

**CITY OF STOCKTON**  
**ECONOMIC DEVELOPMENT DEPARTMENT**  
**Annual Report and 2013 Goals**  
**Calendar Year 2012**



**Activity Report for January 2012 - December 2012**

# Introduction

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In 2011, the Stockton City Council adopted four key goals: Fiscal Sustainability, Public Safety, Economic Development, and Organizational Capacity. With an unemployment rate of 17.5% (December 2012) and continued foreclosure crisis, a focus on Economic Development is critical for Stockton's strategic success.

The Economic Development Department (EDD) is comprised of economic development, housing, real property/asset management, successor redevelopment agency, and central parking district. This Strategy will focus on economic development and housing activities aimed at improving Stockton's economy, as well as an overview of real property and successor agency activities. Many of these goals require active involvement of partners from the business and education community. Partners have been identified on the following pages.

Janet Leigh Plaza and  
Downtown Stockton movie theater



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# Business Retention and Expansion

Key Partners: San Joaquin Enterprise Zone, San Joaquin Partnership

Stockton's existing businesses are vital to Stockton's economy. EDD staff undertook the following actions to express Stockton's appreciation of its business community and to learn how we can help our businesses grow and thrive.

## Monthly Visits to Key Employers:

EDD staff visited the following companies:

- Advanced Polymer Technologies
- Applied Aerospace
- Bank of the West
- Blair Grain (Port)
- Dorfman Pacific
- ECS Refining
- Financial Performance Center
- GBM Manufacturing
- Hormel Foods
- Metropolitan Stevedore (Port)
- Sears Logistics Center
- Verve Network

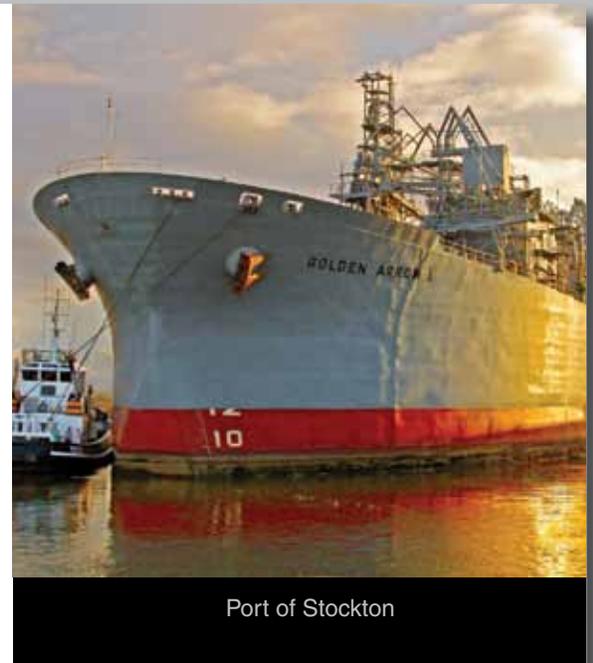
## Welcome letters from the Mayor to new businesses:

EDD staff sent 1,244 welcome letters to newly licensed businesses in Stockton during 2012 on behalf of the Mayor.

## Ribbon cuttings and networking events:

EDD staff attended the following events

- Stockton Women's Network Expo
- Greater Stockton Chamber Trade Show
- Asian-American Chamber Mixer
- San Joaquin Hispanic Chamber Mixer
- Business Diversity Mixer
- Stockton Rotary Club
- Cupcake Mania ribbon cutting
- Juice It Up! ribbon cutting
- Hobby Lobby ribbon cutting
- WalMart ribbon cutting
- Neighborhood Marketing ribbon cutting
- San Joaquin Partnership reception
- Miracle Mile Improvement District reception
- Downtown Comeback Club
- Miracle Mile Improvement District Board meetings
- Downtown Stockton Alliance Board meetings
- University Neighborhood Renaissance Committee Board meetings
- San Joaquin Partnership Board meetings
- Business Team San Joaquin
- Green Team San Joaquin



Port of Stockton



The Marine Highway Project, currently in operation, moves containers on barges between the ports of Oakland and Stockton on the San Joaquin River, reducing traffic congestion and improving air quality. A safe and ecologically sustainable way to move goods along the Marine Highway, Short Sea Shipping can eliminate more than a million truck trips from roadways. A satellite container terminal in San Joaquin County will provide a logical and convenient interchange point for containers in close proximity to import distribution centers and exporters, as well as the BNSF and UP rail intermodal facilities.



Monthly Economic Development eNewsletter

## Business Attraction

Key Partners: San Joaquin Partnership, San Joaquin Enterprise Zone, Port of Stockton, Commercial Brokers, Developers

Creating new jobs and increasing tax revenue are key to Stockton's long term fiscal health. The EDD staff carried out the following actions aimed at attracting new businesses to Stockton.

### Market Stockton at trade events:

Society of Industrial and Office Realtors (SIOR) in Los Angeles along with the San Joaquin Partnership

### 2013 Goals:

- Attend Meet the (site selector) Consultant Forum
- Attend SIOR in Chicago as an exhibitor
- Attend the International Society of Shopping Centers (ICSC)
- Attend WestPACK/Medical Design & Manufacturing Conference

### Conduct Economic Review Committee (ERC) meetings:

The ERC is comprised of representatives from the City's development departments and is a voluntary, free service for commercial developers and business owners. The meetings allow City staff to review proposed projects and comment on preliminary site plans, as well as provide information about requirements the project may have prior to applying for a building permit. These meetings are coordinated by EDD.

Thirty-seven (37) ERC meetings were conducted during 2012. The types of companies include: steel manufacturer, building material manufacturer, plastics manufacturer, edible oils, auto sales/repairs, education, recycling, food processor, retail/restaurant, and logistics.

### Prepare fee estimates:

The EDD staff prepares development fee estimates for new commercial/industrial projects. The fee estimates are comprehensive and include impact fees charged by the City, as well as fees the City collects on behalf of outside agencies.

Twenty-four (24) development fee estimates were prepared by staff for proposed projects during 2012.

Brought forward the extension of the Public Facilities Fee Reduction program for Council approval in December 2012.

### Shepherd projects through entitlements and permits

#### Quarterly newsletter aimed at business attraction:

First issue of Stockton Insights was published in Spring 2012.

#### Maintain and update Stockton Community Profile:

The Profile provides general business data and information on Stockton's quality of life for prospective businesses.

### 2013 Goals - Develop Council policy for recruitment incentives:

- Advantage Stockton, an online site selection tool
- Sales Tax Sharing
- Direct Use Tax Allocation program
- PACE program

Downtown Stockton Marina and Joan Darrah Promenade



## Small Business Support

Key Partners: Stockton Metro Chamber, Ethnic Chambers, Miracle Mile Improvement District, Downtown Stockton Alliance, Small Business Development Center

Small business is the heart of the community. It provides products and services to residents. Small business entrepreneurs create new jobs. EDD staff carried out the actions outlined below to support small business:

### **Market Commercial Loan programs to small and minority businesses:**

Revised Emergency Grant program and prepared new brochure. Emergency Grants are available to business owners in financial need to repair health and safety violations, such as the installation of grease interceptors.

Received ten (10) Small Business Micro Loan applications, with one loan for \$30,000 approved and six (6) being processed.

Six (6) Commercial Facade Improvement Forgivable Loan applications were received. One loan was approved, but withdrawn by applicant. Remaining five (5) applications are in progress.

Downtown Financial Incentive Program, which reduces building and plan check fees for improvements to vacant properties, received one application for a charter school which was approved for \$75,000.

**Toured prospective restaurateurs through the Hotel Stockton and assisted with securing a New Orleans style restaurant due open in Spring 2013.**

**Promoted economic programs to business organizations.**

**Created and distributed a small business monthly newsletter focused on education and support opportunities.**

## Workforce Connections

Key Partners: San Joaquin WorkNet, Workforce Investment Board, SJ Delta Community College, San Joaquin Partnership

Addressing Stockton's record unemployment rate requires a multi-pronged effort:

- Steer residents to job opportunities
- Connect educators and growth industries
- Provide education/training opportunities for Stockton's workforce

EDD staff completed the following actions aimed at improving access to and readiness for work:

- Monthly CHCF Construction Oversight Committee meetings
- Workforce Investment Board meetings
- Co-host Vendor Fair to promote business opportunities at CHCF
- Promote career opportunities available at CHCF



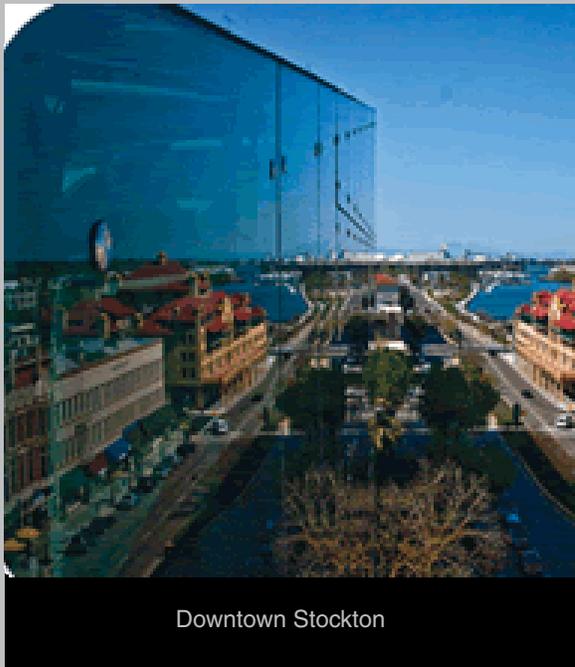
The Metro Building

*"The Facade and Micro loans obtained through the City of Stockton have been very important to the success of my business. These programs can and will benefit any business looking for assistance in growth. It has been an amazing source that I would suggest anyone to look into."*

Zac Cort, owner of The Cort Group and Juice It Up!

The California Health Care Facility-Stockton (CHCF) is an example of success.  
Due to City action:

- 318 San Joaquin County firms have been hired to date as subcontractors and/or suppliers
- 58% of the total labor hours at the job site are local workers. This translates to 752 local workers.
- 270 students are expected to graduate from the Psychiatric Technician program at San Joaquin Delta Community College between 2011-13 to create a work pool of employees for the new facility.



Downtown Stockton

## Set Strategic Goals for Key Development Opportunities

With the loss of redevelopment in California, cities must explore new strategies for infill development.

With this in mind, the City invited the Urban Land Institute (ULI) to study Downtown Stockton. A comprehensive report was presented to the Council in August 2012, including actionable steps that the Economic Development and Community Development departments are currently implementing. Some of those action steps include:

- Streamline permit process and regulatory functions
- Develop a land disposition strategy
- Explore use of incentives or credits to promote compliance
- Modify codes and regulations to encourage rehabilitation of existing buildings
- Review existing fee structure for development

According to ULI panel experts:

*“Revitalization is going to take a combined and extended effort from City Hall, developers and others in Stockton to transform the core into an economic engine and destination for visitors, retailers and residents.”*

### **2013 Goals:**

- **Land Hotel Reuse:** EDD, several charter schools and the Downtown Stockton Alliance held initial planning sessions to discuss the reuse of the property formerly occupied by the Land Hotel, which was demolished in 2012, in Downtown Stockton. A pocket park is envisioned with amenities that will include exercise and climbing areas, as well as garden beds that can be used for school projects.
- **Fremont Park:** The Bank of Stockton approached the City and asked for assistance in dealing with the worsening criminal problems in Fremont Park. The Bank and the City have begun working together to implement physical changes to the park with the goal of improving safety. To date, trees have been trimmed to improve visibility into the park, and benches and tables have been removed to eliminate places for people to congregate. Additional improvements may be made in the future.
- **Miner Avenue Streetscape:** The Miner Avenue Streetscape Plan, approved by the City Council in 2012, established a comprehensive design for the corridor that emphasizes pedestrian amenities and multi-modal transportation between the Robert J. Cabral Rail Station and Weber Point. The plan makes recommendations for future building locations, land uses, and guidelines for facade enhancements that will activate the street with transparent storefronts, signage, and lighting. The City is working with San Joaquin Regional Rail Commission and the Downtown Stockton Alliance to make this project a reality.

Medico-Dental Building - Downtown Stockton



# Asset Management And Successor Agency Activities

## **Central Parking District:**

The Central Parking District (CPD) oversees the daily operations of two parking garages and 15 surface lots that serve Downtown Stockton. Capital improvements, maintenance and operating expenses of the CPD are funded by an assessment on all properties located within the District, charges for monthly and hourly parking, and income from contract agreements with other entities.

## **Improvements are planned for 2013:**

- Paint Channel Street Garage
- Asphalt and stripe parking lots
- Install credit card readers and automation of some parking lots

## **Downtown Stockton Marina:**

The Downtown Marina includes 18 boat slips and 48 covered slips, plus 1,200 lineal feet of guest dock space on both the north and south shores of the Delta Channel. The City contracts with Westrec Marina Management to manage the operations, marketing, and maintenance of the Marina. That contract is managed by EDD.

## **City-owned Real Property:**

The Economic Development Department's Real Property staff assists with the acquisition of rights-of-way for capitol improvement projects, alley/street abandonments, leasing of City-owned property, maintenance and security, and disposition of property. Given the City's financial situation, EDD conducted extensive research of the City's real estate assets to determine if there are excess properties that can potentially be sold. Once staff completes its review, a recommendation will be brought forward for City Council consideration on the disposition of surplus assets. EDD has undertaken the review of the City's real property files and is researching property management system applications to aid in managing City assets and lease agreements.

## **Successor Agency-owned Real Property:**

In 2012, all California Redevelopment Agencies (RDA) were dissolved and replaced with Successor Agencies as a result of ABx1 26 and amended by AB1484. Redevelopment agencies played an essential part in the revitalization of communities and were a catalyst in creating jobs, economic growth, and affordable housing. Successor Agencies are governed by an Oversight Board and the California Department of Finance (DOF). They are limited to paying debt and winding down activities and obligations of the former RDA. With Oversight Board approval, and review by DOF, the Stockton Successor Agency began transferring governmental purpose properties, such as parks and pathways, to the City and is working on the sale of one building. The Successor Agency intends to dispose of the properties in a manner that will not only meet its obligations under ABx1 26, but will benefit the community as well.



Downtown Stockton Marina



Interactive Fountain at the  
Weber Point Event Center  
Downtown Stockton



Electric Vehicles International

Single mom and new homeowner through Stockton's Neighborhood Stabilization Program:

*"I'm so excited to have a home of my very own for me and my son. I've already started to plant flowers in the front yard!"*

Diamond Cove II Family Resource Center



## Data Monitoring

Key Partners: University of the Pacific, Council of Governments, San Joaquin WorkNet

An Economic Strategy needs to be fluid in order to change with the current trends, challenges, and opportunities. Tracking statistical data helps to identify industry clusters and market trends, which will help shape future business attraction and retention efforts.

- Sales tax and property tax trends
- Largest employers
- Largest sales tax generators
- Largest real estate transactions
- WARN notices – why are the businesses closing?
- UOP Center for Economic Forecasting data – trend monitoring

### 2013 Goals:

- Conduct surveys of targeted commercial corridors and industrial areas to gauge successes and obstacles local businesses are facing.

## Strategies for Addressing Housing Issues

Key Partners: Local affordable housing nonprofit organizations

### **Neighborhood Stabilization Program (NSP):**

Through NSP, the City acquires and rehabilitates foreclosed residential properties which are then sold or rented to low or moderate income households. Since the implementation of the NSP in 2008:

- 85 homes have been purchased
- 65 of those homes have been rehabilitated and sold to low and moderate income households
- Three (3) multi-family properties have been purchased with NSP funds. After rehabilitation they will provide 74-units of affordable housing for households with incomes below 50% of the Area Median Income.

### **Affordable Rental Housing:**

Safe and sanitary rental housing is a critical need in our community. To help address this need, two multi-family rehabilitation projects were completed in 2012 and are now providing affordable housing for 90 families. A 70-unit project is starting construction in January 2013 and two additional projects, which will provide approximately 110 new housing units, are in the planning phase.

### **Housing Rehabilitation Programs providing assistance for home repairs for low-income homeowners:**

During 2012, five (5) loans have been awarded to Stockton residents totaling \$184,230 in funding.

## Community Service Activities

Key Partners: Local nonprofit and community organizations

### Community Development Block Grant (CDBG):

The following projects and community services are currently funded with CDBG dollars:

- \$700,000 of CDBG funds allocated for Commercial Loan programs (Facade and Micro Loans and Emergency Grants)
- \$10,000 to Disability Resource Agency for Independent Living
- \$8,000 for the Emergency Food Bank's Mobile Farmers Market
- \$35,000 for Second Harvest Food Bank
- \$25,000 for Delta College Small Business Development Center
- \$25,000 for the Cold Weather Shelter Program
- \$5,000 to the Community Center for the Blind

### Emergency Solutions Grant:

\$183,500 provided to Gospel Center Rescue Mission, Haven of Peace, St. Mary's Interfaith Community Services, Stockton Shelter for the Homeless, and the Women's Center-Youth and Family Services to reimburse them for operating costs.

### Homeless Prevention and Rapid Re-Housing Program:

Central Valley Low Income Housing Corporation (CVLIHC) was provided \$130,000 for Homelessness Prevention and Rapid Rehousing assistance.

## Spreading Success Stories

Key Partners: City Public Information Officer, Downtown Stockton Alliance, San Joaquin Partnership, The Record

Conveying accomplishments and communicating strengths of the City of Stockton to the public has been a challenge. It's imperative that positive stories reach the mainstream media so that Stockton is seen as an innovative and prosperous place to do business and invest dollars. The following actions were taken to spread good news about Stockton:

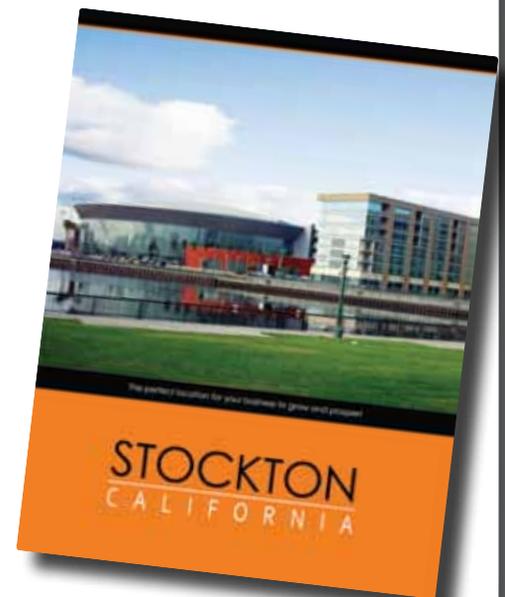
- eNewsletters (monthly and quarterly)
- Advertise in the San Joaquin Partnership's Annual Report
- Economic Development Department Annual Report
- City of Stockton website and Channel 97
- Stockton Community Profile

### 2013 Goals:

- EDD plans to launch a new Facebook page to promote its business and housing programs and to support small business development and growth
- Press release promoting AdvantageStockton.com and loan programs
- Create and distribute post cards promoting Advantage Stockton
- Cooperative advertisements in business, site selection, and industrial publications
- Develop Business Resource Guide



Gleason Park Apartments



Stockton Community Profile



Aerial view of Highway 99 and Crosstown Freeway.



## CITY OF STOCKTON

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