

**CITY OF GRASS VALLEY
MEMORANDUM FOR
REDEVELOPMENT AGENCY MEETING OF JULY 8, 2008**

TO: Members, Redevelopment Agency

FROM: Joe C. Heckel, Community Development Director

SUBJECT: Preparation of Feasibility Study for Expanding Redevelopment Project Area to include the Nevada City Highway Corridor and the newly incorporated portions of the Glenbrook Basin

RECOMMENDATION: Authorize release of Request for Proposals (RFP) for Feasibility Study on Expansion of Redevelopment Project Area

BACKGROUND: Since 2004, the City Redevelopment Agency has discussed the opportunity for expanding its boundaries into the Glenbrook Basin since this area was annexed to the City as part of the “Glenbrook Annexation Strategy”. Funding had been set aside in previous fiscal years with the intent to conduct a feasibility study on whether the inclusion of the Glenbrook Basin, along with other properties along E. Main Street or Nevada City Highway, would be economically beneficial to the City and the properties lying within this area. This area of interest consists of approximately 520 acres with a number of vacant or underdeveloped properties.

The purpose for prompting this feasibility analysis is that City is seeing interest in the development of vacant or under utilized parcels fronting E. Main Street/Nevada City Highway from Hughes Road to the Glenbrook Basin. Any future development proposals on these properties will need insight and guidance into how services and infrastructure can be effectively extended to serve their future needs. More importantly, these areas, particularly the Glenbrook Basin, lack a central design theme or approach that would identify it as being part of Grass Valley.

In light of recent State budget issues, it is apparent that the City will be limited in its ability to utilize General Fund monies to undertake any master planning, whether it is related to the provision of infrastructure or design approaches that would enhance the economic viability of the area. The one tool still available to jurisdictions that can assist with master planning and stimulating economic development is through the use of the City’s Redevelopment Agency. The area under consideration is a prime candidate to be included into the existing Project Area based on the mix of vacant and under utilized properties (there are over 50 acres of vacant land within the Glenbrook Basin) and the lack of adequate infrastructure. It is anticipated that future investment into this area will be spurred by adequate planning for infrastructure needs and developing design criteria for future development projects. This increased level of private investment would spur an increase in the tax “increment” necessary to support the expansion of our current Redevelopment Agency boundaries.

It is envisioned that the inclusion of this approximately 520 acre area could assist in the following:

- Developing a Master Plan for extending services and infrastructure;
- Developing architectural and streetscape design themes (to establish a development/design that ties to Grass Valley);
- Financing future infrastructure and streetscape improvements;
- Developing existing vacant properties or redeveloping underutilized parcels, and,
- Effecting the removal of blighted or unsafe conditions.

The City's present Project Area of approximately 487 acres has remained unchanged in its configuration since it was adopted in November 1988. A map of an amendment or expansion to our Project Area is attached for review. This area comprises 520 acres and consists of the Nevada City Highway corridor and the Glenbrook Basin. It can be assumed that the creation of a new Project Area over all or a portion of this 520 acre area would prompt significant public interest and require an effective public outreach program.

If there is interest to pursue the creation of a new "Project Area", the following steps would need to be implemented:

1. Preparation of a Financial Feasibility Report;
2. Survey of Study Area to verify if properties meet redevelopment criteria;
3. Community Participation/Outreach Program;
4. Finalization of Study Area and Priority Work Programs;
5. Preparation of Environmental Impact Report (EIR); and,
6. Adoption of Project Plan and EIR.

The six steps listed above will take approximately a year to complete. The first step, a Financial Feasibility Study, will provide sufficient information to the Agency to determine whether the economics of expanding our Project Area is justified. The anticipated cost for such a study is approximately \$40,000 and is currently funded within the FY08-09 budget, though the City will need to weigh the cost estimates received from the consultants.

The cost for implementing all of the six steps would range from \$100,000 to \$120,000, depending on the size of the study area. At this time, it is requested that the Agency proceed with the Financial Feasibility Study and evaluate the economics of adding these lands to the current Project Area. Attached is a Request for Proposals (RFP) that would serve to recruit a consultant who can prepare this study. The RFP notes that the scope of work will require the consultant to survey the area, determine its economic constraints and opportunities, finalize the potential boundaries of the project area and evaluate the financial feasibility for this expansion. The consultant would also be required to conduct two public workshops to discuss their findings with the public, private property owners, the Planning Commission and City Council or Redevelopment Agency.

If you should have any questions, please do not hesitate to contact me.

Cc: Members, Planning Commission
Department Heads
Staff, Planning Division

