

REDDING REDEVELOPMENT AGENCY
 Regular Meeting, 5:15 p.m.
 Monday, March 15, 2004
 City Council Chambers
 777 Cypress Avenue
 Redding, California

MINUTES

Chair Stegall called the Regular Meeting to order at 5:18 p.m. with the following Agency Members present: Cibula, Kight, Mathena, and Pohlmeier.

Also present were City Manager Warren, Deputy City Manager Starman, City Attorney Fuller, Senior Redevelopment Project Coordinator Thompson, Senior Redevelopment Project Coordinator Tillman, Associate Redevelopment Project Coordinator Dent, and Housing Program Supervisor Buckley, Assistant City Clerk Sherman, and Office Services Supervisor Rudolph.

CONSENT CALENDAR

Loan from SHASTECH Housing Set-Aside to SHASTECH Capital Fund and Resolution Approving Budget Amendment to assist with Land Acquisition for the Shasta County Veterans' Home

(R-030-200)

It was recommended that the Board approve a loan of SHASTECH Housing Set-Aside Funds to the SHASTECH Capital Fund in an amount not to exceed \$300,000 and adopt Resolution No. 2004-03, a resolution of the Redding Redevelopment Agency amending the SHASTECH 2003-04 Budget to provide funds in an amount not-to-exceed \$300,000 for the purpose of assisting with land acquisition for the Shasta County Veterans' Home.

February 2004 Cash Report

(R-030-075)

It was recommended that the February 2004 Cash Report showing total available cash of \$15,134,676.90 be accepted as presented.

MOTION: Made by Agency Member Mathena, seconded by Agency Member Pohlmeier, to approve the foregoing items on the Consent Calendar as recommended. The Vote: Unanimous Ayes

JOINT MEETING WITH THE REDDING CITY COUNCIL

At the hour of 5:19 p.m., Mayor Pohlmeier called to order the Special Meeting of the Redding City Council for a joint public hearing with the Redding Redevelopment Agency.

JOINT PUBLIC HEARING - Proposed Sale to DiGiovanni & DiGiovanni, L.P. of Agency-Owned Property in the Parkview Neighborhood; Budget Amendment; and Resolution Approving Disposition of Property, Accepting 33433 Summary Report, Making the Necessary Findings, and Authorizing Chairman to Execute Disposition and Development Agreement and Ancillary Documents

(C-070-200 & R-030-100-033)

The hour of 5:15 p.m. having arrived, Chair Stegall and Mayor Pohlmeier opened the joint public hearing regarding the proposed sale of Agency-owned property in the Parkview Neighborhood to DiGiovanni & DiGiovanni, L.P.

It was noted that the Report to City Council and Redding Redevelopment Agency dated March 2, 2004, incorporated herein by reference, contained a written communication from the Parkview Neighborhood Association expressing support for the sale of the subject properties to DiGiovanni & DiGiovanni, L.P.

Deputy City Manager Starman recalled that in summer 2002, the Redding Redevelopment Agency (Agency) initiated a Request for Qualifications (RFQ) process to select a developer for the Leland

Avenue and Grange Street Site (the Property) pursuant to the Parkview Neighborhood Revitalization Plan and Action Plan. On September 23, 2002, the Agency approved an Exclusive Negotiating Agreement (ENA) with New Urban Builders, Inc., of Chico to negotiate a Disposition and Development Agreement (DDA) for the Property. He noted that the Agency was very fortunate to have selected such a qualified partner for these projects.

Mr. Starman recalled that in May 2003, New Urban Builders, Inc., began the design process by conducting a three-day neighborhood design charrette to establish the overall design context for development on the Property. The charrette resulted in a conceptual plan that accomplished key goals and objectives of the Revitalization Plan. The projects will be developed utilizing New Urban Builders, Inc.'s, design principles and will feature traditional architecture, a grid street pattern, narrower streets, and alleys. He stated that the DDA represented an important milestone in the redevelopment of the Parkview Neighborhood. It will provide for an estimated 87 new residences being constructed in the Neighborhood, 33 on the Leland Site and 54 on the Grange Site. Of these, at least thirty percent of the residences will be covered by long-term affordability covenants and be sold for a price that is affordable to low- and moderate-income households utilizing a Downpayment Assistance Program (DAP) loan. In addition, the Leland site will have a one-half acre park and the Grange site will have a two and one-third acre wetland/open space area.

Mr. Starman explained that before the Agency can consider the disposition of Agency-owned property acquired with tax increment monies, the sale or lease must first be approved by the City Council following a public hearing. In accordance with Section 33433 of the California Health and Safety Code, a Transaction Summary report was prepared which reviews: (a) the cost of the DDA to the Agency; (b) the estimated value of the property; (c) the value of the fee interest to be conveyed; (d) how the sale of the property assists in the elimination of blight; and (e) information to support a finding that the sale is consistent with the Agency's Five-Year Implementation Plan.

Mr. Starman stated that the proposed development will provide a new housing option for the community and address a market segment which has been underserved. It is, therefore, the recommendation of staff that the City Council and the Agency's Board of Directors (Board), following the joint public hearing, each adopt resolutions: (a) approving the disposition of real property in the Parkview Neighborhood to DiGiovanni & DiGiovanni, L.P.; (b) accepting the 33433 summary report; and (c) finding that the disposition of the property will assist in the elimination of blight and is consistent with the Implementation Plan for the Market Street Redevelopment Project Area and that the consideration for the Property is not less than the fair market value of the property as determined at its highest and best use. In addition, it is recommended that the Board authorize the Chair to execute the DDA, ancillary documents, and amendments to the DDA that are reasonable and necessary to conform to lender requirements and approve Budget Amendment No. 3 for Fiscal Year 2003-04 in the amount of \$1,600,000.

Bill Ulch, 2795 Freebridge Street, acknowledged the incredible amount of hours and work that had gone into the revitalization of the Parkview Neighborhood. As Chair of the Parkview Neighborhood Committee, he expressed appreciation for the positive effects resulting from these efforts. He stated that home ownership was the key to redefining the neighborhood and was optimistic that the proposed development, designed after the Doe Mill's project in Chico, would benefit not only the Parkview neighborhood, but the entire community. He encouraged the City Council and the Agency to vote affirmatively to approve the proposed DDA.

Vice Mayor/Chair Stegall noted that since the revitalization efforts had started in the neighborhood, she no longer heard the area being referred to as the "hood." Mr. Ulch stated that one of the main reasons for forming the Parkview Neighborhood Committee was for the neighborhood to work together in addressing crime and drug-activity in the area.

Council/Agency Member Cibula expressed appreciation to the Parkview Neighborhood Committee for their assistance in providing valuable information which has contributed to the success stories in this neighborhood.

Tom DiGiovanni, President of New Urban Builders, Inc., expressed their enthusiasm over the proposed projects. He noted that the General Manager for New Urban Builders, Inc., was also a resident of the Parkview Neighborhood and was very committed to making these projects successful. He commended the City Council/Agency and staff for their determination and long-term vision for these projects. He stated that the combination of the Parkview Neighborhood Committee, a grass

roots organization, and the leadership of the community could turn the area into a shining example for the community, and they were excited to be a part of this process.

Having determined that there was no one else present wishing to speak on the matter, Chair Stegall and Mayor Pohlmeier closed the joint public hearing.

MOTION: Made by Council Member Kight, seconded by Council Member Stegall, that Resolution No. 2004-36 be adopted, a resolution of the City Council of the City of Redding approving the disposition of real property in the Parkview Neighborhood to DiGiovanni & DiGiovanni, L.P., accepting the 33433 Summary Report, and finding that the disposition of the property will assist in the elimination of blight, is consistent with the Implementation Plan for the Market Street Project Area, and that the consideration for the property is not less than the fair market value at its highest and best use.

Voting was as follows:

AYES: Council Members - Cibula, Kight, Mathena, Stegall, and Pohlmeier
 NOES: Council Members - None
 ABSENT: Council Members - None
 ABSTAIN: Council Members - None

Resolution No. 2004-36 is on file in the office of the City Clerk.

There being no further business, at the hour of 5:35 p.m., Mayor Pohlmeier adjourned the Special Meeting of the Redding City Council.

MOTION: Made by Agency Member Kight, seconded by Agency Member Mathena, that Resolution No. 2004-04 be adopted, a resolution of the Board of Directors of the Redding Redevelopment Agency approving the disposition of real property in the Parkview Neighborhood to DiGiovanni & DiGiovanni, L.P., accepting the 33433 Summary Report, making findings required by Section 33433 of the Health & Safety Code, and authorizing the Chairperson to execute the Disposition and Development Agreement, ancillary documents, and amendments to the DDA that are reasonable and necessary to conform to lender requirements; and adopt Budget Amendment No. 3 for Fiscal Year 2003-04 in the amount of \$1,600,000.

Voting was as follows:

AYES: Agency Members - Cibula, Kight, Mathena, Pohlmeier, and Stegall
 NOES: Agency Members - None
 ABSENT: Agency Members - None
 ABSTAIN: Agency Members - None

Resolution No. 2004-04 is on file in the office of the Redding Redevelopment Agency.

INFORMATION ITEMS

The Agency's Monthly Projects Status Report as of March 2004 was presented for information only.

The California Redevelopment Agency's *Redevelopment Journal* for February and March 2004 were provided for information only.

CLOSED SESSION

Chair Stegall stated that the Agency would be adjourning to closed session to discuss the following:

- Closed session pursuant to California Government Code Section 54956.8 to discuss the following:

CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Property: Assessor's Parcel Numbers 108-080-022 and -023 (southwest corner of Buena Ventura Boulevard and Westside Road)

Agency Negotiators: Deputy City Manager Starman and Associate Redevelopment Project Coordinator Dent

Negotiating Parties: Redding Redevelopment Agency and Cheng Ling Ma

Under Negotiation: Price and terms of payment

At the hour of 5:35 p.m., Chair Stegall adjourned the meeting to closed session.

At the hour of 5:45 p.m., Chair Stegall reconvened the meeting to regular session and stated that no reportable action was taken in closed session.

ADJOURNMENT

There being no further business, at the hour of 5:45 p.m., Chair Stegall declared the meeting adjourned.

Respectfully submitted,

MARY LEAS STEGALL, Chair

KURT STARMAN, Secretary