

REDEVELOPMENT  
UPDATE:  
October 2010

Merced Redevelopment Agency

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**UNDER CONSTRUCTION NOW:**

G Street Undercrossing: Teichert Construction began work on the undercrossing in July 2010. Nearly all of the utilities have been relocated. The digging has begun and is on schedule to be completed late this month. Construction is scheduled to last until December 2011. Upon the completion of construction, the Agency will work to redevelop several of the properties that were acquired for right of way. Lead Agency 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.

The Robinson-Montgomery Building façade improvements began in September. The improvements will include replacing the west facing awning, installing new lights under all of the awning and in the parking lot. Lead staff: Ainslie

512 W. 11<sup>th</sup> Street, 927 W. 8<sup>th</sup> Street, 195 S. "T" Street: Habitat for Humanity with volunteer help from the Mennonite Men have framed the house at 512 W. 11<sup>th</sup> Street. The Agency continues to monitor the progress of the development agreement. Two additional houses will be built in the coming years. Lead Staff: Ewen.

RDA Owned Property Demolitions:

The Agency and its chosen contractor completed the demolition project this month. The demolitions will lead the way for future development at 18<sup>th</sup> & I Street, PD-14 and Childs Avenue and S. Canal Street. Lead Staff: Ewen.

Residential Façade Improvement Program:

The Agency awarded a grant to a single family residential property at 101 West 20<sup>th</sup> Street and to a six unit apartment complex at W. 20<sup>th</sup> and H Street. In addition, the Advisory Committee will consider an application for a historically sensitive residential property at 50 W. 19<sup>th</sup> Street this month. Lead Staff: Ewen.

Former Texaco Station (Costco Area): The 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 will begin in mid November. All necessary right of way has been acquired. Lead Staff: Ainslie

**IN DEVELOPMENT:**

Merced Theatre: Bids for the Phase III renovation of the historic Merced Theatre were received in August. The current project will be the final phase of construction. The bid was divided into two sections. The first will restore the castle façade, complete a new roof and install the basic systems of the auditorium (plumbing, HVAC, electrical). The second section includes all of the finishes needed to open the theatre. These finishes include texturing, painting, fixtures, flooring and seating. Currently there is adequate funding on hand to complete the first section. Staff is working to finalize the funding for the second section. These sources include a Federal Congressional Earmark, a 3<sup>rd</sup> Round California Cultural and Historical Endowment Grant and Federal Historic and New Market Tax Credits. Upon finalization of all financing sources, the City will award the project to the lowest responsible bidder. Lead staff: Cahill, Ainslie.

Downtown Street Resurfacing, Public Improvements: The second half of the City's \$3.1 million in federal stimulus funds will be combined with Agency funds to complete road reconstruction, sidewalk repairs and streetlight upgrades on 18<sup>th</sup>, N, M and Canal Streets in the Downtown and Midtown area. Project plans have been completed and the State has approved the project. The initial bids were rejected due to a 30% cost overrun. Staff reissued the project for public bidding and received bids slightly above the engineers estimate. An additional project to provide public improvements from N Street to O Street is being developed. Construction is expected to begin after January 1, 2011. Lead staff: Ainslie.

Pedestrian Crossing at Childs Avenue and S. Highway 59: The Agency 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 Agency received a 3<sup>rd</sup> plan revision from Caltrans and the plan comments are requiring significant changes to the proposed design. A Caltrans encroachment permit will be needed before the Agency can bid and award the project to a contractor. Lead staff: Ewen.

Childs and Canal: In May 2010, the Agency entered into an exclusive right to negotiate with Caddis Properties from Fresno, to complete the development of a neighborhood shopping center at this location. The Agency 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. The developer has one year to complete terms of the agreement. Lead staff: Quintero/Ainslie.

Downtown Parking Signs: Staff is working with Armadillo Advertising of Fresno to design downtown parking lot signs that complement the wayfinding sign design. The signs will be paid from Downtown Parking District funds. The project is still in initial design phases and may be constructed by Spring 2011. Lead staff: Ewen.

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

Hotel: The Agency 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: Cahill/Ainslie.

Parking Structure: The Agency is continuing to market the structure. Westamerica is the first tenant to move into the space. Westamerica is leasing 6,110 sq. ft. Approximately 4,000 square feet remain available for lease. Lead staff: Ainslie

19<sup>th</sup> 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: Staff has resubmitted plans for the project to Caltrans. Staff has prepared the necessary submittals to Caltrans to receive a funding allocation for the \$1,000,000 grant the City recently received for this project. Staff has completed all right of way negotiations needed and escrow is expected to close on the last parcels this month. Lead staff: Ainslie.

Highway 59 & Cooper Avenue Housing: The Agency entered into an Agreement to Negotiate Exclusively with The Cirrus Companies to conceptually develop an affordable housing project consisting of 50-75 units to be located on the Agency owned parcels at Highway 59 and Cooper Avenue. These units will be highly visible, high quality and will feature several green amenities. 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 Agency is partnering with the City Housing department to demolish and reconstruct an affordable rate owner occupied house. Construction may begin in Spring 2011. Lead staff: Ewen.

East 16<sup>th</sup> Street Beautification: The project's scope calls for the beautification of East 16<sup>th</sup> Street from G Street to Motel Drive. Caltrans issued a notice of a pending project for the Highway 99 overhead expansion. Staff is in the process of finalizing easements and designing the project for the utility relocations. The Agency project will be delayed until Caltrans constructs their overhead replacement project. 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 7-13 new affordable housing units has been approved by the Agency Board. 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 18<sup>th</sup> & I Streets. The Agency is currently working on the entitlement and zone change process. Construction would be completed around Summer 2011.

The Agency is currently in escrow for the property at 202 W. 19<sup>th</sup> Street. This site would be demolished and used for future new construction housing. Additionally, work continues on façade improvements for residential properties in the district. Lead Staff: Ainslie/Ewen.

Underground Utility Districts: Underground Utility District #11 is in the process of being formed by the City Council. 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. A public hearing will be held in October 2010 to review the impacts of the project on the neighborhood. UUD #10, Yosemite Avenue Phase II is on hold as Caltrans prepares for the improvements to the Bradley Overhead. Additional districts along "M" Street, "R" Street and Childs Avenue are also being planned.

## **PROGRAMS, PROMOTION AND PLANNING:**

Visitor Services: The staff continues to assist visitors and reply to inquiries regarding traveling to Merced. Lead staff: Baker

Downtown Steering Committee: The Committee met in September to review progress made to date on the Strategy. The Committee reviewed progress with the Merced Theatre and in downtown planning. 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.

Merced Theatre Property Management: The City Council approved a lease agreement with Off the Shelf Books for the Merced Theatre in August. The store opened in September. Commercial lease rates are competitive with other downtown spaces and the City continues to receive interest. Residential leasing is still strong for the apartment units. 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 received all verification letters to all active developers and property owners assisted with Agency housing funds. Past documents are on file at the Agency office. Lead Staff: Ewen.

## AVAILABLE

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: \$106,000 is available for residential property owners seeking improvements to the exterior's of their structures. Restrictions do apply. Lead staff: Ewen.

## **Calendar**

### **City Council/Agency Commission Meetings – 2010**

October 4, 2010	City Council/Redevelopment Agency
October 18, 2010	City Council/Redevelopment Agency
October 19, 2010	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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