

# REDEVELOPMENT/ ECONOMIC DEVELOPMENT

## Administration Division

### Division Summary

#### SOURCE

	FY 2004-05 ACTUAL BUDGET	FY 2005-06 ACTUAL BUDGET	FY 2006-07 ADOPTED BUDGET	FY 2006-07 AMENDED BUDGET	FY 2007-08 ADOPTED BUDGET
Grant	0	100,285	0	5,278	0
Redevelopment Funds	562,778	739,651	915,095	846,150	948,948
<b>TOTAL</b>	<b>562,778</b>	<b>839,936</b>	<b>915,095</b>	<b>851,428</b>	<b>948,948</b>

#### EXPENDITURES BY DIVISION

	FY 2004-05 ACTUAL BUDGET	FY 2005-06 ACTUAL BUDGET	FY 2006-07 ADOPTED BUDGET	FY 2006-07 AMENDED BUDGET	FY 2007-08 ADOPTED BUDGET
RDA Administration	562,778	839,936	915,095	851,428	948,948
<b>TOTAL</b>	<b>562,778</b>	<b>839,936</b>	<b>915,095</b>	<b>851,428</b>	<b>948,948</b>

#### CHARACTER OF EXPENDITURES

	FY 2004-05 ACTUAL BUDGET	FY 2005-06 ACTUAL BUDGET	FY 2006-07 ADOPTED BUDGET	FY 2006-07 AMENDED BUDGET	FY 2007-08 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	521,629	643,942	687,445	655,827	743,398
<b>Subtotal</b>	<b>521,629</b>	<b>643,942</b>	<b>687,445</b>	<b>655,827</b>	<b>743,398</b>
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	22,026	188,315	147,500	183,351	183,550
Supplies and Materials	17,737	3,629	16,100	8,200	16,200
Other Expenditures	0	4,050	64,050	4,050	0
Capital Expenditures	1,386	0	0	0	5,800
<b>Subtotal</b>	<b>41,149</b>	<b>195,994</b>	<b>227,650</b>	<b>195,601</b>	<b>205,550</b>
<b>TOTAL</b>	<b>562,778</b>	<b>839,936</b>	<b>915,095</b>	<b>851,428</b>	<b>948,948</b>
<b>NET GENERAL FUND CONTRIBUTION</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### AUTHORIZED STRENGTH

	FY 2004-05 ACTUAL BUDGET	FY 2005-06 ACTUAL BUDGET	FY 2006-07 ADOPTED BUDGET	FY 2006-07 AMENDED BUDGET	FY 2007-08 ADOPTED BUDGET
<b>Position Summary</b>					
RDA Administration/ Economic Development	6	6	6	6	6
<b>TOTAL</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>

# REDEVELOPMENT/ ECONOMIC DEVELOPMENT

## Administration Division

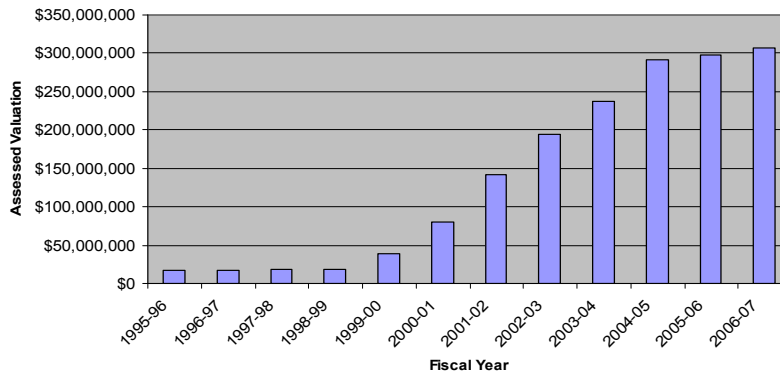
### Division Summary cont.

	FY 2004-05 ACTUAL BUDGET	FY 2005-06 ACTUAL BUDGET	FY 2006-07 ADOPTED BUDGET	FY 2006-07 AMENDED BUDGET	FY 2007-08 ADOPTED BUDGET
RDA Division Manager	1	1	1	1	1
RDA Project Coordinator II	2	2	2	2	2
RDA Project Manager	2	2	2	2	2
Secretary	1	1	1	1	1
<b>TOTAL</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>

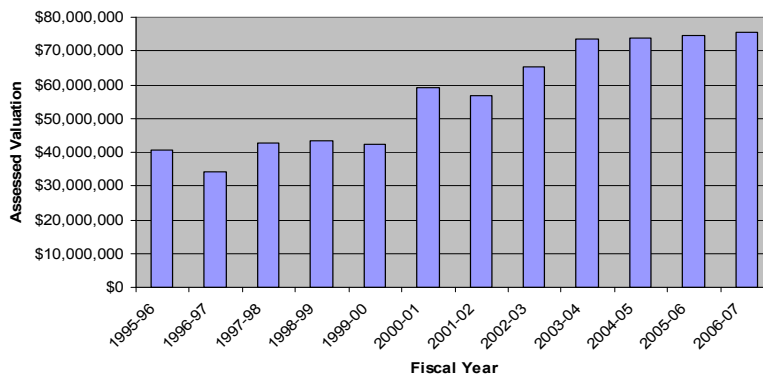
#### Position Detail

RDA Division Manager  
 RDA Project Coordinator II  
 RDA Project Manager  
 Secretary

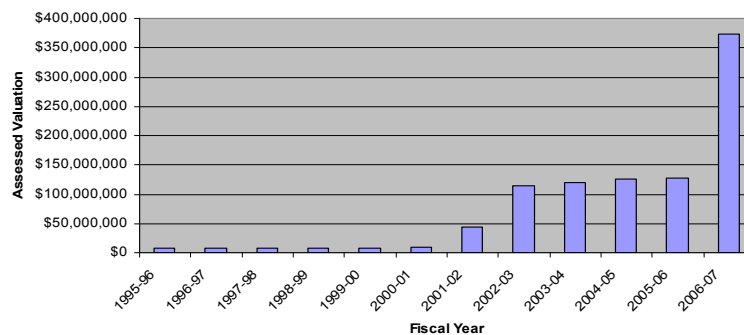
**Gateway 101 Assessed Valuations by Fiscal Year**



**Ravenswood Assessed Valuations by Fiscal Year**



**University Circle Assessed Valuations by Fiscal Year**



# REDEVELOPMENT/ ECONOMIC DEVELOPMENT

## Division Summary

### SERVICE DESCRIPTION

To provide a process, authorized by California State Law, which enables the Agency (City) to identify and eliminate deteriorated and blighted areas in need of revitalization; and improve the quality of life of the community through the creation of affordable housing, new jobs, the improvement of the City's physical infrastructure, helping develop small business, creating vibrant neighborhood retail; and, improving and creating new open space and landscaped areas.

The functions of the Redevelopment Agency (RDA) include: Administration, Economic Development, Strategic Planning for redevelopment areas, and Community Outreach. The Agency has a staffing of 6 positions and works under the direction of the Redevelopment Agency Executive Director, who also serves as the City Manager.

The emphasis of the Fiscal Year 2007-2008 budget is to:

1. Facilitate the entitlement of several projects in the Ravenswood, and Gateway 101 Redevelopment Project areas;
2. Create development concepts that respond to market needs, are consistent with Redevelopment plans, and are supported by the community and property owners; and;
3. Improve the infrastructure of the Ravenswood to support the envisioned growth in the area.

The Agency plans to accomplish its objectives by:

1. Shepherding projects through execution to help identify and resolve potential implementation hurdles;
2. Creating community forums to create project development concepts that are financially feasible;
3. Helping in the completion of the Ravenswood EIR, initiate construction improvements of Bay Road Phase I and design of Phase II, forming an assessment district and merging all Redevelopment project areas to use tax increment from both the Gateway 101 and University Circle for needed infrastructure improvements in the Ravenswood.

Economic Development initiatives being pursued by the Agency staff are focused on continuing efforts to create employment opportunities for local residents, as well as a well-balanced mix of commercial uses and services that meet the needs of the residents, including a supermarket.

Pursuant to the priorities identified by the Agency Board of Directors (City Council), Economic Development is a priority and RDA has identified the following strategic priorities for the Fiscal Year 2007-2008:

- Continuing the positive momentum created by the entitlement of projects in the Ravenswood.
- Continue attracting development interest to East Palo Alto.
- Completion of the Ravenswood EIR.
- Formation of an assessment district in the Ravenswood.
- Financial merger of all Redevelopment Project Areas.
- Promoting economic development by supporting local businesses.
- Creating jobs for local residents.
- Attracting goods and services needed in the community.

# REDEVELOPMENT/ ECONOMIC DEVELOPMENT

## Division Summary cont.

- Attracting needed commercial uses and services such as a supermarket, drugstore, etc.
- Fostering an entrepreneurial, can-do attitude, and self-sufficient image of East Palo Alto.
- Promoting aesthetic City improvements.

## SIGNIFICANT CHANGES

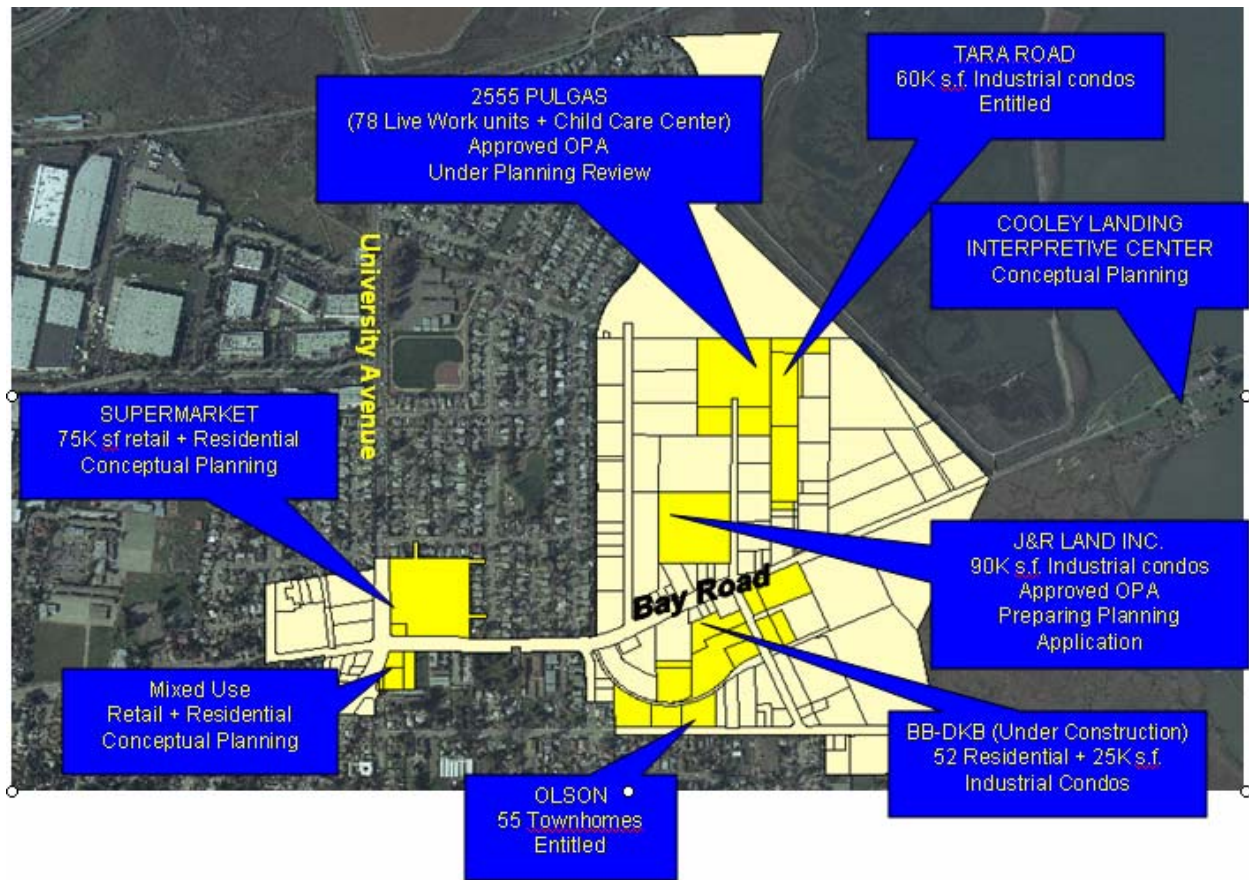
### FY 2006-2007 Adopted to FY 2006-2007 Amended:

The Fiscal Year 2006-2007 Amended Budget of \$851,428 is a decrease of \$-63,667 from the Fiscal Year 2006-2007 Adopted Budget of \$915,095. This -7.0% decrease resulted from a decrease in Other Expenditures \$-60,000 (-93.7%) and Personnel costs -\$31,618 (-4.6%).

### FY 2006-2007 Amended to FY 2007-2008 Adopted:

The Fiscal Year 2007-2008 Adopted Budget of \$948,948 reflects an increase of \$97,520 from the Fiscal Year 2006-2007 Amended Budget of \$851,428. This 11.5% increase is primarily in Personnel costs as a result of rising cost in benefits. The adopted budget also reflects the elimination of a 12 day mandatory furlough program.

### Map of Redevelopment Areas With Status Updates on Each Project:



# REDEVELOPMENT/ ECONOMIC DEVELOPMENT

## FY 2006-2007 ACCOMPLISHMENTS

OBJECTIVE	RESULT
1 To diversify our local economy by attracting four new, environmentally safe and revenue generating uses to the Ravenswood.	No new business attracted due to lack of new industrial space. As industrial condos are built, new businesses are expected in Fiscal Year 2008.
2 To facilitate the creation of 10 new affordable housing units.	Byrd/Brock/DKB (BB-DKB) Homes will build by April 2008, 55 housing units, 21 affordable.
3 To organize and deliver 20 economic development workshops and events to support local businesses, and inform the community about ongoing development plans.	<p>Organized and delivered 27 economic development events including:</p> <ul style="list-style-type: none"> <li>● 18 Workshops, including: Access to Capital (Foro Latino), Business Planning, Marketing your Business, How to obtain grants, Silicon Valley Prospector, Business license process (Start-Up), Library Resources for Small Businesses, Youth Credit Union, RDA and Small Businesses (BUILD), LBE workshops (4) for local contractors, DBE certification, Bay Area Community Investment Network (BACIN) Supermarket workshops (2), Expunging Criminal Records workshop.</li> <li>● 3 Events, including: Business Expo (CA Bank &amp; Trust), Small Business Resources event (YMCA), Welcome to EPA New Businesses.</li> <li>● 6 Job Fairs, including: Circuit City, MCA, UPS, FAA screeners recruitment, Gateway 101 (2).</li> </ul>
4 To place 20 residents in local jobs.	Accomplished. 26 residents placed in jobs in Gateway 101 in 3rd and 4th Quarter of 2006. 8 residents placed in jobs at the YMCA.
5 To bring \$1,000,000 worth of contract opportunities for local businesses.	Accomplished. Byrd/Brock/DKB Homes project breaking ground. Approximately \$27,000,000 worth of contracting opportunities for local businesses.
6 To start construction of 50,000 square feet of new industrial space.	Accomplished. Byrd/Brock/DKB Homes and Tara projects starting construction of 75,000 square feet of industrial space.
7 To raise \$10,000 to assist start-up and local business growth.	Accomplished. Approximately \$10,750 has been raised in cash and in-kind contributions to sponsor various small business events.
<p>8 To initiate construction of the following Redevelopment projects:</p> <ul style="list-style-type: none"> <li>● Supermarket Development (at NE corner of Bay &amp; University).</li> <li>● Olson townhomes on Weeks Street.</li> <li>● Byrd/Brock/DKB homes.</li> <li>● Tara Rd. Industrial Condominiums.</li> </ul>	<ul style="list-style-type: none"> <li>● Supermarket Development: Planning process under way, construction to start late 2008.</li> <li>● Olson Townhomes: Construction to start in Spring 2007.</li> <li>● Byrd/Brock/DKB Homes: Construction started.</li> <li>● Tara Rd. Industrial Condominiums: rough grading started.</li> </ul>

# REDEVELOPMENT/ ECONOMIC DEVELOPMENT

## FY 2006-2007 ACCOMPLISHMENTS

OBJECTIVE	RESULT
<ul style="list-style-type: none"> <li>● Infrastructure improvements on Bay Road, in the Ravenswood.</li> </ul> <p>9 To complete the entitlement of the following Redevelopment projects:</p> <ul style="list-style-type: none"> <li>● J&amp;R Associates.</li> <li>● 2555 Pulgas Avenue.</li> </ul> <p>10 To initiate the development of the following sites:</p> <ul style="list-style-type: none"> <li>● Pad "D", at the Gateway 101 shopping center.</li> <li>● The Four Corners area.</li> <li>● Pulgas Panhandle.</li> </ul>	<ul style="list-style-type: none"> <li>● Engineer's report underway, report to be completed summer 2008. Bay Road roadway improvements to start June 2008.</li> <li>● J&amp;R Associates: Owner Participation Agreement (OPA) to build 90,000 square feet of industrial space approved.</li> <li>● 2555 Pulgas Avenue: OPA approved.</li> <li>● Pad "D": Request for Proposal (RFP) sent, will receive proposals in May 2007. Expected to enter into lease agreement in July 2007.</li> <li>● Four Corners: RFP sent, proposal received for Southeast corner and under review.</li> <li>● Pulgas Panhandle: Development explored but failed.</li> </ul>

### City of East Palo Alto First Source Hiring Retail Jobs- 2006, 4<sup>th</sup> Quarter

Retailer	All Employees	FSH Employees	% FSH
Best Buy	124	37	30%
Baskin Robbins/Togo's	12	6	50%
California Bank & Trust	6	3	50%
Starbucks	17	15	88%
Four Seasons Hotel	291	51	18%
Office Depot	17	8	47%
Home Depot	200	80	40%
McDonald's	40	33	83%
Taco Bell	23	22	96%
Lulu's Petite	5	2	40%
SF Soup Company	6	3	50%
IKEA	407	149	37%
Circuit City ( Opened 12-06)	42	16	38%
<b>Total Retail Jobs</b>	<b>1190</b>	<b>425</b>	<b>36 %</b>

# REDEVELOPMENT/ ECONOMIC DEVELOPMENT

## FY 2007-2008 OBJECTIVES

1. To assist in the completion of the Ravenswood EIR.
2. To complete an Engineer's Report assessing infrastructure needs in the Ravenswood.
3. To form an assesment district in the Ravenswood.
4. To financially merge all Redevelopment areas.
5. To create 20 new affordable housing units.
6. To organize and deliver 20 economic development workshops and events to support local businesses, and inform the community about ongoing development plans.
7. To place 60 residents in local jobs.
8. To bring \$1,000,000 worth of contract opportunities for local businesses.
9. To build in FY 2007-2008, 50,000 square feet of new industrial space.
10. To raise in FY 2007-2008, \$10,000 to assist start-up and local business growth.
11. To complete Planning process for the following Redevelopment projects:
  - Supermarket Development (at NE corner of Bay & University)
  - J&R Associates Industrial Condominiums
  - SE Corner of Bay and University
12. To complete construction of the following Redevelopment projects:
  - Olson townhomes on Weeks Street
  - Byrd/Brock/DKB homes on the West side of Pulgas Avenue, between Bay and Weeks
  - Tara Rd. Industrial Condominiums
  - Road improvements on Bay Road, Phase I (University to Clarke), in the Ravenswood
13. To continue exploring development options at the following sites:
  - Pad "D", commerical parcel owned by the Agency at the Gateway 101 shopping center
  - The Four Corners area
  - The Ravenswood area in general
  - Pulgas Panhandle