



**REPORT TO REDEVELOPMENT
AGENCY BOARD**

AGENDA ITEM

TO: REDEVELOPMENT AGENCY
BOARD

DATE: October 21, 2008

SUBJECT: Economic Development Administration Grant Application for
Downtown Garage Project

Report in Brief

The US Department of Commerce Economic Development Administration (EDA) offers grant funds for infrastructure projects that will help communities create private sector jobs and stimulate economic development. Redevelopment staff has been in conversations with EDA staff for the last few months and it appears that the Woodland proposed downtown garage project might be eligible for EDA funding.

Staff recommends that the Redevelopment Agency Board (Agency) authorize the Executive Director to submit the pre-application to EDA and allocate \$125,000 in redevelopment bond funds to match the grant, if the application is approved.

Background

The City has been anticipating that the State of California Administrative Office of the Courts (AOC) will at some point in the near future construct a new 160,000 s.f. facility to accommodate fourteen courtrooms for the Yolo Superior Courts. This project would be a major catalyst for new commercial growth and Woodland needs to provide the basic infrastructure necessary to accommodate that growth. Based on previous actions approved by the Agency Board, this infrastructure would include a parking structure and the potential for incorporating attached commercial retail space as part of the facility.

Besides serving the courts, a parking structure could act as a magnet for new commercial development and additional job opportunities. The City Council/RDA Board has consistently expressed the need to attract new development to the Downtown. One of the challenges associated with new Downtown development is the lack of adequate parking.

For these reasons, funding construction of a garage does meet the EDA grant criteria to develop infrastructure needed to spur commercial development and the creation of private sector jobs. Staff has been instructed that the first step is to submit a pre-application and then, after this is reviewed by the Seattle Regional Office, the Agency would be invited to submit a final application. The pre-application would request funds for planning and design activities, as well as the environmental analysis. The proposed sources of funds for these activities are:

EDA federal funds	\$125,000
Redevelopment bond funds	\$125,000
In-kind staff costs	<u>\$125,000</u>
	\$375,000

The deadline for submitting the pre-application for this year is November 1, 2008. Though additional edits and corrections are being made, a current draft is shown in Attachment No. 1. The EDA staff representative for this region has reviewed and edited this application and her comments and suggestions have been incorporated in the document. She has emphasized that it is important to demonstrate that private sector jobs are going to be created, so the application illustrates how the garage will support the development of the multi-plex theater on Main Street. This is the one private-sector project currently being proposed in Downtown that is most likely to be built.

Discussion

Over the past several years, the City and the County have aggressively sought State support for the expansion of the Court system in Woodland. In the most recent State budget, funds were allocated for new courthouse construction and Yolo County has priority to receive funds. Given this good news, it is now time for the City to identify sufficient funds to build an accompanying parking structure. EDA offers the City an opportunity to secure \$125,000 in planning and design funds now, and opens the possibility to receive \$ 3 million in construction funds next year.

If the Agency decides to proceed and if EDA finds the pre-application strong enough, the City may be invited to make a presentation in Seattle early in November. A final decision would be made early in 2009 and the costs could be incurred by March 2009.

Fiscal Impact

The grant requires that the federal funds be matched in local funds. Redevelopment bond funds of \$125,000 are available to provide this match. The parking garage structure was identified as a potential bond project in the Offering Statement submitted last year.

Public Contact

The need for a parking garage structure has been discussed at public meetings held during the preparation of the Downtown Specific Plan in 2002 and 2003 (page 1-11). Discussion of the EDA grant opportunity occurred during the City/County 2x2 meeting of August 27, 2008. Information about this grant application has also been available through the posting of the City Council agenda.

Alternative Courses of Action

1. Authorize the Executive Director to submit the pre-application to EDA and allocate \$125,000 in redevelopment bond funds to match the grant, if the application is approved.
2. Do not authorize the Executive Director to submit the application or allocate the redevelopment funds.

Recommendation for Action

Staff recommends that the Redevelopment Agency Board approve Alternative No. 1.

Prepared by: Cynthia Shallit
Redevelopment Manager

Reviewed by: Barry Munowitch, AICP
Deputy Director

Mark G. Deven
Executive Director

Attachments: Resolution
Draft EDA application

AGENCY RESOLUTION NO. _____

**A RESOLUTION OF THE REDEVELOPMENT AGENCY OF
THE CITY OF WOODLAND ALLOCATING \$125,000 TO MATCH GRANT
FUNDS IF AWARDED FOR THE DOWNTOWN GARAGE PROJECT**

WHEREAS, the Agency wishes to support the development of the County Courts by constructing a parking garage; and

WHEREAS, the Agency is aggressively seeking potential sources of funding for such a project; and

WHEREAS, the US Economic Development Department offers grants for public works infrastructure grants for projects that will stimulate economic development and the creation of private sector jobs; and

WHEREAS, Agency staff has prepared a draft application requesting \$125,000 for planning and design activities required to construct the garage.

NOW THEREFORE BE IT RESOLVED THAT the Redevelopment Agency Board authorizes the Executive Director to:

1. Submit the application to the Economic Development Administration in substantially the form attached to the staff report.
2. Allocate \$125,000 in redevelopment bond funds to match the grant funds if the application is approved.

I HEREBY CERTIFY THAT the foregoing resolution was duly and regularly adopted by the Redevelopment Agency of the City of Woodland, County of Yolo, State of California on the 21 day of October, 2008 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Marlin H. (Skip) Davies, President

ATTEST: _____
Sue Vannucci, Secretary

WOODLAND DOWNTOWN GARAGE PRE-APPLICATION

INVESTMENT SUMMARY

Applicant: City of Woodland	EDA Investment: \$125,000
Project Location: Woodland CA	Total Project Cost: \$375,000
Project No.	Private Investment:
County: Yolo County State: CA	Jobs: New –390 FTEs

FUNDING PRIORITY:

Construction of this parking structure meets several of EDA's funding priorities for 2008. Most particularly it is an investment in basic infrastructure that supports long-term, collaborative regional economic development of both the public and private sectors. There is demonstrable, committed multi-jurisdictional support from leaders at the city, county, and state level as well as leaders in major private industry sectors from agriculture to commercial developers. The project strengthens Woodland's role in the economy as the government seat, but also triggers new commercial development with quantifiable positive economic outcomes including an estimated 390 new jobs and \$20 million in private investment. Its location in the Historic Downtown core, which is a nationally registered historic district, advances the goals of linking historic preservation and economic development and promotes the region's heritage tourism.

PROJECT DESCRIPTION:

The proposed investment will support the planning and design of a downtown parking garage that will stimulate new commercial development and create an estimated 390 new jobs.

BACKGROUND:

The City of Woodland is a small town that has traditionally served the agricultural region in Yolo County. Woodland is located 20 miles north of Sacramento in the center of Yolo County. It is facing economic restructuring as the traditional agriculture sector declines and as it competes in the global economy. It needs to diversify its economic base to provide jobs needed by its residents and to keep business and consumer dollars in the community. The downtown exhibits vacant and underutilized space as existing businesses struggle to compete. New commercial development finds it expensive and difficult to locate in downtown because of the lack of parking.

IMPACT:

The Downtown Garage Project is anticipated to supply 668 parking spaces to serve a new multi-screen theater, growing downtown businesses, Courthouse employees, and visitors to the downtown. It is expected that the construction of the new parking facility will encourage local and outside businesses to invest in the downtown, as access to parking is a serious obstacle to development. There will be an increase of 390 new private sector jobs and an increase in sales and property tax. The new employees and visitors will increase the customer base for the existing businesses and attract new businesses.

OTHER FEDERAL ECONOMIC DEVELOPMENT PROGRAMS (INCLUDING REGIONAL COUNCILS) FOR WHICH THIS PROPOSAL MAY QUALIFY AND JUSTIFICATION FOR EDA INVOLVEMENT: No other federal program is identified that provides funds for this type of project. EDA involvement will result in a project that increases the number of higher-skill, higher-wage jobs, increases tax revenue, and increases private sector investment.

1. Be market-based and results driven.

The Downtown Garage will capitalize on the strengths of the City of Woodland by concentrating retail space and parking infrastructure in the historic downtown. This concentration of infrastructure and new space will create an environment for future business

growth in the downtown. Also, the garage will facilitate the construction of a new court facility which is expected to attract new legal professionals to Woodland. Finally, the garage will make it financially feasible to construct a new theater downtown, capturing the leakage of entertainment dollars and bringing \$9.9 million every year to downtown businesses.

2. Strong organizational leadership

The Downtown Garage project has enthusiastic leadership on multiple levels in the public and private sectors. Finalized by Administrative Office of the Courts (AOC) in 2006, the project has been in the planning process for the last ten year as part of an overarching revitalization of aging court facilities. In 2008, the Assembly Committee on Public Safety of the California State Legislature approved an appropriation bill to assist in funding new infrastructure improvements to court facilities, including assistance for new parking facilities. The legislation is a top priority for Woodland's state legislative representatives---Lois Wolk and Mike Machado. At the local level the Woodland Assistant City Manager, the Redevelopment Manager, AOC Supervising Facilities Planner, the AOC General Services Manager, and the Director of Yolo County General Services meet weekly to work on the project. Strong support has been received by Congressman Mike Thompson.

As further evidence of its support, the City of Woodland adopted a formal resolution announcing its commitment to this project and its willingness to assist with the development of a parking structure to support the expansion of new businesses on a site across the street from the proposed courthouse site and multiplex. This resolution was included in the Feasibility Study prepared by the State.

3. Advances productivity, innovation and entrepreneurship.

This project helps develop the downtown as a professional service center and opens the possibility for new retail and entertainment operations to locate downtown that were formerly discouraged by lack of access to convenient parking. As the customer base increases as result of this project, new entrepreneurial small businesses will find it financially attractive to locate downtown.

4. Looks beyond the immediate economic horizon, anticipates economic changes and diversifies the local and Regional economy.

Aside from agriculture, Woodland is a government center. Its economy is fueled by the growth in government. The resultant expenditures for services and supplies cause growth in the private sector. This parking project accommodates current needs but also opens up the opportunity for future growth. The construction of a new multiplex and retail center is first on the list of new private development. Professional offices will also be attracted to Woodland diversifying into more "brain-powered" type jobs. This responds to changes in the regional economy.

5. Demonstrates a high degree of local commitment by exhibiting

a. High levels of government or non-profit matching funds and private sector leverage.

The Woodland Redevelopment Agency and the State of California have committed state bond funds, cash, and staff resources to the project.

b. Clear and unified leadership and support by local elected leaders.

To help develop new economic vitality in the Woodland downtown, locally elected officials have taken an active interest in the completion of the Downtown Garage project. The project is supported by local Congressional Representative Mike Thompson, the Mayor of Woodland, the City Council, the County Board of Supervisors, the Chamber of Commerce, and the State Public Guardian/Administrator. The Redevelopment Agency's primary goal is to improve the parking infrastructure of the historic downtown to encourage new businesses to relocate and expand to vacant or underutilized space.

c. Strong cooperation between the business sector, relevant regional partners, and local, state, and Federal governments.

Woodland has been an active member of strong, effective regional economic development partner organizations. For example, the City of Woodland is working with the Sacramento Area Commerce and Trade Organization (SACTO) to bring new business into the Sacramento area including Woodland's downtown. SACTO markets the region internationally and represents Woodland across the country and overseas.

Additionally, the City has joined the Northern California Alliance Program, which is a regional organization established by the International Council of Shopping Centers (ICSC). Through this group, businesses and public leaders work together to promote economic development. The Northern California Alliance will play an important role in attracting new businesses into the retail space attached to the new parking structure.

On the private side, acting as business advisors, the Petrovich Development Company and Wiseman Company are strong supporters of the project and see it as a way to bring new investment into vacant store fronts downtown as well as draw in new private investors. The City is working closely with local business leaders and investors to bring economic revitalization into the historic downtown