

**LODI IMPROVEMENT COMMITTEE
SPECIAL MEETING MINUTES**

February 24, 2009

6:00 P.M.

ROLL CALL

BOARD		STAFF
<u>PRESENT</u>	<u>ABSENT</u>	
Fran Forkas (Chair)	Joe Spinelli	Joseph Wood, CDD
Robert Takeuchi (Vice-Chair)	Rosie Ortiz	Araseli del Castillo, CDD
Eileen St. Yves	Sunil Yadav	Blair King, City Manager
Stephen Jarrett		Rad Bartlam, CDD Manager
Reyes Jaramillo		
Tim Mustin		

MINUTES

None

TREASURER'S REPORT

None

ANNOUNCEMENTS/PRESENTATIONS

A member from the Public (Carol Williams) spoke about a letter she wrote to the City regarding some suggestions she has.

AGENDA ITEMS

A. Discussion and Possible Action Regarding Measure W

Mr. Wood introduced Mr. King who gave a presentation regarding Measure W. Mr. King mentioned that he originally spoke about this topic on March 4th and is going to go over the brief presentation.

Mr. King spoke about the Lodi Improvement Project which the City Council adopted in June of 2008. The public is allowed a 3 month period of time to obtain signatures to equal 10% of the voters, in order to have the issue placed on a ballot. That ballot proposition is before the public on March 3rd, next Tuesday.

Mr. King mentioned that the objective is to expand jobs, stimulate the business growth and create a strong economy. We also want to construct and reconstruct streets, sidewalks, alleys, storm drains, wastewater, water distribution systems and water meters. Also, we want to increase the appeal of East side of Lodi as a place to live through housing rehabilitation, as a place to shop with newer and improved stores. A place that has parks and that it was a safe place.

Mr. King stated that the law allows within every city and county of the state of California for a redevelopment agency to exist. Lodi activated its redevelopment agency sometime in late 1990's. For a limited period of time the growth of tax revenue can be collected by the redevelopment agency/city council to be reinvested within that area in order to

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stimulate that area. Things such as improving housing, streets, storm drains are all part of that attraction of retaining that additional growth in property tax. It is not a property increase but a redistribution of taxes that will be paid.

Mr. King mentioned that the law requires that at least 20% of the increment collected go to affordable housing. One is senior housing. We can fund the rehabilitation of single and multi family residential units. We also know we need new public facilities. There is a desire to renovate the library, the grape bowl, community centers, and swimming pools. Many cities in California have used tax increment money to renovate, create facilities and locate them in areas with the hope and desire to stimulate the local area.

Mr. King mentioned that the City Council has more control over the taxes that are paid. The total budget on annual basis is around 200 millions dollars. This is broken down in different funds.

Mr. King spoke about blight. He stated there are two categories which are physical blight or economic blight. Physical blight can consist of irregular shape parcels or incompatible uses next to each other. It can consist of a dominance of adult businesses, etc. Economic blight consists of a variety of other factors you can't see.

Mr. King spoke about goals:

- * Improve infrastructure
- * Stimulate new construction
- * Rehabilitate existing properties
- * Make Eastside appealing
- * Reduce crime and graffiti
- * Create job opportunities
- * Preserve historic buildings

Mr. Takeuchi mentioned to Mr. King that he was in favor of the redevelopment because among other things he had not heard what the other side was saying. Mr. Takeuchi stated you can't do anything without incurring debt. Are you risking non-payment of debt because we don't know how responsible City Council will be in the future?

Mr. King replied regarding the issue of money staying with the county. Mr. King mentioned he does not have a problem using tax money. Redevelopment agencies can issue bonds. The bonds they use are non-recourse bonds against the general fund which is a separate source of revenue. The law says you have to put a limit on the total bonded debt you incur. The law says you don't have to issue bonds either.

Mr. Forkas asked Mr. King regarding the redevelopment agency. He mentioned we are currently collecting fees for wastewater services on monthly basis. Will there be a time where those fees to all the citizens might start dropping off?

Mr. King replied it could. This is a third of the city. If redevelopment were used that infrastructure replacement account could be applied to two-third of the remaining city and that could be done sooner with the redevelopment money.

Mr. Forkas asked that Mr. King talked about several hundred redevelopment agencies around the state that have been established. To your knowledge are there any failures out there?

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Mr. King replied he does not know any redevelopment bond that has failed in the state of California in the history of redevelopment.

Mr. Jarrett asked Mr. King to explain where the City gets its revenues and what does the City do with the revenues?

Mr. King replied that the general fund consist of a wide variety of revenue sources. Up until recently the principal revenue sources sales tax. Chrysler/Gewekee with recently closing we anticipate writing off next year about \$80,000 sales tax revenues with Plummer it may be a little higher. Property tax is a large segment of revenue which is about 9 million. Vehicle license fees are a major source. We receive about 6 million from Electric Utility (payment move taxes), we basically tax Electric Utility.

Mr. King explained that one of the objectives of redevelopment is to stimulate the tax base. You are going to look for projects to bring in more revenue. One piece of revenue that Lodi is not using enough is occupancy tax. We get under \$400,000 in TOT tax.

Mr. Takeuchi asked Mr. King if there was a main theme that the opponents of redevelopment have in terms of March election and not wanting to go along with redevelopment and if so what is your argument?

Mr. King replied he is a bad person to put their arguments forward. I think if you don't understand something it's something you don't trust.

A public speaker (Jason Wilkons) asked what those dollars are going to be used for if not for redevelopment. Is it going to affect my son's school?

Mr. King replied that school districts are equalized through Prop. 13. The state started taking more active role in equalizing the amount of property tax schools taxes got. Education is the responsibility of the state.

A public speaker (Larry Long) asked why now?

Mr. Bartlam replied that it is the exact same arguments you are hearing today seven years ago. The only difference is that the City Council in 2002 chose not to put the referendum on the ballot and so the voters did not have the opportunity to weigh in on the decision.

Mr. King stated that the redevelopment agencies file two annual reports. There is one to the State Controller and one to the Housing Community Development Department. Redevelopment agencies are the biggest source of affordable housing in the state. Some people say redevelopment agencies don't live up to their potential because they are not contributing the money that they need to for affordable housing.

Mr. Jarrett mentioned he would like to make a motion as a committee to adopt this resolution in supporting Measure W.

Mrs. St. Yves 2nd the motion.

Mr. Takeuchi mentioned that he personally is in favor of what Mr. Jarrett says but he does not know that this Lodi Improvement Committee should take a stand on something that the City is divided on and for that reason I will vote against it.

Mrs. St. Yves replied that Mr. Wood mentioned we are not in the conflict of interest if we vote on this. My personal opinion, I'm in favor of it. She stated the City needs to move forward.

Mr. Takeuchi asked Mr. Wood if he checked with the City Attorney's office regarding conflict of interest and that it is o.k. for us adopt this resolution.

Mr. Wood replied that there is no conflict per say.

Mr. King stated the Council has taken its action. The Council action is complete and the litigation is over. The public has a right on any ordinance that is adopted to qualify an ordinance for the referendum.

Mr. Forkas mentioned there is a motion and second to submit a resolution for the Lodi Improvement Committee in support of measure W. The motion was approved 5-1.

ADJOURNMENT

There being no further business before the Committee, it was, on motion duly made by Mr. Takeuchi and Mrs. St. Yves seconded, adjourned at 7:42 p.m.

Respectfully submitted,

ARASELI DEL CASTILLO, Recording Secretary