

PLACER COUNTY
REDEVELOPMENT AGENCY

MEMORANDUM

TO: Honorable Members of the Redevelopment Agency Board
FROM: Richard E. Colwell, Chief Assistant CEO-Redevelopment Director *R. E. Colwell*
Rae James, Deputy Director
DATE: October 2, 2007
SUBJECT: Adopt a Resolution Authorizing a \$500,000 Amendment to the Agreement between the Redevelopment Agency and Department of Public Works for the Management and Construction of the State Highway 49/Hulbert Way Improvement Project to a Total Amount Not to Exceed \$4,500,000 and Authorize the Chief Assistant CEO-Redevelopment Director or Designee to Execute the Amendment Subject to Agency Counsel Review.

ACTION REQUESTED

Adopt a resolution authorizing a \$500,000 amendment to the Agreement between the Redevelopment Agency (Agency) and Department of Public Works (Public Works) for the management and construction of the State Highway 49/Hulbert Way improvement project (Project) to a total amount not to exceed \$4,500,000 and authorize the Chief Assistant CEO-Redevelopment Director or designee to execute the amendment subject to Agency Counsel review.

BACKGROUND

On April 17, 2007, your Board authorized the Agency to enter into an Agreement in an amount not to exceed \$4,000,000 with Public Works for the management of the Project, including advertising, bidding, and construction. The Interagency Project Management Agreement (Agreement) facilitates the transfer of Agency funds to the County and includes all construction and project management costs.

On August 7, 2007, Public Works awarded a \$3,487,007 construction contract to Sierra Nevada Construction, Inc. for the Project. Agency staff is requesting approval to amend the Agreement between the Agency and Public Works by \$500,000 to reinstate a 14% construction contingency. The contingency was affected by the \$3,487,007 bid and the fact that the previously awarded construction management contract was higher than anticipated. The \$500,000 will cause the Project's construction contingency line item to move into a healthy position. The Agency has sufficient funds budgeted in its FY 2007-08 budget for the North Auburn Redevelopment Project Area to fully fund the Project, including this amendment.

California Redevelopment Law, Health and Safety Code Section 33445 requires three findings to be made to utilize tax increment funds on public infrastructure projects. Those findings are: the Project is of benefit to the Project area or the immediate neighborhood in which the Project is located; that no other reasonable means of financing the Project is available to the community; and that the Project will assist in the elimination of one of more blighting influences. The Project will

assist in meeting the following goals of the North Auburn Redevelopment Project Area: assist in the development of underdeveloped or under utilized areas, improve access and circulation within the Project Area, and eliminate blighting influences. The public benefit derives from providing public infrastructure necessary to serve new development. Staff has determined that there are no other means of financing the Project.

ENVIRONMENTAL STATUS

The Planning Commission approved the Environmental Impact Report for Auburn Plaza and the Project on April 14, 2005. A Finding of No Significant Impact was determined under the National Environmental Policy Act (NEPA). This administrative action to finance the Project does not constitute a separate project under California Environmental Quality Act Guidelines, section 15378(b)(3) and is exempt from NEPA per 24 CFR Part 58.34(a)(1) and (a)(3).

FISCAL IMPACT

The Agreement has been amended to an amount not to exceed \$4,500,000. The Agency has received a \$1,888,397 California OTC Block grant award and an IBank loan in the amount of \$1,500,000 to support the Project. The remaining Project funds are derived from budgeted North Auburn Redevelopment Project Area Tax Increment Funds and developer contributions. There is no impact to the County's General Fund.

RECOMMENDATION

Adopt a resolution authorizing a \$500,000 amendment to the Agreement between the Agency and Public Works for the management and construction of the State Highway 49/Hulbert Way improvement project to a total amount not to exceed \$4,500,000 and authorize the Chief Assistant CEO-Redevelopment Director or designee to execute the amendment subject to Agency Counsel review.

Attachment: Resolution
Amendment

cc: Karin Schwab, Agency Counsel

**Before the Placer County
Redevelopment Agency Board of Directors
County of Placer, State of California**

In the matter of:

Adopt a resolution authorizing a \$500,000 amendment to the Agreement between the Redevelopment Agency and Department of Public Works for the management and construction of the State Highway 49/Hulbert Way improvement project to a total amount not to exceed \$4,500,000 and authorize the Chief Assistant CEO–Redevelopment Director or designee to execute the amendment subject to Agency Counsel review.

Resol. No:.....

Ord. No:.....

First Reading:

The following Resolution was duly passed by the Redevelopment Agency Board

of the County of Placer at a regular meeting held October 2, 2007,

by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

**Attest:
Clerk of said Board**

Chair, Agency Board

WHEREAS, the Placer County Redevelopment Agency (Agency) has adopted the North Auburn Redevelopment Project Area (Project Area), the North Auburn Redevelopment Plan, and the Implementation Plan for the Project Area (collectively Project Area and Plans); and

WHEREAS, the Agency is responsible for administering the Project Area and Plans to effectuate redevelopment efforts within the Project Area; and

WHEREAS, the Agency is administering, on behalf of the County of Placer (County), a State of California Community Development Block Grant (CDBG) Over-the-Counter program grant for public improvement, and the Agency has applied for and received a loan from the State of California Infrastructure and Economic Development Bank to finance the costs of the State Highway 49/Hulbert Way Improvement Project (Project); and

WHEREAS, the Project consists of road widening, turn lanes, installation of a traffic signal, drainage improvements, and retaining walls primarily along State Highway 49 between Luther Road and New Airport Road; and

WHEREAS, the Project will assist in the elimination of blight in that it attracts new commercial activity and creates new jobs. The Project is consistent with the goals and objectives of the Project Area and Plans which is to assist in the development of underdeveloped or poorly developed areas, that are under utilized, or improperly utilized, and to improve access and circulation with the Project Area; and

WHEREAS, the Agency finds and determines that the public interest and necessity requires renewed development and occupancy in the Project Area; that the Project is planned and located in a manner that will be most compatible with the greatest public good and the least private injury; that the Project could not occur without redevelopment assistance; and

WHEREAS, pursuant to Health & Safety Code Section 33128, the Agency has adopted the strategy of entering into agreements with the Department of Public Works(Public Works) to staff, administer, and manage bidding, design, and construction on various capital projects funded by the Agency; and

WHEREAS, on April 17, 2007, the Agency Board approved entering into an Agreement between the Agency and Public Works in a not to exceed amount of \$4,000,000 to provide construction management.

WHEREAS, the Planning Commission of the County approved the Environmental Impact Report for the Auburn Plaza project (EIAQ-3697) on April 14, 2005. Findings of No Significant Impact were determined for the Project under the National Environmental Policy Act (NEPA) guidelines. This administrative action to finance the Project does not constitute a project under California Environmental Quality Act Guidelines, Section 15378 (b) (3), and is exempt from NEPA per 24 CFR Part 58.34 (a)(1) and (a)(3).

NOW, THEREFORE BE IT RESOLVED by the Agency Board that after due consideration of the facts presented, the findings including, but not limited to, the environmental findings regarding this action, as stated in the staff report that accompanies this resolution are approved.

BE IT FURTHER RESOLVED by the Agency Board to make the following findings:

Section 1. The Project is of benefit to the Project Area and to the immediate neighborhood of the Project.

Section 2. There are no other means of financing the Project available to the community.

Section 3. The Agency's contribution of the cost of the Project will assist in the elimination of one or more blighting conditions in the Project Area.

BE IT FURTHER RESOLVED by the Agency Board that the first amendment to the State Highway 49/Hulbert Way Project Interagency Project Management Agreement in the amount of \$500,000 not to exceed \$4,500,000 is approved, and the Chief Assistant CEO–Redevelopment Director or designee is authorized to execute the amendment subject to Agency Counsel review.

BE IT FURTHER RESOLVED by the Agency Board that this resolution shall become effective immediately upon adoption.

