



City of Placerville MEMORANDUM

DATE: August 24, 2010

TO: City Council

FROM: John Driscoll
City Manager/City Attorney

SUBJECT: **RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
PLACERVILLE DESIGNATING A REDEVELOPMENT SURVEY AREA**

RECOMMENDATION

That the City Council adopt a resolution designating a redevelopment survey area.

DISCUSSION

In May 2010, the City Council initiated the process to prepare a redevelopment plan for certain commercial areas of the City that suffer from physical and economic blight. This action stemmed from the completion of a Redevelopment Feasibility Study earlier this year which recommended that the City and Placerville Redevelopment Agency proceed with formation of the City's first redevelopment plan and project area encompassing the Placerville Drive, Downtown and Broadway commercial districts, as well as the adjacent unincorporated areas of Smith Flat and Motor City within the City's Sphere of Influence.

Creation of a redevelopment plan and project area would establish a 30 year program for revitalization and redevelopment of the City's commercial areas, which have stagnated in recent years. With this tool, the reactivated Placerville Redevelopment Agency could not only assist private property owners, businesses and the City with a variety of infrastructure, façade, and more substantial improvements to alleviate blighted conditions, but do this in a manner which compliments the City's role in the implementation of the regional economic development mission in the County to attract jobs and stimulate the commercial base.

The process to create a redevelopment plan and project area is prescribed in the California Community Redevelopment Law, Health and Safety Code Section 33000 et seq. This process involves preparation of several documents, meetings with the City's Planning Commission, Redevelopment Agency, and City Council, and consultations/notices to affected taxing agencies and the general public, culminating in a noticed public hearing at the conclusion of the 9-12 month process. If the project area includes unincorporated territory as well, the El Dorado County Board of Supervisors would have a role in the consideration of the redevelopment plan with respect to their jurisdiction.

The first step in the plan adoption process is the designation of a redevelopment survey area by the legislative body. The proposed Survey Area is coterminous with the boundaries of the January 2010 Feasibility Study Area and identified on the map attached to the accompanying resolution. The purpose of designating a survey area is to direct staff and consultants to prepare proposed boundaries for a redevelopment project area and present these proposed boundaries and a preliminary redevelopment plan to the City's Planning Commission for their consideration. Once the proposed project area boundaries are established by the Planning Commission and accepted by the Redevelopment Agency, the plan adoption process would proceed with the preparation of an official redevelopment plan and other documents, including a report on the need for and implications of redevelopment as well as an environmental impact report.

The tentative schedule of some of the key dates and actions in the redevelopment plan adoption process are set forth below:

Action	Entity	Date
Kickoff Project	Staff and Consultants	May 2010
Survey Area Adopted	City Council	August 24, 2010
Project Area Boundaries Selected and Preliminary Plan Adopted	Planning Commission/ Redevelopment Agency	September 7, 2010 September 14, 2010
County Consent to Redevelopment	Board of Supervisors	October 12, 2010
Preliminary Report Adopted	Redevelopment Agency	December 14, 2010
EIR Circulated (45 Days)	Redevelopment Agency	December 17, 2010- January 31, 2011
Report to City Council Adopted	Redevelopment Agency	February 8, 2011
County Adoption of Redevelopment Plan	Board of Supervisors	March 15, 2011
Joint Public Hearing	Redevelopment Agency/ City Council	April 12, 2011
City Adoption of Redevelopment Plan	City Council	May 10, 2011
Redevelopment Plan Effective (90 Days)		August 8, 2011

As part of this process, the Placerville Redevelopment Agency will be reactivated. Although the members of the City Council comprise the Agency board, the Placerville Redevelopment Agency is a separate legal entity from the City for the specific purpose of creating and implementing redevelopment within the City. To date, the Agency has not been active because no redevelopment areas have been established.

FISCAL IMPACT

The costs to prepare and adopt a redevelopment plan for the City have been previously approved by the City Council in May 2010. These include retention of various consultants (redevelopment, legal, environmental and civil engineering) totaling approximately \$280,000, and another \$25,000 in incidental costs to be incurred directly by the City for noticing and certain fees.

If a redevelopment project area is created upon the conclusion of this process, the Redevelopment Agency would collect tax increment revenue from the project area for the ensuing 45 year period. Tax increment revenue is generated by the increase in property values over the existing base value of the project area, with a majority of the property taxes from the increase in value retained by the Redevelopment Agency rather than other affected taxing agencies. With these property tax increment revenues, the Redevelopment Agency would reimburse the City for these startup costs, and fund many redevelopment and affordable housing projects and programs. The amount of such revenues has not yet been projected and is contingent on the ultimate size and growth patterns of the redevelopment project area, but it is expected based on preliminary estimates to exceed \$20 million in today's dollars.

Respectfully submitted,

John Driscoll
City Manager/City Attorney