Council Meeting Date: December 14, 2010  Date Prepared: December 6, 2010

Prepared by: Joe C. Heckel, Community Development Director

Title: Preliminary Report and Amended and Restated Redevelopment Plan for Amendment No. 4 to Redevelopment Plan for Grass Valley Redevelopment Project Area

Agenda: Regular Agenda

Recommended Motion: Adopt resolution 2010-R82 to; 1) approve and accept the Preliminary Report for Amendment No. 4 to the Redevelopment Plan for the Grass Valley Redevelopment Project Area and transmit it along with the Amended and Restated Redevelopment Plan to affected Taxing Agencies; and 2) refer the Amended and Restated Redevelopment Plan to the Planning Commission for their report and recommendation.

Summary: In Spring of 2010, the Redevelopment Agency Board directed staff to move forward with an amendment to the Redevelopment Plan for the Grass Valley Redevelopment Project Area (Original Project Area). The amendments included; 1) adding approximately 687 acres (Added Area) to the Original Project Area, 2) increasing the financial limits of the Redevelopment Plan with respect to limits on receipt of tax increment and bonded indebtedness, 3) adding programs and infrastructure projects to the Redevelopment Plan's approved projects list, and 4) providing a consolidated Amended and Restated Redevelopment Plan covering the Original Project Area and Added Area. Collectively, the four changes listed above are known as Amendment No. 4.

Before the City Council and Agency Board can hold a joint public hearing on Amendment No. 4, the Preliminary Report and Amended and Restated Redevelopment Plan must be transmitted to affected taxing agencies for their review and comment. In addition, the Amended and Restated Redevelopment Plan must also be transmitted to the Planning Commission for their determination that Amendment No. 4 is in conformance with the General Plan. The Agency is targeting an adoption date for Amendment No. 4 prior to June 30, 2011.

Background: The proposed Amendment No. 4 to the Redevelopment Plan for the Original Project Area would add approximately 687 acres to the Original Project Area, increase the financial limits of the Redevelopment Plan with respect to limits on receipt of tax increment and bonded indebtedness, add programs and infrastructure projects to the Redevelopment Plan's approved projects list, and provide a consolidated Amended and Restated Redevelopment Plan covering the Original Project Area and Added Area.

The Preliminary Report for Amendment No. 4 to the Redevelopment Plan for the Project Area (Preliminary Report) is an informational document that provides analysis of some of the
reasons for and impacts of Amendment No. 4. The Preliminary Report is prepared and distributed to affected taxing agencies such as the County of Nevada, school districts and other entities that levy taxes in the Original Project Area and Added Area as part of the consultation process required by the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq., "CRL"). In addition, the general public may review this document to learn more about the intended purposes and implications of Amendment No. 4. Later in the plan amendment process (Spring 2011), the Preliminary Report will be updated and expanded to include additional information and presented as the Agency’s Report to the City Council at a joint public hearing of the Agency and the City Council. The Preliminary Report consists of five sections:

- **Section A: Reasons for the Amendment.** Section A outlines the reasons for Amendment No. 4 and also describes conditions in the Original Project Area and Added Area that cannot be alleviated by the private sector and/or government alone without redevelopment.

- **Section B: Description of the Physical and Economic Conditions in the Original Project Area and Proposed Added Area.** As described in Section B, the physical and economic conditions remaining in the Original Area include unsafe and unhealthy buildings, hazardous waste, and serious infrastructure deficiencies. The physical and economic conditions that exist in the proposed Added Area include unsafe and unhealthy buildings, depreciating property values, hazardous waste, and serious infrastructure deficiencies.

- **Section C: Determination as to Whether the Added Area is Predominantly Urbanized.** Because the Original Project Area was previously determined to be urbanized as defined in Section 33031 of the CRL, no new analysis of this area was required. However, the proposed Added Area was analyzed and it was determined that this area is predominantly urbanized as defined by the standards outlined in Section 33031 of the CRL.

- **Section D: Preliminary Assessment of the Proposed Method of Financing.** Section D includes information on the proposed method of financing the Redevelopment Plan, including information on the economic feasibility of the Original Project Area and proposed Added Area, and the reasons for including tax increment financing. Section D also includes information on the estimated costs of the program of redevelopment for the Original Project Area and the Added Area, describes the various financing sources that may be used, demonstrates the continued economic feasibility of the Original Project Area and the economic feasibility of the Added Area; and describes the reasons for continuing to include tax increment financing in the Amended and Restated Redevelopment Plan. It also includes a section that describes why an increase is needed to the tax increment and bonded debt limit for the Original Project Area.
Section E: Description of the Projects Proposed by the Agency and How They Will Improve Conditions and Alleviate Blight. Section E includes a description of the specific projects and programs to be undertaken by the Agency and how such projects and programs will alleviate blight in the Original Project Area. This section also describes the Agency’s ongoing program of redevelopment and its relationship to blight alleviation in the Original Project Area and the proposed program of redevelopment in the Added Area.

The original Redevelopment Plan for the Original Project Area was adopted in 1988. Amendment No. 4 creates a new Amended and Restated Redevelopment Plan that will cover the Original Project Area and proposed Added Area. In essence, the Amended and Restated Redevelopment contains the rules and guidelines for how the Agency will operate into the future. When forwarded to the Planning Commission by the Agency, the Planning Commission will officially determine whether Amendment No. 4 conforms to the City’s 2020 General Plan by making a report and recommendation.

In terms of the overall amendment process, the Agency previously adopted a resolution on August 10, 2010, approving and accepting the Preliminary Plan for Amendment No. 4. This document set the boundaries for the Added Area and was transmitted to Affected Taxing Agencies and the State Board of Equalization. Besides the actions being contemplated by the Agency Board at this meeting, there are several remaining steps in the amendment process. The process will culminate in a joint public hearing between the Agency Board and City Council where public testimony will be heard for and against Amendment No. 4. This public hearing will likely take place in May of 2011. After Agency staff has an opportunity to respond to any comments received at the public hearing, the City Council and Agency Board will then be provided an opportunity to act on Amendment No. 4. Given these steps, it is important to note that by taking the recommended actions at this meeting, the Agency Board is not approving Amendment No. 4.

**Attachments:**
1) Resolution 2010-R82 accepting Preliminary Report and the Amended and Restated Preliminary Plan for Amendment #4,
2) Exhibit “A”, Preliminary Report for Amendment #4 to the Redevelopment Plan
3) Exhibit “B”, Draft Amended and Restated Redevelopment Plan

**Funds Available:** N/A  

**Reviewed by:**  
City Administrator

**Action:**  
____ Approved  
____ Denied  
____ Approved with Modifications  
____ Other
RESOLUTION NO. 2010-R82

A RESOLUTION OF THE GRASS VALLEY REDEVELOPMENT AGENCY OF THE CITY OF GRASS VALLEY ACCEPTING AND APPROVING THE PRELIMINARY REPORT FOR AMENDMENT NO. 4 TO THE REDEVELOPMENT PLAN FOR THE GRASS VALLEY REDEVELOPMENT PROJECT AREA AND AUTHORIZING ITS TRANSMITTAL TO AFFECTED TAXING ENTITIES AND REFERRING THE PROPOSED AMENDMENT NO. 4, IN THE FORM OF THE AMENDED AND RESTATED REDEVELOPMENT PLAN, TO THE GRASS VALLEY PLANNING COMMISSION FOR REPORT AND RECOMMENDATION

WHEREAS, pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33300 et seq.) (the “CRL”), on April 20, 1988, the City Council of the City of Grass Valley ("City Council") adopted the Redevelopment Plan (as subsequently amended by Ordinance No. 516 on November 22, 1994, Ordinance No. 568 on March 23, 1999 and Ordinance No. 07-87 on November 27, 2007 the “Redevelopment Plan”) for the Grass Valley Redevelopment Project Area ("Original Project Area"); and

WHEREAS, the Grass Valley Redevelopment Agency ("Agency") has prepared a proposed fourth amendment ("Amendment No. 4") to the Redevelopment Plan substantially in the form attached as Exhibit A attached hereto and incorporated herein by this reference; and

WHEREAS, Amendment No. 4 proposes to add approximately 687 acres ("Added Area") to the Original Project Area, increase the financial limits of the Redevelopment Plan with respect to limits on receipt of tax increment and bonded indebtedness, add programs and infrastructure projects to the Redevelopment Plan, and provide a consolidated Amended and Restated Redevelopment Plan for the Original Project Area and Added Area.

WHEREAS, Sections 33344.5 and 33354.6(a) of the CRL provides that a preliminary report must be prepared for the Amendment No. 4 and transmitted to affected taxing entities prior to submission of Amendment No. 4 to the City Council for consideration; and

WHEREAS, the Agency has prepared a Preliminary Report for the proposed Amendment No. 4 to the Redevelopment Plan containing the information required under Section 33344.5 of the CRL; and

WHEREAS, Section 33346 of the CRL provides that before a substantial proposed amendment to a redevelopment plan is submitted to the legislative body for consideration, the redevelopment agency shall submit the proposed amendment to the planning commission for its report and recommendation, including a determination whether the proposed amendment is in conformity with the jurisdiction’s general plan; and

WHEREAS, the Agency has caused to be prepared an Amended and Restated Redevelopment Plan (the “Amended and Restated Redevelopment Plan”) incorporating Amendment No. 4 substantially in the form attached as Exhibit B and incorporated herein by this reference; and
WHEREAS, the Agency has considered the staff report, supporting documents, and public testimony in making its decision.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. The Grass Valley Redevelopment Agency hereby approves the Preliminary Report for the proposed Amendment No. 4 to the Redevelopment Plan for the Grass Valley Redevelopment Project Area attached herewith as Exhibit A.

SECTION 2. The Executive Director of the Agency is hereby authorized and directed to transmit the Preliminary Report and the Amended and Restated Redevelopment Plan, attached herewith as Exhibit B, to each affected taxing entity in accordance with Section 33344.5 of the CRL.

SECTION 3. The Grass Valley Redevelopment Agency hereby refers to the Grass Valley Planning Commission the Amended and Restated Redevelopment Plan, for its report and recommendation concerning Amendment No. 4 and its conformity to the general plan of the City of Grass Valley.

SECTION 4. The Executive Director of the Agency is hereby authorized and directed to transmit the proposed Amended and Restated Redevelopment Plan to the Grass Valley Planning Commission.

SECTION 5. The Agency Secretary shall certify to the adoption of this resolution.

RESOLUTION 2010-R82 ADOPTED at a regular meeting of the Agency Board of the City of Grass Valley Redevelopment Agency on December 14, 2010 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

________________________, Chairperson

ATTESTED:

________________________
Kristi Bashor, Secretary

APPROVED AS TO FORM:

Ruthann G. Ziegler, Agency Counsel
Exhibit A

Preliminary Report for Amendment No. 4 to the Redevelopment Plan for the Grass Valley Redevelopment Project Area

(Note: Copy of Report provided separately)
Exhibit B

Draft Amended and Restated Redevelopment Plan for the
Grass Valley Redevelopment Project Area

(Note: Copy of Report provided separately)