



**REPORT TO THE CITY COUNCIL
RIO VISTA ARMY RESERVE CENTER
REDEVELOPMENT PROJECT AREA**

Redevelopment Agency of the City of Rio Vista

April 28, 2010

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INTRODUCTION

OVERVIEW

In accordance with Section 33000 et seq. of the Health and Safety Code of the State of California, or California Community Redevelopment Law (“CRL”), the Redevelopment Agency of the City of Rio Vista (“Agency”) has prepared a draft Redevelopment Plan (“Plan”) for the proposed Rio Vista Army Reserve Center Redevelopment Project Area (“Proposed Project Area”) located at the former military facility. Chapter 4.5 of the CRL provides redevelopment agencies with special legislative authority to create redevelopment project areas on the site of former military facilities. Base closures have been found to have a significant impact on the economy and social quality of surrounding communities warranting inclusion into a redevelopment project area. Redevelopment facilitates the reuse of closed military facilities and stimulates economic recovery by providing a mechanism for financing improvements.

Redevelopment of the Proposed Project Area would enable the Agency to facilitate the reuse of a military base that has been deactivated since 1989. If adopted, following a public hearing in Spring 2010, the Plan would permit the Agency to undertake redevelopment actions over a 30-year period within the Proposed Project Area as prescribed in the CRL. The Proposed Project Area will consist of the former Rio Vista Army Reserve Center (“Rio Vista ARC”), which includes approximately 28.16 acres of land located immediately adjacent to the Delta Marina on Beach Road. Exhibit 1 at the end of this Section illustrates a location map of the Proposed Project Area. Exhibit 2 at the end of this Section illustrates the Proposed Project Area boundaries.

PLAN ADOPTION PROCESS

A Preliminary Report was prepared by the Agency and circulated to the affected taxing entities in the Project Area for comment. The Preliminary Report is intended to enhance the general understanding of the proposed Plan. Over the next several months, the City Council, Agency, Planning Commission, fourteen (14) affected taxing entities, and the community at large will have an opportunity to study and comment on the proposed Plan. The Agency has consulted with affected taxing entities and the community as to the scope and impacts of the proposed Plan.

This document is the Report to the City Council (“Report”) on the Plan to be considered by the Agency and the City Council at a joint public hearing, tentatively scheduled for April 22, 2010. The public hearing notice will be mailed in accordance with the CRL. Public notices will also be published in the locally distributed newspaper as required by CRL.

The process for inclusion of a former military facility into a redevelopment project area varies significantly from typical redevelopment project area Plan. Project areas formed under base closures are not required to be urbanized when the boundaries are limited within the former base property itself. The findings of blight are different, as defined under Section 33492.11 of the CRL instead of Section 33030 required for other redevelopment plans. Other procedural exemptions include:

1. The city council is not required to make findings that the redevelopment plan conforms with the city’s general plan;

2. The Agency does not need to include a report and recommendation of the planning commission in the report to the city council;
3. The Agency is not required to include a report required by Section 65402 of the Governmental Code (statement of conformance to the general plan) in the report to the city council; and
4. The Agency is not required to prepare the report required by Section 21151 of the Public Resources Code (CEQA Compliance) prior to the plan adoption, provided certain findings are made.

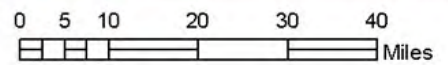
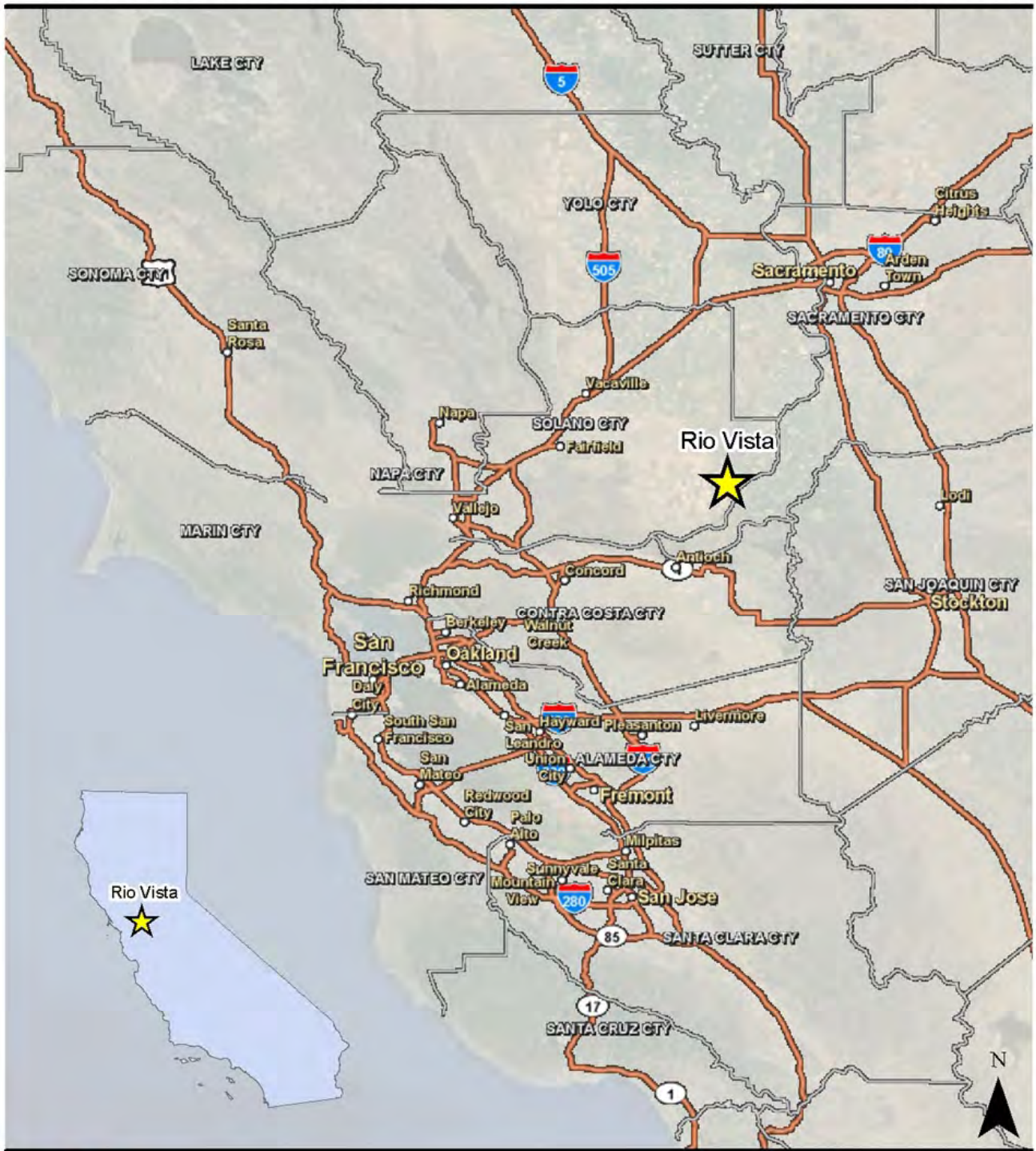
Another aspect of the CRL applicable only to redevelopment of former military bases is the provision requiring certification from the county auditor-controller once \$100,000 or more of tax increment is received in a year. A redevelopment agency's time limits become effective subsequent to certification from the auditor-controller. The purpose of this provision is to allow time for closed military bases to be redeveloped and generate tax revenue, which has been recognized by the legislature as taking many years to achieve. The certification requirement does not limit an agency's authority to exercise redevelopment in the redevelopment project area. An agency's financial limitation on the amount of tax increment received is effective immediately upon the receipt of tax increment revenue.

REPORT CONTENTS

The contents of this Report are presented in eleven sections, which generally correspond to the subdivisions presented in Section 33352 of the CRL. The Report is not required to include Sections H, J, or K requiring a report and recommendation of the Planning Commission, conformance to the General Plan, or CEQA compliance pursuant to Chapter 4.5 of the CRL. However, these Sections have been included to provide additional information.

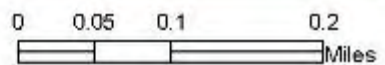
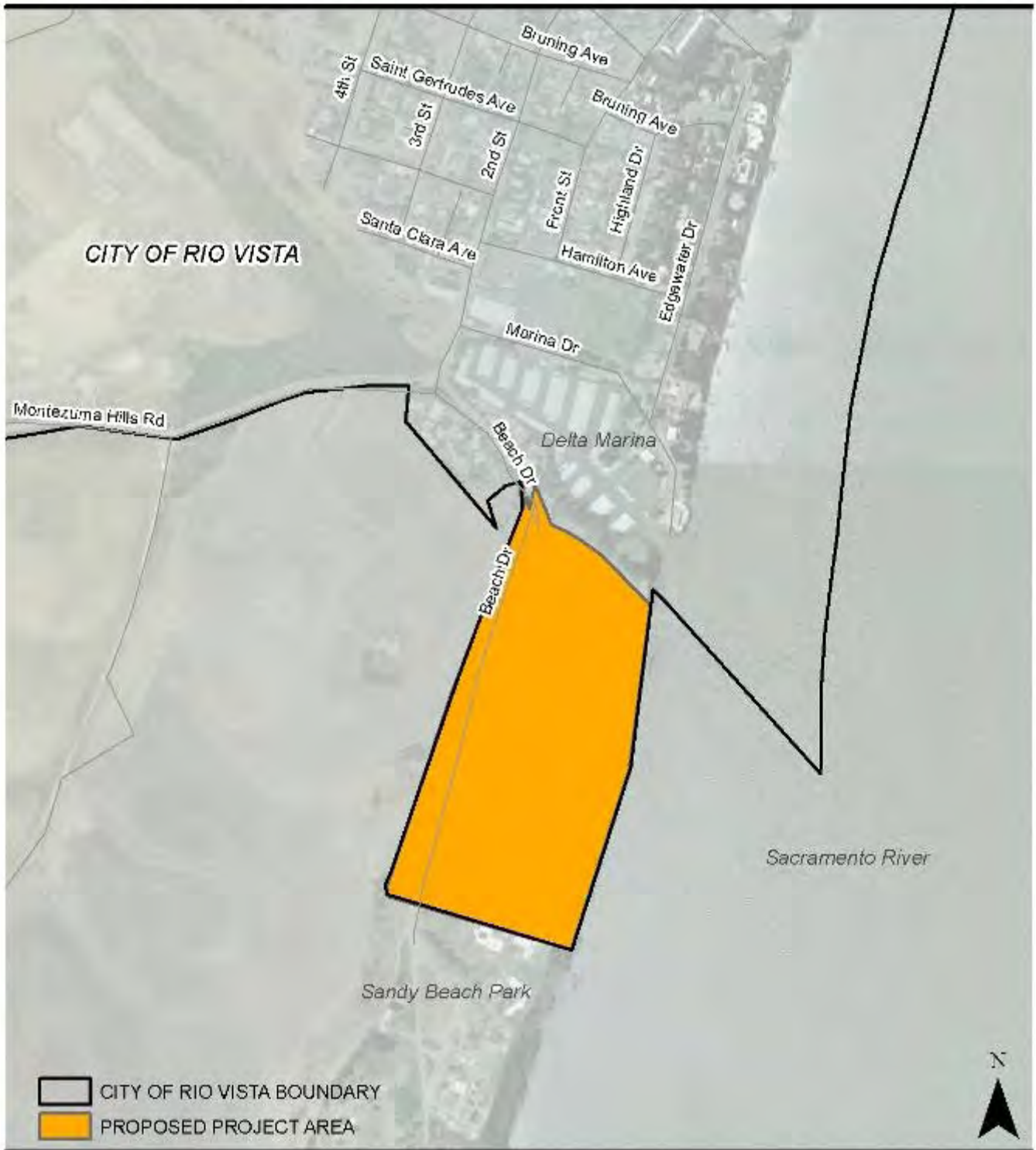
The Sections are as follows:

- Section A.** Reasons for the Project Area
- Section B.** Description of the Physical and Economic Conditions Existing in the Project Area
- Section C.** Five-Year Implementation Plan
- Section D.** Explanation of Why the Elimination of Blight in the Project Area Cannot be Accomplished by Private Enterprise Acting Alone or Through Other Financing Alternatives Other Than Tax Increment Financing
- Section E.** Proposed Method of Financing Including the Economic Feasibility of the Project Area
- Section F.** Method of Relocation
- Section G.** Analysis of the Preliminary Plan
- Section H.** Report of the Planning Commission
- Section I.** Report and Recommendation of the Redevelopment Advisory Committee
- Section J.** Statement of Conformance to the General Plan
- Section K.** Environmental Documentation
- Section L.** Report of the County Fiscal Officer
- Section M.** Neighborhood Impact Report
- Section N.** Summary of the Agency's Consultations with Affected Taxing Entities and a Response to Said Entities' Concerns Regarding the Plan



Sources: ESRI and Tigerline Data





Sources: ESRI and Tigerline Data



SECTION A: REASONS FOR THE REDEVELOPMENT PLAN, A DESCRIPTION OF THE PROJECTS PROPOSED BY THE AGENCY, AND A DESCRIPTION OF HOW THE PROPOSED PROJECTS WILL IMPROVE AND ALLEVIATE BLIGHT

BACKGROUND

The City of Rio Vista (“City”) is located along the banks of the Sacramento River in southern Solano County near the San Francisco and Sacramento metropolitan regions. The City is approximately 25 percent developed and contains approximately 8,071 people with in a 7 ½ square mile area.¹

The City Council adopted the City’s first redevelopment project area in 1960, known as the Morgan Community Tract Redevelopment Project Area, which expired on January 1, 2009. The City Council adopted a second redevelopment project area in 1988, known as the Rio Vista Redevelopment Project Area “A”, which remains active through 2028. If adopted, the Proposed Project Area would be the third redevelopment project area established in the City.

In 1995, the Rio Vista ARC was closed by the Base Realignment and Closure Act (“BRAC”). The land was later conveyed to and annexed into the City. While the land was conveyed to the City, the facility was last actively used six years earlier in 1989. For the past 20 years, the property has been largely unused or maintained and now all of the buildings are generally in a dilapidated state. Onsite improvements generally consist of an older dilapidated US Army waterfront complex that was used for the storage, repair, and maintenance of relatively shallow-draft watercraft.² The conveyance of land to the City was authorized subject to the condition that the City use the property for recreational purposes. The definition of ‘recreational uses’ is defined in the Quitclaim Deed conveying the property to the City and is consistent with the Department of Interior for National Park Service definition.³ This was determined by the U.S. Army to be consistent with the public benefit conveyance language, in that it allows for commercial activities, such as campgrounds, public research facilities, lodging, restaurants and small retail shops that support recreational uses like those found in National parks. The Quitclaim Deed also allows for public uses that conform to the City’s General Plan such as a marina, boat storage, delta research facility, public education facilities, and public recreational uses.

The Rio Vista Army Base Reuse Plan prepared in December of 1998 (“Reuse Plan”) and updated in 2001, sets forth a vision for the reuse of the Proposed Project Area and includes transforming the area, in conformance with the Quitclaim Deed, into a research facility and recreational area while creating a pedestrian-friendly environment with a mix of land uses that will transition into downtown Rio Vista. Additionally, the City’s development standards call for similar reuse of the Proposed Project Area. As described in this Report, significant amount of public and private investment is needed to generate sufficient economic momentum to fulfill the vision of the Reuse Plan and the City’s development standards.

To recover from the facility’s closure and respond to the community’s acute need for economic development, redevelopment in the Proposed Project Area could bring in valuable general fund revenues to the City, in the form of property taxes, development fees and sales tax revenues. In addition to general fund revenues, the

¹ Population estimate obtained from the Department of Finance, as of January 1, 2008.

² This information comes from the Environmental Assessment for Disposal and Reuse of the Rio Vista Army Reserve Center dated October 2000 (“Environmental Assessment”) and the December 1998 Rio Vista Army Base Reuse Plan (“Reuse Plan”).

³ Quitclaim Deed No. DACA05-9-02-536

Proposed Project Area could also provide valuable retail and service industry jobs for residents. The City continues to grapple with financial hardship, leaving no general fund revenue available for redevelopment of the Proposed Project Area. The City has recently been experiencing financial difficulties stemming from rapidly declining property and sales taxes, building permit revenues, and a drop in funds from the state. In addition, the housing market collapse has left the City with abandoned housing projects that would have brought in revenue from development fees and increased property taxes. Shea Homes ceased operations on their “Hearth and Home” project on hold in 2007, expected to bring 855 new homes to the City. One approved housing projects (Riverwalk) and another that was seeking development entitlements (Del Rio Hills) totaling nearly 3,000 new housing units are on hold until further notice.

For the past two years, the City has struggled with a \$900,000 (13.6 percent) deficit in its \$6.6 million general fund. To close the deficit, the City has taken aggressive action. The City cut expenses, laid off four employees, froze salaries and left open nearly 20 vacant full-time positions, reducing the staff from 61 to 40 employees. The City also closed City Hall one day a week and cut recreation programs. However, after all its cuts the City still had a projected \$500,000 deficit which it hopes to close through the sale of two pieces of property. Long-term solutions are still needed if the City is to be able to continue to serve residents and property owners; economic development, particularly in the form of revitalization of the former military facility is essential to stimulate investment and local economic growth to support service costs.

THE IMPORTANCE OF THE SAN JOAQUIN DELTA

The San Joaquin Delta is formed by the confluence of California’s two largest rivers: the Sacramento flowing south from near Mt. Shasta and the San Joaquin flowing north from its origins high in the southern Sierra Nevada. The Delta plays a major role in the state’s prosperity by providing at least a portion of the drinking water for 24 million Californians, fueling a \$31 billion agricultural industry and serving as an important habitat to more than 750 animal and plant species and many non-native species, including waterfowl, birds of prey, sport fish and species listed as threatened or endangered. Water flowing through the Delta diverts directly through six canals and/or pipelines and to more than 1,800 agricultural users, the latter of which grows half the nation’s fruits and vegetables and one-quarter of its dairy products.⁴

The Interagency Ecological Program (IEP) is a consortium of nine State and Federal agencies that conducts studies and monitoring of the delta and lower estuary. While all nine agencies that are a part of the IEP contribute resources, the two largest sources of funding are Department of Water Resources (DWR) and the U.S. Bureau of Reclamation. The recent economic situation has led to decreases in available funding from all nine agencies. The IEP is interested in the Project Area as an ideal location for a hub to monitor and research fish, invertebrates, and water quality. Environmental mandates to protect the resident Delta smelt and the salmon migrating through the region limit state and federal water operations. Much of IEP’s monitoring work is mandated as part of water rights legal decisions and endangered species biological opinions.

Over the past several decades, the competing needs of water supply and habitat have exposed the Delta’s inability to meet both demands. According to research conducted by the California State Water Project, the San Joaquin Delta is in decline. Many factors have contributed to the Delta’s decline including pollution from agricultural, industrial, and urban runoff. The needs of the ecosystem and maintaining a reliable water supply conflict, especially in dry years. Disagreements between environmentalists and water users have prevented the discovery of long-term solutions for the Delta’s problems—worsening water quality, unpredictable water

⁴ <http://www.calwater.ca.gov/delta/about/index.html>

supplies, declining fish and wildlife populations. Long-term solutions are needed to ensure reliable water supplies and a healthy ecosystem. The Proposed Project Area is centrally located in the Delta and provides a viable resource to facilitate the goals of the IEP. Tax increment financing and other redevelopment tools could be used to assist in the development of a monitoring station, so the IEP can work towards finding these long-term solutions. The Agency could partner with State and Federal agencies to redevelop a portion of the Proposed Project Area to achieve both the Agency's Plan goals and the goals of the IEP. Development of a monitoring station would help spur economic development on the site and facilitate the rehabilitation and reuse of buildings in the Proposed Project Area. Additionally, without a Delta monitoring station the supply of freshwater throughout the State is compromised and could potentially affect millions of Californians. Actions need to be taken to ensure that the State supply of drinking and irrigation water is not interrupted.

STATE REDEVELOPMENT POLICY

The State of California has declared that blighted areas constitute physical, social or economic liabilities within the communities where blight exists. In order to remove blight in communities, the Legislature established redevelopment agencies and granted them certain governmental functions and powers. Among those governmental functions and powers is the ability to utilize tax increment financing. Adoption of the Plan would provide the Agency with the necessary financing tools to fund programs and activities to remove existing blighting conditions as later discussed in Section B of this Report.

This Proposed Project Area is unique because it will be located on the site of a former military base, and the site is in need of costly public improvements in order to bring the site up to current City standards. Public improvements contemplated under the Plan would stimulate private investment in the Proposed Project Area and provide the necessary stimulus to fully realize the goals of the Plan. Tax increment financing and other redevelopment tools could be used to alleviate blighting conditions through a comprehensive improvement program. These financing methods are discussed further in Section C of this Report.

All redevelopment activities will be subject to future review and approval by the Agency, the City Council and/or other appropriate agencies, committees, and interested parties as appropriate.

REASONS FOR REDEVELOPMENT OF THE PROJECT AREA

While the Rio Vista ARC was officially closed by the federal BRAC process in 1995, it was deactivated in 1989 and was used very rarely by Army Reserve units thereafter. The Army Reserves officially vacated the waterfront facility early in 1995. No private investment or development has occurred on this valuable waterfront property for 20 years, and this has led to a dramatic underutilization of the site. Major infrastructure improvements will be necessary to accomplish the vision of a community facility on this site, including roadways, pedestrian walkways, curbs, gutters, sidewalks, parking, utility undergrounding, bicycle paths, and trails. These improvements are necessary to entice private investors, and to bring the property up to current City standards. These infrastructure improvements are costly, and the recent decline in economic conditions has led to constrained lending conditions, which has in turn led to a lack of funding for private development. With the City's limited financial capacity, redevelopment funding tools will be essential to develop the Proposed Project Area as envisioned. A significant financial investment will be necessary in order to fulfill the vision for the Proposed Project Area. A critical financial strategy for creating needed funding for public improvements is leveraging local public tax dollars, including tax increment, to secure additional outside funding sources.

The three primary reasons that redevelopment is needed in the Proposed Project Area are as follows:

1. To provide resources for public improvements such as infrastructure deficiencies, community facilities, and recreational facilities;
2. To address environmental remediation and clean-up of known hazardous waste; and
3. To provide local economic stimulus encouraging development opportunities and private investment.

Additional information regarding the reasons for the Plan adoption is discussed in the following narrative.

Resources for Public Improvements

Several resource-intensive projects and programs have been identified by the Agency in the Plan that will require significant financial participation. The Agency would like to bring a multi-purpose community center, an estuarine research center and recreational facilities to the Proposed Project Area. These projects and the accompanying environmental mitigation and infrastructure improvements will require tremendous amounts of financial assistance from the Agency. Cost estimates for the community center and the recreational facilities and infrastructure are shown in Tables 1 and 2 respectively on the following page. With over \$5 million in funding required for these projects, redevelopment funding tools are required to assist in the development of the site. Without the Plan, which would allow the Agency to collect tax increment revenue from the Proposed Project Area, resources may not be available to complete the needed infrastructure improvements, carry out asbestos clean-up and remove existing blight to ensure that these projects become a reality.

Cost Estimates for Recreational Facilities				Table 1
Rio Vista Army Reserve Redevelopment Project Area				
Item	Building Sq Ft¹	Acreage¹	Cost Per Unit²	Estimated Cost
<u>Multipurpose Community Center</u>				
Basketball/Volleyball Court	9,000			
Lobby, Office, Restrooms	5,000			
Classrooms/Meeting Rooms	7,000			
Subtotal	21,000		\$135.68 /sq ft	\$2,849,200
<u>Active Recreation Area</u>				
3 soccer fields/4 ballfields	340,000	7.81	\$61,000 /acre	\$476,400
Outdoor basketball courts	24,000	0.55	\$1.83 /sq ft	\$43,900
4 tennis courts	24,000	0.55	\$64.36 /sq ft	\$1,544,500
Kids Park Area	87,120	2.00	\$244,000 /acre	\$488,000
Picnic Area	22,500	1.21	\$3.66 /sq ft	\$82,400
2 free standing restrooms	500		\$83.34 /sq ft	\$41,700
Subtotal	498,120	12.12		\$2,676,900
Total Recreational Facilities Cost				\$5,526,100
¹ Square footage and acreage based on estimates in the Reuse Plan, by Economic & Planning Systems, Inc.				
² Marshall and Swift.				

Infrastructure Costs		Table 2
Rio Vista Army Reserve Project Area		
Item	Estimated Cost²	
<u>Site Preparation</u>		
Building demolition	\$175,000	
Concrete Removal	250,000	
Asbestos Removal ¹	285,000	
Lead Paint Removal	50,000	
Site Preparation Subtotal	\$760,000	
<u>On-Site Improvements</u>		
Concrete Work	\$41,800	
Roads/Parking	367,500	
Landscaping and Irrigation	139,200	
New Trees	7,000	
Marina Plaza Area/Promenade	76,200	
Marina (docks and berths)	100,000	
Improvements to Existing Pier	39,000	
Marina Walkway/Edge Treatment	80,000	
On-Site Improvements Subtotal	\$850,700	
<u>Water Main and Storm Drainage</u>		
Distribution System (Fire and Domestic)	\$75,000	
Storm Drainage	100,000	
Water Main and Storm Drainage Subtotal	\$175,000	
<u>Sanitary Sewer</u>		
Collection System	\$45,000	
Pump Station and Force Main	30,000	
Sanitary Sewer Subtotal	\$75,000	
<u>Utilities</u>		
Electricity, Gas, Telephone, Cable TV	\$80,000	
Utilities Subtotal	\$80,000	
<u>Offsite Road Improvements</u>		
Road Widening and Overlay	\$100,000	
Offsite Road Improvements Subtotal	\$100,000	
Public Recreational On Site Costs	\$177,400	
Subtotal	\$2,218,100	
Inflationary Adjustment per CPI (34.6%) ³	\$767,463	
Total Costs	\$2,985,563	
¹ See Table 4 for more detail.		
² Unless otherwise noted, all cost estimates were provided by Dillon & Murphy, Consulting Engineers for the Rio Vista Army Base Reuse Plan, December 1998.		
³ Consumer Price Index adjustment for the San Francisco Area between 1998 and 2008.		

In addition to the potential revenue for the City, it is anticipated that redevelopment activities coordinated by the Agency will provide additional employment opportunities and enhance the quality of life in the City and surrounding neighborhoods for residents and visitors. Implementation of the Plan would improve the immediate and long-range economic viability of the entire City by provided facilities to attract people to this site as a place to work and play.

Environmental Remediation

Redevelopment is needed to address environmental remediation and cleanup of known hazardous wastes. An environmental assessment was completed in October 2000 by the US Army Corps of Engineers Sacramento District, in order for the Agency to assess the potential environmental challenges located on the former Rio Vista ARC. The environmental assessment mentions that an asbestos survey was completed in 1989 when the Army abandoned the site. Of the 20 buildings surveyed at the time of the survey, 19 contained asbestos-containing material.⁵ The level of asbestos contamination is discussed in further detail in Section B of this Report. In addition to the asbestos contamination, residual soil contamination is present at the site of the Proposed Project Area. Contaminants of concern include: chlordane, dioxin, polychlorinated biphenyls (PCB), metals and petroleum. The potential impacts of future development on the site include asbestos, PCB and mercury exposure during anticipated building demolition activity. The cost of mitigating these impacts will deter private sector investment on the site. The Plan provides an opportunity for the Agency to acquire financing mechanisms to assist with the cost of remediation, clean up the site and attract private investment.

Local Economic Stimulus

The Plan is needed to generate cash flow in the Proposed Project Area that can be used by the Agency to secure funding and development opportunities. By authorizing the Agency to use redevelopment tools through the Plan, the Agency will be better equipped to implement projects in the Proposed Project Area. It is anticipated that redevelopment activities coordinated by the Agency will provide additional employment opportunities and enhance the quality of life in the City and surrounding neighborhoods for residents, businesses, and visitors.

SUMMARY OF REASONS FOR THE PLAN

Given the specific needs of the Proposed Project Area, and the current economic challenges that the City faces, the Agency needs access to additional revenue to address blighting conditions and stimulate economic development. The Plan will provide the Agency financing tools necessary to make investments in the Proposed Project Area. The additional cost of environmental remediation and infrastructure improvements are barriers to the development of this property. These financing tools will provide opportunities that will help improve the physical, economic, and environmental quality and character of the Proposed Project Area. Tax increment financing and other redevelopment tools could be used to alleviate these conditions through a comprehensive redevelopment program. The projects proposed by the Agency will not only stimulate economic activity within the City, but it will also create recreational facilities for the community.

BLIGHT-ELIMINATING PROJECTS AND PROGRAMS

Section 33352 of the CRL requires a report to the legislative body include a description of the projects proposed by the agency and how they will improve conditions. The Agency is proposing to implement projects and programs within the Proposed Project Area that will eliminate blight and generally improve the quality of

⁵ Environmental Assessment, Army Corps of Engineers, October 2000.

life in the City. In these difficult economic times, increasing the Agency's ability to eradicate blight will benefit not only the Proposed Project Area, but the entire City, and ultimately the County and State economy.

To assist the private sector and the City with redevelopment of the Proposed Project Area, the Plan includes a list of infrastructure and public facilities projects which would be implemented by the Agency. Additionally, the Agency will employ resources to fund a variety of affordable housing and economic development activities. A preliminary list of the redevelopment projects and programs anticipated by the Agency is contained in this Section, along with estimated costs and a description as to how these projects would eliminate blight in the Proposed Project Area.

Public Infrastructure and Facilities Improvements

Exhibit D of the Plan includes a list of the permitted public improvements that may be undertaken by the Agency, as required by Section 33352(a) of CRL. These and other public improvements address substandard infrastructure conditions in the Proposed Project Area, while expanding accessibility and utilization of public facilities serving the Proposed Project Area.

The Agency anticipates that approximately \$8.5 million in non-housing tax increment revenue will be spent on these projects over the duration of the Plan.

Public Infrastructure Projects

Improvements to Proposed Project Area public infrastructure are intended to remove costly impediments to development and upgrade infrastructure to current City standards to stimulate private investment. The proposed traffic/circulation improvements include, but are not limited to, roadways, landscaping, street lights, pedestrian walkways, curbs, gutters, sidewalks, parking, street widening, traffic signals, utility undergrounding, bicycle paths, street medians, and trails.

Proposed public improvement projects in the Proposed Project Area include, but are not limited to, public infrastructure, utility, and street improvements. The proposed public infrastructure improvements shall include, but are not limited to, monitoring systems, sewer parallels, drainage lines, sewer lines, wastewater treatment facilities, flooding systems, sewer systems, and water distribution systems. The proposed utility improvement projects shall include, but are not limited to, electrical distribution systems, natural gas distribution systems, and cable TV and fiber optic communications systems. The proposed street improvements include, but are not limited to, street construction and improvement, including curbs, gutters, sidewalks, wheelchair ramps, street lights, street signage, off-site road widening and overlay, parking, landscaping, and street trees.

Public Facilities

The proposed community facilities improvement projects shall include, but are not limited to, parks, recreational facilities, marina docks and berths, marina walkway, plazas, promenades, pier extensions and improvements, boat storage facilities, cultural centers, and community centers.

Agency assistance could include creation of such facilities; acquisition of properties for facilities; or assistance with financing and development of City property. Further compliance with General Plan, zoning standards, and environmental review may be necessary.

Rehabilitation and Economic Development Incentives

The Agency anticipates a portion of the non-housing revenue from the Proposed Project Area will be expended on projects to rehabilitate older structures, demolish buildings, removal of asbestos and lead paint, redesign and reconstruct obsolete buildings, improve public safety, and other improvements needed to address existing physical blighting conditions identified in Section B of this Report. The preliminary cost of these activities is anticipated to be \$6.9 million over the duration of the Plan.

These activities are designed to address blighting conditions by assisting with rehabilitation, expansion, or acquisition activities. The Agency proposes to provide funds to assist in land acquisition and on-site and off-site infrastructure improvements. Consistent with the General Plan, the Agency seeks to use redevelopment tools to stimulate private investment throughout the entire Proposed Project Area. Where appropriate, the Agency may provide grants and/or loans for small business or property developers who desire to install façade improvements, redesign parking areas, or add buffers to surrounding uses. In instances where more significant redevelopment work is needed, the Agency may work with multiple property developers to create shared parking areas to improve the supply of convenient off-street parking and reduce potential safety hazards. The Agency may also participate with property developers who desire to reconstruct improvements by providing off-site improvements or other incentives to eliminate the financial shortfall facing many prospective developers.

Commercial rehabilitation programs are needed to remove deteriorated and dilapidated buildings, to address problems caused by serious dilapidation and deterioration, and other blighting conditions in the Proposed Project Area. Economic development programs are needed to establish the Proposed Project Area's economic base.

Housing Programs

The Agency is required to set aside at least 20 percent of its gross tax increment revenues into a fund ("Housing Fund") to increase, improve, and preserve the community's supply of affordable housing. Such funds may be used outside the Proposed Project Area boundaries to help the City fulfill its need for affordable housing. The Agency anticipates spending approximately \$4.2 million on affordable housing projects over the duration of the Plan. Housing Fund expenditures will assist the City in implementing the goals and programs set forth in the Agency's affordable housing compliance plan and five-year implementation plan, as well as the Housing Element of the City's General Plan.

Within a redevelopment project area, affordable housing funds may be used to assist in the development of quality housing projects in areas where such uses are permitted. By law, a minimum of 15 percent of all housing units constructed in a redevelopment project area must be affordable. Affordable housing funds may

be employed outside the redevelopment project areas provided the Agency makes the appropriate findings of benefit required by the CRL. Housing projects assisted by Proposed Project Area tax increment revenues will help fulfill the community's need for affordable housing in response to development of job-generating uses and other economic growth.

The Proposed Project Area potentially represents a significant employment base that results in a need for stable residential neighborhoods, particularly affordable housing opportunities, in the vicinity. The Municipal Code does not permit permanent residential uses in the Proposed Project Area and requires the Agency to carryout housing activities outside of the Proposed Project Area as permitted by the CRL. In carrying out this purpose, the Agency may exercise any or all of its powers, including, but not limited to, the following:

- Acquire land or building sites;
- Improve land or building sites with on-site or off-site improvements;
- Donate land to private or public persons or entities;
- Construct buildings or structures;
- Acquire buildings or structures;
- Rehabilitate buildings or structures;
- Provide subsidies to or for the benefit of persons or families of very low, low, or moderate income;
- Develop plans, pay principal and interest on bonds, loans, advances, or other indebtedness, or pay financing, carrying charges, or insurance premiums;
- Maintain the community's supply of mobile homes; and
- Preserve the availability to lower income households of affordable housing units in housing developments which are assisted or subsidized by public entities and which are threatened with imminent conversion to market rates.

SECTION B: DESCRIPTION OF EXISTING BLIGHTING CONDITIONS

This Report provides substantial evidence that significant blight exists in the Proposed Project Area. Blighting conditions in the Proposed Project Area include:

- Buildings in which it is unsafe or unhealthy for persons to live or work;
- Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots; and
- Lack of adequate public improvements.

The existence of these blighting conditions across the Proposed Project Area causes a lack of proper utilization of buildings and lots within the Proposed Project Area which leads to a serious physical and economic burden for the City and the community. Closure of the Rio Vista ARC impacted the community's employment base and left an under-utilized property in the City. The property has remained fenced off from the community, with the exception of trespassing vagrants and vandals, and buildings have been left to deteriorate. The current physical and economic condition of the Proposed Project Area will require a concerted effort by the Agency in partnership with other public and private entities to alleviate. The burden caused by the presence of continued blighting conditions cannot be reversed by private enterprise or the public sector acting alone or together without the existence of redevelopment tools. The fact that no redevelopment work has been accomplished independent of the Agency suggests that without redevelopment, blighting conditions cannot reasonably be expected to be reversed or alleviated by private enterprise or governmental action. The Plan will allow the Agency to implement specific projects aimed at eliminating the blighting conditions which are undermining the physical and economic stability of the Proposed Project Area and that will serve as catalysts for reinvestment into the Proposed Project Area.

INTRODUCTION

CRL Section 33492.11 defines blight for military bases that have been ordered to be closed or realigned by the federal BRAC process. This Section of the Report includes a description of the blighting conditions existing in the Proposed Project Area as defined by CRL Section 33492.11. A blighted area within the boundaries of a military base is an area in which there are two or more conditions set forth below:

1. Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions can be caused by serious building code violations, dilapidation and deterioration, defective design or physical construction, faulty or inadequate infrastructure, or other similar factors.
2. Factors that prevent or substantially hinder the economically viable reuse or capacity of buildings or areas. This condition can be caused by conditions including, but not limited to, all of the following:
 - A substandard design
 - Buildings that are too large or too small, given present standards and market conditions
 - Age, obsolescence, deterioration, dilapidation, or other physical conditions, that could prevent the highest and best uses of the property
 - Buildings that will have to be demolished, or buildings or areas that have a lack of adequate parking
3. Adjacent or nearby uses that are incompatible with each other and that prevent the economic development of those parcels or other portions of the project area.

4. Buildings on land that, when subdivided, or when infrastructure is installed, will not comply with community subdivision, zoning, or planning regulations.
5. Properties currently served by infrastructure that does not meet existing adopted utility or community infrastructure standards.
6. Buildings that, when built, did not conform to the then effective building, plumbing, mechanical, or electrical codes adopted by the community where the project area is located.
7. Land that contains materials or facilities, including, but not limited to, materials for aircraft landing pads or runways, that will have to be removed to allow development.

Blighted areas create physical and economic liabilities to the community that require redevelopment to protect the health, safety, and general welfare of the public. CRL Section 33492 contains legislative findings and declarations that explain the effect that blighted areas have on communities. Blighted areas cause a reduction in the proper utilization of an area, which causes a serious physical and economic burden on a community. Remedying blighting conditions in a community using redevelopment tools benefits not only a project area but an entire community.

APPROACH AND METHODOLOGY

Field Survey

Analysis of blighting conditions was based upon data collected in a field survey and data collected from a variety of sources more fully described below. RSG conducted a field survey on August 13, 2009 (“2009 Field Survey”). The 2009 Field Survey was conducted by two RSG staff members. Each of the staff members had prior experience conducting field surveys, and had received training before commencing the survey. The purpose of the training was to review blighting condition standards, and provide examples of the types of conditions that represent blight. The definitions of each condition were explained and discussed and examples were reviewed to ensure that each staff member fully understood the CRL requirements. RSG walked the site to assess the physical condition of each individual building and photographs of each building were taken. Additionally, RSG was joined by Agency and City staff members familiar with the Proposed Project Area during the 2009 Field Survey.

During the 2009 Field Survey, each building was evaluated to determine the presence of serious dilapidation or deterioration by examining building components (roof, eaves and overhangs, plumbing, exterior building materials, walls, foundations, windows, doors, weather protection, and wiring). The 2009 Field Survey determined that the Proposed Project Area contains conditions that pose a threat to healthy or safety including:

- Sagging roofs
- Broken or missing windows
- Holes in exterior building materials
- Deteriorated building materials
- Exposed wiring
- Inadequate weather protection
- Roofing with missing tiles or cracked surfaces

- Deteriorated door or window frames

Within the Proposed Project Area, the conditions listed above are a threat to the public health and safety. The abandoned buildings attract vagrants and vandals. Despite the City's attempts to secure the property, this site attracts vandals who have damaged the infrastructure located on the property. According to City staff, the site also attracts vagrants looking for shelter. These buildings are unsafe for occupancy, and additional sources of funding are needed in order to remove the blight located within the Proposed Project Area.

Additional Research

The CRL definition of blight includes a number of factors that do not involve the physical appearance of the structures, but instead involve economic indicators. To assess the presence of these factors, RSG researched other data sources including: ESRI Business Analyst Reports (demographic and market data) and US Census data. In addition to economic research, RSG reviewed documents related to the base closure of the Rio Vista ARC and conducted additional research related to asbestos contamination and effects of lead in drinking water.

PROPOSED PROJECT AREA BLIGHTING CONDITIONS

The 2009 Field Survey was used to understand the physical conditions of the Proposed Project Area. Additional research and investigation beyond the field surveys were also undertaken and a detailed description of both physical and economic blighting conditions is provided in this Section.

Unsafe or Unhealthy Buildings

Dilapidation and Deterioration

The Proposed Project Area contains buildings that are unsafe or unhealthy for persons to live or work that are the result of serious dilapidation and deterioration, one of the enumerated blighting conditions under the CRL. The 2009 Field Survey identified that 100 percent of the structures located in the Proposed Project Area currently exhibit signs of serious dilapidation and deterioration. Although City staff would like to rehabilitate as many buildings as possible, the Reuse Plan states that the team surveying the existing buildings determined that there were no buildings that should be saved and renovated.⁶ In addition to the CRL definition of physical blight, the conditions described in the following section are defined in the City's Municipal Code Chapter 15.20 as "Substantial Structural Damage". Repairs to these structures would be required to eliminate unsafe conditions, in order to comply with City development standards.

Characteristics that were found among buildings in the Proposed Project Area that are unsafe or unhealthy for persons to occupy include:

- *Faulty weather protection*: This condition was noted when the building is being exposed to the elements, for example, when there is a hole in the building or wood rot present around windows or doors. This leads to moisture damage and other issues, including mold.
- *Broken windows or doors*: Glass from a broken window or door is a safety hazard for due to broken glass or wood damage.
- *Exposed wiring*: The health and safety risks from exposed wiring include fire or electrocution. Repeated vandalism of the Rio Vista ARC has led to exposed wiring, which poses a safety hazard.

⁶ Rio Vista Army Base Reuse Plan, Economic & Planning Systems, Inc., December 1998.

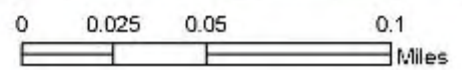
- *Deteriorated eaves or overhangs:* Eaves or overhangs that are in poor condition pose a safety hazard. If these structures were to fall, they could cause bodily harm.
- *Deteriorated or damaged exterior building materials:* Building materials, including stucco, brick, or wood siding, are used to protect a building from the elements. When these building materials are deteriorated, the building is being exposed to moisture damage which weakens the structural integrity of the building.
- *Deteriorated or damaged roofing materials:* The roof of a building is meant to provide protection from the elements. When the roof is deteriorating or damaged, this protection is compromised. Moisture penetration can lead to health and safety issues, including mold or roof collapse.

The age of the buildings and the lack of investment to maintain the structures is one reason for dilapidation and deterioration in the Proposed Project Area. Every structure in the Proposed Project Area was built before 1960, making the buildings at least 50 years old. Aging structures need routine maintenance to avoid serious dilapidation and deterioration of the structures. Buildings in the Proposed Project Area have not been maintained over the past 20 years, since the property has been unused since 1989. At the time of the 2009 Field Survey, there were 12 structures located in the Proposed Project Area; all of which exhibited the signs of serious dilapidation and deterioration described above.

During the 2009 Field Survey photographs were taken of each building to provide an illustrative sample of some dilapidated and deteriorated buildings found within the Proposed Project Area. Exhibit 3 on the following page provides a reference for where the photographs were taken. Each of the buildings is numbered to illustrate the location of each photograph. The structures located within the Proposed Project Area during the 2009 Field Survey are listed below in Table 3, with a description of their use, square footage, and year built. At the time of the 2009 Field Survey, there were 12 buildings and one dock located in the Proposed Project Area.

List of Current Facilities			Table 3
Rio Vista Army Reserve Redevelopment Project Area			
Facility	Facility Description	Square Footage	Year Built
1	Administration building, guard station	389	1957
2	Ship repair shop	11,148	1952
3	Engineering, house maintenance shop	2,489	1952
4	Carpenter shed, electrical maintenance, battery storage	3,146	1958
5	Hazardous materials storage	3,815	Pre-1960
6	Storage	870	Pre-1956
7	Barracks, mess hall, administration	6,357	1952
8	General purpose warehouse	10,290	Pre-1956
9	General purpose warehouse	11,400	Pre-1956
10	Administration, commander's quarters	1,148	1952
11	Flammable materials storage	768	Pre-1956
12	Administration, enlisted barracks	1,232	1955
13	Ship repair dock	N/A	Pre-1956

Source: Rio Vista Army Base Reuse Plan, December 1998.



STRUCTURE NUMBERS CORRESPOND TO IMAGE NUMBERS
Sources: ESRI and Tigerline Data





Facility 1: Guard Station

This former guard station is located near the entrance of the Proposed Project Area. The building is lacking adequate weather protection, as illustrated by damaged and missing wood siding, missing windows and doors, and a deteriorating roof. This lack of weather protection and decomposition of roofing materials can perpetuate deterioration and dilapidation as building materials can become severely compromised from long-term exposure to the outside elements.



Facility 2: Ship Repair Shop

This structure suffers from serious dilapidation and deterioration as evidenced by the broken windows, faulty weather protection, and damaged exterior building materials. The debris from the deteriorating repair shop is a safety hazard on both the interior and the exterior of the structure. The exposure of the internal frame of the repair shop leaves this structure vulnerable to the elements, which weakens the structural integrity of the building. This building is also unsecured, providing an unsafe residence for squatters.



Facility 5: Hazardous Material Storage

The lack of maintenance of Facility 5 has led to exposure to the elements, and a weakening in structural integrity. This structure suffers from faulty weather protection, broken doors, and deteriorated exterior building materials. Vulnerable to the elements and structurally weak, this building is unsafe to occupy.



Facility 6: Storage

The building in this photograph suffers from serious dilapidation and deterioration as evidenced by the broken windows, faulty weather protection, and damaged exterior building materials. This building is unsecured; according to Agency staff squatting has been a problem within the Proposed Project Area. With the utilities turned off, and the buildings containing asbestos and falling debris, these structures are unsafe or unhealthy to occupy.



Facility 7: Barracks, Mess Hall, Administration

The building in this photograph was previously used as barracks. Today, this building suffers from serious dilapidation and deterioration as evidenced by the broken windows, faulty weather protection, and damaged exterior building materials. There has been no maintenance on these buildings since they were abandoned by the Army in 1989. Without Agency assistance, the structures located within the Proposed Project Area will be left to further deteriorate.



Facility 8: General Purpose Warehouse

The building in the photograph above suffers from serious dilapidation and deterioration as evidenced by the broken windows, faulty weather protection, damaged roofing materials, and damaged exterior building materials. In addition to the dilapidated condition of the building, debris has fallen from the deteriorating structure. This debris poses a serious safety hazard.



Facility 8: General Purpose Warehouse

The building shown above has not been maintained since it was abandoned in 1989. The lack of maintenance has led to serious dilapidation and deterioration, and exposure to the elements. The internal structure of the building has been exposed to wind and rain. As a result, the structural integrity of the building has been damaged.



Facility 9: General Purpose Warehouse

The building in the photograph above suffers from serious dilapidation and deterioration as evidenced by the broken windows, faulty weather protection, and damaged exterior building materials. The prevalence of the conditions described above if left unaddressed will lead to further deterioration of the buildings and increase the threat to safety and welfare of employees. Without Agency action, these hazards are likely to persist or increase.



Facility 10: Administration, Commander's Quarters

The structure in this photograph suffers from serious dilapidation and deterioration as evidenced by the broken windows, faulty weather protection, deteriorated roofing materials, and damaged exterior building materials. According to the Reuse Plan, the Proposed Project Area has experienced repeated vandalism that has removed electrical wiring and caused additional damage to the infrastructure systems.



Facility 12: Administration, Enlisted Barracks



Facility 12: Administration, Enlisted Barracks



Facility 12: Administration, Enlisted Barracks

The structure in the above three photographs exhibits signs of dilapidation and deterioration due to long-term neglect. It has faulty weather protection, deteriorated roofing materials, and damaged exterior building materials. Faulty weather protection is due to the paint peeling off the exterior of the building, as well as pieces of wooden siding that are missing from the exterior. Such conditions leave the structure exposed to the natural elements which can cause wood rot and other problems which may jeopardize its integrity.



Facility 13: Ship Repair Dock



Facility 13: Ship Repair Dock

This dock along the Sacramento River, shown in the two photographs above, was severely damaged in a fire in 2001. The dock has not been rehabilitated due to a lack of funding. In its current state, the dock is structurally unsafe for use and poses a significant threat to any persons utilizing the dock. A pier condition report was prepared in August 2002. This report details the extensive damage sustained to the support structure of the dock. At the time of the report, the estimated cost of repair to the dock and fender was \$90,000.

As evidenced by the photographs, the existing buildings within the Proposed Project Area pose a significant threat to the safety of persons that may occupy them. Additionally, the current condition of the buildings does not entice or encourage private investment in the Proposed Project Area. The blighting conditions described

above have been causing the underutilization of this waterfront property. By remedying these conditions, the Agency will be in a more favorable position to attract private investment to the site.

Factors Hindering the Economically Viable Use of a Parcel

Environmental Contamination

Asbestos is a mineral that was used for decades in the manufacturing of many different products for its heat resistant properties, including ceiling tiles and insulation. All of the buildings in the Proposed Project Area were built before asbestos use in manufactured products was regulated by the United States Government, under the Toxic Substances Control Act of 1976. Regulations were put in place by the US Environmental Protection Agency in 1989. When the Rio Vista ARC was abandoned in 1989, an asbestos survey was conducted of the Proposed Project Area. At the time of the asbestos survey, there were 36 buildings located on the site. Of the 20 buildings surveyed, 19 contained asbestos-containing material (“ACM”). Of those, 16 contained damaged asbestos and friable ACM. Eleven buildings also have exterior ACM in addition to the interior ACM. In April 1998, the property was inspected and cement-asbestos shingle debris was found on the ground near every building on the property.⁷ Since the asbestos survey was completed, 24 of the building no longer exist and only 12 buildings remain in the Proposed Project Area. In order to use the site as a commercial and recreational facility for the community, asbestos cleanup will need to be completed on the remaining buildings.

The Occupational Safety and Healthy Administration of the US Department of Labor provides strict standards for workplace safety, including, “...a place of employment free from recognized hazards that are likely to cause death or serious physical harm to his employees.”⁸ The Agency plans to create places of employment in the Proposed Project Area, and therefore must comply with the US Department of Labor regulations. The cost of asbestos removal for the structures in the Proposed Project Area can be calculated on a square foot basis and is approximately \$5.34 per square foot.⁹

In addition to the asbestos contamination, there is evidence of soil contamination including chlordane, dioxin, polychlorinated biphenyls (PCB), metals and petroleum. The Environmental Impact Report (EIR) describes in further detail the potential for construction-related impacts (including construction worker and general public exposure) due to possible asbestos, PCB and mercury exposure during anticipated building demolition. The impacts of these projects must be mitigated, which adds cost to the construction project.

The presence of contamination can deter private investors from choosing to redevelop a property. The receipt of tax increment will provide capital to remediate the contamination and stimulate private investment in the Proposed Project Area. With limited financial capacity in both the City and the Agency, there are not sufficient resources to evaluate and clean up the Proposed Project Area to ensure the health and safety of future occupants. Remediation of the contamination is necessary to facilitate redevelopment in the Proposed Project Area. The continued existence of the contamination will leave the property underutilized and abandoned. The cost of mitigation of the contamination will hinder private investment, and the ability of the private sector to develop the Proposed Project Area without public assistance.

⁷ Environmental Assessment, US Army Corps of Engineers Sacramento Division. October 2000.

⁸ OSH Act Section 5(a)1

⁹ Whitestone Research, ‘Approximation of the Asbestos Cleanup Liability for Large Real Property Portfolios’, September 2009

Faulty or Inadequate Infrastructure

CRL Section 33492.11(a)(5) states that “properties currently served by infrastructure that does not meet existing adopted utility or community infrastructure standards” is a condition of blight. When the City acquired the former Rio Vista ARC in 1995, it had been already been abandoned for six years. The sewer system, wastewater disposal, potable water, and electrical power distribution infrastructure have not been used since 1989 and as such, their capacity and capabilities are unknown. In addition, the potable water has shown high instances of chemical substances including lead.¹⁰ A groundwater quality analysis was conducted in December 1997, and the groundwater was found to contain a lead concentration in excess of the maximum contaminant level.¹¹ Lead in drinking water can cause a variety of adverse health effects. In children, exposure to lead in drinking water above the action level can result in delays in physical and mental development, along with slight deficits in attention span and learning abilities. In adults, it can cause increases in blood pressure. Adults who drink this water over many years could develop kidney problems or high blood pressure. Lead is rarely found in source water, but enters tap water through corrosion of plumbing materials.¹²

City General Fund revenue is not available to provide the necessary infrastructure to the Proposed Project Area. The City’s Capital Improvement Program (“CIP”) discusses the many infrastructure needs already existing in the City, including water treatment and storage. The CIP mentions that the City receives water from groundwater wells, and some of the wells are contaminated or not functional. Determining how to extract, treat, and store water for drinking is listed as a top priority in the CIP and funds were expected to come from developer fees, which the City has not received due to the housing market collapse. With the City’s dire financial situation, large capital projects have been put on hold until revenues begin to increase.

In addition to the water infrastructure needs, the site has been subject to repeated vandalism that has removed electrical wiring and has caused damage to the electrical infrastructure system. The photograph below illustrates the current electrical infrastructure system. Section D of this Report contains further details regarding the specific types of infrastructure improvements that will be needed and estimated costs.



Damaged Electrical Infrastructure

¹⁰ Environmental Assessment, US Army Corps of Engineers Sacramento Division. October 2000.

¹¹ Base Realignment and Closure Project Management Plan, Rio Vista Army Reserve Center, California. March 14, 2002.

¹² www.epa.gov

The lack of necessary infrastructure, environmental contamination, and other development challenges present serious impediments to successful redevelopment of the Proposed Project Area. Without proper electrical infrastructure, roads, water system, sanitary sewer system, and storm drainage systems, this land will continue to be underutilized.

SECTION C: FIVE-YEAR IMPLEMENTATION PLAN

INTRODUCTION

This Section of the Report represents the Agency's Five Year Implementation Plan ("Implementation Plan") covering the five-year planning period for fiscal years 2009-10 through 2013-14 for the Proposed Project Area. Every five years, redevelopment agencies are required to adopt an implementation plan for each redevelopment project area that establishes five-year operational and financial work programs for carrying out the redevelopment and affordable housing responsibilities of the agency. This Implementation Plan also contains the Agency's Housing Compliance Plan ("Housing Plan") for meeting the Agency's affordable housing requirements for the 10-year compliance period (FY 2009-10 to 2018-19), including obligations for producing, replacing, and expending funds for affordable housing.

CRL Section 33490(a) requires that the Implementation Plan contain:

- The Agency's goals and objectives, programs, and projects within the Project Area for the next five years, including estimated expenditures.
- An explanation of how the goals and objectives, programs, projects, and expenditures will eliminate blight and promote affordable housing within the Project Area.
- A specific section that addresses the Agency's housing responsibilities, including the Agency's Housing Fund and the Agency's requirements for producing and replacing affordable housing.

This Implementation Plan is intended to be a policy statement rather than a specific course of action. This Implementation Plan is therefore not intended to restrict Agency actions to only the projects and programs specifically identified in this Implementation Plan.

REDEVELOPMENT PLAN GOALS

The Plan establishes the following goals for redevelopment of the Proposed Project Area; these goals frame the near-term redevelopment objectives for the Implementation Plan planning period. An over-arching goal for all of these programs is to effectively leverage Agency funds to eliminate blight in the Proposed Project Area.

1. Develop new, significant Citywide-serving recreation uses and amenities at the Army Base, consistent with the conveyance regulations for the Army Base.
2. Orient and integrate the reuse of the Army Base with the Sacramento River and Delta environment.
3. Encourage a public/private approach to redevelopment of the Army Base and implementation of the Reuse Plan.
4. Encourage redevelopment that allows for expansion of the City's economic base through the creation of new employment opportunities for local residents, new demand for local goods and services, and the attraction of new visitors to Rio Vista.
5. Ensure that the Army Reserve Center is free of all environmental hazards, and that all toxics and other environmental problems have been remediated consistent with State and Federal standards and the final Reuse Plan, and that the existing buildings, foundations, and the related asbestos are removed from the site.

6. If environmental hazards exist, work with the Army to develop a remediation plan for the site that will be consistent with the Reuse Plan and take advantage of opportunities such as the creation of a public marina.
7. Rehabilitating, preserving, developing and constructing affordable housing in compliance with State law and local zoning code, both inside and outside of the Project Area.
8. Eliminate blighting conditions in the Project Area by completing economic development and capital improvement activities.

PROPOSED REDEVELOPMENT PROGRAM

As stated above, the primary purpose of the Plan goals is to alleviate conditions of blight in the Project Area. The Agency is planning to accomplish this task through the implementation of a number of redevelopment programs. This Implementation Plan details the redevelopment program of actions that will be undertaken in the Project Area within the first five years of the Plan, assuming development occurs. During the Implementation Plan planning period, the Agency intends to implement projects and programs that enhance economic development activities in the Project Area, and in particular plans to implement public improvements.

Projects and programs in the Project Area will be financed using tax increment revenue. The Proposed Project Area is currently under-utilized and does not generate property tax revenue for the Agency. Therefore, development must occur in the Project Area to generate tax increment revenue that will be used to fund redevelopment projects and programs. It is anticipated that development may occur and begin to generate tax increment revenue in the Proposed Project Area in fiscal year 2013-14. Fiscal year 2013-14 is the end of this Implementation Plan's planning period and it is likely that significant redevelopment of the Proposed Project Area will occur in the next planning period. In the event the Proposed Project Area generates funds for projects earlier, this Implementation Plan may have to be amended in accordance with Section 33490 of the CRL prior to the approval of any such project or expenditure.

Programs and Projects

The following details the proposed projects and programs that the Agency will undertake during the Implementation Plan planning period. Project implementation and expenditures will depend on the generation of tax increment revenue in the Proposed Project Area. As a result, project and program expenditures have not been included into this Implementation Plan and will be addressed in detail once the Proposed Project Area receives tax increment revenue.

Delta Monitoring and Research Facility

State and Federal agencies have indentified the Project Area as a preferred location for monitoring and research facility for the San Joaquin Delta. The Proposed Project Area is centrally located within the Delta and could act as a hub for delta researching and monitoring activities. In 2008 the City entered into Memorandum of Understanding ("MOU") with the Department of Water Resources that would provide the framework for negotiations for the States interested in developing a lease agreement for a portion of the Project Area. Also in 2008, an MOU was signed with the U.S. Fish and Wildlife Service to develop an agreement for a proposed fish hatchery specifically for Delta Smelt. The Agency will work with both State and

Federal agencies focus on the proposed monitoring station in conjunction with the IEP. The Agency will work with the State and Federal agencies to facilitate the development of the monitoring and research facility.

Completion of the project would facilitate redevelopment of the Proposed Project Area by eliminating unsafe and unhealthy buildings and improving infrastructure deficiencies. Additionally, it would spur private investment into the Proposed Project Area and help to generate property tax revenue. Development of the facility would also create jobs within the community.

Infrastructure Improvements

The Agency will work with interested developers to alleviate impediments to development in the Proposed Project Area resulting from inadequate public infrastructure. Such improvements could include public infrastructure, utility, and street improvements.

Projects completed under this program would eliminate conditions hindering the development of the site and would bring the Proposed Project Area infrastructure into conformance with community standards.

Rehabilitation and Economic Development Assistance

The Agency will work with interested developers to rehabilitate and remove environmental contamination for the reuse of buildings in the Proposed Project Area. The Agency could team with developers to complete façade improvements, remove asbestos, demolish buildings, and other improvements needed to create safe and healthy buildings.

Projects completed under the program will eliminate unsafe and unhealthy buildings from and spur economic development in the Proposed Project Area.

HOUSING PROGRAMS AND COMPLIANCE

The CRL requires that each implementation plan contain a section that focuses on low and moderate income housing and an agency's compliance with related laws and regulations. Every agency is required to set aside at least 20% of all tax increment revenue generated from its project area into a separate fund ("Housing Fund") for the purpose of increasing, improving and preserving the community's supply of low and moderate income housing. In addition, there are a number of requirements and restrictions on the use of the Housing Fund monies, as well as other obligations that redevelopment agencies have related to the production of housing. This portion of the Implementation Plan focuses exclusively on activities related to the Agency's Housing Fund, and other housing-related requirements imposed by the CRL, and is referred to hereafter as the Housing Plan.

Redevelopment agencies use implementation plans to establish ten-year objectives to achieve compliance with the CRL in its affordable housing programs. These generally fall into three categories:

- **Housing Production** – Based on the number of housing units constructed or substantially rehabilitated over a ten-year period and the effectiveness (duration) of a redevelopment project area. A redevelopment agency is required to ensure that a percentage of these units are made available and affordable to low and moderate income households. These required affordable units are typically referred to as "Inclusionary Units".

- Replacement Housing – Another legal obligation for redevelopment agencies to ensure that any housing units occupied by low or moderate income persons destroyed or removed as a result of an agency redevelopment project are replaced within four years.
- Expenditures by Household Types – Specific requirements on the amount of housing set-aside funds an agency must spend over a ten-year period on housing affordable to very low income households, low income households, and housing for residents under the age of 65.

HOUSING PRODUCTION

The Agency is required to meet certain specific requirements related to housing production (“Production Requirement”) and to produce a plan showing how the Production Requirement will be met. The Production Requirement specifies that certain percentages of housing units must be available at affordable housing costs to households with very low and low incomes. This requirement applies to all housing developed either: (a) by a redevelopment agency as developer anywhere in the community; and/or (b) by entities other than the redevelopment agency within post 1976 redevelopment project areas.

Since 1976, redevelopment agencies have been required to assure that at least 30% of all new or substantially rehabilitated units developed by an agency are available at affordable costs to households of very low, low, or moderate income. Of this 30%, not less than 50% are required to be available at affordable costs to very low income households. Further, for all units developed in the project area by entities other than an agency, the CRL requires that at least 15% of all new or substantially rehabilitated dwelling units within the project area be made available at affordable costs to low or moderate income households. Of these, not less than 40% of the dwelling units are required to be available at affordable costs to very low-income households. These requirements are applicable to housing units as aggregated, and not on a project-by-project basis to each dwelling unit created or substantially rehabilitated unless so required by an agency.

The Proposed Project Area does not contain any residential units and the General Plan designation does not permit the construction of permanent residential units. Therefore, it is unlikely that the Agency will incur a significant affordable housing unit production requirement. However, the Agency will be required to expend the Housing Fund in accordance with CRL and Housing Production will most likely occur outside of the Project Area.

REPLACEMENT HOUSING

The CRL requires that whenever housing occupied by low and moderate income persons or households are destroyed as part of an Agency project, the Agency is responsible for ensuring that an equivalent number of replacement units are constructed or substantially rehabilitated. These units must provide at least the same number of bedrooms destroyed, and 100% of the replacement units must be affordable to the same income categories (i.e. very low, low, and moderate) as those removed. The Agency receives a full credit for replacement units created inside or outside the Proposed Project Area.

They are currently no occupied housing units in the Proposed Project Area and therefore no potential replacement housing obligations are anticipated.

HOUSING FUND EXPENDITURES

The CRL requires an agency to set aside in a separate Housing Fund at least 20% of all tax increment revenue generated from its project areas for the purpose of increasing, improving and preserving the community's supply of low and moderate income housing. Agencies are specifically required to expend the monies in the Housing Fund to assist very low, low and moderate income households, generally defined as:

- Very Low Income - incomes at or below 50% of area median income, adjusted for family size
- Low Income - incomes between 51% and 80% of area median income, adjusted for family size
- Moderate Income - incomes between 81% and 120% of area median income, adjusted for family size

Housing assisted with Housing Fund monies must be "available at an affordable housing cost". In general, this means that the cost of housing for eligible low and moderate income households equals about 30% of income. The cost of housing, as defined, includes not only the rental or mortgage payment, but also includes, as appropriate, insurance, property taxes, homeowner's dues and assessments and utilities.

The CRL also requires the placement and recordation of affordability controls on any new or substantially rehabilitated housing assisted with Housing Fund monies. Currently, such controls must be placed on any assisted rental housing units such that they remain affordable for 55 years. For owner-occupied housing, controls must be placed on the assisted units for 45 years. These restrictions have changes substantially over time. Prior to January 1, 2002, the required affordability controls were substantially less; most recently for 30 years.

Targeting Requirements

At a minimum, the Agency's low and moderate income housing set aside revenue is to be expended in proportion to the community's need for very low and low income housing, as well as the proportion of the low income population under the age of 65.

The community's proportionate need is based on statistics from the Association of Bay Area Governments, used by local government to meet state requirement for affordable housing by category, and the US Department of Housing and Urban Development CHAS allocation numbers. The following chart represents the minimum Housing Fund expenditure thresholds for very low and moderate incomes, and households under age 65 and the maximum Housing Fund expenditure thresholds for moderate incomes and households over age 65 housing program expenditures required over the term of the planning period. Table 4 shows the Agency's targeting requirements for the planning period.

Housing Fund Proportional Expenditure Allocation		Table 4
Rio Vista Army Reserve Center Redevelopment Project Area		
Income Level	Targeting Requirement (% of Total) ¹	
Very-Low Income (<i>minimum</i>)	36%	
Low-Income (<i>minimum</i>)	30%	
Moderate-Income (<i>maximum</i>)	35%	
Age Category of Income Restricted Households	Targeting Requirement (% of Total) ²	
Non-Senior (<i>minimum</i>)	58%	
Senior (<i>limitation</i>)	42%	
<p>¹ Association of Bay Area Governments Regional Housing Needs Assessment, Final May 15, 2008. RHNA Allocation totals 213, 176, and 207 very low, low and moderate income units respectively.</p> <p>² Data of low income households under the age of 65 is not readily available from the Census. The nearest metric for such Census data represents households under the age of 62 (available via the Comprehensive Housing Affordability Strategy at http://socds.huduser.org/chas/index.htm). The CHAS numbers total 510 and 370 non-senior and senior low and moderate income households respectively.</p>		

Housing Fund Deposits

The Agency has estimated future tax increment revenue that will be generated from the Project Area, and the 20% portion of tax increment revenue that will be deposited in the Housing Fund. The total five-year deposit of tax increment revenue into the Housing Fund is estimated to be approximately \$1,000. The Housing Fund is not anticipated to begin receiving deposits until fiscal year 2013-14 which accounts for the five-year total of \$1,000.

The Agency will seek to combine its Housing Fund revenue with other funding sources devoted to the provision of affordable housing to maximize the number of affordable units that can be developed or rehabilitated with the limited amount of available Housing Funds. These other funding sources include Community Development Block Grant ("CDBG") and Home Investment Partnerships funds from the U.S. Department of Housing and Urban Development ("HOME"), California Housing Finance Agency ("CHFA") and Department of Housing and Community Development ("HCD") program funds at the State level, and low income housing tax credit equity funds ("Tax Credits").

PROPOSED HOUSING PROGRAM

Based on the limited financial capacity of the Agency within in the planning period, it is unlikely that sufficient Housing Fund revenue will be available to leverage housing projects or programs. The Agency will actively look for affordable housing opportunities as funding becomes available and anticipates completing an affordable housing study to determine the best use of Housing Fund revenue. The Agency will make a finding of benefit in order to facilitate the development of affordable housing units outside of the Proposed Project Area.

SECTION D: AN EXPLANATION OF WHY THE ELIMINATION OF BLIGHT AND REDEVELOPMENT OF THE PROJECT AREA CAN NOT REASONABLY BE EXPECTED TO BE ACCOMPLISHED BY PRIVATE ENTERPRISE ALONE OR WITH OUT TAX INCREMENT FINANCING

REASONS FOR THE PROVISION OF TAX INCREMENT

The City does not have the financial resources to provide infrastructure or financing for the proposed projects and programs discussed in Section A. With the City in serious financial distress, tax increment financing will be an essential component of a successful redevelopment program in the Proposed Project Area. As demonstrated in Section B of this Report, closure of the Rio Vista ARC negatively impacted the site and the surrounding community. Without a means to reinvest into the Proposed Project Area, the site will remain as a blighted untapped resource in the community. Tax increment financing provides a dedicated source of revenues for the Agency to invest into redevelopment of the Proposed Project Area by providing financial incentive to prospective developers and needed public improvements to successfully mitigate existing blighting conditions.

In addition to assisting with the creation of a successful redevelopment program, tax increment revenue will provide critical funding for the IEP to create a location for a research facility to monitor and research fish, invertebrates, and water quality. IEP's monitoring work is mandated as part of water rights legal decisions and endangered species biological opinions. Tax increment revenue could provide funding for the infrastructure in the Proposed Project Area, which would lower the overall cost of providing a facility. IEP's research will be vital to ensuring that a reliable water source will be available to provide water to the agricultural industry, which is a large part of the City's economy. In the long run, ensuring the health of the Sacramento River is essential the regional economy's health.

Upon conveyance of the Rio Vista ARC to the City, the City accepted responsibility for redevelopment/development of the Proposed Project Area per the terms of the Quitclaim Deed. Redevelopment cannot occur without the City's participation and the City cannot abdicate its role to the private sector. Redevelopment of the Proposed Project Area will require a joint venture with the City and the private sector that is facilitated by the City through the Agency. As required by the CRL, the Agency will continue to look to other funding sources to assist in the redevelopment effort. However, tax increment is still needed to fill funding gaps between the costs identified and these other funding sources. In addition, most of the elements of the program of redevelopment have little or no alternative funding sources. Financial assistance from other funding sources also has serious limitations. Grants from other levels of government are sporadic and difficult to obtain. The ongoing budget dilemma at the State level will continue to pose ongoing challenges for local governments and their ability to make accurate financial forecasts and budget decisions. The current economic downturn is hitting California especially hard and the impact on the State budget is also devastating. Tax increment financing provides the most secure method of financing to eliminate the blighting conditions in the Proposed Project Area.

SECTION E: PROPOSED METHOD OF FINANCING INCLUDING THE ECONOMIC FEASIBILITY OF THE PROPOSED PROJECT AREA

METHODS OF FINANCING

The CRL requires a preliminary report to include information on the proposed method of financing redevelopment, including information on the economic feasibility of the project. The Agency intends on financing redevelopment of the Project Area with the following resources:

- Financial assistance from the County, State of California, and/or Federal Government;
- Tax increment revenue;
- Bonded debt;
- Proceeds from lease or sale of Agency-owned property;
- Loans from private financial institutions; and
- Any other legally available source.

The more typical sources of redevelopment financing that may be employed within the Project Area are described below.

Financial Assistance from the County, State, and/or the Federal Government

The Agency may obtain loans and advances from the City for planning, construction, and operating capital for the administration of the Project Area until such time that sufficient tax increment revenue is raised to repay loans and provide other means of operating capital. The City may also defer payments on Agency loans for land purchases. This is a commonly used method to benefit the Agency's cash flow by allowing redevelopment to occur, and increase the amount of tax increment revenue being received before requiring repayment of the loan. Additionally, the City or other public agencies may issue bonds on behalf of the Agency and provide in-kind assistance. Such assistance may be employed to meet short-term cash flow needs, as the City cannot carry extensive levels of Agency debt at the risk of threatening the City's own cash balances.

Financial assistance from the County, State and Federal government may be used by the Agency to fund redevelopment program expenses. The Agency also actively solicits financial assistance in the form of grants and loans from the State and Federal government. However, the Agency does not anticipate that these funding sources alone will be sufficient to complete the program of redevelopment.

Property Tax Increment

The Agency will use property tax increment as provided for in Section 33670 of CRL, and as authorized in the Plan, to employ tax increment financing to underwrite Project costs. Tax increment revenue may only be used to pay indebtedness incurred by the Agency; indebtedness includes principal and interest on loans, monies advanced, or debts (whether funded, refunded, assumed, or otherwise) incurred by the Agency to finance or refinance, in whole or in part, redevelopment activities.

Project tax increment revenues are distributed to address an array of obligations. As required by Section 33334.2 of CRL, twenty percent (20 percent) of Proposed Project Area tax increment revenue is deposited into a Housing Fund for the purposes of increasing, improving, and preserving the community's supply of low and moderate income housing.

The remaining eighty percent (80 percent) of the tax increment revenue will be used to pay for taxing entity obligations, debt service costs, and other program expenditures. Program expenditures include infrastructure, capital facility, and economic development programs within the Proposed Project Area.

The Plan contains specific time limits on the collection of tax increment revenue as required by CRL. As stated in the Plan, the Agency may collect tax increment for a period of 45 years following certification by the Solano County Auditor-Controller ("Auditor Controller") to the City's Director of Finance, pursuant to Health and Safety Code Section 33492.9 to the effect that One Hundred Thousand Dollars (\$100,000) or more of tax increment funds from the Proposed Project Area have been paid to the Agency ("Auditor Certification Date"). Based on projected assessed values at this time, it is anticipated that the Agency will reach the \$100,000 of tax increment revenue and receive certification by the County Auditor on June 30, 2014.

Pursuant to Section 33492.13 of the CRL, the Plan must contain a limitation on the amount of tax increment revenue received by the Agency. The Plan contains a cumulative limit on the amount of tax increment revenue that the Agency will collect over the 45-year effectiveness period of the Plan. Table 5 details the proposed Plan limits for the Proposed Project Area assuming a certification date of June 30, 2014. The proposed cumulative tax increment limit in the Plan is \$50.0 million.

Plan Limitations	Table 5
Rio Vista Army Reserve Redevelopment Project Area	
Cumulative Tax Increment Revenue Limit	\$ 50 million
Bonded Indebtedness Limit	\$ 15 million
Time Limit to Incur Debt ¹	June 30, 2034
Plan Effectiveness ¹	June 30, 2044
Time Limit to Receive Tax Increment ¹	June 30, 2059
Time Limit to Repay Debt ¹	June 30, 2059
¹ Time limit assumes the Auditor's Certification Date will be June 30, 2014.	

Bonded Debt

Under the Plan, the Agency would have the capacity to issue bonds and/or notes for any of its corporate purposes, payable in whole or in part from tax increment revenue. Many redevelopment agencies in the state employ bond financing as an integral component of their overall redevelopment financing program. The Plan permits the Agency the ability to incur debt for a 20-year period after the Auditor Certification Date as illustrated in Table 5. The Plan's proposed amount of outstanding bonded indebtedness at a given time is \$15.0 million.

Lease or Sale of Agency-Owned Property

The Agency may sell, lease, or otherwise encumber its property holdings to pay the costs of Project implementation.

Participation in Development

If the Agency enters into agreements with tenants or developers that provide for revenues to be paid or repaid to the Agency, such revenues may be used to pay Project implementation costs.

Other Available Sources

Any other loans, grants, or financial assistance from the federal government, or any other public or private source will be utilized as available and appropriate. The Agency will consider use of the powers provided by Chapter 8 (Redevelopment Construction Loans) of the CRL to provide construction funds for appropriate projects. Where feasible and appropriate, the Agency may use assessment district and/or Mello Roos bond financing to pay for the costs of public infrastructure, facilities, and operations.

PROJECTED TAX INCREMENT REVENUES

The primary source of project financing is anticipated to be tax increment revenue. Table 6 presents a preliminary forecast of tax increment revenues for the Proposed Project Area, based on several assumptions noted below:

- **2009-10 Base Year Value:** Assuming the Plan is adopted prior to June 30, 2010 the Proposed Project Area will collect tax increment revenues from increases in the Proposed Project Area assessed value over fiscal year 2009-10. Increases in assessed value will occur when development occurs in the Proposed Project Area. In correspondence dated November 3, 2009 and October 28, 2009 respectively, the Auditor-Controller and State Board of Equalization provided their respective reports of the estimated base year value of the Proposed Project Area. According to these agencies, the Proposed Project Area's 2009-10 base year secured, unsecured and utility value is \$0.
- **Assessed Value Growth Rates:** RSG conservatively applied a 2.0 percent annual growth rate to forecast secured assessed value increases in future years. Unsecured and non-unitary values do not currently exist and have not been included in future years due to their unpredictable nature.
- **New Construction:** RSG has conservatively assumed that redevelopment of the Proposed Project Area could yield \$36.25 million in new development value over a ten year period beginning in fiscal year 2013-14. New development costs assumptions are preliminary new development and redevelopment scenarios provided by City staff.

Estimated assessed values are based on current estimated construction costs and industry standards. The preliminary development scenario for the Proposed Project Area includes a boat storage facility, research and development facilities, recreational uses, supporting retail uses, and a hotel. Additional increases in Proposed Project Area assessed values are likely depending on the nature and timing of redeveloped uses over the next several years. Because the Proposed Project Area does not have any assessed value from which to generate property taxes today, the Proposed Project Area will not generate tax increment revenue until new development or redevelopment occurs, providing an increase in the assessed valuation of the Proposed Project Area.

Table 6 presents the Proposed Project Area Tax Increment Projections based on the assumptions described above. The table details projected Proposed Project Area assessed values, tax increment revenue, statutory payments to taxing agencies, and Housing Fund deposits.

Proposed Project Area Tax Increment Projections										Table 6
Rio Vista Army Reserve Center Redevelopment Project Area										
Fiscal Year	Assessed Value Projections				Gross Tax Increment			Statutory Payments to Taxing Agencies	Net Redevelop. Revenue	
	Secured Values 2%	New Development	Total	Incremental Assessed Value	Total Tax Increment	Redevelop. 80%	Housing 20%			
Base Year	2009-10	\$ -		\$ -						
1	2013-14	-	\$ 500,000	\$ 500,000	\$ 500,000	\$ 5,000	\$ 4,000	\$ 1,000	\$ 1,000	\$ 3,000
2	2014-15	510,000	-	510,000	510,000	5,100	4,080	1,020	1,020	3,060
3	2015-16	520,200	-	520,200	520,200	5,202	4,162	1,040	1,040	3,121
4	2016-17	530,604	-	530,604	530,604	5,306	4,245	1,061	1,061	3,184
5	2017-18	541,216	10,000,000	10,541,216	10,541,216	105,412	84,330	21,082	21,082	63,247
6	2018-19	10,752,040	10,000,000	20,752,040	20,752,040	207,520	166,016	41,504	41,504	124,512
7	2019-20	21,167,081	-	21,167,081	21,167,081	211,671	169,337	42,334	42,334	127,002
8	2020-21	21,590,423	-	21,590,423	21,590,423	215,904	172,723	43,181	43,181	129,543
9	2021-22	22,022,231	-	22,022,231	22,022,231	220,222	176,178	44,044	44,044	132,133
10	2022-23	22,462,676	15,750,000	38,212,676	38,212,676	382,127	305,701	76,425	76,425	229,276
11	2023-24	38,976,929	-	38,976,929	38,976,929	389,769	311,815	77,954	79,238	232,578
12	2024-25	39,756,468	-	39,756,468	39,756,468	397,565	318,052	79,513	82,107	235,945
13	2025-26	40,551,597	-	40,551,597	40,551,597	405,516	324,413	81,103	85,033	239,380
14	2026-27	41,362,629	-	41,362,629	41,362,629	413,626	330,901	82,725	88,017	242,884
15	2027-28	42,189,882	-	42,189,882	42,189,882	421,899	337,519	84,380	91,061	246,458
16	2028-29	43,033,680	-	43,033,680	43,033,680	430,337	344,269	86,067	94,167	250,103
17	2029-30	43,894,353	-	43,894,353	43,894,353	438,944	351,155	87,789	97,334	253,821
18	2030-31	44,772,240	-	44,772,240	44,772,240	447,722	358,178	89,544	100,565	257,613
19	2031-32	45,667,685	-	45,667,685	45,667,685	456,677	365,341	91,335	103,860	261,482
20	2032-33	46,581,039	-	46,581,039	46,581,039	465,810	372,648	93,162	107,221	265,427
21	2033-34	47,512,659	-	47,512,659	47,512,659	475,127	380,101	95,025	110,649	269,452
22	2034-35	48,462,913	-	48,462,913	48,462,913	484,629	387,703	96,926	114,146	273,557
23	2035-36	49,432,171	-	49,432,171	49,432,171	494,322	395,457	98,864	117,713	277,744
24	2036-37	50,420,814	-	50,420,814	50,420,814	504,208	403,367	100,842	121,351	282,015
25	2037-38	51,429,231	-	51,429,231	51,429,231	514,292	411,434	102,858	125,062	286,372
26	2038-39	52,457,815	-	52,457,815	52,457,815	524,578	419,663	104,916	128,847	290,815
27	2039-40	53,506,972	-	53,506,972	53,506,972	535,070	428,056	107,014	132,708	295,347
28	2040-41	54,577,111	-	54,577,111	54,577,111	545,771	436,617	109,154	136,646	299,970
29	2041-42	55,668,653	-	55,668,653	55,668,653	556,687	445,349	111,337	140,663	304,686
30	2042-43	56,782,026	-	56,782,026	56,782,026	567,820	454,256	113,564	144,761	309,496
31	2043-44	57,917,667	-	57,917,667	57,917,667	579,177	463,341	115,835	150,212	313,130
32	2044-45	59,076,020	-	59,076,020	59,076,020	590,760	472,608	118,152	155,772	316,836
33	2045-46	60,257,541	-	60,257,541	60,257,541	602,575	482,060	120,515	161,443	320,617
34	2046-47	61,462,691	-	61,462,691	61,462,691	614,627	491,702	122,925	167,228	324,474
35	2047-48	62,691,945	-	62,691,945	62,691,945	626,919	501,536	125,384	173,128	328,407
36	2048-49	63,945,784	-	63,945,784	63,945,784	639,458	511,566	127,892	179,147	332,420
37	2049-50	65,224,700	-	65,224,700	65,224,700	652,247	521,798	130,449	185,285	336,512
38	2051-52	66,529,194	-	66,529,194	66,529,194	665,292	532,234	133,058	191,547	340,687
39	2052-53	67,859,778	-	67,859,778	67,859,778	678,598	542,878	135,720	197,934	344,944
40	2053-54	69,216,973	-	69,216,973	69,216,973	692,170	553,736	138,434	204,448	349,287
41	2054-55	70,601,313	-	70,601,313	70,601,313	706,013	564,811	141,203	211,093	353,717
42	2055-56	72,013,339	-	72,013,339	72,013,339	720,133	576,107	144,027	217,871	358,236
43	2056-57	73,453,606	-	73,453,606	73,453,606	734,536	587,629	146,907	224,784	362,845
44	2057-58	74,922,678	-	74,922,678	74,922,678	749,227	599,381	149,845	231,836	367,546
45	2058-59	76,421,131	-	76,421,131	76,421,131	764,211	611,369	152,842	239,028	372,341
Cumulative Totals			\$36,250,000			\$ 20,849,777	\$ 16,679,822	\$ 4,169,955	\$9,880,100	6,799,722
						100%	80%	20%	47%	33%
Net Present Value (6.5%)						\$ 4,427,906	\$ 3,542,325	\$ 885,581	\$ 1,035,095	\$ 2,507,230
						100%	80%	20%	23%	57%

Over the 45-year period the Agency collects tax increment revenue, RSG estimates that approximately \$20.9 million of gross tax increment revenue could be generated by the Proposed Project Area. Of which 20 percent or \$4.2 will be deposited into the Housing set aside fund and the remaining 80 percent or \$16.7 into the redevelopment fund. After deducting Statutory Payments to affected taxing agencies pursuant to Section 33607.5 of the CRL ("Statutory Payments"), the Agency could retain approximately \$6.8 million for its non-housing fund for redevelopment projects, and another \$4.2 million for affordable housing projects.

The Agency is required to make Statutory Payments, projected to be approximately \$9.9 million of its non-housing tax increment revenue, to the affected taxing agencies over the 45-year period the Proposed Project Area collects tax increment revenue. These Statutory Payments would start on the Auditor Certification Date (the first fiscal year the Agency receives more than \$100,000 in tax increment from the Project Area assumed to be fiscal year 2013-14). According to Section 33607.5 of CRL, beginning in the first payment year, the Statutory Payments are equal to 25 percent of the Project Area's annual non-housing tax increment revenue. These Statutory Payments are subject to two subsequent increases. The first increase in Statutory Payments would take effect in the eleventh payment year, when the Agency would be required to pay 21 percent of the non-housing tax increment revenues generated by increases in assessed values above the assessed value in the tenth payment year. CRL further provides for a second increase in the Statutory Payments that commences in the thirty-first payment year of 14 percent of the incremental increase in non-housing tax increment revenues generated by increases in assessed values in excess of the assessed values in the thirtieth payment year.

In total, the Agency will share approximately 47 percent of its gross tax increment revenues with the affected taxing agencies. The actual amount of the Statutory Payments will vary based on the amount of tax increment revenues collected by the Agency each year. A forecast of Statutory Payments has been included in Table 3. Should actual tax increment revenues exceed or fall below these projections, actual Statutory Payments would be higher or lower.

Each taxing agency is entitled to its respective share of the Statutory Payment. All agencies receive their share of the Statutory Payments, except for the City's General Fund, which by Section 33607.5 may only elect to receive its share of the first 25 percent of the Statutory Payments. The following is a list of affected taxing agencies in the Proposed Project Area, according to the County Auditor-Controller's office:

- County of Solano
- Solano County Library
- Solano County Mosquito Abatement District
- Accumulated Capital Outlay
- Solano County Aviation
- Solano County Recreation
- Solano County Water Agency
- Library Special Tax Zone 2
- Yolo-Solano Air Pollution Control District
- County Special Roads
- Rio Vista-Montezuma Cemetery District
- San Joaquin Delta Community College District

- River Delta Joint Unified School District
- Solano County Superintendent of Schools

Economic Feasibility Analysis

RSG projects that the Agency will have a combined total of \$11 million in tax increment revenue (\$4.2 million in housing and \$6.8 million in non-housing) available to fund redevelopment activities over the approximately 45-year duration of the Plan.

Section D includes a preliminary list of potential infrastructure/public facility projects in the Plan and other programs proposed by the Agency. As depicted in Table 7 below, RSG estimates the total cost of these projects and programs is approximately \$15.4 million, including direct project costs.

Project and Program Costs		Table 7
Rio Vista Army Reserve Center Redevelopment Project Area		
	Cumulative Value	
Gross Tax Increment Collected	\$20,849,777	
20% Housing Set Aside	(\$4,169,955)	
Statutory Payments	(\$9,880,100)	
Tax Increment Available for Projects and Debt Repayment	\$6,799,722	
Public Infrastructure and Facilities	(\$8,511,663)	
Rehabilitation and Economic Development	(\$6,937,158)	
Project and Program Costs	(\$15,448,821)	
Funded by Other Revenue Sources	(\$8,649,099)	

This anticipated amount of tax increment revenue for the Proposed Project Area would allow the Agency to invest in a modest amount of infrastructure, public facility, and economic development projects. As with any redevelopment project area, the Agency will be working closely with the private sector so these tax increment revenue investments can be leveraged for the most effective impact on Proposed Project Area blight. Although, tax increment revenue alone would not be enough to fully redevelop the Proposed Project Area. The Agency will look to other funding sources for additional financial assistance to fund projects and programs as described earlier in this Section. Long-term, it is the intent of the Agency that its redevelopment activities will stimulate others to invest in the Proposed Project Area as well. Should tax increment revenues fall below or exceed expectations, the Agency will alter implementation activities accordingly.

SECTION F: METHOD OF RELOCATION

In the event the Plan is adopted and implementation actions include relocation of residents or nonprofit local community institutions, the Agency will adhere to State relocation law and guidelines, consisting of the California Relocation Assistance Law (Government Code Sections 7260 through 7277, "Relocation Assistance Act"), and the Relocation Assistance and Real Property Acquisition Guidelines adopted and promulgated by the California Department of Housing and Community Development (California Code of Regulations, Title 25, Sections 6000 through 6198, "Relocation Guidelines").

If relocation is necessary to implement the Plan in order to eliminate blighting conditions, the Relocation Assistance Act and Relocation Guidelines ensure the Agency will meet its relocation responsibilities to any families, persons, businesses, or nonprofit local community institutions to be temporarily or permanently displaced as a consequence of the Plan's implementation.

No persons or families of low and moderate income shall be displaced unless and until there is a suitable housing unit available and ready for occupancy by the displaced person or family at costs comparable to those at the time of their displacements.

While the Plan would prohibit eminent domain, the Agency's relocation responsibilities are not limited to eminent domain acquisition alone. For example, the Agency may have relocation responsibility for displacement of residents if their properties are purchased by voluntary sale.

SECTION G: ANALYSIS OF THE PRELIMINARY PLAN

The Preliminary Plan for the Project Area (“Preliminary Plan”) was approved by the Planning Commission of the City of Rio Vista on August 12, 2009. The Preliminary Plan described the boundaries of the Project Area and included general statements of the proposed land uses, layout of principle streets, population densities, building intensities, and building standards. It also addressed how the Plan would attain the purposes of the CRL. It discussed the Plan's conformance with the City's General Plan and discussed the impact upon residents and the surrounding neighborhood. The Plan conforms to the standards and provisions of the Preliminary Plan. The Project Area boundaries, the land uses, and the principal streets indicated in the Preliminary Plan remain the same.

The Plan conforms with the standards and provisions of the Preliminary Plan, as detailed below:

- **Project Area Location and Description:** This section of the Preliminary Plan describes the boundaries of the Proposed Project Area. As of the date of this Report, the proposed boundaries are identical to those described in the Preliminary Plan.
- **General Statement of Proposed Planning Elements:** This section of the Preliminary Plan states that Proposed Project Area land uses, proposed layouts of principal streets, proposed population densities, proposed building intensities, and proposed building standards shall be subject to and controlled by the General Plan, Zoning Ordinance, and other local codes, as amended from time to time. These planning elements have been incorporated into the Plan. Additionally, the Plan does not propose any changes to population or development densities or land use designations.
- **Attainment of the Purposes of the CRL:** This section of the Preliminary Plan generally sets forth the objectives of the Proposed Project Area. To this end, the Plan contains a detailed list of redevelopment goals that permit the Agency to complete its redevelopment program to eliminate persisting blighting conditions in the Proposed Project Area in accordance with the CRL.
- **Consistency with the General Plan of the City:** Both the Preliminary Plan and Plan conform to the standards, policies and provisions of the General Plan, as they exist or are hereafter amended.
- **General Impact of the Proposed Project Upon the Residents of the Proposed Project Area and Surrounding Neighborhoods:** This section of the Preliminary Plan explains that there are no residents in and immediately adjacent to the Proposed Project Area and that it is expected that the Plan will result in improved economic and physical conditions in the Proposed Project Area. Other impacts associated with the implementation of the Plan have been assessed and analyzed in the Environmental Impact Report on the Plan. The Plan provides the Agency with the redevelopment tools and policies necessary to achieve positive impacts and mitigate negative impacts.

SECTION H: REPORT AND RECOMMENDATION OF THE PLANNING COMMISSION

CRL section 33492.20(d) exempts the Agency from complying with the provision to include a report and recommendation of the Planning Commission into this Report. However, the Planning Commission is scheduled to consider adoption of a resolution making its report and recommendation regarding the proposed Plan adoption at their regularly scheduled meeting of February 10, 2010. The resolution will make a finding that the proposed Plan adoption is in conformity with the City's General Plan.

SECTION I: PROJECT AREA COMMITTEE REPORT AND RECOMMENDATION

Pursuant to Section 33385 of the CRL, a Project Area Committee (“PAC”) is required if the Agency proposes to adopt a redevelopment plan to: (1) grant the authority to the Agency to acquire by eminent domain property on which persons reside in a project area in which a substantial number of low- and moderate-income persons reside; or (2) the proposed redevelopment plan as adopted contains one or more public projects that will displace a substantial number of low – or moderate- income persons.-. The Proposed Project Area adoption does propose the use of eminent domain nor contain any occupied housing. Therefore, there is no requirement to form a PAC.

SECTION J: CONFORMANCE WITH THE GENERAL PLAN

CRL section 33492.20(d) exempts the Agency from complying with the provision that the Plan must be in conformance with the City's General Plan be included in this Report. However, the Agency has taken precautions to ensure the proposed Plan in is conformance with the City's General Plan. The Plan follows the provisions of the City's General Plan, as well as other state and local guidelines, as they may be amended from time to time.

SECTION K: ENVIRONMENTAL DOCUMENTATION

CRL Section 33492.18 exempts the Report from including the requirement to comply with the California Environmental Quality Act (Division 13 (commencing with 21000) of the Public Resources Code), if it is deemed necessary to adopt the Plan at the soonest possible time to use the authority provide by Chapter 4.5 of the CRL. The Agency must make a finding that the CEQA process would require the Plan to be delayed and impact redevelopment. In addition, the Agency must notice and hold a public hearing regarding delaying CEQA documentation. However, the Agency is required to certify an environmental impact report for the Plan within 18 months of the effectiveness date adopting the Plan.

A draft of the Environmental Impact Report for the Proposed Project Area ("EIR) will be circulated for public review on April 1, 2010. The public hearing on the EIR is tentatively set for May 12, 2010 Planning Commission meeting. The public hearing provides an opportunity to receive public testimony on the proposed EIR. The City Council is schedule to certify the EIR on July 1, 2010. The EIR will be certified subsequent to the adoption of the Plan which is permitted under Article 4.5 of the CRL.

SECTION L: REPORT OF THE COUNTY FISCAL OFFICER

Pursuant to CRL Section 33328 a Report of the County Fiscal Officer was prepared, using the 2009-10 equalized assessment roll as the “base year” assessment roll for the purposes of calculating tax increment. The Report prepared by the Solano County Auditor-Controller and the State Board of Equalization is included here within. The base year value of the Proposed Project Area totals \$0 inclusive of secured, unsecured and unitary values.

OFFICE OF THE AUDITOR-CONTROLLER

SIMONA PADILLA-SCHOLTENS
COUNTY AUDITOR-CONTROLLER

675 TEXAS STREET, SUITE 2800
FAIRFIELD, CALIFORNIA 94533-6338
PHONE (707) 784-6280
FAX (707) 784-3553



PHYLLIS TAYNTON
ASSISTANT AUDITOR-CONTROLLER

November 3, 2009

Mr Hector De La Rosa
City Manager
City of Rio Vista
One Main Street
Rio Vista, CA 94571

Re: Rio Vista Army Reserve Center Redevelopment Project

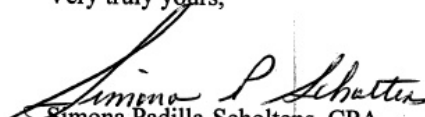
Dear Mr De La Rosa:

As requested, we are providing you with the information related to the formation of the Rio Vista Army Reserve Center Redevelopment Project in accordance with Health & Safety Code Section 33328.:

1. There is only one parcel identified by the Assessor's Office which is within the proposed redevelopment project. It is currently owned by the City of Rio Vista and has zero (\$0) assessed value for at least the last five years. (H&S §33328(a))
2. The identifications of each taxing agency levying taxes in the project area are listed in the enclosed Attachment A. (H&S §33328(b))
3. The amount of tax revenues to be derived by each taxing entity from the base year assessment roll from the project area is zero (\$0). (H&S §33328(c))
4. For each taxing agency, the total *ad valorem* tax revenues from all property within its respective boundary county-wide are listed in the enclosed Attachment B. (H&S §33328(d))
5. We did not provide the estimated first year taxes available to the agency for failure of the redevelopment agency to submit the information necessary to perform the calculation. (H&S §33328(e))
6. The assessed valuation of the project area for the preceding year provided by the Assessor's Office is zero (\$0). The redevelopment agency has specifically stated that they are not requesting an assessed valuation history for the preceding five years. (H&S §33328(f))

If you have any questions please contact Jun Adeva at (707) 784-3418.

Very truly yours,


Simona Padilla-Scholtens, CPA
Auditor-Controller

Attachments

Cc: Michael Johnson, CAO
Dennis Bunting, County Counsel
Daniel Wolk
George Untal
Marc Tonnessen
Phyllis Taynton
All affected taxing agencies

**RIO VISTA ARMY RESERVE CENTER REDEVELOPMENT PROJECT
LIST OF TAXING AGENCIES IN THE PROJECT AREA
Base Year 2009/10
H&S §33328(b)**

COUNTY GENERAL FUND
COUNTY FREE LIBRARY
ACO CAPITAL OUTLAY
MOSQUITO ABATEMENT
AVIATION
RECREATION
SOLANO COUNTY WATER AGENCY
LIBRARY SPECIAL TAX ZONE 2
YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT
SPECIAL ROADS
MONTEZUMA FIRE
RIO VISTA-MONTEZUMA CEMETERY DISTRICT
SAN JOAQUIN COMMUNITY COLLEGE
RIVER DELTA JOINT UNIFIED SCHOOL DISTRICT
RIVER DELTA UNIFIED DISTRICT
COUNTY OFFICE OF EDUCATION SERVICE FUND

ATTACHMENT A

RIO VISTA ARMY RESERVE CENTER REDEVELOPMENT PROJECT
TOTAL COUNTY-WIDE TAX REVENUES OF TAXING AGENCIES IN THE PROJECT AREA
Base Year 2009/10
H&S §33328(d)

COUNTY GENERAL FUND	94,329,741
COUNTY FREE LIBRARY	6,532,985
ACO CAPITAL OUTLAY	2,491,103
MOSQUITO ABATEMENT	2,184,686
AVIATION	367,306
RECREATION	625,128
SOLANO COUNTY WATER AGENCY	7,276,249
LIBRARY SPECIAL TAX ZONE 2	32,974
YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT	403,549
SPECIAL ROADS	785,104
MONTEZUMA FIRE	570,096
RIO VISTA-MONTEZUMA CEMETERY DISTRICT	502,494
SAN JOAQUIN COMMUNITY COLLEGE	1,044,724
RIVER DELTA JOINT UNIFIED SCHOOL DISTRICT	5,809,433
RIVER DELTA UNIFIED DISTRICT	302,270
COUNTY OFFICE OF EDUCATION SERVICE FUND	518,974
	1% TOTAL
	<u>\$ 123,776,816</u>
	FIRE STATION GOB
	\$ 29,438
	GRAND TOTAL
	<u><u>\$ 123,806,254</u></u>

ATTACHMENT B



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION
PROPERTY AND SPECIAL TAXES DEPARTMENT
450 N STREET, MIC: 59, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0059
TELEPHONE (916) 322-7189
FAX (916) 327-4251
www.boe.ca.gov

BETTY T. YEE
First District, San Francisco

BILL LEONARD
Second District, Ontario/Sacramento

MICHELLE STEEL
Third District, Rolling Hills Estates

JEROME E. HORTON
Fourth District, Los Angeles

JOHN CHIANG
State Controller

RAMON J. HIRSIG
Executive Director

November 3, 2009

Mr. Jun Adeva
Chief Deputy Auditor-Controller
Solano County Office of the Auditor-Controller
ATTN: Property Taxes/Grants
675 Texas St., Suite 2800
Fairfield, CA 94533

Dear Mr. Adeva,

Pursuant to Section 33328 et seq. of the Health and Safety Code, the 2009/2010 non-operating and non-unitary assessed values of state assessed property located within the boundaries of the proposed City Of Rio Vista Army Reserve Center Redevelopment Project is zero.

These values will continue to be valid if the project boundaries remain fixed and the ordinance adopting and approving the redevelopment plan for this project becomes effective prior to August 20, 2010.

If you have any questions regarding this matter, please contact Mr. Errol F. Tankiamco at (916) 322-4768.

Sincerely,

Ralph L. Davis, Research Manager
Tax Area Services Section

RLD:et

cc: Mr. Hector De La Rosa
Ms. Keri Bullock

Values/4/2007

SECTION M: NEIGHBORHOOD IMPACT REPORT

CRL Section 33352(m) requires that this Report contain a neighborhood impact report if the Proposed Project Area contains low or moderate income housing. A neighborhood impact report discusses the impact the Plan will have on low and moderate income persons or families in the following areas: relocation, traffic circulation, environmental quality, availability of community facilities and services, effect on school population and quality of education, property assessments and taxes, and other matters affecting the physical and social quality of the neighborhood. Additional issues that the neighborhood impact report must address include: the number of low or moderate-income dwelling units to be removed or destroyed; the number of low or moderate income persons or families expected to be displaced; the general location of housing to be rehabilitated, developed or constructed; the number of dwelling units planned for construction or rehabilitation to house persons and families of low or moderate income (other than replacement housing); the projected means of financing the aforementioned dwelling units; and the projected timetable for meeting the Plan's relocation, rehabilitation, and replacement housing objectives.

The Proposed Project Area is currently vacant and does not contain any occupied low or moderate income housing units, low income or otherwise. In addition, the Project Area is not designated by the General Plan for the development of permanent residential housing units. Therefore, the Agency does not need to prepare a neighborhood impact report for the Proposed Project Area. Future development within the Proposed Project Area will require environmental review assessing many of the areas covered in a neighborhood impact report.

SECTION N: SUMMARY OF CONSULTATION WITH AFFECTED TAXING ENTITIES

During the processing of the adoption of the Plan, the Agency offered to consult with the interested affected taxing entities. The following affected taxing entities were noticed and provided an opportunity to consult with the Agency:

- County of Solano
- Solano County Library
- Solano County Mosquito Abatement District
- Accumulated Capital Outlay
- Solano County Aviation
- Solano County Recreation
- Solano County Water Agency
- Library Special Tax Zone 2
- Yolo-Solano Air Pollution Control District
- County Special Roads
- Rio Vista-Montezuma Cemetery District
- San Joaquin Delta Community College District
- River Delta Joint Unified School District
- Solano County Superintendant of Schools

To date, none of the affected taxing entities have contacted the Agency to discuss the Proposed Project Area adoption. The Agency will consult with affected taxing entities as requested until the public hearing on the proposed Redevelopment Plan.