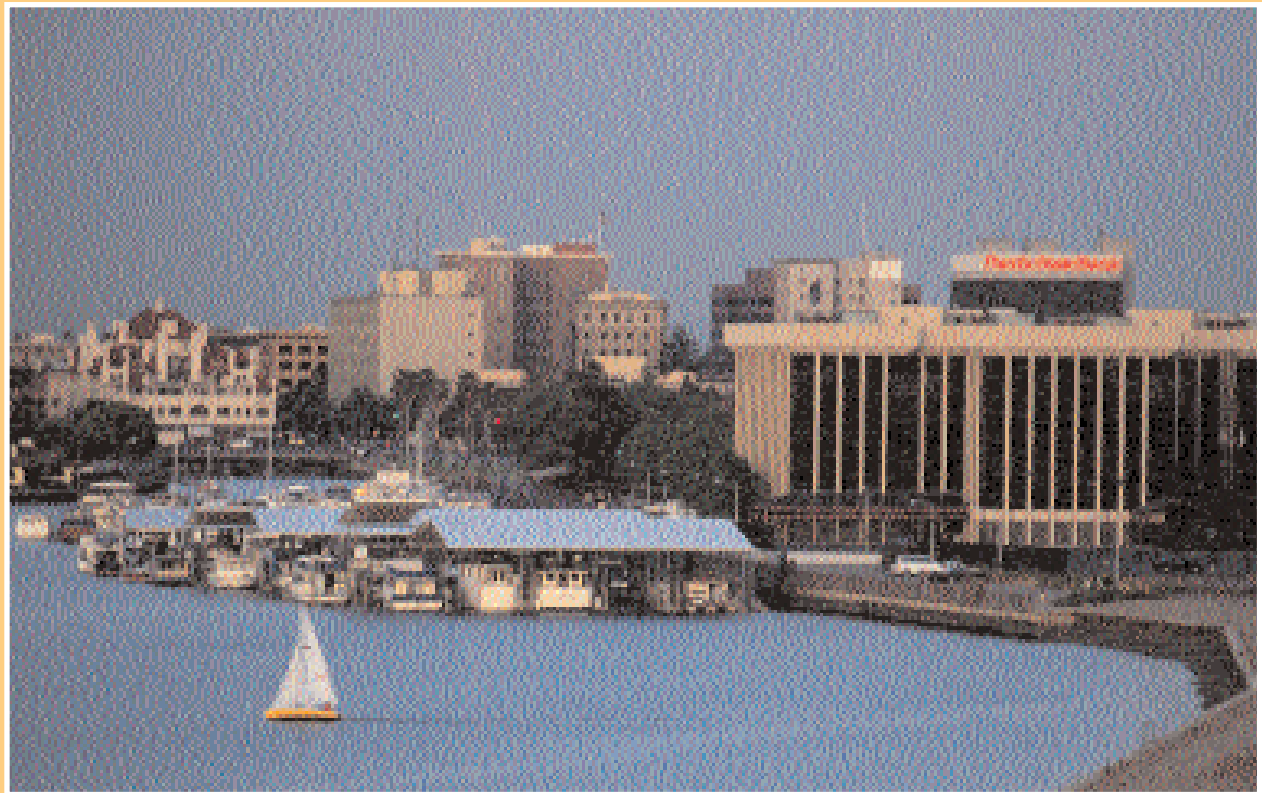


ULI

DOWNTOWN STOCKTON, CALIFORNIA



DOWNTOWN
STOCKTON, CALIFORNIA

A Strategy for Revitalizing the Central
Business District and Waterfront

June 22–27, 1997
An Advisory Services Panel Report

ULI—the Urban Land Institute
1025 Thomas Jefferson Street, N.W.
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ABOUT ULI—THE URBAN LAND INSTITUTE

ULI—the Urban Land Institute is a nonprofit research and education organization that promotes responsible leadership in the use of land in order to enhance the environment.

The Institute maintains a membership representing a broad spectrum of interests and sponsors a wide variety of educational programs and forums to encourage an open exchange of ideas and sharing of experience. ULI initiates research that anticipates emerging land use trends and issues; proposes creative solutions based on this research; provides advisory services; and publishes a wide variety of materials to disseminate information on land use and development.

Established in 1936, the Institute today has some 13,000 members and associates from 50 countries, representing the entire spectrum of the land use and development disciplines. Profes-

sionals represented include developers, builders, property owners, investors, architects, public officials, planners, real estate brokers, appraisers, attorneys, engineers, financiers, academicians, students, and librarians. 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 America's most respected and widely quoted sources of objective information on urban planning, growth, and development.

This Advisory Services panel report is intended to further the objectives of the Institute and to make authoritative information generally available to those seeking knowledge in the field of urban land use.

Richard M. Rosan

Executive Vice President

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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 200 ULI-member teams to help sponsors find creative, practical solutions for such issues as downtown redevelopment, land management strategies, evaluation of development potential, growth management, community revitalization, brownfields redevelopment, military base reuse, provision of low-cost and affordable housing, and asset management strategies, among others. A wide variety of public, private, and non-profit organizations have contracted for ULI's Advisory Services.

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The agenda for a five-day panel assignment is intensive. It includes an in-depth briefing day

comprising a tour of the site and meetings with sponsor representatives; a day and a half of hour-long interviews of typically 80 to 100 key people within the community; and a day and a half of formulating recommendations. Many 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. At the request of the sponsor, a written report is prepared and published.

Because the sponsoring entities are responsible for significant preparation prior to 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—members of ULI's five-day panel assignments are able to provide accurate assessments of a sponsor's issues and provide recommendations within a compressed amount of time.

A key strength of the program is ULI's unique ability to draw upon the knowledge and expertise of its members—including land developers and owners, public officials, academics, representatives of financial institutions, and real estate service providers. In fulfillment of the mission of the Urban Land Institute, this Advisory Services report is intended to provide objective advice that promotes the responsible use of land in order to enhance our environment.

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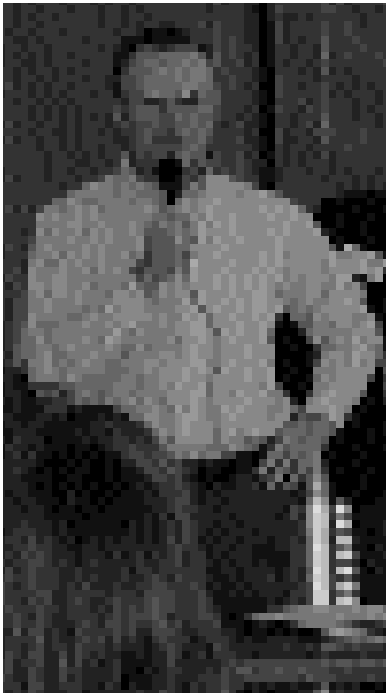
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Cognizant of the effort required to prepare for a ULI Advisory Services assignment, the panel would especially like to thank Douglas Unruh of the Grupe Company, who coordinated the briefing and interview process during the panel's week

on site, and city planner Lee Hemminger, who worked on behalf of the city to prepare the briefing book. Their efforts to brief and support the panel before and during the week on site were very much appreciated.

Further, the panel would like to acknowledge the participation of Mayor Gary Podesto; City Manager Dwane Milnes; Housing and Redevelopment Director Steve Pinkerton; Community Development Director John Carlson; Deputy City Attorney Barbara Anderson; Kathryn Rousek, manager, Grubb & Ellis; the city council members; city staff; and community, business, and institute leaders who offered their unique insights and perspectives during the on-site interview process. The participation of representatives from a wide range of organizations and interest groups enabled the panel to base its recommendations on accurate, timely, and balanced information.

Fritz Grupe of the Grupe Company welcomes the panel on behalf of the sponsors.

THE ULI PANEL

Panel members listen during the briefing at the Waterfront Warehouse.

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FOREWORD: THE PANEL'S ASSIGNMENT

Like many American cities, Stockton's development during the last 20 years has been characterized by extremely active suburban development and its frequent corollary: disinvestment in the traditional central city. Located in the San Joaquin Valley 42 miles south of Sacramento and 83 miles east of San Francisco, Stockton has attracted its recent growth through the quality of life it offers—including comfortable and affordable housing available in quality planned communities and proximity to recreational opportunities along 1,000 miles of delta waterways and at the Sierra Nevada ski areas. Today, over half the city's population of 230,000 and a majority of the city's housing units are located in north Stockton. These middle- and upper-income residents support a variety of retail and commercial activity in the suburbs.

Over the last 20 to 30 years, as development and growth have shifted to the suburbs, Stockton's central business district has experienced serious decline. Today, downtown Stockton is characterized by deteriorated retail, underused office and commercial space, marginal hotels, and a concentration of social services and residents heavily dependent upon

public assistance. New car dealerships, which until recently were centered near downtown and provided spin-off auto-related activities in the area, have also moved out of central Stockton.

Aside from occasional needs for government services and programs at the recently reopened Fox Theater, suburban residents have little reason to venture downtown.

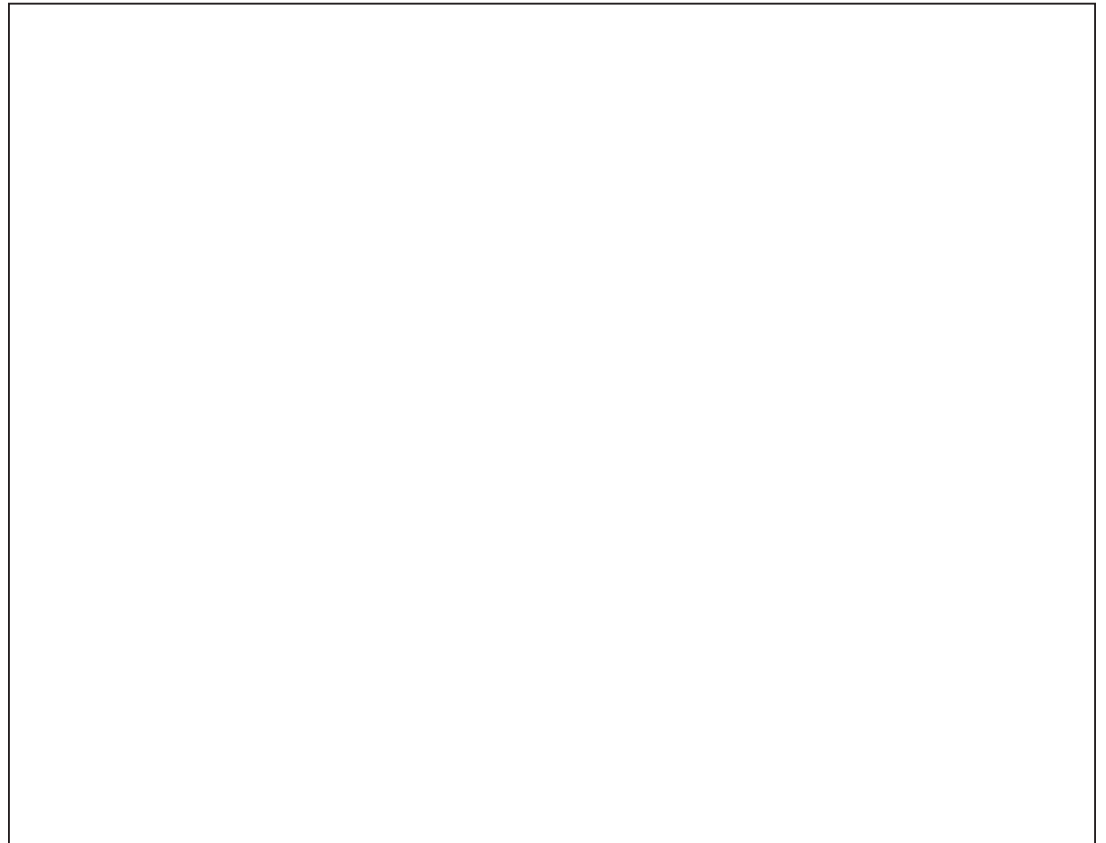


Figure 1
REGIONAL LOCATION MAP

Stockton's downtown has much to build on, however; foremost, its history and architectural heritage. Settled in 1847 by German immigrant Charles Weber as part of a Mexican land grant, Stockton grew quickly with the discovery of California gold in 1848. As an outpost supplying provisions to miners and a center for ships and barges serving the mines, it became the fourth-largest city in the state within eight years of its founding. By the 1870s, as the

Gold Rush was waning, Stockton's economy shifted to agriculture, taking advantage of the fertility of the San Joaquin Valley. Agriculture spawned related industries such as flour mills, shipyards, and implement-making factories, and the city became a major shipping port for the California grain trade. At the turn of the century, the Caterpillar tractor—known worldwide—was developed in Stockton by Holt Manufacturing. In the 1920s and 1930s, educational and cultural entities such as the University of the Pacific, Pioneer Museum, and

Haggin Museum opened in Stockton. In 1933, the port of Stockton became this country's first inland seaport, serving the rich agricultural areas nearby. During World War II, the city's economy was given a boost as the shipbuilding industry accelerated. As the historic building stock attests, Stockton in its heyday was the retail, office, and commercial hub of the area, with a cultural center boasting theaters, an auditorium, and an active nightlife.



Figure 2
STUDY AREA MAP



Downtown Stockton's waterfront provides access to over 1,000 miles of inland waterways.

Over the last ten years, Stockton has attempted to address the issues affecting disinvestment downtown and wrestled with finding solutions. Many studies have been commissioned to analyze the market and develop strategies to revitalize downtown, and some gains have been made. Most recently the Downtown Alliance—a business improvement district scheduled to begin operation in January 1998—was established. However, with the California recession of the early 1990s and the complexity of the issues facing downtown, a workable strategy has not emerged to meet the scale of the challenge.

Nonetheless, it is clear that downtown Stockton offers much to build upon. Excellent highway access and visibility; the availability of vacant waterfront sites and large parcels to accommodate new development; and an impressive historic building stock, including the landmark Hotel Stockton, are just some of the physical assets the panel identified immediately. In addition, downtown Stockton has a concentration of government jobs, financial institutions, and public and private city leadership interested in the downtown.

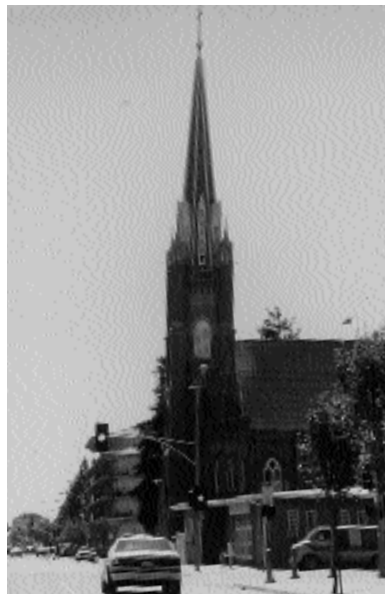
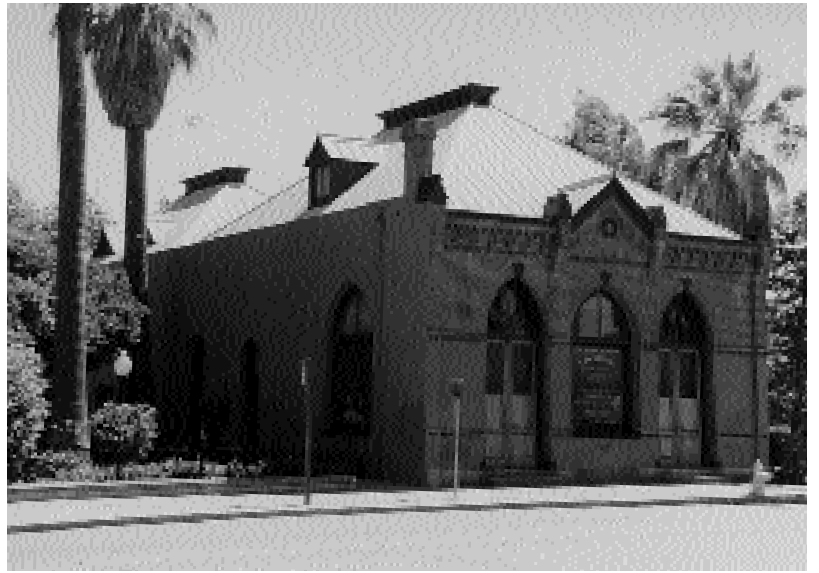
The sponsors of this assignment invited the panel to take a hard look at the studies completed and proposals made to date from a market feasibility and implementation angle in order to assess how downtown development might be stimulated. The panel's primary study area was downtown Stockton and the waterfront as shown in Figure 2. A secondary zone surrounding downtown, which included the Stockton Developmental Center and intown neighborhoods, was also considered.

Prior to their arrival in Stockton, panel members were provided extensive background materials by the sponsors. As part of its information-gathering process on site, the panel toured the study area, was briefed by city staff, and conducted over 85 interviews with local community members. The interviews included private business owners, real estate professionals, city and state officials, and citizen focus groups, including residents of north Stockton and the downtown.

The panel conducted its work by dividing into teams that analyzed downtown revitalization from four key angles:

- Market and development potential for the downtown and waterfront, including retail, entertainment, hotel, office, residential, and the mix of these land uses that could animate downtown;
- Design and planning concerns such as physical connections, uses for key sites, appropriate locations for the land uses contemplated, and strategies for guiding the plan;
- Development strategies to attract new growth and induce market demand downtown; and
- Implementation strategies, including recommendations for an organizational structure addressing the public and private sectors' roles to accomplish development and an assessment of the financial tools that could be brought to bear to get projects built.

Downtown Stockton is characterized by an impressive stock of historic buildings and variety of architectural styles.



Once the panel began its work, it became apparent that a bold examination would be required, one that would start with creating a vision that could capture the imagination of the Stockton community. Daniel Burnham, the oft-quoted Chicago architect and city planner of a century ago, said of city planning, "Make no small plans for they have no magic to stir men's blood." It is in this spirit that the panel invites the city and citizens of Stockton to define a vision and work together

to achieve it. Downtown revitalization is a lengthy process that requires the heart and commitment of all stakeholders in order to be successful. The panel feels that, with organized and committed leadership, Stockton is well poised for a successful effort and hopes that this report will further the process. This report records the findings, conclusions, and recommendations of the panel, which were delivered on June 27, 1997, in Stockton to the sponsor and community members.



Disinvestment downtown over the last 20 years has left many buildings underused or vacant.



SUMMARY OF FINDINGS AND RECOMMENDATIONS

Mayor Gary Podesto, City Manager Dwane Milnes, and Kathryn Rousek of Grubb & Ellis brief the panel at the Waterfront Warehouse.

Because of the significant recent effects of the California recession, its particularly strong impact on Stockton, and the long-term 40-year deterioration of the downtown economy, planning for the future must be bold, hopeful, and visionary—not just a patch for current problems. Downtown revitalization anywhere is a difficult and lengthy process that requires the commitment of all stakeholders to develop a vision and see it through to implementation. If redevelopment is to be successful, the Stockton community must support a vision for downtown that is powerful enough to carry the community for 20 years into the future and create a climate that supports revitalization.

To secure the public support needed to see the program through, downtown's role in the area must be better understood. There are many compelling reasons for the wider community to take an interest in downtown revitalization, chief among them the fact that the condition of the downtown area is symbolic in marketing the whole community and affects the community's image. Nationwide studies by urban economists increasingly suggest that there is a strong correlation be-

tween the health of downtowns and the health of their suburbs. As many communities can attest, the state of downtown can positively or negatively affect the reputation of an entire metropolitan area and, with that reputation, property values. The image of downtown also can strongly affect economic development, as business executives seeking to locate often visit a city's central core to judge the quality of government and how money is reinvested in the community.

The community should be made aware that downtown Stockton offers much that can be preserved and built upon. Existing development downtown represents, by far, the single largest concentration of private investment in the county. Downtown is the government seat for both the city of Stockton and San Joaquin County as well as the base for a significant number of San Joaquin County operations and the headquarters location for the area's largest banks. Last, many historic events have occurred downtown, making it in many ways the traditional heart of the area. These are just some of the physical and cultural assets that should be celebrated.





The following is a summary of key points of the revitalization strategy outlined by the panel:

DEVELOP A CITYWIDE STRATEGIC PLAN

The panel strongly encourages the people of Stockton to establish a comprehensive, long-range strategic planning process that addresses what the entire community wants to preserve, what it wants to change, what it wants to accomplish, and the strategies and methodologies for doing so. Some considerations in such a strategic planning process are:

- Job creation and training;
- Private investment;
- Livability and what that means for Stockton;
- Educational opportunities at all levels;
- Integrating cultural diversity in the community; and
- Support for downtown Stockton's revitalization.

In outlining revitalization strategies for downtown Stockton, the panel has addressed many of these issues by recommending actions that support job creation, strengthen the economic base, create a healthy investment climate, introduce livability downtown, and incorporate the significant cultural diversity that is a growing part of the Stockton community. The panel emphasizes that the community should prioritize its desires so that the direction and mission of its elected officials and public sector staff are clear.

ENCOURAGE STRONG PARTICIPATION

Broadening the number of stakeholders is a key element to the successful implementation of Stockton's downtown revitalization. Stakeholders should include, but not be limited to, public officials; business leaders; residents; business owners; representatives of other governments such as the state legislature, governor's office, and congressional delegates; special interest organizations; the media; banking interests; and others. Any organization or individual who possibly has an interest or desire to play a role in the successful implementation of the projects that contribute to the future of downtown Stockton should be encouraged and included.

In some cases, individuals or organizations may have a very limited and focused interest. Nonetheless, it is important to keep them involved in the process through communications, invitations to meetings and events, and other parts of the process that communicate the desire to embrace a wide range of citizens and special interests. Ultimately, these stakeholders will become supporters, workers, and financial contributors; provide access to local, state, and federal funding programs; and help provide for projects and events.

ORGANIZE FOR DEVELOPMENT

Successful urban development and redevelopment is very dependent upon leadership that is focused and committed to seeing such efforts through to successful completion. In order for a redevelopment of the scope suggested for downtown Stockton to be successful, the panel urges that both the public and private sectors designate institutional structures to act as "keepers of the vision."

Successful revitalization in other communities testifies to the need for an effective organization that is largely removed from the political process and committed to embracing a wide range of business and citizen leadership to effect projects over time. To carry out the many programs and shepherd the many stakeholders that will advance Stockton's downtown revitalization, the panel suggests that the private sector build upon the recently formed downtown management district, the Downtown Alliance. The Downtown Alliance should become an umbrella organization encompassing a business and merchants organization, the downtown management district, and a 501(c)(3) nonprofit development organization. The chief officer of the umbrella organization should be a seasoned real estate development professional with downtown development and marketing experience.

Panelist Cales Givens presents the panel's illustrative plan for downtown Stockton. The panel emphasized that the community must have a well-defined vision and adopt a clear plan that it can work together to implement.

Likewise, the public sector should form a department with the mission of supporting downtown revitalization. The panel recommends the creation of an economic development department charged with giving most of its attention to downtown and working closely with the private sector Downtown Alliance to get projects accomplished. This economic development department should be headed by a senior professional with downtown and marketing experience. The panel notes that comprehensive downtown revitalization held closely within city hall has generally not been successful and can, in fact, function as a barrier to successful public/private partnering.

INDUCE DEVELOPMENT POTENTIAL

In many other cities, a strong vision for downtown revitalization with unwavering support from the public and private sectors has attracted investor interest and stimulated market interest in deteriorated downtowns. The panel believes that downtown Stockton has a critical mass of assets that can be leveraged to create community enthusiasm for downtown and capture market share if the public and private sector investors feel confident that the citizens and business community support them.



Although at this time some economic indicators and growth projections do not show strong market potential for many real estate sectors downtown, the panel feels that new public and private development can begin to build on the physical assets of downtown, which include excellent highway access and visibility; sizable vacant waterfront sites and large parcels to accommodate new development; and the impressive historic building stock, including the landmark Hotel Stockton. In the short term, the panel recommends a program that takes advantage of the considerable opportunity to use historic buildings adaptively to attract residents to downtown and focuses on entertainment uses supported by the local demographic strengths of youth and family size. These uses will begin to animate downtown beyond the work day and on weekends. Additional short-term market opportunities include the renovation of the Hotel Stockton, primarily into city offices, and renovation of the downtown marina. Success in the initial phase will generate demand for increased development over the ten-year time frame contemplated by the panel.

ADOPT A GREAT DOWNTOWN PLAN

The panel emphasizes that the community must have a well-defined vision for downtown and adopt a clear plan that the community can work to implement. Without such a plan, decisions will be made and resources allocated in a piecemeal fashion and will not result in the comprehensive revitalization of downtown needed. The panel has put forth an illustrative plan (see Figure 5 on p.32) grounded in tested and dependable urban planning and design principles and responsive to the objectives of enhanced livability, meaningful job growth, and cultural diversity. The uses identified provide opportunities for participation from the many public and private stakeholders that make up the Stockton community and should serve as a solid base from which to build.

Highlights of the illustrative plan include the following seven distinct downtown districts, each intended to contribute to creating a vibrant whole and a multitude of visitor experiences:

- *Waterfront District*—a concentration of visitor-oriented venues, including a new museum anchoring Weber Point’s Great Lawn and visually linked to a renovated Hotel Stockton; a row of restaurants along the south side; an outdoor farmers’ market facility; event parking; and a new sports stadium.
- *North Shore District*—a new master-planned waterfront residential community linked to existing neighborhoods to the north and including small-scale commercial and business incubator space.
- *Downtown Historic District*—a residential base created in historic downtown office buildings converted to loft apartments and supporting ground-floor commercial space.
- *South Shore District*—a recreation area including new community playing fields.
- *Government District*—a concentration of city and county office uses in a central core.
- *Small Business District*—the area (located northeast of downtown) into which new business development can be attracted by increased economic development efforts.
- *Office District*—a compact area of new office development and, in the much longer term, possibly a hotel.

Once a master plan is adopted, the panel urges that the key principles outlined by the panel guide the implementation of the vision for the downtown. With many projects to be evaluated and limited resources available, it is critical that every decision made be strategically driven to support the goals of the plan. Wise decisions regarding such issues as locating services or parking facilities or analyzing new development opportunities can be decided only in relation to the plan. In the implementation phase, careful attention must be given to designing unique experiences and safe and easy pedestrian linkages to ensure positive and repeat visits to downtown.

ENCOURAGE MULTIPLE, SIMULTANEOUS PROJECTS

A key element of the recommended philosophy is a process that always keeps multiple projects moving forward in a strategically linked fashion. The panel’s definition of a project is broad, including public/private physical projects, social programs, educational programs, public relations and goodwill-building programs, policies, regulatory code revisions, and so on. Some examples of projects are:

- Development of private sector real estate projects such as housing, retail, or offices;
- Sponsorship by the city of a public works or infrastructure project;
- Development of a public park or museum;
- Establishment of an implementation organization;
- The building of a baseball stadium; or
- The operation of a lender-developer education program for building innovative types of housing.

The panel encourages the renovation of the landmark Hotel Stockton for city offices and cultural uses.



The panel believes that the North Shore of the Stockton Channel (at left) can become a new neighborhood, with 300 residential units phased in over the next ten years, linked to the adjacent residential uses to the north.



What is most important is to maintain a number and variety of projects and programs that are constantly being introduced and moved forward. This strategy builds community goodwill; enhances the quality of life in the downtown for the benefit of the entire city; creates an increasingly attractive environment for investment and development; provides opportunities for public participation; allows special interest groups to have a role in the downtown; and sends a message that Stockton recognizes its agenda and is making positive strides. Investors, developers, and lenders seek out environments with market opportunity and prospects for success; each success in turn increases public acceptance and enthusiasm.

SUPPORT DEVELOPMENT PROGRAM

To support the development program outlined, businesses and residents must be attracted to the downtown. The panel recommends that the city evaluate its policies—and common perceptions of them—to ensure that it is encouraging business location downtown. The panel strongly

recommends that efforts begin immediately to draw Stockton's wider population to downtown through a well-organized series of events held both at noontime and on weekends. All events must be predictably safe, clean, and enjoyable in order to reverse existing perceptions of downtown. This approach has been very successful in other cities for increasing the market for all land uses.

With excellent highway and surface road access, the panel feels that the South Shore of the Stockton Channel offers an excellent location for community uses. The panel believes that with attention to safety issues, recreational development along the South Shore would find market support.





LEVERAGE FINANCIAL RESOURCES

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. As in almost all major urban redevelopment areas, implementation in Stockton must be carried out by both the public and private sectors—with the burden increasingly shifting to the private sector.

Projects of the magnitude envisioned will require tremendous funding from both the public and private sectors. There are many public and private sector financing tools identified by the panel that are available and must be leveraged for key projects to be successful. The panel believes that the following investment principles should guide decision making:

- All investment must promote employment and tax base increase.
- A true public/private decision-making process must be the basis for all public investment in downtown Stockton.
- Every public investment must leverage private investment.
- All public investment return must be reinvested in downtown Stockton's ongoing downtown development program.
- As part of the downtown development program, capital must be extended to segments of the Stockton constituency where it generally has not been previously available.

Once adopted, the downtown plan and principles outlined by the panel should help set priorities and guide investment decisions. The panel feels that public resources should be made available for the projects that fit into the downtown development strategy if there is appropriate response from the private investment community.

In conclusion, the panel believes that there are tremendous challenges before the city, as well as exciting opportunities to rejuvenate and energize downtown. When the many strengths Stockton offers are coupled with organized and committed leadership, the panel feels that Stockton will be well poised for a successful effort and hopes that this report will further the process.

Panel member David Leland set the stage for the panel's development program. The panel emphasized that the city adopt a plan for downtown and encourage strong participation from all sectors. To accomplish the comprehensive development program needed to revitalize downtown, both the city and the private sector must be well organized and many projects must move forward simultaneously.

DEVELOPMENT POTENTIAL

Panelists Marta Borsayni and John Tatum and Panel Chair Frank Sparicio interview California State Senator Patrick Johnston. During their week on site, panel members interviewed over 85 members of the community, including private business owners, real estate experts, public officials, and citizen focus groups.

The purpose of this section of the report is to provide an assessment of the local economic indicators and real estate sectors and to identify market segments with opportunity. An understanding of trends in these areas forms the baseline from which the panel's recommendations are built and ensures that projects recommended can be financially feasible.

ECONOMIC TRENDS

The city of Stockton continues to suffer from the repercussions of the major changes in the worldwide economy as it transforms from an industrial to a postindustrial, knowledge-based structure. As the area's traditionally strong industries—agriculture and port-related activities—become computerized, the composition of the local economy is changing from labor- to capital-intensive industries. Thus, the economy's major drivers are losing their ability to create a large number of jobs.



Between 1985 and 1990, the county's job growth kept pace with that in the state of California. During this time, an annual average of about 4,500 jobs were added in the county, and total employment reached approximately 200,000 by 1990. When California experienced a recession and three consecutive years of job losses in the early 1990s, the county experienced only one year of job losses. During the last three years, the county has added an annual average of approximately 2,000 jobs. With the recovery of the California economy, the state's employment development agency projects an annual average job growth of about 3,300 in San Joaquin County.

The fastest-growing sectors of the county's economy today are the service sector, with over 45 percent of new jobs, and retail trade, with 34 percent of new jobs projected over the next five years. Employment in the manufacturing sector is increasing by 1.7 percent (which is significantly better than the performance of the sector nationwide). However, although the county is projected to gain manufacturing jobs, the city itself has actually lost them in the last few years. The panel stresses that job creation and attraction—and the various programs needed to support economic development efforts—should be a very high priority for the city of Stockton, as job growth projected for the county will in many cases not be captured in the city without a more aggressive approach.



City planner Lee Hemminger (far left), panel members Mike Conlon and John Tatum, and Community Development Director John Carlson (far right) during the tour.

While job growth in San Joaquin County is projected to induce growth of approximately 3,500 households annually, Stockton is not expected to capture much of this growth. Although the city of Stockton represents 42 percent of the current households in the county, it is projected to capture only 24 percent of San Joaquin's future growth. Though currently smaller, Lodi, Manteca, and Tracy are better poised to capture growth from the Bay Area and are projected to grow at a significantly more rapid pace than Stockton.

DEMOGRAPHIC PROFILE

Today, Stockton is a city of 230,000 located in San Joaquin County, which has a population of 540,000. The following indicators provide a means to understand the market's strengths and weaknesses:

Median household income statistics, indicators of buying power, show that Stockton's population falls below state and local area averages. At just about \$32,000, the median household income in Stockton is \$4,000 below that of the county, \$7,000 below that of nearby Sacramento, and \$20,000 below that of the Bay Area. Compared to state of California statistics for median household income, Stockton's



Housing and Redevelopment Director Steve Pinkerton explains expansion plans for The Record newspaper, a major downtown employer and one of the sponsors of the panel.

median is about \$7,000 below average. The median family income downtown is less than \$12,000, a full \$20,000 lower than the city as a whole.

There is a large percentage of low- and moderate-income households in the city of Stockton. Households earning below \$10,000 make up 13 percent of the population, those below \$25,000 make up 40 percent, and those below \$50,000 make up over 70 percent of the total. In many city households, an above-average share of income is derived from public assistance. The majority of those supported by public assistance live downtown.

The percentage of the adult population that did not complete high school is well above the national average.

Stockton demographics indicate that it is a young city. With a median age below 31 years, the city falls significantly below the national average of over 35. Household size in the city is well above the national average, with a large share of families having young children at home. The impacts of the increase in the school-age population are already being felt in the school system and the parks and recreation department, indicating a strong market for family-oriented activities.

The vibrancy and heritage of the ethnic groups in the area should be built upon to make downtown revitalization successful. Architectural details and businesses in the area reflect the ethnic communities and market.



Like the rest of the nation, due to the aging of the baby boom generation, the fastest-growing segment of the population is that aged 35 to 44 years. Demographic studies have shown that this segment of the population primarily comprises congregating types; that is, people in this age group seek out venues and activities where people interact, ranging from churches to coffeehouses and restaurants to bars. The needs of this population should have ramifications for entertainment, recreation, and residential products in Stockton as they do nationwide.

Estimates for 1997 indicate that Hispanics and Asians make up nearly 57 percent of the Stockton population and 43 percent of households in the county. Current population growth statistics indicate that Hispanics and Asians account for 78 percent of the population growth in the city and 57 percent of the growth in the county. As a result of the inflow of immigrants during the 1980s, the majority of the ethnic population is foreign born. Profiles of these communities—and of others migrating to the area—indicate that urban life, with its opportunities for gathering and celebration, is an important cultural expectation that could be effectively built upon to enhance downtown revitalization in the Stockton market.

REAL ESTATE MARKET SECTORS

The following section presents the panel's findings regarding potential for development downtown. The panel based its assessments of the real estate market sectors downtown on available market data, interviews with local real estate professionals, and its own professional judgment. In evaluating market conditions, the panel considered a ten-year time frame. As the profiles of the real estate sectors examined indicate, capturing much of the development potential identified will require a strong plan and active participation of the public and private sectors to induce revitalization. As has been seen in other cities, a well-defined, long-term vision and a strategy for achieving it can create market support for appropriate development.

RESIDENTIAL

In Stockton, as in many American cities, new suburban centers and planned communities have captured most of the residential demand. Currently, downtown Stockton's residential sector is characterized by government-assisted, low-income, and transient housing. In recent years, no new market-rate urban residential products have been developed.



Panel members discuss development program elements.

The panel feels, however, that because of the advantages downtown offers, opportunity exists to capture residential development in downtown Stockton. Although the economic downturn of the last few years has slowed new housing market activity in the combined Stockton–Lodi–Manteca market, recent averages show about 1,300 new units sold per year. Projections now show a recovery of the housing market with an annual average of about 1,800 new-home sales. The panel believes that well-conceived projects within the study area will be able to capture some of this absorption. The projects envisioned are in-town, master-planned residential developments oriented to the water amenities of the Stockton Channel and geared toward both new arrivals to the area who are looking for an urban experience and Stockton's empty-nesters and single or childless professionals. Project types may include townhouse and two- and three-story stacked units designed to afford waterfront views and access.

Further market research is needed to define more fully the product types, amenities, unit sizes, and price points that could capture a segment of the residential market. However, based on experiences in other cities and given the market and land available, the panel feels that 300 new

units could be absorbed within the ten-year time frame considered by the panel. Public sector participation would most likely be required to make this type of development feasible and competitive in the Stockton market.

Adaptive use of the handsome historic building stock in downtown Stockton offers another development opportunity. The panel feels that Stockton should recognize this building stock as a special asset upon which to capitalize. Market-rate residential and live/work units in historic buildings have served as catalysts for downtown revitalization in many other cities. Stockton's inventory of buildings offers the character and "funky" quality sought by the target market segment—generally young professionals interested in an urban experience or those working nearby. Typical units in this market include lofts that offer living space with bathroom and kitchen alcove below and loft bedroom above; one- to two-bedroom units; and live/work units that offer a work area in addition to living space and a bedroom loft. In the panel's assessment, about 300 units could be developed from the adaptive use of existing buildings and absorbed over a ten-year period. Public sector participation would also be required to stimulate this type of development.

OFFICE

As in many American cities, the private sector office core of Stockton has followed residential development and gradually relocated to suburban locations. Today, downtown Stockton office space is substantially driven by the government sector—both city and county facilities—and local financial institutions. With the number of commercial office users continually dropping over the last ten years, downtown has been left with a less-than-traditional mix of general businesses and related uses and a small proportion of active office space when compared to the city at large.

Low vacancy rates in the suburbs and high downtown Stockton vacancy rates reflect the downtown office market position relative to the area. Issues affecting downtown's inability to compete with the suburbs include downtown's lack of free and convenient parking, the perceived higher fees and utility costs downtown, and perceived safety issues.

Currently, downtown office vacancies are over 16 percent. Although this rate seems to be improving, with renovated space renting at \$.75 to \$.85 per square foot per month and Class A space renting at \$1.30 per square foot per month, the panel does not believe rents will justify new construction of commercial office space within the ten-year time frame—barring interventions or unique opportunities. The panel believes that one such intervention—the attraction of an agricultural/world trade center aggregating private and government services related to agricultural and industry users—merits further study. This need not be large scale or involve a substantial financial commitment in order to create an addition to downtown that is unique in the region and could assist in attracting new users to the area.

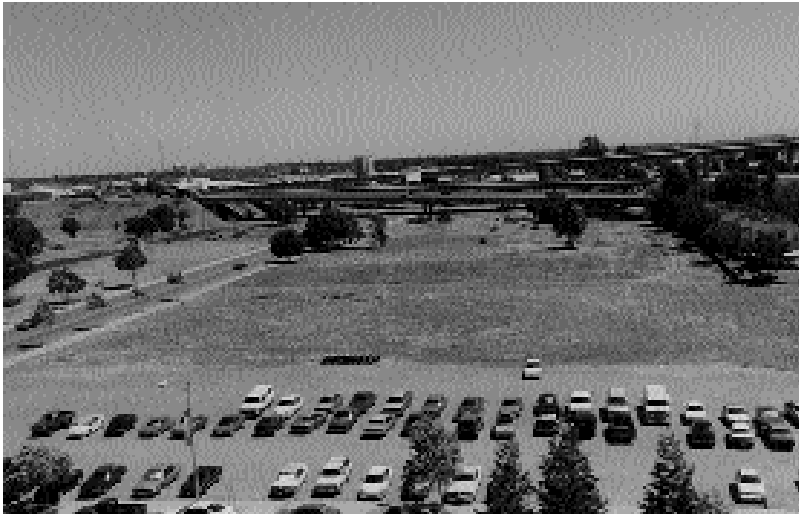
INDUSTRIAL/SMALL BUSINESS INCUBATION

Land zoned to accommodate both industrial and small business development is an important part of any economic development program. The panel urges that economic development efforts steer new industrial users to the industrial-zoned properties between south Stockton and the airport, both in the city and the county. Though not a large generator of jobs, warehousing is an immediate opportunity in these locations.

In areas adjacent to downtown, small business incubator space—especially for businesses related to the agricultural sector of the economy—should be encouraged through taxation policy, fee structures, and other economic development tools. Products and services—such as automotive repair, building materials supply, furniture refinishing, and the like—that relate to incubator industries or serve the local population should also be encouraged in this area.

RETAIL

Mirroring a national retail trend over the last 15 to 20 years, the once-vibrant shopping district of downtown Stockton has lost its position as the dominant retail area as stores have relocated to suburban malls and shopping centers. Downtown today is left with only modest amounts of service retail supported by the daytime office population. The downtown office space market, similarly affected by suburban development, in turn affects the retail and entertainment markets. With downtown tenants predominantly drawn from the government and financial services sectors, downtown lacks a healthy mix of general business and related office uses and has a relatively small proportion of active office space. This lack of market translates into a significant lack of restaurants, eateries, shops, events, and other amenities typically found in active downtowns. As a result, workers generally leave the area immediately after work, resulting in a virtually vacated downtown during evenings and weekends. With very few exceptions, the waterfront area is similarly affected by this exodus of workers.



Because of Stockton's demographics and proximity to a wider variety of shopping opportunities in Sacramento and the Bay Area, local malls in north Stockton cannot attract many national retailers and department stores. Retail development downtown, therefore, is a much longer-term opportunity that will necessarily follow the development of entertainment, residential, and office uses. Even at full development, the introduction of new retail downtown will most likely be limited to neighborhood- and visitor-serving restaurants and facilities such as ice cream shops, arts and crafts shops, and minimarts to serve the marina traffic as well as perhaps some unique projects such as the proposed mercado, an ethnically oriented marketplace. Within the ten-year time line of this study, no opportunities are expected to emerge for retail that would create the regional draw of the retail of history in downtown Stockton. However, if the residential program and entertainment uses are successful, the panel could foresee up to 100,000 square feet of retail and restaurants located near the waterfront and in ground-floor levels of restored buildings.

RECREATION, SPORTS, AND ENTERTAINMENT

Demographic characteristics of the area, including the large family size and large population of young people, indicate that family-oriented activities will have increasingly stronger market support over time. Locations for these types of activities should have good access, easy parking, and security to ensure citywide, and perhaps regional, draw. The types of market opportunities the panel envisions include a multi-screen movie theater, concert venue, museum, and aquarium. Strong local interest in baseball, softball, and other field sports from both spectator and participant angles indicates that both a sports stadium (perhaps multi-use) and playing fields would have support. Given the lack of sufficient fields in the community to satisfy demand for practice and league play, sports fields could be very successful in attracting Stockton residents downtown if parking and safety concerns are allayed.

Communitywide interest in sports and good access to available parcels downtown suggest that a sports facility developed on the South Shore of the Stockton Channel would be successful. The facility would add to the events and activities that the panel recommends be aggregated downtown to create a dynamic core.

HOTEL

Immediate and near-term opportunities for hotel development are very weak downtown. In the panel's estimation, new construction to the north of downtown does not improve the outlook, as proximity to other uses is key for hotel success. In addition, the majority of the land uses that represent development opportunities downtown do not typically generate future demand for hotel uses.

However, the panel believes that a need for hospitality services downtown could emerge beyond the panel's ten-year time horizon—especially if the agricultural/world trade center concept proved to have merit. As such, it may be wise to retain a prime site in a water-oriented location for such development.

The panel was impressed with the community's efforts to re-open the historic Fox Theater and its success in providing excellent programming and a safe environment. This type of event programming is essential to marketing downtown and must be expanded to attract area residents, change perceptions, and build support for revitalization.

MARKETING DOWNTOWN

In marketing downtown, Stockton must build upon the strengths of the city of Stockton and San Joaquin County and address the weaknesses. Many residents of Stockton focus on the fact that its location in the region has a negative effect on its ability to capture some market segments. Stockton's location in the San Joaquin Valley 42 miles south of Sacramento and 83 miles east of San Francisco makes it not quite close enough to be a bedroom community of the South and East Bay Areas, yet too close to areas that offer services such as retailing and airport facilities to command its own. Although these facts may affect some uses, Stockton has many advantages—both business and quality of life—that should be acknowledged and heralded. Among them are the significant private investment in businesses in the city and county, the presence of local banks, the headquarters of several national real estate developers, high-quality planned communities, an educational base that includes the prestigious University of the Pacific and the 102-acre Stockton Developmental Center being redeveloped into a regional center, access to natural resources, and a very attractive cost of living.

To attract new development and entities to spur redevelopment, downtown Stockton must specifically market its many locational advantages and strengths. The panel feels that the following are strong points that the downtown should feature and build upon:



- *Location at the Crossroads.* The freeway system and local road network provide excellent regional and local access for a wide range of land uses. North/south access via Interstate 5 and Route 99 and east/west connections via the Crosstown Freeway and Route 4 make downtown a very attractive, easily accessible location.
 - *Excellent Visibility.* Many downtown sites are clearly visible from the freeway network and surface streets, providing a marketing plus for any uses contemplated—particularly for entertainment and recreation-related uses. Many people using the highway network pass through the Stockton market daily.
 - *Good Physical Characteristics.* The flat terrain coupled with well-positioned and significant parcel sizes and shapes allows for the introduction of a variety of new land uses. Waterfront parcels with view potential add special appeal.
- The panel emphasizes that in order to build effectively upon these strengths, Stockton must address an issue that challenges downtown development around the country—that is, the negative effect on the real estate market caused by perceptions of crime. Downtown Stockton must begin to make the potential market comfortable by providing consistently positive visitor experiences downtown—from easy, convenient parking for city services to security and control at major waterfront events. The positive downtown visitor experience provided by the Fox Theater is a very good first step toward improving such perceptions.

- *History.* Rich in Gold Rush lore, pioneering spirit, agricultural innovation, and ethnic diversity, Stockton offers many historic themes upon which to build an image for downtown.
- *Architectural Heritage.* Historic buildings give downtown an identity and a unique marketing advantage. The critical mass of buildings of architectural significance marks the center of town.
- *Water/Stockton Channel.* Downtown's location at the head of the California delta's channel offers a marketing advantage that should be capitalized on by naming the waterfront district and addressing water quality and circulation issues. Water in general is a sought-after amenity that downtown should not take for granted.

DEVELOPMENT STRATEGIES

Given the assets identified and the analysis of the market segments that can be attracted to downtown Stockton, the panel feels that significant opportunity exists to create an active downtown. As is typical of all downtown redevelopment efforts, many elements must come together to make revitalization successful. The strategy to develop a safe, comfortable, and well-used downtown and waterfront area must begin with a comprehensive, long-term vision and be implemented in a sequence of smaller, incremental, and attainable components. Each element—whether public or private—should be viewed as a piece of the puzzle and not an end in itself.

A strategy that addresses both the organizational structure and the program for the mix of uses needed must be implemented if downtown is to become attractive to the greater Stockton population. Downtown must encourage much-needed new businesses and associated jobs and residential and entertainment activities in order to make it a vital place. The following actions taken together make up the strategy for downtown revitalization:

ORGANIZE FOR DEVELOPMENT

Clear division of responsibilities and strong leadership from both the public and private sectors are central to the success of a project of this scale. To accomplish development, the panel recommends the establishment of 1) an umbrella organization to spearhead and coordinate the interest and participation of private sector stakeholders, and 2) a city economic development department to lead and expedite public sector participation.

ADOPT A VISION

The panel urges a clearly defined vision that both the public and private sector organizations can agree to be adopted. This plan must take public and private resources and market conditions into account and have goals and a mission statement to provide the framework with which to evaluate development ideas and proposals over time.

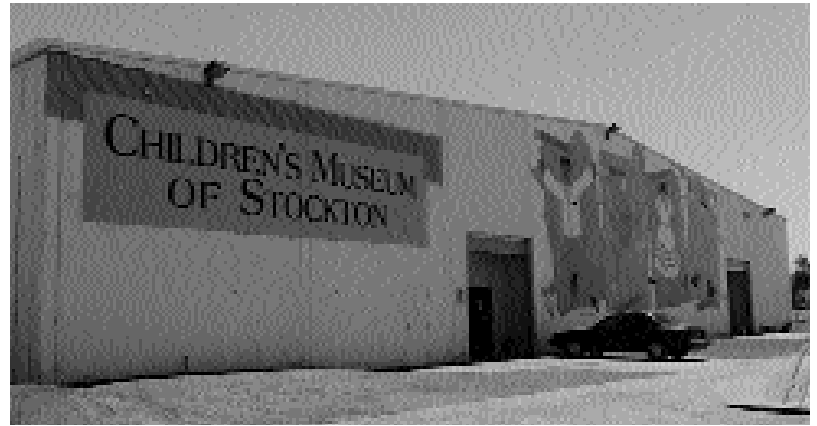


Panel member Dale Nelson presents the panel's strategy to bring residents and visitors to downtown.

ADDRESS PERCEPTIONS OF CRIME AND SAFETY

Across the country, crime is one of the biggest challenges for downtown redevelopment. Perceptions and realities of downtown crime can be turned around only through increased policing; education regarding crime statistics where misperceptions are the issue; and care to ensure positive visitor experiences downtown. Downtown Stockton should strive to build upon the success begun with the recently reopened Fox Theater, which has provided a visible police presence and safe and easy parking for evening concerts, and to ensure that visitors to downtown—those conducting business at city and county offices and courts as well as those attending events in the future—have a consistent comfort level.

The panel recommends that the Children's Museum of Stockton, a major visitor draw to the downtown, be relocated to Weber Point to provide better synergy with other destination uses.



ACTIVELY PROMOTE DOWNTOWN AND DOWNTOWN EVENTS

These efforts will help change citywide attitudes toward downtown. Promotion will require a marketing campaign with a themed name or designation to enhance the perception of the downtown area. Activities should include regularly scheduled programs such as weekly lunch concerts for downtown employees and events, festivals, concerts, and parades that attract a wider audience. These events might celebrate festival days such as the Fourth of July, Cinco de Mayo, Chinese New Year, and local historic events—perhaps even a special celebration for Stockton's upcoming 150th anniversary. A designated

professional events coordinator should be responsible for scheduling and promoting these activities, which should be advertised in both print and electronic media.

Such events will encourage the residents of the outlying communities to visit and enjoy downtown on the weekends. It is essential that these opportunities result in safe, convenient, and enjoyable experiences for visitors, thereby starting a change in the perception of downtown. Parking, lighting, and event security must be carefully thought out in order to build interest in and goodwill toward downtown. The negative perception of downtown did not

occur overnight and will not be changed by a single experience, but rather through a regular series of similar events that can be counted on. Predictably positive visitor experiences will go a long way. Events have proved very successful in cities seeking to encourage development in areas that are not familiar to the general public. For example, the much-touted Baltimore Inner Harbor development effort began many years ago with waterfront festivals in vacant former industrial land on the harbor to introduce area residents to the area and help establish a comfort level for coming downtown.

FIGURE 3
BENEFITS AND ISSUES RELATED TO PROPOSED DEVELOPMENT PROJECTS

Benefits and Issues	North Shore Residential	North Shore Commercial	Historic District Residential	Historic District Commercial	Cinema	Mercado	Business Incubator	South Shore Restaurants	Office Center
Contributes Employment Opportunities		<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Contributes Private Investment Capital	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Induces Retail and Restaurant Development	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Contributes to Downtown's Image	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Offers Market Financial Opportunity	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Requires Extraordinary Financing		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Poses Development and Marketing Challenge	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

Key
 To a Significant Degree To a Moderate Degree

ENCOURAGE COMMERCIAL DEVELOPMENT DOWNTOWN

More businesses—both general office and service providers—are needed downtown in order to attract the market-rate urban residential units necessary to support entertainment uses with extended hours and to create life and activity within the downtown after business hours. City policies should encourage new development, historic restoration, adaptive use, and creative uses/occupancies to promote downtown investment that is consistent with the vision. The city should undertake a comprehensive review of its existing policies and development and utility fees, as well as better understand the citywide business community’s perceptions of them. After this review, any necessary

changes should be made. Issues where downtown is at a disadvantage relative to the suburbs—such as the lack of free and convenient parking—should be addressed and efforts to level the playing field should be made if the city is serious about downtown revitalization. The implementation section outlines how public and private funding mechanisms can be brought to bear on these issues.

DEVELOP ENTERTAINMENT FACILITIES

The panel has identified facilities—including playing fields, a stadium/sports facility, farmers’ market, multiplex cinema, and expanded Children’s Museum—that would find market support downtown. These facilities should be developed in a way that takes advantage of the synergy that can be created between uses.



Former industrial buildings, such as this one on the North Shore of the Stockton Channel, could be adaptively used for small businesses and retail to support the residential development recommended for the area.

**FIGURE 4
BENEFITS AND ISSUES RELATED TO PROPOSED COMMUNITY ACTIVITIES AND PUBLIC FACILITIES**

Benefits and Issues	Weber Point	Children's Museum	Marina	South Shore Sports Complex	Fox Theater	Hotel Stockton	County Offices	Developmental Center	Transit Center
Contributes Employment Opportunities				☐	☐	■	■	■	☐
Contributes Private Investment Capital				☐		☐		☐	
Induces Retail and Restaurant Development	☐	☐	☐	■	☐				
Contributes to Downtown's Image		☐	■	■	■	■	☐	■	
Offers Market Financial Opportunity			☐			☐			
Requires Extraordinary Financing	■	■	☐	■	■	■	■		
Poses Development and Marketing Challenge	☐				☐	☐			
Key									
■ To a Significant Degree ☐ To a Moderate Degree									

Establishing a market-rate residential base is key to bringing life back into the downtown. The vacant land on the North Shore of the Stockton Channel (at left) provides a development opportunity to create a unique waterfront community.



ENCOURAGE MARKET-RATE HOUSING DOWNTOWN

Cities known for their vital downtowns contain a mix of land uses, including a variety of urban housing. Market-rate housing is one of the key elements in a healthy downtown, as it supports retail, entertainment, and office uses and builds a downtown neighborhood community that animates downtown beyond the work day.

Young professionals and empty-nesters are the groups most often initially attracted to market-rate urban residential development, which offers them the opportunity to walk to work and adjacent amenities. These groups require safe, clean, and secure surroundings and proximity to urban amenities, including a variety of styles and types of restaurants, coffeehouses, music clubs, art galleries, museums, specialty retail, and other gathering places. Access to recreational facilities, such as the parks and waterfront walkway proposed by the panel, is also important to this market.

The experiences of other cities where urban housing has been successfully established offer the following valuable lessons for Stockton and show where effort should be focused in order to attract a residential base: 1) Proximity to downtown jobs is the chief attraction of intown market-rate housing. In many cities, lease-to-own options and walk-to-work programs sponsored or negotiated by downtown employers in order to provide favorable mortgage packages have helped populate new housing. 2) Housing will not be successful unless the variety of shopping and dining opportunities important to this market is available. 3) Consumers generally rent or purchase apartments or condominiums priced at or near the average market price much faster than those priced higher than the market average. 4) Regional highway access to the downtown is important for attracting suburban residents. 5) A critical mass of units, generally numbering 400 to 700, is necessary to create an urban neighborhood and is essential for long-term success.

Development of urban housing in downtown Stockton should begin with rental apartments and be followed later by condominiums once rental products have been successfully accepted. Experience in other downtowns has demonstrated that residents want the opportunity to rent on a limited-commitment basis before deciding to purchase a dwelling unit. Successful development of urban rental units will build a base of prospective purchasers who can then be introduced to condominium ownership in a subsequent phase of Stockton's urban housing evolution.

Like any successful residential product, urban housing must provide all the elements of a home: an attractive entry; comfortable living, eating, and sleeping areas; private outdoor space such as a porch, patio, or roof deck; a washer and dryer; attractively landscaped areas for the project; and secure parking. Further, the individual dwelling unit should be located in a project that imparts an image of quality and provides its residents with a sense of pride about their homes—an "address." These qualities are both necessary and achievable, even if the apartment is small or the building type unfamiliar.



The panel feels that new market-rate in-town residential projects have promise in two areas:

- *North Shore District.* The former industrial parcels south of Fremont Street can be master planned into a new mixed-use, medium-density residential

district on the water. With supporting retail and small-scale commercial activity in renovated former shipyard buildings nearby, this area would have a complete set of amenities. The panel believes that 300 units could be phased in over ten years.

The panel feels that there are immediate opportunities to support infill housing and rehabilitation in neighborhoods adjacent to downtown. Pictured are homes in the Magnolia Historic District north of downtown (above) and the Gleason Park neighborhood to the south (below).

- *Downtown Historic District.* Dozens of existing buildings in this area can be adaptively used to create loft apartment, live/work, and ground-floor commercial space. The panel feels that 300 units could be created in the buildings along Main Street and Weber Avenue over a ten-year period. A detailed outline of the structure of this type of project is provided in the implementation section of this report.

BALANCE HOUSING TYPES DOWNTOWN

Downtown Stockton has a significant concentration of county services and low-income, transient, and other subsidized housing units. To balance the mix of residential units downtown, the panel urges that no additional projects concentrating low-income or transient housing be approved downtown other than those with setaside units required by law. In this way, the number of new and renovated market-rate residential units proposed by the panel can help balance the mix of residential units downtown. Additional assisted housing projects would have an adverse impact upon the adjacent development potential and are contrary to current thinking, which encourages the deconcentration of the underprivileged. Similarly, as downtown Stockton has more than its fair share of county services, no additional county services should be located within the downtown.

The panel encourages the city and county to move quickly to resolve marina redevelopment and environmental issues so that the area can reach its potential as a waterfront community.

SUPPORT RENOVATION AND INFILL HOUSING NEAR DOWNTOWN

The panel recommends immediate efforts to stabilize and increase homeownership in the neighborhoods adjacent to downtown. A combination of market-rate infill projects targeted to homeownership—and possibly supported by such efforts as walk-to-work programs initiated by major employers in the area, selective code enforcement, conservation programs, and zoning and design guideline changes—will support revitalization efforts in neighborhoods near downtown. Two areas in particular provide immediate opportunity:

- *Weber Square Neighborhood.* In the area north of downtown near Dameron Hospital, a neighborhood stabilization strategy that promotes infill construction will be most successful.
- *Gleason Park Neighborhood.* A strategy to promote construction of entry-level owner-occupied housing is most appropriate here. An organized program of acquisition, rehabilitation, and resale will strengthen the community and support minority enterprise south of the Cross-town Freeway.



EXPEDITE MARINA REDEVELOPMENT AND ENVIRONMENTAL CLEANUP

The panel believes that, in the interest of the Stockton community, the city and the county must quickly resolve any differences regarding the marina so that the existing facilities can be renovated to help the area reach its full potential as a waterfront community. A detailed plan for marina redevelopment is outlined in the implementation section of this report. Further, the panel emphasizes that the city should move as quickly as possible to settle outstanding litigation so that cleanup and redevelopment can move forward. The continued presence of vacant and blighted land does not support, and in fact hinders, the revitalization of downtown.

REDEVELOP THE LANDMARK HOTEL STOCKTON

The panel feels that redevelopment of the Hotel Stockton is an immediate development opportunity and one that is important to downtown both psychologically, as a place of civic pride, and physically, due to its prime location near the waterfront. A detailed strategy is outlined in the implementation section of this report.

A VISION FOR DOWNTOWN

The panel recommends that the city adopt a master plan that reflects a vision for the downtown and waterfront that meets community goals and takes market realities into consideration. The panel's illustrative plan (see Figure 5) shows the collaborative effort of the panel to reflect market considerations, workable development strategies, and key planning principles.

The panel stresses that the community must commit to a vision in order for a clear plan for implementation to be developed and successfully carried out. In the panel's estimation, planning efforts to date have not yielded a strong vision. The panel hopes that the vision presented here can serve as a departure point for linking feasible land uses with parts of the plan where synergy between uses can be created and give focus to Stockton. It cannot be emphasized enough that with a plan in place projects can be evaluated in a rational manner and investment decisions made strategically and quickly.

As shown in the illustrative plan, the panel recommends that downtown be considered a series of districts linked by pedestrian enhancements. The following is a walk-through of the character of each area:



Weber Point is a pivotal piece of downtown and the waterfront. The panel recommends that a landmark museum be built to anchor the proposed Great Lawn, adding a use that can provide synergy with other venues and events downtown.

WATERFRONT DISTRICT

With a variety of activities in proximity to each other and available parking, the waterfront district can provide the focus to attract families and visitors to downtown Stockton. These varied uses will play off each other to make downtown a dynamic place. A consistent program for pedestrian enhancements—including such elements as paving, signage, banners, lighting, benches, water fountains, shade or other protection from weather, landscaping, and public art—should be carefully considered in this district.

WEBER POINT

Weber Point is physically a pivotal piece of downtown and the waterfront and, as Stockton

founder Charles Weber's home-site, the symbolic heart of the city. Its redevelopment success depends to a large degree on the health, vitality, and restoration of a broader area of the city around it. The panel feels that Weber Point should be a place of civic pride planned in conjunction with adjacent parcels so that it is given the proper importance within the vision. As the downtown plan is firmed up, there may be an opportunity to increase the prominence of this site. In the meantime, with the recently approved improvements for the area underway, the city has initiated the process of creating a Great Lawn festival space on the waterfront. If well programmed, this area will serve as a key venue to draw visitors to the area.

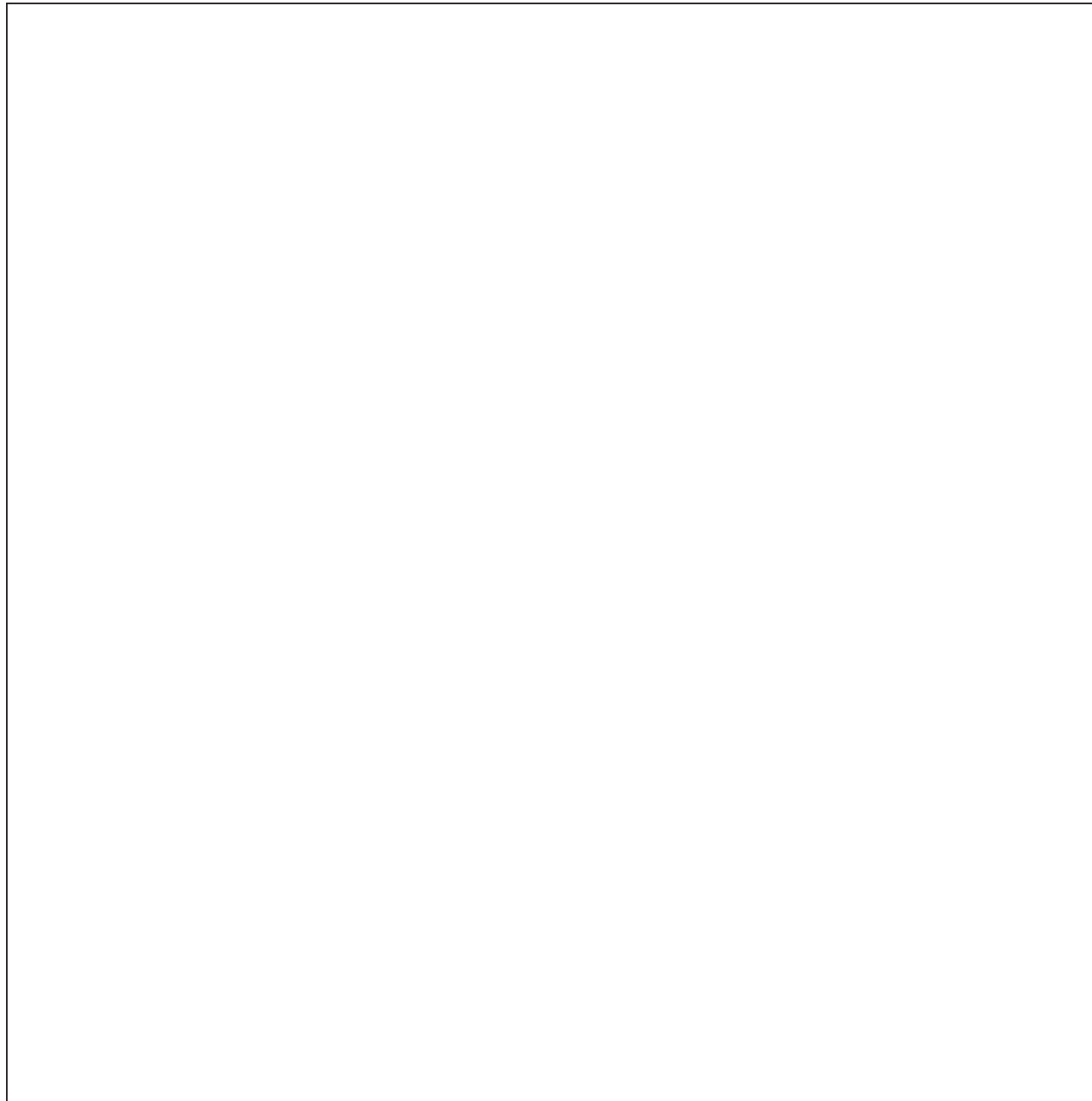


Figure 5
ILLUSTRATIVE PLAN: A VISION FOR DOWNTOWN

The panel believes, as is shown in the illustrative plan, that one way to enhance the site is to anchor the Great Lawn with a building of civic stature. The panel envisions a landmark museum designed to be a jewel of the city—a place of citywide pride. The museum should be of approximately 15,000 square feet and have a captivating design that relates to the water around it. Glass might be a primary material—

visible and lit at night. A relocated Children’s Museum, perhaps including expanded programs and activities on regional history or the delta, would be an ideal anchor.

The panel suggests also that the relocation or reconstruction of the Charles Weber home as a museum or destination on the point would provide another opportunity to tie the historic roots of the site to the waterfront program.

To give more visibility to Weber Point and the waterfront, the panel recommends that the head of the channel be opened up east of the Center Street Bridge by removing the parking lot built on pilings. A new bridge in front of the Hotel Stockton could connect the hotel to the waterfront, provide a festive entry into the city, and offer a potential

location to moor a ship (possibly with a shop, restaurant, or café on board) with a well-lit mast visible from the highway. In this way, the concentration of activities around Weber Point would be visible from afar and herald downtown as a destination.

WATERFRONT RESTAURANTS

The panel believes that two new restaurants, totaling about 15,000 square feet, along the south side of the channel would find market support in the mid term. Along with kiosks and street vendors, the restaurants would animate the south shore of the waterfront and provide an interesting and festive walk along the water. The panel stresses

again that attention must be paid to the visitor experience. Consistent landscaping—with particular attention to capturing waterfront views—tie-ins to public art programs, and pedestrian enhancements will support this effort. Parking for the Waterfront Warehouse, a mixed-use building, would have to be relocated to make waterfront parcels available for development.

The panel recommends that a parking lot built on pilings in front of the Hotel Stockton (right) be removed to reconnect this important building to the waterfront activities proposed.



FARMERS' MARKET/EVENT PARKING

Banner Island and the former Chevrolet dealership site could accommodate a farmers' market and 600 to 800 parking spaces for festival and event use. The panel recommends that the parking lots be heavily landscaped to protect the waterfront character. A shed structure to provide shade and rain protection for the farmers' market could be built at one end, with appropriate lighting and banners to signal a festive use. Produce would be trucked in on regularly programmed days. The space under the sheds could double as parking as needed on event days. A pedestrian bridge over McLeod Lake linking Lindsay Street with Weber Point could provide a connection from the parking lots to Weber Point's festival space.

HOTEL STOCKTON

Built in 1910 in the Mission Revival style, the Hotel Stockton is a grand landmark building that gives an elegant character and a sense of history to the waterfront district. The panel recommends that the building be renovated with a museum and commercial/retail on the ground floor and a rooftop to be used for events—uses that would tie in well to the other proposed waterfront activities. City offices on the second floor would make the development financially feasible and help populate the area during the day. To connect the Hotel Stockton to the waterfront visually and create a pleasant pedestrian environment, the panel strongly recommends that the city remove the parking lot on pilings that currently covers the head of the channel directly in front of the hotel.

MULTIPLEX CINEMA

A 12- to 14-screen multiplex cinema of about 20,000 square feet should be considered for the sunken parking lot at the southwest corner of Weber Avenue between Center and El Dorado Streets. This placement would permit the cinema complex to generate activity in adjacent areas of the core. The cinema would require about 700 parking spaces in a combination of structured and other parking.

SPORTS FACILITY

Given the interest in sports in the area and the lack of facilities, the panel recommends that a baseball or multiuse stadium/sports facility be considered. This venue would serve as another component in the plan to attract visitors to downtown. Parking would be located west and south of the facility. To accomplish this development, the vocational school should be relocated to the Stockton Developmental Center Campus, where it would find synergy with other educational institutions.

NORTH SHORE DISTRICT

Adjacent to the waterfront district is a mixed-use district with three major land uses:

NEW IN-TOWN RESIDENTIAL

A new neighborhood could be created along the waterfront by extending the north/south streets that currently stop short of the water, making the new development an extension of the existing neighborhood immediately to the north. Up to 300 new intown residential units, designed to be attractive to empty-nesters and young professionals, would be master planned at a density of 20 units per acre—perhaps in two product types with amenities geared to the market. The residential units could be set back from the water's edge with a green buffer and connected to city waterfront improvements, perhaps in a softer, natural walkway in contrast to the hardscape of the waterfront district. A pedestrian bridge over McLeod Lake linking Lindsay Street with Weber Point could connect the new residential development with the waterfront district.

BUSINESS INCUBATOR AND NEIGHBORHOOD RETAIL

In the longer term, the historic brick buildings from Stockton's shipyard past could be renovated for neighborhood retail uses such as coffeeshops, art/craft-related galleries, and small start-up businesses. This development would create a unique, primarily neighborhood-serving enclave that could be made accessible to the public via enhanced connections to the waterfront walkway.

LIGHT INDUSTRIAL AND ASSEMBLY

To the far west of the North Shore district, light industrial and assembly should be encouraged and accommodated in existing stock and new infill construction as needed to support city programs to produce employment. Connections to the waterfront walkway should be considered in a more natural way, similar to that recommended near the North Shore district's residential section.

DOWNTOWN HISTORIC DISTRICT

Downtown Stockton's buildings capture the rich heritage of the city and provide a solid theme for revitalizing the former center of downtown. The variety of architectural styles in the downtown ranges from the Mission Revival and Spanish Colonial influence of the Fox Theater and Hotel Stockton, to the Commercial Victorian seen in many buildings, to churches accented with Gothic and Nordic motifs. The beautifully detailed facades of many buildings downtown provide a large and varied inventory and create the base for what, through adaptive use, can become a historic district that is uniquely Stockton's. The panel has targeted three blocks in which adaptive use for residential units in upper floors and retail/commercial uses on the ground floor could yield 300 units phased over a ten-year period.

The panel strongly recommends that the city create an overlay historic district for this area. The district will provide developers and renovators of all qualified projects with access to historic tax credits—a powerful tool to attract private capital that is not otherwise available.

Stockton boasts a handsome collection of civic buildings. The panel recommends that the city master plan the government district to anticipate space needs and concentrate civic and government uses.

HUNTER SQUARE RENOVATION

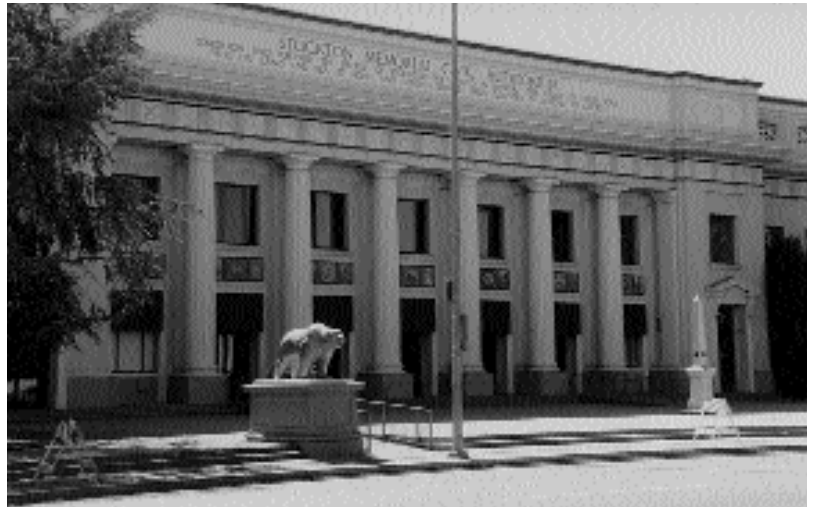
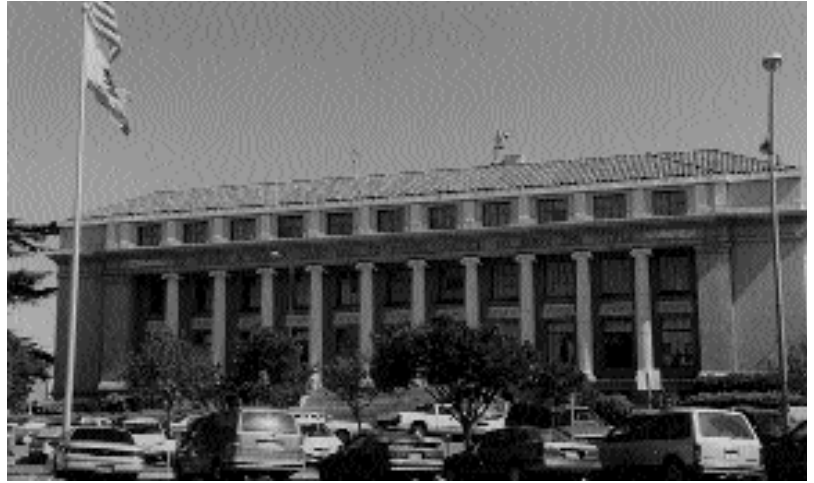
To create better circulation in this district and a well-located park, the panel recommends the renovation of Hunter Square and the reopening of Main Street. This new configuration will greatly improve access to the Fox Theater. The fountain in the right-of-way of Main Street could be moved to the new Hunter Square Park.

MERCADO

The panel supports the development of the proposed mercado on Weber Street. This new use would bring another generator of activity to the downtown and help attract some of the region's large ethnic market to downtown Stockton.

SOUTH SHORE DISTRICT

Two community playing fields—flexible for softball and soccer—and tennis courts located on the waterfront as well as a park on the point would make this an active recreation area that, with its good freeway and surface road access and visibility, could serve the whole Stockton community.



GOVERNMENT DISTRICT

An existing concentration of civic buildings around the Martin Luther King, Jr., Plaza—including city hall, the Convention and Visitors' Bureau building, and main library—forms an attractive public space in the downtown and a positive concentration of civic uses. The panel recommends that a civic center master plan be developed so that planning for future needs preserves and connects new city uses to the rest of downtown in a manner consistent with the overall vision.

OFFICE DISTRICT

The panel believes that new office space of about 75,000 square feet would be appropriate in this area at some point in the future. If an agricultural/world trade center concept has merit, this location, close to city offices, would be especially suitable. In the long term, as there may also be a market for a new hotel, the panel recommends reserving a site with waterfront views in this district.

SMALL BUSINESS DISTRICT

This area adjacent to downtown extending from Channel Street north to Lindsay Street and from Hunter Street to Stanislaus Street would serve as a location for incubator space and subject area for economic development incentives. The panel envisions small-scale, adaptive use of existing commercial buildings and new infill development for small business activity in this area.

TRANSIT CENTER

The panel recommends that the new downtown transit center be located under the freeway, where all of its specifications for proximity to downtown services and jobs can be met but where it does not have a negative impact on surrounding land uses. With good design and lighting, this location will be attractive and convenient. In this location, idling buses and transfer traffic unrelated to downtown uses will be kept out of areas where the city is seeking to stimulate revitalization.

INDEPENDENCE PARK

The panel recommends that Independence Park be encouraged as the site for a regularly scheduled flea market. This site has excellent access to area highways and road networks and the space to accommodate a variety of stalls and merchandise.

REALIGNMENT OF STREETS AND CIRCULATION

The panel recommends several realignments in the downtown street pattern to support the development contemplated in the illustrative plans. These include:

- *Closing Weber Avenue to Traffic at Mormon Slough.* West of Center Street, Weber Avenue would become a landscaped, pedestrian mall area along the waterfront.
- *Reopening Main Street to Allow Access to Madison Street.* This change would create better access to the Fox Theater, a central route for parades and festivals, and an expanded Hunter Square Park.

- *Addressing Traffic Speeds on Center and El Dorado Streets.* Currently, these wide streets with fast traffic create barriers to pedestrian connections from the downtown to the waterfront area. There are several ways to accomplish the goal of encouraging pedestrian activity between these areas, including reducing traffic speed; reducing the number of lanes by allowing on-street parking or creating a landscaped median; and using traffic-calming devices such as speed bumps or returning one-way streets to two-way traffic. The panel feels that the possibility of making both existing streets two-way merits further study once a vision is more tightly defined and locations for event parking can be considered in conjunction with access and circulation.

Panel member Dan Brents underscores the importance of strategic decision making during the question-and-answer period following the panel's presentation.

PLANNING AND URBAN DESIGN PRINCIPLES

A sound plan that can be rallied around can generate enthusiasm, which translates into market support as various parties commit to the vision. However, securing this commitment requires instilling confidence in the implementation process. A plan is only as good as its capacity to gain the confidence of interested parties and secure commitments to stay the course. In the panel's experience, award-winning plans do

not always turn into award-winning projects; developing an award-winning project takes discipline to keep on course. In large-scale redevelopment projects like the revitalization of downtown Stockton and the waterfront, the implementation phase will span many years, during which adherence to the goals will be paramount. The following are planning principles that the panel recommends guide this project:



THINK STRATEGICALLY, ACT INCREMENTALLY

ADOPT A VISION AND SET MEASURABLE GOALS TO ACHIEVE IT

If the vision is to energize downtown—by revitalizing the waterfront, for instance—it is important to establish goals and a step-by-step action plan to achieve them. Such goals may include improving water quality; upgrading the marina; addressing the pedestrian edge, including paving, lighting, and landscaping; and developing a program of events to populate the waterfront. To achieve agreed-upon goals, a business plan that includes operations costs, payback targets, and criteria for evaluating concepts should be developed before any actions are taken. As projects get underway, progress should be monitored continuously to ensure that they stay within budget and on schedule and achieve desired results and paybacks. (See Figure 6.)

Figure 6
SET GOALS TO ACHIEVE A VISION

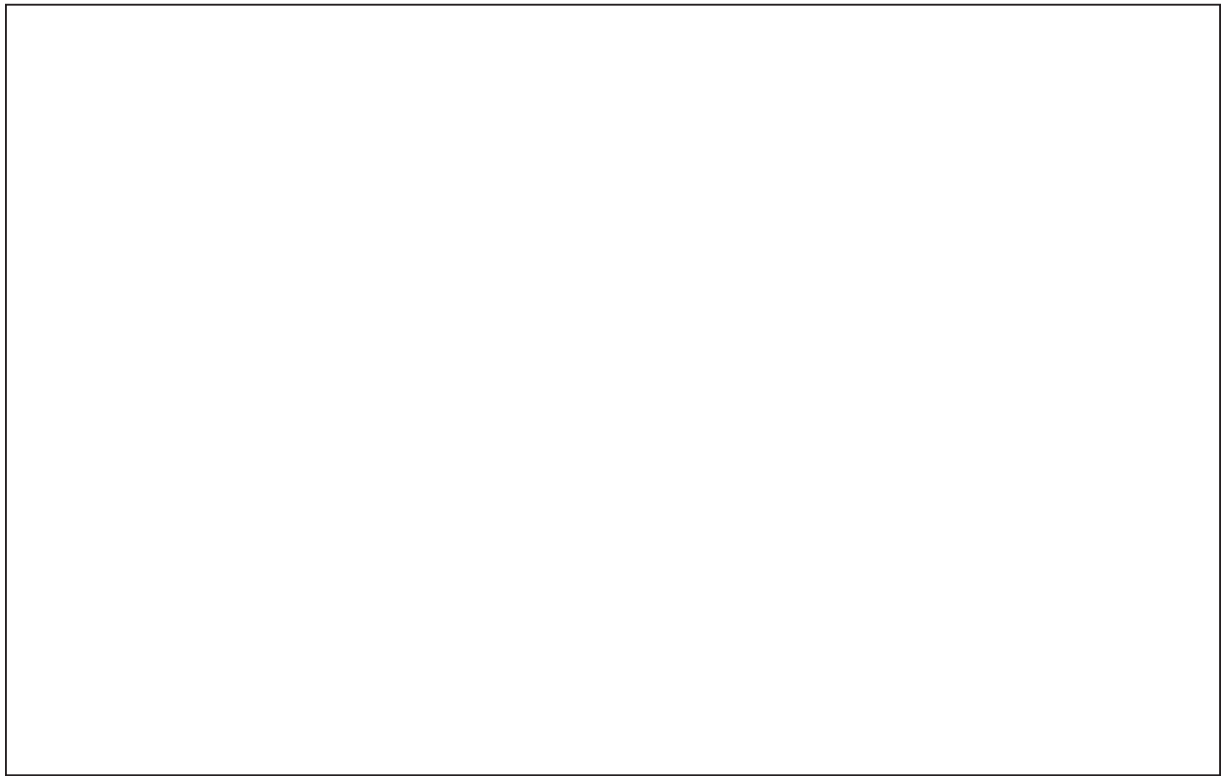


Figure 7
CREATE DEVELOPMENT SITES

ALWAYS THINK AND ACT ON MULTIPLE FRONTS

Many projects must be in progress simultaneously in order to achieve such a large-scale plan. As discussed earlier in the report, projects may include physical development and a wide range of programs supportive of development and economic development.

MAKE STRATEGY-DRIVEN DECISIONS

In a political environment, issues can force planning decisions to be driven by factors that do not relate to the development strategy. However, plans that are not strategy-driven often fail, cause other problems, or waste limited resources. The panel salutes the city's strategy-driven projects, such as the Fox Theater

events program, but notes that the city should avoid development projects that are known to be driven by other than strategic concerns. Examples of these are problem-driven projects, such as the Gateway project designed to move single-room occupancy units located near an exit ramp downtown; opportunity-driven projects that are often rushed to meet high-pressure deadlines for funding, such as the location of the new transit center; and deal-driven projects to secure development, such the proposed day-care center or the location of the Children's Museum. By making decisions that are strategy-driven and sticking to a vision that has been well thought out, those implementing the plan create a much greater chance for downtown revitalization success.

SHAPE CONDITIONS TO INFLUENCE OUTCOMES AND ACCOMPLISH GOALS

The implementors of the plan should seek to set the stage for the desired development in the following ways:

CREATE DEVELOPMENT SITES

When necessary, sites should be created to accommodate development programs deemed appropriate and consistent with the vision. For example, if the goal of the plan is to spur development in the South Shore and waterfront districts, the panel recommends that the city take action to alter street alignments and negotiate the removal of "soft" development (such as parking and temporary structures) to create development sites. (See Figure 7.)

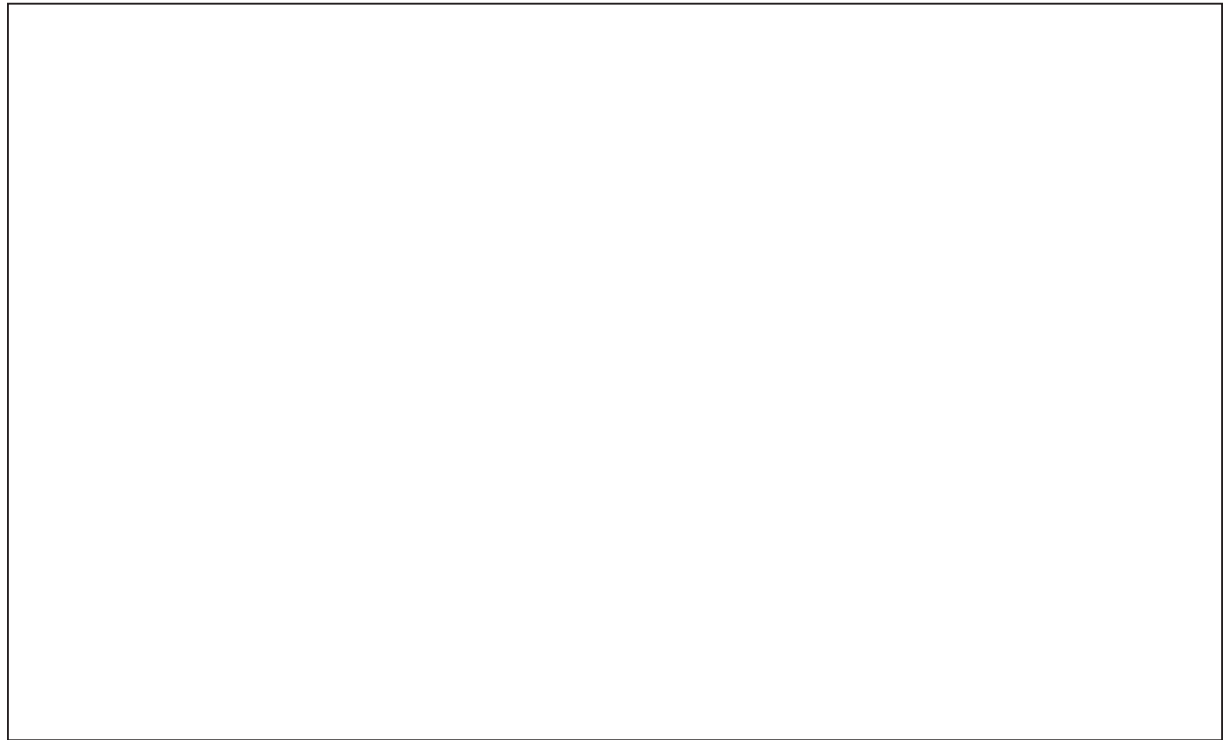


Figure 8
ESTABLISH STRONG PEDESTRIAN LINKS TO WATERFRONT

CONFRONT PROBLEMATIC REDEVELOPMENT ISSUES

Lingering issues should be attacked head on or addressed in a phased plan. For example, problematic issues may spur the city to facilitate the cleanup or capping of a toxic site; remove paving from and seed vacant land areas; address looming problems such as the sinking parking lot downtown; and determine the cost and feasibility of renovating the Hotel Stockton so that feasible projects can move forward.

CREATE SAFE, PLEASANT PEDESTRIAN CORRIDORS

The panel stresses that downtown should become a place where people feel comfortable walking. Primary and secondary pedestrian streets should be identified and treatments for each determined. These treatments might include landscaping, paving, lighting, signage, public art, benches, water fountains, and shade or other protection from weather. Developing a plan and setting priorities or a phasing schedule will help determine which improvements should be made first. (See Figure 8.)

CONSIDER THE EFFECTS OF ANNEXATION POLICIES AND ZONING

The city should ensure that its citywide policies and zoning regulations do not compete with its own downtown objectives. To avoid undermining downtown revitalization, the effects of city policies should be analyzed for their impact on downtown and altered where necessary or appropriate.

STREAMLINE THE REGULATORY PROCESSES

The city should facilitate the building permitting and approvals process and reevaluate its development fee structure to ensure that its policies are encouraging downtown revitalization. In cases where city policies and fees have been incorrectly perceived as hampering development, efforts should be made to educate the development community.

CREATE AND MAINTAIN FLEXIBILITY IN DESIGN GUIDELINES

Design guidelines are important for ensuring quality development and compatibility and must be applied consistently. However, guidelines should always be considered as tools to achieve urban planning goals. Since planning outcomes cannot always be predicted or guaranteed and market realities and desires change over time, the process must have some built-in flexibility.

CREATE UNIQUE EXPERIENCES

The success of downtown revitalization will depend on attracting Stockton residents to events downtown. The key to success is to design experiences—not just physical places. The Stockton community must collectively think about what makes the community unique and what special places and events would reflect those qualities. With the growing sophistication of the entertainment field, expectations are rising. Stockton should strive to build on its assets to create a place for people to interact in an energizing and reassuring environment. Establishing inviting walking districts that reinforce the design theme and that are truly designed for people in scale, materials, forms, color, and relationships of light and shadow—and include such humanizing amenities as water fountains, benches, shade trees, and the like—are critical. Day-to-day management of these dis-

tricts to ensure that they are clean and safe is key to making them work well.

Identifying the design theme that will most effectively communicate the unique qualities of downtown Stockton and create an experience strong enough to draw people to it must be part of the visioning process. Design themes may take cues from the history of the area, including the shipbuilding, agricultural, and architectural motifs found on historic and landmark structures as well as the area's diverse ethnic heritage. Growing Hispanic and Asian immigration provides many contemporary influences upon which to build unique and vibrant urban experiences. Regardless of the themes, projects should be executed in a manner that creates and plays off existing well-defined spaces and incorporates practical considerations—such as designs that address local weather conditions—to ensure year-round use. (See Figure 9.)

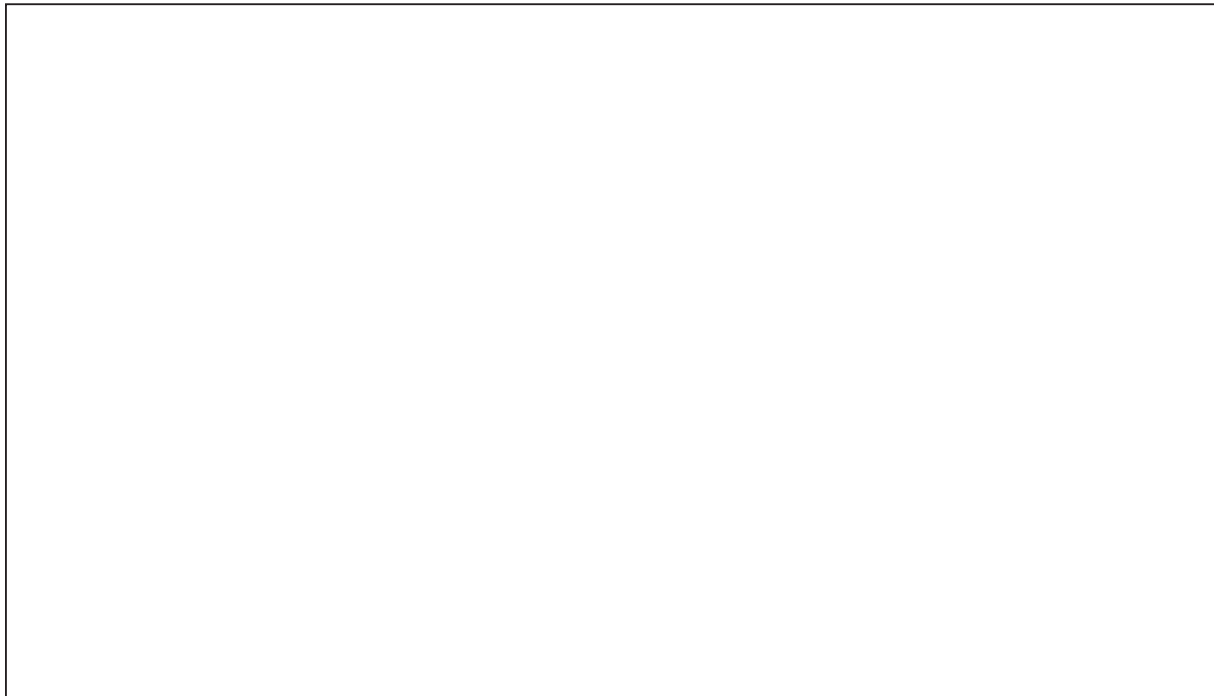


Figure 9
ESTABLISH WALKING DISTRICTS TO CREATE UNIQUE EXPERIENCES

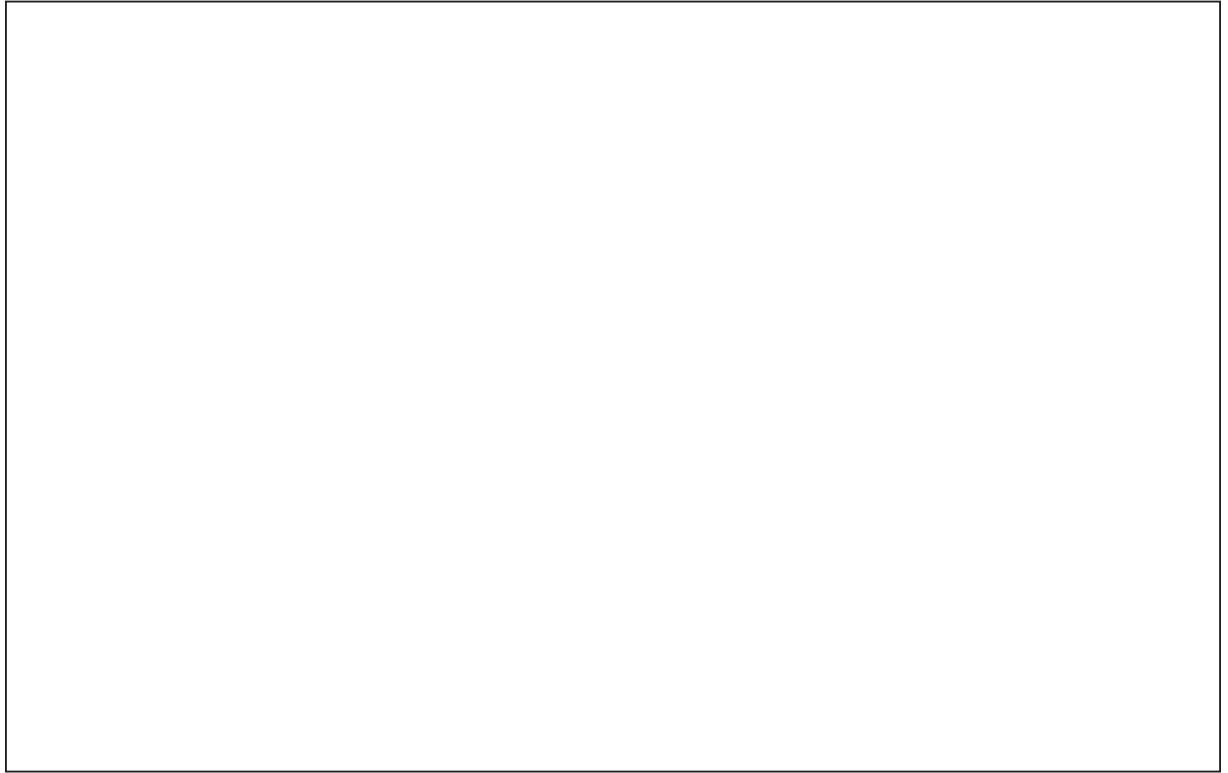


Figure 10
LOCATE FACILITIES CAREFULLY TO MAXIMIZE SYNERGY AND MINIMIZE NEGATIVE IMPACT

LOCATE SERVICES CAREFULLY

To achieve desired results, location of services should be made in concert with the overall development vision. The impact of all development should be considered carefully in light of its overall effect on the plan and vision before decisions are made. Though often politically difficult to achieve, the city should strive

to make decisions that are best for the plan. Capitulating to pragmatic considerations is almost never the right thing to do in the long run. For example, the transit center should be located to prevent a negative effect on surrounding land uses, and the Woodruff Vocational School should be relocated to create important development opportunity sites and relate it more closely to the edu-

cational mission of the Stockton Developmental Center. The proposed daycare center should be located more conveniently and take safety and compatibility issues into consideration. Figure 10 illustrates potential sites for a transit station and its compatibility with surrounding land uses.



The panel recommends promenade improvements to link waterfront uses more effectively to downtown. The panel emphasizes the importance of creating walking districts and designing the visitor experience.

MAKE NO SMALL PLANS, BUT TAKE SMALL STEPS

The panel underscores the importance of adopting a vision that can captivate the public, but also recommends taking small steps to achieve the plan. Once a “keeper of the vision” with the clout to get things done is appointed, a series of many small

steps must be initiated simultaneously. The panel notes that it is important in achieving a multi-year plan that development always seem complete at every phase; projects that constantly appear to be in the construction phase are not inviting to the public and will deter visitors to downtown.

IMPLEMENTATION

Panelist Jon Wellhoefer outlines the principles for investment in downtown projects. The panel emphasized that risk should be shared between the public and private sectors and that public investment should leverage private investment.

The successful long-term realization of this plan requires a substantial commitment of financial resources to jumpstart and sustain the development necessary to distinguish downtown clearly. Stockton must concentrate on capturing regional growth opportunities to enhance the downtown's long-term vitality and begin to implement short-term plans intended to attract business, visitation, and eventually market-rate housing. However, with Stockton's public financial capabilities limited by stagnant or declining real estate values, private investment initiatives dampened by demographics weaker than state averages, and uses desired within the downtown hampered by generally flat markets, resources must be used strategically.

For the implementation of a major downtown initiative of the scale proposed to be successful in Stockton, two key elements must be met: 1) the effort must be very focused to achieve maximum benefit from scarce resources, and 2) the public and

private leadership of Stockton must accept a reasonable division of responsibility and risk to achieve the significant changes required. Resources available for gap financing and participation in public/private developments must not only be focused to fulfill downtown development goals, but also expanded and greatly exceed previous commitments from both the public and private sectors for the range of projects proposed to be visibly successful and economically feasible.

INVESTMENT PRINCIPLES

As a framework for making investment decisions and deciding which programs should be targeted to specific development projects, the panel recommends decision makers for all public and private financial programs follow these governing principles:

- All investment must promote employment and tax base increase.



- A true public/private decision-making process must be the basis for all public investment in downtown Stockton.
- Every public investment must leverage private investment.
- All public investment return must be reinvested in downtown Stockton's ongoing downtown development program.
- As part of the downtown development program, capital must be extended to segments of the Stockton constituency where it generally has not been previously available.

PUBLIC SECTOR FINANCIAL RESOURCES

In this time of limited public resources, the panel emphasizes that 1) an aggressive public investment program should not be undertaken without a strong and appropriate response from the private sector and that 2) there must be a public commitment to priority projects as defined by the downtown vision. To achieve the desired impact, resources and efforts must be shifted and prioritized so that projects that will most likely contribute to downtown revitalization are supported and encouraged. The following are public sector financial resources and tools that can be—and have been—brought to bear, alone or in combination, to finance projects that fulfill the investment principles outlined by the panel:

TAX-INCREMENT FINANCING (TIF) REVENUE

TIF has proved to be a powerful tool for redevelopment in many cities. Although in Stockton the amount of tax-increment revenue and near-term capital availability is limited by low real estate valuation, the city should continue to use this tool to its maximum potential. The development program suggested by the panel should gradually increase downtown property values and resultant tax-increment capability.

DOWNTOWN MANAGEMENT DISTRICT/BUSINESS IMPROVEMENT DISTRICT

The panel applauds downtown business owners and the city of Stockton for their recent approval of the creation of a downtown management district (also referred to as a business improvement district) (BID). The panel believes that the BID will address the fundamental issues for downtown revitalization: cleanliness and safety. This organization should give a solid foundation to the strategic development program suggested in this report.

COMBINATION OF TIF AND BID RESOURCES

In some communities, such as Milwaukee, tax-increment financing and business improvement districts have been used in combination to achieve maximum benefits and share risk between the public and private sectors. When business owners within a BID suggest tax-increment-funded improvements beyond the city's comfort level for debt amortization, the business owners can pledge that BID assessments will cover possible shortfalls on tax-increment receipts. This approach not only shares risk but also reduces potential conflict between the city and business owners. An example of the type of project that would be appropriate for this technique would be development of a parking structure requested by business owners to be developed by the city using tax-increment financing.

REVOLVING LOAN FUND

The panel recommends that the city establish a revolving loan fund capitalized by public funds and administered by a public/private quasi-governmental corporation. The mission of the corporation would be to supply gap financing loans alongside bank loans to small business and small development interests to make possible business startup and expansion where conventional bank financing is inadequate. Although Stockton's enterprise zone presently contains a similar, but more specific and little-used, program, the panel feels that the proposed new vehicle would more effectively stimulate business growth—particularly in minority communities. The panel suggests an initial capitalization of \$2 million of funding from any combination of Community Development Block Grant (CDBG), Economic Development Authority (EDA), or parking district resources.

GENERAL FUND

With regard to major redevelopment initiatives during the near term, the panel has been advised that where TIF financing is insufficient to handle the significant city financial participation required, the city has the capability to borrow against the general fund and/or deter capital projects in favor of a higher-priority development initiative. The panel is not attempting to preempt city budgeting processes, but recognizes that if the importance of a project is established by city leadership, its senior staff can creatively negotiate and fund a reasonable deal.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS

The panel recommends that with a high priority placed on the downtown development program, the city can allocate an annual percent of CDBG funds to the downtown as a policy initiative for the next five years.

PARKING DISTRICT FUNDS

The panel notes that the Stockton parking district has reserves of approximately \$1.9 million and about \$200,000 of net annual revenue, not including parking violation revenue. The panel does not believe that parking funds should be viewed as an endowment for parking in and of itself, but rather should be looked upon as a resource that can be used to improve the downtown.

PARKING DISTRICT ASSETS

Many cities are removing themselves from the business of parking as a public responsibility and are, instead, capitalizing the assets by selling off parking garages and lots. While the panel does not believe this course of action to be prudent at this time, because of low real estate values in the downtown area, there may be a benefit to this approach after development initiatives improve land values.

SECTION 108

The panel recommends that the city explore the use of Section 108 borrowing capacity to assist in the downtown development initiative. The panel believes that up to \$10 million of loan funds at U.S. Treasury-discounted rates can be made available for below-market loans to projects that meet downtown revitalization objectives. By layering CDBG or other funds into a loan package, the city can provide an attractive incentive to development initiatives in need of financing assistance.

CAPITAL IMPROVEMENT PROGRAM FUNDS

The panel suggests that the city establish a policy of specific allocation of capital improvement budget funds to the downtown area. This approach may be necessary to fund such projects as much-needed streetscape enhancements.

SILENT SECOND MORTGAGE PROGRAM

The city should fully use a silent second mortgage program to assist homebuyers in the important transitional neighborhoods close to downtown.

PRIVATE SECTOR FINANCIAL RESOURCES

Even in these difficult financial times, the city of Stockton has the capacity to do more to encourage downtown development; however, elected and appointed officials cannot be expected to invest public funds when private sector entities do not appear to support downtown development. If the risk-sharing program proposed by the panel is undertaken by the Stockton community, job creation and investment throughout all segments of the existing and potential downtown market will be greatly enhanced. The following are strategies and resources that the private sector should employ to support development in downtown Stockton:

NOT-FOR-PROFIT DEVELOPMENT CORPORATION

The panel recommends that CEO-level leadership from the Stockton financial community, local development firms, and other major business interests capable of investing in downtown Stockton support the creation of an entirely private 501(c)(3) not-for-profit development corporation. The primary purpose of the corporation would be to act as a strong partner to city government in undertaking key downtown projects requiring gap financing assistance. Recognizing that initial investments downtown will probably be of a higher risk than any one investor could undertake and that initial returns will be lower than those of conventional real estate investment programs, the

private sector could in this way help to stimulate the downtown revitalization process. If successful, this private development initiative, working in partnership with local government, would be a catalyst for additional projects with reduced demands on the public/private partnership effort.

The following sample pro forma of a project in Milwaukee illustrates how deals might work in Stockton: the city of Milwaukee sold a block of property to the not-for-profit development corporation for \$1. (Actual cost was over \$4 million.) The members of the corporation pledged, in varying amounts, to purchase \$10.5 million of tax-exempt, privately placed redevelopment bonds issued by the city's redevelopment agency. The \$10.5 million constituted the entire private financing for a 110-unit, market-rate rental apartment development in a depressed area of downtown. The tax-exempt return of 5 percent to the bondholders, a low return relative to other investment opportunities, constituted the business community's commitment to revitalization. The city's aggressive development posture was rewarded by an attractive, tax-paying investment from a civic development partner that will not, and indeed cannot, leave town.

This type of private development initiative can be the recipient of both Community Reinvestment Act (CRA) financing and investment from non-CRA sources such as local developers with a commitment to improve downtown Stockton. These types of deals have a solid track record of generating additional economic development.

HISTORIC PRESERVATION AND LOW-INCOME HOUSING TAX CREDITS

The panel recommends that the development and investment community use these tax credits whenever appropriate in order to broaden investment opportunities. Historic preservation tax credits have proved to be a powerful tool for revitalization across the country. Low-income housing tax credits likewise provide an incentive for investment; however, to encourage the appropriate balance of unit types downtown, the panel feels that subsidized units should not exceed 20 percent of any new downtown housing development.

COMMUNITY DEVELOPMENT BANK

The panel recommends that the local financial community consider creating a community bank to give a higher profile to investment in distressed areas of the city. A community bank can work closely with existing banks in leveraging CRA-directed investments. Chicago's highly touted South Shore Bank provides an excellent example of this approach.

LOAN POOL

The panel also recommends that the financial community consider creating a loan pool for higher-risk portfolios, perhaps through the community bank proposal.

ORGANIZING FOR DEVELOPMENT

The development program and timetable recommended by the panel are ambitious. Stockton's public and private sector leaders must take stock of their collective assets and set aside special interest agendas if a downtown development program is to be successful. As in all cities, in Stockton there are barriers to implementation that will require a strong and lasting commitment from the community's private sector leadership and the political will to overcome any differences.

The most significant barrier, and the one that will have to be attended to in a constant and conscientious manner, is the lack of trust between the public and private sectors that has been created by downtown Stockton's history of development. The absence of a city strategy and clear focus for downtown has resulted in numerous projects getting sidetracked and has contributed to the feeling that nothing is ever accomplished. Downtown leadership has been diffuse and significant conflicts among the business groups, of which there are too many, pervasive. The distrust on all sides has resulted in apathy, a degree of hopelessness, and disinvestment by some banks and many investors. This distrust must be reversed in order to generate the positive energy necessary to implement development. It is time to put aside the past and move on to the future.

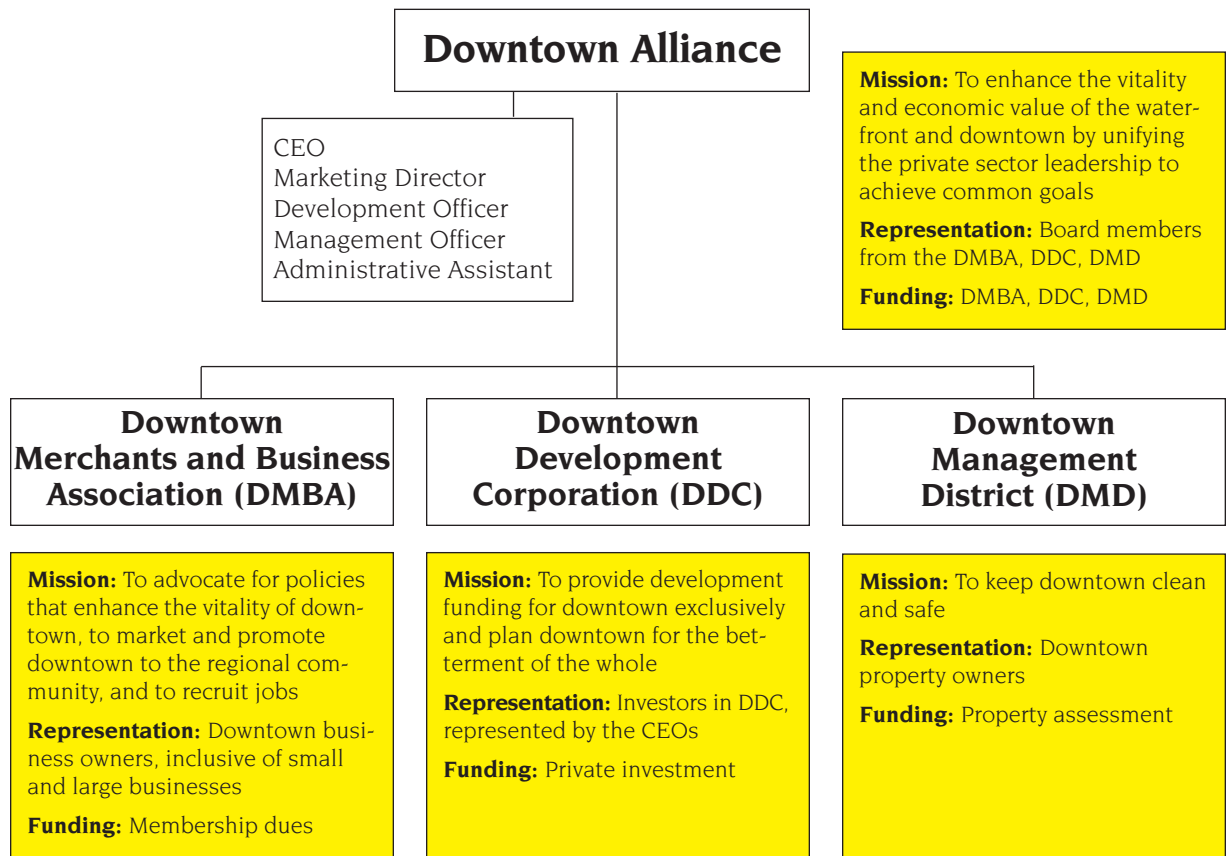


FIGURE 11
DOWNTOWN ALLIANCE ORGANIZATIONAL CHART

Stockton must recognize that its most significant asset is, first and foremost, its people. The diversity of cultures represented by the people, from the Gold Rush and agrarian heritage to the many different ethnic cultures of today, must be brought together to build the foundation for an organization that can realize the desires expressed to the panel by so many people. The

formation of the Downtown Management District—the current Downtown Alliance—is a considerable accomplishment and an example of the victory that can result from bringing people, both public and private, with a variety of interests together to solve a common problem. It is an excellent and critical first step to making downtown clean and safe—and a great beginning for a downtown organization.

The recommendations from this panel represent a vision of what downtown Stockton can be. As in all downtowns, it will be implemented one step at a time and will not be completed for many years. But each new step will encourage the next one. To maintain the focus over the years, a “keeper of the vision” must be identified—that is, an organization not subject to political change that is inclusive and that pushes the diverse constituents of downtown Stockton to keep moving forward.

PRIVATE SECTOR ALLIANCE

The panel recommends that the private sector stakeholders of downtown Stockton expand and alter the Downtown Alliance to serve as the “keeper of the vision.” This expanded Downtown Alliance would provide the vehicle for the private sector stakeholders, who pay the taxes, to participate in the future planning and development of their community as well as carry out the downtown management district functions targeted to making downtown clean and safe. Many downtown property owners across the country can testify that when the many constituents put aside their special interests for the betterment of the whole, their property values actually increased.

A single organization allows the private sector to speak in one voice and effectively advocate for downtown projects. The panel suggests that priorities for downtown development be established by the expanded Downtown Alliance and presented to city officials and staff for support and endorsement so that they can be implemented through public/private partnerships.

As Figure 11 illustrates, there are at least three organizations that should operate under the umbrella of the new Downtown Alliance:

1. *Downtown Merchants and Business Association.* This association would be a membership organization that represents the interests of the retailers and businesses, large and small, that operate downtown. It would advocate for policies and programs that benefit the downtown business community and consolidate existing organizations.

Members of the association would serve on committees that address key issues such as marketing, job recruitment, event and promotions planning, visitor attraction, retail development, and advocacy for programs such as workforce training and education. The operating budget would be generated from membership dues.

2. *Downtown Development Corporation.* The mission of this 501(c)(3) organization, referred to earlier in the report, would be to raise money from local businesses to fund public/private partnerships for downtown development purposes. The corporation would proactively identify and market development opportunities, evaluate economic feasibility, and lend money to those projects meeting its criteria. It would also work with city officials and staff members to package deals and lend support and endorsement to key projects initiated by the public sector. The corporation could take advantage of the many public sector seed money programs mentioned earlier.

3. *Downtown Management District.* This recently established quasi-public organization will use management district taxes to enhance the cleanliness and safety of downtown, recruit jobs, and market and promote the downtown. The work plan of the management district, to begin operations in January 1998, is documented in the Downtown Stockton Management District Plan. Revenues are generated from property taxes that have



Panel member Anne Warhover recommends creation of a private umbrella organization that includes a 501(c)(3) not-for-profit development corporation to partner with the city to implement many of the panel's recommendations.

been assessed by the district. The principal functions performed by this entity will be critical to the success of downtown revitalization. A perceived lack of cleanliness and safety downtown are barriers that, if not overcome, will result in wasted money and effort; people will not come if they do not feel safe.

The board members of all three organizations should represent a broad-based and diverse cross section of downtown interests. They must be committed to creating an agenda that serves downtown as a whole and to maintaining a focus on redevelopment. The person hired as the chief executive officer of the Downtown Alliance must be a seasoned individual with strong leadership experience as well as with downtown development and marketing background.

Staff and overhead for all three organizations should be paid for by the Downtown Alliance. Operating efficiencies and communication opportunities are created by having the staff share responsibilities of all three organizations, since there is considerable overlap. From experience in other cities, the panel believes that the annual budget for staff and overhead in a city the size of Stockton will run between \$300,000 and \$400,000.

ECONOMIC DEVELOPMENT DEPARTMENT

If redevelopment is to be successful, the city must undergo a dramatic cultural change that will allow it to work positively, constructively, and efficiently with the private sector on downtown development issues. The city council should make the revitalization of downtown its priority and hold city management accountable for achieving it.

To ensure that the revitalization of downtown Stockton is a priority, the city should form a parallel version of the “keeper of the vision.” For this purpose, the panel recommends that the city council create an economic development department that incorporates planning, redevelopment, lending, housing, and job recruitment functions—and focuses these efforts primarily on downtown. The head of this department would be responsible for the city’s role in downtown revitalization and would be accountable to the city council for progress toward the downtown development goals. The person chosen for this position should be a highly qualified individual with extensive experience in downtown real estate development and downtown marketing.

PHASING THE DEVELOPMENT PROGRAM

Figure 12 summarizes the five principal elements of the development program: 1) the private sector entity to spearhead development, 2) public/private development projects, 3) investment in community activities, 4) investment in public facilities, and 5) transit improvements. Recommended management responsibilities and financing are indicated for each. The key to successful implementation of the plan is the adoption of a collaborative public/private agenda as discussed earlier.

Although market conditions and the pace with which the public and private sectors organize for development may affect the timing of many elements outlined, the panel has organized the program into three roughly estimated development phases:

- Short term: Next two years.
- Mid term: Three to five years.
- Long term: Six to ten years.

SHORT-TERM PROGRAM

The panel recommends the following short-term program to take advantage of immediate opportunities and lay the groundwork for future development:

Public/Private Development Projects. A series of creative development projects focused on the types of small-scale residential and commercial products that are currently feasible downtown, financed primarily through private investment, should be commenced downtown. The short-term program for residential development would include 50 units in the North Shore and 100 units in the downtown historic district designed to attract professional households downtown. Commercial development pro-

jects in the short term would total 70,000 square feet of strategically located space: 30,000 square feet of renovated street-level space in the historic district; an initial 20,000 square feet of renovated reuse space in the Miner Avenue area, for which a public/private effort could produce jobs in light assembly; and the 20,000-square-foot cinema.

Public Facilities. Public sector investment in the renovation of the Hotel Stockton for new city offices would jumpstart downtown in the short term by animating its most centrally located landmark building. The relocation of the Woodruff Vocational School would provide major improvements to downtown’s secondary and university educational infrastructure by concentrating uses and beginning the land assembly necessary for later phases of the waterfront area’s development.

Community Activities. The 43 acres of currently vacant land on the South Shore should be improved for a broad set of community activities, including improvements to Weber Point, development of the sports stadium/facility, and the development of an outdoor facility for the farmers’ market and parking to support events. In addition, short-term resolution of water quality and water circulation issues will be necessary to make the Stockton Channel a true waterfront amenity for current and future phases of development.

Transportation. The upgrading of local and regional intermodal transit systems using federal funding should be accomplished with the development of the new transit center under the Crosstown Freeway.

MID- AND LONG-TERM PROGRAM

For the middle and long term, the public and private sectors should continue to follow the philosophy that no project should be undertaken that does not provide an acceptable return on investment either in terms of financial performance or fulfillment of goals such as attracting people downtown. Figure 12 provides a time line for the projects the panel has identified today. However, there are many more projects that should be explored in the context of the long-term vision. With bold plans and a strong beginning, many new things will be possible as development gets underway.

FINANCING THE FIRST PHASE OF DEVELOPMENT

The panel estimates that the short-term program will require an overall public and private investment of more than \$60 million for the following projects: new private investment in residential and commercial projects (\$25 million); public funding for the development of community facilities (\$15 million); and public investment in facilities and improvements (\$22 million), including the \$12 million Hotel Stockton renovation and \$10 million projected cost for the relocation of the Woodruff Vocational School.

The balance between public and private funding sources in the short term illustrates the need for public funds to seed several key activities and provide the basis for effective, continuing private investment. The role of the private sector in leveraging public sources will be crucial to the success of the program. The panel cannot stress enough the importance of a coordinated effort.

The development program outlined will generate great benefits for the downtown, but financing and marketing some of the pioneering uses in a downtown that has suffered from decades of disinvestment will be

**FIGURE 12
DEVELOPMENT SUMMARY AND PHASING**

Program Elements	Short Term 0–2 Years	Mid Term 3–5 Years	Long Term 6–10 Years	Lead Responsibility	Financing Sources
Umbrella Organization	Create	Manage	Manage	Community	Members, Assessments
Development Projects					
North Shore Residential	50 Units	150 Units	100 Units	Developer/City	Public/Private
North Shore Commercial			25,000 SF	Developer/City	Public/Private
Historic District Residential	100 Units	75 Units	125 Units	Developer/City	Public/Private
Historic District Commercial	30,000 SF	25,000 SF	40,000 SF	Developer/City	Public/Private
Cinema	20,000 SF			Developer/City	Public/Private
Mercado		25,000 SF		Developer/City	Public/Private
Business Incubation	20,000 SF	40,000 SF	50,000 SF	City/Nonprofit	City/Nonprofit
South Shore Restaurants		15,000 SF		Developer/City	Public/Private
Office Center			75,000 SF	Private	Private
Community Activities					
Weber Point	10 Acres			City	City
Children's Museum		15,000 SF		Community	Community
Marina	170 Slips			City/County	State/Private
South Shore Sports Complex	30 Acres			Public/Private	Public/Private
Farmers' Market	3 Acres			Community/City	Community/City
Fox Theater		2,200 Seats		Community/City	Community/City
Public Facilities					
Hotel Stockton	75,000 SF			Developer/City	Public/Private
Vocational School	75,000 SF			School District	School District/State
County Offices			50,000 SF	County	Public
Developmental Center			102 Acres	State	Public/Private
Transportation					
Transit Center	35,000 SF			SMART	Federal
Train Station			2 Acres	SMART (San Joaquin Regional Transit District)	Federal

Public/private cooperation will be necessary to redevelop blocks for loft residential and live/work units. The panel suggests that city-owned parking lots located at the center of key blocks be used to create the parking and security necessary to attract new residents downtown.

challenging. The panel expects that several projects will require very creative financing—generally a blend of several public and private sources—to spread risk and become feasible. For example, the residential and commercial projects in the historic district will need to be developed with particular skill and marketed in a focused manner in order to gain acceptance.

The community activities and public facilities designed to bring people to downtown will not generate as many measurable economic benefits as the development projects. Therefore, the public investment program should be carefully reviewed and tailored to avoid expending scarce public resources on activities and facilities that do not result in moving forward the primary downtown agenda—that is, creation of employment and attraction of private investment.



IMPLEMENTING KEY SHORT-TERM PROJECTS

The following section provides further detail regarding the implementation of key developments recommended by the panel:

DOWNTOWN RESIDENTIAL PROJECTS

Because development of the first market-rate urban residential projects both in the North Shore and historic district of downtown Stockton will be a challenge to all involved—developer, lender, city, and residents—the risks must be reduced through a cooperative strategy. That strategy should address the following key development factors: land cost, the city approval process and allowable densities, financing, and off-site improvements such as neighborhood infrastructure.

Without the use of both public and private sector financial and development incentives to address these factors, development of urban housing in

downtown Stockton may not be feasible given the rent levels expected. Potential tools that have proved successful in other communities include the following:

- Tax-exempt bonds or certificates of participation;
- City purchase and writedown of land;
- Reduction or elimination of development fees;
- Reduction or abatement of property taxes for a specific period of time to reduce rental rates and help tenant the first projects built;
- Local bank loan pool for both first mortgage and participating second mortgage;
- Section 108 or other “soft mortgage” loans;
- City development of infrastructure such as open space, street extensions, public lighting, street furniture, and other elements shared by both residents and the general public;
- Where applicable, historic designation to enable developer access to tax credits; and
- Flexible building code interpretation to address adaptive use issues.

**MAIN STREET LOFT DEVELOPMENT
ILLUSTRATIVE SUMMARY FOR TYPICAL DOWNTOWN BLOCK**

	Units	Square Feet
Site Area		91,809
Existing Building Area		245,000
Land for Parking (City of Stockton)		21,300
Proposed Building Program		
Commercial @ Ground Floor Only	10 to 12	39,000
Residential @ Floors 2-6 and New Penthouses	106	171,500
Parking @ Surface and Deck	118	30,160
Commercial Tenant Mix		
Small Retail		1,500
Larger Retail		3,500
Bar		2,500
Restaurant		5,000
Architect or Advertising		2,000
Commercial Photographer		5,000
Law Offices		6,500
Government Services		7,500
Residential Unit Mix		
Studio Efficiency		800
Smaller Loft (1 BR Single)		1,000-1,200
Larger Loft (2 BR Couple)		1,200-1,800
Live/Work Space		1,500
Penthouse (2 levels with Roof Terrace)		2,000-2,500
Average		1,618

Because market-rate urban housing is new to downtown Stockton, the panel recommends a strategy involving multiple developers. Such involvement will spread the investment risk, increase design and product variety, reduce the probability of a large developer's making unreasonable demands on the city, increase participation by more leaders, and facilitate individual projects that can be phased into place on a more timely basis.

In the historic district, Stockton's downtown can experience a revitalization that will be led, in large part, by private investment in a combination of new housing development and the specialty office and retail associated with it. To illustrate how a project might be developed, the panel provides as an example the block

of historic buildings along Main Street between Sutter, Weber, and California. This block contains approximately 245,000 square feet of space that, with historic preservation tax credit benefits, could be renovated to create more than 100 residential units—all with enclosed parking—as well as nearly 40,000 square feet of commercial space. Similar efforts could succeed in phases on three adjacent blocks containing another 500,000 square feet of buildings. In total, the development of these three blocks could yield 200 loft apartments and more than 65,000 square feet of commercial space and enclosed parking. Eventually, new buildings of similar size and value could be added to vacant land in surrounding blocks.

Because the city of Stockton owns land critically located within the centers of these prime development blocks, partnership with the city is a must to move this type of deal forward. This land, currently used as public parking lots, is key to property assemblies to enable developers to provide the accessible and secure parking necessary to make these projects competitive.

**RENOVATION OF THE
LANDMARK HOTEL STOCKTON**

Given the current market downtown, city office space is one of the few uses that can generate the income to make restoration of this landmark possible. The panel feels that the renovation of the Hotel Stockton for city offices is appropriate and will enhance the downtown by filling a current market need and serving as a catalyst for downtown revitalization. (Interestingly, the Hotel Stockton was home to city government between 1910 and 1925.) The office space, along with complementary ground-floor uses such as a museum or public art space and specialty retail or convenience services, would animate this community landmark and remove blight in a pivotal downtown location.

The scale and character of downtown Stockton are assets that can be better capitalized on by establishing a downtown historic district. This designation can help stimulate development by giving developers access to historic preservation tax credits.

Such a project's financial success depends on taking advantage of the investment tax credits available for restoration of national landmark structures in order to raise substantial private equity capital. With long-term office leases from the city, and reasonable bank financing, modern offices with free parking could be provided at rents competitive with newer buildings. Public as well as revenue-producing private events could fill the rooftop terrace, an elegant venue similar to the beautiful Fox Theater in civic importance.

The project cost for the Hotel Stockton restoration, assuming a nominal cost of acquisition, would most likely be \$12 to \$15 million, depending on structural repairs, environmental remediation, site-work, and soft costs. The project cost would be reduced by the sale of tax credits for \$2 to \$3 million. With additional equity—a small soft second mortgage and deferral and subordination of development fees—a 70 percent loan by a local lender would make this deal possible.



MARINA REDEVELOPMENT

The panel believes that, in the interest of the Stockton community, the city and the county must quickly resolve any differences regarding the marina so that the existing facilities can be redeveloped and reach full potential as a waterfront community. With the city owning the underlying lease and the county controlling 60 percent of the general partnership that owns the marina, lack of an agreement between the two government entities has delayed resolution of a program to establish permanent ownership and undertake the required improvements. Estimates of necessary improvements approximate \$2 million.

The panel has examined city and county positions, the relationship with minority interest partners, the relationship of potential county receipts to a trust fund, and existing proposals for

planning and development. To move this significant project forward, the panel recommends the following:

- The city and county should work together to approve \$180,000 in boating and waterways loan funds to evaluate the feasibility and cost of expanding/renovating the marina.
- The county should agree to transfer its 60 percent ownership of the marina to the city in return for the city's agreeing to a request for proposals (RFP) process that will require an eventual private ownership proposal to pay a minimum purchase price for the facility and its related development rights. The suggested minimum purchase amount, taking into account significant private rehabilitation costs, is \$300,000 to \$400,000.

After the results of the planning study are available, the city should prepare an RFP that asks potential private purchasers/developers to respond with a proposal that identifies development plans, schedules for improvements, and a purchase proposal at or above the minimum purchase price. While one or more development interests may suggest city financial assistance for the marina revitalization program, the RFP process would permit city negotiation based on a goal of eliminating or minimizing the city subsidy. In addition, the private investor would be required to resolve remaining issues by working with the minority in-

vestors. Title should not be transferred to private interests until such time that the city (and consequently the county) are assured of the financial stability of the marina development program.

If the city and county move forward in good faith with this format, the panel believes the marina project has an excellent opportunity to succeed. In addition, the environmental quality and contamination issues related to the marina should be determined and a proposal for necessary cleanup and/or remediation should be developed to allow for the timely redevelopment of the marina.

ENVIRONMENTAL CLEANUP

The city should take a proactive role with regard to environmental hazard issues throughout the downtown. This should include an investigation of the extent and nature of the problem(s) as well as development of a comprehensive strategy to encourage responsible parties and redevelopers to undertake cleanup and/or remediation. This process should actively assist those landowners and redevelopers interested in cleaning up and improving properties so that the overall condition of downtown is enhanced. To the extent possible, the process should include an expedited approval process, including a specific plan of action to be implemented if the responsible parties or owners are not reasonably responsive to cleanup needs.

CONCLUDING COMMENTS

The program outlined by the panel, while ambitious, is achievable. It is, however, the people of Stockton and their commitment to a downtown revitalization strategy who will make or break it. The panel believes that along with the challenges inherent in this type of program, there are exciting opportunities to rejuvenate and energize downtown Stockton. The strategies identified have proved successful in cities that are not that different from Stockton.

It is the hope of the panel that the citizens of Stockton will use these recommendations to develop a plan that their hearts, will, and determination can build upon to make downtown Stockton all that it can be. What better way to celebrate the 150th anniversary of Stockton's founding in 1999 than with the ground breaking of some of the key projects?

ABOUT THE PANEL

FRANK SPARICIO **PANEL CHAIR**

Rumford, Rhode Island

Sparicio provides strategic asset planning services for real estate portfolios of financial institutions dealing primarily with acquisition and disposition issues. Until recently, he served as senior vice president for Massachusetts-based Fleet Bank with responsibility for the bank's corporate real estate assets. Fleet's portfolio included 10 million square feet of commercial space and more than 800 branches, offices, and operations centers. Before joining Fleet Bank, Sparicio was responsible for all major real estate transactions as director of corporate real estate for GTE. Previously, he served as an officer of Harco, the Hartford Insurance Company's real estate subsidiary.

Sparicio is an associate member of the Society of Industrial Realtors and a member of the National Association of Industrial and Office Parks. He has been a member of the Urban Land Institute for more than 30 years and currently serves on the Corporate Real Estate Council and the Forum on Regionalism. Sparicio has served on nine ULI Advisory Services panel assignments.

MARTA BORSANYI

Newport Beach, California

Borsanyi is a principal with the Concord Group, a firm specializing in market, economic, and financial analyses associated with existing and proposed developments. She has experience in the evaluation of both residential and nonresidential land uses and has participated in many projects where the objective has been to identify the highest and best mix of uses for small- and large-scale developments. She has also directed a number of assignments with a focus on urban redevelopment.

Previously, Borsanyi was head of marketing services at the Mission Viejo Company, with responsibility for strategic planning, research, and marketing. She was also a full-time faculty member in the Graduate School of Management at the University of California, Irvine.

Borsanyi is a member of the International Council of Shopping Centers and the Urban Land Institute as well as a charter member of the advisory board to the Center for Economic Research and the Quarterly Economic Forecast at Chapman University. She has served on five ULI Advisory Services panels.

DANIEL BRENTS, FAIA

Houston, Texas

Brents is principal of Gensler, an international architecture and planning firm. Previously, he managed his own practice, offering planning and design services on projects throughout the United States, Europe, and Asia. His clients included Euro Disney, Sony Development, the Philippines National Centennial Commission, Brown & Root, and Hong Leong (Malaysia).

From 1989 to 1992, Brents was vice president of architecture and planning for Disney's real estate development group at Euro Disney, the 4,800-acre resort and mixed-use development in Paris. Previously, he was a senior vice president of 3D/International in Houston, where he managed architecture and planning and established its office in Hong Kong.

Brents is currently an adviser on the Cotswold Project, a proposed \$30 million private initiative to create a new image and streetscape for downtown Houston. He has recently been an adviser for the redevelopment of Houston's Astrodome Complex and properties surrounding Houston's Menil Art Center. Other recent redevelopment projects he has been involved in include the Sony Center in Berlin; the Meadowlands Sports Complex in New Jersey; downtown Sparks, Nevada; and plans for a 200-acre waterfront destination resort and entertainment complex near Washington, D.C.

Brents is a fellow of the American Institute of Architects and a member of the American Institute of Certified Planners and the Urban Land Institute. He has served on three ULI Advisory Services panels. He holds a bachelor's degree in architecture from Texas A&M and a master's degree in urban design from Washington University.

MICHAEL CONLON

San Francisco, California

Conlon is a principal of the Sedway Group, a real estate and urban economics consulting firm. He specializes in real estate economics and finance, urban development, land use regulation, and valuation. He has more than 25 years of experience in the planning, development, financing, and management of complex development programs and resulting projects and has worked closely with investors, lenders, attorneys, engineering firms, government agencies, and regulators. Conlon has served as an adviser to the government of Indonesia and as executive director of the Long Beach Redevelopment Agency. He is a member of the Urban Land Institute and National Association of Industrial and Office Parks. He is a counselor of real estate and a frequent speaker at industry conferences.

H. CALES GIVENS

Alexandria, Virginia

Givens is vice president and principal-in-charge of the Alexandria office of EDAW, Inc., an international planning and landscape architecture consulting firm. With over 22 years in planning and landscape architecture, Givens has a wide range of experience in master planning, urban design, neighborhood and community planning, military base closures, public/private development planning, and resort and golf course community planning. His responsibilities have included the management of multidisciplinary consulting teams, strategic development planning, real estate asset analysis, rezoning and master plan processing, design guidelines, and implementation. Prior to his current position, Givens was vice president in the Alexandria office of HOH Associates.

Givens has received numerous awards and honors, including the American Society of Landscape Architects Award for Alexandria 2020, Lansdowne, and A Memorial to the 56 Signers of the Declaration of Independence. He is a member of the American Society of Landscape Architects and the Urban Land Institute and has served on five ULI Advisory Services assignments.

DAVID C. LELAND
Portland, Oregon

Leland is managing director of the Leland Consulting Group, a research and advisory firm—with offices in Portland and Denver—providing real estate economics, development strategies, and project management for implementing real estate projects. He is educated in the fields of urban economics, city planning, and architecture and has over 30 years of experience in the real estate industry as a consultant, developer, and owner. Leland has developed urban for-sale and rental multifamily housing and has conducted or supervised more than 1,000 real estate assignments during his career. More than 375 of these have been housing projects or mixed-use projects in which housing was a key component. Previously, he served as president and chief executive officer of the Columbia-Willamette Development Company, a \$150 million multistate real estate development and asset management company. He is an affiliate member of the American Institute of Architects and a member of the Urban Land Institute. He has served on three ULI Advisory Services panel assignments.

DALE A. NELSON
Reston, Virginia

Nelson is the principal of the Nelson Company, a consulting firm specializing in the development, expansion, renovation, and repositioning of regional retail and mixed-use projects. Formerly, as vice president of development and acquisitions for the Hahn Company, Nelson was responsible for East Coast development projects and was the development director for The Plaza Pasadena (Pasadena, California) and Horton Plaza (San Diego, California), both award-winning urban redevelopment regional mall projects. Nelson has a broad range of expertise in regional shopping center, specialty retail, urban, and mixed-use projects, including site analysis, planning, fiscal feasibility studies, pro formas, department store and public agency negotiations, design, zoning, and other public approvals and project management.

Nelson holds a bachelor of science degree in architecture from the University of Southern California. He is a member of the Urban Land Institute and the International Council of Shopping Centers.

JOHN C. TATUM, JR.
Dallas, Texas

Tatum is director of development at the Southwest Properties Group, Inc. His responsibilities include planning, design, marketing, and financial analysis of several “in-town” Dallas residential and mixed-use projects, including Main Street/City Center and the Union Banker’s Insurance Complex in the Deep Ellum Entertainment District near downtown.

Before joining Southwest Properties, Tatum was cofounder, majority owner, and president of Elm Development Company, which was formed to develop and manage commercial real estate. Elm Development received the Historic Preservation League’s Keystone Award (1989) for outstanding achievement in historic preservation of the Frito Company Grain Elevator; the American Planning Association, North Central Texas Chapter’s Merit Award (1990); and the American Institute of Architects, Dallas Chapter’s Honor Award (1991) for its adaptive use projects in Dallas.

An active community member, Tatum has participated as a board member for the Friends of Fair Park, the Dallas Area Rapid Transit Authority, the Turtlecreek Center for the Arts, the Historic Preservation League, Inc., and the City of Dallas Landmark Commission. He holds a BA from Stanford University and attended the Harvard University Graduate School of Design for architecture.

ANNE WARHOVER

Denver, Colorado

Warhover is senior director of the Downtown Denver Partnership with responsibility for economic development, downtown redevelopment projects, recruiting jobs and retail, promoting housing development, and providing technical assistance to downtown businesses. She started the Center City Housing Support Office, which plans and markets downtown as a residential option, and serves as an advocate for financing alternatives and the reuse of vacant buildings. Warhover served as manager for the redevelopment of a vacant building into 51 rental housing units and upgraded first-floor retail. She is project manager for various downtown development programs and for the development plan for the 100-acre Denver convention center task force.

Before joining the partnership in 1992, Warhover was a vice president at First Interstate Bank of Denver. During her 12 years as a banker, she managed various commercial lending divisions, the community relations department, and the community reinvestment programs. Warhover is on the boards of the Colorado Housing Assistance Corporation, the Metropolitan Denver Housing Initiative, and the Center City Neighborhood Organizations. She is a member of National Association of Industrial and Office Parks.

JON L. WELLHOEFER

Milwaukee, Wisconsin

Wellhoefer is executive vice president of the Milwaukee Redevelopment Corporation (MRC), a downtown development firm formed in 1973 by the local business community's 40 largest companies. MRC counts among its projects The Grand Avenue, the Theater District, the Yankee Hill project, the East Pointe Commons (Park East), residential and commercial projects, the Library Hill housing development, and convention center activities. Since Wellhoefer's involvement in downtown Milwaukee, private investment has exceeded \$1 billion. He is also responsible for administering a master plan process for downtown development that is presently being undertaken jointly by the Milwaukee Redevelopment Corporation and the city of Milwaukee.

Before taking his current position in 1984, Wellhoefer served with the city of Milwaukee's Department of City Development and as deputy commissioner responsible for administration of the department and management of downtown development activities.

Wellhoefer serves on numerous community organizations and boards. He is an active member of the Urban Land Institute and has served on three Advisory Services panel assignments. Wellhoefer holds a BA from the University of Wisconsin-Oshkosh and master's degree in city planning and public administration from the University of Cincinnati.

ADRIENNE TELEKI

PROJECT DIRECTOR

Teleki is associate director of the Urban Land Institute's Advisory Services program. Her duties including marketing, developing, and recruiting ULI technical assistance teams; on-site project management; and report editing and client interface for ULI projects related to a wide range of land use and real estate development issues. In a prior position at ULI, she developed programs focusing on real estate trends and opportunities in emerging markets, including Eastern Europe, China, and Southeast Asia. Before joining ULI, she worked for Richard Leggin Architects, a firm specializing in residential and small-scale commercial projects. Teleki holds a BA from Amherst College and a master's degree in urban planning from the University of Virginia. She is a member of the American Planning Association and the American Institute of Certified Planners. She has staffed 25 Advisory Services panels.

