

**CITY COUNCIL/REDEVELOPMENT AGENCY
AGENDA ITEM 8.01**

April 21, 2009

TO: Chairperson and Members of the Stockton Redevelopment Agency

FROM: J. Gordon Palmer, Jr., Executive Director
Stockton Redevelopment Agency

SUBJECT: **APPROVAL OF THE REPORT TO THE CITY COUNCIL FOR THE WATERFRONT MERGER REDEVELOPMENT PROJECT AREA**

RECOMMENDATION

It is recommended that the Redevelopment Agency approve the Report to the City Council for the Waterfront Merger Redevelopment Project Area.

SUMMARY

The Waterfront Merger Project ("Merger") is a proposed merger of three existing redevelopment project areas (Rough and Ready Island, Port Industrial and West End) into a single redevelopment project area referred to as the Waterfront Merger Redevelopment Project Area. The West End Area includes Downtown and easternmost portion of the Channel Area. This project also includes adding three parcels to the Rough and Ready Island project area (Added Area) and extending the time limits for the effectiveness and the receipt of tax increment for a ten block portion of the West End Urban Renewal Project Area No. 1 Redevelopment Plan (Extension). A map depicting each of these actions is included as Exhibit A.

Staff recommends the Agency approve the Report to the City Council (Exhibit B). Due to the mandated schedule for the Extension, the Report to Council must be approved by the Agency at an earlier stage before the remaining action items can be adopted and the project completed. A Draft and Final Environmental Impact Report (Exhibits C and D, respectively) have been prepared and are available for a 45-day review period prior to the certification and subsequent adoption of the merger. The remaining actions for the Merger process are scheduled for a Joint City Council/Redevelopment Agency Public Hearing in June 2009.

DISCUSSION

Background

The Waterfront Merger Project ("Merger") is a proposed merger of three existing redevelopment project areas (Rough and Ready Island, Port Industrial and West End) into a single redevelopment project area referred to as the Waterfront Merger Redevelopment Project Area. The project areas were originally adopted as follows:

- Rough and Ready Island – 2004
- Port Industrial – 2001
- West End – 1961

APPROVAL OF THE REPORT TO THE CITY COUNCIL FOR THE WATERFRONT MERGER REDEVELOPMENT PROJECT AREA

(Page 2)

The merged project area will encompass approximately 3,420 acres and generally includes both the East and West Complexes of the Port of Stockton, as well as the Downtown area. In addition to merging the three project areas, the Merger will also add three parcels totaling approximately 32 acres to the Rough and Ready Island Project Area (Added Area) and extend the time limits for the Redevelopment Plan and the receipt of tax increment for a ten block portion of the West End (Extension).

The Rough and Ready Island Project Area was adopted under the Federal 1995 Base Realignment and Closure process which excluded three privately owned parcels located on the island. Staff recommends incorporating those parcels at this time to provide for seamless implementation of the Redevelopment Plan.

In December, 2008, the proposed Amended and Restated Redevelopment Plan for the Merger was made available for public review and comment and distributed to all property owners and affected taxing entities.

In January, 2009, the draft Preliminary Report to Council was made available for public review and comment and distributed to all property owners and affected taxing entities. Staff also presented the ten-year Extension of West End I to the Planning Commission for review and approval.

In February, 2009, staff made a presentation at a public meeting held at the Downtown Stockton Alliance and in March, 2009, made a similar presentation to the Board of Commissioners for the Port of Stockton.

Also during the month of March, staff consulted with the affected taxing entities to provide a direct opportunity to request additional information, ask questions, and raise objections or concerns regarding the Merger.

Present Situation

Staff recommends the Agency review and approve the Report to the City Council at this time to maintain the schedule required for the plan extension. The remaining items, including the Amended and Restated Redevelopment Plan, the Final Environmental Impact Report for the Waterfront Merger Project Area, and the final Report to Council, are scheduled for a joint public hearing of the City Council and Redevelopment Agency in June 2009.

There are several benefits to the Agency in completing this project, including increased administrative efficiencies by combining adjacent project areas, incorporating the privately owned parcels at Rough & Ready Island and extending the length of time tax increment revenue can be collected in the Agency's oldest project area. As part of this process, Agency staff has completed numerous outreach efforts to make taxing entities,

**APPROVAL OF THE REPORT TO THE CITY COUNCIL FOR THE WATERFRONT
MERGER REDEVELOPMENT PROJECT AREA**

(Page 3)

property owners, and residents aware of the proposed actions and the potential impacts. These efforts include direct mailings, legal advertisements, and meetings.

An Environmental Impact Report (State Clearinghouse #2008032044) has been prepared for the adoption of the Waterfront Redevelopment Plan. The Environmental Impact Report includes an analysis of the environmental impacts associated with the proposed amendments and merger. The Planning Commission also affirmed that the proposed Plan Amendment is consistent with the Stockton General Plan and will aid significantly in its implementation within the Merged Project Area. The consistency of the proposed project with the Stockton General Plan is discussed in both the Amended Redevelopment Plan and Environmental Impact Report. The Amended Redevelopment Plan also requires that the Development Code shall be applicable to developments in the Merged Project Area, or as it may be amended.

The Report to Council was considered by the Redevelopment Commission on April 6, 2009, and the Amended Plan by the Planning Commission on April 9, 2009. The minutes and resolutions for each meeting will be incorporated into the final Report to Council presented at the June 2009 meeting.

FINANCIAL SUMMARY

The financial impact of the Extension part of the Merger project is projected to be an increase of approximately \$15 million in tax increment revenue over the life of the extension, between 2013 and 2022. It should be noted that the \$15 million in additional revenue generated from the Extension can only be spent on the blighted parcels within a ten-block area, as identified in the Report to Council. The revenue received from the Extension area requires an additional ten percent set-aside for low and moderate income housing, making the set-aside requirement equal to thirty percent of gross tax increment revenue for the area in which it applies.

Respectfully Submitted,



J. GORDON PALMER, JR., EXECUTIVE DIRECTOR
STOCKTON REDEVELOPMENT AGENCY

JGP:TJO:at

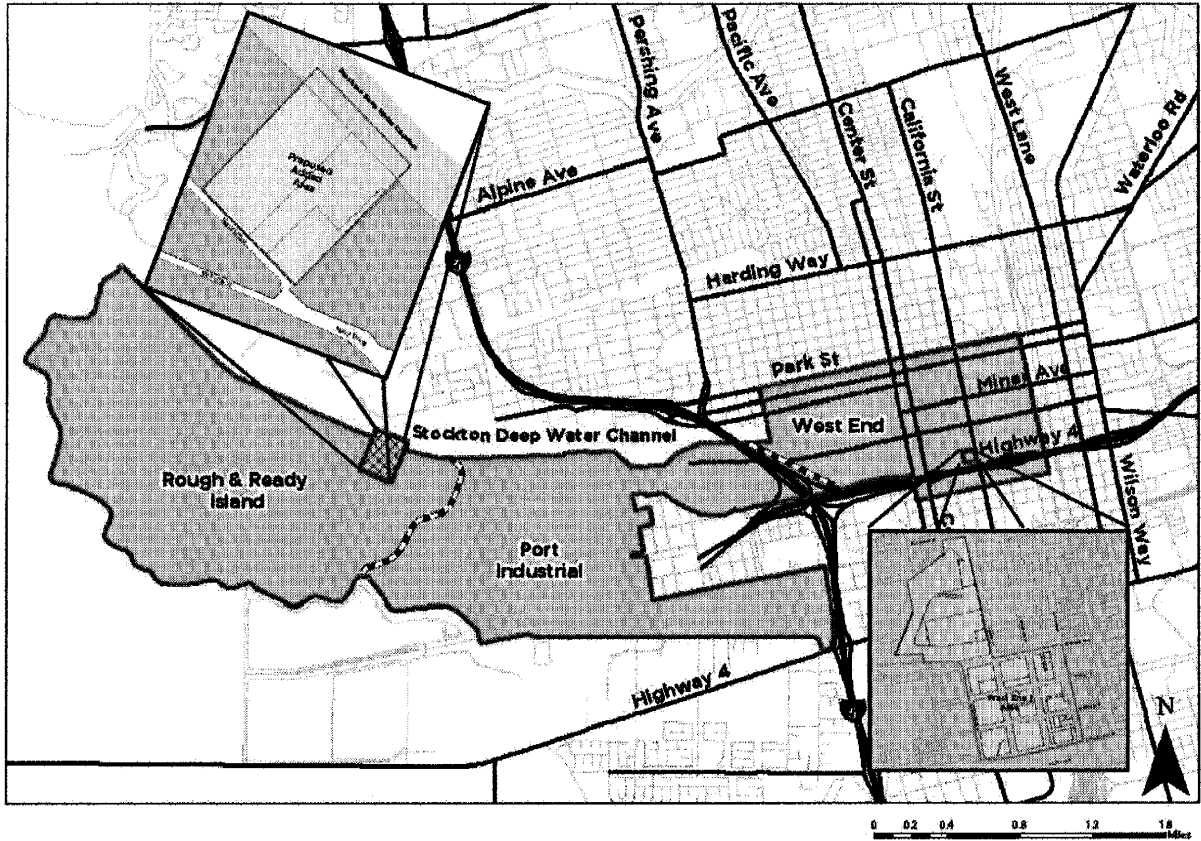
::ODMA\GRPWISE\COS.HRD.HRD_Library:95754.1

**WATERFRONT MERGER REDEVELOPMENT PROJECT AREA
REPORT TO THE CITY COUNCIL**

PROPOSED WATERFRONT MERGER REDEVELOPMENT PROJECT AREA

EXHIBIT 1

(ROUGH & READY ISLAND, PORT INDUSTRIAL, WEST END, AND PROPOSED ADDED AREA)



Resolution No. _____

STOCKTON REDEVELOPMENT AGENCY

RESOLUTION APPROVING THE REPORT TO THE CITY COUNCIL FOR THE WATERFRONT MERGER REDEVELOPMENT PROJECT AREA

The Waterfront Merger Project is a proposed merger of three existing redevelopment project areas – Rough and Ready Island, Port Industrial, and West End; and

The Merger will also add three parcels to the Rough and Ready Island project area; and

The Merger will also extend the time limits for the effectiveness of the West End Urban Renewal Area No. 1 Redevelopment Plan and the receipt of tax increment for the original ten block portion of West End; and

The Report to the City Council contains background, discussion, justification, and analysis regarding all three of the proposed actions that are part of this Merger Project; and

The Draft Environmental Impact Report and Final Environmental Impact Report provide analysis on the proposed projects conformity to the General Plan; and

The Redevelopment Commission considered this item on April 6, 2009, and recommended approval; and

The Planning Commission considered this item on April 9, 2009, affirming the Amended and Restated Redevelopment Plan for the Waterfront Merger Project Area is consistent with the General Plan and recommends the City Council and Redevelopment Agency approve the project; and

The Redevelopment Agency must approve the Report to the City Council at this time to comply with particular timing considerations; now, therefore,

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF STOCKTON, AS FOLLOWS:

1. That the Report to the City Council for the Waterfront Merger Redevelopment Project Area is hereby approved.

REVIEW: 
DATE: APR 08 2009

2. That the Executive Director is hereby authorized to take whatever actions are appropriate to carry out the purpose and intent of this resolution.

PASSED, APPROVED, and ADOPTED _____.

ANN JOHNSTON, Chairperson
of the Redevelopment Agency of
the City of Stockton

ATTEST:

KATHERINE GONG MEISSNER, Secretary
of the Redevelopment Agency