

**CITY OF ALBANY
ALBANY COMMUNITY REINVESTMENT AGENCY
STAFF REPORT**

Agenda Date: 6/20/11

Reviewed by: JRL

SUBJECT: Resolution No. ACRA-2011-3, a Resolution of the Albany Community Reinvestment Agency Authorizing the Borrowing of Monies from the City of Albany in an Amount Not to Exceed \$850,000 and the Execution of an Agreement to Repay such Loan.

REPORT BY: Beth Pollard, Executive Director

STAFF RECOMMENDATION

That the Board of Directors of the Albany Community Reinvestment Agency adopt Resolution No. ACRA-2011-3.

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

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. One of the goals of the plan is the purchase of the Pierce Street parcel in order to move the City's Maintenance Center off of Cleveland Avenue to enable commercial/industrial development.

In January of 2011, the ACRA entered into a Public Improvements Grant and Cooperation Agreement with the City of Albany. Through this agreement, the ACRA was authorized to 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 include improvements to Cleveland Avenue, and the acquisition of a approximately 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 Pierce Street Parcel helps eliminate blight within the Project Area, and will result in attracting future economic development to the Cleveland Avenue location. 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 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.

Resolution No. ACRA-2011-3 authorizes the borrowing of \$850,000 from the City of Albany to acquire the Pierce Street Property under the terms of the Purchase Agreement with Caltrans, and the execution of an agreement to repay the loan.

SUSTAINABILITY IMPACT

The acquisition of the Pierce Street parcel will promote sustainability in conjunction with economic development. Portions of the parcel will be set aside for open space and park, and a bicycle connection is planned to link to the existing bicycle and pedestrian pathways between the waterfront, schools, and public transportation. The reinvestment agency plan also includes 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, and constructing a more energy efficient maintenance center.

FINANCIAL IMPACT

The Loan Agreement provides the terms under which the City's Capital Development Fund will loan the Reinvestment agency \$850,000. The loan will be repaid over a 20 year period at a rate of 3%.

Attachments

1. Resolution No. ACRA-2011-3
2. Loan Agreement by and between the City of Albany and the Albany Reinvestment Agency