

Resolution No. 2012-06-26-1601

STOCKTON CITY COUNCIL

RESOLUTION RENEWING THE MIRACLE MILE IMPROVEMENT DISTRICT PROPERTY AND BUSINESS IMPROVEMENT DISTRICT, APPROVING THE ASSESSMENT FORMULA, AND LEVYING THE ASSESSMENTS

CITY OF STOCKTON Miracle Mile Improvement District No. 2012-01

The Property and Business Improvement District Law of 1994, Streets and Highways Code section 36600 et seq. authorizes cities and counties to establish property and business improvement districts upon petition by a weighted majority of property owners within the proposed district and affirmative ballot; and

A majority of the property owners subject to assessment, weighted according to the amount of assessment to be paid by each property owner, have petitioned the City Council to renew the proposed Miracle Mile Property and Business Improvement District ("MMID"); and

On May 8, 2012, the City Council adopted Resolution No. 2012-05-08-1502, which was the Resolution of Intention to renew the MMID, accepting petitions of property owners, preliminarily approving the Management District Plan and Engineer's Report, approving a proposed boundary map, setting a date for the Public Hearing of protests, providing for property owner ballots, and authorizing the Mayor to sign the ballot on behalf of City-owned property; and

Pursuant to California Constitution Article XIII D, ballots were mailed to property owners within the boundaries of the MMID, and, among those ballots returned to the City, a majority protest against renewal of the MMID does not exist; and

A Public Hearing has been duly noticed in The Record at least 15 days prior to the Public Hearing date of June 26, 2012; and

All written and oral protests made or filed were duly heard, evidence for and against the proposed action was received, and a full, fair and complete hearing was granted and held; and

City Atty
Review
Date

GDP
June 20, 2012

A detailed Engineer's Report prepared by a registered professional engineer certified by the State of California, Kristen Lowell, in support of the MMID's assessments has been prepared, is incorporated in the Management District Plan, and is on file with the Office of the City Clerk and is incorporated herein by this reference as Exhibit 1; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The recitals set forth herein are true and correct.
2. The ballots were counted and a majority protest against renewal of the MMID does not exist.
3. The MMID is hereby renewed and the assessment is hereby levied for fiscal year 2013. The annual assessment will total approximately \$235,000.
4. The Management District Plan and Final Engineer's Report are hereby approved and adopted.
5. The assessment shall be imposed on properties within the MMID. The renewed MMID shall include those commercial parcels in the Pacific Avenue area from Alpine Avenue on the north to Harding Way on the south, and all commercial parcels that front Harding Way between Lincoln Street on the west and North El Dorado Street on the east.
6. Assessment rates are as follows:

Benefit Zone	Annual Assessment Rate per Lot plus Bldg Sq.Ft.
Zone 1:	\$0.1276
Zone 2:	\$0.0622
7. The assessment roll for the MMID, Stockton, State of California has been filed with the City Clerk, and is hereby approved.
8. The assessments shall be collected in accordance with Section 36631 of the Streets and Highways Code.
9. The assessment levied for the MMID shall be applied towards an enhanced maintenance program, security program, marketing and promotions programs, and an advocacy program with the intent of increasing the commercial activity and overall image of the Miracle Mile and Harding Way areas.
10. Bonds shall not be issued.

11. Properties within the MMID are subject to any amendments to Part 7 (commencing with Section 36600) of Division 18 of the Streets and Highways Code.

12. The improvements and activities to be provided in the MMID will be funded by the levy of the assessments specified in the assessment roll. The revenue from the levy of such assessments shall not be used to provide improvements or activities outside the MMID or for any purpose other than the purposes specified on the Resolution of Intention.

13. All property within the MMID will be benefited specially and directly by the improvements and activities funded by the assessments proposed to be levied.

14. The City Clerk is directed to take all necessary actions to complete renewal of the MMID. The City Clerk is directed to record in the County Recorder's Office a notice and assessment diagram, now on file with the City Clerk's Office, as required by Streets and Highways Code section 36627.

15. This resolution shall take effect immediately.

PASSED, APPROVED, and ADOPTED June 26, 2012



ANN JOHNSTON, Mayor
of the City of Stockton

ATTEST:



BONNIE PAIGE, City Clerk
of the City of Stockton



Exhibit 1

**Miracle Mile Improvement District
Property Based Business Improvement District
Management District Plan**

**Stockton, California
March 29, 2012**

Prepared by:
PBID Renewal Committee
Kevin Dougherty, Christopher Bennitt,
Karen Carlson, and Denise Jefferson

Reviewed by:
Civitas Advisors Inc.
Engineering Report by:
Kristin Lowell

Prepared pursuant to the State of California
Property and Business Improvement District Law of 1994
and Article XIID of the California Constitution
to renew a property based business improvement district

**MIRACLE MILE IMPROVEMENT DISTRICT
PBID RENEWAL 2013
MANAGEMENT PLAN**

TABLE OF CONTENTS

<u>Section Number</u>	<u>Page Number</u>
1. Management Plan Summary	1
2. MMID PBID Improvement and Activity Plan	4
3. MMID PBID Operating Budget	7
4. Public Sector Participation	8
5. Assessment Methodology	9
6. MMID PBID Governance	13
7. Assessment Roll	14
8. MMID District Boundaries Map	17
9. City of Stockton Baseline Services Agreement	18
Appendix A: City of Stockton Council Resolution	19
Appendix B: Engineer's Report	20

SECTION 1: Management District Plan Summary

Developed in 2007 by a coalition of property and business owners, the Miracle Mile Improvement District (MMID) is a benefit assessment district designed to improve and convey special benefits to properties within the commercial business district of Pacific Avenue, commonly referred to as the "Miracle Mile." The MMID Property and Business Improvement District was established pursuant to the state law, the "Property and Business Improvement District Law of 1994", as amended. The Miracle Mile PBID provides services and activities, including enhanced maintenance, public security and safety, and marketing and promotional activities, above and beyond those the City currently provides. Pursuant to the "Property and Business Improvement District Law of 1994," as amended, the MMID has functioned and continues to function for a term of five years, beginning on January 1, 2008, and ending December 31, 2012.

A non-profit organization, the Miracle Mile Improvement District, was formed in the fall of 2007 and designated as the Owners' Association

Location: The renewed Miracle Mile Improvement District shall include those commercial parcels in the Pacific Avenue area from Alpine Avenue on the north to Harding Way on the south, and all commercial parcels that front Harding Way between Lincoln Street on the west and North El Dorado Street on the east. A map of the boundaries is attached.

Within this boundary there are two benefit zones that will receive varying levels of services. Zone 1 includes all commercial parcels fronting Pacific Avenue south of Regent Court and all commercial parcels fronting Harding Way from Lincoln Street to North El Dorado Street. Zone 2 includes the remainder of the District, those commercial parcels fronting Pacific Avenue north of Regent Court to Alpine Avenue.

Services and Activities Provided

The services and activities to be provided include:

Enhanced Maintenance: Activities to maintain existing landscape, replace landscaped planters as needed, add landscape in underserved areas, add trash receptacles where needed, maintain and improve public parking lots, remove graffiti, periodically power wash sidewalks, remove trash, gum, stickers and debris, and maintain and improve parking lot and street lighting.

Public Security and Safety: Provide contracted security, work with community partners on enhanced security provisions, develop and promote safety programs including "No Loitering" programs and "No Panhandling" programs, promote crosswalk safety programs, and promote alternative transportation modes by installing bike racks and working with the local transit district to enhance bus routes and bus stop locations.

Marketing and Promotion: The MMID will provide services to the District merchants to assist them in joint-effort marketing and advertising, as well as placing advertisements in various media. The MMID website and facebook page will be utilized to advertise the District's events, bring more foot-traffic to the area, and enhance the image of the District. The MMID will continue to work to enhance the economic growth of the District through activities, advertisements and events that promote the District's image to attract businesses and new customers.

Advocacy and Management: The MMID will employ an Executive Director to manage the day-to-day operations of the organization and be an advocate to the community for the MMID. The director shall continue to work closely with the City of Stockton, Stockton Unified School District, the University of the Pacific, the San Joaquin Rapid Transit District, and other organizations and agencies in partnership towards maintaining and enhancing the Miracle Mile Community as a hub for dining, shopping, entertainment, and education.

Budget: The MMID PBID total annual amount of assessment income to be expended in 2013 is projected to be \$235,000. The total assessment annual amount may increase by no more than 3% per year thereafter.

Method of Financing: Levy of assessments upon real property that specially benefit from the proposed services and activities.

Assessments: Annual assessments are calculated based upon each property's square footage plus building square footage.

The first year's assessment rates are as follows:

Benefit Zone	Annual Assessment Rate per Lot plus Bldg Sq.Ft.
Zone 1:	\$0.1276
Zone 2:	\$0.0622

Cap: The PBID budget and assessments may increase by as much as 3% per year to keep pace with the consumer price index and other program costs.

Collection: Assessments will appear as a separate line item on the annual County of San Joaquin Property Tax bills.

City Services: The City of Stockton has established a "Base Line Services Agreement" with the MMID to maintain the current level of services within the District, and will continue to provide said Base Line Services under the renewed PBID.

District Formation: The MMID PBID renewal requires submission of petitions

from property owners within the District boundaries representing more than 50% of total assessments. Following a public hearing, if ballots, weighted by assessments, submitted in opposition to the assessment do not exceed the ballots submitted in favor of the assessments, the City Council may authorize the levy of assessments.

Duration: Per state law, the renewed MMID PBID will have a five-year life commencing January 1, 2013 and terminating December 31, 2017, unless the property owners within the MMID elect to renew the District again.

Governance: The MMID shall continue to serve as the Owners' Association pursuant to Section 36651 of the Streets and Highways Code. The Board of Directors or the Executive Board shall meet monthly (alternating months) to review the budget, policies, and services provided. The non-profit organization shall continue to provide staffing and contracted services to fulfill the goals of the MMID PBID.

SECTION 2: PBID IMPROVEMENT AND ACTIVITY PLAN

As determined by area property and business owners, the top priority for services and activities within the District area are consistent with the original intent, and include:

1. Enhanced Maintenance
2. Public Safety and Security
3. Marketing and Promotions
4. Administrative Services

Based upon these findings, the following service and activity categories are recommended for continuation in the PBID renewal. Subsequent year's programs and budgets will be subject to the review and approval of the member-elected Board of Directors and overseen and approved by the Stockton City Council.

All of the improvements and activities detailed below are provided only to individual assessed parcels within the District boundary and provide special benefits which are particular and distinct to each of the individual assessed parcels within the proposed District. No improvement or activities are provided to parcels outside the District boundaries. All assessment revenues generated from this District will only pay for services directly benefiting each of the individual assessed parcels.

All benefits derived from the assessments outlined in the Management District Plan are for services directly benefiting the individual assessed parcels and businesses within this area and will support increased commerce, business attraction and retention, and increased property rental income. The enhanced cleanliness, safety and marketing and promotions within this commercial core will enhance the image and viability of the assessed parcels and businesses within the District boundaries. No services will be provided to parcels outside the District boundaries.

1. Enhanced Maintenance

The top priority for the Miracle Mile property owners is enhanced maintenance. MMID will continue to provide contracted services to power-wash sidewalks, remove gum and stickers, collect and remove trash from public trash containers, remove graffiti, collect and dispose of litter, and to provide seasonal watering services of public landscape where irrigation is nonexistent. The MMID shall also continue to assist in District beautification by planting seasonal flowers in tree wells, and replacing missing or dying trees and shrubs when budget allows. The MMID shall continue to work with local organizations to enhance and maintain these plantings, including the trimming of trees and bushes and weeding of planters.

The MMID will work with the City of Stockton, existing organizations, and service contractors to revitalize existing street furnishings (trash cans, streetlights, bollards, etc.) and to supply furnishings where they are needed.

The proposed maintenance service frequencies are provided below depending on actual cost estimates to provide these services:

SERVICE GOALS	FREQUENCY	
	Zone 1	Zone 2
Power-washing sidewalks, gum and sticker removal	Three times a year between April and October	Once a year in June or July
Trash removal	6 days per week, year round	1 day per week, April to October
Graffiti removal	6 days per week as needed	6 days per week as needed
Litter removal and weeding services: provided by SUSD workability program	Per SUSD school calendar	Per SUSD school calendar
Watering	6 days per week; April through October	None
Planting	April	When budget allows
Street furnishings replacement/improvement	Year round	Year round

2. Public Safety and Security

The second priority of the District property owners and the MMID Board of Directors is to provide a safe environment for businesses, employees and guests. The MMID security program will supplement local law enforcement agencies by providing contracted security personnel during peak hours as determined by monthly security reports. Security schedules will vary by day, week, and month based on reported activity or scheduled events within the district. The program will assist in the prevention of break-ins, graffiti tags and disruptive street behavior. Additionally, the security personnel will be available to escort guests and employees to their vehicles in the evening hours on a call-in basis.

The MMID will develop a security plan with the southern District property owners (Harding Way) and businesses to decrease unfavorable activity along the southern portion of the District. The MMID will negotiate with business owners on Harding Way to form another supplement security program on Harding Way. The MMID will continue a “No Loitering” campaign and a “No Panhandler” campaign with the merchants to discourage the MMID guests from giving change to panhandlers. Providing change to panhandlers fuels the loitering issue and deters guests from visiting.

3. Marketing and Promotions

The third priority of District property owners and the MMID Board of Directors is marketing and promoting the Miracle Mile as a destination for the shopping, dining, entertainment, and educational needs of the community. These promotions and events will aim to improve the overall business image of the District with the goal of attracting and retaining businesses, jobs and investment. Included in marketing and promotions is joint-advertising opportunities, an organizational website (Stocktonmiraclemile.com), a facebook page for constant connection

and advertising, an annual report, brochures and flyers, street banners, and sponsorship of related activities and events that will benefit the District's image. A façade improvement program was developed by the MMID which provides a small reimbursement fund for merchants who improve the front façade of their buildings which improves the overall image of the District as a whole.

4. Administrative Services

Administrative services will include compensation paid to the Executive Director to provide staff services to the Board of Directors, manage the budget and bookkeeping of the organization, maintain the records of the organization, oversee the contracts for services of the District, manage the website, oversee advertising, promotions and events, assist merchants in issues related to the enhancement of the District's image, and act as official liaison to the City of Stockton, the University of the Pacific, Stockton Unified School District, and other organizations and agencies whose activities interact with the District. When available, the Executive Director will be assisted by part-time volunteer interns and other volunteers to assist with the day-to-day operations of the PBID. The Executive Director will also work with outside agencies and interested parties to identify and obtain supplemental funds, such as additional funds for security programs.

The budget for management and advocacy includes expenses relating to rent, telephone, utilities, printing, postage, equipment, internet services, accounting and bookkeeping services, and legal services when needed. Insurance premiums are also included to provide general liability coverage for the District operations, activities, and events, director and officer liability coverage, and health-care benefits for the Executive Director.

Section 3: MMID OPERATING BUDGET 2013

SERVICE OR ACTIVITY	2013 BUDGET*	% OF BUDGET
Assessments	\$235,000	
TOTAL INCOME	\$235,000	100%
EXPENSES		
Enhanced Maintenance	\$30,000	13%
Public Safety and Security	\$100,000	43%
Marketing and Promotions	\$20,000	9%
<i>Subtotal General Services:</i>	<i>\$150,000</i>	
Administrative Support*	\$85,000	36%
TOTAL EXPENSES	\$235,000	100%

* Includes the required reserve fund

SECTION 4: PUBLIC SECTOR PARTICIPATION

Baseline Services Agreement

It is not the intent of the PBID to use property assessment funds to pay for services that the City currently provides. Assessment funds are to pay for services that are above and beyond those services provided by the City.

In 2007 the City Council executed a baseline services agreement that established the levels of City services that would continue after the MMID PBID was formed, and the City intends to continue to support this agreement (see Baseline Service Agreement, Section 9).

Public Property Assessments

This MMID Management District Plan assumes that the City of Stockton and any other government or non-profit owned parcels within the District boundary will pay their proportional assessment based on the special benefits conferred to each of those individual assessed parcels. All publicly owned parcels receive the same level of service and benefit respective of the benefit zone as all other properties within the District from the proposed improvements and activities. Therefore, the publicly owned parcels are apportioned their fair share of the project costs, based on the same assessment formula applied to all other parcels in the District. Article XIID of the California Constitution was added in November 1996 and provides for these assessments.

SECTION 5: ASSESSMENT METHODOLOGY***General***

This Management District Plan provides for the levy of assessments for the purpose of providing services and activities that specially benefit real property within the boundaries of the MMID. These assessments are not taxes for the general benefit of the City, but are assessments for services and activities which confer special benefits upon the real property for which the services and activities are provided.

Assessment Factors

Miracle Mile property owners and business owners have emphasized that the assessment formula for the MMID PBID be fair, balanced and have a direct relationship to special benefits received. The State enabling legislation also states, "Assessments levied on real property... shall be levied on the basis of the estimated benefit to the real property within the district." The recommended methodology for the District is to use lot plus building square footage as the assessment variable.

Lot plus Building Square Footages

The sum of lot and building square footage is the primary assessment variable for all programs and services. The benefits derived from all PBID activities are designed to improve the cleanliness, beauty, safety, security, image, tenancy and sales, which are distributed throughout the district. Including lot square footage in the calculation acknowledges the greater benefits of these services to the ground level of property.

Benefit Zones

As previously discussed the District is divided into two benefit zones receiving varying levels of services. Zone 2 receives fewer general services than Zone 1, thus the square footage of Zone 2 is reduced by 75% to create a "weighted square foot" amount. The table below shows the total amount of assessable lot plus building square footage and the weighted square footage for each zone:

Benefit Zone	Total Sqft	Weighted Lot Sqft	Weighted Bldg Sqft	TOTAL Weighted Sqft
Zone 1	1,591,924	997,529	594,395	1,591,924
Zone 2	513,004	102,932	25,319	128,251
TOTAL	2,104,928	1,100,461	619,714	1,720,175

Assessment Calculation

The benefit zones will receive varying levels of maintenance services, in particular Zone 1 will receive the majority of the general services; therefore, the higher amount apportioned to Zone 1 is in direct relationship to the cost for services in Zone 1. Likewise, Zone 2 receives fewer services and less benefit than Zone 1; therefore, the

amount apportioned to Zone 2 is less than Zone 1 and is in direct relationship to the cost of the service for Zone 2. The “weighted square feet” reflects the reduced services of Zone 2.

To calculate the assessment for the services for each zone is to take the cost for the “general services” (see budget, page 7), \$150,000 and divide it by the “weighted square feet” (1,720,175) which equals an assessment of \$0.0872 per foot. That is the assessment rate for Zone 1.

$$\text{Zone 1 General Services: } \$150,000 / 1,720,175 = \$0.0872$$

However, because Zone 2 receives fewer services than Zone 1 they will be assessed at 25% of that rate or \$0.0218 per foot.

$$\text{Zone 2 General Services: } \$0.0872 \times .25 = \$0.0218.$$

To calculate the assessment for the “administrative support”, which benefit the District as a whole, is to divide that portion of the budget, \$85,000, by the overall total number assessable square feet, 2,104,928, which equals an assessment of \$0.0404 per foot.

$$\text{Administrative Support (both zones)} = \$85,000 / 2,104,928 = \$0.0404.$$

To calculate a parcel's assessment for Zone 1, multiply that parcel's lot square feet plus building square feet by \$0.1276 (\$0.0872 + \$0.0404) which equals the total parcel assessment.

To calculate a parcel's assessment for Zone 2, multiply that parcel's lot square feet plus building square feet by \$0.0622 (\$0.0218 + \$0.0404) which equals the total parcel assessment. For example, a parcel in Zone 1 with 5,000 lot square feet plus 2,500 building square feet will receive an assessment of \$957.00 (7,500 x \$0.1276). A parcel in Zone 2 with 5,000 lot square feet plus 2,500 building square feet will receive an assessment of \$466.50 (7,500 x \$0.0622).

Assessment rates will not exceed the following during the first year of the PBID:

Benefit Zone	Annual Assmt Rate per Lot plus Bldg Sq.Ft
Zone 1:	\$0.1276
Zone 2:	\$0.0622

Annual Assessment Adjustments

Residential Properties: Parcels that are zoned residential, and used exclusively for

residential purposes, are exempt from the MMID assessments. This is based on the finding that residential parcels do not receive benefit from the proposed activities as presented in this Management District Plan. If at any time a residential property converts its use to commercial purposes, then that property receives benefit from the activities and is then subject to the assessment.

School District Properties: Parcels that are used exclusively for school purposes receive less benefit because they provide many services the district provides, they are fenced, they have significant amount of open space, and they are not utilized for purposes similar to a commercially zoned and/or developed parcel. This acknowledges that the benefits to the school property are focused solely on the building.

Budget Adjustment: Any annual budget surplus or deficit will be rolled over to the following year's MMID budget and applied when needed. The Owners' Association may adjust the budget line items by no more than ten percent (10%) of the total budget each year; except that the MMID reserve will be maintained at approximately 10% of the annual MMID budget.

Government and Non-Profit Assessments: The City of Stockton and any other government or non-profit owned parcels within the PBID boundary will pay their fair share assessment based on the special benefits conferred to those parcels. Article XIID of the California Constitution was added in November 1996 and provides for these assessments.

The table below shows the publicly owned parcels, City of Stockton and the Stockton Unified School District, and their respective assessments.

APN	OWNER	ASSESSMENT
113 290 02	CITY OF STOCKTON	\$9,263.49
113 354 15	CITY OF STOCKTON	\$1,389.37
113 364 06	CITY OF STOCKTON	\$444.50
113 364 07	CITY OF STOCKTON	\$555.75
125 060 08	CITY OF STOCKTON	\$1,278.12
125 070 12	CITY OF STOCKTON	\$1,444.86
127 020 05	CITY OF STOCKTON	\$1,444.86
127 042 04	CITY OF STOCKTON	\$1,278.12
127 050 04	CITY OF STOCKTON	\$611.24
127 060 03	CITY OF STOCKTON	\$1,278.12
137 020 22	CITY OF STOCKTON	\$1,278.12
	TOTAL	\$20,266.54
137 060 01	STOCKTON UNIFIED SCHOOL DIST	\$1,237.54
137 060 02	STOCKTON UNIFIED SCHOOL DIST	\$18,588.68
	TOTAL	\$19,826.22

Time and Manner for Collecting Assessments

As provided by state law, the Miracle Mile PBID assessment will appear as a separate line item on the annual San Joaquin County property tax bills, and will be payable in three installments as follows: first installment equals 53% of total assessment, installment two equals 28% of the total, and the final installment contains the remaining 19% of the total assessment amount. Laws for enforcement and collection of property taxes also apply to the PBID assessment. The MMID shall invoice these installments to the City of Stockton, Economic Development Department, which is responsible for collecting said assessments from the San Joaquin County Tax Assessors office. The City of Stockton and the Stockton Unified School District assessments shall be invoiced to the respective agencies by the MMID annually.

Disestablishment

State law provides for the disestablishment of a PBID pursuant to an annual process. The 30-day period begins each year on the anniversary day that the City Council first established the District. Within this annual 30-day period, if the owners of real property who pay more than 50 percent of the assessments levied submit a written petition for disestablishment, the PBID may be dissolved. The City Council will hold a public hearing on the disestablishment prior to actually doing so.

Duration

Per state law, the renewed MMID PBID will have a five-year life commencing January 1, 2013 and terminating December 31, 2017 unless the property owners within the PBID elect to renew the District.

SECTION 6: MMID GOVERNANCE

Consistent with business improvement district legislation throughout the nation, California's "Property and Business Improvement District Law of 1994," and its amendments establish a governance framework that allows property owners who pay assessments to determine how those assessments are used. The following components are required within a PBID governing structure.

PBID Governance

To encourage cost effective operations, maximize stakeholders' accountability and encourage a unified management structure, the City of Stockton will continue its contract with the Miracle Mile Improvement District, a non-profit organization, to provide the day-to-day operations of the MMID. The MMID will hold an annual election of assessed property owners to select the governing Board of Directors, which will meet regularly to oversee operations and activities of the MMID. The MMID Board shall be comprised of 7 property owners with a geographic representation of the entire district, 3 members shall be business owners, and 1 member each shall be from the City of Stockton, Stockton Unified School District, and the University of the Pacific. The MMID Board of Directors reserves the right to modify its composition by amending the MMID Bylaws; provided that the Board shall always be comprised of a majority of property owners paying the PBID assessment. The MMID Board of Directors shall review the PBID budgets and policies within the limitations of the Management District Plan and file annual reports with the property owners within the District and the City Council.

SECTION 7. ASSESSMENT ROLL

APN	Amount	Zone	Rate	Floors	Parcel Sqft	Bldg Sqft	Property Address
113290010000	\$5,437.88	2	\$0.0622	1	66,000	22,900	3215 Pacific Avenue
113290020000	\$9,266.50	2	\$0.0622				3021 Pacific Avenue
113320060000	\$394.74	2	\$0.0622	1	4,800	1,500	2737 Pacific Ave
113320070000	\$1,106.36	2	\$0.0622	1	14,600	6,500	2737 Pacific Ave
113320120000	\$970.80	2	\$0.0622	1	13,550	2,409	2605 Pacific Avenue
113330040000	\$1,225.62	2	\$0.0622	1	11,800	5,000	2633 Pacific Avenue
113340340000	\$755.40	1	\$0.1276	1	8,600	2,000	306 Regent Ct
113340350000	\$2,077.24	1	\$0.1276				2535 Pacific Avenue
113340360000	\$131.88	1	\$0.1276				Alley
113340370000	\$605.86	1	\$0.1276				2520 Beverly Pl
113340380000	\$2,399.00	1	\$0.1276	1	16,300	2,600	2405 Pacific Avenue
113340390000	\$587.52	1	\$0.1276	2	7,800	1,600	2502 Beverly Place
113354070000	\$1,329.60	1	\$0.1276	1	5,416	3,800	2341 Pacific Avenue
113354080000	\$1,252.54	1	\$0.1276	1	5,000	4,000	2337 Pacific Avenue
113354090000	\$1,264.54	1	\$0.1276	1	5,000		2323 Pacific Avenue
113354100000	\$1,144.60	1	\$0.1276	1	5,000	2,100	2319 Pacific Avenue
113354110000	\$1,391.10	1	\$0.1276	1	5,000		2311 Pacific Avenue
113354120000	\$602.64	1	\$0.1276	1	5,000	2,700	2301 Pacific Avenue
113354150000	\$1,392.38	1	\$0.1276				Parking Lot
113354160000	\$730.22	1	\$0.1276	1	5,700		222 Central Court
113354180000	\$1,955.00	1	\$0.1276	1	9,900	5,300	221 Tuxedo Court
113354210000	\$1,399.52	1	\$0.1276	1	5,700		Parking lot
113354230000	\$1,357.54	1	\$0.1276	1	5,363	5,200	2363 Pacific Avenue
113354240000	\$893.52	1	\$0.1276	1	4,054		2353 Pacific Avenue
113354250000	\$533.50	1	\$0.1276	1	2,152	4,100	2349 Pacific Avenue
113363030000	\$1,597.78	1	\$0.1276	2	5,500	5,000	2115 Pacific Avenue
113363040000	\$1,348.22	1	\$0.1276	1	5,600		2111 Pacific Avenue
113363050000	\$1,500.06	1	\$0.1276	1	7,600	5,200	2105 Pacific Avenue
113363060000	\$691.94	1	\$0.1276	1	5,400	1,000	217 Dorris Place
113363070000	\$857.80	1	\$0.1276	1	5,400	1,300	215 Dorris Place
113363080000	\$1,145.24	1	\$0.1276	1	5,600	3,300	233 Dorris Place
113363090000	\$1,137.20	1	\$0.1276	1	5,000	2,200	247 Dorris Place
113363100000	\$591.80	1	\$0.1276	1	5,200		245 Dorris Place
113363160000	\$782.66	1	\$0.1276	1	5,800		218 Tuxedo Court
113364010000	\$2,541.88	1	\$0.1276	1	11,000	8,900	2051 Pacific Avenue
113364040000	\$923.64	1	\$0.1276	1	3,400	3,400	2001 Pacific Avenue
113364050000	\$1,572.26	1	\$0.1276	1	7,000	6,800	230 Dorris place
113364060000	\$447.50	1	\$0.1276	1	9,100		Parking Lot
113364070000	\$558.76	1	\$0.1276	1	4,500	900	Parking Lot
113364080000	\$3,013.94	1	\$0.1276	2	14,500	5,600	2007 Pacific Avenue
113380010000	\$1,253.18	1	\$0.1276	1	2,300		6 Central Ct
113380030000	\$1,155.32	1	\$0.1276	1	1,300	1,850	4 Central Ct
125020010000	\$530.80	2	\$0.0622	2	6,600	200	236 W. Alpine
125020020000	\$1,357.94	2	\$0.0622	2	10,100	500	3236 Pacific Avenue
125020030000	\$1,022.78	2	\$0.0622	2	8,400	6,100	3214 Pacific Avenue
125030010000	\$604.62	2	\$0.0622	1	7,000	1,800	3114 Pacific Avenue
125030020000	\$519.12	2	\$0.0622	1	6,300	2,00	3024 Pacific Avenue
125030030000	\$510.40	2	\$0.0622	1	6,300	1,600	3020 Pacific Avenue
125030040000	\$488.02	2	\$0.0622	1	6,300	1,500	2950 Pacific Avenue
125030050000	\$488.02	2	\$0.0622	1	6,300	1,500	3012 Pacific Avenue

125030070000	\$500.46	2	\$0.0622	1	6,300	1,700	2930 Pacific Avenue
125030370000	\$151.98	2	\$0.0622	1	2,400		3134-3138 Pacific Avenue
125030390000	\$157.00	2	\$0.0622	1	2,400		Parking Behind Wok IN
125030400000	\$651.48	2	\$0.0622	1	7,921	1,600	2918 Pacific Avenue
125030410000	\$973.42	2	\$0.0622	1	10,890	3,984	2920 Pacific Avenue
125040010000	\$576.08	2	\$0.0622	2	6,500	2,600	2762 Pacific Avenue
125040020000	\$1,228.88	2	\$0.0622	1	13,500	4,600	2724 Pacific Avenue
125040030000	\$1,331.20	2	\$0.0622	2	20,000	6,700	2648 Pacific Avenue
125040040000	\$1,322.62	2	\$0.0622	1	15,200	4,200	2624 Pacific Avenue
125040050000	\$1,152.06	2	\$0.0622	1	9,000	3,800	2624 Pacific Avenue
125050100000	\$2,338.26	1	\$0.1276	2	14,100	4,000	2520 Pacific Avenue
125050160000	\$2,873.08	1	\$0.1276	2	15,100	4,600	2540 Pacific Avenue
125050170000	\$3,518.90	1	\$0.1276	1	22,200	3,300	2562 Pacific Ave
125060010000	\$746.30	1	\$0.1276	1	6,000	100	2402 Pacific Avenue
125060030000	\$1,058.10	1	\$0.1276	2	3,500	3,500	2328 Pacific Avenue
125060040000	\$707.90	1	\$0.1276	2	8,600	1,300	94 W Castle Street
125060050000	\$1,006.30	1	\$0.1276	2	5,300	1,800	2318 Pacific Avenue
125060060000	\$878.48	1	\$0.1276	2	3,500	1,300	88 Castle Street
125060070000	\$1,096.00	1	\$0.1276	2	3,500	3,200	86 Castle Street
125060080000	\$1,281.12	1	\$0.1276				Parking Lot #6
125060090000	\$2,235.68	1	\$0.1276	1	10,000	11,292	157 W Adams St
125060100000	\$1,076.22	1	\$0.1276	1	5,800	3,500	2300 Pacific Avenue
125060110000	\$1,291.20	1	\$0.1276	1	5,200	4,700	2313 Pacific Avenue
125070110000	\$3,332.64	1	\$0.1276	1	14,800	12,200	178 W Adams
125070120000	\$1,447.86	1	\$0.1276				Parking Lot
125070250000	\$2,261.96	1	\$0.1276	1	9,000	6,700	2206 Pacific Avenue
125070260000	\$998.66	1	\$0.1276	1	7,200	600	2130 Pacific Avenue
125070270000	\$896.08	1	\$0.1276	1	6,650		2130 Pacific Avenue
125070380000	\$1,965.60	1	\$0.1276	1	8,800	6,100	2110 Pacific Avenue
125070390000	\$2,094.96	1	\$0.1276	1	5,700	5,100	165 W Cleveland Avenue
127020010000	\$2,707.74	1	\$0.1276	2	9,200	10,000	2034 Pacific Avenue
127020020000	\$1,156.86	1	\$0.1276	1	4,000	4,000	2024 Pacific Avenue
127020050000	\$1,447.86	1	\$0.1276				Parking Lot
127020210000	\$731.62	1	\$0.1276	1	5,700		1906 Pacific Avenue
127020230000	\$1,247.06	1	\$0.1276	1	5,100	5,000	2014 Pacific Avenue
127020240000	\$1,435.74	1	\$0.1276	2	9,600	7,600	2002 Pacific Avenue
127020250000	\$3,070.96	1	\$0.1276	1	10,000	8,500	1926 Pacific Avenue
127020260000	\$1,066.02	1	\$0.1276	1	18,579	4,900	1924 Pacific Avenue
127041010000	\$909.98	1	\$0.1276	1	5,000	4,400	1902 Pacific Avenue
127041020000	\$407.70	1	\$0.1276	1	3,700		1906 Pacific Avenue
127041030000	\$414.20	1	\$0.1276	1	3,200		133 W Maple
127042040000	\$1,281.12	1	\$0.1276	1	10,000	9,000	Parking Lot
127042170000	\$3,197.78	1	\$0.1276	1	17,400	4,400	1810 Pacific Avenue
127042180000	\$2,427.06	1	\$0.1276				151 W Alder St
127050010000	\$3,256.60	1	\$0.1276	2	12,300	14,200	1744 Pacific Avenue
127050020000	\$229.88	1	\$0.1276	1	1,730		Alder Street
127050030000	\$642.32	1	\$0.1276	1	6,795		Alder Street
127050040000	\$614.24	1	\$0.1276	1	4,792		Parking Lot #2
127050340000	\$640.92	1	\$0.1276	1	5,000		121 W Walnut Street
127050350000	\$640.92	1	\$0.1276	1	5,000		133 W Walnut Street
127050360000	\$640.92	1	\$0.1276	1	5,000		1744 Pacific Avenue
127050370000	\$2,144.60	1	\$0.1276	2	9,400	10,000	1720 Pacific Avenue
127060010000	\$844.80	1	\$0.1276	1	4,600	2,000	1632 Pacific Avenue
127060020000	\$998.14	1	\$0.1276	1	5,000	2,800	136 Walnut St
127060030000	\$1,281.12	1	\$0.1276				Parking Lot

127060340000	\$640.92	1	\$0.1276	1	5,000		1612 Pacific Avenue
127060350000	\$830.38	1	\$0.1276	1	5,000	1,000	1612 Pacific Avenue
127070010000	\$2,205.06	1	\$0.1276	1	12,800	4,300	1546 Pacific Avenue
127070250000	\$2,054.14	1	\$0.1276	1	13,200	2,300	5 East Harding Way
127070260000	\$8,573.06	1	\$0.1276	1	49,000	20,000	15 W Harding Way
127070270000	\$1,767.72	1	\$0.1276	1	7,392	7,200	43 W. Harding Way
127070280000	\$481.44	1	\$0.1276	1	3,750		1520 N Commerce
127070310000	\$3,304.82	1	\$0.1276	1	12,700	11,400	111-113-117 W Harding Way
127070320000	\$1,390.08	1	\$0.1276	1	5,700	3,200	127 W Harding Way
127070330000	\$1,354.10	1	\$0.1276	1	7,100	4,000	133 W Harding Way
127070340000	\$2,816.18	1	\$0.1276	1	17,800	3,600	1504 Pacific Avenue
127070350000	\$1,567.54	1	\$0.1276	1	7,700	6,600	105 W Harding Way
127070370000	\$3,958.68	1	\$0.1276	1	28,910	2,095	45 E Harding Way
137020210000	\$1,770.78	1	\$0.1276	1	9,900	8,500	1859 Pacific Avenue
137020220000	\$1,281.12	1	\$0.1276				Parking Lot
137020230000	\$1,161.24	1	\$0.1276	1	5,000	3,000	1849 Pacific Avenue
137020310000	\$640.92	1	\$0.1276	1	11,000		1665 Pacific Avenue
137020420000	\$6,981.72	1	\$0.1276	1	30,000	19,400	1825 Pacific Avenue
137060010000	\$1,240.54	1	\$0.1276				1661 Pacific Avenue
137060020000	\$18,591.68	1	\$0.1276				1525 Pacific Avenue
137070040000	\$1,559.50	1	\$0.1276				120 W Harding Way
137070160000	\$1,687.32	1	\$0.1276	2	5,000	2,900	48 W Harding Way
137070190000	\$3,460.48	1	\$0.1276	1	22,500	3,700	1423 N Center St
137070510000	\$640.92	1	\$0.1276	1	5,000		120 W Harding Way
137070520000	\$640.92	1	\$0.1276	1	5,000		130 W Harding Way
137070530000	\$640.92	1	\$0.1276	1	5,000		140 W. Harding Way
137070550000	\$1,023.66	1	\$0.1276	1	6,600	1,600	30 W Harding Way
137080010000	\$1,789.16	1	\$0.1276	1	14,000		330 W Harding Way
137080030000	\$1,380.88	1	\$0.1276	1	8,000	2,500	304 W Harding Way
137080140000	\$1,087.46	1	\$0.1276	1	7,500	1,000	244 W Harding Way
137080150000	\$1,629.68	1	\$0.1276	1	7,500	4,800	230 W Harding Way
137080160000	\$640.92	1	\$0.1276	1	2,500	1,400	218 W Harding Way
137080170000	\$449.54	1	\$0.1276	1	3,450	1,300	216 W Harding Way
137080540000	\$183.62	1	\$0.1276	1	700		216 Harding Way
137080560000	\$1,380.88	1	\$0.1276	2	4,500	2,800	200 W. Harding Way
137095010000	\$1,227.80	1	\$0.1276	1	7,500	2,100	440 W Harding Way
137095030000	\$908.84	1	\$0.1276				418 W Harding Way
137095040000	\$908.84	1	\$0.1276	1	5,000		404 W Harding Way
139020010000	\$3,064.96	1	\$0.1276	1	22,500		16 E Harding Way
139020070000	\$2,962.90	1	\$0.1276	1	22,500	8,400	30 E Harding Way

Proposed Mianhe Nite Property
 (Based on Improvement District (PID))

Legend:
 - Mianhe Nite Property
 - Other Property

Scale: 0 to 100 feet

North Arrow

SECTION 9. CITY OF STOCKTON BASELINE SERVICES AGREEMENT

BASELINE SERVICES AGREEMENT

The purpose of this letter is to notify you that the staff of the City of Stockton intends to recommend to the City Council that the City provide a level of public services to the properties included in the Miracle Mile Property-Based Business Improvement District (PBID) that is consistent with the City's ability to maintain the infrastructure in good working order. Please be informed that any unforeseen event or activity that may adversely affect the City's budget, may also correspondingly affect the City's ability to maintain the current expected baseline levels of public services on a citywide basis. Therefore, City staff intends to recommend that the City maintain the following list of baseline public services, subject to funding and staffing availability.

ALL CAPITAL IMPROVEMENTS TO THE BASELINE ARE THE RESPONSIBILITY OF THE CITY. IMPROVEMENTS THAT ARE AN UPGRADE WILL BE THE RESPONSIBILITY OF THE PBID.

Services:	Commitment:
Landscaping	The Public Works Department (Park Maintenance) will regularly maintain planter areas in parking lots. Basically, bring all planters/City landscaping (pipes, valves, meters, etc.) up to standard and provide maintenance. As an alternative, contract with the PBID to provide landscape services.
General Maintenance:	The Public Works Department will continue to provide street and gutter sweeping (bi-weekly), graffiti removal, and other general maintenance on the public right of way.
Public Roads:	The Public Works Department will continue to maintain, resurface, slurry seal, and patch roadways, as needed. A prioritized list of repairs/replacements to the driveways, alleyways, parking lots and raised planters will be submitted to the City.
Street Sweeping:	The Public Works Department will continue to provide street sweeping on a consistent level with the remainder of the City (once every two weeks), including side streets and up the block.
Parking Lots & Lighting:	The Public Works Department will continue to provide funding for parking lot sweeping. All aesthetic veneers will be installed and/or maintained by the PBID.
Traffic Control:	The Public Works Department will continue to replace street lights, stripe or re-stripe streets, and deliver maintenance services as needed.
Police Services:	The Police Department will continue to provide public safety services within the PBID at service levels that are consistent citywide.

APPENDIX A. CITY OF STOCKTON COUNCIL RESOLUTION

APPENDIX B. ENGINEERS REPORT

Miracle Mile Property-Based Business Improvement District Engineer's Report



**Stockton, California
March 2012**

***Prepared by:*
Kristin Lowell Inc.**

*Prepared pursuant to the State of California
Property and Business Improvement District Law of 1994
And Article XIII D of the California Constitution
to create a property-based business improvement district*

TABLE OF CONTENTS

ENGINEER'S STATEMENT.....	1
----------------------------------	----------

ENGINEER'S REPORT:

SECTION A: Legislative and Judicial Review	2
SECTION B: Improvements and Activities	5
SECTION C: PBID Boundary	8
SECTION D: Cost Estimate	9
SECTION E: Special and General Benefits	10
SECTION F: Publicly Owned Parcels	13
SECTION G: Proportional Special Benefits	14
SECTION H: Apportionment Method	16
SECTION I: Assessment Roll	18

Attachment A: Assessment Roll, a separate document

ENGINEER'S STATEMENT

This Report is prepared pursuant to Section 36600 et seq. of the California Streets and Highways Code (the "Property and Business Improvement District Law of 1994" as amended) (herein after "State Law") and pursuant to the provisions of Article XIID of the California Constitution (Proposition 218).

The Miracle Mile Property-Based Business Improvement District ("PBID") will provide services either currently not provided or are above and beyond what the City of Stockton provides. These services will specially benefit each individual assessable parcel in the PBID. Every individual assessed parcel within the PBID receives various levels of special benefit from the programs identified in Section B. Only those individual assessed parcels within the PBID receive the special benefit of these proposed activities; parcels contiguous to and outside the PBID and the public at large may receive a de minimis general benefit as outlined in Section E.

The duration of the proposed PBID is five (5) years commencing January 1, 2013. An estimated budget for the PBID improvements and activities is set forth in Section F. Assessments will be subject to an annual increase of up to 3% per year as determined by the Owners' Association and approved by the City Council and will vary between 0 and 3% in any given year. Funding for the PBID improvements and activities shall be derived from a property based assessment of each specially benefitted parcel in the PBID. A detailed description of the methodology for determining the proportional special benefit each individual assessable parcel receives from the service and the assessment for each parcel is set forth in Section E.

Respectfully submitted,



T. E. Lowell
Terrance E. Lowell, P.E.

SECTION A: LEGISLATIVE AND JUDICIAL REVIEW

Property and Business Improvement District Law of 1994

The Property and Business Improvement District Law of 1994 ("PBID") is the legislation that authorizes the City to levy assessments upon the real property for the purposes of providing improvements and activities that specially benefit each individual assessed parcel in the District. The purpose of the PBID is to encourage commerce, investment, business activities and improve the quality of life for its residents. In order to meet these goals PBIDs typically fund activities and improvements such as; enhanced safety and cleaning, marketing and economic development. Unlike other assessment districts which fund capital improvements or maintenance thereof, PBIDs provide activities and improvements that are over and above those services already provided by the City within the boundaries of the PBID. Each of the PBID activities or improvements is designed to increase building occupancy and lease rates, to encourage new business development and attract residential serving businesses and services and improve the quality of life for its residents.

Specifically the PBID law defines "Improvements" and "Activities" as follows:

"Improvement" means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years..."¹

"Activities" means, but is not limited to, all of the following:

- (a) Promotion of public events which benefit businesses or real property in the district.*
- (b) Furnishing of music in any public place within the district.*
- (c) Promotion of tourism within the district.*
- (d) Marketing and economic development, including retail retention and recruitment.*
- (e) Providing security, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.*
- (f) Activities which benefit businesses and real property located in the district.²*

Article XIID of the State Constitution

In 1996, California voters approved Proposition 218, codified in part as Article XIID of the State Constitution. Among other requirements Article XIID changes the way local agencies enact local taxes and levy assessments on real property. It states, in part, that:

- (a) An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a*

¹ California Codes, Section 36610 Streets and Highways Code

² California Codes, Section 36613 Streets and Highways Code

public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and an agency shall separate the general benefits from the special benefits conferred on a parcel. Parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.

(b) All assessments shall be supported by a detailed engineer's report prepared by a registered professional engineer certified by the State of California³.

"Special benefit" means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute "special benefit."⁴

Judicial Guidance

Since the enactment of Article XIID, courts have been asked to render opinions regarding various aspects of Article XIID. The notable portions of cases that apply to assessment districts in general and this PBID in particular are noted below.

The engineer's report describes the services to be provided by the PBID; (1) security, (2) streetscape maintenance (e.g., street sweeping, gutter cleaning, graffiti removal), and (3) marketing, promotion, and special events. They are all services over and above those already provided by the City within the boundaries of the PBID. And they are particular and distinct benefits to be provided only to the properties with the PBID, not to the public at large—they "affect the assessed property in a way that is particular and distinct from {their} effect on other parcels and that real property in general and the public at large do not share."⁵

...separating the general from the special benefits of a public improvement project and estimating the quantity of each in relation to the other is essential if an assessment is to be limited to the special benefits⁶.

...the agency must determine or approximate the percentage of the total benefit conferred by the service or improvement that will be enjoyed by the general public and deduct that percentage of the total cost of the service or improvement from the special assessment levied against the specially benefitted property owners.⁷

³ Section 4, Article XIID State Constitution

⁴ Section 2 (i), Article XIID State Constitution

⁵ Dahms v. Downtown Pomona Property and Business Improvement District, 2009 (174 Cal. App. 4th 708)

⁶ Beutz v. County of Riverside, 184 Cal. App. 4th 1532

⁷ Golden Hill Neighborhood Association, Inc. v. City of San Diego, 199 Cal. App. 4th 416

...even minimal general benefits must be separated from special benefits and quantified so that the percentage of the cost of services and improvements representing general benefits, however slight, can be deducted from the amount of the cost assessed against specially benefitting properties.⁸

It is noted that this Engineer's Report is prepared in compliance with the above noted authorizing legislation, the State Constitution and the judicial opinions.

⁸ Golden Hill Neighborhood Association, Inc. v. City of San Diego, 199 Cal. App. 4th 416

SECTION B: IMPROVEMENTS AND ACTIVITIES

The Miracle Mile Property-Based Business Improvement District (PBID) is a special benefit assessment district formed in 2007 that conveys special benefits to each individual assessed parcel located within the district boundaries. Property owners now want to continue the PBID for an additional five year term. As described in the Miracle Mile Property-Based Business Improvement District (PBID) Management Plan, it is proposed that the PBID will continue to provide funding for Enhanced Maintenance, Public Security and Safety, and Marketing and Promotions activities above and beyond those provided by the City of Stockton.

ENHANCED MAINTENANCE

The top priority for the Miracle Mile property owners is enhanced maintenance. The District will continue to provide contracted services to power-wash sidewalks, remove gum and stickers, collect and remove trash from public trash containers, remove graffiti, collect and dispose of litter, and to provide seasonal watering services of public landscape where irrigation is nonexistent. The District shall also continue to assist in beautification by planting seasonal flowers in tree wells, and replacing missing or dying trees and shrubs when budget allows. The District shall continue to work with local organizations to enhance and maintain these plantings, including the trimming of trees and bushes and weeding of planters.

The District will work with the City of Stockton, existing organizations, and service contractors to revitalize existing street furnishings (trash cans, streetlights, bollards, etc.) and to supply furnishings where they are needed.

The proposed maintenance service frequencies are provided below depending on actual cost estimates to provide these services:

SERVICE	FREQUENCY	
	Zone 1	Zone 2
Power-washing sidewalks, gum and sticker removal	Three times a year between April and October	Once a year in June or July
Trash removal	6 days per week, year round	1 day per week, April to October
Graffiti removal	6 days per week as needed	6 days per week as needed
Litter removal and weeding services: provided by SUSD workability program	Per SUSD school calendar	Per SUSD school calendar
Watering	6 days per week; April through October	None
Planting	April	When budget allows
Street furnishings replacement/improvement	Year round	Year round

PUBLIC SECURITY AND SAFETY

The second priority of the District property owners is to provide a safe environment for businesses, employees and guests. The District security program will supplement local law enforcement agencies by providing contracted security personnel during peak hours as determined by monthly security reports. Security schedules will vary by day, week, and month based on reported activity or scheduled events within the district. The program will assist in the prevention of break-ins, graffiti tags and disruptive street behavior. Additionally, the security personnel will be available to escort guests and employees to their vehicles in the evening hours on a call-in basis.

The District will develop a security plan with the southern District property owners (Harding Way) and businesses to decrease unfavorable activity along the southern portion of the District. The District will negotiate with business owners on Harding Way to form another supplement security program to place a security officer on Harding Way to thwart panhandling and loitering activities. The District will continue a "No Loitering" campaign and a "No Panhandler" campaign with the merchants to discourage guests from giving change to panhandlers. Providing change to panhandlers fuels the loitering issue and deters guests from visiting.

MARKETING AND PROMOTIONS

The third priority of property owners is marketing and promoting the Miracle Mile as a destination for the shopping, dining, entertainment, and educational needs of the community. These promotions and events will aim to improve the overall business image of the District with the goal of attracting and retaining businesses, jobs and investment. Included in marketing and promotions is joint-advertising opportunities, an organizational website (Stocktonmiraclemile.com), a facebook page for constant connection and advertising, an annual report, brochures and flyers, street banners, and sponsorship of related activities and events that will benefit the District's image. A façade improvement program was developed by the District which provides a small reimbursement fund for merchants who improve the front façade of their buildings which improves the overall image of the District as a whole.

ADMINISTRATION

Administrative services will include compensation paid to the Executive Director to provide staff services to the Board of Directors, manage the budget and bookkeeping of the organization, maintain the records of the organization, oversee the contracts for services of the District, manage the website, oversee advertising, promotions and events, assist merchants in issues related to the enhancement of the District's image, and act as official liaison to the City of Stockton, the University of the Pacific, Stockton Unified School District, and other organizations and agencies whose activities interact with the District. When available, the Executive Director will be assisted by part-time volunteer interns and other volunteers to assist with the day-to-day operations of the PBID. The Executive Director will also work with outside agencies and interested parties to identify and obtain supplemental funds, such as additional funds for security programs.

The budget for management and advocacy includes expenses relating to rent, telephone, utilities, printing, postage, equipment, internet services, accounting and bookkeeping services, and legal services when needed. Insurance premiums are also included to provide general liability coverage for the District operations, activities, and events, director and officer liability coverage, and health-care benefits for the Executive Director.

SECTION C: PBID BOUNDARY

The District shall include those commercial parcels in the Pacific Avenue area from Alpine Avenue on the north to Harding Way on the south, and all commercial parcels that front Harding Way between Lincoln Street on the west and North El Dorado Street on the east. See the Miracle Mile Improvement District Management District Plan for a map of the area.

Within this boundary there are two benefit zones that will receive varying levels of services. Zone 1 includes all commercial parcels fronting Pacific Avenue south of Regent Court and all commercial parcels fronting Harding Way from Lincoln Street to North El Dorado Street. Zone 2 includes the remainder of the District, those commercial parcels fronting Pacific Avenue north of Regent Court to Alpine Avenue.

SECTION D: COST ESTIMATE

2013 Operating Budget

The following table outlines the PBID maximum assessment operating budget for calendar year 2013.

PBID SERVICES	BUDGET
Enhanced Maintenance	\$30,000
Public Safety and Security	\$100,000
Marketing and Promotions	\$20,000
Administration and Reserve	\$85,000
TOTAL BUDGET	\$235,000

Budget Notations

Total program revenue increases by no more than 3% per year, the maximum allowed under the proposed annual budget adjustment to keep pace with increases in the consumer price index and other program costs. Actual budgets may not increase 3% as determined by the District Board of Directors, which is the PBID Owner's Association.

SECTION E: SPECIAL and GENERAL BENEFITS

The Property and Business Improvement District Law of 1994, as amended, the State Constitution Article XIID and judicial opinions require that assessments be levied according to the special benefit each assessed parcel receives from the services and activities. Article XIID Section 4(a) in part states "only special benefits are assessable" which requires that we separate the general benefits from the special benefits conferred on a parcel. Further clarification from the Golden Hill judicial opinion states that "even *minimal* general benefits must be separated from special benefits and quantified so that the percentage of the cost of services and improvements representing general benefits, however slight, can be deducted from the amount of the cost assessed against specially benefitting properties". A special benefit as defined in Article XIID means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. The special benefit to parcels from these proposed PBID services and activities is equal to or exceeds the total amount of the proposed assessment. Each individual assessed parcel's assessment is no greater than the special benefit it receives from the PBID services.

Special Benefit

All of the PBID services and activities are to enhance and not replace or duplicate any City provided services. The intent of the PBID is to fund supplemental activities and improvements to each individual assessed parcel within the district boundary above and beyond the services each of those parcels receives from the City from its general property taxes. All benefits derived from the assessments outlined in this report are for property related services directly benefiting each individual assessed parcel in the district. The special benefit must affect the individual assessable parcel in a way that is particular and distinct from its effect on other parcels and that real property in general and the public at large do not share. Inasmuch as all PBID services will be provided to each individual assessed parcel in the District boundaries and no services will be provided to any parcel outside the District boundaries, and whereas these services are above and beyond what the City currently provides with its General Fund, the assessments levied are only for the special benefits received. Any general benefits, as determined below, will be funded from another revenue source. The PBID services are particular and distinct benefits to be provided only to each individual assessable parcel primarily within the PBID and not to the public at large.

We determined that each of the proposed services and activities provides primarily special benefits to the real property within the district area. Each of the activities is designed to meet the goals of the District; to improve the cleanliness and safety of each individual assessable parcel within the District, to increase building occupancy and lease rates, to encourage new business development and attract residential serving businesses and services to each individual assessed parcel within the District. A basic premise of commercial business is that increased pedestrian traffic increases the economic return to each individual assessable parcel. The increase in pedestrian traffic

is likely to encourage commerce from tenants, visitors and residents. All pedestrian traffic is considered to be potential customers who will become the target audience for future patronage of retail and business establishments and services, renting commercial space or purchasing a residential unit.

Maintenance and Safety

These activities as described in Section B which are above the City's base level of services are intended to provide a cleaner, safer, and more beautiful environment to each individual assessed parcel, regardless of its land use. The purpose of the security team is to deter and report any nuisance crimes taking place on the streets, sidewalks, building entrances and parking areas to individual assessed parcels in the District area. The security team also provides hospitality services to tenants, residents and visitors. The security team monitors activity within the public area and will report suspicious activities, criminal actions and/or emergencies to the Stockton Police Department (SPD). These services do not replace existing SPD area patrols or any other security and patrol services throughout the District. The maintenance teams provide maintenance activities that continue the efforts to enhance the cleanliness and image of the district. These services are delivered specifically to each assessed parcel located in the District that specially benefits from the enhanced service levels. These services will not be delivered to any parcel outside the PBID boundary.

Marketing and Promotions

This program, as described in Section B, is intended to retain and attract new businesses. This is in an effort to enhance the value of the properties and encourage investment dollars and generate additional revenue. In order to accomplish this, the PBID proposes a myriad of marketing and promotions activities. This program is designed to market and promote only those parcels that are within the District boundary and no parcel outside of the District boundary will receive any of the proposed activities. Therefore, it is our opinion that these activities provide primarily a special benefit to each individual assessed parcel.

Administration

This program as described in Section B is designed to develop public/private partnerships that will enhance the goals and needs of the PBID area all in an effort to increase investment dollars and commerce. The program is designed to effectively and efficiently manage the day to day operations of the PBID to make sure it is meeting the goals and objectives of the PBID. The above benefits are to be provided only to the assessed parcels within the PBID boundaries. Therefore, the management services are unique to the PBID and are necessary for the PBID to function properly, thus they provide primarily a special benefit only to the assessed parcels in the PBID.

General Benefit

The PBID provided activities are distinct parcel related services that are over and above the base level of services provided by the City. These distinct services solely provide a special benefit to each of the individual assessed parcels in the PBID. However, Prop. 218 indicates that the general benefit must be quantified and separated from the

special benefits, and that the cost of the services representing general benefits must be deducted from the amount of the cost assessed against those parcels that specially benefit.

The intent of PBID services is to encourage commerce or any type of business activity. In order to quantify the general benefit, the City of San Francisco conducted 2 intercept surveys in areas wanting for form a PBID; one in their commercial core, Union Square, and the second in a neighborhood village, West Portal. The surveys found that of the respondents passing through the District without the intent of engaging in commerce or any type of business activity then or anytime in the future were minimal. Of those surveyed, less than 1% responded that they do not nor do they ever intend to engage in commerce or any type of business activity regardless of the PBID provided services. In addition, the City of San Jose just completed its own intercept survey in which 0% of their respondents indicated that they do not nor do they ever intend to engage in commerce or any type of business activity regardless of the PBID provided services.

With those three conducted surveys it is reasonable to conclude that general benefits, if any, to the surrounding community and the public in general are de minimus, intangible and unquantifiable.

The California State Legislature found that assessments levied for the purpose of providing improvements and promoting activities that benefit real property are not taxes for the general benefit of a city, but are assessments for the improvements and activities which confer special benefits upon the real property for which the improvement and activities are provided; Streets and Highways Code Section 36601 (d).

SECTION F: PUBLICLY OWNED PARCELS

Public Property Assessments

The District will provide PBID activities to all publicly owned parcels within the District, including, but not limited to, those owned by the City of Stockton, County of San Joaquin, State of California or any other publicly owned parcel. All publicly owned parcels will pay their proportional assessment based on the special benefits conferred to each of those individual assessed parcels. Most publicly owned parcels receive the same level of service and benefit respective of the benefit zone as all other properties within the District from the proposed improvements and activities.

School district properties that are used exclusively for school purposes receive less benefit from the PBID activities as they already provide many of these same activities. These parcels are fenced in, have a significant amount of open space and are not utilized for purposes similar to commercially zoned or developed parcels. Their intent is not to engage in commerce and will not benefit from the PBID activities to the same degree.

Therefore, the publicly owned parcels are apportioned their fair share of the project costs, based on the special benefits conferred to those individual parcels. Article XIID of the State Constitution provides for these assessments. It specifically states in Section 4(a) that "Parcels within a district that are owned or used by any agency...shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit."

SECTION G: PROPORTIONAL SPECIAL BENEFITS

Methodology

Determining the proportionate special benefit among the parcels of real property within the proposed assessment district which benefit from the proposed Improvements is the result of a four-step process:

1. Defining the proposed activities
2. Defining how each parcel specially benefits from the proposed activities.
3. Determining the amount of special benefit each parcel receives,
4. Determining the proportional special benefit a parcel receives in relation to the amount of special benefit all other parcels in the District receive

The proportional special assessment derived by each individual assessed parcel shall be determined in relationship to the entirety of the capital cost of an improvement or the maintenance and operation expenses of an improvement or for the cost of the parcel related service being provided. Due to the proportionate special benefits received by these parcels from the District services, these parcels will be assessed a rate which is proportionate to the amount of special benefits received.

Special Benefit Factors

Each of the PBID activities is designed to meet the goals of the District; to improve the cleanliness, safety and appearance of each individual assessed parcel within the District which will then increase building occupancy and lease rates, and encourage new business development. A determination of how much each individual assessed parcel benefits from these activities is related to each parcel's lot and gross building square footage. For the District activities, the best measure of proportional special benefit for an individual parcel is determined by a ratio of the parcel's assessable square footage to the total assessable square footage of all parcels in the District boundary, respective of each individual assessed parcel's benefit zone.

The way to measure proportional special benefit for an individual parcel is determined by a ratio of the parcel's lot and gross building square footage compared to the total lot and gross building square footage of all parcels in the District boundary.

Lot plus Gross Building Square Footage: The sum of lot and gross building square footage is the assessment variable for the PBID activities as it acknowledges the benefits received at the ground level and distributed throughout the buildings. Each of the individual assessed parcels will benefit from the PBID activities not only at the street level but also throughout the building as it will provide a cleaner and safer environment for its employees and visitors. The marketing and promotion services are also delivered at both the ground level and throughout the buildings as they will improve occupancy, sales, business retention and recruitment to each individual assessed parcel.

Property Use Considerations

The assessment methodology takes into consideration the special benefits each type of land use receives from the proposed PBID activities. Not all individually assessed parcels in the District receive the same level of special benefit from the PBID activities and therefore must be assessed based on the special benefits received.

Residential Parcels: Parcels that are zoned solely residential, and used exclusively for residential purposes will not benefit from the PBID activities, as expressly exempted in the Streets and Highways Code Section 36632(c). If a residential parcel converts to a commercial use, then that parcel receives special benefit from the PBID activities and is then subject to the assessment.

SECTION H: APPORTIONMENT METHOD

As previously discussed in Section B the PBID activities are determined and segregated into the two benefit zones based upon each Zone's demand for service and benefits received. The table below summarizes the lot square footage and building square footages within each benefit zone:

Benefit Zone	TOTAL Sq.Ft	Weighted Lot Sq.Ft.	Weighted Bldg Sq.Ft.	TOTAL Weighted Sq.Ft.
Zone 1	1,591,924	997,529	594,395	1,591,924
Zone 2	513,004	102,932	25,319	128,251
TOTAL:	2,104,928	1,100,461	619,714	1,720,175

Assessment Calculation

Because the benefit zones receive varying levels of maintenance services, specifically Zone 1 receiving the majority of the maintenance services the amount apportioned to Zone 1 is in direct relationship to the benefit each assessable parcel receives from the services. Likewise, Zone 2 receives less benefit than Zone 1. Therefore, the amount apportioned to Zone 2 is less than Zone 1 in direct relationship to the benefit received.

To calculate the assessment for the services for each zone is to take the cost for the services, \$150,000 and divide it by the total number of weighted square feet, 1,720,175 which equal an assessment of \$0.0872 per foot. That is the assessment rate for Zone 1. However, because Zone 2 receives fewer services and benefit than Zone 1 they will be assessed at 25% of that rate or \$0.0218 per foot.

To calculate the assessment for the Administration services, which benefit the District as a whole, is to divide that portion of the budget, \$85,000, by the total number of square feet, 2,104,928 which equals an assessment of \$0.0404 per foot.

To calculate a parcel's assessment for Zone 1, multiply that parcel's lot square feet plus building square feet by \$0.1276 (\$0.0872 + \$0.0404) which equals the total parcel assessment. To calculate a parcel's assessment for Zone 2, multiply that parcel's lot square feet plus building square feet by \$0.0622 (\$0.0218 + \$0.0404) which equals the total parcel assessment. For example, a parcel in Zone 1 with 5,000 lot square feet plus 2,500 building square feet will receive an assessment of \$957.00 (7,500 x \$0.1276). A parcel in Zone 2 with 5,000 lot square feet plus 2,500 building square feet will receive an assessment of \$466.50 (7,500 x \$0.0622).

Assessment rates will not exceed the following during the first year of the PBID:

Benefit Zone	Annual Assmt Rate per Lot plus Bldg Sq.Ft.	Monthly Assmt Rate per Lot plus Bldg Sq.Ft.
Zone 1:	\$0.1276	\$0.0106
Zone 2:	\$0.0622	\$0.0052

Annual Assessment Adjustments

Future Development: As a result of continued development, the PBID may experience the addition or subtraction of assessable lot and building square footage for parcels included and assessed within the PBID boundaries. The modification of parcel improvements assessed within the PBID may then change upwards or downwards the amount of total footage assessment for these parcels. In future years, the assessments for the special benefits bestowed upon the included PBID parcels may change in accordance with the assessment methodology formula listed in the Management District Plan and Engineer's Report, provided the assessment formula does not change. If the assessment formula changes, then a Proposition 218 ballot will be required for approval of the formula changes.

SECTION I: ASSESSMENT ROLL

The total assessment amount for 2013 is \$235,000 apportioned to each individual assessed parcel. For a complete listing of assessed parcels please see Attachment A: Assessment Roll, attached as a separate document.

Resolution No. 2012-06-26-1601

STOCKTON CITY COUNCIL

**RESOLUTION RENEWING THE MIRACLE MILE IMPROVEMENT DISTRICT
PROPERTY AND BUSINESS IMPROVEMENT DISTRICT, APPROVING THE
ASSESSMENT FORMULA, AND LEVYING THE ASSESSMENTS**

**CITY OF STOCKTON
Miracle Mile Improvement District No. 2012-01**

The Property and Business Improvement District Law of 1994, Streets and Highways Code section 36600 et seq. authorizes cities and counties to establish property and business improvement districts upon petition by a weighted majority of property owners within the proposed district and affirmative ballot; and

A majority of the property owners subject to assessment, weighted according to the amount of assessment to be paid by each property owner, have petitioned the City Council to renew the proposed Miracle Mile Property and Business Improvement District ("MMID"); and

On May 8, 2012, the City Council adopted Resolution No. 2012-05-08-1502, which was the Resolution of Intention to renew the MMID, accepting petitions of property owners, preliminarily approving the Management District Plan and Engineer's Report, approving a proposed boundary map, setting a date for the Public Hearing of protests, providing for property owner ballots, and authorizing the Mayor to sign the ballot on behalf of City-owned property; and

Pursuant to California Constitution Article XIII D, ballots were mailed to property owners within the boundaries of the MMID, and, among those ballots returned to the City, a majority protest against renewal of the MMID does not exist; and

A Public Hearing has been duly noticed in The Record at least 15 days prior to the Public Hearing date of June 26, 2012; and

All written and oral protests made or filed were duly heard, evidence for and against the proposed action was received, and a full, fair and complete hearing was granted and held; and

City Atty
Review GDP
Date June 20, 2012

A detailed Engineer's Report prepared by a registered professional engineer certified by the State of California, Kristen Lowell, in support of the MMID's assessments has been prepared, is incorporated in the Management District Plan, and is on file with the Office of the City Clerk and is incorporated herein by this reference as Exhibit 1; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The recitals set forth herein are true and correct.
2. The ballots were counted and a majority protest against renewal of the MMID does not exist.
3. The MMID is hereby renewed and the assessment is hereby levied for fiscal year 2013. The annual assessment will total approximately \$235,000.
4. The Management District Plan and Final Engineer's Report are hereby approved and adopted.
5. The assessment shall be imposed on properties within the MMID. The renewed MMID shall include those commercial parcels in the Pacific Avenue area from Alpine Avenue on the north to Harding Way on the south, and all commercial parcels that front Harding Way between Lincoln Street on the west and North El Dorado Street on the east.
6. Assessment rates are as follows:

Benefit Zone	Annual Assessment Rate per Lot plus Bldg Sq.Ft.
Zone 1:	\$0.1276
Zone 2:	\$0.0622
7. The assessment roll for the MMID, Stockton, State of California has been filed with the City Clerk, and is hereby approved.
8. The assessments shall be collected in accordance with Section 36631 of the Streets and Highways Code.
9. The assessment levied for the MMID shall be applied towards an enhanced maintenance program, security program, marketing and promotions programs, and an advocacy program with the intent of increasing the commercial activity and overall image of the Miracle Mile and Harding Way areas.
10. Bonds shall not be issued.

11. Properties within the MMID are subject to any amendments to Part 7 (commencing with Section 36600) of Division 18 of the Streets and Highways Code.

12. The improvements and activities to be provided in the MMID will be funded by the levy of the assessments specified in the assessment roll. The revenue from the levy of such assessments shall not be used to provide improvements or activities outside the MMID or for any purpose other than the purposes specified on the Resolution of Intention.

13. All property within the MMID will be benefited specially and directly by the improvements and activities funded by the assessments proposed to be levied.

14. The City Clerk is directed to take all necessary actions to complete renewal of the MMID. The City Clerk is directed to record in the County Recorder's Office a notice and assessment diagram, now on file with the City Clerk's Office, as required by Streets and Highways Code section 36627.

15. This resolution shall take effect immediately.

PASSED, APPROVED, and ADOPTED June 26, 2012



ANN JOHNSTON, Mayor
of the City of Stockton

ATTEST:



BONNIE PAIGE, City Clerk
of the City of Stockton



Exhibit 1

**Miracle Mile Improvement District
Property Based Business Improvement District
Management District Plan**

**Stockton, California
March 29, 2012**

Prepared by:
PBID Renewal Committee
Kevin Dougherty, Christopher Bennitt,
Karen Carlson, and Denise Jefferson

Reviewed by:
Civitas Advisors Inc.
Engineering Report by:
Kristin Lowell

Prepared pursuant to the State of California
Property and Business Improvement District Law of 1994
and Article XIID of the California Constitution
to renew a property based business improvement district

**MIRACLE MILE IMPROVEMENT DISTRICT
PBID RENEWAL 2013
MANAGEMENT PLAN**

TABLE OF CONTENTS

<u>Section Number</u>	<u>Page Number</u>
1. Management Plan Summary	1
2. MMID PBID Improvement and Activity Plan	4
3. MMID PBID Operating Budget	7
4. Public Sector Participation	8
5. Assessment Methodology	9
6. MMID PBID Governance	13
7. Assessment Roll	14
8. MMID District Boundaries Map	17
9. City of Stockton Baseline Services Agreement	18
Appendix A: City of Stockton Council Resolution	19
Appendix B: Engineer's Report	20

SECTION 1: Management District Plan Summary

Developed in 2007 by a coalition of property and business owners, the Miracle Mile Improvement District (MMID) is a benefit assessment district designed to improve and convey special benefits to properties within the commercial business district of Pacific Avenue, commonly referred to as the "Miracle Mile." The MMID Property and Business Improvement District was established pursuant to the state law, the "Property and Business Improvement District Law of 1994", as amended. The Miracle Mile PBID provides services and activities, including enhanced maintenance, public security and safety, and marketing and promotional activities, above and beyond those the City currently provides. Pursuant to the "Property and Business Improvement District Law of 1994," as amended, the MMID has functioned and continues to function for a term of five years, beginning on January 1, 2008, and ending December 31, 2012.

A non-profit organization, the Miracle Mile Improvement District, was formed in the fall of 2007 and designated as the Owners' Association

Location: The renewed Miracle Mile Improvement District shall include those commercial parcels in the Pacific Avenue area from Alpine Avenue on the north to Harding Way on the south, and all commercial parcels that front Harding Way between Lincoln Street on the west and North El Dorado Street on the east. A map of the boundaries is attached.

Within this boundary there are two benefit zones that will receive varying levels of services. Zone 1 includes all commercial parcels fronting Pacific Avenue south of Regent Court and all commercial parcels fronting Harding Way from Lincoln Street to North El Dorado Street. Zone 2 includes the remainder of the District, those commercial parcels fronting Pacific Avenue north of Regent Court to Alpine Avenue.

Services and Activities Provided

The services and activities to be provided include:

Enhanced Maintenance: Activities to maintain existing landscape, replace landscaped planters as needed, add landscape in underserved areas, add trash receptacles where needed, maintain and improve public parking lots, remove graffiti, periodically power wash sidewalks, remove trash, gum, stickers and debris, and maintain and improve parking lot and street lighting.

Public Security and Safety: Provide contracted security, work with community partners on enhanced security provisions, develop and promote safety programs including "No Loitering" programs and "No Panhandling" programs, promote crosswalk safety programs, and promote alternative transportation modes by installing bike racks and working with the local transit district to enhance bus routes and bus stop locations.

Marketing and Promotion: The MMID will provide services to the District merchants to assist them in joint-effort marketing and advertising, as well as placing advertisements in various media. The MMID website and facebook page will be utilized to advertise the District's events, bring more foot-traffic to the area, and enhance the image of the District. The MMID will continue to work to enhance the economic growth of the District through activities, advertisements and events that promote the District's image to attract businesses and new customers.

Advocacy and Management: The MMID will employ an Executive Director to manage the day-to-day operations of the organization and be an advocate to the community for the MMID. The director shall continue to work closely with the City of Stockton, Stockton Unified School District, the University of the Pacific, the San Joaquin Rapid Transit District, and other organizations and agencies in partnership towards maintaining and enhancing the Miracle Mile Community as a hub for dining, shopping, entertainment, and education.

Budget: The MMID PBID total annual amount of assessment income to be expended in 2013 is projected to be \$235,000. The total assessment annual amount may increase by no more than 3% per year thereafter.

Method of Financing: Levy of assessments upon real property that specially benefit from the proposed services and activities.

Assessments: Annual assessments are calculated based upon each property's square footage plus building square footage.

The first year's assessment rates are as follows:

Benefit Zone	Annual Assessment Rate per Lot plus Bldg Sq.Ft.
Zone 1:	\$0.1276
Zone 2:	\$0.0622

Cap: The PBID budget and assessments may increase by as much as 3% per year to keep pace with the consumer price index and other program costs.

Collection: Assessments will appear as a separate line item on the annual County of San Joaquin Property Tax bills.

City Services: The City of Stockton has established a "Base Line Services Agreement" with the MMID to maintain the current level of services within the District, and will continue to provide said Base Line Services under the renewed PBID.

District Formation: The MMID PBID renewal requires submission of petitions

from property owners within the District boundaries representing more than 50% of total assessments. Following a public hearing, if ballots, weighted by assessments, submitted in opposition to the assessment do not exceed the ballots submitted in favor of the assessments, the City Council may authorize the levy of assessments.

Duration: Per state law, the renewed MMID PBID will have a five-year life commencing January 1, 2013 and terminating December 31, 2017, unless the property owners within the MMID elect to renew the District again.

Governance: The MMID shall continue to serve as the Owners' Association pursuant to Section 36651 of the Streets and Highways Code. The Board of Directors or the Executive Board shall meet monthly (alternating months) to review the budget, policies, and services provided. The non-profit organization shall continue to provide staffing and contracted services to fulfill the goals of the MMID PBID.

SECTION 2: PBID IMPROVEMENT AND ACTIVITY PLAN

As determined by area property and business owners, the top priority for services and activities within the District area are consistent with the original intent, and include:

1. Enhanced Maintenance
2. Public Safety and Security
3. Marketing and Promotions
4. Administrative Services

Based upon these findings, the following service and activity categories are recommended for continuation in the PBID renewal. Subsequent year's programs and budgets will be subject to the review and approval of the member-elected Board of Directors and overseen and approved by the Stockton City Council.

All of the improvements and activities detailed below are provided only to individual assessed parcels within the District boundary and provide special benefits which are particular and distinct to each of the individual assessed parcels within the proposed District. No improvement or activities are provided to parcels outside the District boundaries. All assessment revenues generated from this District will only pay for services directly benefiting each of the individual assessed parcels.

All benefits derived from the assessments outlined in the Management District Plan are for services directly benefiting the individual assessed parcels and businesses within this area and will support increased commerce, business attraction and retention, and increased property rental income. The enhanced cleanliness, safety and marketing and promotions within this commercial core will enhance the image and viability of the assessed parcels and businesses within the District boundaries. No services will be provided to parcels outside the District boundaries.

1. Enhanced Maintenance

The top priority for the Miracle Mile property owners is enhanced maintenance. MMID will continue to provide contracted services to power-wash sidewalks, remove gum and stickers, collect and remove trash from public trash containers, remove graffiti, collect and dispose of litter, and to provide seasonal watering services of public landscape where irrigation is nonexistent. The MMID shall also continue to assist in District beautification by planting seasonal flowers in tree wells, and replacing missing or dying trees and shrubs when budget allows. The MMID shall continue to work with local organizations to enhance and maintain these plantings, including the trimming of trees and bushes and weeding of planters.

The MMID will work with the City of Stockton, existing organizations, and service contractors to revitalize existing street furnishings (trash cans, streetlights, bollards, etc.) and to supply furnishings where they are needed.

The proposed maintenance service frequencies are provided below depending on actual cost estimates to provide these services:

SERVICE GOALS	FREQUENCY	
	Zone 1	Zone 2
Power-washing sidewalks, gum and sticker removal	Three times a year between April and October	Once a year in June or July
Trash removal	6 days per week, year round	1 day per week, April to October
Graffiti removal	6 days per week as needed	6 days per week as needed
Litter removal and weeding services: provided by SUSD workability program	Per SUSD school calendar	Per SUSD school calendar
Watering	6 days per week; April through October	None
Planting	April	When budget allows
Street furnishings replacement/improvement	Year round	Year round

2. Public Safety and Security

The second priority of the District property owners and the MMID Board of Directors is to provide a safe environment for businesses, employees and guests. The MMID security program will supplement local law enforcement agencies by providing contracted security personnel during peak hours as determined by monthly security reports. Security schedules will vary by day, week, and month based on reported activity or scheduled events within the district. The program will assist in the prevention of break-ins, graffiti tags and disruptive street behavior. Additionally, the security personnel will be available to escort guests and employees to their vehicles in the evening hours on a call-in basis.

The MMID will develop a security plan with the southern District property owners (Harding Way) and businesses to decrease unfavorable activity along the southern portion of the District. The MMID will negotiate with business owners on Harding Way to form another supplement security program on Harding Way. The MMID will continue a “No Loitering” campaign and a “No Panhandler” campaign with the merchants to discourage the MMID guests from giving change to panhandlers. Providing change to panhandlers fuels the loitering issue and deters guests from visiting.

3. Marketing and Promotions

The third priority of District property owners and the MMID Board of Directors is marketing and promoting the Miracle Mile as a destination for the shopping, dining, entertainment, and educational needs of the community. These promotions and events will aim to improve the overall business image of the District with the goal of attracting and retaining businesses, jobs and investment. Included in marketing and promotions is joint-advertising opportunities, an organizational website (Stocktonmiraclemile.com), a facebook page for constant connection

and advertising, an annual report, brochures and flyers, street banners, and sponsorship of related activities and events that will benefit the District's image. A façade improvement program was developed by the MMID which provides a small reimbursement fund for merchants who improve the front façade of their buildings which improves the overall image of the District as a whole.

4. Administrative Services

Administrative services will include compensation paid to the Executive Director to provide staff services to the Board of Directors, manage the budget and bookkeeping of the organization, maintain the records of the organization, oversee the contracts for services of the District, manage the website, oversee advertising, promotions and events, assist merchants in issues related to the enhancement of the District's image, and act as official liaison to the City of Stockton, the University of the Pacific, Stockton Unified School District, and other organizations and agencies whose activities interact with the District. When available, the Executive Director will be assisted by part-time volunteer interns and other volunteers to assist with the day-to-day operations of the PBID. The Executive Director will also work with outside agencies and interested parties to identify and obtain supplemental funds, such as additional funds for security programs.

The budget for management and advocacy includes expenses relating to rent, telephone, utilities, printing, postage, equipment, internet services, accounting and bookkeeping services, and legal services when needed. Insurance premiums are also included to provide general liability coverage for the District operations, activities, and events, director and officer liability coverage, and health-care benefits for the Executive Director.

Section 3: MMID OPERATING BUDGET 2013

SERVICE OR ACTIVITY	2013 BUDGET*	% OF BUDGET
Assessments	\$235,000	
TOTAL INCOME	\$235,000	100%
EXPENSES		
Enhanced Maintenance	\$30,000	13%
Public Safety and Security	\$100,000	43%
Marketing and Promotions	\$20,000	9%
<i>Subtotal General Services:</i>	<i>\$150,000</i>	
Administrative Support*	\$85,000	36%
TOTAL EXPENSES	\$235,000	100%

* Includes the required reserve fund

SECTION 4: PUBLIC SECTOR PARTICIPATION

Baseline Services Agreement

It is not the intent of the PBID to use property assessment funds to pay for services that the City currently provides. Assessment funds are to pay for services that are above and beyond those services provided by the City.

In 2007 the City Council executed a baseline services agreement that established the levels of City services that would continue after the MMID PBID was formed, and the City intends to continue to support this agreement (see Baseline Service Agreement, Section 9).

Public Property Assessments

This MMID Management District Plan assumes that the City of Stockton and any other government or non-profit owned parcels within the District boundary will pay their proportional assessment based on the special benefits conferred to each of those individual assessed parcels. All publicly owned parcels receive the same level of service and benefit respective of the benefit zone as all other properties within the District from the proposed improvements and activities. Therefore, the publicly owned parcels are apportioned their fair share of the project costs, based on the same assessment formula applied to all other parcels in the District. Article XIID of the California Constitution was added in November 1996 and provides for these assessments.

SECTION 5: ASSESSMENT METHODOLOGY***General***

This Management District Plan provides for the levy of assessments for the purpose of providing services and activities that specially benefit real property within the boundaries of the MMID. These assessments are not taxes for the general benefit of the City, but are assessments for services and activities which confer special benefits upon the real property for which the services and activities are provided.

Assessment Factors

Miracle Mile property owners and business owners have emphasized that the assessment formula for the MMID PBID be fair, balanced and have a direct relationship to special benefits received. The State enabling legislation also states, "Assessments levied on real property... shall be levied on the basis of the estimated benefit to the real property within the district." The recommended methodology for the District is to use lot plus building square footage as the assessment variable.

Lot plus Building Square Footages

The sum of lot and building square footage is the primary assessment variable for all programs and services. The benefits derived from all PBID activities are designed to improve the cleanliness, beauty, safety, security, image, tenancy and sales, which are distributed throughout the district. Including lot square footage in the calculation acknowledges the greater benefits of these services to the ground level of property.

Benefit Zones

As previously discussed the District is divided into two benefit zones receiving varying levels of services. Zone 2 receives fewer general services than Zone 1, thus the square footage of Zone 2 is reduced by 75% to create a "weighted square foot" amount. The table below shows the total amount of assessable lot plus building square footage and the weighted square footage for each zone:

Benefit Zone	Total Sqft	Weighted Lot Sqft	Weighted Bldg Sqft	TOTAL Weighted Sqft
Zone 1	1,591,924	997,529	594,395	1,591,924
Zone 2	513,004	102,932	25,319	128,251
TOTAL	2,104,928	1,100,461	619,714	1,720,175

Assessment Calculation

The benefit zones will receive varying levels of maintenance services, in particular Zone 1 will receive the majority of the general services; therefore, the higher amount apportioned to Zone 1 is in direct relationship to the cost for services in Zone 1. Likewise, Zone 2 receives fewer services and less benefit than Zone 1; therefore, the

amount apportioned to Zone 2 is less than Zone 1 and is in direct relationship to the cost of the service for Zone 2. The “weighted square feet” reflects the reduced services of Zone 2.

To calculate the assessment for the services for each zone is to take the cost for the “general services” (see budget, page 7), \$150,000 and divide it by the “weighted square feet” (1,720,175) which equals an assessment of \$0.0872 per foot. That is the assessment rate for Zone 1.

$$\text{Zone 1 General Services: } \$150,000 / 1,720,175 = \$0.0872$$

However, because Zone 2 receives fewer services than Zone 1 they will be assessed at 25% of that rate or \$0.0218 per foot.

$$\text{Zone 2 General Services: } \$0.0872 \times .25 = \$0.0218.$$

To calculate the assessment for the “administrative support”, which benefit the District as a whole, is to divide that portion of the budget, \$85,000, by the overall total number assessable square feet, 2,104,928, which equals an assessment of \$0.0404 per foot.

$$\text{Administrative Support (both zones)} = \$85,000 / 2,104,928 = \$0.0404.$$

To calculate a parcel's assessment for Zone 1, multiply that parcel's lot square feet plus building square feet by \$0.1276 (\$0.0872 + \$0.0404) which equals the total parcel assessment.

To calculate a parcel's assessment for Zone 2, multiply that parcel's lot square feet plus building square feet by \$0.0622 (\$0.0218 + \$0.0404) which equals the total parcel assessment. For example, a parcel in Zone 1 with 5,000 lot square feet plus 2,500 building square feet will receive an assessment of \$957.00 (7,500 x \$0.1276). A parcel in Zone 2 with 5,000 lot square feet plus 2,500 building square feet will receive an assessment of \$466.50 (7,500 x \$0.0622).

Assessment rates will not exceed the following during the first year of the PBID:

Benefit Zone	Annual Assmt Rate per Lot plus Bldg Sq.Ft
Zone 1:	\$0.1276
Zone 2:	\$0.0622

Annual Assessment Adjustments

Residential Properties: Parcels that are zoned residential, and used exclusively for

residential purposes, are exempt from the MMID assessments. This is based on the finding that residential parcels do not receive benefit from the proposed activities as presented in this Management District Plan. If at any time a residential property converts its use to commercial purposes, then that property receives benefit from the activities and is then subject to the assessment.

School District Properties: Parcels that are used exclusively for school purposes receive less benefit because they provide many services the district provides, they are fenced, they have significant amount of open space, and they are not utilized for purposes similar to a commercially zoned and/or developed parcel. This acknowledges that the benefits to the school property are focused solely on the building.

Budget Adjustment: Any annual budget surplus or deficit will be rolled over to the following year's MMID budget and applied when needed. The Owners' Association may adjust the budget line items by no more than ten percent (10%) of the total budget each year; except that the MMID reserve will be maintained at approximately 10% of the annual MMID budget.

Government and Non-Profit Assessments: The City of Stockton and any other government or non-profit owned parcels within the PBID boundary will pay their fair share assessment based on the special benefits conferred to those parcels. Article XIID of the California Constitution was added in November 1996 and provides for these assessments.

The table below shows the publicly owned parcels, City of Stockton and the Stockton Unified School District, and their respective assessments.

APN	OWNER	ASSESSMENT
113 290 02	CITY OF STOCKTON	\$9,263.49
113 354 15	CITY OF STOCKTON	\$1,389.37
113 364 06	CITY OF STOCKTON	\$444.50
113 364 07	CITY OF STOCKTON	\$555.75
125 060 08	CITY OF STOCKTON	\$1,278.12
125 070 12	CITY OF STOCKTON	\$1,444.86
127 020 05	CITY OF STOCKTON	\$1,444.86
127 042 04	CITY OF STOCKTON	\$1,278.12
127 050 04	CITY OF STOCKTON	\$611.24
127 060 03	CITY OF STOCKTON	\$1,278.12
137 020 22	CITY OF STOCKTON	\$1,278.12
	TOTAL	\$20,266.54
137 060 01	STOCKTON UNIFIED SCHOOL DIST	\$1,237.54
137 060 02	STOCKTON UNIFIED SCHOOL DIST	\$18,588.68
	TOTAL	\$19,826.22

Time and Manner for Collecting Assessments

As provided by state law, the Miracle Mile PBID assessment will appear as a separate line item on the annual San Joaquin County property tax bills, and will be payable in three installments as follows: first installment equals 53% of total assessment, installment two equals 28% of the total, and the final installment contains the remaining 19% of the total assessment amount. Laws for enforcement and collection of property taxes also apply to the PBID assessment. The MMID shall invoice these installments to the City of Stockton, Economic Development Department, which is responsible for collecting said assessments from the San Joaquin County Tax Assessors office. The City of Stockton and the Stockton Unified School District assessments shall be invoiced to the respective agencies by the MMID annually.

Disestablishment

State law provides for the disestablishment of a PBID pursuant to an annual process. The 30-day period begins each year on the anniversary day that the City Council first established the District. Within this annual 30-day period, if the owners of real property who pay more than 50 percent of the assessments levied submit a written petition for disestablishment, the PBID may be dissolved. The City Council will hold a public hearing on the disestablishment prior to actually doing so.

Duration

Per state law, the renewed MMID PBID will have a five-year life commencing January 1, 2013 and terminating December 31, 2017 unless the property owners within the PBID elect to renew the District.

SECTION 6: MMID GOVERNANCE

Consistent with business improvement district legislation throughout the nation, California's "Property and Business Improvement District Law of 1994," and its amendments establish a governance framework that allows property owners who pay assessments to determine how those assessments are used. The following components are required within a PBID governing structure.

PBID Governance

To encourage cost effective operations, maximize stakeholders' accountability and encourage a unified management structure, the City of Stockton will continue its contract with the Miracle Mile Improvement District, a non-profit organization, to provide the day-to-day operations of the MMID. The MMID will hold an annual election of assessed property owners to select the governing Board of Directors, which will meet regularly to oversee operations and activities of the MMID. The MMID Board shall be comprised of 7 property owners with a geographic representation of the entire district, 3 members shall be business owners, and 1 member each shall be from the City of Stockton, Stockton Unified School District, and the University of the Pacific. The MMID Board of Directors reserves the right to modify its composition by amending the MMID Bylaws; provided that the Board shall always be comprised of a majority of property owners paying the PBID assessment. The MMID Board of Directors shall review the PBID budgets and policies within the limitations of the Management District Plan and file annual reports with the property owners within the District and the City Council.

SECTION 7. ASSESSMENT ROLL

APN	Amount	Zone	Rate	Floors	Parcel Sqft	Bldg Sqft	Property Address
113290010000	\$5,437.88	2	\$0.0622	1	66,000	22,900	3215 Pacific Avenue
113290020000	\$9,266.50	2	\$0.0622				3021 Pacific Avenue
113320060000	\$394.74	2	\$0.0622	1	4,800	1,500	2737 Pacific Ave
113320070000	\$1,106.36	2	\$0.0622	1	14,600	6,500	2737 Pacific Ave
113320120000	\$970.80	2	\$0.0622	1	13,550	2,409	2605 Pacific Avenue
113330040000	\$1,225.62	2	\$0.0622	1	11,800	5,000	2633 Pacific Avenue
113340340000	\$755.40	1	\$0.1276	1	8,600	2,000	306 Regent Ct
113340350000	\$2,077.24	1	\$0.1276				2535 Pacific Avenue
113340360000	\$131.88	1	\$0.1276				Alley
113340370000	\$605.86	1	\$0.1276				2520 Beverly Pl
113340380000	\$2,399.00	1	\$0.1276	1	16,300	2,600	2405 Pacific Avenue
113340390000	\$587.52	1	\$0.1276	2	7,800	1,600	2502 Beverly Place
113354070000	\$1,329.60	1	\$0.1276	1	5,416	3,800	2341 Pacific Avenue
113354080000	\$1,252.54	1	\$0.1276	1	5,000	4,000	2337 Pacific Avenue
113354090000	\$1,264.54	1	\$0.1276	1	5,000		2323 Pacific Avenue
113354100000	\$1,144.60	1	\$0.1276	1	5,000	2,100	2319 Pacific Avenue
113354110000	\$1,391.10	1	\$0.1276	1	5,000		2311 Pacific Avenue
113354120000	\$602.64	1	\$0.1276	1	5,000	2,700	2301 Pacific Avenue
113354150000	\$1,392.38	1	\$0.1276				Parking Lot
113354160000	\$730.22	1	\$0.1276	1	5,700		222 Central Court
113354180000	\$1,955.00	1	\$0.1276	1	9,900	5,300	221 Tuxedo Court
113354210000	\$1,399.52	1	\$0.1276	1	5,700		Parking lot
113354230000	\$1,357.54	1	\$0.1276	1	5,363	5,200	2363 Pacific Avenue
113354240000	\$893.52	1	\$0.1276	1	4,054		2353 Pacific Avenue
113354250000	\$533.50	1	\$0.1276	1	2,152	4,100	2349 Pacific Avenue
113363030000	\$1,597.78	1	\$0.1276	2	5,500	5,000	2115 Pacific Avenue
113363040000	\$1,348.22	1	\$0.1276	1	5,600		2111 Pacific Avenue
113363050000	\$1,500.06	1	\$0.1276	1	7,600	5,200	2105 Pacific Avenue
113363060000	\$691.94	1	\$0.1276	1	5,400	1,000	217 Dorris Place
113363070000	\$857.80	1	\$0.1276	1	5,400	1,300	215 Dorris Place
113363080000	\$1,145.24	1	\$0.1276	1	5,600	3,300	233 Dorris Place
113363090000	\$1,137.20	1	\$0.1276	1	5,000	2,200	247 Dorris Place
113363100000	\$591.80	1	\$0.1276	1	5,200		245 Dorris Place
113363160000	\$782.66	1	\$0.1276	1	5,800		218 Tuxedo Court
113364010000	\$2,541.88	1	\$0.1276	1	11,000	8,900	2051 Pacific Avenue
113364040000	\$923.64	1	\$0.1276	1	3,400	3,400	2001 Pacific Avenue
113364050000	\$1,572.26	1	\$0.1276	1	7,000	6,800	230 Dorris place
113364060000	\$447.50	1	\$0.1276	1	9,100		Parking Lot
113364070000	\$558.76	1	\$0.1276	1	4,500	900	Parking Lot
113364080000	\$3,013.94	1	\$0.1276	2	14,500	5,600	2007 Pacific Avenue
113380010000	\$1,253.18	1	\$0.1276	1	2,300		6 Central Ct
113380030000	\$1,155.32	1	\$0.1276	1	1,300	1,850	4 Central Ct
125020010000	\$530.80	2	\$0.0622	2	6,600	200	236 W. Alpine
125020020000	\$1,357.94	2	\$0.0622	2	10,100	500	3236 Pacific Avenue
125020030000	\$1,022.78	2	\$0.0622	2	8,400	6,100	3214 Pacific Avenue
125030010000	\$604.62	2	\$0.0622	1	7,000	1,800	3114 Pacific Avenue
125030020000	\$519.12	2	\$0.0622	1	6,300	2,00	3024 Pacific Avenue
125030030000	\$510.40	2	\$0.0622	1	6,300	1,600	3020 Pacific Avenue
125030040000	\$488.02	2	\$0.0622	1	6,300	1,500	2950 Pacific Avenue
125030050000	\$488.02	2	\$0.0622	1	6,300	1,500	3012 Pacific Avenue

125030070000	\$500.46	2	\$0.0622	1	6,300	1,700	2930 Pacific Avenue
125030370000	\$151.98	2	\$0.0622	1	2,400		3134-3138 Pacific Avenue
125030390000	\$157.00	2	\$0.0622	1	2,400		Parking Behind Wok IN
125030400000	\$651.48	2	\$0.0622	1	7,921	1,600	2918 Pacific Avenue
125030410000	\$973.42	2	\$0.0622	1	10,890	3,984	2920 Pacific Avenue
125040010000	\$576.08	2	\$0.0622	2	6,500	2,600	2762 Pacific Avenue
125040020000	\$1,228.88	2	\$0.0622	1	13,500	4,600	2724 Pacific Avenue
125040030000	\$1,331.20	2	\$0.0622	2	20,000	6,700	2648 Pacific Avenue
125040040000	\$1,322.62	2	\$0.0622	1	15,200	4,200	2624 Pacific Avenue
125040050000	\$1,152.06	2	\$0.0622	1	9,000	3,800	2624 Pacific Avenue
125050100000	\$2,338.26	1	\$0.1276	2	14,100	4,000	2520 Pacific Avenue
125050160000	\$2,873.08	1	\$0.1276	2	15,100	4,600	2540 Pacific Avenue
125050170000	\$3,518.90	1	\$0.1276	1	22,200	3,300	2562 Pacific Ave
125060010000	\$746.30	1	\$0.1276	1	6,000	100	2402 Pacific Avenue
125060030000	\$1,058.10	1	\$0.1276	2	3,500	3,500	2328 Pacific Avenue
125060040000	\$707.90	1	\$0.1276	2	8,600	1,300	94 W Castle Street
125060050000	\$1,006.30	1	\$0.1276	2	5,300	1,800	2318 Pacific Avenue
125060060000	\$878.48	1	\$0.1276	2	3,500	1,300	88 Castle Street
125060070000	\$1,096.00	1	\$0.1276	2	3,500	3,200	86 Castle Street
125060080000	\$1,281.12	1	\$0.1276				Parking Lot #6
125060090000	\$2,235.68	1	\$0.1276	1	10,000	11,292	157 W Adams St
125060100000	\$1,076.22	1	\$0.1276	1	5,800	3,500	2300 Pacific Avenue
125060110000	\$1,291.20	1	\$0.1276	1	5,200	4,700	2313 Pacific Avenue
125070110000	\$3,332.64	1	\$0.1276	1	14,800	12,200	178 W Adams
125070120000	\$1,447.86	1	\$0.1276				Parking Lot
125070250000	\$2,261.96	1	\$0.1276	1	9,000	6,700	2206 Pacific Avenue
125070260000	\$998.66	1	\$0.1276	1	7,200	600	2130 Pacific Avenue
125070270000	\$896.08	1	\$0.1276	1	6,650		2130 Pacific Avenue
125070380000	\$1,965.60	1	\$0.1276	1	8,800	6,100	2110 Pacific Avenue
125070390000	\$2,094.96	1	\$0.1276	1	5,700	5,100	165 W Cleveland Avenue
127020010000	\$2,707.74	1	\$0.1276	2	9,200	10,000	2034 Pacific Avenue
127020020000	\$1,156.86	1	\$0.1276	1	4,000	4,000	2024 Pacific Avenue
127020050000	\$1,447.86	1	\$0.1276				Parking Lot
127020210000	\$731.62	1	\$0.1276	1	5,700		1906 Pacific Avenue
127020230000	\$1,247.06	1	\$0.1276	1	5,100	5,000	2014 Pacific Avenue
127020240000	\$1,435.74	1	\$0.1276	2	9,600	7,600	2002 Pacific Avenue
127020250000	\$3,070.96	1	\$0.1276	1	10,000	8,500	1926 Pacific Avenue
127020260000	\$1,066.02	1	\$0.1276	1	18,579	4,900	1924 Pacific Avenue
127041010000	\$909.98	1	\$0.1276	1	5,000	4,400	1902 Pacific Avenue
127041020000	\$407.70	1	\$0.1276	1	3,700		1906 Pacific Avenue
127041030000	\$414.20	1	\$0.1276	1	3,200		133 W Maple
127042040000	\$1,281.12	1	\$0.1276	1	10,000	9,000	Parking Lot
127042170000	\$3,197.78	1	\$0.1276	1	17,400	4,400	1810 Pacific Avenue
127042180000	\$2,427.06	1	\$0.1276				151 W Alder St
127050010000	\$3,256.60	1	\$0.1276	2	12,300	14,200	1744 Pacific Avenue
127050020000	\$229.88	1	\$0.1276	1	1,730		Alder Street
127050030000	\$642.32	1	\$0.1276	1	6,795		Alder Street
127050040000	\$614.24	1	\$0.1276	1	4,792		Parking Lot #2
127050340000	\$640.92	1	\$0.1276	1	5,000		121 W Walnut Street
127050350000	\$640.92	1	\$0.1276	1	5,000		133 W Walnut Street
127050360000	\$640.92	1	\$0.1276	1	5,000		1744 Pacific Avenue
127050370000	\$2,144.60	1	\$0.1276	2	9,400	10,000	1720 Pacific Avenue
127060010000	\$844.80	1	\$0.1276	1	4,600	2,000	1632 Pacific Avenue
127060020000	\$998.14	1	\$0.1276	1	5,000	2,800	136 Walnut St
127060030000	\$1,281.12	1	\$0.1276				Parking Lot

127060340000	\$640.92	1	\$0.1276	1	5,000		1612 Pacific Avenue
127060350000	\$830.38	1	\$0.1276	1	5,000	1,000	1612 Pacific Avenue
127070010000	\$2,205.06	1	\$0.1276	1	12,800	4,300	1546 Pacific Avenue
127070250000	\$2,054.14	1	\$0.1276	1	13,200	2,300	5 East Harding Way
127070260000	\$8,573.06	1	\$0.1276	1	49,000	20,000	15 W Harding Way
127070270000	\$1,767.72	1	\$0.1276	1	7,392	7,200	43 W. Harding Way
127070280000	\$481.44	1	\$0.1276	1	3,750		1520 N Commerce
127070310000	\$3,304.82	1	\$0.1276	1	12,700	11,400	111-113-117 W Harding Way
127070320000	\$1,390.08	1	\$0.1276	1	5,700	3,200	127 W Harding Way
127070330000	\$1,354.10	1	\$0.1276	1	7,100	4,000	133 W Harding Way
127070340000	\$2,816.18	1	\$0.1276	1	17,800	3,600	1504 Pacific Avenue
127070350000	\$1,567.54	1	\$0.1276	1	7,700	6,600	105 W Harding Way
127070370000	\$3,958.68	1	\$0.1276	1	28,910	2,095	45 E Harding Way
137020210000	\$1,770.78	1	\$0.1276	1	9,900	8,500	1859 Pacific Avenue
137020220000	\$1,281.12	1	\$0.1276				Parking Lot
137020230000	\$1,161.24	1	\$0.1276	1	5,000	3,000	1849 Pacific Avenue
137020310000	\$640.92	1	\$0.1276	1	11,000		1665 Pacific Avenue
137020420000	\$6,981.72	1	\$0.1276	1	30,000	19,400	1825 Pacific Avenue
137060010000	\$1,240.54	1	\$0.1276				1661 Pacific Avenue
137060020000	\$18,591.68	1	\$0.1276				1525 Pacific Avenue
137070040000	\$1,559.50	1	\$0.1276				120 W Harding Way
137070160000	\$1,687.32	1	\$0.1276	2	5,000	2,900	48 W Harding Way
137070190000	\$3,460.48	1	\$0.1276	1	22,500	3,700	1423 N Center St
137070510000	\$640.92	1	\$0.1276	1	5,000		120 W Harding Way
137070520000	\$640.92	1	\$0.1276	1	5,000		130 W Harding Way
137070530000	\$640.92	1	\$0.1276	1	5,000		140 W. Harding Way
137070550000	\$1,023.66	1	\$0.1276	1	6,600	1,600	30 W Harding Way
137080010000	\$1,789.16	1	\$0.1276	1	14,000		330 W Harding Way
137080030000	\$1,380.88	1	\$0.1276	1	8,000	2,500	304 W Harding Way
137080140000	\$1,087.46	1	\$0.1276	1	7,500	1,000	244 W Harding Way
137080150000	\$1,629.68	1	\$0.1276	1	7,500	4,800	230 W Harding Way
137080160000	\$640.92	1	\$0.1276	1	2,500	1,400	218 W Harding Way
137080170000	\$449.54	1	\$0.1276	1	3,450	1,300	216 W Harding Way
137080540000	\$183.62	1	\$0.1276	1	700		216 Harding Way
137080560000	\$1,380.88	1	\$0.1276	2	4,500	2,800	200 W. Harding Way
137095010000	\$1,227.80	1	\$0.1276	1	7,500	2,100	440 W Harding Way
137095030000	\$908.84	1	\$0.1276				418 W Harding Way
137095040000	\$908.84	1	\$0.1276	1	5,000		404 W Harding Way
139020010000	\$3,064.96	1	\$0.1276	1	22,500		16 E Harding Way
139020070000	\$2,962.90	1	\$0.1276	1	22,500	8,400	30 E Harding Way

SECTION 8. MMID DISTRICT BOUNDARY MAP



SECTION 9. CITY OF STOCKTON BASELINE SERVICES AGREEMENT**BASELINE SERVICES AGREEMENT**

The purpose of this letter is to notify you that the staff of the City of Stockton intends to recommend to the City Council that the City provide a level of public services to the properties included in the Miracle Mile Property-Based Business Improvement District (PBID) that is consistent with the City's ability to maintain the infrastructure in good working order. Please be informed that any unforeseen event or activity that may adversely affect the City's budget, may also correspondingly affect the City's ability to maintain the current expected baseline levels of public services on a citywide basis. Therefore, City staff intends to recommend that the City maintain the following list of baseline public services, subject to funding and staffing availability.

ALL CAPITAL IMPROVEMENTS TO THE BASELINE ARE THE RESPONSIBILITY OF THE CITY. IMPROVEMENTS THAT ARE AN UPGRADE WILL BE THE RESPONSIBILITY OF THE PBID.

Services:	Commitment:
Landscaping	The Public Works Department (Park Maintenance) will regularly maintain planter areas in parking lots. Basically, bring all planters/City landscaping (pipes, valves, meters, etc.) up to standard and provide maintenance. As an alternative, contract with the PBID to provide landscape services.
General Maintenance:	The Public Works Department will continue to provide street and gutter sweeping (bi-weekly), graffiti removal, and other general maintenance on the public right of way.
Public Roads:	The Public Works Department will continue to maintain, resurface, slurry seal, and patch roadways, as needed. A prioritized list of repairs/replacements to the driveways, alleyways, parking lots and raised planters will be submitted to the City.
Street Sweeping:	The Public Works Department will continue to provide street sweeping on a consistent level with the remainder of the City (once every two weeks), including side streets and up the block.
Parking Lots & Lighting:	The Public Works Department will continue to provide funding for parking lot sweeping. All aesthetic veneers will be installed and/or maintained by the PBID.
Traffic Control:	The Public Works Department will continue to replace street lights, stripe or re-stripe streets, and deliver maintenance services as needed.
Police Services:	The Police Department will continue to provide public safety services within the PBID at service levels that are consistent citywide.

APPENDIX A. CITY OF STOCKTON COUNCIL RESOLUTION

APPENDIX B. ENGINEERS REPORT

Miracle Mile Property-Based Business Improvement District Engineer's Report



**Stockton, California
March 2012**

***Prepared by:*
Kristin Lowell Inc.**

*Prepared pursuant to the State of California
Property and Business Improvement District Law of 1994
And Article XIII D of the California Constitution
to create a property-based business improvement district*

TABLE OF CONTENTS

ENGINEER'S STATEMENT.....	1
----------------------------------	----------

ENGINEER'S REPORT:

SECTION A: Legislative and Judicial Review	2
SECTION B: Improvements and Activities	5
SECTION C: PBID Boundary	8
SECTION D: Cost Estimate	9
SECTION E: Special and General Benefits	10
SECTION F: Publicly Owned Parcels	13
SECTION G: Proportional Special Benefits	14
SECTION H: Apportionment Method	16
SECTION I: Assessment Roll	18

Attachment A: Assessment Roll, a separate document

ENGINEER'S STATEMENT

This Report is prepared pursuant to Section 36600 et seq. of the California Streets and Highways Code (the "Property and Business Improvement District Law of 1994" as amended) (herein after "State Law") and pursuant to the provisions of Article XIID of the California Constitution (Proposition 218).

The Miracle Mile Property-Based Business Improvement District ("PBID") will provide services either currently not provided or are above and beyond what the City of Stockton provides. These services will specially benefit each individual assessable parcel in the PBID. Every individual assessed parcel within the PBID receives various levels of special benefit from the programs identified in Section B. Only those individual assessed parcels within the PBID receive the special benefit of these proposed activities; parcels contiguous to and outside the PBID and the public at large may receive a de minimis general benefit as outlined in Section E.

The duration of the proposed PBID is five (5) years commencing January 1, 2013. An estimated budget for the PBID improvements and activities is set forth in Section F. Assessments will be subject to an annual increase of up to 3% per year as determined by the Owners' Association and approved by the City Council and will vary between 0 and 3% in any given year. Funding for the PBID improvements and activities shall be derived from a property based assessment of each specially benefitted parcel in the PBID. A detailed description of the methodology for determining the proportional special benefit each individual assessable parcel receives from the service and the assessment for each parcel is set forth in Section E.

Respectfully submitted,



T. E. Lowell
Terrance E. Lowell, P.E.

SECTION A: LEGISLATIVE AND JUDICIAL REVIEW

Property and Business Improvement District Law of 1994

The Property and Business Improvement District Law of 1994 ("PBID") is the legislation that authorizes the City to levy assessments upon the real property for the purposes of providing improvements and activities that specially benefit each individual assessed parcel in the District. The purpose of the PBID is to encourage commerce, investment, business activities and improve the quality of life for its residents. In order to meet these goals PBIDs typically fund activities and improvements such as; enhanced safety and cleaning, marketing and economic development. Unlike other assessment districts which fund capital improvements or maintenance thereof, PBIDs provide activities and improvements that are over and above those services already provided by the City within the boundaries of the PBID. Each of the PBID activities or improvements is designed to increase building occupancy and lease rates, to encourage new business development and attract residential serving businesses and services and improve the quality of life for its residents.

Specifically the PBID law defines "Improvements" and "Activities" as follows:

"Improvement" means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years..."¹

"Activities" means, but is not limited to, all of the following:

- (a) Promotion of public events which benefit businesses or real property in the district.*
- (b) Furnishing of music in any public place within the district.*
- (c) Promotion of tourism within the district.*
- (d) Marketing and economic development, including retail retention and recruitment.*
- (e) Providing security, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.*
- (f) Activities which benefit businesses and real property located in the district.²*

Article XIID of the State Constitution

In 1996, California voters approved Proposition 218, codified in part as Article XIID of the State Constitution. Among other requirements Article XIID changes the way local agencies enact local taxes and levy assessments on real property. It states, in part, that:

- (a) An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a*

¹ California Codes, Section 36610 Streets and Highways Code

² California Codes, Section 36613 Streets and Highways Code

public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and an agency shall separate the general benefits from the special benefits conferred on a parcel. Parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.

(b) All assessments shall be supported by a detailed engineer's report prepared by a registered professional engineer certified by the State of California³.

"Special benefit" means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute "special benefit."⁴

Judicial Guidance

Since the enactment of Article XIID, courts have been asked to render opinions regarding various aspects of Article XIID. The notable portions of cases that apply to assessment districts in general and this PBID in particular are noted below.

The engineer's report describes the services to be provided by the PBID; (1) security, (2) streetscape maintenance (e.g., street sweeping, gutter cleaning, graffiti removal), and (3) marketing, promotion, and special events. They are all services over and above those already provided by the City within the boundaries of the PBID. And they are particular and distinct benefits to be provided only to the properties with the PBID, not to the public at large—they "affect the assessed property in a way that is particular and distinct from {their} effect on other parcels and that real property in general and the public at large do not share."⁵

...separating the general from the special benefits of a public improvement project and estimating the quantity of each in relation to the other is essential if an assessment is to be limited to the special benefits⁶.

...the agency must determine or approximate the percentage of the total benefit conferred by the service or improvement that will be enjoyed by the general public and deduct that percentage of the total cost of the service or improvement from the special assessment levied against the specially benefitted property owners.⁷

³ Section 4, Article XIID State Constitution

⁴ Section 2 (i), Article XIID State Constitution

⁵ Dahms v. Downtown Pomona Property and Business Improvement District, 2009 (174 Cal. App. 4th 708)

⁶ Beutz v. County of Riverside, 184 Cal. App. 4th 1532

⁷ Golden Hill Neighborhood Association, Inc. v. City of San Diego, 199 Cal. App. 4th 416

...even minimal general benefits must be separated from special benefits and quantified so that the percentage of the cost of services and improvements representing general benefits, however slight, can be deducted from the amount of the cost assessed against specially benefitting properties.⁸

It is noted that this Engineer's Report is prepared in compliance with the above noted authorizing legislation, the State Constitution and the judicial opinions.

⁸ Golden Hill Neighborhood Association, Inc. v. City of San Diego, 199 Cal. App. 4th 416

SECTION B: IMPROVEMENTS AND ACTIVITIES

The Miracle Mile Property-Based Business Improvement District (PBID) is a special benefit assessment district formed in 2007 that conveys special benefits to each individual assessed parcel located within the district boundaries. Property owners now want to continue the PBID for an additional five year term. As described in the Miracle Mile Property-Based Business Improvement District (PBID) Management Plan, it is proposed that the PBID will continue to provide funding for Enhanced Maintenance, Public Security and Safety, and Marketing and Promotions activities above and beyond those provided by the City of Stockton.

ENHANCED MAINTENANCE

The top priority for the Miracle Mile property owners is enhanced maintenance. The District will continue to provide contracted services to power-wash sidewalks, remove gum and stickers, collect and remove trash from public trash containers, remove graffiti, collect and dispose of litter, and to provide seasonal watering services of public landscape where irrigation is nonexistent. The District shall also continue to assist in beautification by planting seasonal flowers in tree wells, and replacing missing or dying trees and shrubs when budget allows. The District shall continue to work with local organizations to enhance and maintain these plantings, including the trimming of trees and bushes and weeding of planters.

The District will work with the City of Stockton, existing organizations, and service contractors to revitalize existing street furnishings (trash cans, streetlights, bollards, etc.) and to supply furnishings where they are needed.

The proposed maintenance service frequencies are provided below depending on actual cost estimates to provide these services:

SERVICE	FREQUENCY	
	Zone 1	Zone 2
Power-washing sidewalks, gum and sticker removal	Three times a year between April and October	Once a year in June or July
Trash removal	6 days per week, year round	1 day per week, April to October
Graffiti removal	6 days per week as needed	6 days per week as needed
Litter removal and weeding services: provided by SUSD workability program	Per SUSD school calendar	Per SUSD school calendar
Watering	6 days per week; April through October	None
Planting	April	When budget allows
Street furnishings replacement/improvement	Year round	Year round

PUBLIC SECURITY AND SAFETY

The second priority of the District property owners is to provide a safe environment for businesses, employees and guests. The District security program will supplement local law enforcement agencies by providing contracted security personnel during peak hours as determined by monthly security reports. Security schedules will vary by day, week, and month based on reported activity or scheduled events within the district. The program will assist in the prevention of break-ins, graffiti tags and disruptive street behavior. Additionally, the security personnel will be available to escort guests and employees to their vehicles in the evening hours on a call-in basis.

The District will develop a security plan with the southern District property owners (Harding Way) and businesses to decrease unfavorable activity along the southern portion of the District. The District will negotiate with business owners on Harding Way to form another supplement security program to place a security officer on Harding Way to thwart panhandling and loitering activities. The District will continue a "No Loitering" campaign and a "No Panhandler" campaign with the merchants to discourage guests from giving change to panhandlers. Providing change to panhandlers fuels the loitering issue and deters guests from visiting.

MARKETING AND PROMOTIONS

The third priority of property owners is marketing and promoting the Miracle Mile as a destination for the shopping, dining, entertainment, and educational needs of the community. These promotions and events will aim to improve the overall business image of the District with the goal of attracting and retaining businesses, jobs and investment. Included in marketing and promotions is joint-advertising opportunities, an organizational website (Stocktonmiraclemile.com), a facebook page for constant connection and advertising, an annual report, brochures and flyers, street banners, and sponsorship of related activities and events that will benefit the District's image. A façade improvement program was developed by the District which provides a small reimbursement fund for merchants who improve the front façade of their buildings which improves the overall image of the District as a whole.

ADMINISTRATION

Administrative services will include compensation paid to the Executive Director to provide staff services to the Board of Directors, manage the budget and bookkeeping of the organization, maintain the records of the organization, oversee the contracts for services of the District, manage the website, oversee advertising, promotions and events, assist merchants in issues related to the enhancement of the District's image, and act as official liaison to the City of Stockton, the University of the Pacific, Stockton Unified School District, and other organizations and agencies whose activities interact with the District. When available, the Executive Director will be assisted by part-time volunteer interns and other volunteers to assist with the day-to-day operations of the PBID. The Executive Director will also work with outside agencies and interested parties to identify and obtain supplemental funds, such as additional funds for security programs.

The budget for management and advocacy includes expenses relating to rent, telephone, utilities, printing, postage, equipment, internet services, accounting and bookkeeping services, and legal services when needed. Insurance premiums are also included to provide general liability coverage for the District operations, activities, and events, director and officer liability coverage, and health-care benefits for the Executive Director.

SECTION C: PBID BOUNDARY

The District shall include those commercial parcels in the Pacific Avenue area from Alpine Avenue on the north to Harding Way on the south, and all commercial parcels that front Harding Way between Lincoln Street on the west and North El Dorado Street on the east. See the Miracle Mile Improvement District Management District Plan for a map of the area.

Within this boundary there are two benefit zones that will receive varying levels of services. Zone 1 includes all commercial parcels fronting Pacific Avenue south of Regent Court and all commercial parcels fronting Harding Way from Lincoln Street to North El Dorado Street. Zone 2 includes the remainder of the District, those commercial parcels fronting Pacific Avenue north of Regent Court to Alpine Avenue.

SECTION D: COST ESTIMATE**2013 Operating Budget**

The following table outlines the PBID maximum assessment operating budget for calendar year 2013.

PBID SERVICES	BUDGET
Enhanced Maintenance	\$30,000
Public Safety and Security	\$100,000
Marketing and Promotions	\$20,000
Administration and Reserve	\$85,000
TOTAL BUDGET	\$235,000

Budget Notations

Total program revenue increases by no more than 3% per year, the maximum allowed under the proposed annual budget adjustment to keep pace with increases in the consumer price index and other program costs. Actual budgets may not increase 3% as determined by the District Board of Directors, which is the PBID Owner's Association.

SECTION E: SPECIAL and GENERAL BENEFITS

The Property and Business Improvement District Law of 1994, as amended, the State Constitution Article XIID and judicial opinions require that assessments be levied according to the special benefit each assessed parcel receives from the services and activities. Article XIID Section 4(a) in part states "only special benefits are assessable" which requires that we separate the general benefits from the special benefits conferred on a parcel. Further clarification from the Golden Hill judicial opinion states that "even *minimal* general benefits must be separated from special benefits and quantified so that the percentage of the cost of services and improvements representing general benefits, however slight, can be deducted from the amount of the cost assessed against specially benefitting properties". A special benefit as defined in Article XIID means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. The special benefit to parcels from these proposed PBID services and activities is equal to or exceeds the total amount of the proposed assessment. Each individual assessed parcel's assessment is no greater than the special benefit it receives from the PBID services.

Special Benefit

All of the PBID services and activities are to enhance and not replace or duplicate any City provided services. The intent of the PBID is to fund supplemental activities and improvements to each individual assessed parcel within the district boundary above and beyond the services each of those parcels receives from the City from its general property taxes. All benefits derived from the assessments outlined in this report are for property related services directly benefiting each individual assessed parcel in the district. The special benefit must affect the individual assessable parcel in a way that is particular and distinct from its effect on other parcels and that real property in general and the public at large do not share. Inasmuch as all PBID services will be provided to each individual assessed parcel in the District boundaries and no services will be provided to any parcel outside the District boundaries, and whereas these services are above and beyond what the City currently provides with its General Fund, the assessments levied are only for the special benefits received. Any general benefits, as determined below, will be funded from another revenue source. The PBID services are particular and distinct benefits to be provided only to each individual assessable parcel primarily within the PBID and not to the public at large.

We determined that each of the proposed services and activities provides primarily special benefits to the real property within the district area. Each of the activities is designed to meet the goals of the District; to improve the cleanliness and safety of each individual assessable parcel within the District, to increase building occupancy and lease rates, to encourage new business development and attract residential serving businesses and services to each individual assessed parcel within the District. A basic premise of commercial business is that increased pedestrian traffic increases the economic return to each individual assessable parcel. The increase in pedestrian traffic

is likely to encourage commerce from tenants, visitors and residents. All pedestrian traffic is considered to be potential customers who will become the target audience for future patronage of retail and business establishments and services, renting commercial space or purchasing a residential unit.

Maintenance and Safety

These activities as described in Section B which are above the City's base level of services are intended to provide a cleaner, safer, and more beautiful environment to each individual assessed parcel, regardless of its land use. The purpose of the security team is to deter and report any nuisance crimes taking place on the streets, sidewalks, building entrances and parking areas to individual assessed parcels in the District area. The security team also provides hospitality services to tenants, residents and visitors. The security team monitors activity within the public area and will report suspicious activities, criminal actions and/or emergencies to the Stockton Police Department (SPD). These services do not replace existing SPD area patrols or any other security and patrol services throughout the District. The maintenance teams provide maintenance activities that continue the efforts to enhance the cleanliness and image of the district. These services are delivered specifically to each assessed parcel located in the District that specially benefits from the enhanced service levels. These services will not be delivered to any parcel outside the PBID boundary.

Marketing and Promotions

This program, as described in Section B, is intended to retain and attract new businesses. This is in an effort to enhance the value of the properties and encourage investment dollars and generate additional revenue. In order to accomplish this, the PBID proposes a myriad of marketing and promotions activities. This program is designed to market and promote only those parcels that are within the District boundary and no parcel outside of the District boundary will receive any of the proposed activities. Therefore, it is our opinion that these activities provide primarily a special benefit to each individual assessed parcel.

Administration

This program as described in Section B is designed to develop public/private partnerships that will enhance the goals and needs of the PBID area all in an effort to increase investment dollars and commerce. The program is designed to effectively and efficiently manage the day to day operations of the PBID to make sure it is meeting the goals and objectives of the PBID. The above benefits are to be provided only to the assessed parcels within the PBID boundaries. Therefore, the management services are unique to the PBID and are necessary for the PBID to function properly, thus they provide primarily a special benefit only to the assessed parcels in the PBID.

General Benefit

The PBID provided activities are distinct parcel related services that are over and above the base level of services provided by the City. These distinct services solely provide a special benefit to each of the individual assessed parcels in the PBID. However, Prop. 218 indicates that the general benefit must be quantified and separated from the

special benefits, and that the cost of the services representing general benefits must be deducted from the amount of the cost assessed against those parcels that specially benefit.

The intent of PBID services is to encourage commerce or any type of business activity. In order to quantify the general benefit, the City of San Francisco conducted 2 intercept surveys in areas wanting for form a PBID; one in their commercial core, Union Square, and the second in a neighborhood village, West Portal. The surveys found that of the respondents passing through the District without the intent of engaging in commerce or any type of business activity then or anytime in the future were minimal. Of those surveyed, less than 1% responded that they do not nor do they ever intend to engage in commerce or any type of business activity regardless of the PBID provided services. In addition, the City of San Jose just completed its own intercept survey in which 0% of their respondents indicated that they do not nor do they ever intend to engage in commerce or any type of business activity regardless of the PBID provided services.

With those three conducted surveys it is reasonable to conclude that general benefits, if any, to the surrounding community and the public in general are de minimus, intangible and unquantifiable.

The California State Legislature found that assessments levied for the purpose of providing improvements and promoting activities that benefit real property are not taxes for the general benefit of a city, but are assessments for the improvements and activities which confer special benefits upon the real property for which the improvement and activities are provided; Streets and Highways Code Section 36601 (d).

SECTION F: PUBLICLY OWNED PARCELS

Public Property Assessments

The District will provide PBID activities to all publicly owned parcels within the District, including, but not limited to, those owned by the City of Stockton, County of San Joaquin, State of California or any other publicly owned parcel. All publicly owned parcels will pay their proportional assessment based on the special benefits conferred to each of those individual assessed parcels. Most publicly owned parcels receive the same level of service and benefit respective of the benefit zone as all other properties within the District from the proposed improvements and activities.

School district properties that are used exclusively for school purposes receive less benefit from the PBID activities as they already provide many of these same activities. These parcels are fenced in, have a significant amount of open space and are not utilized for purposes similar to commercially zoned or developed parcels. Their intent is not to engage in commerce and will not benefit from the PBID activities to the same degree.

Therefore, the publicly owned parcels are apportioned their fair share of the project costs, based on the special benefits conferred to those individual parcels. Article XIID of the State Constitution provides for these assessments. It specifically states in Section 4(a) that "Parcels within a district that are owned or used by any agency...shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit."

SECTION G: PROPORTIONAL SPECIAL BENEFITS

Methodology

Determining the proportionate special benefit among the parcels of real property within the proposed assessment district which benefit from the proposed Improvements is the result of a four-step process:

1. Defining the proposed activities
2. Defining how each parcel specially benefits from the proposed activities.
3. Determining the amount of special benefit each parcel receives,
4. Determining the proportional special benefit a parcel receives in relation to the amount of special benefit all other parcels in the District receive

The proportional special assessment derived by each individual assessed parcel shall be determined in relationship to the entirety of the capital cost of an improvement or the maintenance and operation expenses of an improvement or for the cost of the parcel related service being provided. Due to the proportionate special benefits received by these parcels from the District services, these parcels will be assessed a rate which is proportionate to the amount of special benefits received.

Special Benefit Factors

Each of the PBID activities is designed to meet the goals of the District; to improve the cleanliness, safety and appearance of each individual assessed parcel within the District which will then increase building occupancy and lease rates, and encourage new business development. A determination of how much each individual assessed parcel benefits from these activities is related to each parcel's lot and gross building square footage. For the District activities, the best measure of proportional special benefit for an individual parcel is determined by a ratio of the parcel's assessable square footage to the total assessable square footage of all parcels in the District boundary, respective of each individual assessed parcel's benefit zone.

The way to measure proportional special benefit for an individual parcel is determined by a ratio of the parcel's lot and gross building square footage compared to the total lot and gross building square footage of all parcels in the District boundary.

Lot plus Gross Building Square Footage: The sum of lot and gross building square footage is the assessment variable for the PBID activities as it acknowledges the benefits received at the ground level and distributed throughout the buildings. Each of the individual assessed parcels will benefit from the PBID activities not only at the street level but also throughout the building as it will provide a cleaner and safer environment for its employees and visitors. The marketing and promotion services are also delivered at both the ground level and throughout the buildings as they will improve occupancy, sales, business retention and recruitment to each individual assessed parcel.

Property Use Considerations

The assessment methodology takes into consideration the special benefits each type of land use receives from the proposed PBID activities. Not all individually assessed parcels in the District receive the same level of special benefit from the PBID activities and therefore must be assessed based on the special benefits received.

Residential Parcels: Parcels that are zoned solely residential, and used exclusively for residential purposes will not benefit from the PBID activities, as expressly exempted in the Streets and Highways Code Section 36632(c). If a residential parcel converts to a commercial use, then that parcel receives special benefit from the PBID activities and is then subject to the assessment.

SECTION H: APPORTIONMENT METHOD

As previously discussed in Section B the PBID activities are determined and segregated into the two benefit zones based upon each Zone's demand for service and benefits received. The table below summarizes the lot square footage and building square footages within each benefit zone:

Benefit Zone	TOTAL Sq.Ft	Weighted Lot Sq.Ft.	Weighted Bldg Sq.Ft.	TOTAL Weighted Sq.Ft.
Zone 1	1,591,924	997,529	594,395	1,591,924
Zone 2	513,004	102,932	25,319	128,251
TOTAL:	2,104,928	1,100,461	619,714	1,720,175

Assessment Calculation

Because the benefit zones receive varying levels of maintenance services, specifically Zone 1 receiving the majority of the maintenance services the amount apportioned to Zone 1 is in direct relationship to the benefit each assessable parcel receives from the services. Likewise, Zone 2 receives less benefit than Zone 1. Therefore, the amount apportioned to Zone 2 is less than Zone 1 in direct relationship to the benefit received.

To calculate the assessment for the services for each zone is to take the cost for the services, \$150,000 and divide it by the total number of weighted square feet, 1,720,175 which equal an assessment of \$0.0872 per foot. That is the assessment rate for Zone 1. However, because Zone 2 receives fewer services and benefit than Zone 1 they will be assessed at 25% of that rate or \$0.0218 per foot.

To calculate the assessment for the Administration services, which benefit the District as a whole, is to divide that portion of the budget, \$85,000, by the total number of square feet, 2,104,928 which equals an assessment of \$0.0404 per foot.

To calculate a parcel's assessment for Zone 1, multiply that parcel's lot square feet plus building square feet by \$0.1276 (\$0.0872 + \$0.0404) which equals the total parcel assessment. To calculate a parcel's assessment for Zone 2, multiply that parcel's lot square feet plus building square feet by \$0.0622 (\$0.0218 + \$0.0404) which equals the total parcel assessment. For example, a parcel in Zone 1 with 5,000 lot square feet plus 2,500 building square feet will receive an assessment of \$957.00 (7,500 x \$0.1276). A parcel in Zone 2 with 5,000 lot square feet plus 2,500 building square feet will receive an assessment of \$466.50 (7,500 x \$0.0622).

Assessment rates will not exceed the following during the first year of the PBID:

Benefit Zone	Annual Assmt Rate per Lot plus Bldg Sq.Ft.	Monthly Assmt Rate per Lot plus Bldg Sq.Ft.
Zone 1:	\$0.1276	\$0.0106
Zone 2:	\$0.0622	\$0.0052

Annual Assessment Adjustments

Future Development: As a result of continued development, the PBID may experience the addition or subtraction of assessable lot and building square footage for parcels included and assessed within the PBID boundaries. The modification of parcel improvements assessed within the PBID may then change upwards or downwards the amount of total footage assessment for these parcels. In future years, the assessments for the special benefits bestowed upon the included PBID parcels may change in accordance with the assessment methodology formula listed in the Management District Plan and Engineer's Report, provided the assessment formula does not change. If the assessment formula changes, then a Proposition 218 ballot will be required for approval of the formula changes.

SECTION I: ASSESSMENT ROLL

The total assessment amount for 2013 is \$235,000 apportioned to each individual assessed parcel. For a complete listing of assessed parcels please see Attachment A: Assessment Roll, attached as a separate document.