

**REDEVELOPMENT
UPDATE:
August 2011**

**City of Merced Public Financing and
Economic Development Authority**

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State Budget Action FY 2011/2012-Raid on Redevelopment Funds:

The Redevelopment Agency will undergo a loss of funding in the amount of \$3.3 million due to State action to eliminate redevelopment agencies and use local redevelopment funding for State purposes. An additional \$780,000 will be lost in the following fiscal years. The State AB1x-26/27 action will significantly affect the ability of the Agency to deliver revitalization projects and programs to the community. The California Supreme Court has issued a partial stay on the legislation until the case can be decided.

UNDER CONSTRUCTION NOW:

G Street Undercrossing: Teichert Construction began work on the undercrossing in July 2010. The project is proceeding on schedule, with the bridge and pedestrian sidewalks having been completed. Crews are grading the roadway to prepare for paving. The contract includes construction to be completed in December of 2011. Staff presented and the Council selected artwork to be included in the undercrossing from local Merced artists. Upon the completion of construction, the Authority will work to redevelop several of the properties that were acquired for right of way. Lead Authority staff: Ainslie/Mendoza.

Downtown Street Resurfacing, Public Improvements: The project includes nearly \$2.1 million in federal stimulus funds and approximately \$800,000 in Authority funds. The project will provide a complete road reconstruction, sidewalk repairs and streetlight upgrades on 18th Street between G and N Street and Canal Street between 18th and 19th Street. Work is ongoing and is on schedule to be completed by August 2011. Lead staff: Ainslie.

Merced Theatre: Construction on Phase III has begun. The majority of the castle facades framing and drywall work has been completed. The new roof has been completed and the theatre's ceiling has been plastered. The majority of the seismic steel has also been installed. Work will be completed at the end of this year. Lead staff: Ainslie.

Commercial Façade Improvement Program:

The exterior rehabilitation of the Vagabond Inn at 1215 "R" Street is nearing completion. Painting of the structure as well as the installation of new windows has been completed. Remaining improvements include fencing, lighting and landscaping. Lead staff: Ewen.

512 W. 11th Street, 927 W. 8th Street, 195 S. "T" Street: Habitat for Humanity will be submitting construction plans for 195 S. T Street within the month. The Authority continues to monitor the progress of the development agreement. Two additional affordable rate houses will be built in the coming years. Lead Staff: Ewen.

Residential Façade Improvement Program:

The single family home at 50 W. 19th Street was completed. The homes at 230 W. 18th Street and 101 W. 20th Street are still in progress. All three properties are single family homes with historic characteristics. Lead Staff: Ewen.

Former Texaco Station (Costco Area): The Redevelopment Agency is proceeding with remediation efforts at the site in accordance with the DDA with Costco. Efforts this year are being funded through a \$200,000 grant from the Environmental Protection Agency. The contamination originated from former gas stations that once surrounded the site. The project is moving forward to meet the deadlines imposed by the Regional Water Quality Control Board. Lead staff: Angulo.

Parsons Avenue: The roadway widening project was awarded to RGW Construction, Inc. of Livermore for \$1.516 million. The City received a \$1,000,000 grant from the State of California to complete the Parsons Avenue road widening between Highway 140 and Childs Avenue. Construction for the project is underway. The relocation of various utilities require more time than originally scheduled. The project is scheduled to be completed this summer. Lead Staff: Ainslie.

IN DEVELOPMENT:

City Center Commons Downtown Park Project:

The Authority participated in six months of community outreach to develop a design plan for a new park on K Street between 16th Street and 18th Street and on Canal Street adjacent to Bob Hart Square. The Authority applied for two grants from the State of California Department of Parks & Recreation that would pay for construction of the park. Grant award recipients will be notified in Spring 2012. Lead staff: Ewen.

Pedestrian Crossing at Childs Avenue and S. Highway 59: The Authority is funding a project to place a pedestrian crossing and sidewalks to the newly signalized intersection of Childs Avenue and South Highway 59 in Caltrans right of way. The Authority received an encroachment permit from Caltrans on July 13, 2011. The project remains to be bid and be awarded to a contractor. Lead staff: Ewen.

Childs and Canal: In January 2011, the Authority assumed an exclusive right to negotiate with Caddis Properties from Fresno, to complete the development of a neighborhood shopping center at this location. The Authority has begun the entitlement process on this 5.9 acre site in order to allow a neighborhood grocer and retailer to provide services to this underserved area. Lead staff: Quintero/Mendoza.

Downtown Parking Signs: Armadillo Advertising of Fresno has submitted conceptual designs of downtown parking lot signs that complement the wayfinding sign design. The signs will be paid from Downtown Parking District funds. Project design is at 100% of completion and may be constructed by the end of Summer 2011 after a public bidding process. Lead staff: Ewen.

Merced Center (Hotel-Office Complex): This project, located on the block bounded by 18th, 19th, M and N Streets, updates are as follows:

Hotel: The Authority has received a notice of closure on the site for soil contamination. The developer is completing an EB-5 Visa equity application. This federal program allows foreign nationals to invest in economically challenged areas. The application process is anticipated to be completed in the Summer of 2011. Lead staff: Ainslie.

Parking Structure: The Authority is continuing to market the structure. The Authority is finalizing negotiations with a potential user for the remaining approximately 5,000 square feet that is available for lease. Lead staff: Ewen

19th and N Parcel: The Agency is continuing to complete an environmental assessment on this parcel. This \$200,000 project is being paid for through an EPA grant. If the conclusion of the process is positive, then development at the site could begin. Lead staff: Angulo

