnership to be the focal point for Downtown Stockton Revitalization.

The Public / Private Partnership is initially to be formed from ULI's identified direct and indirect partners with the recommended addition of San Joaquin County. It is recommended that the participants in the partnership would be the principal business owners, with public entities to be represented by the chair of the governing body.

DISCUSSION

Background

The ULI Advisory Services Panel Report for Stockton's downtown revitalization articulates the Panel's summary of key recommendations (ULI, Page 10), many of which focus on broader issues of municipal governance.

In ULI's report, the Panel stated that "crisis is the mother of opportunity" and that in Stockton's case time is an asset to effectuate change to take advantage of this opportunity to implement change. The Panel articulated thirteen recommendations, some of which are expanded on within the text of the report.

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Summary of Key Recommendations

“The panel feels Stockton should take advantage of this breathing space and consider the present a time for the city to take the following steps:

- Reorganize city government.
- Reduce capital debt through asset sales or outsourcing of operations.
- Implement a new, proactive municipal culture of public / private cooperation.
- Seriously streamline the development entitlement and permitting process.
- Search out and implement a variety of financing tools to replace tax increment finance.
- Establish an on-going private sector leadership corps to assist and parallel a more streamlined city government.
- Counter negative branding with a proactive, positive, and on-going success blitz.
- Initiate expanded economic development, including international recruitment.
- Prepare a realistic strategic plan for downtown and the Weber-Miner Corridor.
- Establish a first phase infill development team.
- Define and prepare infill opportunity sites.
- Initiate a prototype development within the corridor.
- Plan and recruit for additional infill.”

City Council will recognize in some of the thirteen recommendations a parallel with the Council’s four adopted Goals and Strategic Initiatives (Attachment B). These are most clearly seen in the recommendation to reorganize City government, seriously streamline the development entitlement and permitting process and initiate expanded economic development including international recruitment. These recommendations are reiterated in the staff report to provide emphasis on the summary of key recommendations.

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The ULI Panel's report recommendations are consistent with the City Council's Goals:

1. Fiscal Sustainability – Getting our fiscal house in order
2. Increase Public Safety – Both real and perceived
3. Economic Development – Facilitate investment and job creation
4. Increase Organizational Capacity

To achieve Goal 3, Economic Development - Facilitate Investment and Job Creation, the City must first establish Fiscal Sustainability – Getting our Fiscal House in Order, and significant achievement to Increase Public Safety – Both Real and Perceived.

Achieving Fiscal Sustainability

The City is engaged in Chapter 9 Bankruptcy. In the City's Chapter 9 filing a Pendency Plan which will serve as the City's budget while it goes through the Chapter 9 process as the City restructures its financial obligations culminating in a Plan of Adjustment. The time it takes to go through the Federal Bankruptcy process provides the City the opportunity to initiate many of the Panel's recommendations. The Plan of Adjustment lays out a blue print for the next 10 years. It will provide for fiscal sustainability based on conservative assumptions of the economic climate assuming a gradual but steady improvement in the overall economy.

Increased Public Safety

The issue of elevated crime rates in the City of Stockton is a reality. While the Pendency Plan provides for additional officers in the FY12-13 budget, the impact of the new officers will not be experienced until they have completed all required training. Police Chief Eric Jones presented the Violent Reduction Initiative and the creation of Community Response Teams (CRT) to address the most violent offenders in Stockton. To further address the immediate need, the Police Department partnered with the US Marshals Fugitive Apprehension Task Force, the County-wide Gang Task Force and intensifying efforts of Operation Peacekeepers. These steps have been immediate and measurably effective however the longer term strategy of the Marshall Plan is critical in bringing the community stakeholders together and forging a new partnership under the plan to address long term causes and strategy to improve public safety.

The Goals of Fiscal Sustainability and Increased Public Safety are foundational in defining and implementing an Economic Development Strategy to facilitate investment

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and job creation. It is essential to recognize the inter-relationship of the three components to achieving community sustainability.

The ULI Panel, in its community wide recommendations, identified the need for a proactive culture of public / private partnerships and the establishment of an ongoing private sector leadership corp to assist and parallel a more streamlined City government. This proactive culture of public / private partnership is seen in the formation of the Marshall Plan Committee and was the foundation for funding and resourcing the effort of the ULI Advisory Panel.

The body of the ULI Panel report breaks into five content sections:

1. "Economic Development, What Does It Mean?"
2. "Forces of Change"
3. "Setting the Stage for Partnerships"
4. "Time to Prioritize for Downtown Revitalization"
5. "Public Sector Action"

1. Economic Development, What Does It Mean?

The Panel's definition can best be capsulated in a number of specific quotes:

- "economic development is the creation of jobs and wealth"
- "local government has the responsibility to create the environment in which private enterprise and entrepreneurs can operate and thrive"
- "to be successful, a community must understand itself and adopt a targeted marketing strategy"

The Panel's recognition of the importance for Economic Development Strategic Plan states "Economic Development is to often seen as a panacea to a community's ills but for Stockton, its importance cannot be overstated. The City must grow its economy if it is to hope to have a sustainable source of revenues to provide basic needs and services to its citizens."

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The Panel's recommendation for Economic Development recognizes the essential need to attract, retain and support private enterprise and entrepreneurs which in turn creates jobs and wealth, the foundation for revenue to support public services.

To address this priority need the Panel recognized and identifies many components of what needs to become an Economic Development Strategy for the Stockton Metropolitan Area. The Council's adopted goal of economic development and its strategic initiatives recognizes the need for a defined strategy and regulatory reform, the resources in personnel and funding have not been available.

The City Council, in support of its strategic initiatives to reform and reorganize its Development Services, approved a contract with Management Partners Inc. on September 12, 2011. The final report from Management Partners Inc. was presented to and accepted by Council on June 12, 2012. The objective of the Community Development Reengineering Report is to achieve a seamless, integrated permit center supported by an efficient allocation of staff and backed by needed updates in resources. The anticipated outcome included performance metrics, predictable and trackable outcomes, reduced fees and improved customer service. These steps have been initiated with the next implementing step to come to Council for action in September, 2012.

To achieve economic sustainability, a new Economic Development Strategy needs to be forged through a public / private partnership. While not the focus of the ULI Panel's effort, it was considered essential to the future of the City of Stockton. The Economic Development Strategic Plan should be focused through a yet to be formed public / private partnership which will be the subject for future Council consideration.

The Panel points out that local resources can help the City of Stockton to broaden its economic base into one that is much more sustainable and generates a higher wage level and tax revenue. To achieve this objective will require broadening the public / private partnership in concept, funding and developing such an economic development strategy. The initiative to address both the funding and partnership should be undertaken in the next six months. This effort could result in a Stockton Metropolitan Area Economic Development Strategic Plan in 18 months.

The Panel, through its research, identified four business sectors and discussed which would be best described as emerging growth clusters for Stockton:

- Healthcare
Direct healthcare services, education and training, material supply distribution and manufacturing.

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- **Transportation**
The movement of people, goods and commodities by rail (2 intermodal and national), water (Port of Stockton), airport (Stockton Metropolitan) and the regional highway network.
- **Manufacturing**
The processing and manufacturing related to agri-business, building material and a myriad of components, from small to medium sized manufacturers.
- **Business Administration**
Ranging from traditional finance, insurance and real estate to back office support centers and call centers.

These targeted growth clusters require the partnership of both public and private sectors to attract and site business expansion opportunities in a collaborative effort for marketing and outreach for initial business attraction. As identified in the report to be competitive in attracting and siting new investment the City needs to complete the organizational restructuring, reduce fees and reduce the regulatory requirement while maintaining public health and safety and building a sustainable community. The City must address these challenges to enhance its ability to recover and achieve sustainability.

2. Forces of Change

The Panel's report on the forces of changes should be understood in terms of both the positive and negative in terms of downtown Stockton. Many of the changes in terms of demographics, physical character, regulatory environments and fiscal circumstance present both challenge and opportunity.

The City of Stockton represents this changing demographic and cultural shift of California. The census identifies the ethnic mix as 37.4% White, 40.3% Hispanic, 13.7% Asian, and 8.5% African American - The Regional Analyst, published by the San Joaquin Council of Governments with analysis prepared by the Business Forecasting Center of the Eberhardt School of Business, University of Pacific. The analysis projected these continuing demographic shifts over the next two decades.

Downtown Stockton is at the center of the change in many areas identified by the Panel (ULI, Page 18). The most dramatic recognition of change today is the continuing expansion of education academies with the presence of hundreds of students rekindling life into downtown. The downtown revitalization efforts in the 1990's and early 2000's, which were principally public driven investments, has provided the basis for a new public / private partnership revitalization strategy that

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attracts and balances the combined efforts of private investor and public reform and entitlement.

3. Setting the Stage for Partnerships

Cities in the Central Valley of California today are facing continued financial difficulty brought on by a lagging recession, mortgage foreclosures, federal regulations, state regulations and shifting of financial resources. These changes in the shift in the historic relationships between these three levels of government puts greater strain at the local level. The combined Federal and state funding for local government which has seen a dramatic reduction will continue given existing and projected federal and state deficits.

The cumulative effect of these changes has been a loss of revenues, impact of greater imposed regulation and the demand to assume greater responsibility for services. Given the cumulative effect of these changes the ULI Plan states, “cities must seek out new solutions and methods for addressing these needs and the future.”

The Panel is clear that these new solutions are a broad usage of public / private partnerships. In the real estate realm, public / private partnerships have become a common method for achieving public goals while encouraging private capital to invest in a City. “To be successful the investment and development community needs and wants to be invited into a joint development process.” To successfully achieve the objective of public / private partnerships “the culture surrounding the relationship of public values and investment and private values and investment needs to be one of mutual respect.”

Within these partnerships certain principals provide a foundation for success:

- a project needs to be assisted through the process
- entitlement is predictable and timely
- negotiations may be tough but the mutual benefit of working together is maintained throughout
- blend of capital and achievement are mutual objectives

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Potential Partners to Accomplish the Downtown Revitalization Objective

The ULI Panel report defines potential partners in two categories: direct partners and supportive partners. It is anticipated that direct partners are those who could be directly involved in the physical redevelopment financing and management of downtown while supportive partners are those who bring special expertise to the revitalization process and enthusiasm that contribute to the ability of downtown to thrive. There may be instances where further discussion is necessitated to more clearly define potential role for existing parties.

Direct Partners

- City of Stockton
- Downtown property owners
- Private developers
- County of San Joaquin
- San Joaquin Regional Rail Commission
- San Joaquin Regional Transit District
- Downtown Stockton Alliance
- Downtown Parking District

Supportive Partners

- San Joaquin Partnership
- San Joaquin Council of Governments
- University of the Pacific
- Cultural Heritage Board
- Chamber of Commerce
- Bank and financial service sector

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In addition to the prospective partners the Panel defined, the County of San Joaquin has been added to the direct partners given their real estate holding and employment impact and potential for direct participation in future organizational and financial role in the downtown.

The City's direct role with the Public/Private Partnership is perceived to be that of a convener of the potential partners with the City further providing the role of resource and advisor to the newly formed partnership. It is expected, given the leadership make up of the partnership and using the ULI Panel Report as a blueprint, that an organizing process will develop providing the basis for function independently from the City. The long term potential of this partnership may be the creation of a public / private, not for profit, development corporation to facilitate private sector efforts to implement defined action steps.

The functioning and definitive role of the public / private partnership will be a collaborative process of its members. However, to initiate the partnership, a recommended scope of its role is illustrated with the recognition that it is a framework for function not a limitation.

Recommended Scope for the Downtown Revitalization Public / Private Partnership

The purpose of the public / private partnership will be to maintain focus on the ULI report's recommendations and bring to bear resources – both public and private – to undertake key implementation actions. Since completion of the ULI study, the Stockton's bankruptcy and ongoing crime problem have shifted priorities, and should influence the focus of the organization. The partnership should be the organizational framework for bringing together the variety of issues facing Stockton that influence its economic stability and potential for revitalizing the downtown core. A proposed scope for partnership is as follows:

1. Public Safety – Understanding the issue; initiatives underway; and the priority of public safety for Stockton's economic future.
2. Economic Stability – Understanding Stockton's financial crisis and progress toward financial stability, and its post-bankruptcy financial footing.
3. Downtown Revitalization Strategy – With contribution of public and private resources, completion of a downtown revitalization strategy that hones in on the business and housing sectors that should be the focus to revitalize Downtown Stockton.

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4. Community Development – Monitor progress on reorganization of Stockton's Community Development Department.
5. Infill Development – Make the link between the Climate Action Plan and incentives for urban infill development.
6. Downtown Core
 - a. Development fee incentives – current and prospective;
 - b. Reduction of impact fees – current and prospective;
 - c. Focus on Miner Avenue public improvements and private development.
7. Marketing Strategy – when Stockton is ready, partner in implementation of an aggressive marketing campaign to tell the story of Stockton's reemergence.

4. Time to Prioritize for Downtown Revitalization

The Panel Study Area, comprising of approximately 2,734 acres, was defined as the Greater Downtown Stockton area corresponding to the terms of the settlement agreement with the California Attorney General and the Sierra Club. This geographical area is bounded by Harding Way on the north, Pershing Avenue on the west, Wilson Way on the east and Dr. Martin Luther King Boulevard to the south. This specific area was defined under the settlement agreement in terms of providing for central core mixed density housing.

The Panel, in its report, is recommending a more achievable specific focus area centered on the Miner Avenue Corridor from Weber Point to Cabral Station. This core area will provide a viable geographic location to address many of the myriad of successful downtown characteristics (ULI, Page 25). The focus area offers opportunities for infill development, housing for students, housing for commuters using regional rail and housing for others seeking a more urban life style. A more thorough discussion of the corridors potential is described on ULI, Page 25 of the report.

In selecting the Miner Avenue Corridor for the initial project area the Panel reviewed dozens of downtown sites controlled by the City and the former Redevelopment Agency. None of the other sites were deemed appropriate by the Panel to achieve the goals of an initial renaissance housing development.

In the course of the Panels site visit and community interviews the disposition of the City owned hotel sites was carefully studied by the Panel. The conclusion of the Panel as stated in the final report is;

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“The Panel believes these sites are not of sufficient scale to be appropriate for development at this time. - - - The cost to redevelop these sites far exceeds the resultant market value following any likely development. The Panel recommends, with a favorable decision from the court proceeding with the demolition of these sites.”

The Panel identified two other open sites for potential private development Washington Street site (2.83 ac) and Southpoint (9.1 ac). The Panel points out the location on the fringe of downtown as development opportunities but not directly supportive of the Miner Street Corridor. It should be pointed out that both sites, which may have residual contamination, are currently owned by the Successor Agency and have been identified as a marketable asset.

The opportunity to forge a new strategy for downtown exists today in concert with the financial, public safety and organizational restructuring facing the City. These efforts need to be addressed in spite of the State’s directed dissolution of Redevelopment and the impacts of clean up legislation AB 1484. This, coupled with the lagging recovery from the severe recession, will allow the City the opportunity to “pause, prepare and reset” its downtown efforts.

In reviewing the ULI Advisory Panel Report, Downtown Stockton California 1997, the following quote best describes the acute need for process challenge:

“The responsibility for implementing downtown redevelopment has historically rested with Stockton’s public sector. In the current economic climate, this responsibility is no longer practical or possible.....the burden (is) increasingly shifting to the private sector.”

A decade and a half later, the statement is amplified by the conditions the City faces today. It is essential to heed these words in focusing our effort to a specific geographic area through a new public / private partnership.

5. Public Action

The Panel outlined a broad range of action steps that the City of Stockton, in partnership with the private sector, needs to address recognizing that “the City can succeed only if the private sector succeeds: lay the ground work for successful private investment by meeting the following preconditions:

- Cost competitiveness
 - Reduce barriers to entry: cut impact and utility fees
 - Provide and assemble sites

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- Certainty: commit to long-term effective delivery of essential city services in downtown and enhancement of urban environment
- Efficiency
 - Streamline the downtown approval process
 - Reform the approval process for consistency and fairness
- Investment security
- Foster and nurture strategic alliances for success
- Create a demonstration model project to prove success is possible.

The panel recommends the city adopt an “enterprise” model of civic government, breaking down the silos and reinventing itself as:

- Accessible
- Responsive and customer-focused
- Efficient
- Supportive of private investment.

This model is not about asking government to get out of the way. It is about government understanding and effectively executing its partnering role. The City has initiated significant organization and process changes. The City needs to complete these changes and fully implement its Strategic Initiatives to improve the potential for success of a public / private partnership.

The Panel identified four areas of Council action:

- Build the Team – The City Manager and senior staff have an important role to improve the moral, efficiency, and effectiveness of city agencies and staff.
- Give Them the Tools – Private development interests need to have the right balance of certainty and predictability in review timelines, allowed uses and densities, and performance standards while allowing for flexibility and variation in meeting City standards.

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- The City Council's Key Roles – The Council can best help by adopting new or revised development regulations quickly and empowering staff to execute the administrative tasks in the associated work program.
- Relationships of Public Safety to Downtown Success – The zoning code should allow for new pubs and live music because having a lively, vital night life will help improve public safety.

The action steps identified were determined by the Panel which in their opinion must be addressed by the City or its partners to be able to move forward with creating an environment in downtown Stockton that will encourage private sector investment.

The Panel, in considering the emergence of an effective public / private partnership, has defined a blue print of action steps (ULI, Pages 27-29) which if implemented by both the City and the partners would provide the basis for housing in the core area. To provide a framework for delegation and accountability the Matrix (Attachment C) briefly outlines the twenty-five specific action steps, defines responsibility and initiates timelines subject to available resources.

The ULI Panel has emphasized the need to build a public / private partnership to assume a role in the revitalization of downtown. This effort could begin to show return in three to five years.

While “pressure may exist to “do something” right now, the City must clearly understand that preparation is “doing something – an important something.” Taking the time to strategically prioritize several key action areas, including the following:

- Fiscal and budgeting health
- Organizational and process stability
- Public safety
- Community development stability
- Economic development stability

These key actions mirror the Council's Goals and Strategic Initiatives which need to move forward to lay a new foundation for the City of Stockton and its Downtown core.

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FINANCIAL SUMMARY

There is no impact to the City's General Fund or to any other unrestricted fund as a result of taking the recommended actions.

Respectfully Submitted,



MICHAEL E. LOCKE
PROGRAM SPECIALIST /
INTERIM DEPUTY CITY MANAGER

MEL:ndm

APPROVED:



BOB DEIS
CITY MANAGER

- Attachment A – Urban Land Institute Panel Report
- Attachment B – City Council Goals and Strategic Initiatives
- Attachment C – Time to Prioritize Downtown Revitalization Action Steps

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Stockton California

February 5–10, 2012



Stockton, California

Downtown Revitalization

February 5–10, 2012



About the Urban Land Institute

THE MISSION OF THE URBAN LAND INSTITUTE is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. ULI is committed to

- Bringing together leaders from across the fields of real estate and land use policy to exchange best practices and serve community needs;
- Fostering collaboration within and beyond ULI's membership through mentoring, dialogue, and problem solving;
- Exploring issues of urbanization, conservation, regeneration, land use, capital formation, and sustainable development;
- Advancing land use policies and design practices that respect the uniqueness of both built and natural environments;

- Sharing knowledge through education, applied research, publishing, and electronic media; and
- Sustaining a diverse global network of local practice and advisory efforts that address current and future challenges.

Established in 1936, the Institute today has nearly 30,000 members worldwide, representing the entire spectrum of the land use and development disciplines. ULI relies heavily on the experience of its members. It is through member involvement and information resources that ULI has been able to set standards of excellence in development practice. The Institute has long been recognized as one of the world's most respected and widely quoted sources of objective information on urban planning, growth, and development.

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About ULI Advisory Services

THE GOAL OF ULI'S Advisory Services Program is to bring the finest expertise in the real estate field to bear on complex land use planning and development projects, programs, and policies. Since 1947, this program has assembled well over 400 ULI-member teams to help sponsors find creative, practical solutions for issues such as downtown redevelopment, land management strategies, evaluation of development potential, growth management, community revitalization, brownfield redevelopment, military base reuse, provision of low-cost and affordable housing, and asset management strategies, among other matters. A wide variety of public, private, and nonprofit organizations have contracted for ULI's Advisory Services.

Each panel team is composed of highly qualified professionals who volunteer their time to ULI. They are chosen for their knowledge of the panel topic and screened to ensure their objectivity. ULI's interdisciplinary panel teams provide a holistic look at development problems. A respected ULI member who has previous panel experience chairs each panel.

The agenda for a five-day panel assignment is intensive. It includes an in-depth briefing day composed of a tour of the site and meetings with sponsor representatives; a day of hour-long interviews of typically 50 to 75 key community representatives; and two days of formulating recommendations. Long nights of discussion precede the panel's conclusions. On the final day on site, the panel makes an oral presentation of its findings and conclusions to the sponsor. A written report is prepared and published.

Because the sponsoring entities are responsible for significant preparation before the panel's visit, including sending extensive briefing materials to each member and arranging for the panel to meet with key local community members and stakeholders in the project under consideration, participants in ULI's five-day panel assignments are able to make

accurate assessments of a sponsor's issues and to provide recommendations in a compressed amount of time.

A major strength of the program is ULI's unique ability to draw on the knowledge and expertise of its members, including land developers and owners, public officials, academics, representatives of financial institutions, and others. In fulfillment of the mission of the Urban Land Institute, this Advisory Services panel report is intended to provide objective advice that will promote the responsible use of land to enhance the environment.

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The panel extends special thanks to Bob Deis, Stockton city manager; Mike Locke, assistant city manager; and Mayor Ann Johnston. The panel also acknowledges its appreciation of support from Alicia Duer and Fritz and Phyllis Grupe. ULI San Francisco and ULI Sacramento staff and

members also played an enormous role in furthering the panel's understanding of the region. In addition, Dana Van Galder at ULI San Francisco provided on-site assistance to the panel.

Finally, the panel would like to thank the many stakeholders and experts interviewed throughout the research process. Their insights and expertise were invaluable in the panel's consideration of the site and its possibilities.

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Foreword: The Panel's Assignment

LOCATED IN THE HEART OF AMERICA'S BREAD

basket, Stockton is a town characterized by its food production and wide range of cultures. The Delta's waterways were vital for the food and transportation of the Miwok Indians living in the Central Valley. Charles M. Weber was the first English settler attracted to the area at the onset of the gold rush in 1848. His inability to make money from gold mining would have made most people move on; however, Weber was smart enough to recognize that serving those new prospectors would be more lucrative. This ability to create wealth from a seemingly failing opportunity reflects the Stockton attitude that continues to this day.

The city was officially incorporated on July 23, 1850, by the County Court, and the first city election was held on July 31, 1850. In 1851, the city of Stockton received its charter from the state of California. Early settlers included gold seekers from Asia, Africa, Australia, Europe, the Pacific Islands, Mexico, and Canada. Before the shift to agriculture as the main industry in Stockton, shipbuilding held sway after the Gold Rush until after World War II.

Stockton now sits at another crossroads.

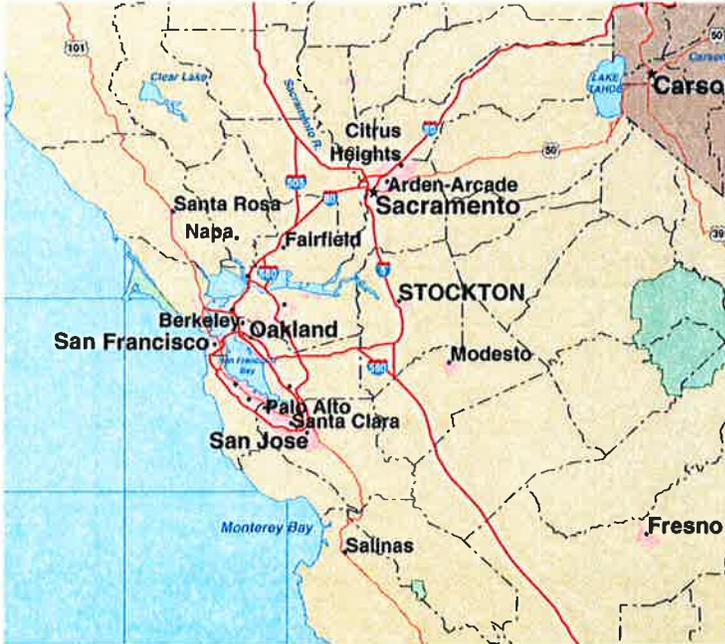
Like most cities, it has been unable to avoid the current economic downturn affecting the broader American and European economies. The majority of Americans find themselves with lower pay, higher unemployment, and significantly reduced home values. Economic lows prompt higher crime rates, which further exacerbate any problems facing a city.



Study area map.

Regional Context

Downtown Stockton has made significant strides to overcome the draining impacts of the suburban growth of the 1950s and 1960s. The historic buildings and base of government and university jobs, combined with recent public investments in an arena, a ballpark, a cineplex, and a hotel, all represent significant investments in Stockton's future. A healthy downtown is vital to the health of the city, which is the heart of San Joaquin County and the Central Valley.



Regional map.

The city's current population is 291,707, but the county population was 685,660 as of 2008. The city is bounded by State Route 99 to the east and Interstate 5, California's primary north-south thoroughfare, to the west. The interstate connects the city directly to Sacramento, about 60 miles to the north.

Beyond highways, the region is served by a number of transportation networks. The San Joaquin Regional Transit District (RTD) operates a comprehensive local and regional bus system, and the San Joaquin Rail Authority operates a commuter rail, the Altamont Commuter Express (ACE) that connects directly to the San Francisco Bay area to the east. ACE will soon connect Stockton to Sacramento by rail as well. In addition, Amtrak operates services in Stockton, and a number of freight lines serve the area.

The Panel's Assignment

The panel's study area is generally considered to be the urban core of Stockton, bounded by Harding Way to the north, Pershing Avenue to the west, Wilson Way to the east, and Dr. Martin Luther King Boulevard to the south. It consists of approximately 2,734 acres. The core of

this area, which the panel focused on, is the downtown district, bounded by Park Street on the north, freight rail tracks on the east, Hazelton Avenue on the south, and I-5 on the west.

ULI Advisory Services was invited to Stockton as the city faces many challenges. Financial constraints, including an unhealthy municipal budget situation as well as the demise of the ability to spur revitalization through the Redevelopment Authority, have changed the city's capacity to engage in downtown development. The recession, the worst in the country's history since the Great Depression, is not over by any means. A great many cities, states, and countries are tragically affected by its ramifications. Stockton has been hit harder than many cities. High unemployment, crime, and foreclosures are a few of the serious and visible indicators. Real estate markets have stagnated, and capital availability for new development is both constrained and conservative to avoid a further flurry of defaults. These negatives affect people and places.

Stockton has also been forced to react to a number of challenging regulatory issues. The terms of a settlement agreement between the city, the attorney general of California, and the Sierra Club require the preparation of a climate action plan and a transit plan and the implementation of policies that support infill development. Stockton is also an important piece of San Joaquin Council of Governments planning to meet the requirements of California Senate Bill 375, recent legislation that seeks to reduce carbon emissions through comprehensive land use planning at the regional level. In addition, the recent California Supreme Court decision requiring the dissolution of redevelopment authorities means that an important public/private financing tool is no longer available. The panel believes, however, that these obstacles are actually enormous opportunities for downtown development and revitalization.

In an effort to best position itself for downtown growth and development, the city of Stockton submitted a list of questions to be addressed by the panel:

- What public and private strategies exist to support infill? (*Infill* can be defined as the process of introducing new investment within the city center.)
- How can the city modify its development requirements?
- The city owns four hotels and is obligated through legal action to do something with those hotels—what should be done?
- Where can the city encourage developers to build?
- Prioritize next steps that the city and the community can take to further revitalization of the downtown.

As the panel considered these questions, reviewed the considerable background information provided by city staff, interviewed approximately 70 leaders in the community, and toured the city and downtown, the panel also assigned itself the following tasks:

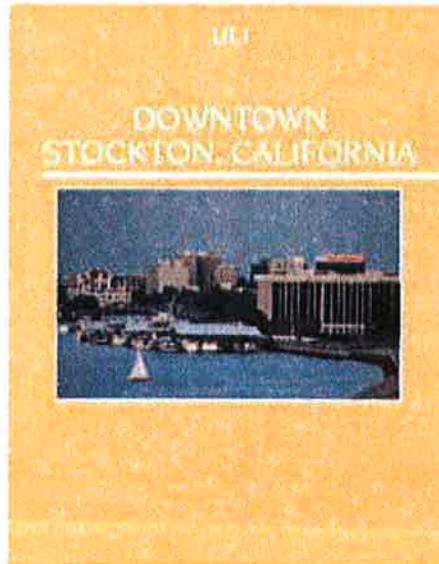
- Address the questions raised by stepping back and carefully looking at Stockton with a more holistic perspective.
- Examine decisions made and accomplishments completed.
- Understand the local impacts of the nationwide recession.

The 1997 Urban Land Institute Panel

In 1997, the ULI Advisory Services program visited Stockton and produced a report about downtown. The current panel felt a paramount need to review these recommendations as a way to take stock of Stockton's progress through the years. In this review, the panel found an acknowledgment that although in the ten years preceding 1997 the city had attempted to address the issues affecting disinvestment downtown through market studies, strategies, and so on, little investment had occurred in the 1980s and 1990s.

The 1997 panel recommended the following:

- A citywide strategic plan;

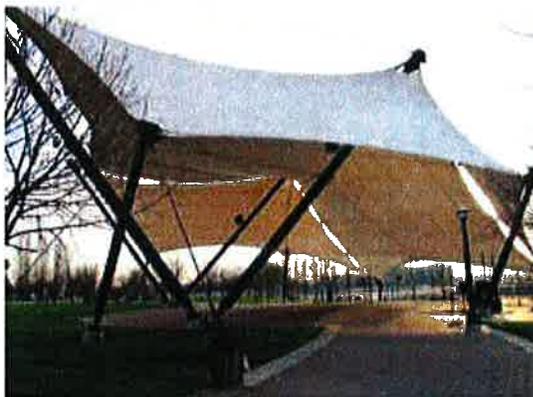


A ULI Advisory Services panel was conducted in Stockton in 1997.

- Strong participation from both the public and private sectors;
- Effective organization for urban development;
- Adoption of a Great Downtown Plan with activities and projects in the downtown districts—Waterfront, North Shore, Historic, South Shore, and Government districts;
- Encouragement of multiple and simultaneous projects, both public and private;
- Support of the development program through attractions such as events and activities; and
- Leveraging of financial resources.

Aspects of these recommendations were pursued. Considerable public investment went to public facilities: the ballpark, arena, marina, Weber Point Park, and Bob Hope Theater, among others, were constructed or expanded. The 1997 panel's recommendation was to leverage public investment to enhance the quality of life for Stockton residents and to trigger private investment. What appears to have happened is that a great deal of public investment occurred without a corresponding private sector response. In fact, public investment in a downtown should in most cases be in legal lockstep

The Stockton Arena, Weber Point Park, and the Bob Hope Theater are examples of public investment in projects designed to improve the quality of life downtown.



MICHAEL LAMAKER

with the private sector so that public and private capital flows at the same time to achieve a mutual objective. Offsetting tax flows from the private sector have not occurred in response to these sizable public investments in Stockton. The current research suggests that limited private sector investment has taken place downtown during the past 25 years.

Summary of Key Recommendations

The panel believes that "crisis is the mother of opportunity" and that in Stockton's case, time is an asset. The panel feels Stockton should take advantage of this breathing space and consider the present a time for the city to take the following steps:

- Reorganize city government.
- Reduce capital debt through asset sales or outsourcing of operations.
- Implement a new, proactive municipal culture of public/private cooperation.
- Seriously streamline the development entitlement and permitting process.
- Search out and implement a variety of financing tools to replace tax increment finance.
- Establish an on-going private sector leadership corps to assist and parallel a more streamlined city government.
- Counter negative branding with a proactive, positive, and on-going success blitz.
- Initiate expanded economic development, including international recruitment.
- Prepare a realistic strategic plan for downtown and the Weber–Miner Corridor.
- Establish a first phase infill development team.
- Define and prepare infill opportunity sites.
- Initiate a prototype development within the corridor.
- Plan and recruit for additional infill.

Market Conditions and Economic Development

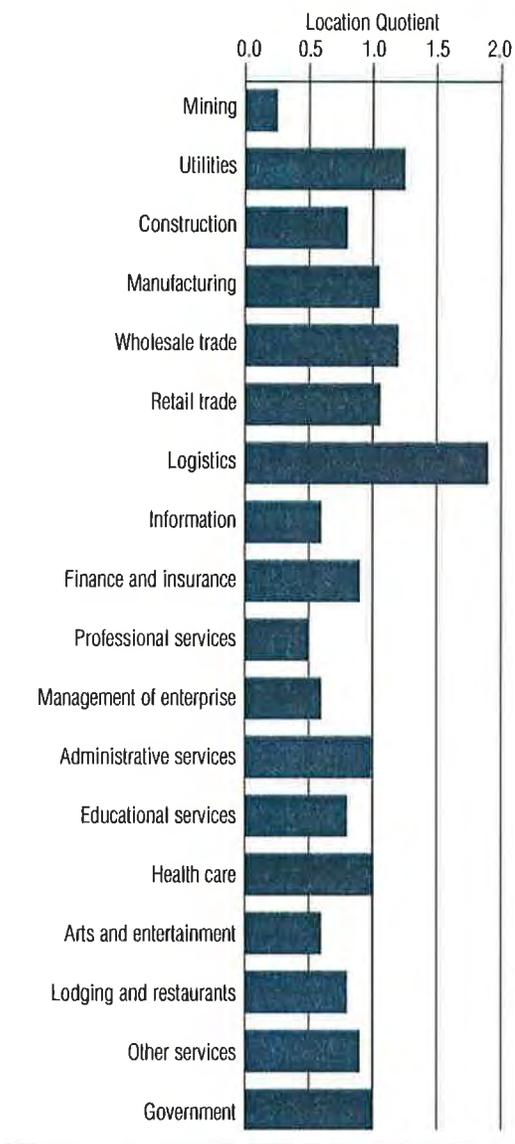
THE ECONOMY OF SAN JOAQUIN COUNTY exhibits a strong balance of jobs in various economic sectors. The accompanying graph depicts location quotients for the county when compared to the entire U.S. economy. A location quotient of 1.0 indicates that the county has the same share of jobs in that sector as the national economy. A ratio of greater than 1.0 indicates a particularly strong component of the economy whereas a ratio of less than 1.0 indicates a sector that is not well represented in the county's economy.

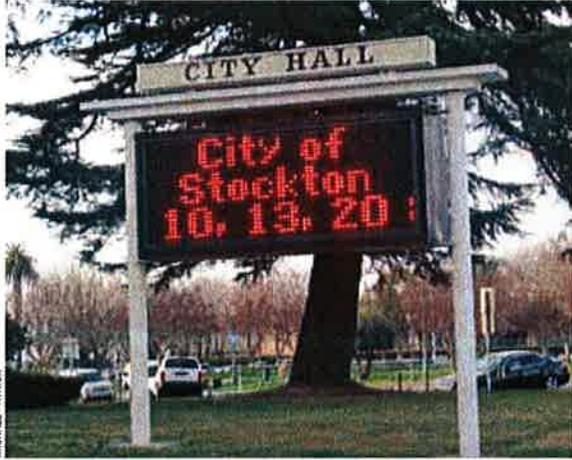
For the most part, the ratios are very close to 1.0. That said, San Joaquin County has a notable strength in "forestry, fishing, and related activities (not shown on the graph). That sector accounts for 3.1 percent of all jobs in the county, compared to just 0.5 percent in the nation as a whole, and has a very high county location quotient of 6.35 (well above the 1.0 average). Relatively speaking, therefore, this sector is quite important in San Joaquin County. It represents 1.0 percent of the California state economy.

The largest single sector of the county's economy is "government and government enterprises" with 14.4 percent of all jobs. All things considered, however, this percentage is not out of line with the national economy. The government sector's location quotient is 1.01, essentially equivalent with the nation, but local government seems to be somewhat high with a location quotient of 1.34, whereas state government in San Joaquin County is relatively low. With the state capital located just to the north, of course, the county's small state government presence is neither surprising nor unhealthy.

San Joaquin County is not overly dependent on federal government jobs, either civilian or military. Civilian federal

Stockton's Employment Sectors Compared with the United States as a Whole





MICHAEL PATRICK

Much of the county's employment is in the government sector, represented here by the Stockton City Hall. Agriculture is also a strong sector.



CHRIS AUSTIN

jobs have a location quotient of 0.91, whereas military jobs have a much-below-average ratio of just 0.34.

Other than the forestry and government sectors, San Joaquin County's notable leader is "transportation and warehousing" with a location quotient of 1.86. This sector accounts for 5.6 percent of all jobs in the county, compared to less than half that share in the entire state of California with 2.9 percent. Given San Joaquin's complex and sizable network of highways serving all directions, railroads, airports, water ports, and two intermodal ports, the county serves as a crucial distribution point for goods moving east from San Francisco Bay as well as moving north and south throughout West Coast states. The Altamont Pass is no small contributor to this location advantage for San Joaquin County for highways and railroads, with its location at the effective end of the San Joaquin River Delta. This relative strength in the logistics sector is reinforced with greater-than-1.0 location quotients for wholesale trade (1.20) and manufacturing (1.04).

Jobs more closely associated with office or technology are not particular strengths. The information sector has a location quotient of 0.54 (compared to 1.37 for the state as a whole). The finance and insurance sector is at 0.94 (1.06 statewide). Most revealing in this office/technology grouping is the professional, technical, and scientific services sector (0.51 compared with 1.26 statewide) and the

management of enterprises sector (0.56 in Joaquin County compared with 0.92 throughout California).

Retail trade jobs do slightly better in San Joaquin County (1.07) than in the state (0.94). And health care hits the national average at 1.0 in the county compared with 0.94 statewide. Not surprisingly, the county compares poorly in the arts, entertainment, and recreation sector with just a 0.60 location quotient, compared with 1.26 in all of California.

This statistical overview reveals that the leading economic sectors for San Joaquin County favor blue-collar jobs. The county has capitalized on its transportation networks, natural and constructed, to attract and sustain vigorous logistics, manufacturing, and agricultural sectors more than others. But this also means that it has had difficulty supporting a stronger downtown market where office jobs tend to dominate. Downtowns are also centers of arts, entertainment, and recreation, a sector not represented well within the county. The retail sector has all but abandoned most U.S. downtowns, especially those not associated with strong office and entertainment sectors.

Economic Development Stability

Economic development is too often seen as a panacea to a community's ills, but for Stockton, its importance cannot be overstated. The city must grow its economy if



CHRIS AUSTIN

it is to hope to have a sustainable source of revenues to provide basic needs and services to its citizenry.

Economic development needs to be defined. Many definitions are out there, but at its core, economic development is the creation of jobs and wealth. Although local government is limited in its ability to directly create these outcomes, it does have a responsibility to create the environment in which private enterprise and entrepreneurs can operate and thrive.

To successfully engage in job creation and investment attraction, a community must understand itself and adopt a targeted marketing strategy. That is not to say that it ignores transformative economic development opportunities, but a shotgun approach will not work.

The first reality to understand is that the city of Stockton is a small business economy.

The Stockton metropolitan statistical area (MSA), the 77th-largest in the United States, has a total of

“The main goal of economic development is improving the economic well-being of a community through efforts that entail job creation, job retention, tax base enhancements, and quality of life.”

—International Economic Development Council

The port of Stockton is an inland port with rail, water, and highway connections to California's coast.

34,509 businesses, with 757 employing more than 50 people, for a population of 692,000 and a labor force of 298,000. By comparison, the 76th-largest MSA has a total of 45,822 companies (1,047 with more than 50 employees); the 78th-largest MSA has 47,275 companies (792 with more than 50 employees).

The next reality is that Stockton's is a service sector economy.

The local manufacturing base consists of 685 manufacturers, only 55 of which have more than 25 employees.

Occupations with the fastest job growth projections in the MSA are personal and home care aides (5,100–8,600) and other personal care and service workers (7,800–11,640). The city's largest employers are focused in government, health care, and food-processing industry sectors.

Numerous local resources, however, can help the city of Stockton broaden its economic base into one that is much more sustainable and generates a higher wage levels and tax revenues.

Health Care

When one combines the Bureau of Labor Statistics health care practitioners and technical occupations (\$83,260 MAW) with health care support occupations (\$29,000 MAW), one finds that more than 17,000 jobs in the MSA are related to health care with most (11,000) paying double the mean annual wage (MAW) for all occupations. St. Joseph's Medical Center, Dameron Hospital, and Kaiser Permanente together provide nearly 5,000 jobs for the city.

In addition, two new major health care facilities will soon be coming online. The correctional health care facility, California Health Care Facility–Stockton, will house 2,400 California inmates in a skilled nursing facility located just south of the city's southern boundary, on Arch Road. The facility will employ approximately 2,400 people, half of whom will be medical professionals. A new Veterans

The city of Stockton (65th largest in the United States) is home to 16,568 businesses. Only 406 employ more than 50 workers. The 64th-largest city has 20,544 businesses (534 with more than 50 workers); the 66th largest has 19,390 total businesses (578 with more than 50 workers).

—Hoovers, a Dun & Bradstreet company

Top Employers by Occupational Category

Occupational category	Number of jobs	Mean annual wage
Office and administrative support	33,280	\$35,360
Transportation and material moving	21,890	\$35,940
Sales and related occupations	19,350	\$33,060
Production occupations	16,230	\$31,820
Education, training, and library	15,730	\$52,980
Food preparation and serving related	15,730	\$21,420

Source: Bureau of Labor Statistics, Occupational Employment Statistics Survey, May 2010.

Administration hospital is also planned immediately south of the city of Stockton. The multispecialty outpatient clinic and a new 120-bed community living center—a skilled nursing facility—is slated for completion in 2015.

Transportation

Nearly 3 million metric tons of goods passed through the port of Stockton in 2011, representing direct trade with more than 22 different countries. The port is partnering with the port of Oakland to establish the marine highway, initiating container shipping, a project to open up short sea shipping to increase the amount of cargo moving through its facilities. The city is a hub for both commercial and passenger rail traffic, has a viable regional airport, and boasts an excellent interstate highway system. A reliance on large box distribution center projects alone can increase land use and wage stresses on the community. But they do provide some spin-off opportunities for logistics management and inventory control technologies, packaging and printing operations, material-handling



St. Joseph's Medical Center is one of Stockton's major health care facilities.

equipment manufacturers and providers, and probably most important, serve as the infrastructure necessary to keep the port growing.

Manufacturing

Stockton has a credible number of manufacturers, but they are predominantly small enterprises. The city has an available labor supply, affordable industrial lease rates, and a strong base of workforce development and training support services. It has an excellent multimodal transportation network, including an inland port with existing connections to Asia and South America and foreign trade zone designation. Many foreign-based companies are looking toward the United States as the preferred location to expand their sales, distribution, and manufacturing operations. Frequently, these companies begin with small operations, with five to ten employees, but quickly grow to 50, 60, or 100 jobs as

they settle into the U.S. business culture and develop their customer base.

Although outside the designated study area, the land surrounding the south side of the port facilities, where the Highway 4 widening project will take place, provides opportunities for industrial park development, but care needs to be taken to ensure the existing residential neighborhoods are actively engaged and considered in the planning for that area's future.

Because Stockton is a small business market with existing global connections, foreign-based manufacturing should be a viable target economic development market. Although these operations may not locate within the downtown district, they are proven strong direct and indirect job generators that will boost the spending power of the city's residents.

Stockton is a hub for freight-rail traffic.



Business Administration

Although administrative activities are by far Stockton's largest business sector by employment, the sector is inordinately affected by local and county government operations. These operations are heavy employment generators, but the mean wages do not translate into a strong executive-level cluster. Additionally, these functions are located in government-owned buildings that do not generate a property tax return back to the community. Business support spin-off opportunities, such as technology providers, human resources management, and legal professions, do exist, but they are primarily smaller-size operations.

Numerous barriers prevent diversifying this sector in Stockton's downtown, including obsolescent buildings, poor telecommunication infrastructure, lack of parking, and safety concerns. Beyond these factors, a large number of 250- to 500-employee shared-service, back-office or customer-contact center prospects are

just not available nationally. Downtown Stockton is not positioned well to successfully compete for those national projects that do exist. However, Stockton is well positioned to play on its assets, which are described in the "Forces of Change" section of this report.

Economic Development Emerges from "Place"

A broad mix of uses in the public, private, and civic realms, offering commercial, government, medical, educational, cultural, residential, and recreation functions, will encourage economic development and job creation in Stockton's downtown core. These uses should include activity throughout the day (into evenings) and the week (including weekends), a walkable street pattern and size (core areas typically are one-quarter to one-half mile across), lively street frontages, and easy access by all means of transportation. Stockton already has many of these elements in place.

Forces of Change

STOCKTON, LIKE MOST CITIES, has been unable to avoid the current economic downturn affecting the broader American and European economies. The majority of Americans find themselves with lower pay, high unemployment, and significantly reduced home values. Economic lows prompt higher crime rates, which further exacerbate any problems facing a city.

Downtown Stockton has made significant strides to overcome the draining impacts of the suburban growth of the 1950s and 1960s. The historic buildings as well as the base of government and university jobs, combined with recent public investments in an arena, a ballpark, a cineplex, and a hotel, all represent significant investments in Stockton's future. A healthy downtown is vital to the health of the city, which is the heart of the county and the Central Valley.

Successful cities of the future are recognizing and preparing for the broad demographic shifts already underway in America. Stockton will benefit from understanding and recognizing these changes. The baby boom generation is increasing the number of seniors so greatly that the housing industry is offering new types of living options.

The following generations have delayed starting families and typically have a smaller number of children than their parents. The younger X and Y generations have a very different global perspective and typically eschew the suburban lifestyle of their childhood. They, too, are seeking different housing options and prefer a city center with a variety of destinations within a walkable or bikable distance. Now less than one-third of households have children, and by 2030 the share of households with children could be as low as one-quarter. Between 2010 and 2020, more than 80 percent of the demand



The Regal Cinemas complex, University Plaza Waterfront Hotel, and ballpark area all important assets that will make a difference in the future health of downtown Stockton.

for new housing will be generated by households without children. Households without children (singles, couples without children, and unrelated roommates) may also have a higher level of interest in alternative housing products, including homes on smaller lots, townhouses, condominiums, apartments, and rental or for-sale units in mixed-use environments.

For a city to succeed, taking advantage of its cultural differences is now more important than ever. Hans Johnson, demographer at the Public Policy Institute of California, has said that "The future of California depends on the successful integration of immigrants and their children into our economy and society."

Stockton's farmers market has a wide variety of locally grown fresh produce.



Stockton has opportunities to encourage downtown redevelopment and economic development generally based on its resources and circumstances. The port of Stockton is a direct connection to the port of Oakland and on to the ever more important Pacific Rim market.

After reviewing history books and talking with the community, the panel learned that Stockton's assets are recognized but not fully appreciated. Individually these strengths are important, but together they represent a powerful combination of assets that most cities yearn to call their own. The following is a list of some of the most significant gems that Stocktonians should continue to celebrate:

- A useful and beautiful waterfront location;
- Proximity to job centers;
- Access to the great outdoors and national parks;
- Diversity;
- The Delta;
- Access to the freshest and widest variety of agriculture;
- Competitive housing prices;
- Infrastructure (highways, port, train, trucks, airport);
- Great weather;
- Downtown public facilities (arena, ballpark, hotel, and the like); and
- Small-town feel.

In addition, Stockton has made successful efforts downtown of the type other cities are trying very hard to replicate—including the walkable core from Weber Point to Cabral Station, the investments at the downtown transit center, and Cabral Station. These investments in the future create a supportive framework to guide the location of additional revitalization downtown as well as great parks and open space throughout the city.

Setting the Stage for Partnership

CITIES CAN NO LONGER DO SOME of the things they used to do. They are increasingly constrained as their revenues decrease, resulting in reduced staffs that in turn limit the ability to address increasing needs in public safety, infrastructure maintenance, social services, and a range of demands that come with high unemployment, high crime, and related problems. Hence, cities must seek out new solutions and methods for addressing these needs and the future.

Public/Private Partnerships

Public/private partnerships, at least in the real estate realm, have become a common method for achieving public needs and goals while encouraging private capital to invest in a city. In public/private partnerships, reasonable expectations exist. However, interviews with a variety of leaders indicate the city has not mobilized to carry out public/private partnerships. Such partnerships are as much a culture as a process. To be successful, the investment and development community needs and wants to be invited into the joint development process.

In cities where this effort is successful, development is invited in; it is assisted through the process; entitlement is predictable and timely; and negotiations may be tough, but the mutual benefits of working together are maintained throughout. The public and private sectors become true partners in the blend of capital and the achievement of mutual objectives. When these conditions are lacking, private capital avoids the relationship to the extent that necessary permits can be obtained, but a partnership is frightened away. This point is very important: the culture surrounding the relationship of public values and investment and private values and investment needs to be one of mutual respect. Public/

private capital structures of four or five private dollars to one public dollar are regularly achieved in many cities.

The public sector seeks the following from the private developer in a public/private partnership:

- Developers who know their product;
- Developers who know there will be public scrutiny and who won't back out;
- Developers who understand the public process;
- Developers who have experience in the type of project involved;
- Developers who have demonstrated a successful track record;
- Developers who are financially strong with equity or have an equity source in place;
- Developers who have a strong and experienced design and development team; and
- Developers prepared to accept an open-book process with the city or agency.

The private developer seeks the following from the public sector in a public/private partnership:

- Strong political will;
- Stable city council and planning commission;
- Community support and business alignment;
- Favorable (or at least neutral) media;
- Public financial means such as land control, bonding capacity, and other tools;

- Other necessary incentives and mechanisms; and
- Reliable entitlement.

Public and private goals are different, but they are achievable together.

Public Sector Goals and Concerns

Public sector goals are long term. They are defined publicly through adopted plans and policies. They have a public interest focus and are sensitive to public perception. No doubt they are influenced by the political climate. Above all, the public sector wants assurance that the private partner is in it for the long term and will meet its obligations.

Private Sector Goals and Concerns

Private sector goals are short term. They are defined privately. Goals depend on available financing, demonstrated market opportunity, and the cost of capital. The private developer wants a reasonable and realistic return on investment. Personal goals, such as enhancing corporate status, pride in providing a high-quality product, and demonstrating strength in the marketplace may also be in play. Above all, the private sector wants flexibility to meet its goals and assuage its concerns should the market or climate for the project undergo a change.

Potential Partners to Accomplish Downtown Revitalization Objectives

A large number of diverse organizations participated in the ULI process and agreed to be interviewed. The interviews helped the panel identify how these organizations can involve themselves directly in the downtown revitalization process, what they can bring to that process, and where their resources and capabilities lie. Properly linked in a master revitalization plan, the resulting implementation and management strength of these prospective partners and vested interests in downtown Stockton can be greater than the sum of the individual parts. These organizations—and prospective partners—are separated here into “direct partners” and “supportive partners.”

Direct Partners

Direct partners are those who could be directly involved in the physical redevelopment, financing, and management of downtown.

City of Stockton. The city, of course, manages most of the regulatory responsibilities for downtown development through a number of agencies dealing with community development, economic development, public safety and health, municipal utilities, and so on. In some cases, city agencies also provide direct financing and construction.

The structural organization of city government to more effectively participate as a direct partner in downtown revitalization is addressed later in this report. At present, the panel believes that significant inefficiencies among relevant city agencies hinder and, in some cases, deter initiatives by private sector investors. With the demise of the Redevelopment Agency, this situation is all the more a cause for concern, although even that agency lost touch over the years with its ability to catalyze downtown improvements and failed to leverage necessary partnerships both within and outside city government to ensure downtown revitalization.

The loss of the Redevelopment Agency, the sluggishness of downtown renewal, and the city’s persistent fiscal difficulties—caused in no small part by underused downtown facilities—create both a need and an opportunity for the city to restructure its approach to downtown, which necessarily requires partnerships with other organizations to achieve revitalization goals.

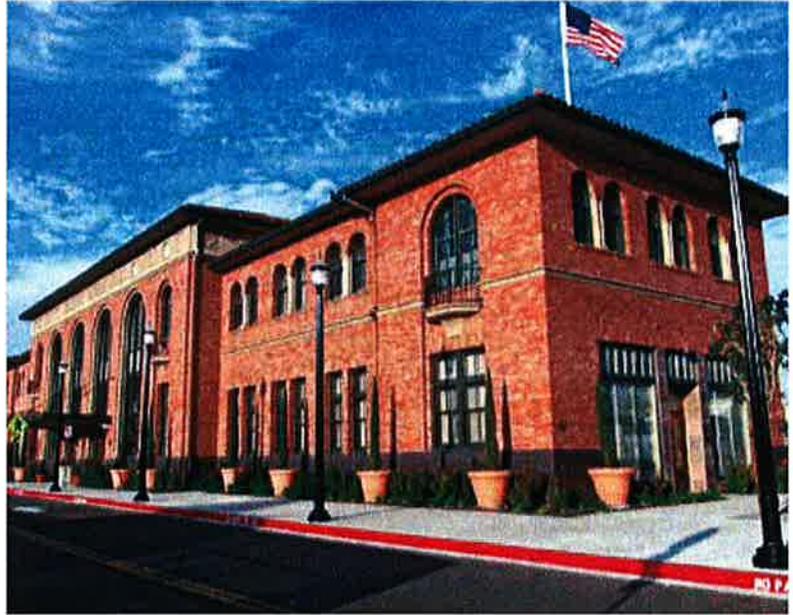
Downtown Property Owners. Downtown property owners, such as Cort Company, Kennedy, and Atlas Properties, are natural partners. They have the greatest vested interest in the well-being of downtown. They have investments at risk, and they are currently experiencing declining values or at best stabilized values after a period of decline. They realize the importance of continuing to invest in their properties to stimulate value growth, but they are also keenly aware of the market’s inability to generate value creation; thus, making more investments is deemed futile.

Yet these property owners have almost no beneficial choices other than to seek and participate in broader partnerships to both spread future risks and generate broader support, ideas, and financing for revitalization. The property owners bring to the table a wide range and quality of real estate. This makes them crucial team members in accomplishing design and functional objectives downtown. Long-lasting and stagnant economic conditions make the property owners willing, if forced, participants in partnerships that can help them recover economic losses within a reasonable period of time.

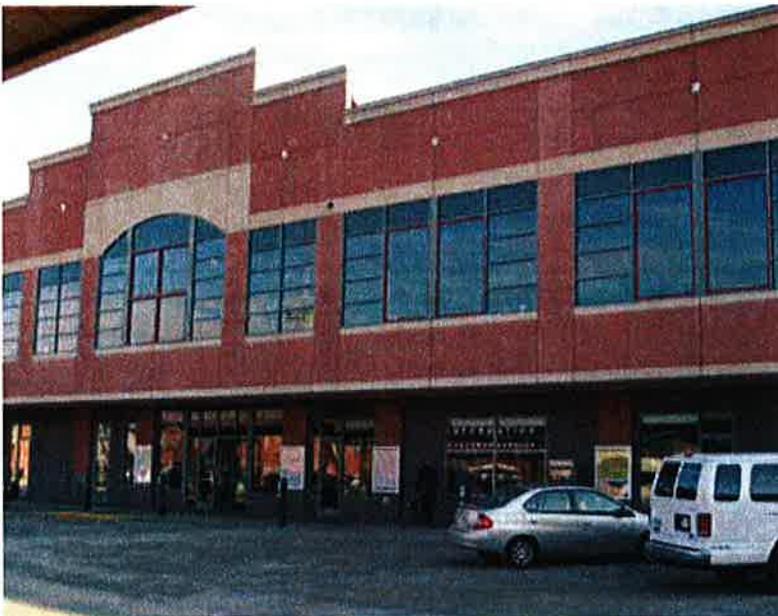
Private Developers. Real estate developers bring two very important elements to downtown revitalization: (a) experience in raising equity, debt, and gap financing, and (b) expertise in development and redevelopment itself. The developers who emerged during the ULI's interview process can be classified in two ways, and each type can play a crucial role.

One group consists of the large and well-known for-profit real estate developers in the San Joaquin County area. They have long been leaders in helping Stockton and the county absorb the population and economic growth that has taken place. One can argue that these developers are not adept at redevelopment or mixed-used development in a downtown context, but this situation opens up opportunities for the second group of developers.

This other group consists of smaller, often younger development companies, some of which may be for profit, others nonprofit. They can bring nimbleness to downtown markets and a higher tolerance for the financial risks involved. Still, although their financial exposure is much smaller, that exposure may be a much greater percentage of the value of their enterprises than for the larger developers. A key strength is that these smaller developers are quite adept at working with local citizens and businesses. They also have honed skills in what might be called creative financing, although the creativity typically involves a deep knowledge of where numerous low-cost sources of financing can be found and how to obtain and layer them to maximize leverage.



The Rail Commission's Cabral Station sees commuter-rail service to the San Francisco Bay Area and soon north to the Sacramento area. The commission has also been deeply engaged in community development activities in its surrounding downtown neighborhoods.



The Regional Transit District's downtown station is a countywide hub for transit riders. Its smartly chosen downtown location is an asset to revitalization efforts.

These distinctions are not hard and fast, but they suggest that smaller-scale projects in the downtown area might be best tackled by smaller developers, and more sizable or complex projects might be best tackled by the larger firms. Joint ventures or partnerships of both types of developer may be appropriate for certain projects that require creativity, spreading of risks, financial wherewithal, and certain degrees of credibility in the market.

The San Joaquin Regional Rail Commission. Partnering with the region's two largest transit agencies offers opportunities to leverage financial resources from organizations that have some funds available, especially for land assembly. To date, the Rail Commission has assembled several properties around its remarkable rehabilitated Cabral Station with the apparent capacity to assemble more. It has also engaged in transit-oriented development (TOD) planning that could form the basis for an overlay zoning code. This can result in large sites capable of supporting transit-oriented, or certainly transit-adjacent, development that improves urban conditions around the station, creates housing options for frequent riders of trains and buses, and reinforces the eastern anchor of the Miner Avenue corridor.

The San Joaquin Regional Transit District. The RTD has a large facility downtown and is invested as an organization in downtown revitalization. It's self-funded facility is a transit hub for all of San Joaquin County and has added employment density to downtown through its second-story office space. Along with the Rail Commission, the RTD should be engaged as an active partner in downtown redevelopment.

Downtown Stockton Alliance. The alliance consists primarily of property and business interests in downtown Stockton. In that context, it represents a group of vested interests already organized in a manner devoted to the betterment of the downtown area. It also offers an opportunity to expand the costs and skills of downtown management over a greater number of such interests.

Indeed, the Downtown Stockton Alliance is a self-taxing entity that has been raising funds for various purposes for many years. It has some funds at its disposal to

help leverage downtown investments. Perhaps more important, however, is the alliance's willingness to fund additional security, cleaning, and event coordination. A substantial complaint from the alliance is that not only are the many attraction venues downtown (e.g., marina, arena, stadium, Weber Point, Bob Hope Theater) under-used but also their events are often uncoordinated with the Downtown Parking District. Enabling the alliance to absorb more of these coordination responsibilities, perhaps coupled with a greater role in funding security patrols (not necessarily police, but "eyes on the street" with direct radio communication with the police) and cleaning of the public realm can ease strains on the city's budget while enhancing the downtown environment for attracting and reinforcing private reinvestment.

Downtown Parking District. Like the Downtown Alliance, the parking district has a source of funds that could be directed to sustaining a higher level of downtown management, perhaps targeted specifically at supporting traffic movement and parking for special events.

Supportive Partners

Supportive partners are those who bring special expertise to the revitalization process and enthusiasm that contribute to the ability of downtown to thrive.

San Joaquin Partnership. The partnership has expertise in economic development marketing and economic development positioning and can provide international exposure.

San Joaquin Council of Governments. In addition to being responsible for transportation planning and funding, the Council of Governments (COG) is tasked with planning and implementing land use policies to ensure the region's compliance with California Senate Bill 375. The COG also administers funding from Measure K, a countywide voter-approved half-cent sales tax that is dedicated to transportation projects. The COG may have resources available to assist the city in a number of activities, including planning, redevelopment, and partner convening.

University of the Pacific. Although the University of the Pacific is just getting its feet wet in terms of engagement with downtown, the opportunity is ripe for the institution to locate facilities downtown, especially housing and possibly programs or parts of departments. The school's resources could provide urban research and problem solving through programmatic efforts from students and faculty at little or no cost to downtown. An opportunity may also exist to provide executive-level training or entrepreneurial business training and services to current or potential downtown business owners.

Cultural Heritage Board. The board can assist in inventorying and evaluating "structures of merit" to leverage Stockton's unique and alluring characteristics. Stockton's cultural diversity can help distinguish it from competitor cities.

Chambers of Commerce. Stockton's three primary chambers of commerce—the Greater Stockton Chamber of Commerce, the Central Valley Asian-American Chamber of Commerce, and the Hispanic Chamber of Commerce—can serve as an important partner in promoting business downtown and fostering a sense of community among business owners.

Banks and Financial Services Sector. Stockton's many banks have accumulated resources to commit for downtown revitalization and may be able to provide patient funding, especially for strategic land purchases. Local banks such as the Bank of Stockton should be engaged in redevelopment efforts by the city.