

**CITY OF ALBANY  
CITY COUNCIL  
STAFF REPORT**

Agenda Date: 1/17/11  
Reviewed by: BP

**SUBJECT:** Resolution No. 2011-6, a Resolution of the Albany City Council, approving a Public Improvements Grant and Cooperation Agreement and making certain findings related thereto

**REPORT BY:** Beth Pollard, City Manager

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**STAFF RECOMMENDATION**

That the City Council adopt Resolution No. 2011-6.

**BACKGROUND**

The City of Albany adopted the Cleveland Avenue/Eastshore Highway Redevelopment Plan and formed the Albany Community Reinvestment Agency in 1998. The Reinvestment Agency receives property tax increment revenue and uses this revenue as the source of funding to retire existing debt, to finance future public projects, and to fund public improvements. The principal goals of the implementation plan are the elimination of blighted conditions and the promotion of development and improvements to strengthen the economic base of the community.

**DISCUSSION**

Since the adoption of the first plan in 1998, a number of improvements and subsequent developments have been accomplished in the southern portion of the redevelopment area. On November 15, 2010, the ACRA Board of Directors approved a Five-Year Implementation Plan. This plan identifies property acquisition and improvements necessary and desired to eliminate blighted conditions and to promote development and economic activity in the northern portion of the redevelopment area.

The purpose of the agenda item before the City Council is to enter into a Public Improvements Grant and Cooperation Agreement with the ACRA. Through this agreement, the ACRA shall pay for designated portions of, and the City shall conduct public improvement projects, to alleviate blighting conditions in the Project Area.

The public improvement projects to be funded and conducted are described in Exhibit A of the Public Improvements Grant and Cooperation Agreement. They include improvements to Cleveland Avenue, and the acquisition of a 4.5 acre property on Pierce Street from the

California Department of Transportation (CalTrans), development of the property, and associated improvements.

### **ANALYSIS**

The acquisition of the land or the installation or construction of the public improvements listed in the Agreement that are publicly owned are of benefit to the Project Area by helping to eliminate blight within the Project Area. They will provide infrastructure to improve public health and safety, to attract economic development, and to provide facilities for city maintenance and improvements. The City has anticipated the use of Agency revenues to accomplish its commitments to the acquisition and improvements, and no other reasonable means of financing the acquisition of land or the installation or construction of the public improvements listed in the Agreement that are publicly owned are available to the community. The City General Fund cannot be expected to pay for the public improvements given the constraints on General Fund revenues and the other demands on such funds. State and federal funding sources are also not generally available for these types of public improvements. Furthermore, the appropriation and payment of funds by the Agency for the acquisition of land or the cost of the public improvements listed in the Agreement that are publicly owned is consistent with the Agency's current Implementation Plan approved on November 15, 2010.

### **SUSTAINABILITY IMPACT**

The projects identified in the Public Improvements Grant and Cooperation Agreement promote sustainability in conjunction with economic development. Some of these include encouraging green businesses to develop and locate in the project area, working in conjunction with the East Bay Green Corridor, identification of the project area as a solar energy empowerment district, providing park space, encouraging bicycle and pedestrian access to connect the project area with local and regional trails, and constructing a more energy efficient maintenance center.

### **FINANCIAL IMPACT**

The ACRA will fund the public improvement projects through the use of fund balance and future tax increment revenue. The estimated cost of the improvements is \$10.3 million.

### **Attachments**

1. Resolution No. 2011-6
2. Public Improvements Grant and Cooperation Agreement, with Exhibit A