

PLACER COUNTY

COMMUNITY DEVELOPMENT GRANTS AND LOANS

MEMORANDUM

TO: Honorable Members of the Board of Supervisors
FROM: Richard E. Colwell, Chief Assistant CEO
James LoBuc, Deputy Director, Redevelopment Agency
DATE: September 9, 2008
SUBJECT: Adopt a Resolution to Authorize the Chief Assistant CEO or Designee to Execute a Community Development Agreement By and Between the County of Placer and Auburn Plaza Co., Ltd. for the Purpose of Installing an Estimated \$1,804,906 of Public Improvements Associated with the Rock Creek Plaza Shopping Center Project and Authorize Redevelopment Agency Staff to Act on Behalf of the County as the Project Manager for the Construction of the Public Improvements Required to be Installed by the County in Accordance with the Agreement

R. E. Colwell

ACTION REQUESTED

Adopt a resolution to (1) authorize the Chief Assistant CEO or designee to execute a Community Development Agreement by and between the County of Placer and Auburn Plaza Co., Ltd. for the purpose of installing an estimated \$1,804,906 of public improvements associated with the Rock Creek Plaza Shopping Center Project, and (2) authorize Redevelopment Agency staff to act on behalf of the County as project manager for the construction of the public improvements required to be installed by the County in accordance with the Agreement.

BACKGROUND

On February 26, 2008 your Board authorized the submission of a grant application to the State of California Department of Housing and Community Development (HCD) Community Development Block Grant (CDBG) Program for an amount up to \$2,000,000 in support of public improvements associated with the Rock Creek Plaza remodel located at the corner of Highway 49 and Bell Road. The Board actions also authorized the execution of a Grant Agreement between the County and HCD. The County was successful in its application and was awarded a grant of \$1,804,906 from HCD. A Grant Agreement between the County and HCD has been executed (copy attached).

Also attached to this report is a proposed Community Development Agreement (Agreement) which outlines the roles and obligations of Auburn Plaza Co., Ltd. (Developer), and the County in implementing the grant. The following provides a brief overview of the key terms and conditions contained in the Agreement:

- Using the CDBG grant funds, the County shall obtain the necessary encroachment permit from Caltrans and construct the public improvements as required by the

Community Development Agreement, which include walkways, lighting, decorative paving, partial road widening including improvements to Highway 49, landscaping and associated improvements within the rights-of-way adjacent to and within the Rock Creek Shopping Center – Highway 49, Bell Road and Quartz Drive;

- The Developer shall complete the renovation and remodeling of the existing center in phases and expend an estimated \$7,451,668 on the private improvements;
- The Developer shall pay for the design of the public improvements to be funded by the grant and assist the County's application for a Caltrans Encroachment Permit for the improvements proposed along Highway 49;
- The Developer shall provide easements for landscaping, lighting, and other public improvements proposed along Bell Road, Highway 49 and Quartz Drive at no cost to the County;
- The Developer shall create not less than forty-seven full-time equivalent jobs no later than October 30, 2010.
- The Developer shall provide a letter of credit in the amount of the grant to the County to secure its job creation obligation.
- The Developer shall be responsible for all on-going maintenance of the improvements.

Rock Creek Plaza, located at the southeast corner of Highway 49 and Bell Road, was originally built in 1980. Since that time, the center has never been substantially remodeled or updated. The Developer was granted a Conditional Use Permit by the County in October 2007 to begin remodeling the center. Phases I and II of the project are nearing completion and include parking lot improvements and remodeling of the majority of the center facades, with new tenants Best Buy and BevMo! anchoring space previously occupied by the Ralph's grocery store.

It is proposed that the project be managed by the Redevelopment Agency on behalf of the County. The Agency would utilize the support services of the County Department of Public Works to supplement the engineering review expertise of a contracted construction engineer and design engineer and to advise and assist in Caltrans coordination and project management responsibilities. An existing Memorandum of Understanding between Public Works and the Redevelopment Agency provides for this support services arrangement.

FISCAL IMPACT

Improvements to the private property will result in reassessment of the property and increased property tax revenue to the County. The cost of the public improvements will be paid by the Federal grant passed through the State. The County has been granted \$1,804,906 in CDBG funds for this project. The Grant Agreement between the County and HCD obligates the County to install the public improvements and the developer to create local jobs through the improvement and expansion of the shopping center. The proposed Community Development Agreement obligates the shopping center property owner to pay for cost overruns beyond the amount of the grant. The proposed Agreement also obligates the property owner to reimburse the County if a default of the Grant Agreement results in the County having to reimburse grant funds to HCD. Maintenance of the improvements will also be the ongoing responsibility of the property owner.

ENVIRONMENTAL STATUS

In compliance with the California Environmental Quality Act, on August 2, 2007, the County prepared and adopted a Mitigated Negative Declaration for the proposed physical improvements and expansion of the Rock Creek Plaza project. A finding of no significant impact under the National Environmental Policy Act was issued March 11, 2008.

STAFF RECOMMENDATION

Adopt a resolution to authorize (1) the Chief Assistant CEO or designee to execute a Community Development Agreement by and between the County of Placer and Auburn Plaza Co., Ltd. for the purpose of installing an estimated \$1,804,906 of public improvements associated with the Rock Creek Plaza Shopping Center project , and (2) authorize Redevelopment Agency staff to act on behalf of the County as project manager for the construction of the public improvements required to be installed by the County in accordance with the Agreement.

Attachments: Resolution
Community Development Agreement
HCD Grant Agreement for the Rock Creek Plaza Shopping Center Project

cc: Karin Schwab, Deputy County Counsel

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

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

In the matter of:

Adopt a resolution authorizing the Chief Assistant Reso. No: _____
CEO or designee to execute a Community
Development Agreement by and between the County
of Placer and Auburn Plaza Co., Ltd. and authorizing
Redevelopment Agency staff to act on behalf of the
County in conjunction with construction activities
associated therewith

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. _____

Chair, Board of Supervisors

Attest:
Clerk of the Board

WHEREAS, public hearings were held by the Placer County Board of Supervisors on February 26, 2008 to inform area residents and property owners and other interested persons of the scope of the 2007-2008 Community Development Block Grant (CDBG), Over-the-Counter (OTC) Economic Development Program and to seek input from the public regarding other potential activities; and

WHEREAS, the County of Placer prepared an application for CDBG funding for the purpose of constructing public improvements in the support of its Economic Development Program for the Rock Creek Plaza located at the corner of Highway 49 and Bell Road in North Auburn;

WHEREAS, the OTC Grant application was prepared in compliance with federal statutes and state regulations in the preparation of the application, including citizen participation requirements;

WHEREAS, Rock Creek Plaza is owned by Auburn Plaza Co., Ltd.;

WHEREAS, the County of Placer was successful in its OTC grant application and awarded a grant in the amount of \$1,804,906; and

WHEREAS, both parties desire to enter into a Community Development Agreement to describe each party's rights and obligations under the OTC grant; and

WHEREAS, in compliance with the California Environmental Quality Act, on August 2, 2007, the County prepared and adopted a Mitigated Negative Declaration for the proposed physical improvements and expansion of the Rock Creek Plaza project. A finding of no significant impact under the National Environmental Policy Act was issued March 11, 2008.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the County of Placer, that the Chief Assistant CEO and/or his designee is hereby authorized and empowered to execute for the County of Placer a Community Development Agreement by and Between the County of Placer and Auburn Plaza Co., Ltd. for the Rock Creek Plaza project and sign all documents and take all actions necessary or appropriate to carry out and implement the intent of this Resolution, and

BE IT FURTHER RESOLVED, by the of Board of Supervisors that staff of the Placer County Redevelopment Agency is authorized to act on behalf of the County as project managers for the activities required in conjunction with the design and construction of the public improvements required to be installed by the County in accordance with the Community Development Agreement.

