

Redevelopment Agency
of the City of Stockton

Midtown Merged Redevelopment
Project Area

Implementation Plan
2009-10 through 2013-14

Approved January 26, 2010
Agency Resolution R10-001

ABOUT THIS IMPLEMENTATION PLAN

This document represents the five-year Implementation Plan (“Plan”) for 2009-10 through 2013-14 for the Midtown Merged Redevelopment Project Area in the City of Stockton. The Plan has been prepared by the Redevelopment Agency of the City of Stockton (the “Agency”) in compliance with the California Community Redevelopment Law (the “California Redevelopment Law”) which requires the adoption of an Implementation Plan for each redevelopment project area, or “Project Area”, within a jurisdiction every five years.

This Plan revisits the goals and objectives of the Midtown Merged Redevelopment Project Area and outlines the Agency’s current achievement strategies. In addition, the Plan presents the programs, projects, and expenditures that have been developed as a means to attain the goals and objectives, and shows how they will be utilized in eliminating blight within the Project Area. This Plan covers all future activities of the Agency, and incorporates the Low and Moderate Income Housing Fund Implementation Plan which addresses all requirements under California Redevelopment Law for the Project Area. Descriptions of technical subjects, including summaries of a number of regulations and requirements, are required by the California Redevelopment Law. As such, technical terms are utilized and definitions of a number of terms used in this Plan are included in Appendix A.

This Plan is intended to be a policy statement rather than a specific course of action. It has been prepared to set priorities for projects and programs within the Project Areas for the five-year period covered by this Plan, and to demonstrate how those projects and programs will assist in eliminating blight. However, new issues, opportunities and/or constraints may be encountered during the course of administering the redevelopment effort during the ensuing five years. This Plan is therefore not intended to restrict Agency actions to only the projects and programs specifically identified in this Plan.

The Redevelopment Agency of the City of Stockton is responsible for the installation of public improvements, initiation of programs and the acquisition/disposition of property in the portions of the City earmarked for redevelopment (“redevelopment project areas” or “Project Areas”). Projects are financed from the proceeds of bonds and loans from other City funds which are eventually repaid from the additional taxes generated by the increased property value resulting from redevelopment projects. The Agency adopted its first redevelopment project area, the West End Project Area, in 1961. Since then, eight additional Project Areas were adopted. Between 2002, and as recently as 2009, the Agency has merged the nine project areas into four in order to realize larger, more financially viable Project Areas. A map outlining the boundaries of the Midtown Merged Project Area is included in Appendix B-1 as well as a map of all four of the Agency’s Project Areas is included in Appendix B-2.

ABOUT THE PROJECT AREA

This particular report focuses on the Midtown Merged Redevelopment Project Area. Adopted in 2002, this 3,494 acre Project Area combined Eastland (1990) and Midtown (2002) Project Areas. The Project Area contains a mix of uses including residential, retail, industrial and commercial uses.

REDEVELOPMENT PLAN GOALS

1. Elimination of blight and the correction of environmental deficiencies in the Project Area, including, among others, buildings in which it is unsafe or unhealthy for persons to live or work, incompatible and uneconomic land uses, and high crime rates.
2. Participation in the redevelopment process by property owners, business occupants, residents, and other individuals or groups as may be appropriate.
3. Preservation and enhancement of the unique cultural and historical qualities in the Project Area.
4. Preservation and enhancement of residential neighborhoods, including activities resulting in increased homeownership.
5. Preservation and enhancement of parks, open space, and recreational and community facilities serving the Project Area.
6. Strengthening of retail and other commercial functions in the Project Area.
7. Strengthening of the economic base of the Project Area by stimulating new investment.
8. Expansion of employment opportunities.
9. Provision of environmental and social and economic growth.
10. Re-planning, redesign, and redevelopment of portions of the Project Area, which are stagnant or improperly utilized.
11. Assembly of land into parcels suitable for modern, integrated development with improved pedestrian and vehicular circulation in the Project Area where suitable.
12. Expansion, improvement and preservation of the community's supply of affordable housing.
13. Installation of new or replacement of existing public improvements, facilities and utilities in areas which are currently inadequately served with regard to such improvements, facilities and utilities.
14. Promote commercial revitalization and development to stabilize and expand the tax and employment base.

PROPOSED REDEVELOPMENT PROGRAM

The Midtown Merged Project Area was adopted with a variety of goals for redevelopment of the Area. The overriding goal is to eliminate or alleviate blighting conditions by providing needed public improvements, assistance for the private

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development and rehabilitation of existing properties, assistance with the provision of low and moderate income housing, and other activities authorized by the California Redevelopment Law. The goals and objectives included herein have been influenced by the overall goals and objectives of the Project Area, as established in the most recent redevelopment plan, which is incorporated into this Plan by reference.

From time-to-time other activities will require Agency assistance, but may not meet all the above criteria. Whether or not specifically listed in this Plan, additional public improvements or other projects and programs may be constructed or funded by the Agency during the period covered by this Implementation Plan, if the Agency finds that:

- The goals and objectives of the Redevelopment Plans are furthered, or
- Specific conditions of physical or economic blight within one or more Project Areas will be mitigated in whole or in part through implementation of the project, or
- Specific conditions relative to a development project, including the financial feasibility thereof, require that the project be completed at the time in question.

Although the Midtown Merged Project Area saw large amounts of tax increment during the previous implementation plan time period, the recent fall of the housing market and other economic declines have severely impacted the next five years. It is anticipated that the Midtown Merged Project Area will gross \$14,400,000 in tax increment during 2009-10 and 2013-14. The programming of these funds is outlined below.

Public Improvements

Public projects listed in the Amended Plan, which are located in or serve the Project Area may be constructed or funded by the Agency during the period covered by this Implementation Plan. Improving the infrastructure in the Project Area would eliminate conditions that hinder the economically viable use of buildings or lots.

Health and Wellness Center: The Agency plans to expend approximately \$8 million on the construction of a health and wellness center to serve the residents of the Project Area. In preliminary visioning stages, this project would incorporate adjacent educational and vocational facilities of the California State University Stanislaus satellite campus, as well as St. Joseph's and Dameron Hospitals.

Goals Achieved: 1, 2, 3, 5, 6, 7, 8, 9, 13, 14

Approximate Cost: \$8,000,000

Development Strategies / Business Retention and Attraction

During the five years covered by the Implementation Plan, various strategies and programs for business retention and attraction will be implemented by the Agency in the Project Area. The purpose of these programs is to assist in the revitalization of existing

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commercial and industrial areas within the Project Area, while at the same time provide incentives for new businesses to locate within Midtown's boundaries. Key strategies to be pursued over the next five years include:

Rehabilitation Loan Programs: Rehabilitation loans and infill assistance programs are used to assist businesses in improving their facades, complying with building and safety codes, and offsetting fees and other charges that are not supportable by the development economics.

Goals Achieved: 1, 2, 3, 6, 7, 8, 10, 14

Approximate Cost: \$500,000

Plans/Studies: Prepare specific plans, community plans, feasibility analyses, or other studies, as necessary and appropriate. Explore various strategies for revitalization, and/or convert existing blighting influences to those uses contemplated by applicable community plans and studies and the Redevelopment Plan.

Goals Achieved: 2, 3, 5, 6, 7, 9, 10, 13, 14

Approximate Cost: \$500,000

Soils Remediation Program: One of the barriers to new development in particular areas of this Project Area is the presence of hazardous materials in the soils and underlying ground water. Programs designed to affect the return of land to a developable state will be one of the Agency's focus areas over the next Implementation Plan period.

Goals Achieved: 1, 7, 9, 11, 13

Approximate Cost: \$500,000

Development Assistance

The Agency may provide financial and other assistance as authorized by the California Redevelopment Law and the Redevelopment Plan to individual projects on an as-needed basis, and depending on the availability of Agency funds or other resources. One of the primary types of development assistance that the Agency will be providing over the next five years is the acquisition and improvement of property in the Project Area for later disposition to qualified redevelopers who commit to a specified program of timely redevelopment.

Such acquisitions may involve assembly of multiple parcels into a unified development site or the purchase of single parcels. The acquired parcels may be vacant or occupied by structures. The Agency may acquire properties for disposition at a later time or work with a pre-selected property owner or redeveloper in the acquisition process. In

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addition, the Agency may make site improvements or conduct soils remediation on properties to prepare them for disposition and redevelopment. Other costs associated with property acquisition may be the costs of relocating current occupants and businesses on these properties, demolishing the existing structures, and conducting other site preparation activities.

Goals Achieved: 1, 2, 3, 6, 7, 8, 10, 11, 14

Approximate Cost: \$2,020,000

PROPOSED AFFORDABLE HOUSING PROGRAM

It is currently anticipated that the Agency's efforts to support housing over the next five years will be involved with preserving, improving and increasing the number and quality of low and moderate income housing opportunities, and encouraging the development of housing opportunities available to all income levels. Low and moderate-income housing projects and programs for the Midtown Merged Project Area are discussed in the Low and Moderate Income Housing Fund Implementation Plan.

Goals Achieved:

Approximate Cost: \$2,880,000

Appendix A: Glossary of Terms

“Base Year” means the year of the last equalized assessment roll used in connection with the taxation of property within a project area prior to the effective date of the ordinance adopting the Redevelopment Plan for that project area.

“California Redevelopment Law” means the California Community Redevelopment Law as embodied in Health and Safety Code Section 33000 et. seq. and which governs the practice of redevelopment in the state.

“ERAF” means Education Revenue Augmentation Fund. As part of the solution to a number of the state budget crises since 1993, each redevelopment agency has been required to make contributions equal to certain percentages of its tax increment revenues in order to reduce the amount that the state budget must contribute to maintain local school and community college district funding at specified levels. Contributions have been required for fiscal years 1993-94, 1994-95 and in each of the last three years. The amount of the contribution required each year has varied from about 3 percent in 1993-94 to about 7 percent of tax increment revenue in 2004-05.

“General Plan” means the “City of Stockton General Plan”. California planning law requires each city to develop and maintain a General Plan that includes a statement of policies for the city relating to land use, transportation, and housing, among other issues.

“Housing Element” means that part of the General Plan that identifies and provides an analysis of existing and projected housing needs and a statement of goals, policies, objectives, and programs for the preservation, improvement and development of housing.

“Housing Fund” in general means the 20 percent of tax increment revenue generated from redevelopment project areas that must be set-aside in a separate fund to be used for the purpose of increasing, improving, and preserving the community’s supply of low and moderate income housing.

“housing programs or projects” means programs which are funded from monies in the Housing Fund or other similar funding sources.

“non-housing programs or projects” means programs which are funded from monies other than the Housing Fund or other monies restricted to low and moderate income housing purposes. Non-Housing Programs could include market-rate housing or other housing related expenditures not eligible for funding from the Housing Fund.

“Project Area” or “redevelopment project area” means a specific geographical area within which the Redevelopment Agency has initiated a redevelopment project pursuant

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to the California Redevelopment Law, and for purposes of this Implementation Plan includes Merged Midtown (Eastland and Midtown Project Areas).

“Report to Council” is the report required to be submitted to the legislative body in preparation for the redevelopment plan adoption public hearing and which contains certain statutorily required elements. The Report to Council often will contain the redevelopment agency’s comprehensive assessment of the purpose and projected impacts of the Redevelopment Plan.

“Redevelopment Plan” means the legal document adopted at the time the Project was last amended that governs the redevelopment process for that project area.

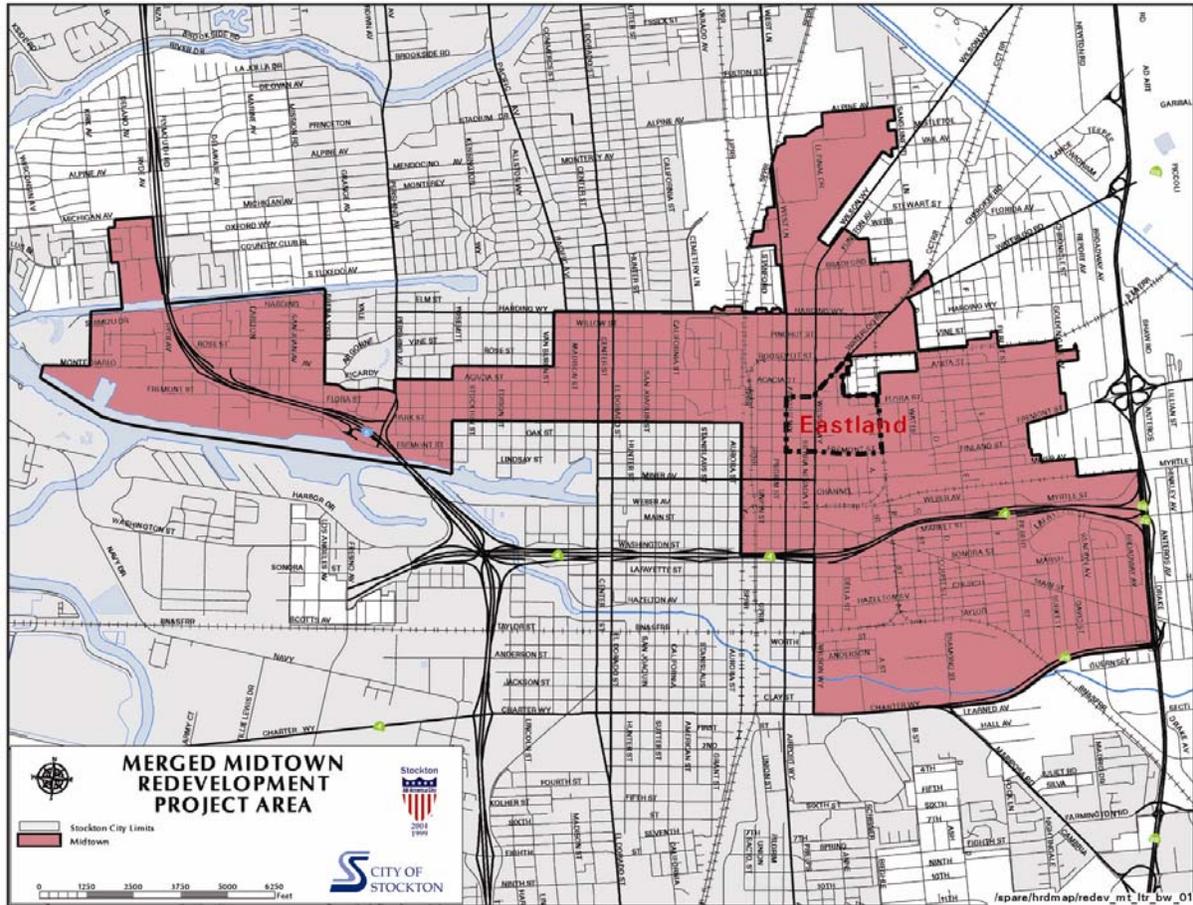
“Redevelopment Plans” refers to the current operative Redevelopment Plan for each of the Agency’s four redevelopment projects.

“Replacement Housing Requirement” means the California Redevelopment Law requirement that the Agency replace all low and moderate income housing units that are destroyed through its redevelopment program.

“tax increment” means that portion of property tax revenues received from the property tax levy against all assessed value within a project area in excess of the assessed value of the project area in the applicable base year, as set forth in Section 33670(b) of the California Redevelopment Law.

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APPENDIX B-1: MIDTOWN MERGED PROJECT AREA MAP



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**APPENDIX B-2: STOCKTON REDEVELOPMENT AGENCY
PROJECT AREAS MAP**

