



## **CITY OF STOCKTON NEWS RELEASE**

**FOR IMMEDIATE RELEASE:**  
Thursday, April 19, 2012

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### **City of Stockton Turns Over Parking Garages to Wells Fargo Garages Will Remain Open and Available to Public**

(Stockton, CA) – The City of Stockton and Wells Fargo Bank were back in court today to present a plan to transfer control of three (3) downtown parking garages from the City to Wells Fargo. The Arena Garage, Ed Coy Garage (behind Cineplex) and the Market Street Garage (400 block of Market Street) will remain open and available to the public. All parking rates will be charged according to the City’s fee schedule and all existing parking passes will be honored.

“The objective is to make this transition as seamless as possible, without disruption to the public and those who rely on these garages,” said Deputy City Manager Mike Locke.

Last week, San Joaquin County Superior Court Judge Ross heard the case, and asked both parties to come back in one week to present a plan to hand over control to Wells Fargo, while maintaining continuous operation of the garages. The primary goal was to ensure that the garages, which are a critical resource to downtown business and

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**City of Stockton**  
**News Release – Parking Garages**  
**Thursday, April 19, 2012**  
**Page 2 of 2**

entertainment venues and events, remain available for the benefit of the public.

Today, the court appointed a receiver who will work with the City and Wells Fargo to determine operating procedures over the next few weeks, during which time the City will continue to operate the garages. The receiver will also decide how the garages will be operated after the transition, which includes management and staffing of these three (3) garages. In the event that Wells Fargo refuses to honor existing obligations to validate Cineplex parking at the Ed Coy Garage, the City will provide alternative validated parking.

On February 28, 2012, the City of Stockton took action to preserve cash and remain solvent for the remainder of the fiscal year, March through June. One measure taken was to suspend payment on three (3) bond issues that had payments due within the next four (4) months. Payment for these bonds would have been made from unrestricted funds that support day-to-day operation of many critical City services, such as Police and Fire. A payment of approximately \$800,000 was missed and Wells Fargo, trustee for the bonds, filed suit to evict the City on March 7, 2012. The City did not dispute that the payment had been missed.

Those that use the garages do pay fees; however, the fees collected are not enough to cover both the operation and the debt on the garages. The three (3) garages lose approximately \$1.5 million each year. The City of Stockton Central Parking District operates two (2) other parking structures and eight (8) surface lots that are not impacted by this judgment.

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**City of Stockton**  
**News Release – Parking Garages**  
**Thursday, April 19, 2012**  
**Page 3 of 3**

The City has declared a fiscal emergency and has entered into a confidential mediation process with its largest creditors in an effort to restructure debt and avoid bankruptcy. Stockton is the first city in the state to enter into the process, which is required through legislation enacted in January, under AB 506. Wells Fargo Bank is one of the participants in the mediation process; however, Wells Fargo sued the City rather than addressing these issues within the mediation process.

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