

## **City Manager's Weekly Report**

This is the weekly report for the weeks ending October 1<sup>st</sup>, 8<sup>th</sup> and 15<sup>th</sup>, 2010.

### 1. **Meeting Notes**

The next meeting of the City Council will be on Tuesday, October 19<sup>th</sup>.

### 2. **State Passes Budget – Richmond Gets Relief from Redevelopment “Death Penalty”**

The state legislature passed a record-late state budget package for FY 2010-11 on October 8<sup>th</sup>, which contains no new take-aways of redevelopment funds or other major local government funds. The \$350 million local redevelopment take-away scheduled for May 10<sup>th</sup>, 2011 (enacted in July 2009) remains in the budget. Instead of being sent to schools, the money is now scheduled to reduce the state's obligation to trial courts. The California Redevelopment Association (CRA) continues to review the budget and budget trailer bills for effects on local redevelopment agencies.

The Governor also signed two major bills in the package the next day. One of the budget trailer bills, SB 863, contains provisions relating to redevelopment. One provision eliminates the \$2.9 billion tax increment cap on the downtown San Diego redevelopment project area. This means that no findings of remaining blight will have to be made and no formal plan amendment will have to be done to remove the cap. Another provision likely affects only Richmond, one of the nine agencies that did not make the Supplemental Educational Revenue Augmentation Fund (SERAF) payment on May 10<sup>th</sup>. It allows the agency to escape the “death penalty” if it enters into an agreement with the state to make its payment over time up to 30 years. To qualify for this provision, the agency had to have passed the necessary resolution with findings, and suffer a tax increment decline of 20% or more.

We can thank Assemblymember Nancy Skinner and her staff, as well as legislative consultant Lynn Suter and her staff, who worked with Steve Duran and Alan Wolken to draft and negotiate this legislation.

Staff still has more work to do to craft the payment plan, but this legislation will enable the Redevelopment Agency to take actions that will lead to increasing tax increment revenues, including project area expansion and development agreements that do not include tax increment incentives before the state is paid its \$12 million under the 2009 SERAF legislation, which the CRA has appealed to the State Court of Appeals. If the CRA prevails in court, no SERAF payments would be owed.

3. **Recovery Zone Economic Development Bonds/Qualified Energy Conservation Bonds**

Two new types of municipal bonds available for local agencies to issue are the Recovery Zone Economic Development Bonds (RZEDBs) and Qualified Energy Conservation Bonds (QECBs). These securities were authorized through the American Recovery and Reinvestment Act (ARRA). Although they are taxable securities, and would conceivably pay a higher interest rate than tax-exempt bonds, the Federal Government provides a subsidy payment to all issuers of 35% of the interest costs; thus bringing the net interest rate down to levels that are comparable to those of tax-exempt bonds. The City of Richmond has been working with Bank of America to privately place its \$1 million in QECBs and \$1.3 million in RZEDBs, to finance street light improvements and upgrades to various city facilities. Additionally, the California Debt Limit Allocation Committee has announced that there is still \$10 million available for additional allocation. The City of Richmond will apply for \$4 million to be used to finance new aeration ponds at the Wastewater Treatment Plant.

4. **Wastewater Revenue Bonds, Series 2010A and B**

The week of October 15<sup>th</sup>, the City's Bond Finance Team completed one of the final steps in issuing the planned Wastewater Bonds, by "pricing" the bonds, and conducting an order period for interested buyers. By structuring the bond issuance around the 4.16% interest rate, the City will receive a total of \$40 million for Wastewater capital projects, which is \$6 million more than anticipated when this bond issuance was first planned. The outstanding interest rate is due to the continued affirmation of the City's "AA-" credit rating; the strong rate structure, which includes three annual rate increases of 5% beginning in Fiscal Year 2011-12; excellent operating results over the past several years; and excellent market conditions on the day of the pricing. It also reflects the capital market's view of Richmond as a high-quality investment opportunity. The bonds will be formally sold on October 20<sup>th</sup>, completing a process that began this past January with the mailing of rate increase notices, followed by several community meetings to discuss the current status of the Wastewater Enterprise and planned infrastructure improvements.

5. **Public Works Department Update**

- Paving crews resurfaced 20<sup>th</sup> Street from Barrett Avenue to Pennsylvania Avenue. Crews also repaved 24<sup>th</sup> Street from Downer Avenue to McBryde Avenue.
- The Parks and Landscaping Division (in addition to general parks maintenance) continued performing vegetation control management along Blume and Hilltop Drives. Staff will continue re-landscaping Tiller Park and replace vandalized trees in Nicholl Park near the Skate Park area. Parks and Landscaping crews also worked at the Lamoine Park and Marina District.
- The Facilities Maintenance painters completed painting the exterior of the Shields Reid Community Center.

## 6. **Recreation Highlights**

- **Garage Sale**: The sixth annual Disabled Person's Recreation Center garage sale was held on Saturday, October 9<sup>th</sup> from 8:00 AM to 4:00 PM in El Cerrito at the home of a previous participant who now volunteers at the center. The \$800 in proceeds will benefit the Friends of Disabled Children. Leftover items were sent to the El Cerrito Recycling Center or donated to the Richmond Rescue Mission.
- **Healthy Aging Workshop**: The annual Commission on Aging workshop was held at the Richmond Recreation Complex on Wednesday, September 29<sup>th</sup> from 8:30 AM to 1:00 PM where over 120 seniors participated in an education filled program with speakers, vendors, information booths and lunch.
- **SS Red Oak Victory Ship**: Youth and teens from the Shields-Reid community center will visit the SS Red Oak Victory Ship museum in San Francisco on Saturday, October 16<sup>th</sup>. Participants are asked for a \$5 donation, \$4 for seniors, and \$2 for children 5 and under, which includes transportation.
- **Floating Pumpkin Patch**: The Richmond Swim Center hosted a floating pumpkin patch on Saturday, October 9<sup>th</sup> from 12:00 PM to 3:00 PM where for \$3 per adult and \$1 per child, families were able to pick their Halloween pumpkins straight from the pool!

## 7. **Draft Bicycle Master Plan Presentation**

The Draft Bicycle Plan will be presented to the public on October 18<sup>th</sup>, from 6:00 PM to 8:00 PM in the Multi-Purpose Room located at 440 Civic Center Plaza (basement level). The Plan provides an overall vision for the future of bicycling in Richmond, with specific policies and programs to achieve this vision. The vision is shaped by the values of the Richmond community, and is supported by policies already included in the City's General Plan and the Contra Costa Countywide Bicycle and Pedestrian Plan, which have or are in the process of being updated. The Draft Bicycle Master Plan is available at the following link <http://www.ci.richmond.ca.us/index.aspx?NID=2322>.

## 8. **10/10/10 Climate Action Work Party**

On the morning of Sunday, October 10<sup>th</sup>, Richmond residents lined up in the parking lot on 27<sup>th</sup> Street and Macdonald Avenue with shovels, buckets, and gloves to pick up fresh compost for their home gardens. Anticipation buzzed about the giveaway of the first batch of compost made from the city's new residential food scrap collection and composting program. The city's composting program began in July 2010, when residents began putting food scraps and food-soiled paper along with yard trimmings in the green cart, whereas before only yard trimmings were accepted. These materials are composted on a 12-week cycle in a newly-operating composting facility located on top of the old landfill, representing a sustainable cycle where organics are disposed of and processed

in the city and given back to residents. Youth volunteers, community members, and residents worked throughout the day shoveling compost into bags and buckets. By the end of the day, two large dumpsters were just about emptied, and more than 30 cubic yards of compost were given out to more than 400 residents for use in home gardens.

Across the street in the courtyard of the Main Library, teens gardened, community members exchanged plants, and people circulated around informational booths at the 10/10/10 Climate Action Work Party. The city's Environmental Initiatives team, along with a number of community organizations, including Making Waves, Richmond Rivets, Richmond Spokes, and Urban Tilth, organized the work day as part of 350.org's global day of climate action, where thousands of communities across the globe mobilized to demonstrate local solutions to climate change. Mayor Gayle McLaughlin, Vice-Mayor Jeff Ritterman, and Supervisor John Gioia spoke about the city's initiatives in combating climate change. Photos of green activities submitted by a number of Richmond community groups were showcased on a photo loop. Community members left the event with compost, plant cuttings, and resources on how to take action on climate change.





Ellen Gailing Photography, 2010