

**CITY OF GRASS VALLEY
MEMORANDUM FOR
REDEVELOPMENT AGENCY MEETING OF FEBRUARY 24, 2004**

TO: Members, Redevelopment Agency

VIA: Gene Haroldsen, City Administrator

FROM: Joe C. Heckel, Community Development Director

SUBJECT: Feasibility of Creating a “Project Area” to encompass Nevada City Highway Corridor and the Brunswick Basin

RECOMMENDATION: By motion, 1) Amend the FY04-05 Goals and Objectives to include an evaluation of creating a new RDA Project Area, and 2) Direct staff to return with a RFP to evaluate the financial feasibility of a new “Project Area”

BACKGROUND: The annexation of the Brunswick Basin is advancing through the implementation of the “Glenbrook Annexation Strategy”. In addition, the 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 Brunswick Basin. Within a short period of time, the City will be facing decisions on development proposals that will need insight and guidance into how services and infrastructure can be effectively extended into these areas. More importantly, these areas, particularly the Brunswick 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 creation of a redevelopment area. The area under consideration is a prime candidate to be folded into a new “Project Area” based on the mix of vacant and under utilized properties (there are over 60 acres of vacant land within the Brunswick Basin) and the lack of adequate infrastructure. It is anticipated that future investment into this area will be spurred by adequately planning for infrastructure needs and developing design criteria for future development projects. This increased level of investment should be sufficient to drive the tax “increment” necessary to support the creation of a “Project Area”.

It is envisioned that the creation of a “Project 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; 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 a potential "Project Area" is attached for review. This area comprises 520 acres and consists of the Nevada City Highway corridor and the Brunswick 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 1-2 years to complete. The first step, a Financial Feasibility Study, will provide sufficient information to the Agency to determine whether the economics of forming a new "Project Area" is justified. The cost projected for such a study is approximately \$20,000 and could be obtained from existing Agency revenues. 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. The new "Project Area", if formed, could reimburse the Agency (i.e. the original Project Area) for these costs. At this time, it is requested that the Agency proceed with the Financial Feasibility Study and evaluate the economics of how such a "Project Area" could be formed. If the Agency is interested in this approach, staff would return with a Request for Proposals (RFP) that would recruit a consultant who can prepare this study.

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

Cc: Members, Planning Commission
Department Heads
Staff, Planning Division
SR Jones, Nevada LAFCo