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 City of Stockton

9 UNITED STATES BANKRUPTCY COURT  
 10 EASTERN DISTRICT OF CALIFORNIA  
 11 SACRAMENTO DIVISION

13 In re:  
 14 CITY OF STOCKTON, CALIFORNIA,  
 15 Debtor.

Case No. 2012-32118  
 D.C. No. OHS-1  
 Chapter 9

**DECLARATION OF MICHAEL  
 LOCKE IN SUPPORT OF CITY OF  
 STOCKTON'S STATEMENT OF  
 QUALIFICATIONS UNDER SECTION  
 109(C) OF THE UNITED STATES  
 BANKRUPTCY CODE**

Date: TBD  
 Time: TBD  
 Dept: TBD  
 Judge: TBD

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1 I, Michael Locke, hereby declare:

2 1. I am one of two Deputy City Managers in Stockton, California (“the City”). I  
3 make this declaration in support of the City’s Statement Of Qualifications Under Section 109(c).  
4 In my capacity as Deputy City Manager, I am responsible for and direct the activities of the  
5 City’s Economic Development Department, Community Development Department, Public Works  
6 Department, and Municipal Utilities Department. These responsibilities are carried out under the  
7 direction of City Manager Bob Deis.

8 2. I have served in my present role since January 2011. Prior to joining the City of  
9 Stockton, I chaired the City’s Commission on the Climate Action Plan, the Water Advisory  
10 Committee, and was a member of the Development Oversight Commission. While serving on  
11 these City Council-appointed bodies, I was President/CEO of the San Joaquin Partnership. The  
12 San Joaquin Partnership is a public-private, not-for-profit, economic development corporation  
13 serving all of San Joaquin County and its seven incorporated cities. Prior to assuming leadership  
14 of the San Joaquin Partnership, I served as City Manager of the City of Tracy from 1974 to 1994.

15 3. As part of its attempts to avoid insolvency, the City has begun to analyze whether  
16 any non-essential property it owns might be sold and the proceeds deposited in the General Fund.  
17 In compiling its list of essential and non-essential property, staff under my direction considered  
18 essential properties, like fire stations and parks, relating to core City functions. Anything else  
19 was considered non-essential. Staff under my direction now is in the processing of valuing or  
20 arranging for formal valuation of non-essential property, with the goal of ascertaining whether  
21 such non-essential property is saleable.

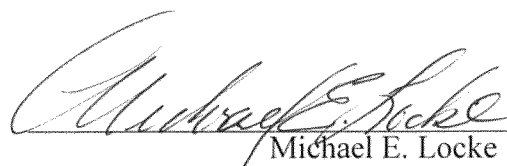
22 4. Attached as Exhibit A is a list of non-essential City property identified by staff.  
23 As indicated in Exhibit A, these properties consist of developed sites, existing structures; hotels,  
24 vacant single room occupancy; vacant property; and Hogan Lake properties.

25 5. While the staff has not yet completed its analysis, its preliminary results indicate  
26 that the City’s non-essential property is probably worth, in the aggregate, no more than a million  
27 dollars, and likely far less than that. The developed properties consist of older residential  
28 property used as interim fire stations or vacant commercial buildings. The downtown hotels are

1 turn of the century single room occupancy buildings which do not meet current seismic, fire or  
 2 building code standards. The vacant sites are parcel remnants which may have reuse value.  
 3 Several larger sites were acquired for future public facilities which are not funded. The Hogan  
 4 Lake properties are remaining parcels above the water line at the Hogan Dam; all but three  
 5 parcels appear to have only grazing value due to topography and lack of access.  
 6 The current depressed economic condition in the Central Valley of California and the City of  
 7 Stockton has resulted in value declines in residential properties of over 50%. There are currently  
 8 over 1800 finished and improved lots in the City. Sales prices for these fully improved properties  
 9 have been as low as \$5,000. There remains an estimated 1,330 units in various stages of  
 10 foreclosure. In the Downtown Stockton area, property values have declined by over 67% with  
 11 low end lease rates at \$0.50 per sq. ft. The high end of a Class A building is estimated at \$1.35  
 12 per sq. ft. It is estimated that recovery of property values will not be a significant factor until  
 13 2015-2016 and then only on a gradual recovery.

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Executed this 28 day of June 2012, at Stockton, California. I declare under  
 penalty of perjury under the laws of the State of California and the United States of America that  
 the foregoing is true and correct.

  
 Michael E. Locke

# Exhibit A

The properties identified as non-essential City property includes approximately 55 properties.

The categories of properties are:

- Developed sites, existing structures – 11
- Hotels, vacant single room occupancy – 8
- Vacant property – 12
- Hogan Lake properties (1900 ac) – 24
  - 3 with development potential

City of Stockton  
Potentially Marketable Properties

PROPERTY DESCRIPTION	ADDRESS	SITE AREA	APN
Lease of City property/Stockton Rod & Gun Club	3120 Mt. Diablo Avenue	1.14 acres	133 060 02
Lease of City property/affordable housing office (STAND)	1209 East Eighth Street	5,000 sf	169 076 07
Temporary fire station	8895 Bergamo Circle	7,968 sf	126 230 25
Temporary fire station	8891 Bergamo Circle	7,511 sf	126 230 26
N.W. Police Substation	7209 Tam O'Shanter Drive	1.21 acres	094 030 36
Vacant land, flood control use only	Hogan Lake, no situs address		046 517 001
Vacant land, flood control use only	Hogan Lake, no situs address		050 508 004
Vacant land (remainder)	Hogan Lake, no situs address	3.15 acres	046 017 037
Vacant land	Hogan Lake, no situs address	86.54 acres	046 025 005
Vacant land	Hogan Lake, no situs address	38.3 acres	046 017 049
Vacant land	Hogan Lake, no situs address	608.58 acres	046 026 011
Vacant land	Hogan Lake, no situs address	126.70 acres	050 003 022 & 23
Vacant land	Hogan Lake, no situs address	124.46 acres	046 017 053
Vacant land	Hogan Lake, no situs address	66.0 acres	046 019 016
Vacant land	Hogan Lake, no situs address	102.54 acres	050 003 018
Vacant land	Hogan Lake, no situs address	23,958 sf	050 004 011
Vacant land	Hogan Lake, no situs address	20.41 acres	050 008 002
Vacant land	Hogan Lake, no situs address	53.5 acres	050 003 006
Vacant land	Hogan Lake, no situs address	125.80 acres	046 027 002
Vacant land	Hogan Lake, no situs address	89.22 acres	046 026 009
Vacant land	Hogan Lake, no situs address	38.0 acres	050 009 003
Vacant land	Hogan Lake, no situs address	42.64 acres	046 026 005 old apn current APN 046 026 019
Vacant land	Hogan Lake, no situs address	37.7 acres	046 019 010
Vacant land	Hogan Lake, no situs address	46.89 acres	046 019 011

City of Stockton  
Potentially Marketable Properties

Vacant land	Hogan Lake, no situs address	40.0 acres	046 019 017
Vacant land	Hogan Lake, no situs address	59.32 acres	046 019 037 old apn now two APNS 046 019 049 new apn 046 019 050 new apn
Vacant land	Hogan Lake, no situs address	7.56 acres	050 008 031
Vacant land	Hogan Lake, no situs address	147.02 acres	073 042 015
Vacant land	Hogan Lake, no situs address	8.4 acres	050 004 008
Earle Hotel	725 East Main Street	14,600 sf	149 180 21
Commercial building/EI Tecolote Hotel	33 South San Joaquin Street	1,100 sf	149 140 09
Commercial Hotel	431 East Main Street	7,500 sf	149 170 08
Main Hotel	445 East Main Street	7,500 sf	149 170 09
St. Leo Hotel	39 North California Street	5,000 sf	149 170 12
Terry Hotel	545 East Main Street	10,000 sf	149 170 21
Land Hotel	24 North California Street	7,463 sf	149 170 14
La Verta Hotel	635 East Main Street	5,000 sf	149 180 08
Single family dwelling	314 North Pilgrim Street	2,400 sf	151 120 32
Former Cecils Security Patrol - Portion of future parking lot/commercial building	25 North Grant Street	10,000 sf	149 180 17
Al Lee's Garage - Commercial building	20 East Lindsay Street	5,000 sf	139 080 02
Commercial land	2135 South Airport Way	14,374 sf	169 077 03
Commercial land	2427 South Airport Way	1.22 acres	169 100 30 & 42
Street widening property	1450 W Hammer Lane	13,024 sf	077 490 01
Street widening property	2504 West Hammer Lane	7,660 sf	077 022 19
Street widening property	2931 Meadow Avenue	7,500 sf	077 101 01
Street widening property	7823 Amber Way	9,480 sf	077 300 02
Northwest library site	9602 Thornton Road	5.16 acres	072 020 55
Northeast library site	9505 West Lane	4.83 acres	084 060 06

City of Stockton  
Potentially Marketable Properties

Commercial land	139 South Center Street	17,999 sf	137 300 12
Street widening property	7826 Amber Way	8,712 sf	077 300 01
Philomatheon Club	1000 North Hunter Street	1.04 acres	139 040 19, 20, 21 & 22
Vacant lot	2849 East Lafayette Street	6,218 sf	157 030 13
City Hall Annex - Former parks and recs main office location	6 East Lindsay Street	10,018 sf	139 080 01
Chargin Building	26 South San Joaquin Street	3,900 sf	149 140 14
Former fire station	2201Lever Boulevard	17,424 sf	163 112 22