

**PLACER COUNTY**  
**CEO/REDEVELOPMENT AGENCY**

**MEMORANDUM**

**TO:** Honorable Members of the Board of Supervisors  
**FROM:** Thomas M. Miller, County Executive Officer  
James LoBue, Redevelopment Deputy Director *James J. LoBue*  
**DATE:** January 25, 2011  
**SUBJECT:** Cooperative Agreement with the Redevelopment Agency for the Funding of Redevelopment Projects and Programs

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**ACTION REQUESTED:** Adopt a resolution approving findings and authorizing the County Executive Officer or designee to execute a \$18,403,619 Cooperative Agreement with the County of Placer Redevelopment Agency for the Redevelopment Agency funding of projects and programs of benefit to the North Auburn, North Lake Tahoe and Sunset Industrial Redevelopment Project Areas.

**BACKGROUND:** On November 23, 2010, the Redevelopment Agency (AGENCY) Board approved the Final Agency Budget for Fiscal Year 2010-2011. That action committed the Agency to fund and implement a series of projects and programs of benefit to the three Redevelopment Project Areas – North Auburn, North Lake Tahoe and Sunset Industrial. It is proposed that these commitments be formalized through a Cooperative Agreement between the Agency and Placer County (County) whereby the Agency commits to provide funding and technical assistance and the County also commits to provide technical and management assistance for the implementation of the identified projects and programs.

From time to time, the County and Agency have entered into cooperative agreements and service agreements to formalize County and Agency commitments of funding, technical, and management assistance for specific projects and programs. The proposed action would not duplicate those former agreements, but rather formalize commitments for projects and programs not covered by previous agreements.

A proposed Cooperative Agreement covers the additional projects and programs for all three Redevelopment Project Areas. The agreement is proposed to obligate redevelopment tax increment and bond proceeds for the identified projects and programs.

**North Auburn**

Highway 49 Streetscape Improvements – The Agency has budgeted \$1,252,801 for phases I and II of streetscape improvements identified in the Highway 49 Streetscape Master Plan. In addition, the County has received a CMAQ grant of \$1,500,000 for the Phase II improvements. Of the Agency budgeted amount \$149,995 has been obligated or expended for planning and design costs. A remainder of \$1,102,806 is proposed to be obligated in the Cooperative Agreement for construction and associated costs of Phases I and II.

Bowman Streetscape Improvements – The Agency has budgeted \$200,000 for the planning and design of streetscape improvements on Bowman Road and Lincoln Way within the Redevelopment Project Area. It is proposed that the Cooperative Agreement obligate these funds through a commitment with the County.

Quartz Ridge Family Housing Project – The Agency has budgeted \$2,000,000 of North Auburn and Sunset Industrial Project Area funds for the housing development project and has entered into a Pre-development Loan Agreement with housing developer USA Properties Fund to commit \$100,000 of the budgeted amount for design and environmental investigation costs. A \$250,000 amendment to the Pre-development Loan Agreement is proposed for adoption on this same Board meeting agenda. It is proposed that the Cooperative Agreement obligate the remaining \$1,650,000 for the implementation of the project.

North Auburn Industrial Park Signage – The Agency has budgeted \$30,000 for installation of a gateway monument sign at the Highway 49 entrance to the North Auburn Airport Industrial Park. It is proposed that the Cooperative Agreement obligate those funds for the project.

First Time Homebuyer Program – The Agency has budgeted \$26,866 for operating costs of the program to provide second mortgage loans to low- and moderate-income homebuyers and it is proposed for the Cooperative Agreement to commit these funds in support of continued operation of the program.

### **Sunset Industrial**

Sunset Industrial Transportation Improvements – On March 16, 2010 your Board authorized execution of a Funding Agreement with the County for the Agency to provide up to \$7,000,000 in total funding to be made available to the Sunset District Traffic Fee Trust Fund for transportation improvements of benefit to the Sunset Industrial Redevelopment Project Area. To date the Agency has provided \$3,500,000 to the County for eligible projects and it is proposed that the Cooperative Agreement commit the remaining \$3,500,000 of the total cumulative amount for projects within the Sunset District Traffic Fee Trust Fund.

First Time Homebuyer Program – The Agency has budgeted \$252,851 of Sunset Industrial Project Area funds for operating costs of the program to provide second mortgage loans to low- and moderate-income homebuyers and it is proposed for the Cooperative Agreement to commit these funds in support of continued operation of the program.

Housing Rehabilitation Assistance Program – The Agency has budgeted \$104,364 of Sunset Industrial Project Area funds for operating costs of the program to provide loans for the rehabilitation of homes owned by low- and moderate-income residents and it is proposed for the Cooperative Agreement to commit these funds for continued support of the program.

Housing Development Support – The Agency has budgeted \$20,000 of Sunset Industrial Project Area funds for research, planning and support of new housing development for low- and moderate-income residents and the Cooperative Agreement is proposed to include these funds.

## **North Lake Tahoe**

Commercial Core Improvement Project (CCIP) – Over time the Agency has committed \$11,000,000 to fund projects and costs associated with the CCIP in Kings Beach. In the current Agency budget \$5,975,410 is committed to the CCIP and associated projects. The Agency has previously expended its funds for public parking lots and other projects associated with the CCIP. The Agency has also entered into Services Agreements with the County to commit additional Agency funds to specific components of the CCIP. However, \$6,166,767 of the total \$11,000,000 commitment has yet to be either expended or obligated through a formal agreement and it is proposed that the Cooperative Agreement obligate the remaining \$6,166,767 for future costs of the CCIP.

Tahoe City Wye Improvements – The Agency has budgeted \$200,000 for improvements to the Highways 28/89–Wye Intersection in Tahoe City. It is proposed that the Cooperative Agreement obligate these funds for the project.

Swiss Mart Property Cleanup – The Agency has \$107,488 in budgeted funds ear-marked for the costs for remediation of contamination on the Swiss Mart site on Agency-owned property at the northwest corner of Highway 28/Chipmunk Street in Kings Beach. It is proposed that the Cooperative Agreement obligate these funds for the cleanup and maintenance of the site.

Kings Beach Eastern Gateway Project – The Agency has \$281,978 in budgeted funds earmarked for the costs for remediation of contamination and site preparation at the Agency-owned property at the southwest corner of Highway 28/Chipmunk Street in Kings Beach. It is proposed that the Cooperative Agreement obligate these funds for the cleanup and maintenance of the site.

CEP Projects Infrastructure – The Agency has budgeted \$4,025,169 for infrastructure and public facility improvements anticipated to be needed for two redevelopment projects designated for the Tahoe Regional Planning Agency Community Enhancement Program (CEP). The projects are the Ferrari Family Resort Kings Beach Western Gateway Project and the BB, LLC Kings Beach Town Center Mixed Use Project. Needed infrastructure and public facilities include street improvements, drainage and water quality improvements, public parking facilities, water, sewer, and dry utilities infrastructure improvements. Since approval of the Agency budget, \$400,000 of the budgeted funds are proposed to be reappropriated by the Agency for a project to improve the Lake Forest Water District infrastructure. The reappropriation will leave \$3,625,169 available for the CEP projects. It is proposed that the Cooperative Agreement obligate these funds for implementation.

Commercial Loans – The Agency has budgeted \$386,645 for its Commercial Loan program in the North Lake Tahoe Redevelopment Project Area. No loan applications are pending, but it is proposed that the Cooperative Agreement commit the funds for future loans and associated costs of this program. The allocation is necessary to assist in the modification of existing development to match altered public improvements being installed by the CCIP project.

Housing Rehabilitation Assistance Program – The Agency has budgeted \$288,915 of North Lake Tahoe Project Area funds for operating costs of the program and loans for the rehabilitation of homes owned by low- and moderate-income residents and it is proposed for the Cooperative Agreement to commit these funds for continued support of the program.

Housing Development Support – The Agency has budgeted \$459,770 of North Lake Tahoe Project Area funds for research, planning, and support of new housing development for low- and moderate-income residents and the Cooperative Agreement is proposed to include these funds.

### **Required Findings**

California Health and Safety Code, Section 33445 requires that certain findings be made by the County's legislative body in order to authorize the use of redevelopment tax increment funds for public facilities. The findings are as follows:

- (a) That the buildings, facilities, structures, or other improvements are of benefit to the Project Area
- (b) That no other reasonable means of financing the buildings, facilities, structures, or other improvements are available to the community
- (c) That the payment of funds for the acquisition of land or the cost of buildings, facilities, structures, or other improvements will assist in the elimination of one or more blighting conditions inside the redevelopment project area or will provide housing for low- or moderate-income persons and is consistent with the implementation plan adopted pursuant to California Health and Safety Code Section 33490.

The projects included in the Cooperative Agreement are all located within the three Redevelopment Project Areas and are of benefit to the Project Areas. The First Time Homebuyer Loan Program and the Housing Rehabilitation Assistance Program are able to issue loans for properties located outside of the Project Area boundaries. However, the Agency has adopted findings that any increase or improvement in the supply of housing affordable to low- and moderate-income persons, located anywhere in the County, is of benefit to the Project Areas.

For all of the projects and programs, the County does not have available other reasonable means for financing the costs. Overall revenue for the County has reduced significantly from previous years and, as a result of the current economic recession and reduced support from the State and Federal governments, demand for County services has increased significantly and beyond the County's ability to meet that demand.

Each of the projects and programs will remove blighting influences. The specifics of how each of the individual projects and programs will remove blighting influences and benefit the Project Areas is explained as follows:

### **North Auburn**

Highway 49 Streetscape Improvements – The proposed project will install sidewalks, improved bus stops, improved pedestrian crossings, landscaping, and related infrastructure. Currently the high traffic area lacks sidewalks and adequate pedestrian amenities. The project will improve safety, access, aesthetics, drainage and infrastructure.

Bowman Streetscape Improvements – The proposed project is planned to install sidewalks, improved bus stops, improved bike lanes, improved pedestrian crossings, landscaping and related infrastructure. Currently Bowman Road and Lincoln Way lack sidewalks and adequate

pedestrian amenities. The project will improve safety, access, aesthetics, drainage and infrastructure.

Quartz Ridge Family Housing Project – The proposed project will construct new affordable housing units, a common area tenant services/recreation building, swimming pool, playground, landscaping, sewer system improvements, street improvements and related infrastructure upgrades. The site was previously overgrown, a dumping ground, had homeless encampments and experienced serious wildfires. The blighted conditions are being cleaned up.

North Auburn Industrial Park Signage – The proposed sign will provide a welcoming entry statement to the industrial park and will improve the image and ease of identification for the job creation area.

### **Sunset Industrial**

Sunset Industrial Transportation Improvements – Projects included on the Sunset Benefit District capital project list include the widening of Foothills Boulevard, widening and improvement of Industrial Avenue, widening of the Sunset Boulevard Bridge over the railroad tracks, widening and improvement of Sunset Boulevard between State Route 65 and Foothills Boulevard and a new railroad crossing. These improvements will improve road safety, increase capacity, improve infrastructure and allow additional private development to occur in the area, which is currently constrained by road capacity limits.

### **North Lake Tahoe**

Commercial Core Improvement Project (CCIP) – The project will improve State Highway 28 in Kings Beach by installing curbs, gutters, sidewalks, storm drains, sediment capture systems, landscaping, lighting, medians, and roundabouts. The project will also install sidewalks, storm drains, sediment capture systems, traffic calming devices and other improvements on numerous neighborhood streets in Kings Beach. The project will improve unsafe pedestrian crossing areas, improve drainage, improve Lake Tahoe water quality, upgrade substandard neighborhood rights-of-way and provide enhancements to improve the vitality of the local business district.

Tahoe City Wye Improvements – The project will provide landscaping and aesthetic hardscape improvements to the intersection of Highways 28 and 89 in Tahoe City. The project will remove unsightly conditions, improve pedestrian safety and support the local business district.

Swiss Mart Property Cleanup – Prior to being acquired by the Redevelopment Agency the property was a vacant and derelict former gas station with leaking underground storage tanks. The Agency has remediated toxic contamination, demolished obsolescent structures and will install public improvements to upgrade pedestrian safety and access.

Kings Beach Eastern Gateway Project – Prior to being acquired by the Redevelopment Agency the property contained a number of deteriorated and substandard buildings and grounds. Included on the site was a vacant and derelict former gas station with leaking underground storage tanks. The Agency has remediated toxic contamination, demolished obsolescent structures and will install public improvements to upgrade access, aesthetics and safety.

CEP Projects Infrastructure – The project will assist the upgrading of substandard infrastructure (inadequately sized and poorly located water lines, sewer lines and dry utilities), install improved drainage infrastructure including water quality improvements to prevent erosion and capture sediment runoff, underground overhead utilities, and improve streets, sidewalks, public parking and public plazas. Assistance with these public improvements will allow other private improvements to be constructed which will remove substandard and deteriorated structures and unsightly grounds and replace them with higher quality new development. The project sites are located on both the north and south side of Highway 28 east of Secline Street and on the north side of Highway 28 between Coon and Fox Streets in Kings Beach.

Commercial Loans – The program assists individual business and property owners to improve and upgrade unsightly and deteriorated exterior features of their buildings and properties. Improvements include new signage, awnings, painting, doors, windows, landscaping and walkways. The new improvements will fix poor transitions, access problems, improper drainage and unsightly conditions that will become more evident on adjacent private properties once the public improvements of the CCIP Project are installed.

**ENVIRONMENTAL STATUS:** The proposed actions are taken in furtherance of the goals and policies of the Redevelopment Plans for the North Auburn, Sunset Industrial and North Lake Tahoe Redevelopment Project Areas, for which environmental impact reports were prepared and certified in compliance with the California Environmental Quality Act.

**FISCAL IMPACT:** The proposed action would authorize the County to enter into a Cooperative Agreement with the Agency to obligate Agency tax increment and tax allocation bond proceeds funding of \$18,403,619 for specified projects and programs. \$14,903,619 of the funds are included in the Agency Final Budget for Fiscal Year 2010-2011 and have been authorized for expenditure. \$3,500,000 of the funds will be obligations on future tax increment revenue collected for the Sunset Industrial Project Area. Agency funds will cover the costs of the projects and programs and there will be no cost to the County General Fund.

Attachment: Resolution  
Cooperative Agreement

cc: Gerald Carden, Agency Counsel

**CONTRACT/AGREEMENT  
FOR REVIEW ONLY AT  
THE CLERK OF THE BOARD**

**Before the Placer County  
Board of Supervisors  
County of Placer, State of California**

In the matter of:

Approving findings and authorizing the County Executive Officer or designee to execute a Cooperative Agreement with the County of Placer Redevelopment Agency for Redevelopment Agency Funding of Projects and Programs of Benefit to the North Auburn, North Lake Tahoe and Sunset Industrial Redevelopment Project Areas

Resol. No:.....

Ord. No:.....

First Reading: .....

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held \_\_\_\_\_, by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest:  
Clerk of said Board

\_\_\_\_\_  
Chair, Board of Supervisors

\_\_\_\_\_  
WHEREAS, the Placer County Redevelopment Agency (Agency) is a redevelopment agency formed, existing and exercising its powers pursuant to California Community Redevelopment Law, Health and Safety Code Section 33000 *et seq*;

WHEREAS, by Ordinance No. 4753-B, adopted on July 16, 1996, the Placer County Board of Supervisors established the North Lake Tahoe Redevelopment Project Area and adopted the Redevelopment Plan for the North Lake Tahoe Project Area;

WHEREAS, by Ordinance No. 4832-B, adopted on June 24, 1997, the Placer County Board of Supervisors established the North Auburn Redevelopment Project Area and adopted the Redevelopment Plan for the North Auburn Project Area;

WHEREAS, on June 24, 1997, the Placer County Board of Supervisors adopted by Ordinance No. 4835-B the establishment of the Sunset Industrial Redevelopment Project Area and adopted the Redevelopment Plan for the Sunset Industrial Project Area;

WHEREAS, on November 23, 2010, the Redevelopment Agency Board approved the Redevelopment Agency Final Budget for Fiscal Year 2010-2011;

WHEREAS, Placer County (County) and the Agency are mutually desirous of entering into a Cooperative Agreement in order to obligate \$18,403,619 of Agency funding and commit Agency and County management support for the implementation of projects and programs within the North Auburn, Sunset Industrial, and North Lake Tahoe Redevelopment Project Areas (Project Areas);

WHEREAS, the Cooperative Agreement will assist the implementation of multiple specified projects and programs, all located within the boundaries of the Project Areas and of benefit to the Project Areas;

WHEREAS, the Cooperative Agreement will assist with the removal of blighting influences by removing and remediating toxic contamination at sites within the North Lake Tahoe and North Auburn Redevelopment Project Areas; improving pedestrian and motor vehicle safety, access, and convenience by constructing and improving sidewalks, roads, and streetscape amenities in the Project Areas; rehabilitating deteriorated buildings and improving neglected properties in the Project Areas; improving drainage and water quality with infrastructure improvements in the Project Areas; improving business facades in the Project Areas; and developing new housing affordable to low-income persons in the North Auburn Project Area;

WHEREAS, the Agency and County have determined that no other reasonable means of financing the projects and programs included in the Cooperative Agreement are available to the community, as the County is experiencing significant reductions in overall revenue and additional demands placed upon it as a result of a current economic recession and reduced support from State and Federal sources;

WHEREAS, the proposed action is taken in furtherance of the goals and policies of the adopted Redevelopment Plans and the Five Year Implementation Plans adopted for the Project Areas in accordance with California Health and Safety Code Section 33490; and,

WHEREAS, as is further set forth below, the potential environmental impacts of a number of the projects identified in Exhibit A to the Agreement were previously evaluated in several Environmental Impact Reports ("EIR") under CEQA, and the County has determined based on substantial evidence that (i) there are no substantial changes proposed in the projects which will require major revisions of those EIRs, (ii) no substantial changes have occurred with respect to the circumstances under which the projects are being undertaken which will require major revisions in those EIRs, and (iii) no new information, which was not known and could not have been known at the time the EIRs were certified as complete, has become available. Therefore, no supplemental or subsequent EIRs are required for approval of the Agreement pursuant to Public Resources Code section 21166 and CEQA Guidelines Section 15162;

WHEREAS, as is further set forth below, other activities contemplated in Exhibit A to the Agreement have no potential for physical effects on the environment because they only



involve the transfer of funding between the Agency and the County, and the Agreement requires that each individual improvement, project and/or activity listed in the Agreement will be fully and/or further evaluated at a project level in full compliance with CEQA and the National Environmental Protection Act, as applicable, when sufficient physical details regarding site and proposed design and construction are available to permit meaningful CEQA review (see CEQA Guidelines, Section 15004(b)(1)). Therefore, approval of the Agreement is exempt from review pursuant to CEQA Guidelines Section 15061(b)(3).

NOW, THEREFORE, BE IT RESOLVED, that based on information presented to the Board of Supervisors and the Agency Board and in compliance with the requirements of Section 33445 of California Health and Safety Code, the County Board of Supervisors finds and determines as follows:

1. All of the above recitals are true and correct, and the County has based the findings and actions set forth in this Resolution, in part, on such recitals.

2. The Board of Supervisors hereby finds and determines based on the factual and analytical bases set forth herein and in the Staff Memorandum that:

- (a) Approval and implementation of the Cooperative Agreement will be of benefit to the Project Areas as it will assist the removal of blighting influences, upgrade infrastructure deficiencies, assist the expansion and retention of local businesses, improve motor vehicle and pedestrian traffic safety, remove and remediate toxic contamination to local properties, provide aesthetic improvements to business districts and neighborhoods and develop new housing affordable to low-income residents;
- (b) No other reasonable means of financing the projects and programs included in the Cooperative Agreement are available to the community because of the reduction in overall County revenue and increasing demands on the County due to the current economic recession and reduced State and Federal support;
- (c) The payment of Agency funds in accordance with the Cooperative Agreement will assist in the elimination of blighting conditions in the Project Areas and is consistent with the Redevelopment Implementation Plans for the Project Areas, adopted in accordance with California Health and Safety Code Section 33490.

3. Finds that the environmental impacts of the following projects were examined in the EIRs referenced below, that there are no substantial changes proposed in the projects which will require major revisions of those EIRs; that no substantial changes have occurred with respect to the circumstances under which the projects are being undertaken which will require major revisions in those EIRs; and that no new information, which was not known and could not have been known at the time the EIRs were certified as complete, has become available, and, therefore no subsequent or supplemental EIR is required pursuant to Public Resources Code section 21166 and CEQA Guidelines Section 15162:

A. The environmental impacts of the projects described on Exhibit A as Highway 49 Streetscape Improvements, Bowman Streetscape Improvements, and First Time Homebuyer Loan Program were examined in the County of Placer North Auburn Redevelopment Plan EIR, certified by the Board of Supervisors and the Redevelopment Agency Board of the County of Placer on June 24, 1997 through Board of Supervisors and Redevelopment Agency Board Resolutions.

B. The environmental impacts of the projects described on Exhibit A as Sunset Industrial Transportation Improvement Projects, First Time Homebuyer Loan Program and Housing Rehabilitation Assistance Loan Program were examined in the County of Placer Sunset Industrial Redevelopment Plan Environmental Impact Report, certified by the Board of Supervisors and the Redevelopment Agency Board on June 24, 1997 through Board of Supervisors and Redevelopment Agency Board Resolutions.

C. The environmental impact of the projects described on Exhibit A as Commercial Core Improvement Project, Tahoe City Wye Improvements Project, Commercial Loan Program, and Housing Rehabilitation Assistance Program were examined in the County of Placer North Lake Tahoe Redevelopment Plan Environmental Impact Report, certified by the Board of Supervisors and the Redevelopment Agency Board on July 15, 1996 through Board of Supervisors and Redevelopment Agency Board Resolutions.

D. The environmental impacts of the project described in Exhibit A as Highway 49 Streetscape Improvements had certified a Mitigated Negative Declaration by the Redevelopment Agency Board on July 13, 2010.

E. The environmental impacts of the project described in Exhibit A as Quartz Ridge Family Housing Project were evaluated in the Amended Mitigated Negative Declaration prepared for the County of Placer, certified in a resolution of the Board of Supervisors on August 10, 2010, through Resolution.

4. Finds that the following projects are exempt from CEQA review pursuant to CEQA Guidelines Section 15061(b)(3) in that it can be seen with certainty that there is no possibility that the activity in question may have a significant impact on the environment because the County has discretionary authority regarding whether the following projects will go forward or not and will not exercise its discretion regarding the following projects until such time as all appropriate CEQA review has been completed:

- A. Auburn Airport Industrial Park Monument Sign
- B. Housing Development Support (Sunset Industrial Project Area)
- C. Swiss Mart Property Cleanup
- D. Kings Beach Eastern Gateway Project
- E. Housing Development Support (North Lake Tahoe Project Area)

5. Approves the Agency's expenditure of tax increment funds in the amounts and for the purposes specified in the Agreement.

6. Approves the actions to be undertaken and the services to be provided by the County as specified in the Agreement.

7. Authorizes the County Executive Officer or designee to execute the Agreement substantially in the form on file with the County Clerk and to undertake such actions and to execute such additional instruments as may be necessary or desirable in order to carry out the intent of this Resolution.

8. Authorizes the County Clerk or designee to file a Notice of Determination and a Notice of Exemption for the approval of the Agreement with the County Clerk of Placer County in conformance with the procedures provided for the filing of such notices in the California Environmental Quality Act and the CEQA Guidelines.

BE IT FURTHER RESOLVED, that the Cooperative Agreement with the Agency is hereby approved and the County Executive Officer or designee is authorized to execute the Cooperative Agreement.

