

RESOLUTION NO. 28-10

A RESOLUTION OF THE MEMBERS OF THE RICHMOND CITY COUNCIL DIRECTING AND AUTHORIZING THE CITY MANAGER TO ESTABLISH A DOWNTOWN REVITALIZATION PROJECT FUND OF \$8 MILLION FOR SPECIFIC PROJECTS, BEGINNING WITH ANY AND ALL CITY FUNDS REMAINING IN THE CIVIC CENTER PROJECT WHEN PROJECT IS CLOSED OUT AND CONTINUING WITH ONE-TIME CITY REVENUES, SUCH AS THOSE REALIZED FROM THE SALE OF LAND OR OTHER ASSETS, OR OTHER NON-OPERATING FUNDS AS SOON AS THEY ARE AVAILABLE.

WHEREAS, the Richmond Community Redevelopment Agency (“Agency”) has, through various stages of the Civic Center Revitalization Project, provided \$26 million of funding to the project; and

WHEREAS, much of this funding was provided to fill gaps that the City had initially intended to fund, but did not have the capacity to do so.

WHEREAS, much of Richmond’s inner-city is suffering from physical and economic blight as evidenced by many poorly maintained and foreclosed properties and deteriorating infrastructure as well as high crime and high unemployment rates, there is dire need he need for redevelopment and economic development, especially in the inner-city; and

WHEREAS, the current financial state of the Redevelopment Agency and its ability to fund inner-city projects has been severely damaged by a 36% reduction in tax increment income (\$10 million per year), which has led to the need to eliminate over \$31 million in redevelopment projects and programs in order to reduce debt and debt service; and

WHEREAS, the state of California is attempting to take over \$10 million from the Agency in 2010 and over \$2 million in 2011; and

WHEREAS, early Civic Center project financing scenarios envisioned the City financing all but \$10 million to \$15 million of the \$103 million Phase I of the Civic Center Project; but as the project progressed, the City sized its bond and incurred other costs, such as the temporary police station at the DiCon building, the reality sat in that the City would only be able to fund about \$76 million of the \$103 million Civic Center Project; and

WHEREAS, at the time Phase One of the Civic Center Project was financed, the Redevelopment Agency tax increment funding was increasing sharply and the Agency was able to bond (2007-A) for about \$65 million for Redevelopment projects and provided a total of \$26 million to the Civic Center Project; and

WHEREAS, at the time the decision to use \$26 million of Agency funds for the Civic Center Project was made, nobody could have imagined that Agency tax increment would be reduced by \$10 million a year, the Agency would have to indefinitely suspend over \$31 million in projects and the state would try to take \$12 million from our Redevelopment Agency over two years; and

WHEREAS, returning \$8 million to inner-city projects will help Downtown revitalization efforts continue during a period of severe financial difficulty for the Redevelopment Agency; and

WHEREAS, the City tapped Redevelopment Agency funding because the Agency had money when the City needed it, it is only right that the City fund some inner-city projects that would have been funded by the Redevelopment Agency if not for the Agency’s \$26 million in funding for Civic Center and the \$31 million reduction in Agency funded inner-city projects and programs; and

WHEREAS, the City Council hereby finds that it is in the best interest of the City to provide \$8 million of funds for specific Downtown revitalization projects; and

WHEREAS, the commitment of Main Street community engagement activities for social and cultural enrichment of the downtown neighborhood are necessary for revitalization;

WHEREAS, the above finding is based on the City’s commitment to the inner-city revitalization and the implementation of the Macdonald Avenue Economic Revitalization Plan from BART to Garrard as its highest community and economic development priority;

NOW THEREFORE, BE IT RESOLVED that the Richmond City Council hereby directs and authorizes the City Manager to Manager to establish a Downtown Revitalization Project Fund of \$8 million for specific projects and Main Street activities that were to be funded by the Redevelopment Agency before recent reductions in Agency funding, and directs the Redevelopment Agency to administer this fund, which will start with any remaining Civic Center Project funds at project close-out and then from one-time revenues, such as land sales, including but not limited to Point Molate and Terminal One, or other one-time or non-operating sources of funds as soon as they become available; and

BE IT FURTHER RESOLVED that the establishment of the Downtown payment of \$8 million to the Downtown Revitalization Fund shall be accomplished as soon as reasonably possible, giving necessary deference to the City’s own financial obligations and challenges; however, the portion that will come from the Civic Center project funds shall be delivered as soon as the project is closed out with the trustee in that these funds are not included in any City revenue or budget projections, and by former council consideration no new items were to be included in the project close and any net land sales proceeds will go to the Downtown Revitalization Fund first until the \$8 million of City payment to the this fund is completed;

AND BE IT FURTHER RESOLVED that Downtown revitalization and the implementation of the Macdonald Avenue Economic Revitalization Plan is the City’s highest community and economic development priority and to maintain Main Street Engagement Activities and to that end the City Council established the following Downtown Revitalization Capital Fund priorities as follows:

1. Complete West Macdonald Avenue Streetscapes from Harbour to Garrard - \$8 million. If other funding is found through grants or federal or state programs; then
2. Complete 12th and Macdonald Project Infrastructure – Cost yet to be determined. If other funding is found through grants or federal or state programs; then
3. Acquire sites on Macdonald Avenue between 8th Street and Harbour Way and redevelop those sites – Cost yet to be determined. If other funding is found through grants or federal or state programs; then
4. Acquire sites on Macdonald Avenue from Trinity Plaza to 6th Street and redevelop those sites – Cost yet to be determined. If other funding is found through grants or federal or state programs; then
5. Relocate the Bay Area Rescue Mission and redevelop those sites – Cost yet to be determined.

I certify that the foregoing Resolution was passed and adopted by the City Council of the City of Richmond at a regular meeting of the City Council held on February 16, 2010, by the following vote:

AYES: Councilmembers Bates, Butt, Lopez, Rogers, Viramontes, Vice Mayor Ritterman, and Mayor McLaughlin

NOES: None.

ABSTENTIONS: None.

ABSENT: None.

.

DIANE HOLMES
Clerk of the City of Richmond

(SEAL)

Approved:

GAYLE MCLAUGHLIN
Mayor

Approved as to form:

RANDY RIDDLE
City Attorney

State of California }
County of Contra Costa } : ss.
City of Richmond }

I certify that the foregoing is a true copy of **Resolution No. 28-10**, finally passed and adopted by the City Council of the City of Richmond at a regular meeting held on February 16, 2010.