

REDEVELOPMENT
UPDATE:
September 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, pedestrian sidewalks and limited paving having been completed. 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 within striping and finish work being completed within the month. Lead staff: Ainslie.

Merced Theatre: Construction on Phase III has begun. The majority of the castle facades framing and drywall work has been completed and has a new coat of paint. Castle façade roof tiles are also being installed. 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 landscape and lighting which should be completed within the month. 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 homes at 230 W. 18th Street and 101 W. 20th Street are still in progress. Both homes are single family structures 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 month. 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 coordinating 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 City project will use State of California STIP funding. The project is currently being bid with construction expected to begin by November 2011. 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

Highway 59 & Cooper Avenue Signalization: The project was bid and awarded to George Reed Construction, Inc. in the amount of \$1.84 million. The project is scheduled to begin October 11, 2011 and last through April 2012, pending weather conditions. The project will be a significant first step to expanding the State controlled roadway between W. 16th Street and Olive Avenue. Lead staff: Ainslie.

Highway 59 & Cooper Avenue Housing: The Agency, City and Authority have approved the DDA with Merced Pacific Investments for the development of 75 units of affordable housing. Construction is anticipated to begin later this fall upon the closing of a low income housing tax credit deal. Lead staff: Ainslie.

2668 N. Highway 59 Housing Reconstruction: The City Housing Department purchased a blighted residential property at 2668 N. Highway 59 using Neighborhood Stabilization Program (NSP) funds. The Authority is partnering with the City Housing Department to demolish and reconstruct an affordable rate owner occupied house. Due to funding uncertainty, construction will likely not begin until 2012. Lead staff: Ewen.

Rehabilitation of 951 W. 7th Street: The Authority, in coordination with the City Housing Department using CDBG funds, is beginning the process of rehabilitating a vacant single family home in south Merced. The home will be sold in turn key condition to persons of an affordable income once the project is complete. The project was bid and awarded. The rehabilitation will be completed in October. Lead staff: Ewen

Simpson's Cleaners Site Investigation: The Agency received a \$200,000 Brownfields Grant from the U.S. EPA for site investigation at 618 W. Main Street. Kleinfelder has completed the investigative work, and has submitted a report to the Regional Water Quality Control Board and U.S. EPA for review. The report recommends closure of the site and staff is awaiting a response from the Regional Water Quality Control Board. Lead Staff: Angulo.

73 South R Street: The site has been cleared and is available for future development. The project will improve the aesthetics and safety of the neighborhood and provide additional affordable housing. Lead Staff: Ewen.

Midtown Residential District:

A DDA with Maxwell Homes for the development of 7-14 new affordable housing units has been approved by the Agency Board and assigned to the Authority. The homes would introduce new urban row housing units complete with green features displaying a historically appropriate appearance. The units would be developed on approximately .5 acre of land at the northwest and southeast corners of 18th & I Streets. The Authority is currently working on the entitlement and zone change process. Homes would be available for purchase in Summer 2012. Lead staff: Ewen.

Underground Utility Districts: Underground Utility District #11 has been formed by the City Council and is in line for PG&E Rule 20A funding. The district boundaries are along Parsons Avenue from south of Childs Avenue to Highway 140 and Childs Avenue from Highway 99 to Golden Valley High School. UUD #10, Yosemite Avenue Phase II has started construction by PG&E with an anticipated project completion date of November 2011. Additional districts along N. Highway 59, "M" Street, "R" Street and Childs Avenue are also being planned. Lead Staff: Ewen.

PROGRAMS, PROMOTION AND PLANNING:

Visitor Services: The California Welcome Center celebrated its 10th anniversary during the month of October. The staff continues to assist visitors and reply to inquiries regarding traveling to Merced. Lead staff: Baker

Downtown Steering Committee: The Committee met in June 2011 to review the proposed 2011/12 Downtown Budget. Lead staff: Ainslie.

Downtown Advertising and Business Services: The focus of the marketing is print advertising in the D Life. The Agency is also considering a marketing plan within the coming months. The focus of the Downtown Fund is to continue to build Downtown as an entertainment, shopping, and business destination. Lead staff: Quintero.

Thursday Night Market-“Market on Main”: The “Market on Main”, formerly “Summerfest”, began August 4, 2011 and will run to early October. The DLM Media Group will be organizing the weekly event under a professional services agreement with the City of Merced. Lead staff: Mendoza.

Merced Theatre Property Management: Lease operations of the Merced Theatre have been turned over to Merced Theatre Landlord, LLC. A retail food operation has entered into a lease for 309 & 311 W. Main Street. Staff is working with the tenant to apply for building permits. Lead Staff: Ewen.

Downtown Design Guidelines: Agency staff is working to complete a draft version of the design guidelines. The guidelines will establish façade, sign and public improvement design throughout the downtown area. Lead Staff: Ewen.

Affordable Housing Monitoring: Staff has developed a complete inventory of all housing units assisted in Agency history. The housing monitoring database has been posted on the Redevelopment Agency webpage under the Housing tab. Staff has performed and compiled the annual audit. Lead Staff: Ewen.

AVAILABLE

Commercial Façade Improvement Program: The Agency is taking applications for high quality comprehensive projects located within the Gateways Redevelopment Project Area. Lead staff: Mendoza/Ewen.

Residential Façade Improvement Grant Program: No available funding remains for the Residential Façade Improvement Grant Program. Lead staff: Ewen.

Calendar

City Council/Agency/PFEDA Commission Meetings – 2011

September 6, 2011
September 19, 2011
September 20, 2011

City Council/Redevelopment Agency/Authority
City Council/Redevelopment Agency/Authority
Redevelopment Advisory Committee

This report is prepared monthly and distributed to the Executive Director, Redevelopment Advisory Committee, Economic Development Advisory Committee, City Council, department heads and others.

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