MIRACLE MILE IMPROVEMENT DISTRICT PROPOSED 2016 ANNUAL OPERATING BUDGET, ASSESSMENT, AND 2015 ANNUAL REPORT

RECOMMENDATION

It is recommended that the City Council adopt a resolution approving the proposed 2016 Operating Budget, Assessment, and 2015 Annual Report for the Property Based Improvement District commonly known as the Miracle Mile Improvement District, a nonprofit corporation.

SUMMARY

The Miracle Mile Improvement District (MMID) is a Property-based Improvement District that was originally formed by the Stockton City Council in 2007. Each year, the MMID is required by contract to provide City Council with its operating budget, annual assessment, and annual report of accomplishments for approval. The 2016 Operating Budget, Assessment, and 2015 Annual Report (including 2016 Action Items) for the Miracle Mile Improvement District are Exhibits 1, 2, and 3 to the Resolution, respectively.

DISCUSSION

Background

The Property Based Improvement District (PBID) is a flexible financing tool for creating private-sector, self-governed management districts. The Miracle Mile Improvement District is one of two existing PBIDs within Stockton. The second is the Downtown Stockton Alliance. The MMID was established by the City Council on July 17, 2007, with a five-year term expiring December 31, 2012. The MMID was renewed by Council for an additional five years commencing January 1, 2013, and expiring December 31, 2017. It includes 145 properties located along the Miracle Mile (Pacific Avenue) and Harding Way (Attachment A - MMID Boundary Map).

Services provided within the boundaries of the MMID include enhanced maintenance, public security and safety, marketing and promotions, and advocacy and management. Services to be provided within the MMID are allocated within two Benefit Zones as described below:

Zone 1: Consists of parcels on Pacific Avenue south of Regent Court and all parcels along Harding Way from Lincoln Street to North El Dorado Street.

Zone 2: Consists of the remainder of the parcels along Pacific Avenue from Regent Court to Alpine Avenue.

Because the level of service differs between the two benefit zones, Zone 1 ($0.13 per sf) pays a
higher assessment than Zone 2 ($0.06 per sf).

In December 2012, the City Council authorized an agreement with the MMID for administration of the Miracle Mile PBID, which is in effect until December 31, 2017. In accordance with Property and Business District Law of 1994 and pursuant to the agreement, MMID is required to administer funds consistent with the adopted Management District Plan.

Present Situation

The Management District Plan provides that the MMID submit its budget and annual report to the City by March of each year. The budget is subject to Council approval. The 2016 MMID budget shows that the City of Stockton contributes $20,299.58, with Stockton Unified School District contributing $19,832.22, and the balance of $190,990.82 from private property owners for a total of $231,122.62 in assessment income.

In addition to the assessment income, the MMID also receives a voluntary $25,000 contribution from the University of the Pacific and receives supplemental security funds from other property owners to help with private security costs. The San Joaquin Regional Transit District also contracts with MMID to pressure wash and maintain its bus stops.

MMID dedicates approximately 38% of its budget towards public safety and security expenses and 31% towards maintenance and beautification. The balance of its budget is spent on management, advocacy, and marketing. During 2016, the MMID will be hiring a security risk consultant to establish a work plan for creating a safer district and will host focus groups, as well as meet with strategic partners, to generate greater community interest (2016 Action Items are included in Exhibit 3 to the Resolution). Below are additional goals included in the 2016 Action Items:

- Continue to build a mutually beneficial relationship with the University of the Pacific
- Work together with the City and ABC to discourage future liquor stores from opening in the district
- Repurpose existing open space
- Coordinate with key partners to reduce loitering and transient activity; integral part of implementing recommendations from the security consultant
- Partner with the City of Stockton for bike racks to promote a more bike friendly community and continue to beautify Harding Way with additional trees, signs, etc.
- Encourage merchants to open on Sundays and have consistent hours of operation
- Recruit businesses that will sign 5+ year leases to lower property turnover rates
- Create a marketing plan to promote the Miracle Mile
- Support monthly promotional events hosted by the Miracle Mile Merchants Committee; increase participation to a minimum of 16 merchants per year

The Miracle Mile Improvement District is set to expire at the end of 2017 and, as a result, a major goal of the MMID is to begin and complete the process of renewing the district prior to its expiration. The City Council will be asked to approve a resolution stating its intent to renew the district upon a 51% approval of the Miracle Mile property owners later this year.

Staff recommends adoption of the attached resolution which approves the proposed 2016 Annual
Operating Budget (Exhibit 1 to the Resolution), Assessment (Exhibit 2 to the Resolution), and 2015 Annual Report, including 2016 Action Items (Exhibit 3 to the Resolution) for the Miracle Mile Improvement District for calendar year 2016.

FINANCIAL SUMMARY

The Miracle Mile Improvement District assessments are paid directly to the County by property owners as part of their tax bill. The funds collected by the County are transferred to the City and deposited in Assessments Miracle Mile PBID Account No. 689-0000-237. The funds are then transferred to the MMID as administrator of the improvement district.

The total amount of the assessment paid during 2016 by property owners will be $231,122.62. The annual assessment for City-owned property within the MMID is $20,299.58, and will be paid from Account No. 010-0131-510. General Fund Non-Departmental Administration.

For calendar year 2016, the projected annual operating budget for the MMID is $290,230. In addition to the $231,122 assessment income, $59,108 in voluntary assessments, supplemental security, RTD maintenance contract, carryover funds, fundraising, and sponsorship revenues is projected for total revenues in the amount of $290,230. The MMID anticipates $280,530 in expenditures, which include expenses for staffing, rent, utilities, and office costs. They project a miscellaneous expense of $9,700 for a renewal fund and reserve fund for a balanced budget for 2016.

Attachment A - MMID Boundary Map