

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, SEPTEMBER 16, 2008**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, September 16, 2008, commencing at 7:03 a.m.

Present: Mayor Pro Tempore Hansen, Council Member Hitchcock, Council Member Johnson, and Council Member Katzakian

Absent: Mayor Mounce

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

B. Topic(s)

B-1 Presentation of Economic Development/Job Creation/Owner Participation Policies and Procedures (CM)

City Manager King provided a PowerPoint presentation regarding the Lodi Community Improvement Project. He specifically discussed three-year budget projections for housing set-aside and other programs; other program budgets including jobs, owner participation agreements, economic development, capital projects, facilities, and administration; housing set-aside budgets; and housing set-aside programs including residential paint up/fix up, senior housing, transitional youth, infill first-time home buyers, and administration. Mr. King also discussed policy considerations for direct subsidy of private development in the project area, constructing public improvements without specific development proposals, funding advanced prior to construction or completion versus reimbursed after project completion, what the funding is to be used for, the availability of funds for financing, funds made available as grants or loans, funding for projects that increase assessed valuation only versus more jobs without new tax revenue, funding based on actual improvements versus capped funding amount, and whether assistance can be requested after project completion.

In response to Mayor Pro Tempore Hansen, Mr. King confirmed that the funds may be used for an economic development position and it is common to fund an economic coordinator position from redevelopment.

In response to Mayor Pro Tempore Hansen, Mr. King stated that the car dealer exception exists because some cities were using redevelopment to create large auto mall for sales tax generation and relocating the car dealerships from one community to another in the project area that was not previously urbanized.

In response to Council Member Johnson, Mr. King stated that there is not much property that is not already urbanized in the project area except maybe some areas along Guild Avenue.

In response to Council Member Hitchcock, Mr. King confirmed that the purpose of the redevelopment is to reinvest in the project area to create ongoing tax generation from assessed values.

In response to Council Member Hitchcock, Mr. King stated the Council could decide as a policy decision to provide some combination of grants and loans versus one or the other only. Mr. King stated something to consider also through these programs is the creation of increased assessed values versus job creation.

In response to Mayor Pro Tempore Hansen, Mr. King stated a loan program would see a return on the initial investment because the City would provide stimulation in tax increment and get the initial loan money back to invest in another project.

In response to Council Member Hitchcock, Mr. King confirmed that a heavy grant program that does not increase assessed valuation, especially in the beginning, will not be effective in the long run because of the lack of ongoing tax increment generation.

In response to Council Member Johnson, Interim Community Development Director Rad Bartlam confirmed that there was a former program that provided some incentive when local businesses would meet particular criteria in job creation.

In response to Council Member Hitchcock, Mr. King stated that, with respect to a formula, 20% is taken from the top for housing set-aside and the recommendation will be to take the remaining funding on a project case-by-case basis, which gives consideration to various factors including assessed valuation and job creation.

In response to Council Member Hitchcock, Mr. King stated that, while staff did look at a formula, the case-by-case basis appears to be more favorable because of prevailing wage considerations. He stated other jurisdictions have also reverted to the same and discontinued programs such as facade improvements due to the prevailing wage piece.

In response to Mayor Pro Tempore Hansen, Mr. King stated that, while capital projects and facilities improvements are not intended to help with assessed valuation so much, they provide general benefit to the community.

In response to Council Member Hitchcock, Mr. King stated the projection is that there will be approximately \$300,000 available in the other project category for 2009-10.

In response to Council Member Johnson, Mr. King stated the City could participate with Habitat for Humanity with respect to infill first-time home buyers assistance; although, there are generally some deed restrictions and property appreciation limitations.

In response to Mayor Pro Tempore Hansen, Mr. King stated as programs for redevelopment are adopted they may also be listed as incentives with respect to the enterprise zone activities. He stated that, while they are separate programs, the boundary areas for both are similar and promotion and administration areas may be connected as well.

In response to Myrna Wetzel, Mr. King stated increases in assessed value could come from both larger scale improvements to existing structures or complete tear down and construction of a new building.

In response to Council Member Hitchcock, Mr. King stated the property tax amount will remain the same and it will be up to the Council on whether or not to take the pass through that comes to agencies, including the County and school district. City Attorney Schwabauer stated each agency gets a percentage share of the growth and the City and Agency can take their share as well.

In response to Cliff DeBaugh, Mr. King stated the base year was fiscal year 2007 and the first year increment will be received in the 2009-10 year. Mr. King stated the City will see the increase right away but there is a two-year lag to actually receive the money.

In response to Myrna Wetzel, Mr. King stated the process for creating the redevelopment project is complete, with the exception of the potential referendum. He stated aspects of approval

through the Planning Commission and the application and permitting process all remain the same. Mr. King stated the only difference is that redevelopment may now actually provide some assistance to projects in the area.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 8:04 a.m.

ATTEST:

Randi Johl
City Clerk