

TO: James App, City Manager
FROM: Ron Whisenand, Community Development Director
SUBJECT: Redevelopment Implementation Plan Amendment and New Reimbursement Agreement
DATE: February 5, 2008

Needs: For the Redevelopment Agency to consider an amendment to the Redevelopment Implementation Plan to allow redevelopment funds to be used for the Carnegie Library Repair and Rehabilitation and for the Uptown/Town Centre Specific Plan.

- Facts:
1. Section 33490 of the California Health and Safety Code requires that each Redevelopment Agency adopt a five year Implementation Plan that shall contain the estimated expenditures proposed to be made during the next five years.
 2. The 2004 Implementation Plan provides that all “net available resources” (i.e., regular Redevelopment Funds) have been earmarked for the purpose of retiring the Agency’s debt obligation to the City to reimburse the City’s general fund for the debt service for the construction of the City Hall/Library facility.”
 3. The adopted City Budget includes the following appropriations of Redevelopment Funds in the current fiscal year (07/08):

\$ 750,000 for the Town Centre Master Plan
\$ 500,000 for the Uptown Master Plan
\$1,250,000 Total
 4. At its meeting of January 2, 2008, the City Council approved a consultant services contract for the preparation of a combined Uptown/Town Centre Specific Plan in an amount not to exceed \$1.5 million. The Redevelopment Agency and City Council also appropriated an additional \$250,000 in Redevelopment Funds so that the full contract amount was covered.
 5. At its meeting of December 18, 2007, the City Council awarded a construction contract for the seismic repair and rehabilitation of the Carnegie Library. The estimated budget for this project is \$2.41 million, of which \$2.01 million will be paid for with federal funds from FEMA and HUD. It is proposed that the \$400,000 shortfall be paid for with Redevelopment Funds as there are insufficient General Funds available. Funds have not yet been appropriated for this purpose.
 6. The Implementation Plan needs to be amended to allow a total of \$1.9 million in Redevelopment Funds to be used during the plan period (2004 – 2009) for the Uptown/Town Centre Specific Plan and the Carnegie Library repair/rehabilitation.
 7. There are sufficient Redevelopment Funds available to cover the \$1.9 million for these two project and to continue paying the debt on City Hall without having to issue tax increment revenue bonds.
 8. On January 9, 2008, a meeting of the Redevelopment Project Area Committee (PAC) was scheduled to discuss the proposed amendment. Only four members met (less than a quorum), but it was the unanimous recommendation of those four

members that the Agency approve the proposed amendment. A PAC recommendation is not legally required for the Agency to approve the amendment.

9. A public hearing has been scheduled for the Agency's meeting of February 5, 2008 for the amendment of the Implementation Plan. Public notice was given as required by redevelopment law. A copy of the newspaper/posted notice is attached.
10. Health and Safety Code Section 33679 requires that, before for any allocation for redevelopment funds for construction of improvements to any publicly-owned building (i.e. Carnegie Library), the City Council hold a public hearing and make certain findings. The attached notice for the Implementation Plan amendment hearing does not fully comply with that section. Therefore a separate hearing to address this requirement will be set for a later date. Appropriation of the \$400,000 for the Carnegie Library Repair/Rehabilitation will be scheduled for that same date.

Analysis &
Conclusion:

Use of Redevelopment Funds for Carnegie Library

Health and Safety Code Section 33445 establishes the following conditions for using redevelopment funds for making improvements to publicly-owned buildings:

- That the buildings, facilities, structures, or other improvements are of benefit to the project area or the immediate neighborhood in which the project is located.
- That no other reasonable means of financing the buildings, facilities, structures, or other improvements, are available to the community.
- That the payment of funds for the cost of improvements will assist in the elimination of one or more blighting conditions inside the project area and is consistent with the implementation plan.

To address the items listed above, the following facts are offered.

- a. The Carnegie Library Building is listed on the National Register of Historic Places and in the City's Inventory of Historic Resources; it forms the centerpiece of City Park, which is the venue for numerous civic events. This building is located in the heart of, and is an indispensable asset to, both the City and the Redevelopment Project Area.
- b. The Carnegie Library Building is an unreinforced masonry building that suffered extensive damage during the 2003 San Simeon Earthquake and had to be closed to human occupancy. The damage must be repaired in the near term before other damage might occur. The City of Paso Robles does not have sufficient General Funds on hand to bridge the gap between available Federal funds and the estimated project cost, nor does it project that sufficient General Funds will be available in the near term.
- c. The 2004 Redevelopment Implementation Plan considers unreinforced masonry buildings as unsafe buildings, which is a condition contributing to blight in the Redevelopment Project Area. The use of Redevelopment Tax Increment Revenues to supplement Federal funds for repair and rehabilitation of the Carnegie Library Building will help eliminate blighting conditions in the Project Area.

Use of Redevelopment Funds for Uptown/Town Centre Specific Plan

The purpose of the Uptown/Town Centre Specific Plan is to establish a new vision and development policies and regulations for redevelopment of the City's West Side. The specific plan will address remediation of several blighting conditions in the specific plan area, approximately 90 percent of which is within the Redevelopment Project Area. Exceptions include the Hot Springs Property northeast of Highway 101 and properties along Paso Robles Street.

There are no special requirements established by the Health and Safety Code similar to those set forth in Section 33445 for use of redevelopment funds for preparation of plans.

Policy

Reference: State Redevelopment Law (Sections 33000 et seq. of the Health and Safety Code); 2004 Redevelopment Implementation Plan

Fiscal

Impacts: The Implementation Plan itself is a plan for expenditure of Redevelopment funds. The expenses to be referenced in the plan were previously approved by the City Council.

Options: After accepting any public testimony on the proposed amendment to the Implementation Plan, that the Redevelopment Agency take one of the following options:

- a. Adopt attached Resolution RA08-XXX approving an amendment to the 2004 Redevelopment Implementation Plan to provide that redevelopment funds may be used for the Carnegie Library Repair and Rehabilitation and for the Uptown/Town Centre Specific Plan.
- b. Amend, modify, or reject the above options.

Prepared by: Ed Gallagher, City Planner

Attachments:

1. Resolution RA 08-XX to Approve an Amendment of the 2004 Redevelopment Implementation Plan
2. Copy of Newspaper Notice

ED\REDEV\IMPLEMENTATION PLAN\CARNEGIE-UPTOWN AMENDMENT 2008\RDA REPORT 020508

RESOLUTION NO. RA 08-XXX
A RESOLUTION OF THE PASO ROBLES REDEVELOPMENT AGENCY
AMENDING THE REDEVELOPMENT IMPLEMENTATION PLAN TO PROVIDE THAT
REDEVELOPMENT FUNDS MAY BE USED FOR THE CARNEGIE LIBRARY REPAIR AND
REHABILITATION AND FOR THE UPTOWN/TOWN CENTRE SPECIFIC PLAN

WHEREAS, on December 21, 2004, the Paso Robles Redevelopment Agency (“Agency”), via resolution RA 04-03, adopted an Implementation Plan pursuant to Section 33490 of the State Health and Safety Code; and

WHEREAS, Sections 4 and 5 in Chapter IV of the 2004 Implementation Plan provide that all “net available resources” (i.e., regular Redevelopment Funds) have been earmarked for the purpose of retiring the Agency’s debt obligation to the City to reimburse the City’s general fund for the debt service for the construction of the City Hall/Library facility; and

WHEREAS, the City of El Paso de Robles (“City) has undertaken a project to repair and rehabilitate its Carnegie Library Building, which will include repair of damage from the 2003 San Simeon Earthquake, seismic retrofitting, and accessibility improvements to serve the physically-disabled; and

WHEREAS, the estimated budget for the Carnegie Library project is \$2.41 million, of which \$2.01 million will be paid for with federal funds from FEMA and HUD and an additional \$400,000 is needed; and

WHEREAS, there are insufficient General Funds or other public funds available to complete the Carnegie Library Repair/Rehabilitation project; and

WHEREAS, the City has initiated the preparation of an Uptown/Town Centre Specific Plan to establish a vision for redevelopment of an area, approximately 90 percent of which is within the Redevelopment Project Area; the purposes and scope of the specific plan will address remediation of several blighting conditions in the Project Area; and

WHEREAS, the cost of consultant services to prepare the Uptown/Town Centre Specific Plan has been identified at \$1,500,000; and

WHEREAS, there are sufficient Redevelopment Funds available to cover the \$1.9 million for the Carnegie Repair/Rehabilitation project, the Uptown/Town Centre Specific Plan, and to continue paying the debt on City Hall without having to issue tax increment revenue bonds; and

WHEREAS, a public hearing was set for February 5, 2008, and notice was given in accordance with Section 33490 of the California Health and Safety Code;

WHEREAS, at its meeting of February 5, 2008, the Redevelopment Agency conducted a public hearing on the proposed amendment to the Implementation Plan and took the following actions:

- a. Considered the facts and analysis, as presented in the draft staff report for the proposed amendment;
- b. Considered public testimony on the proposed amendment to the Implementation Plan;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1: To amend the Implementation Plan to provide that during the period of the plan (December 2004 – December 2009), redevelopment funds may be used for the Carnegie Library Repair/Rehabilitation Project, the Uptown/Town Centre Specific Plan, and for reimbursing the City's general fund for the debt service for the construction of the City Hall/Library facility. The text of the Implementation Plan shall be amended as shown on Exhibit A of this resolution.

PASSED AND ADOPTED by the Redevelopment Agency of the City of Paso Robles on this 5th day of February 2008 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Fred Strong, Chairman

ATTEST:

Deborah D. Robinson, Deputy City Clerk

Exhibit A

Amendments to Sections 4 and 5 of Chapter IV of the 2004 Redevelopment Implementation Plan

Proposed additions are in underlined text; proposed deletions are noted in ~~double-strike-through text~~.

4. Programs

Transportation Systems Improvement: Programs for which use of Redevelopment Funds has been targeted include improvements to South River Road and connecting bikeways (related to the development of Woodland Plaza II).

Possible future programs to be supported with Redevelopment Funds may include: support for 13th Street/Creston Road Corridor improvements, support for the Spring Street Reconstruction program, support for transit facilities (e.g. bus shelters); and other programs.

Downtown Revitalization: Possible future programs to be supported with Redevelopment Funds may include: repair and rehabilitation of the historic Carnegie Library Building (e.g., repair of damage caused by the 2003 San Simeon Earthquake, seismic retrofit, disabled access and other activities to renovate and convert the building to other uses); efforts to attract uses such as theaters, performing arts venues, restaurants, hotel and conference facilities (including parcel assemblage, if necessary); efforts to provide more parking (including, possibly, one or more parking lots and/or structures); further improvements to City Park; support for commercial rehabilitation (which has been approved for funding via federal Community Development Block Grant monies); preparation of specific plans for development and revitalization of the Uptown and Town Center Areas; and other programs.

Affordable and Safe Housing: Future housing programs are discussed in detail in Chapter V. Briefly, such programs may include: first-time home buyer assistance for very low, low, and moderate income households; assistance to development of new rental housing; assistance to efforts to conserve subsidized apartments at risk of conversion to market rate; loan programs for residential rehabilitation; and other programs.

Beautification and Maintenance: Possible future programs to be supported with Redevelopment Funds may include support for Phases 2 and 3 of the Spring Street Reconstruction (landscaping, street furniture and lighting); street tree planting; freeway frontage landscaping; and other programs.

Public Infrastructure and Utilities: Possible future programs to be supported with Redevelopment Funds may include: downtown parking improvements, support for storm drain improvements; water and sewer system upgrades; undergrounding of overhead electrical and/or telephone wires; and other programs

5. Expenditures of Redevelopment Funds in the Next 5 Years

In addition to the two formal tax allocation bond issues, in 1996 for \$3,630,000 and in ~~the~~ 2000 for \$4,090,000, the only “debt” obligation has been a ~~is the~~ commitment for the

Exhibit A

Agency to reimburse the City's general fund for the debt service for the construction of the City Hall/Library Building facility. Through June 30, 2007, all net available resources, the amounts shown in the "annual balance" column below, had have been earmarked for this purpose.

The amounts contained in the "net tax increment revenue" column are net after all fiscal agreement payments due to other taxing agencies have been paid.

Not included in this table are the State takeaways to balance their budget deficit. In fiscal year 2005, the amount is \$111,000. The fiscal year 2006 payment is estimated to be approximately the same amount.

The chart below does not include show revenues and expenditures for the Low and Moderate Income Housing (LMIH) Fund. Those will be shown and discussed in Chapter V.

Fiscal Year	Net Tax Increment Revenue	Maintenance & Operations	Debt Service	Annual Balance
2004/2005	1,011,500	75,000	518,000	423,600
2005/2006	1,060,600	75,000	522,900	474,900
2006/2007	1,121,200	75,000	515,700	543,000
2007/2008	1,184,400	75,000	538,200	584,600
2008/2009	1,250,400	75,000	524,700	664,900

NOTE: Maintenance and Operations includes fiscal agreement payments to Paso Robles Public Schools, SLO County Schools, Cuesta College.

Via a Reimbursement Agreement between the Redevelopment Agency and City Council dated November 1, 1993, the Redevelopment Agency is obligated to reimburse the City for the debt service payments arising out of the construction financing for the City Hall/Library located at 1000 Spring Street. More specifically, this agreement requires that all non-LMIH funds not appropriated for operational needs and debt service requirements (net of fiscal agreements) be used to repay the reimbursement obligation.

Those funds available to the Agency after payment of the Agency's existing debt service will be used to fund its programs listed above. Although the timing and priority for expenditure of those funds will be dependent on the amount of funding available from time to time, the Agency anticipates allocating approximately \$1.9 million to provide gap funding for repair of the earthquake damage to the historic Carnegie Library Building, and for preparation of the Uptown and Town Centre specific plans during the Implementation Plan period.

PROOF OF PUBLICATION

LEGAL NEWSPAPER NOTICES

PLANNING COMMISSION/CITY COUNCIL
PROJECT NOTICING

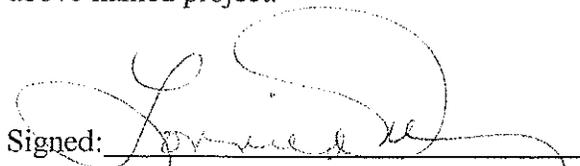
Newspaper: Tribune

Date of Publication: January 23, 2008

Meeting Date: February 5, 2008

Project: Redevelopment Implementation
Plan – Repair and Rehabilitation
of the Carnegie Library

I, Lonnie Dolan, employee of the Community
Development Department, Planning Division, of the City
of El Paso de Robles, do hereby certify that this notice is
a true copy of a published legal newspaper notice for the
above named project.

Signed: 
Lonnie Dolan

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NOTICE OF PUBLIC HEARING
AMENDMENT OF THE REDEVELOPMENT
IMPLEMENTATION PLAN FOR THE REDEVELOPMENT AGENCY OF THE CITY OF PASO ROBLES AND PROPOSED USE OF REDEVELOPMENT FUNDS FOR REPAIR AND REHABILITATION OF THE CARNEGIE LIBRARY (A PUBLIC FACILITY)

NOTICE IS HEREBY GIVEN that the Redevelopment Agency of the City of Paso Robles will hold a Public Hearing to accept public comments on the proposed amendment of Chapter IV, the 2004 Redevelopment Implementation Plan to allow that, during the five-year period ending in December 2009, Redevelopment Funds may be used to supplement federal funds for repair and rehabilitation of the Carnegie Library Building and for preparation of the Uptown/Town Centre Specific Plan.

This hearing will take place in the Library Conference Center at Library/City Hall, 1000 Spring Street, Paso Robles, California, at the hour of 7:30 PM on Tuesday, February 5, 2008, at which time all interested parties may appear and be heard.

Pursuant to Sections 33679 and 33445 of the California Health and Safety Code, the proposed amendment and authorization to use Redevelopment Tax Increment Revenues to repair and rehabilitate the Carnegie Library Building is based on the following:

a. Redevelopment Tax Increment Revenues will be used to supplement Federal Public Facility Repair (Stafford Act) funds and Community Development Block Grant funds. The estimated cost of the repair and rehabilitation work is \$2.41 million; the amount of federal funds available is expected to be \$2.01 million. Therefore, the estimated amount of tax increment revenues proposed to be used for this purpose is \$400,000.

b. The Carnegie Library Building is listed on the National Register of Historic Places and in the City's Inventory of Historic Resources; it forms the centerpiece of City Park, which is the venue for numerous civic events. This building is located in the heart of, and is an indispensable asset to, both the City and the Redevelopment Project Area.

c. The Carnegie Library Building is an unreinforced masonry building that suffered extensive damage during the 2003 San Simeon Earthquake and had to be closed to human occupancy. The damage must be repaired in the near term before other damage might occur. The City of Paso Robles does not have sufficient General Funds on hand to bridge the gap between available Federal funds and the estimated project cost, nor does it project that sufficient General Funds will be available in the near term.

d. The 2004 Redevelopment Implementation Plan considers unreinforced masonry buildings as unsafe buildings, which is a condition contributing to blight in the Redevelopment Project Area. The use of Redevelopment Tax Increment Revenues to supplement Federal funds for repair and rehabilitation of the Carnegie Library Building will help eliminate blighting conditions in the Project Area.

Copies of the proposed amendment to the 2004 Implementation Plan are presently available for review in the City's Community Development Department, at the City Library, and on the City's web site at the address indicated below. (Copies of the proposed amendment to the Implementation Plan may be purchased at the City's Community Development Department, 1000 Spring Street, Paso Robles, CA 93446, for the cost of reproduction).

<http://www.prcity.com/government/citycouncil/redevelopment.asp>

Comments on the proposed amendment to the 2004 Implementation Plan may be mailed to the Community Development Department, 1000 Spring Street, Paso Robles, CA 93446 or emailed to ed@prcity.com provided that such comments are received prior to the time of the hearing.

If you challenge the proposed amendment to the 2004 Implementation Plan in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Redevelopment Agency at, or prior to, the public hearing.