CITY OF LODI

REDEVELOPMENT AGENCY

AGENDA TITLE: Resolution of the Redevelopment Agency of the City of Lodi Approving and Adopting the Report to the City Council on the Proposed Redevelopment Plan for the Lodi Redevelopment Project No. 1, Submitting said Report and Proposed Redevelopment Plan to the City Council, and Consenting to a Joint Public Hearing on said Redevelopment Plan

MEETING DATE: May 15, 2002

PREPARED BY: Community Development Director

RECOMMENDED ACTION: That the Redevelopment Agency adopt the Resolution of the Redevelopment Agency of the City of Lodi Approving and Adopting the Report to the City Council on the Proposed Redevelopment Plan for the Lodi Redevelopment Project No. 1, Submitting said Report and Proposed Redevelopment Plan to the City Council, and Consenting to a Joint Public Hearing on said Redevelopment Plan.

BACKGROUND INFORMATION: At the Agency's last meeting, you referred the proposed Redevelopment Plan to the Planning Commission and the Project Area Committee (PAC) for review and comment. That Plan contains all of the required legal verbage pursuant to State Law. The Report on the Plan before you with this action contains the required analysis of the project area. The Report includes the basis and impacts of the Plan. The majority of this document was previously approved in its preliminary form by the Agency on February 6, 2002. This Report is now in its final form having been reviewed by the PAC, taxing entities and the public at large.

Specifically, the Report must include the following:

- Reasons for selecting the project area, a description of the specific projects proposed by the agency, and an explanation of why redevelopment of the project area cannot be accomplished by private enterprise acting alone.
- Description of the physical and economic conditions existing in the area, including specific blighting conditions and a map showing where those conditions exist.
- An implementation plan describing agency goals and objectives, specific programs, including potential projects, and estimated expenditures to be made within the first five years of the plan, and a description of how these projects will improve or alleviate blighting conditions.

APPROVED: _____
H. Dixon Flynn -- City Manager

- An explanation of why the elimination of blight and the redevelopment of the project area cannot reasonably be expected to be accomplished by private enterprise acting alone or by the legislative body's use of financing alternatives other than tax increment financing.
- Proposed method of financing the project.
- Method for relocating persons and families.
- An analysis of the preliminary plan.
- The report and recommendation of the planning agency.
- Summary of the project area committee meetings.
- Report of the planning agency regarding acquisition of real property.
- The EIR.
- Report of the county fiscal officer.
- Neighborhood impact report if the project area contains low-or moderate-income housing.
- Analysis of the county fiscal officer's report, including a summary of the agency's consultations with affected taxing agencies. If any taxing entities have expressed written objections or concerns with the proposed project area as part of the agency's consultations with the taxing entities, the agency must include a response to those concerns.

With this action, the Agency is also requesting that the City Council hold a joint public hearing on the Redevelopment Plan along with the Final Environmental Impact Report on June 19, 2002. The actions related to this public hearing will be the final actions on the adoption process.

FUNDING: None required

Konradt Bartlam
Community Development Director

Prepared by: Community Development Director

KB/lw

AGENCY RESOLUTION NO. RDA2002-03

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF LODI APPROVING AND ADOPTING THE REPORT TO THE CITY COUNCIL ON THE PROPOSED REDEVELOPMENT PLAN FOR THE LODI REDEVELOPMENT PROJECT NO. 1, SUBMITTING SAID REPORT AND PROPOSED REDEVELOPMENT PLAN TO THE CITY COUNCIL, AND CONSENTING TO A JOINT PUBLIC HEARING ON SAID REDEVELOPMENT PLAN

WHEREAS, the Redevelopment Agency of the City of Lodi (the "Agency") has prepared a proposed Redevelopment Plan (the "Redevelopment Plan") for the Lodi Redevelopment Project No. 1 (the "Project"); and

WHEREAS, the Agency has submitted the proposed Redevelopment Plan to the Planning Commission of the City of Lodi for its report and recommendations, and the Planning Commission, by Resolution No. 02-17, adopted on May 8, 2002, reviewed the proposed Redevelopment Plan and recommended the approval and adoption of the proposed Redevelopment Plan; and

WHEREAS, pursuant to Section 33352 of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), the Agency has prepared a Report to the City Council on the proposed Redevelopment Plan; and

WHEREAS, Section 33355 of the Community Redevelopment Law authorizes a joint public hearing on the proposed Redevelopment Plan with the consent of the Agency and the City Council of the City of Lodi.

NOW, THEREFORE, the Redevelopment Agency of the City of Lodi does hereby resolve as follows:

Section 1. The Agency hereby approves and adopts the Report to the City Council on the Redevelopment Plan for the Lodi Redevelopment Project No. 1 and hereby submits said Report, together with the proposed Redevelopment Plan for the Project, to the City Council.

Section 2. The Agency hereby consents to a joint public hearing on the proposed Redevelopment Plan for the Project, and requests the City Council to call a joint public hearing of the Agency and the City Council on June 19, 2002, at 7:00 p.m. in the Carnegie Forum, 305 West Pine Street, Lodi, California, to consider and act upon the proposed Redevelopment Plan and all documents and evidence pertaining thereto.

Section 3. The Secretary of the Agency shall, in cooperation with the Clerk of the City of Lodi, prepare, publish, and mail such notices and documents and do all other acts as may be necessary to carry out the purposes of this resolution.

Dated: May 15, 2002

==========

I hereby certify that Resolution No. RDA2002-03 was passed and adopted by the Members of the Redevelopment Agency in a regular meeting held May 15, 2002 by the following vote:

AYES: MEMBERS – Howard, Land, and Chairperson Pennino

NOES: MEMBERS – Nakanishi

ABSENT: MEMBERS – Hitchcock

ABSTAIN: MEMBERS – None

PHILLIP A. PENNINO
Chairperson

Attest:

SUSAN J. BLACKSTON
Secretary

REPORT ON THE PLAN

for the

Lodi Redevelopment Project

April 2002

Report on the Plan
Lodi Redevelopment Project

Report Prepared By

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April 2002

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Appendix I. Project Area Committee (PAC) Minutes and Public Notices

I. Introduction

The Redevelopment Agency of the City of Lodi (Agency) is preparing a Redevelopment Plan for the Lodi Redevelopment Project Area (Project Area). The Lodi City Council will consider approval of the Plan during 2002. The proposed Project Area is comprised of approximately 1,184 acres of commercial, industrial and residential land uses in the City of Lodi (City) and is primarily located north of Kettleman Lane, south of Turner Road, east of Ham Lane and west of Commerce Street. This document is the Report on the Plan for the proposed Lodi Redevelopment Plan, which is required by Section 33352 of the California Community Redevelopment Law (CRL), a subsection of the California Health and Safety Code.[1]

The Report on the Plan is the final major background document in the process leading to consideration of the approval of the Lodi Redevelopment Plan (Redevelopment Plan). It is a public document designed to provide background information on the Redevelopment Project to the Agency, the Lodi Project Area Committee (PAC), and affected taxing entities. The Report on the Plan is of value to all participants in the plan adoption process as a final statement of program needs, goals, activities and costs.

The adoption of the Redevelopment Plan will put into place a redevelopment program designed to alleviate the Project Area's blighting conditions, which are documented in this Report on the Plan. The Report on the Plan describes the projects and activities proposed to alleviate blight and promote economic development, residential neighborhood conservation and areawide public improvements. Finally, the Report on the Plan sets forth financing methods proposed to implement the Redevelopment Program.

This chapter is organized as follows:

A. Project Area Description
B. Reasons for Selecting the Project Area
C. Attainment of the Purposes of the California Community Redevelopment Law and Redevelopment Plan Goals
D. Redevelopment Project Actions
E. Conformity with the City's General Plan
F. Overview of the Redevelopment Plan Adoption Process
G. Report on the Plan Requirements
H. Public Agency Actions to Date and Scheduled

A. Project Area Description

1. Project Area Boundaries

The proposed Project Area consists of approximately 1,184 acres located entirely within the City of Lodi, California. The proposed Project Area boundary was developed based on a review of background information, discussions with City staff, and an examination of available maps and aerial photographs. Special consideration was given to the California Community Redevelopment Law (CRL) eligibility

[1] The California Community Redevelopment Law is contained in Part I of Division 24, Community Development and Housing, of the Health and Safety Code beginning at Section 33000. All further statutory references are to the Health and Safety Code unless otherwise noted.

requirements. (For more information on these requirements, refer to Section G of this chapter and Chapter II).

The proposed Project Area is comprised of a variety of residential, commercial and industrial land uses. The proposed Project Area boundaries are shown in Figure I-1 (See Appendix B for the legal description and map of the proposed Project Area boundaries.)

The proposed Project Area is adjacent to Highways 12 and 99. Cherokee Lane, the location of the original Highway 99 before it was upgraded and relocated to the east, traverses the proposed Project Area. Highway 12, Kettleman Lane, runs near the southern border and the current Highway 99 runs near the eastern border. The western border of the proposed Project Area is adjacent to Ham Lane.

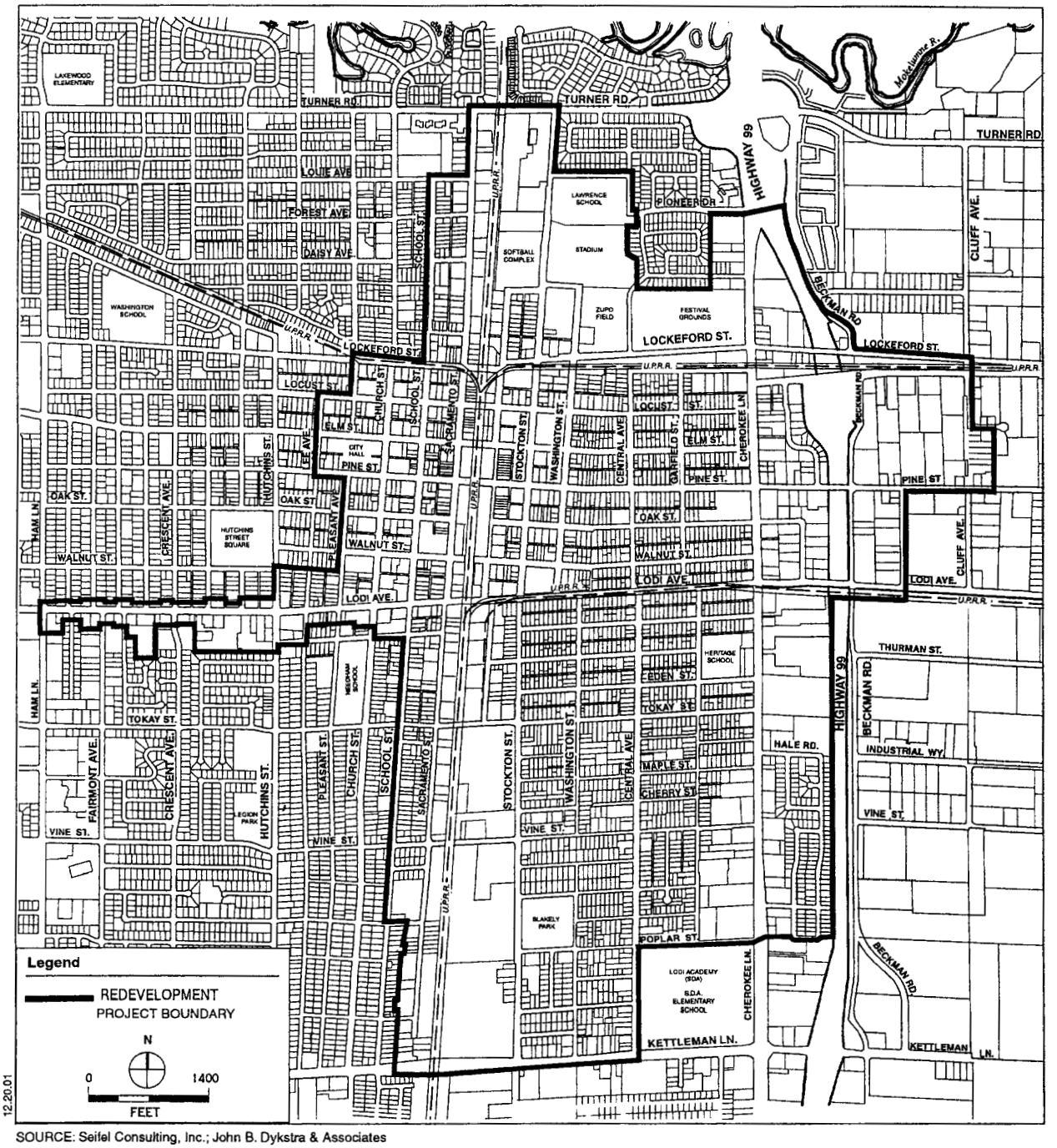
The Project Area contains several commercial areas, including the Downtown. Downtown Lodi is generally regarded as the area bounded by Lockeford Street to the north, Lodi Avenue to the south, Church Street on the west, and Sacramento Street and the Union Pacific Railroad on the east. It has a land area of approximately 40 acres, and includes approximately 400,000 square feet of first floor commercial space. Historic buildings and storefront commercial development are concentrated along School Street. A smaller mixed commercial and industrial area extends along the frontages of Main and Pine Streets, east of the railroad. It is approximately 15 acres in area and contains approximately 110,000 square feet of first floor commercial space.[2] Another smaller commercial area extends west along Lodi Avenue to Ham Lane.

Cherokee Lane is the gateway to Lodi from Highway 99, which is an important north-south route in the Central Valley. Cherokee Lane stretches for approximately two miles between the northern and southern Highway 99 off-ramps. Its frontage consists of a mixture of large and small-scale commercial businesses, public facilities such as the fairgrounds and the vacant Lincoln School, as well as light industrial development.[3]

Kettleman Lane, which forms the southern boundary of the proposed Project Area, is an important commercial corridor in Lodi. Highway 12 provides the principal east-west access to the area and coincides with Kettleman Lane west of Highway 99. It then follows Highway 99 for about one mile north before branching east as Victor Road.

As discussed in Chapter II, the location, scale and quality of the transportation improvements and resulting land use patterns have negatively affected properties in the proposed Project Area. The negative conditions exist particularly within the oldest areas of the City, which are located primarily within the proposed Project Area. These negative conditions include impaired access and circulation; deteriorating properties, buildings and infrastructure; incompatible land uses; outmoded and/or deficient buildings; deficient and substandard public improvements; substandard lots; economic stagnation and depreciated values; and residential overcrowding.

[2] Freedman Tung and Bottomley, Central City Revitalization Program: Concept Development Phase, 1994, p. 6.
[3] Ibid. p.19.



SOURCE: Seifel Consulting, Inc.; John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

FIGURE 1-1: REDEVELOPMENT PROJECT AREA

2. History of the Project Area

The historical growth of the City of Lodi has greatly influenced the existing physical and economic conditions in the proposed Project Area, which encompasses the oldest commercial and industrial areas and residential neighborhoods in Lodi.

Lodi's initial growth was primarily related to agriculture and the prime farming land that surrounds the City. Lodi is located on the edge of the Sacramento Delta, an area of productive agricultural land. The Miwok Indians, the area's earliest inhabitants, enjoyed a life of abundant plant life nurtured by the black peat soil of the Delta. Lodi was once known as the watermelon capital, when trains would transport watermelons from Lodi to cities all across the nation. Today, Lodi's cash crop is the wine grape. The Lodi area produces more Zinfandel, Merlot, Cabernet Sauvignon, Chardonnay and Sauvignon Blanc grapes than any other wine region in the state. The Lodi area also produces, processes and exports a wide variety of vegetables, fruits and nuts. It has one of the largest cherry export operations in the country, shipping primarily to Japan and other Pacific Rim countries.[4]

Lodi was first subdivided in 1869 by the Oakland-Sacramento Central Pacific Railroad Company, when the town of Mokelumne was founded. The City was incorporated on December 6, 1906. Lodi's early growth was attributed to an extensive network of passenger train services that once served the City. Industries built warehouses and manufacturing plants to maximize railroad access and frontage. Commercial districts were developed in close proximity to the railroad depot to capitalize on passenger patronage, and residential development occurred in areas beyond the commercial and industrial uses.[5] Rail service has steadily declined since the 1950s and 1960s as the expanding freeway system replaced rail transport with automobiles and trucks.[6]

B. Reasons for Selecting the Project Area

The City Council recommended establishing a redevelopment project to accomplish the following goals:[7]

- Revitalize areas in Lodi that exhibit both physical and economic blight;
- Stimulate private investment in Lodi's commercial areas;
- Improve housing conditions and infrastructure in residential neighborhoods; and
- Provide tax increment funds for the redevelopment activities that are needed to alleviate blighting conditions.

1. Substantial and Prevalent Blighting Conditions

Both physical and economic conditions prevent the proposed Project Area from achieving its full potential. Chapter II of this Report on the Plan documents the proposed Project Area's physical and economic blighting conditions in accordance with the CRL. Existing conditions found in the proposed Project Area include eight of the nine statutorily defined categories of physical and economic blight. The blight documentation is based on field surveys, building condition ratings of 3,382 structures, photographic evidence, independent environmental analyses, and economic data and analyses.

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[4] Information taken from the Lodi Conference & Visitors Bureau website, located at www.visitlodi.com/history.html
[5] Environmental Science Associates, Lodi Multi-Modal Station: Initial Study/Negative Declaration, May 1999, p. 11.
[6] Ibid., p. 3.
[7] Preliminary Plan for the Lodi Redevelopment Project, July 11, 2001.

The proposed Project Area suffers from physical and economic blighting conditions that need to be alleviated to improve commercial and industrial areas and revitalize and conserve the residential areas. The conditions of blight in the proposed Project Area include, but are not limited to:

- Deficient or deteriorated buildings
- Factors that inhibit proper use of buildings or lots
- Incompatible uses
- Substandard lots in multiple ownership
- Depreciated or stagnant values or impaired investments
- Economic indicators of distressed buildings or lots
- Residential overcrowding
- High crime rate

The blighting conditions within the proposed Project Area are substantial and prevalent, and have resulted in deterioration and poor utilization of the area.

C. Attainment of the Purposes of the California Community Redevelopment Law and Redevelopment Plan Goals

The proposed Plan Adoption will be undertaken to achieve the purposes of the CRL and the City's General Plan, and to attain the following goals. The proposed Redevelopment Plan will be consistent with the City's General Plan, and will adopt and incorporate the land use policies and standards of the General Plan.

1. Goals

The primary goal of the Redevelopment Plan is to alleviate physical and economic blighting conditions in the Project Area by improving the area's economic base while preserving and enhancing residential areas.

An important purpose of the proposed Redevelopment Project in Lodi is to protect and improve residential areas, primarily the East Side neighborhood. Redevelopment activities would be designed to preserve the residential character of the neighborhood and encourage renovation of single family and multifamily housing.

Redevelopment would promote the economic revitalization of commercial areas, such as Downtown Lodi and Cherokee Lane. The proposed Redevelopment Project would provide funding to promote investment in commercial areas and capitalize on the changes resulting from the new multimodal Lodi Station. Improving the economic vitality of these commercial and industrial areas will also enhance the appeal of the East Side neighborhood as a place to live.

The following goals are based upon observed needs in the area, recommendations from previous studies and the City's General Plan. The listing of the proposed goals does not indicate a hierarchy of relative priority:

- The elimination of blighting influences and the correction of environmental deficiencies in the Project Area, including, among others, buildings in which it is unsafe or unhealthy for persons to live or work, small and irregular lots, faulty exterior spacing, obsolete and aged building types, mixed character or shifting uses or vacancies, incompatible and uneconomic land uses, substandard alleys, and inadequate or deteriorated public improvements, facilities, and utilities.

- The assembly of land into parcels suitable for modern, integrated development with improved pedestrian and vehicular circulation in the Project Area.
- The replanning, redesign, and development of portions of the Project Area which are stagnant or improperly utilized.
- The provision of opportunities for participation by owners and tenants in the revitalization of their properties.
- The strengthening of retail and other commercial functions in the Project Area.
- The strengthening of the economic base of the Project Area by stimulating new investment.
- The expansion of employment opportunities.
- The provision of an environment for social and economic growth.
- The expansion, improvement, and preservation of the community's supply of housing available to low and moderate income persons and families.
- The installation of new or replacement of existing public improvements, facilities, and utilities in areas that are currently inadequately served.[8]

2. Achieving City Goals and Objectives

The Lodi Redevelopment Project will further several City goals and objectives, through alleviation of physical and economic blighting conditions in the Project Area by improving the area's economic base and preserving and enhancing residential areas. The Redevelopment Project will address these goals by assisting in improving older areas and preparing for the future.

D. Redevelopment Project Actions

The Agency proposes to eliminate adverse physical and economic conditions and implement the goals of the Redevelopment Plan through the following actions (excerpted from the draft Redevelopment Plan):

Site Assembly and Preparation

- Acquisition of real property and the assembly of adequate sites for the development and construction of residential, commercial, and industrial facilities.
- Demolition or removal of buildings and improvements.
- Provision of relocation assistance to displaced Project occupants.

Conservation and Improvement of Residential Areas

- Conservation of residential properties through the establishment of a Residential Conservation Area in the East Side neighborhood, as more particularly described in the Redevelopment Program description in Chapter III of this Report.

Public Improvements

- Installation, construction, or reconstruction of streets, utilities, and other public improvements.

Agency Assistance for Redevelopment Purposes

- Management of any property acquired by and under the ownership and control of the Agency.

[8] These purposes were excerpted from the draft Redevelopment Plan for the Lodi Redevelopment Project, April 2002.

- Provision for participation by owners and tenants presently located in the Project Area and the extension of preferences to business occupants and other tenants desiring to remain or relocate within the redeveloped Project Area.
- Disposition of property for uses in accordance with the Redevelopment Plan.
- Redevelopment of land by private enterprise or public agencies for uses in accordance with the Redevelopment Plan.
- Rehabilitation of structures and improvements by present owners, their successors, and the Agency.

1. Providing Tax Increment Funds for Redevelopment Projects

The primary funding source for most redevelopment projects is tax increment revenue generated by increased property values in a project area. Tax increment revenues would be used to leverage private funds to undertake improvement projects and stimulate private investment in the proposed Project Area. Preliminary analysis indicates that the proposed Project Area could generate substantial tax increment revenues through the revitalization of the commercial and residential areas. This report provides initial projections of potential tax increment in Chapter IV and Appendix H.

E. Conformity with the City's General Plan

As detailed in the July 2001 Preliminary Plan for the Lodi Redevelopment Project, the proposed development and redevelopment will be in conformance with the adopted General Plan of the City of Lodi, the City of Lodi Zoning Ordinance, and all other applicable state and local building codes and guidelines. It will also be subject to all review and procedural requirements in effect as development and redevelopment take place within the proposed Project Area boundaries.

The Preliminary Plan proposed a similar pattern of land uses to the General Plan, and included all highways and public facilities indicated by the General Plan. The Redevelopment Plan will include provisions that it will remain consistent with the General Plan as the General Plan is amended from time to time. In concept, the proposed Redevelopment Program has received initial support from the City Council and Planning Commission.

F. Overview of the Redevelopment Plan Adoption Process

Adopting a redevelopment plan involves complex, statutorily mandated procedures and documentation designed to provide a community's legislative body with the necessary analysis and input to make informed decisions about the purpose, scope and content of the proposed Redevelopment Plan and ultimately, about whether to adopt the plan.

The following briefly describes the reports and steps in the Lodi Redevelopment Plan adoption process:

- Project Area Designation. The City Council designates the Survey Area, and the Planning Commission selects boundaries for the proposed Project Area.
- Preliminary Plan. In cooperation with the Redevelopment Agency, the Planning Commission adopts the Preliminary Plan, which provides a general description of land uses, redevelopment goals and objectives, and a map and legal description of the proposed Project Area boundaries.
- Project Area Committee. The City Council authorizes and establishes procedures for the formation of a project area committee (PAC) if the Agency contemplates actions that may potentially result in the relocation or displacement of low and moderate income households. The PAC reviews and advises on the proposed Redevelopment Plan. The PAC submits its report and recommendations on the Plan to the Agency and City Council.

- Preliminary Report. The Preliminary Report describes the purpose and projected impact of the proposed Redevelopment Plan. It is the first major background document in the process to the approval of the Redevelopment Plan. The Preliminary Report is reviewed as a draft by staff and Agency Board. The final version, as updated, is incorporated into the Report on the Plan.
- Environmental Impact Report. The adoption of the Redevelopment Plan requires the preparation of an Environmental Impact Report (EIR) in accordance with the California Environmental Quality Act (CEQA).
- Redevelopment Plan. The Agency prepares a final Redevelopment Plan, which will be the legal document setting forth the basic goals, powers and limitations within which the Agency must conduct its activities over the life of the Project. The Agency submits the final Redevelopment Plan to the Planning Commission and the City Council in preparation for the public hearing and City Council consideration of adoption of the Plan.
- Report on the Plan. The Report on the Plan is the report that accompanies the Redevelopment Plan, designed to help the City Council make an informed decision on whether to adopt the Plan. It is further described in the next section.

G. Report on the Plan Requirements

This Report on the Plan is designed to comply with the requirements of CRL Section 33352. A listing of the Report on the Plan requirements and a description of how this Report on the Plan is organized to meet these requirements follows. (Excerpts from the CRL are italicized and referenced.)

1. Reasons for Selecting the Project Area

The reasons for the selection of the project area. Section 33352(a)

The reasons for selecting the proposed Project Area and the reasons for adopting a Redevelopment Plan are presented in Chapter II, and summarized in Section B above.

2. Physical and Economic Conditions in the Project Area

A description of the physical and economic conditions specified in Section 33031 that exists in the area that cause the project area to be blighted. The description shall include a list of the conditions described in Section 33031 that exist within the project area and a map showing where in the project the conditions exist. Section 33352(b)

The evidence provided in Chapter II of this Report and summarized in Section B above demonstrates that the proposed Project Area has adverse physical and economic conditions sufficient to support a finding that the area is blighted in accordance with CRL Sections 33031(a) and (b).

The documentation on the extent of urbanization in the Project Area is also provided in Chapter II. The documentation demonstrates that the Project Area meets the urbanization requirements specified in Section 33320.1. The proposed Project Area contains no lands in agricultural use.

3. Proposed Projects and Blight Alleviation

A description of the specific projects then proposed by the agency, a description of how these projects will improve or alleviate the conditions described in subdivision (b). Section 33352(a).

Chapter III of this Report on the Plan provides descriptions of the projects and activities proposed by the Agency as a means to alleviate adverse conditions within the proposed Project Area. Preliminary cost estimates covering these projects and activities are also provided.

In addition, Chapter III links proposed projects and activities with identified adverse conditions and demonstrates how the Agency can use redevelopment to alleviate blighting conditions in the proposed Project Area.

4. Proposed Method of Financing

An explanation of why the elimination of blight and the redevelopment of the project area cannot reasonably be expected to be accomplished by private enterprise acting alone or by the legislative body's use of financing alternatives other than tax increment financing. Section 33352(d).

The proposed method of financing the redevelopment of the project area. Section 33352(e)

Chapter IV of this Report on the Plan describes the proposed methods for financing the Redevelopment Project. Estimated Redevelopment Program costs are presented with available funding sources. The analysis demonstrates the economic feasibility of the Project and the reasons for including a provision for the division of taxes (tax increment financing).

5. Implementation Plan

An implementation plan that describes specific goals and objectives of the agency, specific projects then proposed by the agency, including a program of actions and expenditures proposed to be made within the first five years of the plan, and a description of how these projects will improve or alleviate the conditions described in Section 33031. Section 33352(c)

A five year Implementation Plan for the Lodi Redevelopment Plan is provided in Chapter V of this Report on the Plan. The Plan outlines statutory requirements for non-housing, as well as affordable housing activities, and sets forth the Agency's primary goals, objectives, programs, and possible expenditures during the first five years of the Plan.

6. Method or Plan for Relocation

A method or plan for the relocation of families and persons to be temporarily or permanently displaced from housing facilities in the project area, which method or plan shall include the provision required by Section 33411.1 that no persons or families of low and moderate income shall be displaced unless and until there is a suitable housing unit available and ready for occupancy by the displaced person or family at rents comparable to those at the time of their displacement. Section 33352(f)

The Agency will propose a detailed method and plan for relocation of families and persons to be displaced in connection with any Lodi Redevelopment Agency project prior to undertaking any actions that would result in such displacement. The Agency relocation policy will comply with

CRL Section 33367(d)(7), which requires a redevelopment agency to have a feasible relocation method or plan if the agency's redevelopment plans are to result in the displacement of any households or businesses in a project area.

The relocation requirement is described in Chapter VI. The chapter sets forth the general policies for the administration of the relocation program with respect to the Redevelopment Plan for the Lodi Project Area and the provision of services and benefits to displaced families, individuals, businesses, and community institutions. It should be noted at the outset that the relocation of any households or businesses would only be used if it were reasonably necessary to redevelop a property. Should relocation be necessary to implement the Redevelopment Project, then all state guidelines will be followed. The Agency anticipates that a minimal number of dwellings would be displaced over the life of the Redevelopment Plan, although the Agency has no plans to relocate residents or businesses at this time. In the off-chance that it should become necessary to use eminent domain in the future, the City and Agency will follow all state guidelines and relocation requirements, and make every effort to relocate persons as close as possible to their current place of residence or business. Furthermore, the Agency would not commence any reasonably necessary relocation until it has firm commitments from public funding sources or competent developers that the desired redevelopment of the areas will take place in a timely manner and with the least disruption to existing homes and businesses.

7. Analysis of the Preliminary Plan

An analysis of the preliminary plan. Section 33352(g)

Chapter VII of this report provides an analysis of the Preliminary Plan adopted by the Lodi Planning Commission on July 11, 2001.

8. Planning Commission Actions

The report and recommendations of the planning commission. Section 33352(h)

The report required by Section 65402 of the Government Code. Section 33352(j)*

Chapter VIII of this report discusses the Planning Commission actions. The Planning Commission is scheduled to consider the adoption of a resolution finding the Lodi Redevelopment Plan in conformance with the Lodi General Plan at its regularly scheduled meeting on May 8, 2002.

9. Summary of Public Review of the Proposed Redevelopment Plan

The summary referred to in Section 33387. Section 33352(i)

A summary of the meetings of the Lodi Project Area Committee (PAC) and other public meetings is contained in Chapter IX of this report.

10. Environmental Review

The report required by Section 21151 of the Public Resources Code. Section 33352(k)*

On March 12, 2002, the Redevelopment Agency released for public review, the Draft Environmental Impact Report (Draft EIR). The document was distributed to all affected taxing entities, the PAC, the Planning Commission and other entities as required by law. The public review period of the Draft EIR was March 12, 2002 to April 25, 2002. A public hearing on the document was held on April 24, 2002 at the regular Lodi Planning Commission Meeting. All written comments received during the public review

period and comments received at the public hearing will be addressed in the Response to Comments Document, which will also show relevant changes to the text of the Draft EIR.

The Final EIR is scheduled to be transmitted on May 31, 2002 to the City Council, the Planning Commission and the PAC pursuant to Section 21151 of the Public Resources Code. At the joint public hearing on the Redevelopment Plan Adoption scheduled for June 19, 2002, comments will be received on the Final EIR.

Chapter X of this report summarizes the EIR process. A summary of the impacts of redevelopment activities associated with the Plan adoption that are addressed in the EIR appears in the neighborhood impact report, Chapter XIII of this report.

11. Report of the County Fiscal Officer and Analysis of the Report

The report of the county fiscal officer as required by Section 33328. Section 33352(l)

An analysis by the agency of the report submitted by the county as required by Section 33328... Section 33352(n)

The January 14, 2002 Report of the San Joaquin County Fiscal Officer on Assessed Valuation in the Lodi Redevelopment Project (33328 Report) is provided as Appendix G. The analysis of the Report of the County Fiscal Officer is included in Chapter XI of this report.

12. Summary of Consultations with Taxing Entities

An analysis by the agency of the report submitted by the county as required by Section 33328, which shall include a summary of the consultation of the agency, or attempts to consult by the agency, with each of the affected taxing entities as required by Section 33328. If any of the affected taxing entities have expressed written objections or concerns with the proposed project area as part of these consultations, the agency shall include a response to these concerns, additional information if any, and, at the discretion of the agency, proposed or adopted mitigation measures. Section 33352(n)

A summary of consultations with affected taxing entities is contained in Chapter XII of this report.

13. Neighborhood Impact Report

If the project area contains low or moderate income housing, a neighborhood impact report which describes in detail the impact of the project upon the residents of the project area and the surrounding areas, in terms of relocation, traffic circulation, environmental quality, availability of community facilities and services, effect on school population and quality of education, property assessments and taxes, and other matters affecting the physical and social quality of the neighborhood. Section 33352(m)

The neighborhood impact report is contained in Chapter XIII of this report.

H. Public Agency Actions to Date and Scheduled

The following major public agency actions related to the proposed Redevelopment Project have occurred to date:

- On February 16, 2000, the City Council designated the Survey Area for the proposed Lodi Redevelopment Project (Resolution 2000-23).

- On June 7, 2000, the Agency Board accepted the findings of the Feasibility Report for the proposed Lodi Redevelopment Project Area (Resolution 2000-01).
- On March 28, 2001, the Planning Commission considered the Preliminary Plan for the Lodi Redevelopment Project and the Project's preliminary boundaries. The Planning Commission recommended expanding the Survey Area and Project Area Boundaries.
- On April 18, 2001, the City Council designated the revised Survey Area for the proposed Lodi Redevelopment Project (Resolution 2001-93).
- On July 11, 2001 the Planning Commission adopted the Preliminary Plan for the Lodi Redevelopment Project, designated the Project's preliminary boundaries, and forwarded the Preliminary Plan to the Redevelopment Agency. The Commission found the Preliminary Plan in conformity with the City of Lodi General Plan (General Plan), and found that the Preliminary Plan met the criteria of Section 33324 by setting forth the boundaries of the proposed Project Area, proposed general land uses, population density, and building intensity and standards.
- On September 5, 2001, the Agency accepted the Preliminary Plan and authorized forwarding the Preliminary Plan to taxing entities.
- On September 5, 2001, the City Council adopted the Project Area Committee (PAC) Election and Formation Procedures, and called for formation of the Lodi Redevelopment PAC.
- On September 15, 2001, the Agency mailed a written notice to all businesses, property owners, residential tenants, and community organizations within the proposed Project Area announcing the selection of the Project Area and the intention to form the PAC. The notice also invited businesses, property owners, residential tenants, and community organizations within the proposed Project Area to participate in the PAC and attend a September 25, 2001 Informational Meeting.
- On September 18, 2001, the Agency submitted documents required by CRL Section 33327 to affected taxing entities and the county auditor, assessor, and tax collector. These documents contained a statement that the Redevelopment Plan was being prepared, a description of the proposed Project Area boundaries, and a map indicating the boundaries of the Project Area.
- On September 25, 2001, a public informational meeting was held to provide information on the redevelopment process, formation of the Project Area Committee, and EIR scoping meeting.
- On October 1, 2001, the Agency mailed the Notice of Preparation of a Draft Environmental Impact Report (EIR) to the County Clerk and the distribution list, which included affected or responsible taxing agencies, local, regional, state, and federal government entities, and various other interested individuals and organizations.
- On October 19, 2001, the PAC election was held. A list of PAC members is contained in Appendix I.
- On November 7, 2001, the City Council adopted a resolution certifying the PAC election.
- On November 27, 2001, the PAC held its first meeting.
- On February 6, 2002, the Agency approved the Preliminary Report and authorized it to be sent to affected taxing entities.
- On March 12, 2002, the Notice of Completion (NOC) for the EIR was completed, authorizing the Draft EIR to be sent to affected taxing entities and initiating the 45-day public review period, beginning March 12, 2002 and closing April 25, 2002.
- The Planning Commission held a public hearing on the Draft EIR on April 24, 2002.
- On May 8, 2002 the Planning Commission is scheduled to review the Redevelopment Plan and Draft EIR.
- On May 15, 2002 the Agency and the City Council are expected to schedule a June 19, 2002 joint public hearing on the Redevelopment Plan.

- On May 22, May 29, June 5 and June 12, 2002 the notice of the June 19, 2002 joint public hearing will be published in the Lodi News Sentinel.
- On June 19, 2002, the Agency and the City Council are scheduled to hold a joint public hearing on the Redevelopment Plan and Final EIR.

II. Existing Conditions

A. Introduction

This chapter of the Report on the Plan describes existing conditions in the Lodi Redevelopment Project Area, including existing land uses, extent of urbanization and conditions of blight. Section B of this chapter presents evidence that the Project Area is predominantly urbanized, in accordance with Sections 33320.1 and 33344.5 of the California Community Redevelopment Law (CRL). Sections D and E present adverse physical and economic conditions in the Project Area in accordance with Sections 33030 and 33031. These physical and economic conditions have caused a reduction in the proper use of the area and cannot be reversed or alleviated without the assistance of the Agency through the authority of the CRL.

The CRL requires that a combination of adverse physical and economic conditions be prevalent and substantial for an area to be designated as eligible for redevelopment. The adverse conditions found in the Project Area are summarized in various exhibits throughout Chapter II and Appendices C through F, which together constitute the adverse conditions description and map required by CRL Section 33352(b). The map has been broken into submaps for ease of reading and reference since so much information is provided about the geographic spread of adverse conditions throughout the Project Area. The submaps, taken together, demonstrate that adverse conditions are substantial and prevalent, and adversely affect all of the properties in the Project Area.

A survey of the Project Area, its land, building conditions, historical uses and economic conditions indicate that the Project Area contains seven of the nine statutorily defined categories of blight. The prevalence of adverse physical conditions is discussed primarily in terms of deficient or deteriorating buildings, factors inhibiting the use of land and buildings, incompatible uses, substandard lots in multiple ownership, and inadequate public improvements. The prevalence of adverse economic conditions is discussed primarily in terms of depreciated property values, high vacancy rates, declining retail sales, low commercial lease rates, hazardous materials sites, impaired investments, residential overcrowding and a high crime rate.

B. Character of the Area as Predominantly Urbanized

1. Introduction

Under the CRL, a proposed project area must be both urbanized and blighted. This section provides information on the extent of urbanization in the proposed Project Area.

2. Methodology

Conclusions regarding the extent of urbanization in the proposed Project Area are supported by:

- Extensive field reconnaissance surveys.
- Analysis of legal description maps covering the Project Area.
- Review of aerial photographs.
- Discussions with City staff.

Following completion of field reconnaissance surveys and the assembly and analysis of available background information, areas fitting into the various urbanization categories were outlined on maps and a planimeter was used to calculate the total land area within each category.

3. Urbanization Requirements of the CRL

a. Reporting Requirements

Section 33344.5(c) of the CRL requires a description of the Project Area that is sufficiently detailed to permit a determination that a proposed redevelopment project area is predominantly urbanized. This section fulfills this requirement.

b. Definition of a Predominantly Urbanized Area - CRL Section 33320.1(b) and (c)

Relevant current provisions of the CRL pertaining to a definition of "predominantly urbanized" are as follows:

(b) As used in this section, "predominantly urbanized" means that not less than 80 percent of the land in the project area:

(1) Has been or is developed for urban uses; or

(2) Is characterized by the condition described in paragraph (4) of subdivision (a) of Section 33031[1]; or

(3) Is an integral part of one or more areas developed for urban uses which are surrounded or substantially surrounded by parcels which have been or are developed for urban uses. Parcels separated by only an improved right-of-way shall be deemed adjacent for the purpose of this subdivision.

(c) For the purposes of this section, a parcel of property as shown on the official maps of the county assessor is developed if that parcel is developed in a manner which is either consistent with zoning or is otherwise permitted under law.

4. Extent of Urbanization in the Proposed Project Area

The analysis of the extent of urbanization presented on the following page clearly demonstrates that the Project Area meets the urbanization requirements of the California Community Redevelopment Law.

The analysis supporting this conclusion is based upon the three categories used in the definition of "predominantly urbanized" contained in Section 33320.1(b) of the CRL (see above). This analysis, presented in Table II-1, Calculation of the Extent of Urbanization, indicates that 100 percent of the Project Area is predominantly urbanized, thus meeting the requirement that at least 80 percent of the area be urbanized.

The map presented as Figure II-1, Urbanization Map, shows the location of the various land use categories used in the urbanization analysis.

[1] Paragraph (4) of subdivision (a) of Section 33031 states "The existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership."

5. Area that Has Been or Is Developed for Urban Uses

Nearly all the proposed Project Area has been or is developed for urban uses. This category includes approximately 1,181 acres (or 99.7 percent) of the total land within the Project Area (1,184 acres). The location of this area is shown on Figure II-1, Urbanization Map.

6. Inclusion of Areas Characterized by the Conditions Described in Subdivision (a)(4) of Section 33031

No area that meets this description has been included for the purpose of this urbanization analysis.

7. Inclusion of Areas that Are Integral Parts of Developed Areas

The proposed Project Area includes one area of approximately 3 acres (or 0.3 percent of the Project Area) that has been designated as an integral part of an area developed for urban uses. Although this area is currently undeveloped, it is surrounded by urbanized land and is an integral part of a fully urbanized industrial area. The location of this area is shown on Figure II-1, Urbanization Map.

8. Inclusion of Unurbanized Land for Planning Purposes

No area that meets this description has been included for the purpose of this urbanization analysis.

9. Inclusion of Agricultural Land

The Report on the Plan must discuss the extent of agricultural land in the Project Area.
Section 33344.5(c)(3) of the CRL requires identification of lands in agricultural use.[2] There are no lands in agricultural use, as defined in Section 51201(a) and (b) of the Government Code, within the boundaries of the proposed Lodi Redevelopment Project.

[2] As provided in the above cited section, "agricultural use" has the same meaning as defined in Section 51201(a) and (b) of the Government Code which states: (a) "Agricultural commodity" means any and all plant and animal products produced in this state for commercial purposes, and (b) "Agricultural use" means use of land for the purpose of producing an agricultural commodity for commercial purposes.

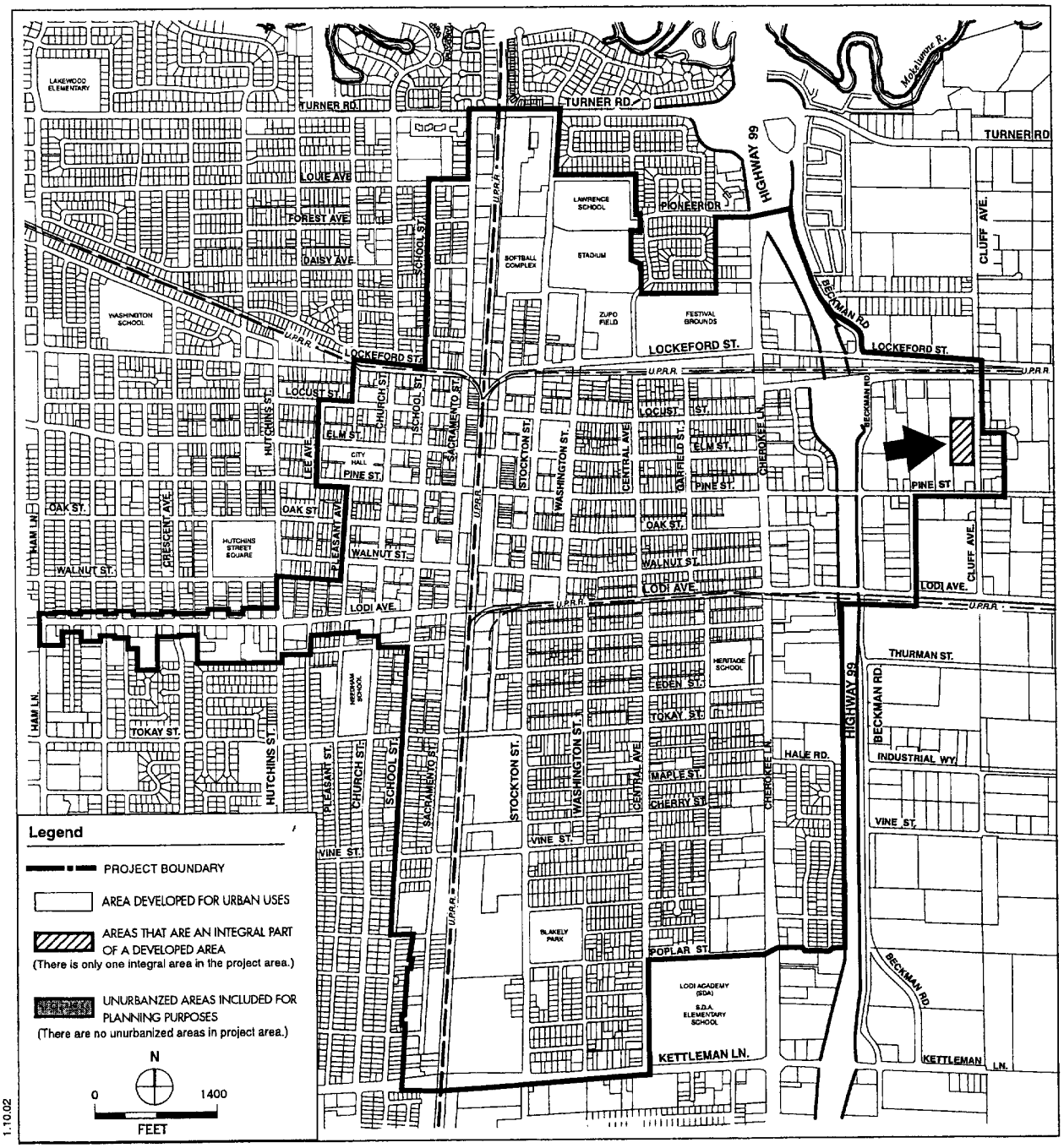
Table II-1
Calculation of the Extent of Urbanization
Lodi Redevelopment Project

Part One: Extent of Urbanization

Urbanization Categories	Acres	Percent
1. Area that has been or is developed for urban uses	1,181	99.7%
2. Area that is characterized by the conditions described in subdivision (a)(4) of Section 33031	0	0.0%
3. Area that is an integral part of an area developed for urban uses	3	0.3%
Total Predominantly Urbanized Area	**1,184**	**100%**
4. Unurbanized areas included for planning purposes	0	0.0%
Total Urbanized and Unurbanized	**1,184**	**100%**

Part Two: Inclusion of Agricultural Land

Urbanized and Unurbanized	Acres	Percent
1. Predominantly urbanized land in agricultural use	0	0%
2. Unurbanized land in agricultural use	0	0%
Total Land in Agricultural Use	**0**	**0%**



1.10.02

SOURCE: John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

FIGURE II-1: URBANIZATION MAP

C. Characteristics of a Blighted Area

Relevant provisions of the California Community Redevelopment Law (CRL) describing the characteristics of a blighted area are as follows:

Section 33030

(a) It is found and declared that there exist in many communities blighted areas which constitute physical and economic liabilities, requiring redevelopment in the interest of the health, safety, and general welfare of the people of these communities and of the state.

(b) A blighted area is one that contains both of the following:

(1) An area that is predominately urbanized, as that term is defined in Section 33320.1, and is an area in which the combination of conditions set forth in Section 33031 is so prevalent and so substantial that it causes a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical and economic burden on the community which cannot reasonably be expected to be reversed or alleviated by private enterprise or governmental action, or both, without redevelopment.

(2) An area that is characterized by either of the following:

(A) One or more conditions set forth in any paragraph of subdivision (a) of Section 33031 and one or more conditions set forth in any paragraph of subdivision (b) of Section 33031.

(B) The condition described in paragraph (4) of subdivision (a) of Section 33031.

(c) A blighted area also may be one that contains the conditions described in subdivision (b) and is, in addition, characterized by the existence of inadequate public improvements, parking facilities, or utilities.

Section 33031 of the CRL describes both physical and economic conditions that can be used to determine if an area is blighted and in need of redevelopment. These factors are summarized as follows:

a. Adverse Physical Conditions, Section 33031(a)

The CRL definition for physical blight is as follows:

Deficient or Deteriorated Buildings
Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions can be caused by serious building code violations, dilapidation and deterioration, defective design or physical construction, faulty or inadequate utilities, or other similar factors. 33031(a)(1)

Factors that Inhibit Proper Use of Buildings or Lots
Factors that prevent or substantially hinder the economically viable use or capacity of buildings or lots. This condition can be caused by a substandard design, inadequate size given present standards and market conditions, lack of parking, or other similar factors. 33031(a)(2)

Incompatible Uses
Adjacent or nearby uses that are incompatible with each other and which prevent the economic development of those parcels or other portions of the project area. 33031(a)(3)

Substandard Lots in Multiple Ownership
The existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership. 33031(a)(4)

b. Adverse Economic Conditions, Section 33031 (b)

The CRL definition for economic blight is as follows:

Depreciated Values or Impaired Investments
Depreciated or stagnant property values or impaired investments, including, but not necessarily limited to, those properties containing hazardous wastes that require the use of agency authority as specified in Article 12.5 (commencing with Section 33459). 33031(b)(1)

Economic Indicators of Distressed Buildings or Lots
Abnormally high business vacancies, abnormally low lease rates, high turnover rates, abandoned buildings, or excessive vacant lots within an area developed for urban use and served by utilities. 33031(b)(2)

Lack of Neighborhood Commercial Facilities
A lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions. 33031(b)(3)

Residential Overcrowding or Problem Businesses
Residential overcrowding or an excess of bars, liquor stores, or other businesses that cater exclusively to adults, that has led to problems of public safety and welfare. 33031(b)(4)

A High Crime Rate
A high crime rate that constitutes a serious threat to the public safety and welfare. 33031(b)(5)

The analysis in Sections D and E below demonstrates that adverse physical and economic conditions exist throughout the Project Area.

D. Assessment of Existing Conditions

1. Standard for Assessment

The standard for the general assessment of physical and economic conditions are the provisions of the CRL pertaining to the definition of a redevelopment project area and its characteristics as cited above.

2. Definition of Survey Areas

A total of eight survey areas have been defined as a means of facilitating the assembly and analysis of data and the presentation of findings. The boundaries of the survey areas are shown on Figure II-2, Building Conditions Survey Areas.

3. Field Reconnaissance Surveys and Photography

Several major steps were taken to assess existing conditions in the proposed Project Area. These steps include, but are not limited to the following:

a. Field Reconnaissance Surveys Leading to the Designation of Project Area

Early in the year 2000, a number of field reconnaissance surveys were conducted by the consultants as a means of assessing existing conditions and the need for redevelopment in the community. Preliminary Project Area boundaries were defined and extensive discussions with city staff were held. At the end of this process, City staff recommended boundaries to the City Council for approval. In February 2000, the City Council approved the Project Area.

b. Field Reconnaissance Surveys Supporting the Feasibility Report

Following approval of the Project Area, additional field reconnaissance surveys were conducted to further assess the extent of adverse physical and economic conditions in the area. These conditions were then described in the Feasibility Report, Proposed Lodi Redevelopment Project, approved by the Lodi City Council on June 7, 2000. The report also provided preliminary recommendations on redevelopment project boundaries.

c. Building Conditions Survey

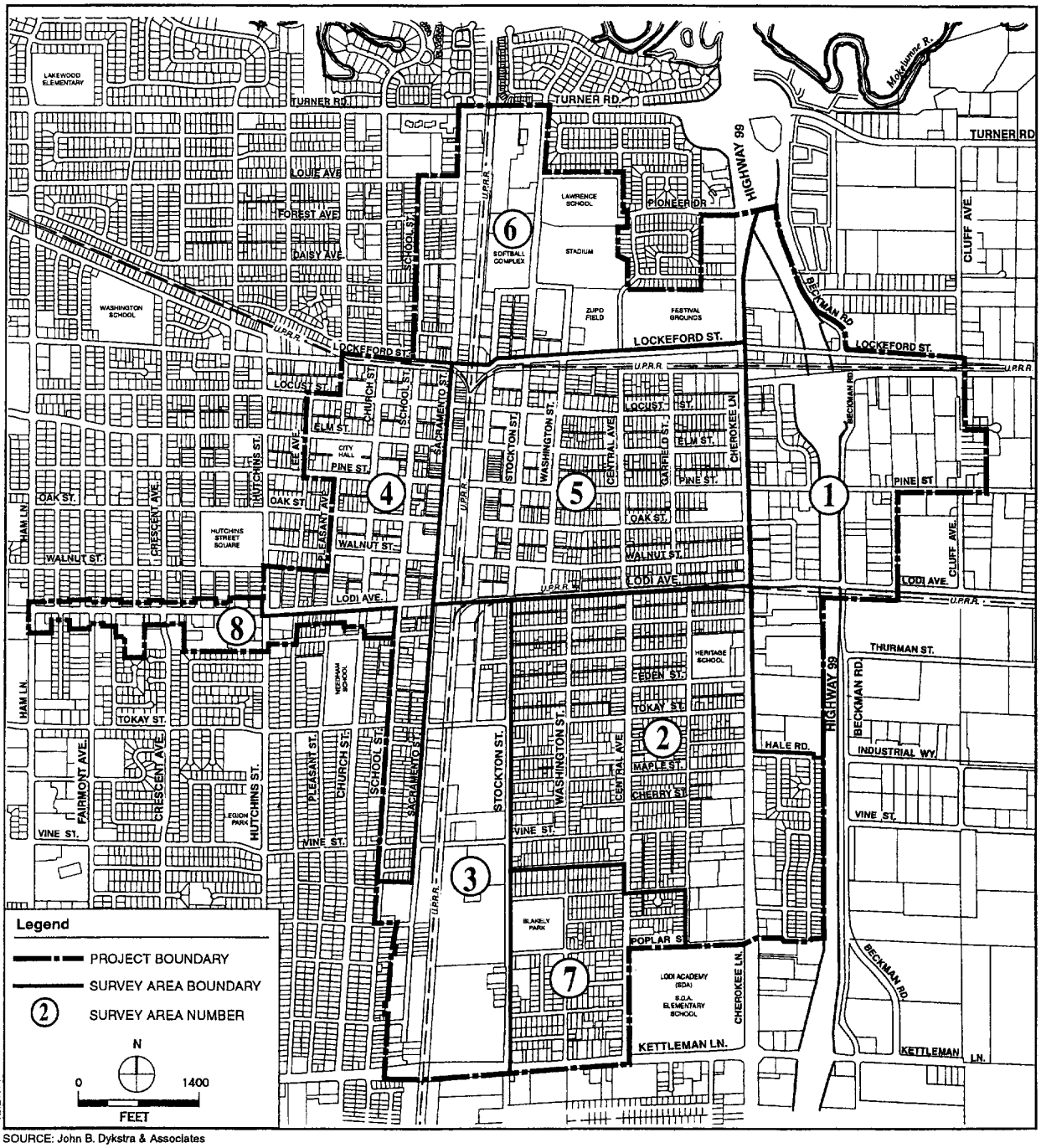
A comprehensive Building Conditions Survey was conducted in March and April 2000. The Building Conditions Survey was later updated in September 2001. Approximately eleven working days were required to complete the survey and update. More detail on the Building Conditions Survey is provided below.

d. Photographic Documentation

Several more days of field survey work were required to complete the photographic documentation of existing conditions in the Project Area. These photographs are presented in Appendix F: Photographic Documentation of Existing Conditions.

e. Economic Analysis

Since early 2000, information on observed adverse economic conditions including vacancies, indicators of disinvestment and residential overcrowding, and underutilization of properties has been gathered and analyzed to document adverse economic conditions in the Project Area. The results of this analysis are presented below.



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SOURCE: John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

FIGURE II-2: BUILDING CONDITIONS SURVEY AREAS

E. Adverse Physical Conditions

1. Introduction

This section describes adverse physical conditions within the boundaries of the proposed Lodi Redevelopment Project Area. It describes deficient or deteriorated buildings, factors that inhibit proper use of buildings or lots, the presence of incompatible uses and substandard lots, and public improvement deficiencies.

The information contained in this subsection responds directly to the characteristics of adverse physical conditions described in Section 33031(a) of the CRL (as previously described in Section C, Characteristics of a Blighted Area).

Adverse physical conditions found in the proposed Project Area fall within the four categories of physical blight as specified in the CRL:

- Deficient or deteriorated buildings resulting in unsafe and unhealthy condition.
- Factors that inhibit proper use of buildings.
- Incompatible uses.
- Substandard lots.

2. Earthquake Hazards

a. Introduction

No active earthquake faults are known to cross the proposed Project Area. However, ground shaking from an earthquake outside the Project Area may cause damage to structures inside the Project Area. Earthquake damage may be more severe due to liquefaction.[3] As discussed below, the entire Project Area is susceptible to liquefaction.

b. Soils Conditions

The Project Area is underlain by thick alluvium and includes unconsolidated and semi-consolidated material. The Project Area could experience strong seismic groundshaking and related effects (e.g., liquefaction) in the event of an earthquake on other faults in the region.

[3] Draft EIR for the City of Lodi General Plan, Jones & Stokes Associates, Inc.

c. Potentially Hazardous Buildings

Unreinforced Masonry Buildings

Unreinforced masonry buildings have proved to be particularly hazardous during an earthquake. Such buildings are typically constructed of brick, hollow tile, or concrete block and often lack the structural strength to resist a moderate to strong earthquake.

A post earthquake assessment of buildings after the 1989 Loma Prieta Earthquake confirmed the poor performance of unreinforced masonry buildings:

> *Unreinforced masonry (URM) buildings have once again proven to be one of the most hazardous forms of building construction. Many of these structures collapsed, either partially or completely. Collapse of exterior walls also led to damage of neighboring structures. Seismically upgraded URM buildings performed substantially better than non-retrofitted buildings.*[4]

Identification and Strengthening of Unreinforced Masonry Buildings

The State of California now requires the identification of unreinforced masonry buildings. Counties, cities and towns are also required to take steps to ensure the reinforcement of such buildings to a condition that provides a reasonable level of safety during a seismic event. The City of Lodi is actively pursuing such a program and is using a standard that is based upon the State Historical Building Code and the retrofitting standards adopted by the City of Los Angeles. To date the Lodi City Hall and the Hotel Lodi have been retrofitted in accordance with these standards.

Unreinforced Masonry Buildings in the Proposed Project Area

A recent field reconnaissance survey has identified approximately 66 unreinforced masonry brick buildings in the downtown area. Many of these buildings are likely to be unsafe in the event of a major earthquake.

The locations of these buildings are shown on the map presented as Figure II-3, Location of Unreinforced Masonry Buildings, Downtown Lodi. A list of these buildings is presented as Appendix C.

Specific Examples of Potentially Hazardous Unreinforced Masonry Buildings

The photographs presented in Appendix F, Photographic Documentation, show a number of unreinforced masonry brick buildings that are described as potentially hazardous, unsafe or unhealthy.[5] These include the photographs presented on pages 5 (lower photograph), 6 (upper and lower photographs), 7 (upper and lower photographs), 8 (upper photograph), 26 (upper photograph), and 28 (upper photograph).

3. Deficient or Deteriorated Buildings

a. Age of Buildings

The proposed Project Area has, within it boundaries, a wide range of building types and ages.

Within downtown, for example, there are several large commercial and hotel buildings that date back to the late 19th Century. These buildings, located mainly on the blocks facing Main and Sacramento Streets, were oriented to the railroad and are more than 100 years old. Most of these buildings are of unreinforced

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[4] *The October 17, 1989 Loma Prieta Earthquake,* Dames & Moore, 1989

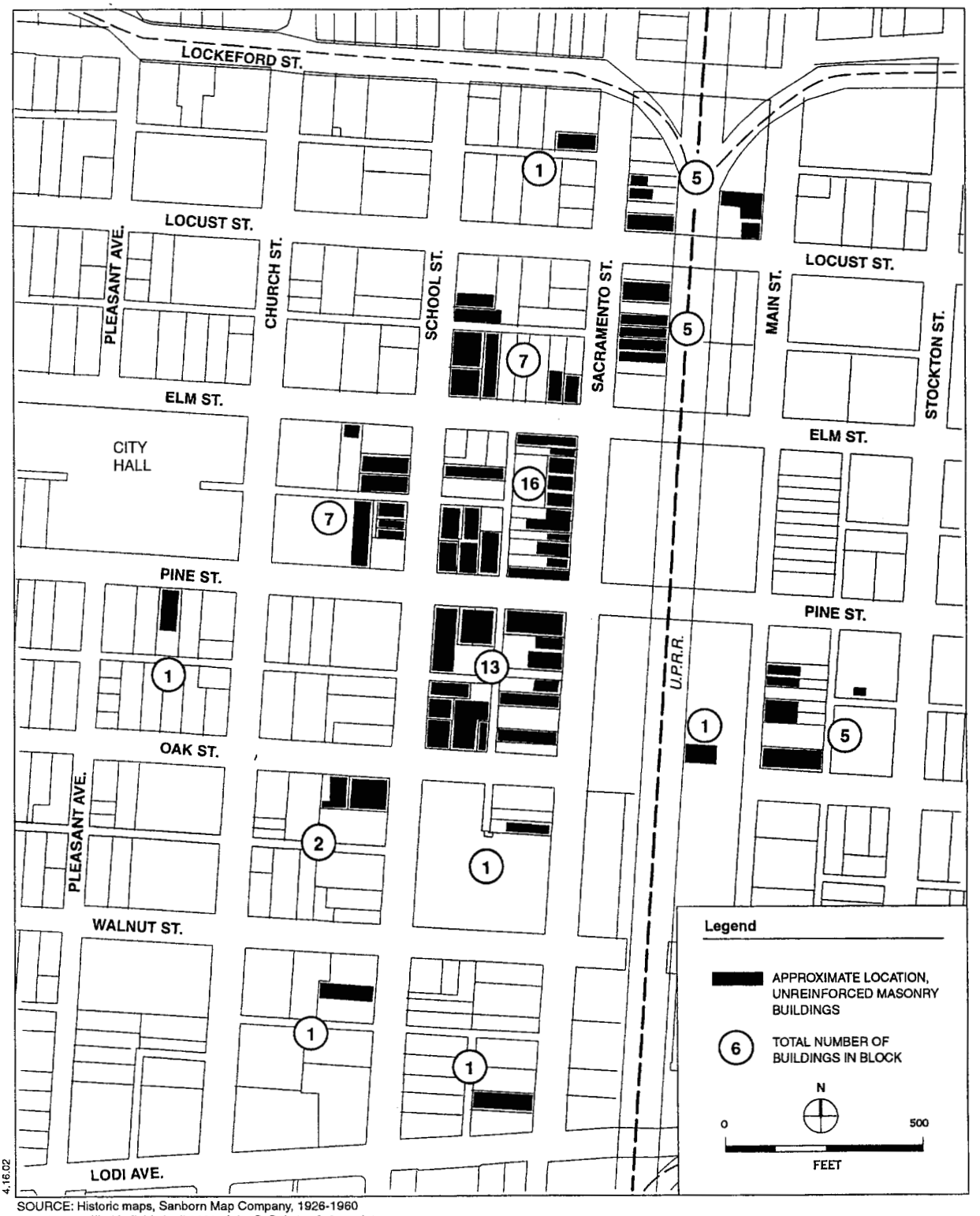
[5] Note: the descriptions contained in the captions for the photographs have been reviewed and approved for accuracy by the City Community Development Department.

masonry brick construction and are considered to be potentially hazardous in the event of a major earthquake. Many suffer from deferred maintenance and neglect. Badly eroded mortar and cracks in brick walls raise concerns about the structural stability of these old, often historically interesting buildings.

Later development in downtown began to focus on School Street where most of the remaining large buildings were built in the first part of the 20th Century during the years 1900 through 1930. A number of these building are also of unreinforced masonry brick construction and, because of this, are potentially hazardous in the event of a major earthquake. Most of these buildings are more than 75 years old. Many of these buildings also suffer from deferred maintenance and neglect.

Although building in downtown slowed during the depression that followed the economic collapse of 1929, a small number of buildings were added during the 1930s. These additions were followed by larger commercial and bank buildings, mainly of one-story construction, in the period following World War II. Some of the buildings built during this period are now more than 50 years old. Most of these buildings are in relatively good condition.

Many of oldest residential buildings are located in the eastern part of the Project Area. These include a scattering of architecturally and historically interesting Victorians, many homes built during the 1920s and 1930s, and some homes built in the post World War II era. Thus, residential buildings in the proposed Project Area typically range in age from 40 years to more than 100 years old. A large number of these residences suffer from deferred maintenance and neglect.



SOURCE: Historic maps, Sanborn Map Company, 1926-1960
Locations verified in field, April 2002, John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

FIGURE II-3: LOCATION OF UNREINFORCED MASONRY BUILDINGS, DOWNTOWN LODI

b. Field Observations

Several field reconnaissance surveys conducted in 2000, 2001 and 2002 identified a wide range of adverse physical conditions in the proposed Project Area. These conditions, which are described below, provide substantial evidence of physical blight in terms of the redevelopment project eligibility requirements of the California Community Redevelopment Law. These conditions include:

- **Deteriorated Residential Structures.** Such conditions include deteriorated roofing, siding, foundations, stairs and decks, peeling paint, etc. Many of these residences are in a generally run-down condition. These conditions are to be found at various locations in the proposed Project Area.
- **Unoccupied, Dilapidated, and Abandoned Residential Structures.** A number of these residences are located in the proposed Project Area. In many cases deterioration is so extensive that it is likely that the cost of repairs and code compliance would exceed the value of the building.
- **Residential Structures with Informal and Potentially Substandard Construction.** Parts of structures affected by such conditions include foundations, cripple walls, walls, decks, stairs, roofs, electrical wiring, plumbing, etc. These conditions are found in a very large number of residences in the area.
- **Small Deteriorated Residential Units Located on Narrow Alleys.** These units are to be found generally in the oldest residential neighborhoods bounded by Lockeford Street, Cherokee Lane, Vine Street and Stockton Street.
- **Structurally Unsound Residential Structures.** These include residences with inadequate foundations or other structural problems. Some may be unsafe to occupy.
- **Deteriorated Commercial Structures.** Such structures are concentrated mainly in downtown on Sacramento Street or along the Cherokee Lane commercial corridor.
- **Old, Badly Deteriorated Hotel Buildings in Downtown on Main and Sacramento Streets.**
- **An Abandoned Theater Building on Lodi Avenue.**
- **A Large, Dilapidated and Abandoned School on Cherokee Lane.** This building, the old Lincoln School, is potentially of architectural and historic interest.
- **Unreinforced Masonry Brick Buildings of Questionable Structural Stability.** Sixty-six of these buildings have been identified in the downtown area. Conditions observed in these buildings include serious mortar and brick erosion and cracking in bearing walls. Many are unoccupied or underutilized. Several of these are of architectural and historical importance and should be, if at all possible, retrofitted, rehabilitated, and put to economic use.
- **Commercial Structures with Informal and Possibly Substandard Construction.** These conditions include informal additions and repairs. Many structures provide evidence of such conditions.
- **Unoccupied and Apparently Abandoned Commercial Structures.**

Further evidence of these observed conditions will be found in Appendix F, Photographic Documentation.

c. Building Conditions Survey

A comprehensive Building Conditions Survey was conducted to evaluate building conditions in the proposed Project Area.

Methodology

The Building Conditions Survey was conducted primarily from an automobile. However, in some locations, such as in downtown Lodi, the survey was conducted on foot. Interior inspections were generally not conducted. However, in some cases where access to the interior was appropriate, informal interior inspections were conducted.

Every major building was rated by the consultant on a scale of 1 (worst condition) to 5 (best condition). Some buildings required a second examination. Appropriate changes were made to ratings when warranted.

Professional Opinion

The building condition ratings represent the professional opinion of the consultant (John Dykstra).

Qualifications of the Consultant

The qualifications of the consultant include 4 years as a real estate appraiser and negotiator (commercial and residential properties), 12 years as a redevelopment planner and administrator (San Francisco Redevelopment Agency), 22 years in private practice (redevelopment planning, implementation, and existing conditions assessment), and testimony in court and before public bodies as an expert witness (on redevelopment plan adoption matters and existing conditions).

Standards and Criteria

The general standards and criteria used in assessing the physical condition of buildings are summarized in Table II-2, Building Conditions Assessment, presented on the following page.

Building Condition Survey Results

Building condition ratings for individual buildings are tabulated, summarized, and presented for both the proposed Redevelopment Project Area as a whole and for the eight survey areas. To protect the privacy of property owners and building occupants, ratings for individual buildings are not reported.

Building conditions in the proposed Project Area range all the way from excellent to dilapidated. Some buildings are new, and many other buildings have been rehabilitated to a very high standard. However, many buildings in the area were built years ago, without benefit of building inspection, and a large number of these suffer from age and neglect. As a result, a relatively high proportion of substandard and deteriorated buildings can be found in the area.

A total of 3,382 buildings were evaluated. Of this total, 850 (or 25 percent) were found to be in the top three building condition categories (which range from category 3, generally good condition to category 5, generally excellent condition). The likely cost of correcting deficiencies in these buildings ranges from "significant" (category 3) to "minor to low" (category 5).

Nevertheless, 2,532 buildings (or 75 percent) were found to be in the lower two rating categories, where extensive physical deficiencies are present. The cost of correcting these deficiencies is likely to be high, and economic rehabilitation of many of these buildings could be both difficult and expensive.

The results of the Building Condition Survey for the proposed Project Area are summarized in Table II-3, Building Conditions Survey Results, Total Area. A map summarizing the average building condition ratings for each of the eight survey areas is presented as Figure II-4, Average Building Conditions by Survey Area. These results clearly indicate that there is a prevalence of serious building deficiencies in each of the eight survey areas.

Table II-2
Building Conditions Assessment

STANDARDS USED IN ASSESSING BUILDING CONDITIONS

Specific Standard: The provisions of the California Community Redevelopment Law pertaining to blight

General Standard: The relative cost of correcting building deficiencies, code compliance problems, and seismic safety problems to a degree sufficient to ensure a relatively long-term physical and economic life (i.e., 20-40 years)

Building Condition Rating	General Condition	Likely Cost of Correcting Deficiencies[6]	Potential for Private Economic Rehabilitation[7]
1	Very extensive physical/structural deficiencies (often dilapidated)[1]	Very high	Very difficult, if not impossible
2	Extensive physical/structural deficiencies[2]	High	Difficult
3	General good condition, some deficiencies present[3]	Significant	Possible
4	Relatively few deficiencies present[4]	Low to moderate	Relatively easy
5	General excellent condition[5]	Minor to low	None required

1. Typical conditions present include Major Adverse Physical Conditions or a significant combination of Other Adverse Physical Conditions. Nearly all of these buildings have conditions that make them unsafe or unhealthy for occupancy.
2. Typical conditions present include a number of Other Adverse Physical Conditions or significant cumulative deferred maintenance. Many of these buildings have conditions that make them unsafe or unhealthy for occupancy.
3. Typically some Other Adverse Physical Conditions are present.
4. Typically few Other Adverse Physical Conditions are present.
5. Typically no Other Adverse Physical Conditions are present.
6. To the "General Standard" set forth above.
7. Without redevelopment assistance.

ADVERSE PHYSICAL CONDITIONS CONSIDERED IN ASSESSING BUILDING CONDITIONS

Major Adverse Physical Conditions

- General dilapidation (very serious deterioration of entire structure or major parts thereof)
- Apparent abandonment (vandalized or boarded up buildings)
- Structural failure (cracking or subsided foundations, sagging walls or roofs, etc.)
- Structural weakness (buildings without adequate foundations, substandard construction, unreinforced masonry walls, etc.)

Other Adverse Physical Conditions

- Potential seismic weakness
- Deferred maintenance and neglect
- Broken windows
- Peeling or faded paint
- Sagging porches
- Dry rot in walls, window frames, door frames, doors, roof rafters, and trim
- Deteriorated, damaged, poorly repaired, or excessive layers of roofing materials
- Cracks or loose bricks in chimneys
- Deteriorated, broken, or loose siding materials
- Deteriorated or broken stucco walls
- Rusted, deteriorated, or missing roof drainage gutters or down spouts
- Faulty wiring or plumbing
- Old and possibly substandard and hazardous electrical service
- Eroded mortar or loose bricks in masonry walls
- Informal or substandard construction

Copyright: John B. Dykstra & Associates 2002

Relationship between Building Conditions and Health and Safety Problems

There is a strong relationship between the condition of buildings documented in the Building Conditions Survey and health and safety problems in these same buildings. Buildings rated in category 1 (worst condition) are buildings characterized by adverse conditions such as abandonment, dilapidation, very bad deterioration, potentially hazardous structural problems (deteriorated, sagging, or failing wood, concrete, or brick walls, for example), very extensive deferred maintenance, or a combination of problems, which, taken in their totality, provide strong evidence of physical blight and the presence of health and safety hazards. Buildings rated in category 2 are characterized by many of these same conditions, but to a lesser degree. These conditions are depicted and described extensively in the 87 photographs presented as Appendix F, Photographic Documentation.

Based upon the exterior Building Conditions Survey described above and in the professional judgement of the consultant, it is possible to conclude that nearly all of the buildings rated as building conditions category 1 and most of buildings rated as building conditions category 2 have conditions that render them, to one degree or another, unsafe or unhealthy as places to live or work.

Specific Examples of Buildings with Potential Safety or Health Problems

The presence of potential safety and health problems in buildings within the proposed Project Area is documented extensively in Appendix F, Photographic Documentation. These problems are shown in the photographs presented on pages 4 (lower photograph), 5 (upper and lower photographs), 6 (upper and lower photographs), 7 (upper and lower photographs), 8 (upper photograph), 11 (lower photograph), 12 (lower photograph), 14 (upper and lower photographs), 16 (lower photograph), 20 (upper photograph), 21 (upper and lower photographs), 23 (upper and lower photographs), 24 (upper photograph), 26 (upper photograph), 28 (upper photograph), 29 (lower photograph), 30 (upper photograph), 31 (upper photograph), 32 (upper and lower photographs), 33 (lower photograph), 34 (upper and lower photographs), 35 (lower photograph), 37 (lower photograph), 39 (lower photograph), 40 (lower photograph), 42 (upper photograph), and 43 (upper and lower photographs).

Evidence of Code Compliance Problems

Further evidence of health and safety problems is provided in the summary of Community Improvement Case Activity presented as Appendix E, List of Code Compliance Problems. This summary identifies these enforcement actions by the following categories: (1) dangerous buildings, (2) housing problems, (3) nuisances, (4) zoning violations, and (5) miscellaneous. The locations of these enforcement actions are shown on Figure II-5, Code Compliance Problems.

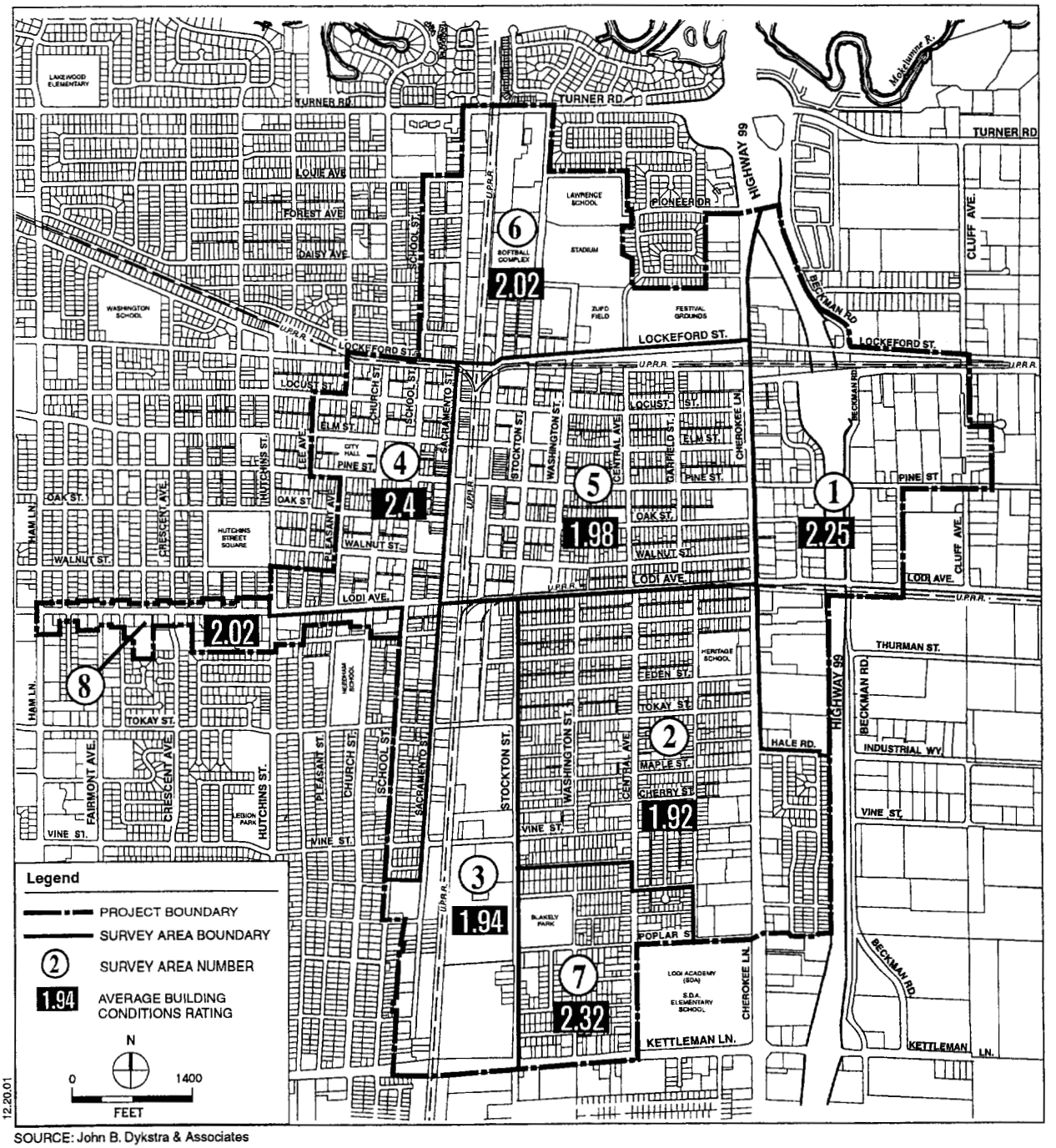
Table II-3

Lodi Redevelopment Project

BUILDING CONDITIONS SURVEY RESULTS
TOTAL AREA

Building Conditions Rating	Number of Buildings
1	974
2	1,558
3	725
4	106
5	19
Totals	3,382

Average Building Conditions Ratings: 2.01



12.20.01

SOURCE: John B. Dykstra & Associates

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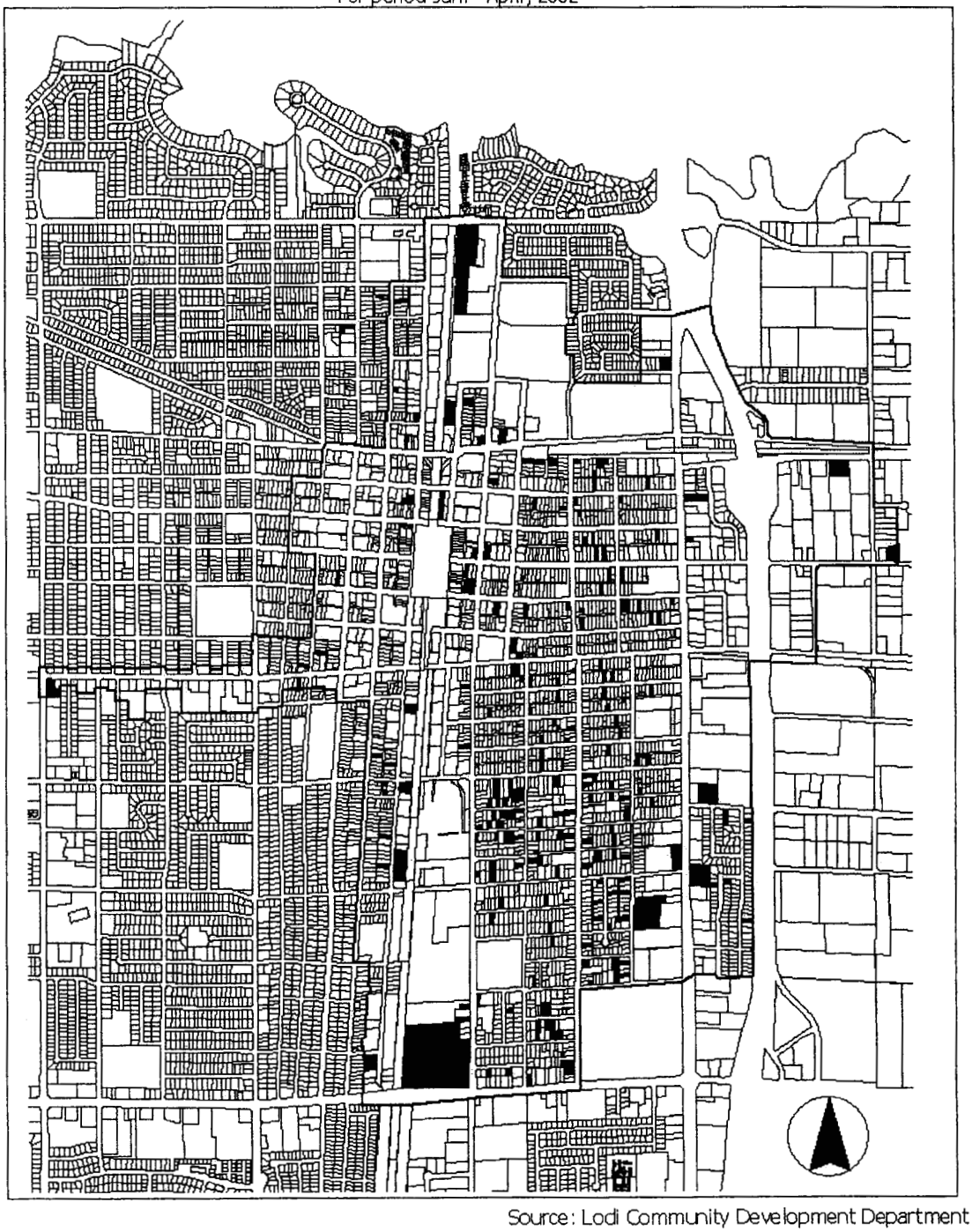
FIGURE II-4: AVERAGE BUILDING CONDITIONS RATINGS BY SURVEY AREA

Location of Code Compliance Problems

For period Jan. - April, 2002



Source: Lodi Community Development Department

FIGURE II-5: CODE COMPLIANCE LOCATION MAP

4. Factors that Inhibit the Proper Use of Land and Buildings

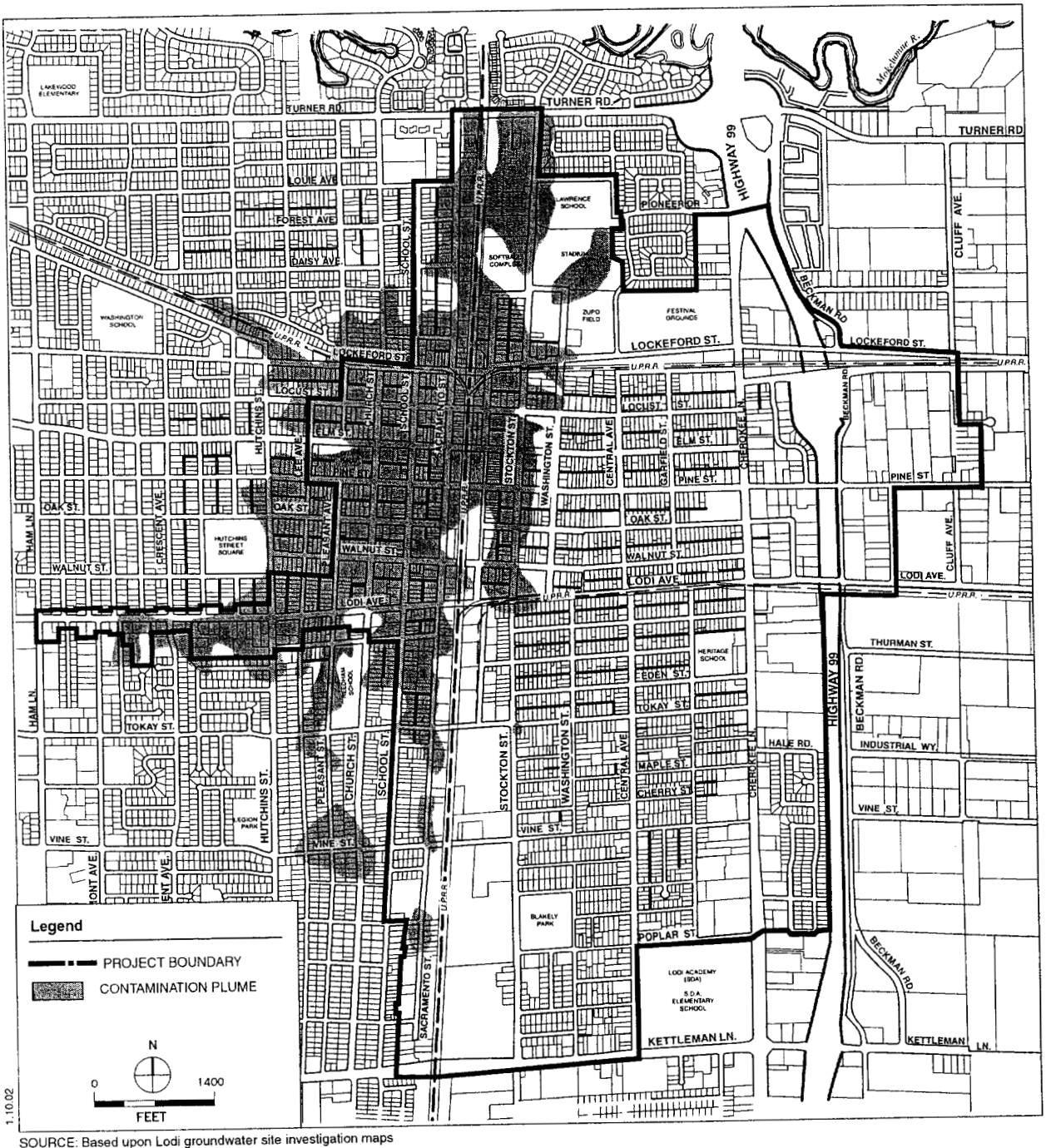
A review of available maps and extensive field reconnaissance surveys has permitted the identification of several factors that inhibit the proper use of land and buildings. These factors, which are generally prevalent throughout the area, include:

- **Properties that Suffer from Soils and Groundwater Contamination.** The extent of this contamination is shown on Figure II-6, Limits of Identified Soils and Groundwater Contamination Plumes and Figure II-7, Limits of Major Soils and Groundwater Contamination Plumes presented on the following pages.

As is commonly known, the presence of subsurface contamination raises concerns about health and safety, makes properties less desirable, and ultimately, adversely affects property values. In the case of Lodi, it has also led to the shutdown of one city owned water well.

- **Properties that Are Adjacent to Deteriorated, Vacant, or Abandoned Buildings.** Deteriorated, vacant, or abandoned buildings are present at various locations in the proposed Project Area. These conditions adversely affect adjoining properties and when vacancies are present, vandalism and illegal occupancy frequently occur.

  For specific examples of deteriorated, vacant, or abandoned buildings reference should be made to the following photographs presented in Appendix F, Photographic Documentation, on pages 8 (upper photograph), 12 (lower photograph), 14 (upper and lower photographs), 16 (lower photograph), 20 (upper and lower photographs), 21 (upper photograph), 22 (upper and lower photographs), 23 (upper and lower photographs), 27 (lower photograph), 28 (upper photograph), 29 (lower photograph), 30 (upper and lower photograph), 31 (upper and lower photograph), 32 (upper and lower photographs), 33 (lower photograph), 39 (lower photograph) and 43 (upper and lower photographs).
- **Lots of Small Size or Irregular Shape that Are Difficult to Develop.** Such lots are scattered throughout the proposed Project Area.
- **Properties that Are Adversely Affected by a Location Next to the Railroad.**
- **Commercial and Residential Lots Lacking Adequate Off-Street Parking.**
- **Commercial Uses along Lodi Avenue, Cherokee Lane, and Kettleman Lane that Are Adversely Impacted by Fast Moving Traffic.**



1.10.02

SOURCE: Based upon Lodi groundwater site investigation maps prepared by NERI (Northeast Research Institute), 1996

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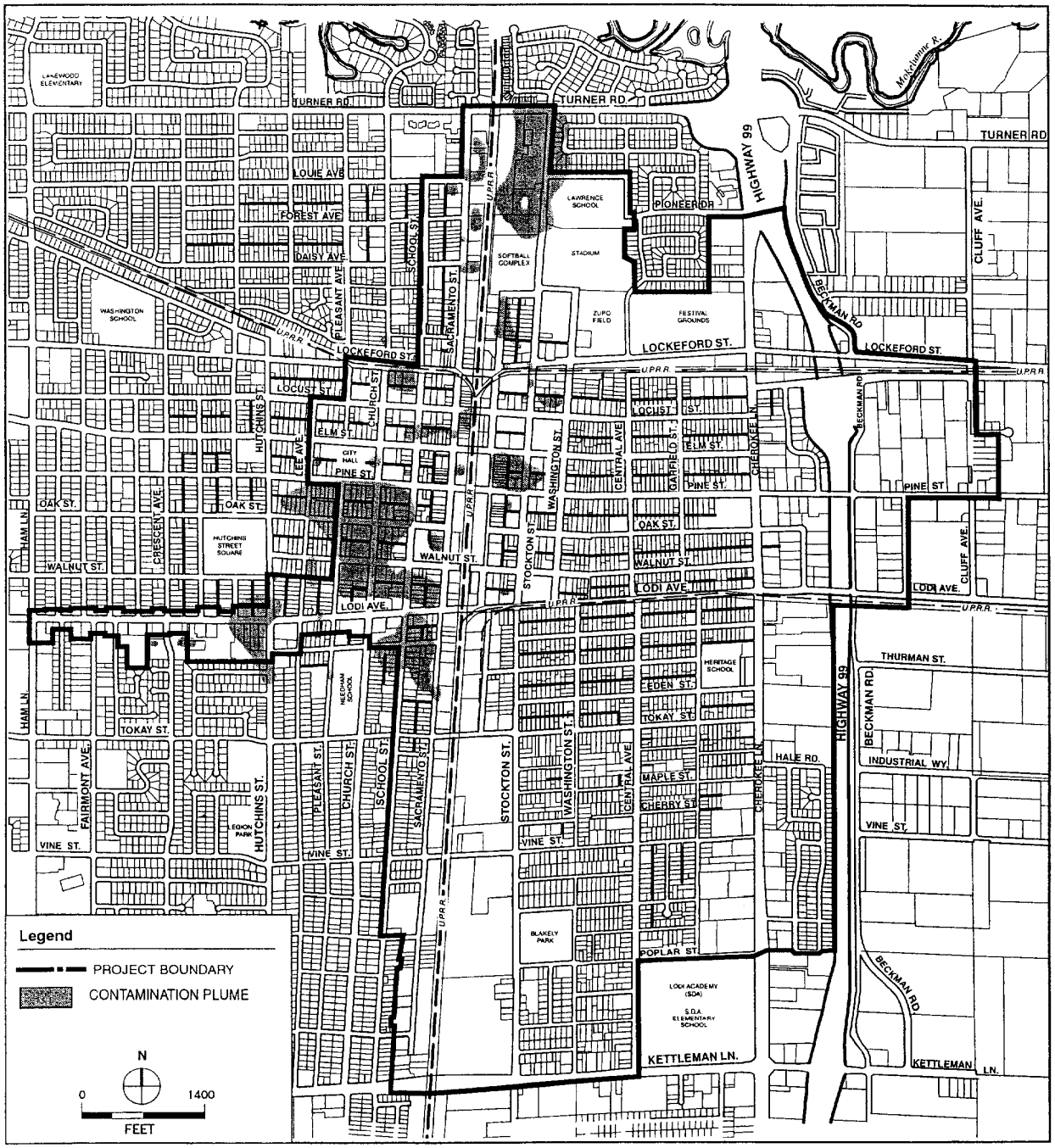
FIGURE II-6: LIMITS OF IDENTIFIED SOILS AND GROUNDWATER CONTAMINATION PLUMES



1.10.02

SOURCE: Based upon Lodi groundwater site investigation maps prepared by NERI (Northeast Research Institute), 1996

FIGURE II-7: LIMITS OF MAJOR SOILS AND GROUNDWATER CONTAMINATION PLUMES

5. Incompatible Uses

A number of incompatible uses have been identified in the proposed Project Area:

- **Residential Uses in Proximity to the Railroad.** Such uses are to be found along Sacramento and Main Streets. They may be adversely affected by noise and vibration.
- **Residential Uses Adversely Impacted by Heavy, Fast Moving Traffic.** Although adverse traffic impacts may be found at various locations in the proposed Project Area, the area of greatest impact is Lodi Avenue between Stockton Street on the west and Cherokee Lane on the east (see Figure II-8, Incompatible Uses, Adverse Impact of Traffic on Residences). Here the traffic is both heavy and fast moving. Residences on both sides of the street are adversely affected. Many of these homes are poorly maintained and several are dilapidated. In general the condition of homes along this street is much worse than the condition of homes on quiet streets in surrounding neighborhoods.
- **Residential Uses in Close Proximity to Active Industrial Uses.** Such uses as these are located on Sacramento Street between Lodi Avenue and Kettleman Lane (see Figure II-9, Incompatible Uses, Adverse Impact of Industrial Uses on Residences). Adjacent residential uses are frequently affected by industrial fork lift and truck movements which produce noise and safety hazards. In general, the condition of occupied homes along Sacramento Street in proximity to active industrial uses is much worse than the condition of homes one block to the west along School Street.
- **Commercial and Residential Uses Located Adjacent to Dilapidated, Vacant, or Abandoned Properties.** (see discussion above in Subsection 4, Factors that Inhibit the Proper Use of Land and Buildings)

SOURCE: Field Reconnaissance Survey, John B. Dykstra & Associates, April 2002

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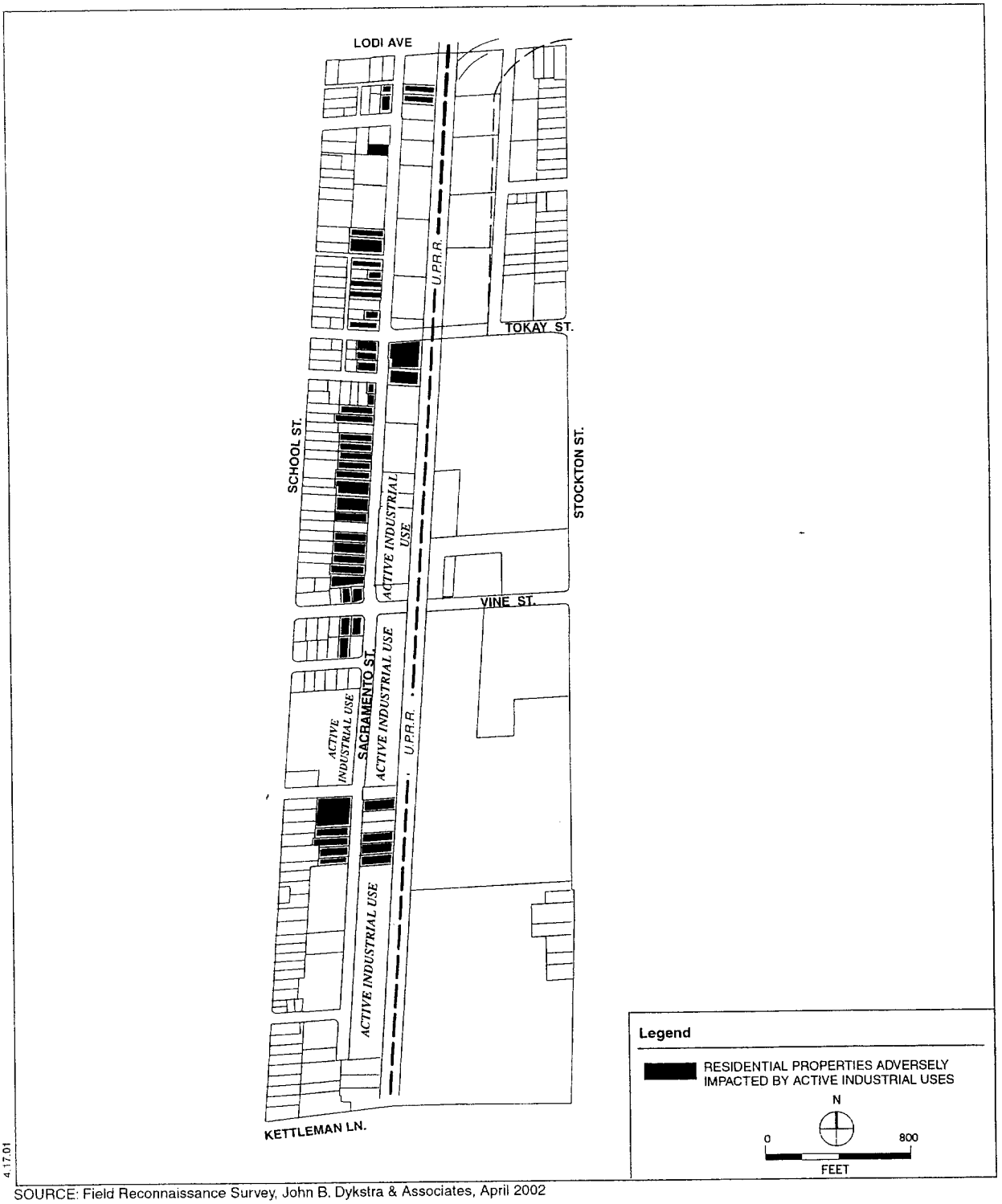
FIGURE II-8: INCOMPATIBLE USES, ADVERSE IMPACT OF TRAFFIC ON RESIDENCES



4.17.01

SOURCE: Field Reconnaissance Survey, John B. Dykstra & Associates, April 2002

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FIGURE II-9: INCOMPATIBLE USES, ADVERSE IMPACT OF INDUSTRIAL USES ON RESIDENCES

6. Substandard Lots in Multiple Ownership

The economic use and proper and timely development of property in the proposed Project Area is affected by formal and informal subdivision practices that have, over the years, produced a large number of lots that are, or are likely to be, substandard to economic development. Areas adversely impacted by the presence of such lots include, but are not limited to:

- **Small and Substandard Residential Lots.** In many cases these lots front on alleys in the eastern part of the Project Area in the blocks bounded by Lockeford Street, Cherokee Lane, Vine Street and Stockton Street.
- **Small Commercial Lots in Downtown along Sacramento and School Streets.**
- **Small, Difficult to Develop Commercial Lots along Cherokee Lane.**

These parcels are shown on the map presented as Figure I-1, Redevelopment Project Area.

7. Public Improvement Deficiencies

Although the California Community Redevelopment Law no longer permits the use of deficient public improvements as a determining, or "stand alone" blighting factor, such deficiencies can still be considered when it can be demonstrated that they contribute to physical and economic blight in a project area.

The Project Area, and the East Side neighborhood in particular, contains aging, obsolete and inadequate wastewater utilities. The City's wastewater collection system is reaching an age in which older lines (primarily in the East Side) need to be replaced. Many of these lines are concrete pipes, which suffer from chemical corrosion and do not have capacity for the present demand.[6]

Extensive field reconnaissance surveys have permitted the identification of a number of public improvement deficiencies that contribute to blight in certain areas of the proposed Project Area. These deficiencies include:

- **Deteriorated Pavement Surfaces.** These conditions were found at various locations in the proposed Project Area.
- **Unpaved or Poorly Paved Alleys.**
- **Narrow Alleys that Provide Substandard Access for Small, "Back Lot" Houses or Cottages.**
- **Aging and Frequently Inadequate Storm Drainage Systems.**
- **Lack of Public Community Facilities, such as Libraries and Community Centers in Residential Areas.**
- **Parking Inadequacies Due to the Poor Location of Parking Resources in Relationship to Parking Demand.**

For further evidence of these conditions, reference should be made to the photographs contained in Appendix F: Photographic Documentation of Existing Conditions.

[6] City of Lodi Financial Plan and Budget, 1999-2001.

F. Economic Conditions that Cause a Reduction of, or Lack of, Proper Use of the Proposed Project Area

1. Introduction

Economic blight is evidenced in the downtown by store frontages with "for rent" signs or paper in the windows, despite considerable public and private investment in the streetscape. In the railroad oriented industrial corridor, economic blight is evidenced by abandoned buildings and "property for rent" signs on warehouses.

Adverse economic conditions found in the proposed Project Area fall within four categories of economic blight as specified in the CRL and are generally described as:

- Depreciated values or impaired investments.
- Economic indicators of distressed buildings or lots.
- Residential overcrowding.
- A high crime rate.

a. Methodology

Economic blighting conditions were evaluated under the blight definitions contained in the CRL through the following methods:

- Field surveys of physical and economic conditions in the Project Area.
- Review and analysis of technical documents and data from public and private agencies.
- Discussions with government staff and persons knowledgeable about the area.

Refer to Appendix A for a complete list of documents and data sources used in the economic blight documentation.

b. Summary of Observed Economic Blight

Deteriorated residences, boarded-up commercial and residential buildings, vacancies, and other observed physical and economic conditions provide substantial evidence of depreciated values and impaired investments. Depreciated property values and impaired investments are evident in the four commercial areas within the proposed Project Area: Downtown Lodi, Cherokee Lane, Lodi Avenue and Kettleman Lane. Economic conditions in these commercial areas were historically linked to the railroad when it was the focus of economic activity. The rail corridor has become almost devoid of commercial activity since new modes of transportation have replaced trains.

Downtown Lodi is not as strong as other commercial areas of the City outside the Project Area. The deteriorated appearance of a number of the Downtown's buildings and the lower level of retail activity indicate that shoppers prefer to shop in other commercial areas (see retail sales tax analysis).

Commercial lease rates are low in the Downtown and along Cherokee Lane compared to other commercial areas in Lodi. Shopping centers along Kettleman Lane to the west of the Project Area command significantly higher rents than the Downtown. Commercial rents are significantly lower in the area east of the Union Pacific railroad tracks, where properties are more deteriorated, than they are west of the railroad tracks.

Disinvestment has been a problem along Cherokee Lane since the 1980s, when Highway 12 (Kettleman Lane) became the preferred location for commercial development, especially in the southwest portion of the City. Cherokee Lane was Lodi's first highway commercial corridor, when commercial businesses moved there from the Downtown in the 1960s to serve highway traffic. Highway 99 now bypasses Cherokee Lane, channeling highway traffic away from commercial uses on Cherokee Lane. The Cherokee Lane corridor reflects this past, with a mix of auto sales and services, motels, drive-in restaurants, liquor stores, and the K-Mart/Orchard Supply shopping center. Auto sales, services and lodging, oriented to highway traffic, remain the most prominent forms of development along the street.

Adverse economic conditions observed during field reconnaissance surveys include, but are not limited to, the following:

- Deteriorated or poorly maintained commercial properties that provide evidence of impaired investments and depreciated property values. Such buildings are found at various locations in the Downtown on Sacramento Street, and along Cherokee Lane.
- Vacant ground floor commercial spaces that are common in buildings located on the west side of North and South Sacramento Street between West Elm and West Oak Streets and on the north side of West Pine Street between North Sacramento and School Streets.
- Vacant second floor spaces in the Downtown in buildings that lack elevators and are poorly served by substandard stairways.
- Underutilized properties.
- Large number of lots that are likely to be substandard to economic development.
- Outmoded, obsolescent buildings, such as the abandoned theater building on Lodi Avenue.
- Commercial buildings with marginal occupancy. These buildings, which are found throughout the downtown and industrial areas, may not be delivering reasonable economic return to their owners or investors.
- Deteriorated, dilapidated and abandoned residences. Such buildings, many of which are located in the older residential area, often provide evidence of impaired investments.

For further evidence, refer to Appendix D: Building Conditions by Survey Areas and Subareas, and Appendix F: Photographic Documentation of Existing Conditions.

2. Depreciated Values or Impaired Investments

This section documents the presence in the proposed Project Area of blighting conditions described in CRL Section 33031(b)(1), including depreciated or stagnant property values, impaired investments and properties containing hazardous materials. This section documents the presence of depreciated or stagnant property values or impaired investments in the Project Area by reporting on the:

- Poor economic performance of retail businesses.
- Residential sale prices below comparable city properties.
- Lodging establishments with lower revenues per room as compared to establishments outside the Project Area.
- Presence of hazardous materials.

a. Poor Economic Performance of Retail Businesses

Stagnant sales tax receipts in the Project Area, including the commercial subareas of Downtown, East Kettleman Lane (the north side between Sacramento Street and Central Avenue), West Lodi Avenue (to Ham Lane) and Cherokee Lane (divided between north and south subareas), are an indicator of

depreciated values and impaired investments within the Project Area. Many retail businesses in the Project Area experienced declining retail sales between 1994 and 2001. The retail sales analysis is based on retail sales tax receipts data for retail businesses in the Project Area, the City of Lodi and San Joaquin County for the six year period from FY 1994/95 to FY 2000/01.[7]

During the past six years, sales tax receipts have grown by 0.6 percent when adjusted for inflation in the Project Area, while they have grown 2.5 percent in the City of Lodi and 4.4 percent in San Joaquin County. Sales tax receipts in the Project Area represented about 41 percent of total sales tax revenues collected in Lodi.[8]

Table II-4
Sales Tax Receipts
Comparison of Lodi Commercial Areas
6-Year Trend (Adjusted for Inflation)

Fiscal Year Ending	Sales Tax Receipts		Average Annual Percent Change
	1994/95	2000/01	
Project Area Total	$2,796,953	$2,893,426	0.6%
City of Lodi Total	$5,943,039	$6,992,051	2.5%
San Joaquin County	$45,412,243	$60,737,389	4.4%

Source: Historical sales tax revenue for all outlets based on data provided by HdL Coren and Cone, November 2001.

The proposed Project Area generated retail sales tax receipts of about $2.8 million in 2001.[9] Most of the retail sales outside the Project Area are generated by businesses along West Kettleman Lane in Sunwest Plaza, Target Center, and Vineyard Shopping Center, and on Ham Lane in Lakewood Mall.

Most of the retail sales in the Project Area are generated by businesses in Downtown, and along East Kettleman Lane, North and South Cherokee Lane and West Lodi Avenue. The five commercial subareas generated about $1.8 million in sales tax revenues, while all commercial establishments in the Project Area generated approximately $2.8 million according to sales tax data provided by HdL Coren and Cone (HdL). All five retail areas had retail sales trends below the City and County between 1992 and 2001. Table II-5 shows trends in retail sales growth for all six retail areas in the Project Area.

During the past nine years, Cherokee Lane is the only commercial subarea where sales tax receipts grew in the Project Area. Sales tax receipts in North Cherokee Lane grew by only 0.6 percent, and receipts in South Cherokee Lane grew by only 0.2 percent, less than one-quarter the City rate.

As noted above in Section E.3.b Field Observations, Cherokee Lane and the Downtown, especially Sacramento Street, also contain a significant number of commercial structures that exhibit physical deterioration and possibly substandard construction, or are unoccupied or abandoned. Cherokee Lane is also adversely affected by small lots in multiple ownership that are difficult to develop.

[7] Based on analysis of sales tax data for 1994 to 2001 provided by HdL Coren & Cone for all businesses in Lodi

[8] The sales tax trend analysis was calculated using constant 2001 dollars to adjust for inflation. The CPI for all urban consumers for the San Francisco/Oakland MSA for the seven-year period between 1994 and 2001 was used to adjust the sales tax to 2001 constant dollars.

[9] Based on the number of businesses that paid sales tax during the first quarter of 2001.

Table II-5
Historical Sales Tax Revenue to City by Subarea
Lodi Redevelopment Project

Location	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	Average Annual % Change
East Kettleman Lane	$37,179	$35,854	$35,338	$34,377	$32,132	$31,858	$32,565	$32,855	$36,969	-0.1%
Downtown	$413,130	$405,220	$374,322	$371,815	$367,415	$365,136	$367,607	$371,974	$364,195	-1.6%
West Lodi Avenue	$265,878	$247,381	$224,357	$224,825	$231,582	$217,540	$209,324	$207,728	$186,197	-4.4%
South Cherokee Lane	$684,031	$694,762	$646,605	$676,699	$633,124	$643,994	$654,959	$681,295	$719,563	0.6%
North Cherokee Lane	$532,317	$472,665	$398,016	$436,690	$439,052	$422,610	$384,275	$466,258	$540,277	0.2%

Source: Historical sales tax revenue for all outlets based on data provided by HdL Coren and Cone Retail Sales Tax Data, November 2001.

b. Housing Values

Single Family Home Sales

The majority of the sales in the proposed Project Area occurred in the oldest and largest residential area, the East Side neighborhood, which contains housing built from the late 19th century onward. The East Side neighborhood was a modest, yet stable, single-family neighborhood. Starting in the 1970s and continuing through the mid-1980s, however, the area experienced a significant increase in the conversion of single family homes to multifamily housing. The quality of this multifamily development was generally poor, reducing the value of nearby owner-occupied, single family properties. This trend started a process of disinvestment and instability, with single family houses converted into rental properties as the number of apartments increased. In addition, the increase in occupancy has stressed the neighborhood's aging public utility and services systems.

According to local residential real estate brokers and information obtained from DataQuick, an internet real estate service, housing values in the East Side are substantially lower than other parts of the City. Homes in East Side are averaging between $49,350 and $132,000 compared to $140,928 and $220,545 for similar homes in the Lodi vicinity. The price differential is the result of a variety of factors including deteriorated housing conditions, the poor quality of existing multifamily development, overcrowding, decreased property maintenance, as well as constrained street capacity and City sewer and water facilities.

Housing values in the proposed Project Area are substantially lower than in the rest of Lodi and the surrounding area. The average listing price for one to four bedroom homes in the Project Area is about $98,860 which is about 40 percent less than the $165,947 average price for homes in the remainder of Lodi and the surrounding area.

As shown below in Table II-6, the median sale price of homes in the Project Area was 35 percent less than comparable homes in the rest of the City.[10] This analysis is based on 473 single family home sales in Lodi in 2001, of which 93 were in the Project Area. The gap between median home values generally increases with the size of homes, with the exception of two bedroom homes. There were no comparable sales of one bedroom homes outside the Project Area. Two bedroom homes sold for 27 percent less in the Project Area compared to other areas of the City, three bedroom homes sold for 24 percent less, and four bedroom homes sold for 32 percent less.

[10] DataQuick residential sales data included all homes. These sections analyzed only 1 to 4 bedroom homes, because no larger homes were sold in the Project Area in 2001.

Table II-6
Sales Prices for Single Family Homes
City of Lodi and Surrounding Area

	Project Area		Lodi Vicinity	
	No.	Median Sales Price	No.	Median Sales Price
One Bedroom	10	$47,500	0	N/A
Two Bedroom	55	$99,500	105	$136,000
Three Bedroom	26	$123,000	236	$162,750
Four Bedroom	2	$132,000	39	$195,000
Total	**93**	**$101,000**	**380**	**$156,000**

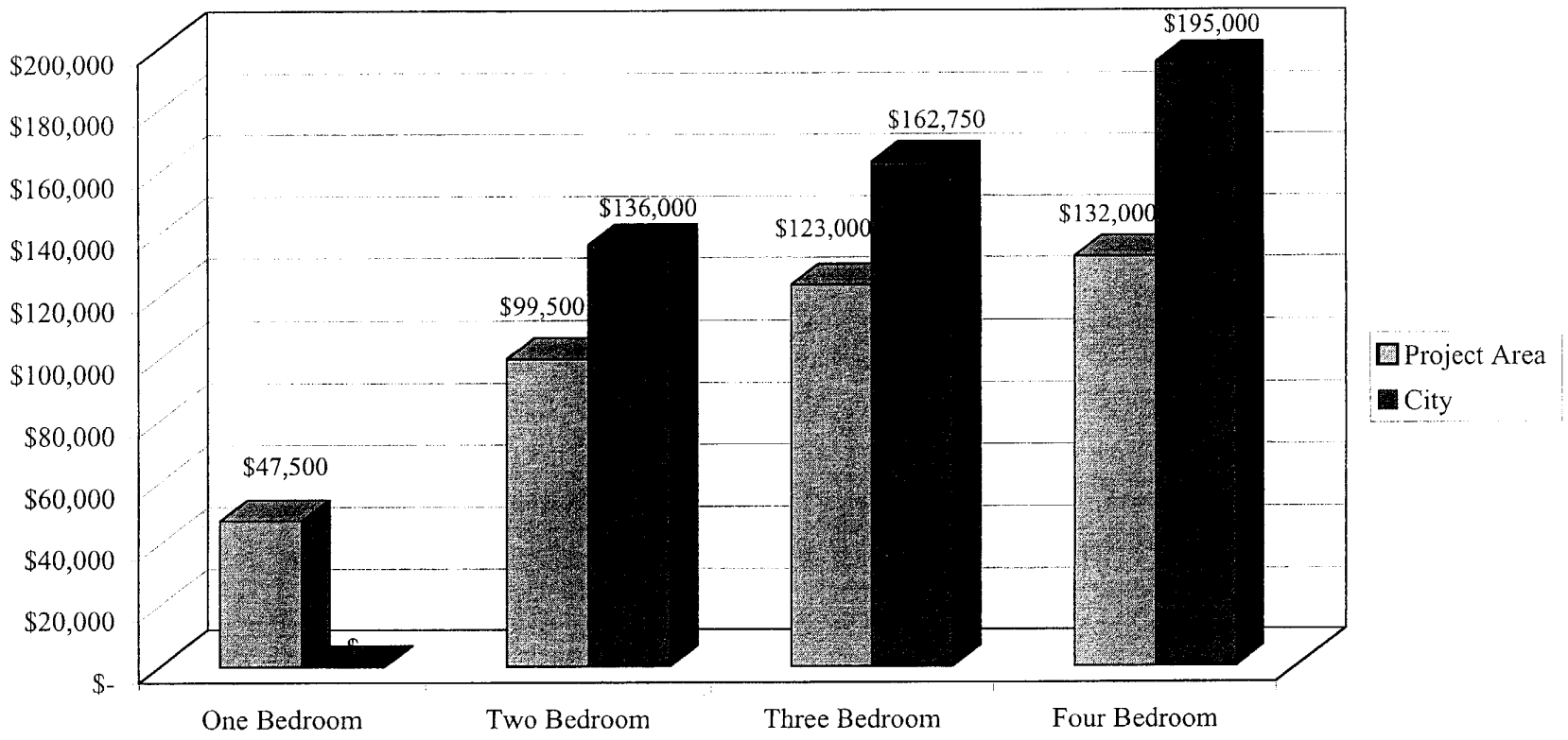
Source: DataQuick Online Real Estate Data, 2001. Single family homes sold in the Lodi vicinity in 2001.

Graph II-1 compares the median sales price of single family homes in 2001 for the Project Area with the rest of the City outside the Project Area.

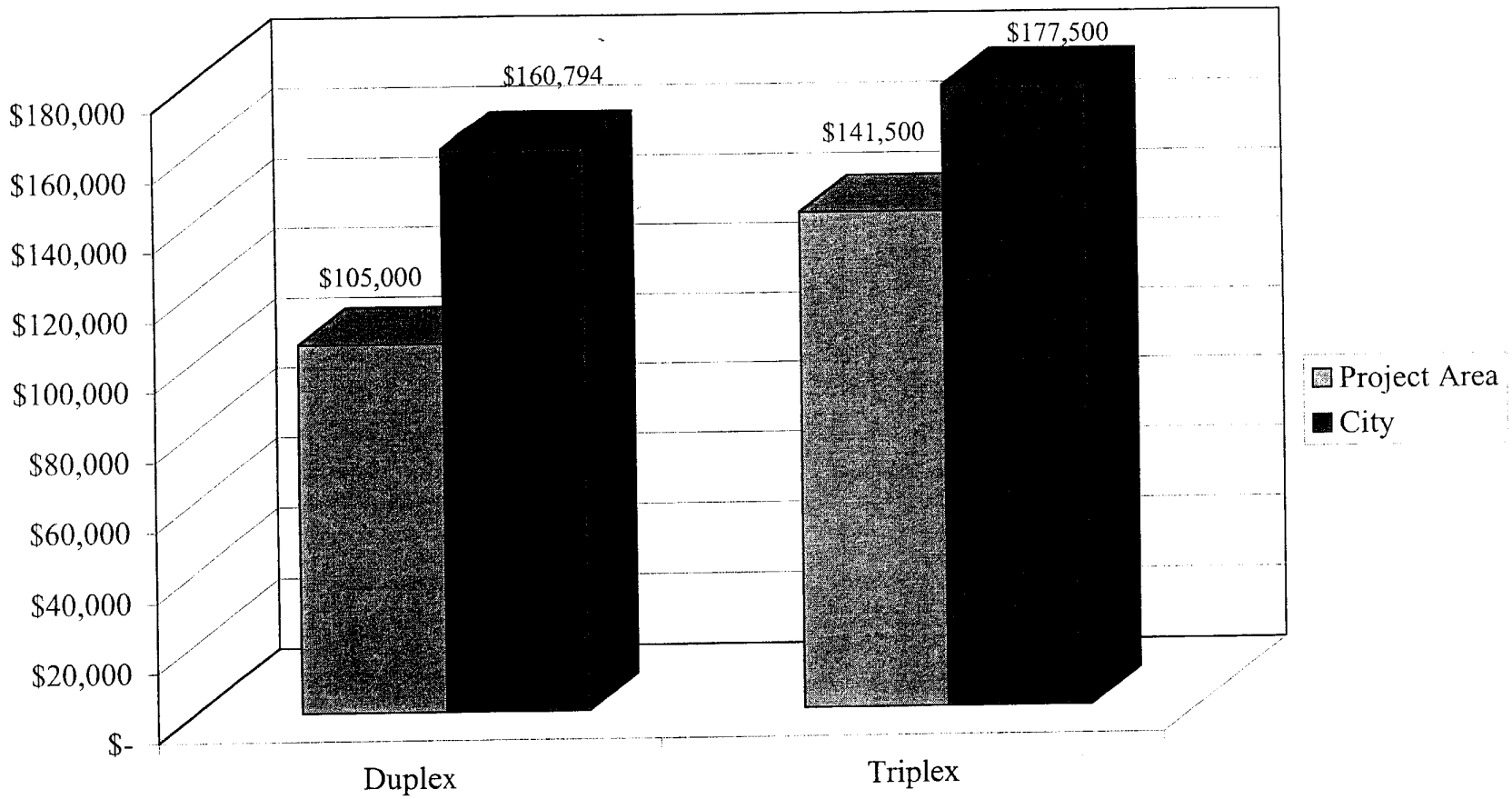
Multifamily Unit Sales

As previously noted, the Project Area contains poor-quality multifamily housing, in addition to higher density housing. Values for multifamily housing are substantially lower in the Project Area than in the rest of the City. This analysis is based on 79 sales of multifamily properties in the Lodi vicinity during 2001. As shown in Graph II-2, the median sales price of duplexes in the Project Area was $105,000, which is about 35 percent less than the $160,794 median price in the remainder of Lodi. For triplexes, the median sales price was $141,500, which is about 20 percent less than the $177,500 median in the Lodi vicinity.

Graph II-1
Median Sale Price of Single Family Homes in 2001
by Number of Bedrooms
City of Lodi



Graph II-2
Median Sale Price of Multifamily Units in 2001
City of Lodi



c. Lodging Establishments

Motels were located along Cherokee Lane when it was the main north–south artery of the old Highway 99 through Lodi. Since the new Highway 99 bypass, many motels have been converted to multifamily dwellings, although their rooms were not designed for permanent residence. The former motels provide essential affordable housing for low-income and migrant residents. However, the cost to maintain or upgrade these structures to comply with health code requirements for permanent dwelling units makes their use as affordable housing challenging over the long term. As a result, many of these properties suffer from deterioration and contribute to unsafe and unhealthy conditions for their occupants.

Based on data obtained from the City of Lodi Finance Department, sixteen of the eighteen lodging establishments in the City of Lodi are located in the proposed Project Area. Of these sixteen, one has been closed since early 1998 due to fire damage, and seven have been converted to permanent residences. In addition, four of the sixteen establishments have both permanent and transient occupancy within the same motel. (The City defines hotel transient occupancy as occupancy for 30 days or less.)

Facilities outside the Project Area tend to offer a greater variety of services than the smaller motels in the Project Area. One is a 95-room Holiday Inn Express, which has a pool, sauna, whirlpool, exercise room, and a coin laundry facility for guests. The other facility, Wine & Roses, is a bed and breakfast inn located on a five-acre estate, which is in the process of constructing additional rooms. Originally opened with ten rooms, the Wine & Roses added 13 guest rooms during the Fall of 2001, and will open an additional 15 rooms (bringing the total to 38 rooms) in Spring 2002.

The lodging establishments in the Project Area tend to be very small, budget-class motels, most of which offer limited to no guest services. Eleven of the motels have less than 30 rooms (including the motel that was closed due to fire damage), three motels have between 30 and 45 rooms and two have between 45 and 55 rooms. The two largest motels in the Project Area, the Best Western Royal Host Inn and the Comfort Inn, are the most comparable to the Holiday Inn and offer some of the guest services that are available at the Holiday Inn, such as an outdoor pool and whirlpool. These three motels could be considered comparable highway-oriented lodgings serving the traveler. However the published room rates for the two motels in the Project Area are not as high as for the Holiday Inn.

The lodging establishments outside the Project Area have published room rates between $85 and $165 per night (double occupancy), compared to average "asking" room rates of $45 to $65 per night for most motels in the Project Area.[11] Comparing the Project Area's lodging facilities to establishments outside the Project Area reveals a significant weakness in the Project Area's lodging market. The motels in the Project Area total 415 rooms, or 80 percent of the City's total overnight lodging rooms. However, transient occupancy tax (TOT) generated by the Project Area's motels represents only 50 percent of the City's total TOT revenues. The annual transient occupancy tax per room for lodging rooms in the Project Area is shown in Graph II-3. The average annual transient occupancy tax per room is significantly lower inside the Project Area compared to outside the Project Area. This indicates both lower rates and lower transient occupancy levels in the Project Area than outside, as discussed below.

Table II-7 shows the average nightly revenue per room in the Project for motels with less than 50 rooms that had transient lodging guests in 2000. This table shows that the average nightly revenue per room ranged from $3 to $35, with an average of $16, based on analysis of transient occupancy tax receipts.

[11] Only four of the sixteen motels in the Project Area publish their room rates with sources such as the Automobile Association of America (AAA). Room rates for the remaining motels in the Project Area were obtained through a telephone survey conducted by Seifel Consulting Inc.

Table II-7
Lodging Establishments
Lodi Redevelopment Project
(in Constant 2000 Dollars)

	Average Daily Revenue in 2000	Published/ "Asking" Room Rate in 2000	Avg. Daily Revenue as Percent of Room Rate
Motel A	$16	$50	33%
Motel B	$12	$55	22%
Motel C	$15	$50	31%
Motel D	$3	$45	7%
Motel E	$15	$45	33%
Motel F	$3	$55	5%
Motel G	$5	$55	9%
Motel H	$35	$60	59%
Motel I	$11	$50	22%
Total	$16	$53	31%

Source: City of Lodi Finance Department.

As discussed above, the "asking" daily room rates ranged from $45 to $65 per night, with an average of $53 for Project Area motels with transient occupancy. The average revenue as a percentage of room revenue for these motels is just over 30 percent, as compared to approximately 58 percent for motels outside the Project Area. This suggests that Project Area motels have very low transient occupancy rates (in combination with lower room rates) and are not able to capitalize on market demand captured by motels outside the Project Area.

Moreover TOT receipts for motels have actually been decreasing over time, after adjusting for inflation (average decrease of 2.9 percent per year between 1996 and 2000), while motels outside the Project Area have increased significantly faster than inflation, as shown in Table II-8 below.[12]

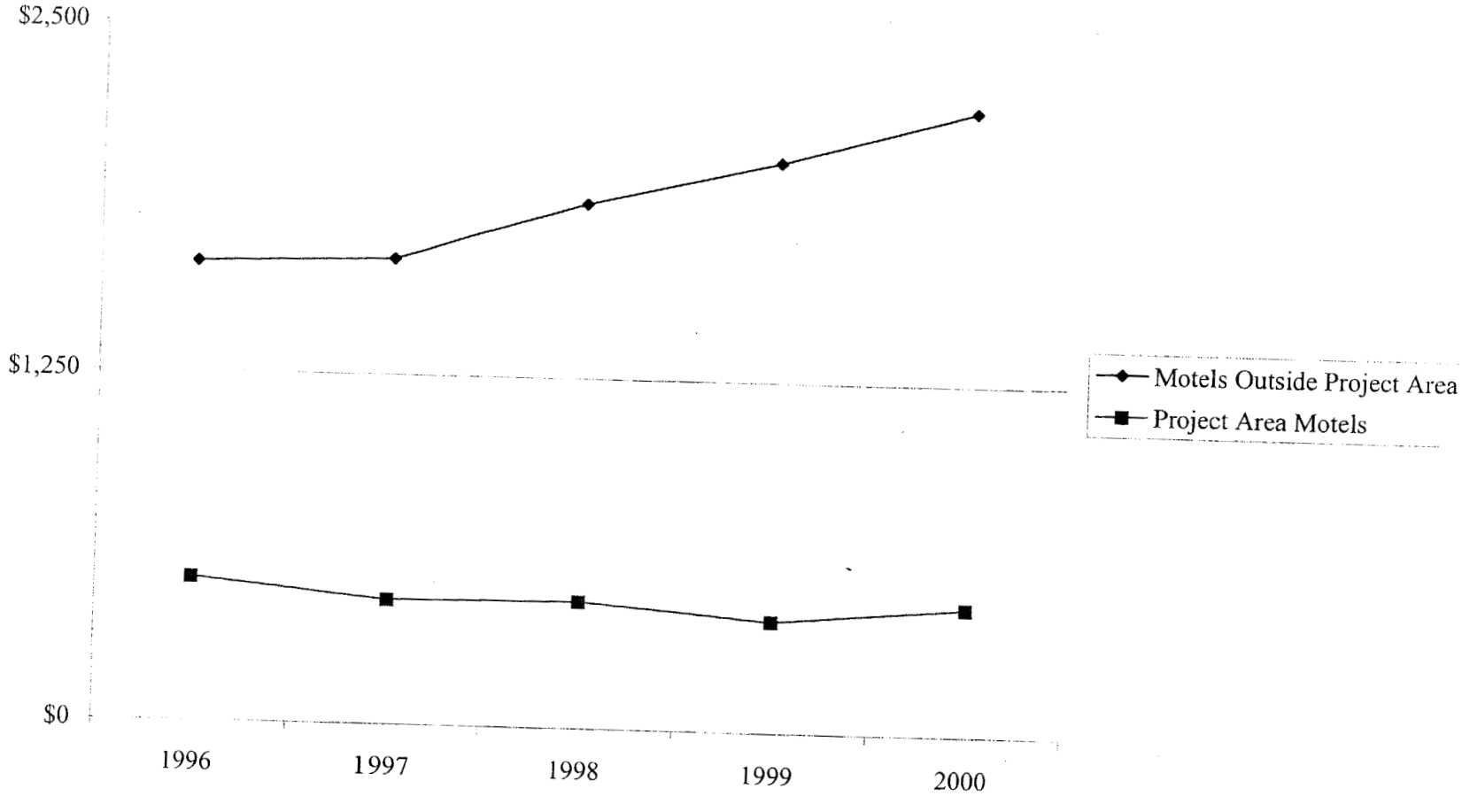
Table II-8
Annual Transient Occupancy Tax Per Room
Lodi Redevelopment Project
(in Constant 2000 Dollars)

	1996	1997	1998	1999	2000	Average Annual Growth 1996-2000
Project Area Motels	$514	$447	$455	$399	$458	-2.9%

Source: City of Lodi Finance Department.

[12] For confidentiality reasons, the average annual transient occupancy tax per room for facilities outside the Project Area cannot be published.

Graph II- 3
Annual Transient Occupancy Tax per Room
City of Lodi
(In Constant 2000 Dollars)



d. Hazardous Materials Sites

The remediation of toxic or hazardous waste is frequently costly and a major financial disincentive to reinvestment or development. Sites that are abandoned or underutilized because of known or potential environmental contamination are commonly referred to as brownfields. Often, in order for the development of a brownfield to be feasible, public agency assistance is necessary. The fear of environmental liability, in particular, uncertainty over changing response standards and costs, and the high price of conducting environmental investigations are some of the leading reasons deterring the beneficial development and use of urban sites. Developers fear that they will face liability under environmental laws and that the cost of evaluating and remediating brownfields is both so uncertain and so high that it could easily outweigh the market value of the property. Figures II-6 and II-7 indicate portions of the Project Area with soils and groundwater contamination.

Under the Comprehensive Environmental Response Compensation and Liability Act (CERCLA), the Resource Conservation and Recovery Act (RCRA), and other laws, developers may be held liable for past chemical releases, even though they were not directly responsible for the conditions that gave rise to the liability. Therefore, prior to purchasing or entering into contract to develop a site, a developer must undertake extensive environmental investigations to determine whether hazardous materials are present. In addition, predicting the cost to conduct any potential remediation prior to development is uncertain. Finally, there are often delays associated with obtaining governmental approvals before development may begin.

Hazardous materials or waste have been used in the Project Area in commercial, industrial, and in a more limited extent, residential areas. Three areas either partially or completely within the Project Area have been identified as contamination hot spots. In 1989, the City of Lodi detected tetrachloroethylene (PCE) and trichloroethylene (TCE) contamination in water samples, at concentrations above California's Maximum Contaminant Levels (MCLs) for drinking water. The California Department of Toxic Substance Control (DTSC) is the lead regulatory agency providing technical review of the groundwater investigation being conducted by the City of Lodi. The Project Area falls within the DTSC-designated Lodi Groundwater Area of Contamination. In the 1990s, DTSC funded a remedial investigation and a Potentially Responsible Party (PRP) search to determine the exact sources of this contamination. Contamination is generally thought to be associated with past dry cleaning operations. Additional hazardous materials investigations have also been completed since that time. According to the most recent studies conducted in 2001, the hot spots are:

- The area bounded by Walnut Street and Lodi Avenue on the north and south, and Pleasant Avenue and Hutchins Street to the west and east;
- The area bounded by Lockeford and Locust Streets to the north and south, and Church and Sacramento Streets to the west and east; and
- The area bounded by Locust and Elm Streets to the north and south, and Stockton and Sacramento Streets to the west and east.

The City of Lodi anticipates that the federal court will exercise jurisdiction over the claims of the state and the City concerning investigation and remediation of the Lodi Area of Contamination and will execute a final, non-appealable order compelling a Responsible Party to perform all actions necessary to develop and implement a Remedial Investigation/Feasibility Study and any Interim Remedial Actions necessary to protect human health and the environment. If the federal court fails to enforce a final order, the City of Lodi will take action. The City is required by state hazardous materials regulatory agencies, under the purview of the Regional Water Quality Control Board, to clean up the groundwater contamination. The City is currently involved in litigation with insurance companies representing prior site occupants suspected of earlier contamination. Cleanup of suspected groundwater contamination

sources will be undertaken pending a final decision in this litigation. However, new development could disturb contaminated groundwater and cause migration of the contamination.[13]

The existence of this contamination, the possibility that development could disturb contaminated soils and groundwater, and the uncertainty of the timing and the outcome of the litigation all serve as potential impediments to development.

3. Economic Indicators of Distressed Buildings or Lots

This section documents the presence in the proposed Project Area of blighting conditions described in CRL Section 33031(b)(2), including abnormally high business vacancies, abnormally low lease rates, high turnover rates, and excessive amounts of abandoned buildings and vacant lots. This section documents the presence of these economic indicators in the Project Area by reporting on the:

- Low commercial and industrial lease rates.
- Abnormally high vacancies.
- Inability of commercial space to meet current user demands.
- Infeasibility of private sector to rehabilitate properties.
- Underutilized property.

a. Low Commercial and Industrial Lease Rates

Most lease rates for commercial and industrial space in the Project Area are lower than in other parts of Lodi and the surrounding area. These relatively lower lease rates occur in areas with adverse physical conditions as described in the previous sections.

Retail Lease Rates

According to local brokers, commercial lease rates in the Downtown are 30 to 50 percent below those in other retail centers in Lodi and 50 to 70 percent lower than lease rates in retail centers in the southwestern part of the City (closer to the newer residential neighborhoods). Commercial space along Cherokee Lane in the Project Area also suffers from lower lease rates. Table II-9 presents a summary of typical commercial lease rates in the Lodi area. In the Downtown, retail space typically leases for $0.35 to $0.85 per square foot per month on a gross basis, which translates into triple net (NNN) rents of approximately $0.22 to $0.60 per square foot. At the Cherokee Retail Center in the Project Area, commercial space is currently on the market at $0.85 to $1.00 per square foot per month (NNN).

In contrast, lease rates at the Lakewood Mall at Elm and Ham Lane (considered by brokers to be most comparable to downtown retail uses) average between $1.25 to $1.30 per square foot per month (NNN). Retail development on West Kettleman Lane from Fairmont to Hutchins ranges from $1.40 to $1.60 per square foot per month (NNN). Newer retail space along lower Sacramento Road and West Kettleman Lane at the southwest end of town can command rents ranging from $1.90 to $2.00 per square foot.

Office Lease Rates

Office lease rates are from 60 to 75 percent lower in the Downtown than in other parts of Lodi. Typical ground floor office space in the Downtown leases for between $0.45 and $0.50 per square foot per month (full service). Upper floor office space in the Downtown is largely unleaseable, due to lack of elevator service and outdated electrical and/plumbing space, and is therefore vacant.

[13] Draft Environmental Impact Report for the Lodi Redevelopment Plan. Wagstaff & Associates, March 2002.

In contrast, office space in competitive buildings on Ham Lane or West Kettleman Lane command lease rates in the range of $1.50 to $2.00 per square foot per month (full service).

Industrial Lease Rates

While the northern portion of the Project Area does have some older industrial space served by the railroad tracks, the majority of the more competitive industrial space is on the east side of the City along Industrial Way and Thurman Streets. Many of the larger industrial users own and/or build their own facilities. For example, General Mills owns its facility at West Turner Road, the Robert Mondavi Winery owns its distribution facility on North Guild Avenue and Pacific Coast Producers recently constructed a 900,000 square foot canning facility on North Guild Avenue.

Table II-9
Summary of Commercial Lease Rates
Lodi Market Area, January 2002

RETAIL (NNN)	Inside Project Area	Outside Project Area
Downtown[1]	$0.22-$0.60	
Cherokee Retail Center	$.85-$1.00	
Lakewood Mall		$1.25-$1.30
W. Kettleman - Hutchins to Fairmont		$1.40-$1.60
W. Kettleman Lower Sacramento Road		$1.90-$2.00
OFFICE (Gross Full Service)	**Inside Project Area**	**Outside Project Area**
Downtown Office Space	$0.45-$0.50	N/A
Ham Lane Office Space		$1.50-$2.00
West Kettleman Lane Office		$1.50-$2.00

[1] Retail rents in Downtown are typically quoted on a full-service basis, but have been converted to a triple net basis for comparative purposes with other areas in the City.
Source: Broker interviews, Winter, 2002.

b. Abnormally High Vacancies

Commercial vacancies in the Downtown, including Sacramento Street, are abnormally high, particularly as compared to other commercial areas in the City. The vacancy rate of ground floor commercial space in the downtown is estimated between 20 and 25 percent, while upper floor space is estimated to be over 80 percent vacant, yielding an overall vacancy rate in excess of 30 percent. By comparison, there are currently no vacancies at Lakewood Mall, while vacancies on West Kettleman Lane are minimal – currently estimated at less than five percent.

c. Inability of Commercial Space to Meet Current User Demands

As previously noted in Section F.1.b, much of the commercial space in the Project Area is comprised of older buildings that are constrained by their inability to meet modern design requirements for retail and office space, as well as the limited size of commercial spaces. However, higher volume retailers, such as Barnes and Noble, Crate-n-Barrel, Pottery Barn and Restoration Hardware, could help to catalyze the retail district by serving as anchors.

As shown in Table II-10 below, the maximum amount of a single retail space available in the Downtown is generally 2,000 square feet. In other parts of Lodi, the range of available retail space is much greater, from 1,500 to 50,000 square feet. Any of the retailers that might act as a catalyst anchor for the downtown would require between 5,000 and 20,000 square feet of space.

The same is true for office space. In the downtown, office space ranges from 300 to a maximum of 2,000 square feet. In other parts of Lodi, office renters can find a wider range of office sizes, up to 5,000 square feet.

Older buildings also cannot provide flexibility in terms of space and the amenities found in newer buildings. Modern shopping centers and malls can offer a variety of spaces, so that potential renters are more likely to find a space that meets their size requirements. In addition, they have the option to expand or reduce the amount of space they lease. New office space is generally designed to provide flexibility.

Table II-10
Size of Available
Commercial Space in Lodi
January 2002

	Proposed Project Area	Other Areas in Lodi
Office		
Minimum Square Footage	300	1,000
Maximum Square Footage	2,000	5,000
Retail		
Minimum Square Footage	300	1,500
Maximum Square Footage	2,000	50,000

Source: Broker interviews.

d. Infeasibility of Private Sector to Rehabilitate Properties

This section evaluates impaired investment in terms of a private investor's ability to rehabilitate deteriorated, older buildings while achieving a reasonable return on investment. It examines the feasibility of two prototypical rehabilitation projects: a mixed-use building in the Downtown and industrial space on the East Side. The rehabilitation assumes extensive improvements such as those listed above, which are often necessary in older buildings. The assumptions for this analysis were obtained from discussions with local real estate owners and brokers, as well as comparable sales information on recent transactions.

The costs of preserving and upgrading historic and other older buildings are difficult to determine precisely but, based on field surveys and discussions with business owners and brokers, would involve some or all of the following:

- Structural preservation including building repairs and façade preservation;
- Installation of an elevator for second floor space;
- Electrical and plumbing and other code upgrades;
- Improvement to heating and ventilation systems;
- Interior remodeling for adaptive reuse.

This analysis begins with estimated project costs for the purchase and rehabilitation of older buildings in poor condition based on comparable sales and the cost of undertaking substantial rehabilitation. This

project cost is then compared with the loan and equity amounts that could be supported by projected rents generated by each completed project. These prototypes are used for illustrative purposes to demonstrate the impact of rental rates and property values on the economic value of the investment.

Private financing techniques alone will not likely be sufficient to undertake substantial rehabilitation of typical buildings in certain areas still needing redevelopment attention. Below are two prototypical purchase and rehabilitation projects in the area still needing redevelopment attention. The first project, a two story freestanding historic building in the downtown, would likely need a subsidy of about $526,000 to be financially feasible for a developer. The second representative project, an industrial project on the East Side, would need a subsidy of about $264,000. The ability of private developers to invest in rehabilitation of substandard buildings is a measure of economic health within the Project Area. When new rehabilitation is not feasible, needed building capital improvements are deferred and properties are not upgraded and are poorly maintained.

Prototypical Rehabilitation Project I: Downtown Mixed Use Building

The prototypical project is a 10,000 square foot mixed-use building with about 4,250 square feet of commercial space on the ground floor and 4,250 square feet of office space on the upper floor (common area is assumed to be 1,500 square feet or about 15 percent). The project assumes installation of an elevator, electrical and plumbing upgrades, façade restoration, and interior remodeling.

Table II-11 summarizes the estimated costs and projected revenues of this prototypical rehabilitation project. The site acquisition cost would be approximately $350,000, assuming a cost of about $35 per square foot, per recent building sales prices for comparable buildings. Rehabilitation construction costs are estimated at $550,000, or approximately $55 per square foot. The total cost of the project, including soft costs and contingency costs, would be about $1,065,000.

A typical commercial building of this size is projected to generate a gross income of $76,500 annually given current market conditions, assuming rent for the second floor office at $0.50 per square foot and $1.00 per square foot for the ground floor retail (full service).[14] Subtracting a five percent vacancy loss and operating expenses yields a net operating income of approximately $55,000 per year, before tax.[15]

Lending institutions typically require that net operating income exceed debt service payment by 15 to 20 percent for mixed-use projects (a debt coverage ratio of 1.2 to 1.5). A 1.2 debt coverage ratio yields about $45,500 available to cover debt service and an annual cash flow of about $9,100 (used to provide the return to equity investors). The annual debt service amount could support a mortgage loan of about $447,500. The annual cash flow would support about $91,000 in equity investment yielding a 10 percent interest rate. Thus, the total amount that developers could reasonably expect to raise from private sources is about $538,700 resulting in a financing gap of approximately $526,000, or approximately 49 percent of the total development cost.

Prototypical Rehabilitation Project II: East Side Industrial Project

The second prototypical project is an older industrial building on the East Side. Many of these buildings suffer from physical deficiencies due to deferred maintenance, as well as outdated design, lack of improved office space, and decayed parking areas. The prototypical project assumes 20,000 square feet of industrial building. Rehabilitation requires potential code upgrades, interior office buildout (for a portion of the space) and parking improvements.

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[14] Typical commercial rents range from $0.35 to $0.85 full service; this analysis assumes the highest market rent.

[15] An annual vacancy rate for a small project such as this is expected to vary. Accordingly, the five percent vacancy rate should be viewed as an average over several years.

Table II-12 summarizes the estimated costs and projected revenues of this prototypical rehabilitation project. The acquisition cost is estimated at $560,000 assuming a cost of about $28 per building square foot, based on conversations with the brokerage community. Construction costs are primarily assumed to cover the cost of potential code upgrades, improving a portion of the interior space for office use and parking improvements, and are estimated at approximately $10 per square foot. The total cost of the project, including soft costs and contingency costs, is estimated at $820,000.

Industrial space in the East Side of the Project Area is projected to generate a gross income of $72,000 annually given current market conditions, assuming industrial rents of $0.30 per square foot (modified gross).[16] Subtracting a five percent vacancy loss and operating expenses yields a net operating income of approximately $56,000 per year, before tax.

As discussed above, lending institutions typically require a debt coverage ratio of 1.2, which yields about $47,000 available to cover debt service and an annual cash flow of about $9,400 (used to provide the return to equity investors). The annual debt service amount could support a mortgage loan of about $462,000. The annual cash flow would support about $100,000 in equity investment yielding a 10 percent return on equity. Thus, the total amount that developers could reasonably expect to raise from private sources is about $556,000 resulting in a financing gap of approximately $264,000, or 32 percent of estimated development costs.

The private sector does not have sufficient financial incentive to undertake substantial rehabilitation projects in the Project Area. Prototypical purchase and rehabilitation projects in the Project Area would require large subsidies to be financially feasible for a typical developer. With financial investment by the Agency, however, the risk to the private sector is reduced and a positive incentive for new development is created.

[16] Modified gross rents assume the tenant pays utilities and janitorial, while the landlord covers property taxes, insurance and maintenance of the roof and outer walls.

Table II-11
Prototypical Purchase & Rehabilitation Project
Downtown - Mixed Use Office and Retail

Estimated Project Costs	
Building Acquisition Cost	$350,000
Rehabilitation Cost	$550,000
Soft Costs @ 20%	$110,000
Contingency @ 10%	$55,000
Total Development Cost	$1,065,000
Estimated Income & Expenses	
Rental Income	
Ground Floor Retail	$51,000
Second Floor Office	$25,500
Gross Possible Income	$76,500
Vacancy Loss	5%
Total Vacancy Loss	$3,825
Operating Expenses	$18,000
Net Operating Income (NOI)	$54,675
Maximum Supportable Loan	
Debt Coverage Ratio	1.20
NOI Available for Debt	$45,563
Maximum Loan	$447,541
Annual Cash Flow	$9,113
Return on Equity	10.0%
Supportable Value of Equity	$91,125
Total Available for Project	$538,666
Projected Financing Gap	
Total Available for Project	$538,666
Less Estimated Development Cost	$1,065,000
Financing Gap	**($526,334)**
Percent of Development Cost	**49%**
Assumptions:	
Income & Expenses	
Building Square Feet	10,000
Leaseable SF (85%)	8,500
Ground Floor Retail Rent per SF (Gross)	$1.00
Second Floor Rent per SF (Gross)	$0.50
Landlord Operating Expenses per SF	$0.15
Loan Terms	
Mortgage Interest Rate	9.0%
Term (years)	25
Estimated Project Costs	
Site Acquisition Cost per SF	$35
Rehabilitation Hard Cost per SF	$55
Soft Cost % of Hard Cost	20%
Contingency % of Hard Cost	10%

Source: Broker Interviews Winter 2002

Table II-12
Prototypical Purchase & Rehabilitation Project
East Side Industrial Project

Estimated Project Costs	
Building Acquisition Cost	$560,000
Rehabilitation Cost	$200,000
Soft Costs @ 20%	$40,000
Contingency @ 10%	$20,000
Total Development Cost	$820,000
Estimated Income & Expenses	
Rental Income	
Industrial Rent	$72,000
Gross Possible Income	$72,000
Vacancy Loss	5%
Total Vacancy Loss	$3,600
Operating Expenses	$12,000
Net Operating Income (NOI)	$56,400
Maximum Supportable Loan	
Debt Coverage Ratio	1.20
NOI Available for Debt	$47,000
Maximum Loan	$461,661
Annual Cash Flow	$9,400
Return on Equity	10.0%
Supportable Value of Equity	$94,000
Total Available for Project	$555,661
Projected Financing Gap	
Total Available for Project	$555,661
Less Estimated Development Cost	$820,000
Financing Gap	**($264,339)**
Percent of Development Cost	**32%**
Assumptions:	
Income & Expenses	
Building Square Feet	20,000
Net Rentable SF (100%)	20,000
Industrial Rent per SF (Modified Gross)	$0.30
Landlord Operating Expenses per SF	$0.05
Loan Terms	
Mortgage Interest Rate	9.0%
Term (years)	25
Estimated Project Costs	
Site Acquisition Cost per Bdg SF	$28
Rehabilitation Hard Cost per SF	$10
Soft Cost % of Hard Cost	20%
Contingency % of Hard Cost	10%

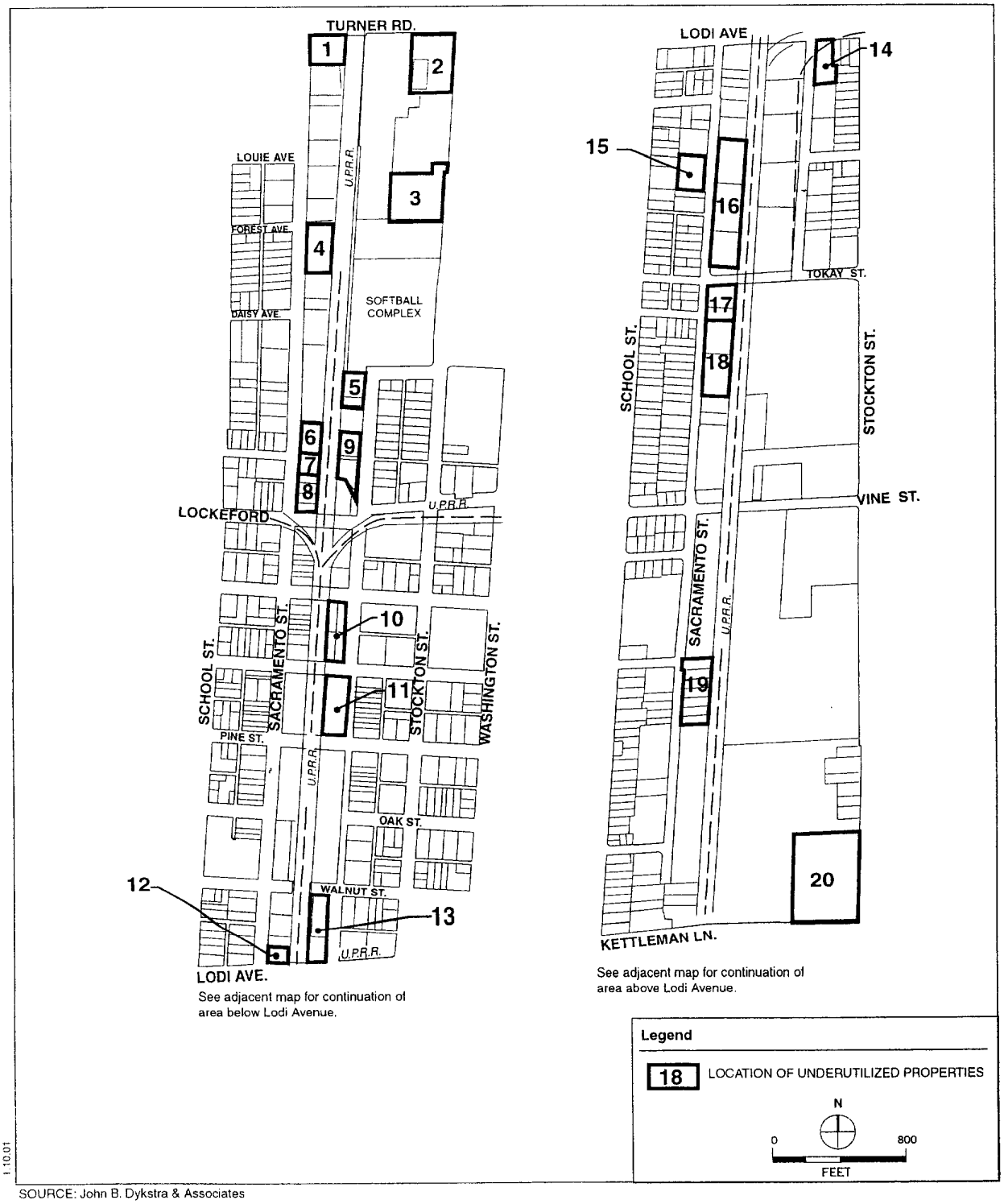
Source: Broker Interviews Winter 2002

e. Underutilized Property

During field reconnaissance surveys several areas of underutilized properties were identified. Figures II-6 and II-7 show the location of underutilized properties in the Central Railroad Commercial and Industrial Corridor and the Cherokee Lane Commercial Corridor. Tables II-13 and II-14 describe the underutilized properties.

Table II-13
Underutilized Properties by Subarea
Central Railroad Commercial/Industrial Corridor

Project Area	Description
Area 1	Relatively small vacant parcel, prominent corner location, currently used for informal truck parking. Unpaved, rainwater ponding.
Area 2	Large corner parcel partially occupied by a church. Abandoned automobiles, portable buildings and debris are located on this property.
Area 3	Large parcel occupied by a dilapidated multi-story industrial building with broken windows and a vintage automobile salvage yard.
Area 4	Large, underutilized storage yard, paved and fenced, serves an adjoining building.
Area 5	Underutilized parcel occupied by a dilapidated metal building and old automobiles.
Area 6	Large, vacant parcel, unpaved, rainwater ponding.
Area 7	Underutilized property, possible auto service use.
Area 8	Underutilized corner parcel, partially occupied by used car sales and auto dismantler.
Area 9	Underutilized parcel occupied by dilapidated steel tower, dilapidated buildings and debris accumulation.
Area 10	Large underutilized property, partially occupied by an abandoned and dilapidated corrugated metal building and a deteriorated concrete garage building.
Area 11	Large, vacant site, abandoned railroad spur tracks, rainwater ponding.
Area 12	Large, underutilized parcel with small deteriorated building, corner location.
Area 13	Vacant used car lot.
Area 14	Vacant corner parcel, unpaved, informal parking, rainwater ponding.
Area 15	Large parcel, currently occupied by contractor's yard.
Area 16	Large, underutilized industrial parcel, partially occupied by a modern industrial building. Approximately 80 percent of the parcel is vacant.
Area 17	Underutilized parcel with deteriorated and dilapidated commercial and residential buildings.
Area 18	Large, vacant parcel, unpaved.
Area 19	An underutilized parcel occupied by deteriorated industrial-service buildings and small cottages.
Area 20	Large, vacant parcel, prominent corner location, abandoned vineyard.



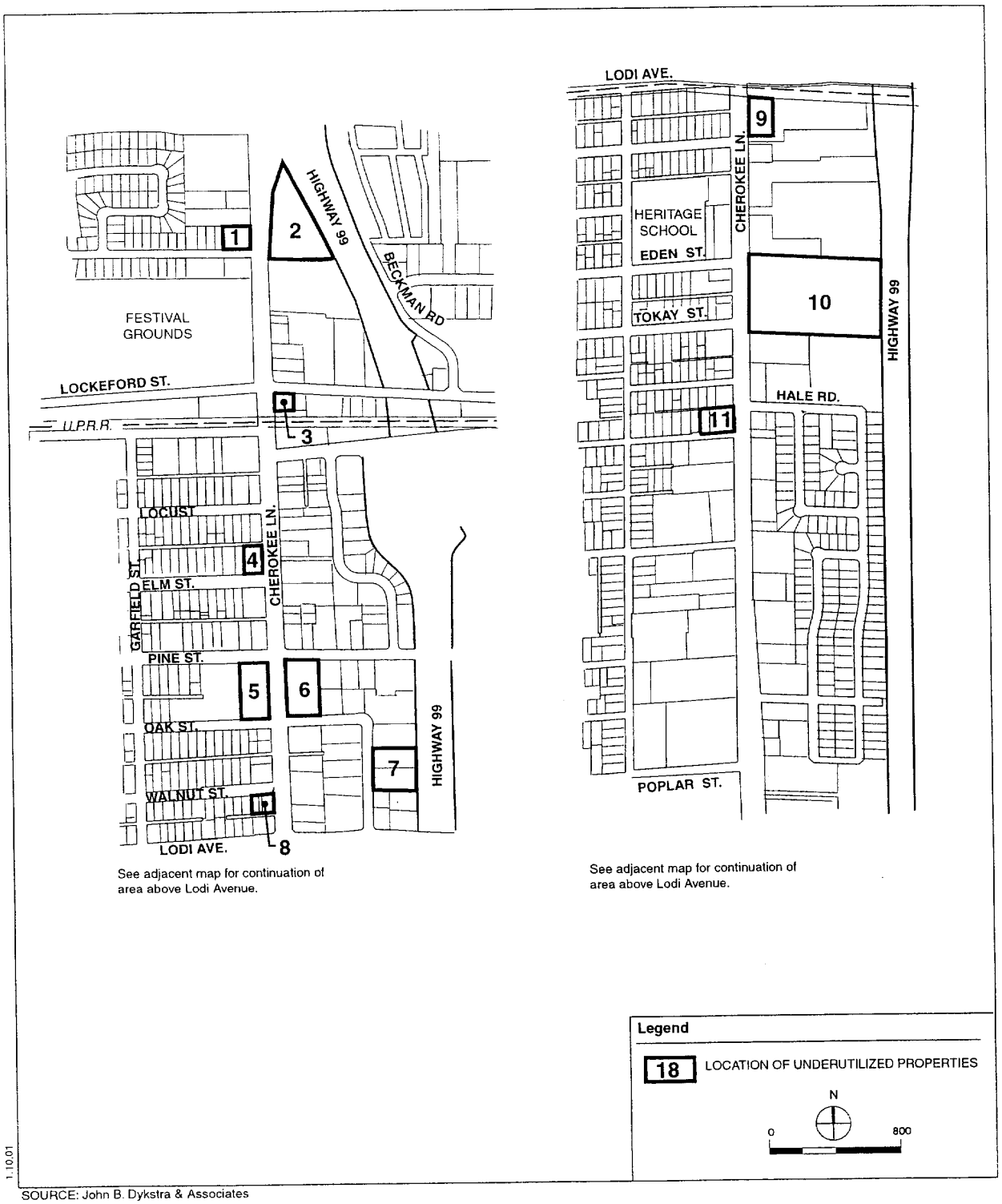
SOURCE: John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

FIGURE II-10: LOCATION OF MAJOR UNDERUTILIZED PROPERTIES, CENTRAL RAILROAD COMMERCIAL/INDUSTRIAL CORRIDOR

Table II-14
Underutilized Properties by Subarea
Cherokee Lane Commercial Corridor

Project Area	Description
Area 1	Former gasoline station used for auto repair. Dilapidated buildings and signage. Potential source of soils and groundwater contamination.
Area 2	Large triangular-shaped, underutilized property. Currently occupied by a skating rink. Cherokee Lane location. Visible from freeway.
Area 3	Small commercial property at prominent corner, occupied by deteriorated warehouse buildings.
Area 4	Underutilized corner property, vacant except for boarded-up building.
Area 5	Underutilized site of a dilapidated elementary school (Lincoln School).
Area 6	Large underutilized commercial property occupied in part by a deteriorated but architecturally and historically interesting creamery/restaurant building.
Area 7	Large vacant site in developed industrial park.
Area 8	Underutilized corner parcel with badly deteriorated buildings.
Area 9	Large vacant commercial parcel.
Area 10	Very large underutilized property (former bowling alley). Site partially occupied by truck and equipment sales. Main building used as banquet hall and church.
Area 11	Underutilized corner lot and adjacent abandoned residence.



1.10.01

SOURCE: John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

FIGURE II-11: LOCATION OF MAJOR UNDERUTILIZED PROPERTIES, CHEROKEE LANE COMMERCIAL CORRIDOR

4. Residential Overcrowding

This section documents the presence in the proposed Project Area of blighting conditions described in CRL Section 33031(b)(4), including residential overcrowding and a high incidence of bars, liquor stores and other establishments that cater exclusively to adults. This section documents the presence of residential overcrowding in the Project Area.

Table II-15 shows that residential overcrowding is a significant problem among both renter and owner households in the Project Area, compared to the rest of Lodi. The U.S. Department of Housing and Urban Development defines residential overcrowding as households with over one person per room, and severe overcrowding is defined as households with over 1.5 persons per room.

The most recent data on overcrowding is contained in the 1990 US Census. The Project Area lies within four census tracts.[17] Based on an analysis of US Census data of block groups, the total population of the Project Area in 1990 was about 13,200 living in 4,483 households. Renter households made up about 68 percent of total households in the Project Area compared to about 46 percent in the City as a whole.

Table II-15
Residential Overcrowding
Redevelopment Project Area
City of Lodi

	Project Area Total			Outside Project Area		
Households	**Total**	**Owner**	**Renter**	**Total**	**Owner**	**Renter**
Overcrowded	380	56	324	460	148	312
Severely Overcrowded	474	73	401	328	69	259
Total Overcrowded	**854**	**129**	**725**	**788**	**217**	**571**
Total Households	4,483	1,455	3,028	14,518	8,862	5,656
Percent of Total Households						
Overcrowded	8.5%	3.9%	10.7%	3.2%	1.7%	5.5%
Severely Overcrowded	10.6%	5.0%	13.2%	2.3%	0.8%	4.6%
Total Overcrowded	**19.0%**	**8.8%**	**23.9%**	**5.4%**	**2.5%**	**10.1%**

Source: US Census, 1990, Census Block Groups 42.02-7, 44.01-2, 44.01-3, 44.01-4, 44.01-5, 45-3, 45-4 and portions of 42.02-4, 42.02-3, 44.01-6, 45-1, 45-2, 43.02-1, 43.02-4, 42.02-6 and 43.02-2.

According to the US Census, approximately 19.0 percent of households in the Project Area were overcrowded, compared to 5.4 percent in the remainder of the City of Lodi. Overcrowding in the Project Area is significantly more serious for renter households than owner households. Approximately 23.9 percent of renter households are overcrowded, compared to 8.8 percent of owner households. The Census also indicates that about 10.6 percent of households in the Project Area are severely overcrowded compared to 2.3 percent in the remainder of the City.

Overcrowding typically occurs in older structures that have not been renovated to keep pace with changing lifestyles or demand. Overcrowded housing generally provides poor quality, and often unsafe

[17] Census Tracts 42.02, 43.02, 44.01 and 45, including Block Groups 42.02-7, 44.01-2, 44.01-3, 44.01-4, 44.01-5, 45-3, 45-4 and portions of 42.02-4, 42.02-3, 44.01-6, 45-1, 45-2, 43.02-1, 43.02-4, 42.02-6 and 43.02-2.

and unhealthy housing for its residents. It can also lead to the deterioration of buildings by putting additional wear and use on the structures. In some instances, in an attempt to accommodate additional occupancy, make-shift modifications have been made to the structures that may be illegal, unsafe or unhealthy, and a violation of building codes.

In the predominantly residential census tracts within the Project Area, overcrowding conditions are more serious. The East Side Neighborhood is comprised of census block groups 44.01-2 through 44.01-6 and 45.00-1 through 45.00-4. Table II-16 indicates that in 1990, over 20 percent of the units in the East Side neighborhood were overcrowded or severely overcrowded, more than 3 times the rate of 5.5 percent outside the East Side neighborhood. Over 11.4 percent were severely overcrowded, almost 5 times the rate of 2.3 percent outside. As described earlier, many garages and other structures have been converted into living units. This has contributed to the overcrowded conditions.

Table II-16
Residential Overcrowding
East Side Neighborhood
City of Lodi

	East Side Neighborhood			Outside East Side Neighborhood		
Households	**Total**	**Owner**	**Renter**	**Total**	**Owner**	**Renter**
Overcrowded	355	53	302	485	151	334
Severely Overcrowded	446	71	375	356	71	285
Total Overcrowded	802	125	677	840	221	619
Total Households	3,840	1,266	2,574	15,161	9,051	6,111
Percent of Total Households						
Overcrowded	9.2%	4.2%	11.7%	3.2%	1.7%	5.5%
Severely Overcrowded	11.6%	5.6%	14.6%	2.3%	0.8%	4.7%
Total Overcrowded	20.9%	9.8%	26.3%	5.5%	2.4%	10.1%

Source: 1990 US Census.

5. A High Crime Rate

This section demonstrates the presence in the proposed Project Area of blighting conditions described in CRL Section 33031(b)(5) as a high crime rate that creates a threat to the safety and welfare of the community. This section documents the presence of a high crime rate in the Project Area.

High crime rates significantly affect the image of an area and can be a disincentive to commercial or residential investment. Within commercial areas, crimes against persons and property discourage businesses from locating in an area and add to the cost of doing business. In residential areas, crimes have the effect of devaluing property, and discouraging sales and reinvestment. According to the Lodi Police Department, the Project Area has a higher crime rate than the City as a whole. In 2000, there were 1,073 Part 1 crimes[18] in the Project Area as compared to 2,841 citywide, as shown in Table II-17.

The estimated citywide population in 2000 (per the US Census) was 56,999. The most recent population data for the Project Area is the 1990 US Census. (The 2000 US Census data is not yet available at the census tract level.) Because the Project Area is largely built out, its population has probably not increased

[18] Part 1 crimes include homicide, rape, robbery, aggravated assault, burglary, larceny and vehicle theft.

significantly over the last decade. Assuming that the population of the Project Area grew at one quarter the citywide growth rate of 9.9 percent, the 2000 Project Area population is conservatively estimated at 13,530, while the balance of the City (outside the Project Area) is estimated at 43,469 residents. Based on these estimates, the Project Area has an incidence of 79.3 Type 1 crimes per 1,000 population, or almost twice that of the balance of the City (outside the Project Area), at 40.7 Type 1 crimes per 1,000.

Table II-17
Part 1 Crime Incidence in 2000
Project Area Compared to Citywide
Lodi Redevelopment Project

Location	# of Crime Incidents	Per 1,000 Population	% of Citywide Incidents
Project Area	1,073	79.31	38%
Outside Project Area	1,768	40.67	62%
Total Citywide	2,841	49.84	100%

Source: City of Lodi Police Department.

6. Conclusion for Economic Blighting Conditions

The Project Area suffers from several simultaneous economic problems such as depreciated property values, declining sales, business stagnation and residential overcrowding. Economic blight causes or contributes to vacancies in, or underutilization of an area, health and safety hazards, lack of investment, disinvestment, and the devaluation of neighboring properties.

The analysis of existing economic conditions in the Project Area concludes that these problems are so substantial and prevalent that they constitute a finding of economic blight. Thus, redevelopment is necessary for the Project Area to reach its full economic potential.

G. Necessity for Redevelopment

As it has been demonstrated, the physical and economic blighting conditions in the Project Area are so prevalent and substantial that they cannot reasonably be expected to be reversed without redevelopment assistance. These conditions have become a hindrance to the community that cannot be reversed or alleviated without the assistance of the Agency through the authority of the CRL. As further described in Section 1 below, these blighting conditions have caused a reduction of, or lack of, proper utilization of the Project Area and constitutes a serious physical and economic burden on the community.

The private sector does not have sufficient financial incentive to invest in the Project Area, given the risks and up-front costs to improve public infrastructure, encourage economic revitalization, provide affordable housing, and mitigate against seismic safety and environmental problems. Without financial assistance to help underwrite these costs, the private sector would be unlikely to undertake improvements in the Project Area.

In summary, the proposed program to alleviate blighting conditions in the Project Area is not financially feasible for the private sector acting alone. Without redevelopment, most of the program costs must be borne solely by the private sector. Redevelopment is a necessary financing tool, which will be used to support the Redevelopment Program costs as described in Chapter III of this report. With this investment by the Agency, risk to the private sector is reduced, and incentive for private investment is created.

1. Significant Burden on the Community

This chapter has documented blighting conditions that have become a burden on the community. Project Area properties are not being used to the same potential as properties in other parts of the community. The reduction of, or lack of, proper utilization of the Project Area constitutes a serious physical and economic burden on the community in at least the following respects:

- Deprives residents of the city and surrounding area of employment opportunities;
- Prevents adequate supply of affordable and other housing;
- Deprives property and business owners of a competitive return on their investments;
- Deprives residents of adequate public recreational facilities and lands;
- Hinders the enhancement of the physical environment;
- Prevents proper usefulness and development of land;
- Deprives the City, the County, the education districts, and other affected taxing entities of an expanding tax base; and
- Hinders the development of a stronger economic base for the community.

2. Limitations of Other Governmental Action

Governmental action to alleviate the documented blighting conditions in the Project Area is limited by the lack of a reliable flow of federal, state or local financial resources available to fund a comprehensive revitalization program. The private sector's ability to alleviate the documented blighting conditions is limited.

As will be described in Chapter IV, all other feasible sources of non-tax increment revenue will be applied toward Redevelopment Program costs. However, other governmental revenues are not sufficient to pay for an effective program to alleviate blight in the Project Area. In this financial setting, redevelopment assistance in the form of tax increment revenue is essential to fill the funding gap to undertake an effective revitalization effort for the Lodi Redevelopment Project Area.

III. Redevelopment Program Description

A. Introduction

This chapter describes the Redevelopment Program proposed to implement the Lodi Redevelopment Project. The projects and activities that make up the Redevelopment Program are designed to meet the goals and objectives of the CRL and the Redevelopment Plan (described in Chapter I). The Agency's cost of implementing the Redevelopment Program is estimated to total about $36.5 million in constant 2002 dollars ($24.3 million for non-housing projects and about $12.15 million for affordable housing projects).[1]

Revenues generated by the Redevelopment Project could fund a number of potential redevelopment activities in the proposed Project Area. Each of the proposed projects would help to alleviate conditions of blight described in this report. The proposed Redevelopment Program would work in coordination with Lodi's existing Central City Revitalization Program, a comprehensive revitalization package adopted by the City that includes incentive programs, marketing strategies, and physical improvements. The City Council adopted the alternative Catalyst Project for the Central City Revitalization Project in 1995. The Revitalization Project will serve as a catalyst to begin the economic and commercial revitalization of the Downtown and Cherokee Lane corridor, and the East Side neighborhood. The Revitalization Project is one component of a comprehensive and detailed action program consisting of public improvements, incentive programs, promotional programs, and marketing strategies.[2]

The proposed Redevelopment Program emphasizes the elimination of blighting conditions and constraints that interfere with revitalization and conservation of the proposed Project Area by improving the economic conditions and enhancing residential areas. In general, the proposed Redevelopment Program is designed to:

- Revitalize areas that exhibit physical and economic blight;
- Stimulate private investment in the proposed Project Area's commercial areas;
- Improve housing conditions and infrastructure in residential neighborhoods; and
- Provide tax increment funds for the redevelopment activities that are needed to alleviate blighting conditions.

The Redevelopment Program reflects adopted City goals and policies. Its formulation involved city staff, elected officials, residents and consultants. Agency staff, city residents and business owners reviewed and made recommendations on the proposed projects and activities. The Redevelopment Program also reflects the goals and policies of the City's General Plan, Capital Improvements Program and economic development studies.

The Redevelopment Program is organized broadly into six program categories that reflect the division of tax increment revenues into funds which can be used for any redevelopment purpose and those specifically related to the Agency's affordable housing endeavors. Program categories one through five do not specifically address the provision, improvement or preservation of affordable housing while program category six is specifically focused on the Agency's affordable housing activities. The numbers

[1] The term 2002 dollars or constant 2002 dollars is used to indicate the present value of nominal dollars discounted back to FY 2001/02. This amount does not include Agency administration costs for non-housing projects and activities.

[2] Engineer's Report for Lodi Central City Revitalization Assessment District No. 95-1, p. 6.

assigned to each category are for identification purposes only, and are not intended to indicate a category's relative priority for implementation:

1. Economic Development
2. Building Rehabilitation, Façade Improvement, and/or Historic Preservation
3. Public Infrastructure and Facilities
4. Neighborhood Preservation, Circulation and Landscaping Improvements
5. Site Preparation and Development
6. Affordable Housing

Section C of this chapter describes the five non-housing program categories and their respective projects and activities. Section D describes the Agency's Affordable Housing Program. The sections are organized as follows:

- Deficiencies to be corrected.
- Description of how the proposed projects and activities will reduce or eliminate blighting conditions in the proposed Project Area.
- Cost estimate in constant 2002 dollars. (Refer to Chapter IV for a description of the funding sources that may be used by the Agency to help fund the proposed projects and activities.)

B. Relationship between Redevelopment Program and Alleviation of Blighting Conditions

As indicated in Chapter II, the Lodi Redevelopment Project Area suffers from a variety of physical and economic blighting conditions that must be alleviated if the area is to be revitalized. The proposed Project Area will benefit from a coherent economic development, neighborhood conservation and revitalization strategy that is coordinated with the City's overall goals.

The Redevelopment Program is designed to alleviate the blighting conditions identified in Chapter II, and meet the Agency's affordable housing obligation, as well as the CRL requirement that Agency expenditures be linked to the elimination of blighting conditions. The proposed Redevelopment Program will address the blighting conditions described in Chapter II. Furthermore, it will address the public improvement deficiencies that contribute to physical and economic blight in the proposed Project Area. Table III-1 provides a matrix summarizing the blighting conditions described in Chapter II and the proposed Redevelopment Program's activities designed to alleviate each blighting condition.

Table III-1
How Redevelopment Program Will Eliminate Adverse Conditions
Lodi Redevelopment Project Area

ADVERSE CONDITIONS	Redevelopment Program					
	Economic Development	Building Rehabilitation	Public Facilities	Circulation and Landscaping	Site Preparation	Affordable Housing
	1	2	3	4	5	6
Deficient or Deteriorated Buildings	■	■			■	■
Factors That Inhibit Proper Use of Building or Lots	■	■	■	■	■	■
Incompatible Uses	■			■	■	
Substandard Lots in Multiple Ownership	■				■	■
Depreciated or Stagnant Values and Impaired Investments	■	■	■	■	■	
Economic Indicators of Distressed Buildings or Lots	■	■		■	■	■
Residential Overcrowding		■				■
High Crime Rate	■		■			■
Deficient Public Improvements*	■		■	■	■	

*Although not considered physical or economic blight under the CRL,
the existence of deficient public improvements is recognized as a deterrent to economic growth in the Project Area.

C. Description of Non-Housing Redevelopment Program

This section describes the proposed Non-Housing Redevelopment Program, including the deficiencies to be corrected, project descriptions, and the estimated project costs.[3] As they are implemented, these projects may be modified over time to better serve the purposes of redevelopment. Cost estimates are necessarily preliminary in nature and subject to considerable refinement as the Redevelopment Program planning and implementation proceed. However, the cost estimates are adequate to provide reasonable orders of magnitude for evaluating financial feasibility and the need for tax increment financing. Table III-2 summarizes the total estimated cost of the proposed Lodi Redevelopment Program. It should be noted that these costs do not include Agency administration expenses for non-housing activities, which are discussed in greater detail in Chapter IV. Table III-3 summarizes the estimated Agency share of non-housing and housing projects for the proposed Project Area.

1. Economic Development

a. Deficiencies to Be Corrected

Many portions of the proposed Project Area are suffering from economic decline and stagnation. Retail businesses perform poorly, and lodging establishments have lower revenues per room as compared to establishments outside the Project Area. In industrial areas, many warehouses are vacant, and several buildings are abandoned. Depreciated property values and impaired investments are evident in the commercial areas within the proposed Project Area, including Downtown Lodi and Cherokee Lane. Downtown Lodi is a weak environment for commercial activity. Commercial lease rates are low there and along Cherokee Lane as compared to other commercial areas in Lodi. Commercial rents are significantly lower east of the Union Pacific railroad tracks, where properties are more deteriorated, than they are west of the railroad tracks.

b. Description

As part of the economic development program, the following is proposed:

- Design and implement a program to attract business and promote tourism, including assistance in the preparation of marketing materials.
- Provide financial assistance to business organizations.
- Provide for a marketing study and strategy to attract and retain businesses to the Project Area.
- Encourage office uses in Downtown Lodi.
- Accommodate and encourage lodging, auto and support commercial buildings along Cherokee Lane.
- Encourage revitalization through business and developer incentives.

c. Estimated Program Costs

The estimated Agency share of the economic development program (Table III-3) is approximately $3.6 million (in constant 2002 dollars).

[3] The non-housing program includes some activities that will benefit housing, including building rehabilitation, seismic strengthening and historic preservation.

2. Building Rehabilitation, Façade Improvement and/or Historic Preservation

a. Deficiencies to Be Corrected

As indicated in Chapter II, 75 percent of the buildings in the proposed Project Area have significant physical deficiencies. Many buildings show the effects of serious deterioration. Deficient or deteriorated buildings are found in each of the eight areas surveyed. A large number of residences have informal, substandard construction. Many residential buildings are dilapidated and unsound. The downtown commercial area has several deteriorated commercial structures. Some of these buildings are structurally unsound. Some industrial uses east of Highway 99 exhibit deterioration, with some dilapidation. Some of the structures are functionally obsolete.

b. Description

As part of the building rehabilitation, façade improvement and/or historic preservation program, the following is proposed:

- Assist in rehabilitation, seismic strengthening and/or historic preservation of commercial, industrial and residential buildings, through low interest loans and grant funds.
- Assist with façade improvements in the downtown and other areas.
- Establish development standards and design guidelines to improve the appearance of buildings and businesses along Cherokee Lane.
- Redevelop dilapidated and abandoned buildings.

c. Estimated Program Costs

The estimated Agency share of the building rehabilitation, façade improvement and/or historic preservation program (Table III-3) is approximately $4.4 million (in constant 2002 dollars).

3. Public Infrastructure and Facilities

a. Deficiencies to Be Corrected

Commercial and residential lots lack adequate off-street parking. The storm and wastewater distribution system is aging, obsolete and inadequate.

b. Description

As part of the public infrastructure and facilities program, the following is proposed:

- Provide parking improvements in commercial areas of the Project Area.
- Implement storm drain, wastewater and water distribution improvements in the East Side neighborhood, along Cherokee Lane and Downtown.
- Assist in providing facilities to service residents in the proposed Project Area, such as a community center, a library and an education and training center.

c. Estimated Program Costs

The estimated Agency share of the public infrastructure and facilities program (Table III-3) is approximately $9.9 million (in constant 2002 dollars).

4. Neighborhood Preservation, Circulation and Landscaping Improvements

a. Deficiencies to Be Corrected

Several areas of the Project Area suffer from circulation and other deficiencies that impede the vitality of neighborhoods and commercial areas. These include the lack of pedestrian and bicycle access, street signs, street lighting, landscaping, and sidewalks. Another deficiency is inefficient traffic circulation, particularly along Cherokee Lane.

b. Description

As part of the neighborhood preservation, circulation and landscaping improvements program, the following is proposed:

- Create a comprehensive pedestrian and bicycle network, providing linkages and improving access to Downtown from the proposed Multi-Modal Train Station and Transit Center.
- Provide pedestrian access to the Transit Center, including widen sidewalks and landscape street frontages.
- Continue to landscape public parking lots and streets, improve street signs and streetlights in the Downtown, neighborhoods and other areas.
- Continue to provide new sidewalks and/or widen sidewalks in the Downtown, neighborhoods and other areas.
- Improve traffic signalization and traffic circulation at critical intersections, especially along Cherokee Lane.
- Expand code enforcement efforts.
- Update development standards for multifamily residences.

c. Estimated Program Costs

The estimated Agency share of the neighborhood preservation, circulation and landscaping improvements program (Table III-3) is approximately $2.2 million (in constant 2002 dollars).

5. Site Preparation and Development

a. Deficiencies to Be Corrected

Some areas in the Project Area contain soil and/or groundwater contamination. A large number of lots are substandard to economic development due to their small size or because they front on alleys. A number of incompatible uses have been identified in the proposed Project Area, including residences close to the railroad or industrial plants, and commercial and residential uses located adjacent to dilapidated, vacant or abandoned properties.

b. Description

As part of the building rehabilitation program, the following is proposed:

- Facilitate a hazardous materials cleanup program.
- Acquire property and assemble sites, including acquisition of strategic properties to meet redevelopment goals.
- Provide assistance to relocate incompatible uses.

c. Estimated Program Costs

The estimated Agency share of the site preparation and development program (Table III-3) is approximately $4.3 million (in constant 2002 dollars).

6. Description of Affordable Housing Redevelopment Program

This section describes the proposed Affordable Housing Redevelopment Program, including the deficiencies to be corrected, project descriptions, and estimated project costs.

a. Deficiencies to Be Corrected

The Agency will promote the revitalization of existing housing as well as the construction of well-designed affordable and market-rate housing in the proposed Project Area in order to enhance the vitality of the area and provide much-needed housing for the City. Residential overcrowding is a significant problem among both renter and owner households in the proposed Project Area as compared to the rest of the City. The Project Area contains structurally unsound residences, residential units with informal and substandard construction, and deteriorated residential structures.

b. Description

The Agency will implement a key provision of the CRL: the enhancement of affordable housing opportunities for households earning at or below 120 percent of median income, with particular emphasis on those households earning at or below 50 percent of median income. Section 33334.2 of the CRL requires that an agency utilize 20 percent of all tax increment revenue allocated to the Agency to increase or enhance the community's supply of affordable housing.

The Agency may establish a range of housing programs that seek to enhance project design and leverage federal, state, and private funding sources to develop high quality, attractive, and affordable housing developments serving a diverse population. The funds directed toward this program will be used in a flexible manner in order to respond to favorable development opportunities.

The type of financial assistance to be provided may include cost write-down and gap financing for projects utilizing federal and state grant or loan funds to facilitate design enhancements, property acquisition, construction and predevelopment. Appropriate uses of these funds include new affordable rental and ownership housing construction, and assistance to homebuyers with acquiring affordable housing.

As part of the Affordable Housing Redevelopment Program, the Agency will undertake the following projects to correct the deficiencies in the proposed Project Area:

- Encourage homeownership and renovation.
- Facilitate development of new affordable housing.
- Provide funding assistance for rehabilitation of single and multi family housing for low and moderate income households.
- Facilitate development of housing for the elderly.
- Spend affordable housing set-aside funds in accordance with CRL, in order to:
  - Preserve and provide housing opportunities at all income levels in accordance with the CRL.
  - Provide opportunities for homeowners earning at or below 120 percent of median income to maintain and repair their homes and promote neighborhood revitalization.
  - Provide homeownership opportunities for first time homebuyers earning less than 120 percent of median income.

c. Estimated Program Costs

The Agency cost for the Affordable Housing Program is projected to be $12.15 million in constant 2002 dollars. Refer to Chapter IV for further discussion regarding the projections of tax increment to be set-aside for affordable housing.

Table III-2
Projected Total Costs of Proposed Lodi Redevelopment Program
Non-Housing and Housing Activities
in Constant 2002 Dollars

		Total Cost	Unit	Cost/unit	Yrs
1. Economic Development					
A. Design and implement a program to attract business and promote tourism, including assistance in the preparation of marketing materials		$500,000		Lump Sum Estimate	
B. Provide financial assistance to business organizations		$1,500,000	1	$50,000 /year	30
C. Provide for a marketing study and strategy to attract and retain businesses to the Project Area.		$100,000	1	$100,000 /study	N/A
D Encourage office uses in Downtown Lodi		$500,000	1	$50,000 /year	10
E. Accommodate and encourage lodging, auto and support commercial buildings along Cherokee Lane		$500,000	1	$50,000 /year	10
F. Encourage revitalization through business and developer incentives		$3,000,000	1	$100,000 /year	30
SUBTOTAL	7%	**$6,100,000**			
2. Building & Site Rehabilitation, Facade Improvement and/or Historic Preservation					
A. Assist in rehabilitation, seismic strengthening and/or historic preservation of commercial, industrial and residential buildings, through low interest loans and grant funds		$7,500,000	5	$50,000 /bldg	30
B. Assist with façade improvements in the Downtown and other areas.		$3,000,000	5	$20,000 /bldg	30
C. Establish development standards and design guidelines to improve the appearance of buildings and businesses along Cherokee Lane		$100,000	1	$100,000 /study	N/A
D. Redevelop dilapidated and abandoned buildings		$6,750,000	3	$75,000 /bldg	30
SUBTOTAL	19%	**$17,350,000**			
3. Public Infrastructure and Facilities					
A. Provide parking improvements in commercial areas of the Project Area		$8,200,000		Lump Sum Estimate	
B. Implement storm drain, wastewater and water distribution improvements in the Eastside neighborhood, along Cherokee Lane and Downtown.		$30,300,000		Lump Sum Estimate	
C. Assist in providing facilities to service residents in the Project Area, such as community centers, libraries and education and training centers		$5,000,000		Lump Sum Estimate	
SUBTOTAL	48%	**$43,500,000**			
4. Neighborhood Preservation, Circulation and Landscaping Improvements					
A. Create a comprehensive pedestrian and bicycle network, providing linkages and improving access to Downtown from the proposed Multi-modal Train Station and Transit Center		$2,500,000	10	$250,000 /mile	N/A
B. Provide pedestrian access to the Transit Center, including widen sidewalks and landscape street frontages		$500,000		Lump Sum Estimate	
C. Continue to landscape public parking lots and streets, improve street signs and streetlights in the Downtown, Cherokee Lane, neighborhoods and other areas.		$1,000,000		Lump Sum Estimate	
D. Continue to provide new sidewalks and/or widen sidewalks in the Downtown, neighborhoods and other areas.		$500,000		Lump Sum Estimate	
E. Improve traffic signalization and traffic circulation at critical intersections, especially along Cherokee Lane		$750,000	5	$150,000 /signal	1
F. Design and implement a neighborhood preservation program		$1,000,000		Lump Sum Estimate	
G. Expand code enforcement efforts.		$500,000	1	$25,000 /year	20
H. Update development standards for multifamily residences		$100,000	1	$100,000 /study	1
SUBTOTAL	8%	**$6,850,000**			

Table III-2
Projected Total Costs of Proposed Lodi Redevelopment Program
Non-Housing and Housing Activities
in Constant 2002 Dollars

		Total Cost	Unit	Cost/unit	Yrs
5. Site Preparation and Development					
A. Facilitate a hazardous materials cleanup program		$5,000,000	1	$250,000 /year	20
B. Property acquisition and site assembly, including acquisition of strategic properties to meet redevelopment goals		$10,000,000		Lump Sum Estimate	
C. Provide assistance to relocate incompatible uses		$1,000,000	1	$50,000 /reloc	20
SUBTOTAL	18%	$16,000,000			
TOTAL NON-HOUSING	100%	$89,800,000			
6. Affordable Housing					
A. Encourage home ownership and renovation.		$800,000	1	$40,000 /year	20
B. Facilitate development of new affordable housing		$10,000,000		Lump Sum Estimate	
C. Provide funding assistance for rehabilitation of single and multi-family housing for low and moderate income households		$16,500,000	1	$550,000 /year	30
D. Facilitate development of housing for the elderly		$2,000,000		Lump Sum Estimate	
SUBTOTAL		$29,300,000			
TOTAL PROGRAMS AND ACTIVITIES		$119,100,000			

Source: City of Lodi.

Table III-3
Projected Costs of Proposed Redevelopment Program
Lodi Redevelopment Project Area
in Constant 2002 Dollars

REDEVELOPMENT PROGRAMS AND ACTIVITIES	Total Costs	Other Funding	Source	Agency Assistance	Agency % of Total
1. ECONOMIC DEVELOPMENT					
A. Design and implement a program to attract business and promote tourism, including assistance in the preparation of marketing materials	$500,000	$250,000	General Fund, Private Sector	$250,000	50%
B. Provide financial assistance to business organizations	$1,500,000	$250,000	General Fund, Private Sector	$1,250,000	83%
C. Provide for a marketing study and strategy to attract and retain businesses to the Project Area.	$100,000	$50,000	General Fund	$50,000	50%
D. Encourage office uses in Downtown Lodi	$500,000	$250,000	General Fund, Private Sector	$250,000	50%
E. Accommodate and encourage lodging, auto and support commercial buildings along Cherokee Lane	$500,000	$250,000	General Fund	$250,000	50%
F. Encourage revitalization through business and developer incentives	$3,000,000	$1,500,000	General Fund, Enterprise Fund	$1,500,000	50%
Subtotal	$6,100,000	$2,550,000		$3,550,000	58%
2. BUILDING REHABILITATION, FAÇADE IMPROVEMENT AND/OR HISTORIC PRESERVATION					
A. Assist in rehabilitation, seismic strengthening and/or historic preservation of commercial, industrial and residential buildings, through low interest loans and grant funds	$7,500,000	$5,625,000	Private Sector	$1,875,000	25%
B. Assist with façade improvements in the Downtown and other areas.	$3,000,000	$2,250,000	Private Sector	$750,000	25%
C. Establish development standards and design guidelines to improve the appearance of buildings and businesses along Cherokee Lane	$100,000	$50,000	Private Sector	$50,000	50%
D. Redevelop dilapidated and abandoned buildings	$6,750,000	$5,062,500	Private Sector	$1,687,500	25%
Subtotal	$17,350,000	$12,987,500		$4,362,500	25%

Table III-3
Projected Costs of Proposed Redevelopment Program
Lodi Redevelopment Project Area
in Constant 2002 Dollars

REDEVELOPMENT PROGRAMS AND ACTIVITIES	Total Costs	Other Funding	Source	Agency Assistance	Agency % of Total
3. PUBLIC INFRASTRUCTURE AND FACILITIES					
A. Provide parking improvements in commercial areas of the Project Area	$8,200,000	$5,600,000	Federal Funds, General Fund, Private Sector	$2,600,000	32%
B. Implement storm drain, wastewater and water distribution improvements in the Eastside neighborhood, along Cherokee Lane and Downtown.	$30,300,000	$24,240,000	Enterprise Funds	$6,060,000	20%
C. Assist in providing facilities to service residents in the Project Area, such as community centers, libraries and education and training centers	$5,000,000	$3,750,000	General Fund, CDBG, State, Private Sector	$1,250,000	25%
Subtotal	**$43,500,000**	**$33,590,000**		**$9,910,000**	**23%**
4. NEIGHBORHOOD PRESERVATION, CIRCULATION AND LANDSCAPING IMPROVEMENTS					
A. Create a comprehensive pedestrian and bicycle network, providing linkages and improving access to Downtown from the proposed Multi-modal Train Station and Transit Center	$2,500,000	$1,875,000	TDA, Gas Tax	$625,000	25%
B. Provide pedestrian access to the Transit Center, including widen sidewalks and landscape street frontages	$500,000	$250,000	TDA, Gas tax	$250,000	50%
C. Continue to landscape public parking lots and streets, improve street signs and streetlights in the Downtown, Cherokee Lane, neighborhoods and other areas.	$1,000,000	$500,000	Gas tax, General Fund	$500,000	50%
D. Continue to provide new sidewalks and/or widen sidewalks in the Downtown, neighborhoods and other areas.	$500,000	$375,000	Gas tax, General Fund	$125,000	25%
E. Improve traffic signalization and traffic circulation at critical intersections, especially along Cherokee Lane	$750,000	$562,500	Gas tax, General Fund	$187,500	25%
F. Design and implement a neighborhood preservation program	$1,000,000	$750,000	General Fund	$250,000	25%
G. Expand code enforcement efforts.	$500,000	$250,000	CDBG, General Fund	$250,000	50%
H. Update development standards for multifamily residences	$100,000	$50,000	General Fund	$50,000	50%
Subtotal	**$6,850,000**	**$4,612,500**		**$2,237,500**	**33%**

Table III-3
Projected Costs of Proposed Redevelopment Program
Lodi Redevelopment Project Area
in Constant 2002 Dollars

REDEVELOPMENT PROGRAMS AND ACTIVITIES	Total Costs	Other Funding	Source	Agency Assistance	Agency % of Total
5. SITE PREPARATION AND DEVELOPMENT					
A. Facilitate a hazardous materials cleanup program	$5,000,000	$3,750,000	Private Sector, State	$1,250,000	25%
B. Property acquisition and site assembly, including acquisition of strategic properties to meet redevelopment goals	$10,000,000	$7,500,000	Private Sector	$2,500,000	25%
C. Provide assistance to relocate incompatible uses	$1,000,000	$500,000	Private Sector	$500,000	50%
Subtotal	$16,000,000	$11,750,000		$4,250,000	27%
TOTAL NON-HOUSING PROGRAMS AND ACTIVITIES	$89,800,000	$65,490,000		$24,310,000	27%
6. AFFORDABLE HOUSING					
A. Encourage home ownership and renovation.	$800,000	$400,000	CDBG	$400,000	50%
B. Facilitate development of new affordable housing	$10,000,000	$7,500,000	CDBG, HOME, Private Sector	$2,500,000	25%
C. Provide funding assistance for rehabilitation of single and multi-family housing for low and moderate income households	$16,500,000	$8,250,000	CDBG, HOME, Private Sector	$8,250,000	50%
D. Facilitate development of housing for the elderly	$2,000,000	$1,000,000	CDBG, HOME, Private Sources	$1,000,000	50%
TOTAL AFFORDABLE HOUSING	$29,300,000	$17,150,000		$12,150,000	41%
TOTAL PROGRAMS AND ACTIVITIES	$119,100,000	$82,640,000		$36,460,000	31%

IV. Proposed Methods of Financing and Feasibility

A. Introduction

This chapter describes the public and private financing aspects of the Redevelopment Program for the Lodi Redevelopment Project. It estimates total funding requirements, identifies potential resources and methods of financing available to the Agency, projects tax increment and other revenues, and assesses the general financial feasibility of the Redevelopment Project. The analysis in this chapter supports the conclusion that tax increment financing is a necessary component of the Redevelopment Plan.

The following sections demonstrate why tax increment financing made possible through the Redevelopment Plan is a necessary part of the overall financing program to eliminate blighting conditions in the Project Area. As described in Chapter II, the blighting conditions in the Project Area are substantial, and a significant amount of capital investment will be required to alleviate them. While the Agency will pursue all potential funding sources, these will not be sufficient to finance all of the activities critical to alleviating the blighting conditions identified in the Project Area without the use of tax increment. Improvements needed in the Project Area cannot be funded without the establishment of a redevelopment project.

The estimated cost to the Agency of the Redevelopment Program described in Chapter III (excluding Agency administrative costs for non-housing programs) totals approximately $36.5 million. The private sector is unable to support this cost on its own. In addition, public revenue sources such as the Community Development Block Grant (CDBG), federal grant funding, the City's General Fund and Enterprise Funds, and other revenue sources are either unavailable, dwindling, or insufficient to cover the cost of the projects and activities proposed by the Agency to eliminate blight and redevelop the Project Area. Thus, a gap or shortfall exists for which no funding sources (other than tax increment financing) are available or sufficient. Tax increment financing is the most reliable source of long term redevelopment funding available to the Agency, and the only source of financing that will generate sufficient revenue to meet the funding gap.

B. Stimulation of Private Investment

A major goal of the Redevelopment Program is to stimulate private investment within the Project Area. Public investment in the form of redevelopment funding will be used to leverage private investment. It is anticipated that private investment will include the rehabilitation and new construction of commercial, industrial and residential buildings within the Project Area. Over time, such investment could be significant. Projections of potential buildout in the Project Area indicate that the value of new development financed by private investment is estimated to be almost $140 million (nominal dollars) through the life of the Redevelopment Project.

However, the stimulation of private investment in the area will require the improvement of public facilities, the elimination of blighting conditions, and the establishment of a positive climate for private participation. Given the extent of blighting conditions and the need for improved public facilities, effective implementation of the proposed Redevelopment Program provides the most reasonable opportunity for stimulating private investment in the Project Area.

1. Estimated Agency Funding Requirements for the Redevelopment Program

Implementation of the Redevelopment Project will require substantial funding. The estimated net costs to the Agency in constant dollars to complete the Redevelopment Program are summarized in Table IV-1.[1] These estimates are drawn from the analysis in Chapter III and include items to be funded by the proposed Redevelopment Program after subtracting offsetting funding sources. The estimates for these offsetting funds are based on the analysis in Section C of this chapter.

C. Potential Funding Sources Other than Tax Increment Financing

This section describes funding sources that, if available, could assist in financing the Redevelopment Program for the Lodi Project Area. The Agency will use every effort to obtain alternative funding sources as a means to accelerate the Redevelopment Program and to minimize the required investment of tax increment revenue. Some alternative sources may actually generate more funds during implementation of the proposed Redevelopment Plan than estimated, while others may generate less. On balance, the estimates of available alternative revenues are seen as a best estimate order of magnitude at the Redevelopment Plan adoption stage to determine the need for tax increment revenue (as discussed in Sections C through G below).

Up to the present, the City has used available CDBG funds and assessment district proceeds, combined with its General Fund and Enterprise Funds to fund economic development and revitalization activities and necessary infrastructure improvements in the proposed Project Area. However, these funding sources will be insufficient to finance a redevelopment program.

A redevelopment plan would authorize the City of Lodi to finance a redevelopment project using a variety of sources, including funding from the federal government and the State of California, as well as bank loan programs to meet the requirements of the Community Reinvestment Act (CRA). Other local sources could include donations, interest income, agency bonds, and loans from private institutions, the sponsoring entities and other local public entities, as well as the sale and lease of Agency-owned property. However, other funding sources are not likely to adequately meet the needs for public improvements and revitalization in the Project Area.

[1] The term 2002 dollars or constant 2002 dollars is used to indicate the present value of nominal dollars discounted back to FY 2001/02. Refer to discussion on present value assumption in section D.1 of this chapter.

Table IV-1
Estimated Net Cost to Agency
of Redevelopment Program
in Constant 2002 dollars

Redevelopment Program Categories	Net Cost to Agency
1. Economic Development	$3,550,000
2. Building Rehabilitation, Facade Improvement and Historic Preservation	$4,362,500
3. Public Infrastructure and Facilities	$9,910,000
4. Neighborhood Preservation, Circulation and Landscaping Improvements	$2,237,500
5. Site Preparation and Development	$4,250,000
Subtotal Projects	$24,310,000
Non-Housing Administration Costs	$2,900,000
Subtotal Housing Costs	$27,210,000
6. Affordable Housing	$12,150,000
TOTAL COSTS	$39,460,000

1. Federal Funding Sources

While federal, state and county loan and grant programs could provide funding for some of the projects proposed for the Project Area, funding levels have been curtailed for most of their economic development programs.

a. Community Development Block Grants and HOME Funds

Community Development Block Grants (CDBG) can be secured from the U.S. Department of Housing and Urban Development (HUD) to fund activities such as public works; rehabilitation loans and grants; land acquisition, demolition, and relocation for redevelopment; public services; and affordable housing, social services and projects for the elderly or handicapped. CDBG-funded projects and activities must principally benefit low and moderate income persons or aid in the prevention of elimination of slums or blight.

Federal Home Ownership Partnerships Program (HOME) funds can also be obtained from HUD for development and rehabilitation of affordable housing. As such, HOME can only be used for affordable housing redevelopment activities.

CDBG and HOME funds typically provide a limited source of revenue for many redevelopment activities in California. Lodi received approximately $750,000 in CDBG funds and $200,000 in HOME funds in FY 2000/01 and expects to receive a similar amount in FY 2001/02.

HOME funds are administered through San Joaquin County and are used solely for affordable housing. Most of Lodi's CDBG funds in recent years have been used to construct and rehabilitate housing, and provide needed services and facilities to lower-income residents. Given the competing needs in the City, very little CDBG funds are available for public improvements. However, CDBG and HOME funds will

continue to be used to fund activities and programs for affordable housing activities identified in the proposed redevelopment program to the extent feasible.

b. Transportation Equity Act for the 21st Century (TEA-21)

The federal government's Transportation Equity Act for the 21st Century (TEA-21) builds on the initiatives established in the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). TEA-21 provides federal transportation funding to San Joaquin County and local jurisdictions through programs such as the Congestion Mitigation and Air Quality (CMAQ) Program, the Transportation Enhancement Activities (TEA) Program, and the Surface Transportation Program (STP) funds. Other sources of federal transportation funding include Sections 5303, 5306, 5309, 5310 and 5311 of the Federal Transit Act and the Railroad Grade Crossing Protection Program.

CMAQ funds may be used for projects and activities that contribute to attainment or maintenance of the national ambient air quality standards for ozone and carbon monoxide.

TEA funding is provided to projects that innovatively incorporate surface transportation activities into their surrounding communities. TEA projects must demonstrate a quality of life benefit, while providing the greatest benefit to the greatest number of people.

Funding under both CMAQ and TEA is granted through a competitive process against other projects throughout the region and/or state. Use of these federal funds requires coordination with regional governance, the state and affected transit operators.

STP funds provide one of the most essential funding programs of TEA-21. Funds are allocated by formula to counties and regional transit districts and to cities based on population percentage. Since STP funds are "flexible", they can be spent on numerous types of transportation improvements, including projects pertaining to roads, highways, bicycle facilities, mass transit and other pedestrian facilities. For many regions, a majority of the funds are spent on local streets rehabilitation or reconstruction.

Lodi has used a variety of federal funding sources (leveraging local funds) for its transportation and transit improvements. For example, the City is utilizing federal funding from the Section 5307 Program and a federal earmark from TEA-21 to fund a portion of the multimodal station park and ride parking structure currently under construction in the Downtown. These funds will continue to be sought and the Agency will use redevelopment funds to leverage federal dollars, typically assumed at 25 percent local match.

2. State and County Funding Sources

a. State of California Economic Development Programs

The primary economic development program of the State of California is redevelopment. The state does not have any significant source of funding other than redevelopment to fund revitalization activities in the City. While the state does provide technical assistance funds, such as for the Main Street program, it does not have any source of significant capital funding for revitalization activities.

b. Transportation Development Act (TDA) Funds

Transportation Development Act (TDA) funds are generated statewide by one-quarter of all retail sales in a county. TDA funds may be used for transit projects, special transit projects for disabled persons, and bicycle and pedestrian purposes. TDA funds may be used, under certain conditions (if all the transit funding needs are fully met), for streets and roads. The City of Lodi receives an annual TDA apportionment to fund regional and municipal transit programs, bikeway improvements and other

programs designed to reduce automobile usage. As available, TDA funds are also used for the City's street maintenance projects. In 2000/01, the City's apportionment totaled $1.8 million, which was used for transit operations and transit capital projects. TDA funds are assumed to be used (in combination with gas tax revenues) to help fund transit-oriented improvements in the proposed redevelopment program.

c. County Measure K Sales Tax

Measure K sales tax is a 1/2-cent sales tax in San Joaquin County that is utilized to help fund specific transportation programs as outlined in the Measure K Expenditure Plan. The program was designed to ease congestion in the county, provide transit options, increase railroad-crossing safety and improve the county's air quality. In the past, Measure K has been used by the City of Lodi to leverage state and federal funding sources, enabling the following projects to move forward:

Route 12/Kettleman Lane Interchange
The City of Lodi, in conjunction with Caltrans, completed construction of the interchange improvements that widened Route 12 under the Route 99 overcrossing to four lanes, plus added turn lanes, improved ramps and relocated Beckman Road.

Lodi Multimodal Station and Parking Structure
The City recently completed a multimodal terminal that provides connections for local, intercity and interregional bus service, as well as future connections for rail service. The parking structure, currently under construction, accommodates long-term parking for Lodi Station transit users and provides for increased transit services in the future.

Lodi Lake Bike Path
Design was completed and funding sources were secured for Phase 1 of this bike path adjacent to Lodi Lake.

Central City Rail Safety Project
Design is currently underway for this project that will remove unused and unsightly railroad tracks on Lodi Avenue and will reactivate the Kentucky House Branch on Lockford Street.

Measure K will expire in the year 2011, and no revenue from that source is anticipated beyond that year. The loss of Measure K revenues represents a significant loss for potential future projects, as evidenced by the following statement from the 2001 San Joaquin Council of Governments' Regional Transportation Plan:

> *"The demise of Measure K in 2011 will have a major impact on our ability to fund transportation system improvements. Measure K is used to support many regionally significant projects and provide match money for State and Federal transportation funds. An alternative local source of match money will have to be found to replace Measure K."*[2]

Measure K may only be used for specific improvements and programs as approved by the voter initiative, including rail crossing improvements, congestion relief, rail and bus programs, and local street repair programs. In 2000/01, the City of Lodi received $933,000 for local street repair. While in theory funding provided for local street repair may be used by a local jurisdiction as a local match for major street expansion programs (such as are proposed for the Project Area) there are other competing priorities throughout the City for these funds. It is therefore not anticipated to provide a significant source of funding for the proposed Redevelopment Program.

[2] 2001 San Joaquin Council of Governments' Regional Transportation Plan, Chapter 5: Financing Transportation.

d. San Joaquin Valley Air Pollution Control District's REMOVE Program

State law provides air pollution control districts that are designated as state "non-attainment areas" for pollutants emitted by motor vehicles to receive a $4 motor vehicle registration surcharge fee to provide funds to meet responsibilities mandated by the California Clean Air Act (CCAA). The California Health and Safety Code states that the fees shall be used to support air district operated planning, monitoring, enforcement and technical studies necessary to implement the CCAA. Additional uses allowed include projects that reduce motor vehicle emissions such as those funded by the San Joaquin Valley Air Pollution Control District (SJVAPCD) REMOVE (REduce MOtor Vehicle Emissions) Program.

Each year the REMOVE Program Evaluation Committee for Motor Vehicle Emission Reduction Projects (Evaluation Committee) prepares a request for proposal (RFP) for projects that will reduce motor vehicle emissions within the SJVAPCD. The purpose of the REMOVE Program RFP is to attract projects that will assist the SJVAPCD in attaining the requirements of the CCAA. This is accomplished by allocating funds to cost-effective projects that have the greatest motor vehicle emission reductions resulting in long-range impacts on the air pollution problems in the San Joaquin Valley. The City of Lodi applied for and received $317,000 in funding from the REMOVE Program toward the construction of the parking structure to serve the new multimodal terminal in the Downtown. The projects and activities identified in the proposed Redevelopment Program do not qualify for funding under the REMOVE Program.

3. City of Lodi Funding Sources

The federal and state governments have continued to reduce funding and to shift costs of programs to cities and counties. In addition, many funding programs have a limited duration and are intended to fund only specific identified improvements. Unfortunately, cities and counties have only limited ability to raise revenues to offset new costs or to replace other lost revenue. In addition to the limited ability to fund ongoing essential functions such as police and fire services, the City of Lodi is faced with major capital expenditures required to upgrade and maintain city facilities and infrastructure to meet the demands of growth. As a result, although some redevelopment activities may be partially supported with city funds, the City's General Fund and Enterprise Funds and cannot be relied upon as a major source of funding.

Prior to the passage of the Proposition 13 property tax limitation initiative, local government entities in California (including cities) were able to fund many of their ongoing general operating and capital improvement expenses by raising local property taxes. However, the restrictions placed on such practices by this constitutional amendment have resulted in a situation whereby property tax revenues can no longer be relied upon to offset increases in operating and capital costs attributable to inflation or demands for additional services or facilities generated by population growth. This situation, combined with the demise of federal revenue sharing programs in October 1986, and the problems inherent in competing for financing assistance from federal and state government programs, has made it exceedingly difficult for local government entities to collect sufficient annual revenues to finance long-term capital improvements.

a. Gas Tax

Gas taxes are generated statewide on gasoline sales and are allocated to local jurisdictions on a formula based on population and other factors. Gas tax revenues may be used for street maintenance and construction activities. The City's balance in its Gas Tax Fund at the beginning of FY 2000/01 was $1,064,862. An estimated $1,047,540 is expected to be generated in FY 2001/02.

Gas taxes and TDA funds are the primary funds available to the City to fund circulation improvements. The Redevelopment Program assumes that non-Agency sources, including Gas Tax and TDA funds will provide up to 75 percent of the funding for transportation improvements while the Agency will provide the balance of funding.

b. Enterprise Funds

City Enterprise Funds recover the cost of providing goods and/or services to the public primarily through user charges. The City of Lodi has four enterprise funds: electric, water, wastewater and transit. While enterprise funds are expected to set fees and rates at levels which fully cover the direct cost of operations, capital outlay and debt service, the rate structures need to be sensitive to the "market" for similar services, as well as to smaller, infrequent users of the service and the influence rates and fees have on economic development. This market restriction on cost recovery necessarily limits the level of capital repair and replacement that might occur on deteriorating facilities, such as those in the proposed Project Area. The City has historically used enterprise funds to fund necessary water distribution, storm drain and wastewater improvements. The Redevelopment Program assumes that these enterprise funds will provide up to 80 percent of the funding for water distribution, storm drain and wastewater infrastructure improvements in the proposed Project Area.

c. Hotel Tax

A hotel tax (called "transient occupancy tax" or TOT) is paid to the City of Lodi by lodging establishments based on 9 percent of room receipts (6 percent tax rate plus 3 percent surcharge) for "transient" hotel guests (less than 30 day stay). In 2000, the City received $332,547 in TOT revenues, which were entirely allocated to other programs, such as tourism and visitor attraction programs. Future revenues are anticipated to be allocated to programs to attract visitors to the City of Lodi and are not anticipated to be a major funding source for the proposed redevelopment program. Moreover, as noted in the previous chapter, TOT revenues in the Project Area have been declining over the past few years.

d. Interest Income

Interest income may accrue to an agency from the investment of tax increment revenues and tax increment bond proceeds. Actual income from this source is influenced by the amount of money available for investment, term of the investment, and achievable interest rates.

Income from this source could be made available for a variety of redevelopment activities. However, such income is normally used as an offset against the cost of borrowing money. Much, if not all, of the interest income will likely be offset by the need for the Agency to pay interest on City loans and other indebtedness, including Agency issued bonds.

4. Funds Generated by Private Sector and/or New Development

As permitted by law, in addition to local, state, and/or federal government funding sources, an agency can utilize funds from other sources, such as those generated by the private sector and/or new development. These funding sources and their potential applicability to the Lodi Redevelopment Project are discussed in the following paragraphs.

a. Assessment Districts

Assessment districts enable a city to levy additional taxes on property within designated areas in order to finance improvements directly benefiting those areas. Bonds are issued to finance local improvements such as streets, sidewalks and parking facilities. In a typical case, an assessment district is formed to undertake a particular public improvement, using the Improvement Act of 1911, and bonds are issued under the Improvement Bond Act of 1915. Upon the issuance of bonds, the district has the power to assess all property owners included in the district in order to repay the borrowed funds. An assessment district can be established as its own jurisdiction, or it can be included under a city's taxing system, assuming that the improvement is located entirely within a city's jurisdiction (in this case, it is termed an assessment area). Assessment districts are not limited by Proposition 13 or by Proposition 4. They place the costs of public facilities directly on the property owners who benefit.

Assessment districts have become a common mechanism for funding certain community improvements and could be a potential source of revenue for redevelopment activities in the Project Area, on a limited scale. It should be noted, however, that assessment districts increase site-specific improvements and long-term operating costs for private property owners. Furthermore, there is an inherent risk in forming an assessment district in that it might discourage potential development activity in areas targeted for revitalization and/or redevelopment. For these reasons, assessment districts are often a less desirable funding mechanism than other available options.

Assessment districts are particularly problematic in older, developed areas like the Lodi Redevelopment Project Area, where property values are stagnant, retail sales are declining, and many property owners and businesses are operating on the economic margin with little or no room to add new financial obligations.

In addition to these practical economic limitations, Proposition 218 makes the likelihood of assessment district financing even more problematic. Proposition 218, enacted in November 1996, limits the types of improvements and activities that can be financed through assessment districts, by imposing several conditions on new (and some existing) assessment districts. First, it requires local governments to estimate the amount of special benefit (as distinguished from general benefit) landowners receive from the improvements. Property owners may be charged for only the cost of this special benefit. Local government must use general revenues to pay the remaining portion of the project or service's cost (i.e., general benefit portion). Second, local governments must ensure that no property owner's assessment is greater than the cost of providing the improvement to the owner's property. Third, benefited public properties are required to be included in assessment districts. Proposition 218 also creates a new mailed ballot voter approval mechanism that essentially makes it easier for property owners to defeat assessment district formations. Perhaps most importantly, Proposition 218 eliminates the ability of a city council to form a district over property owner disapproval and shifts the burden of proof to local governments to show that a challenged assessment is legal. In summary, Proposition 218 raises new legal hurdles that make it even less likely that assessment district financing would be a viable funding mechanism for any portion of the Lodi revitalization program.

The City of Lodi currently has an assessment district in the Downtown and along Cherokee Lane (Lodi Central City Revitalization Assessment District No. 95-1), established in 1995 under the provisions of the California Streets and Highways Code, Municipal Improvement Act of 1913. The District encompasses approximately 273 acres, including streets and public rights of way, in the Downtown and along Cherokee Lane. Properties within the District pay an annual assessment, which is used to repay $2.8 million in bonds that were issued to partially fund the total $6.2 million cost of street furniture, trees and other street improvements on School Street, Pine Street, Oak Street and Cherokee Lane. The balance of the $3.5 million cost of improvements was contributed by the City's Enterprise Funds. Where financially feasible, the Agency will encourage the formation of additional assessment districts to help fund projects and activities outlined in the proposed redevelopment program.

The following paragraphs present some examples of other assessment and special districts that could be formed as an additional source of funding for specific projects in Lodi, if found to be financially feasible.

b. Lighting, Landscaping, and Maintenance District

Defined under the Landscaping and Lighting Act of 1972, facility installation and maintenance can be funded from the collection of special assessments on the land benefiting from the improvements. Facilities may include landscaping, statuary, fountains or ornamental facilities, public lighting facilities, and park or recreational equipment, including playground equipment, play courts, and public restrooms.

c. Open Space Maintenance District

An open space maintenance district, as authorized in Government Code Sections 50575-50620, may employ necessary labor and provide the required materials and equipment to maintain and operate planned open space and recreation areas. A city must have complete supervision, charge and control of all open space areas maintained. A city may also levy an annual ad valorem special assessment on the valuation of taxable land and improvements within the maintenance area. State law limits the levy amount.

d. Benefit Assessment Act of 1982

Cities, counties and special districts may establish zones of benefit within which an assessment is levied. Benefit assessments can finance the maintenance and operation costs of drainage, flood control, and streetlight services and the cost of installation and improvement of drainage or flood control facilities. Maintenance of streets, roads and highways can also be funded.

e. Parking District

Authorized under the Parking District Law of 1943, a parking authority exists in every city and county in the state, subject only to the activation by the city council or county board of supervisors. Once activated, the parking authority can issue revenue bonds if a proposal for these bonds is approved by a majority of the voters. The bonds are secured by a pledge of total parking revenues, including revenues from parking meters, surface lots and parking structures.

f. Mello-Roos Community Facilities District

The Mello-Roos Community Facilities Act of 1982 authorizes the formation of a Community Facilities District (CFD) to be used to finance capital improvement projects and to pay for ongoing operations and maintenance of certain facilities. It is similar to an assessment district, but is authorized under separate legislation with different regulations. A CFD may be established in conjunction with a redevelopment project to undertake new public projects of joint benefit. A CFD can levy special taxes and issue bonds to finance these improvements. The formation of a CFD would require Agency approval and would require the affirmative vote of two thirds of the property owners (weighted vote based on acres owned). Typically, Mello-Roos districts are difficult to form in urbanized areas such as Lodi given the two-thirds approval requirements for formation.

g. Public Utility District

Utility districts, including districts for providing water, irrigation, gas and electricity, sewer, solid waste, and hazardous waste facilities are generally empowered by California law to incur bonded indebtedness according to the revenues received from their operations. Under the Municipal Utility District Act, a municipal utility district that owns and operates an electrical distribution, water distribution, or sewage disposal system may issue bonds to construct or improve any part of its system pursuant to the Revenue Bond Law of 1941, which requires approval by majority vote of the residents of the district. According to the provisions of the respective bond law, public utility districts may also issue the following kinds of bonds: general obligation bonds, improvement bonds issued under the Improvement Act of 1911 or the Improvement Bonds Act of 1915, special tax bonds under the Mello-Roos Community Facilities District Act of 1982, revenue or bond anticipation notes, or certificates of participation. Special district issues of improvement bonds issued under the proceedings described in the Municipal Improvement Act of 1913 must be approved by the legislative body of any city or county having direct jurisdiction over any portion of the improvement district. As described earlier, the City of Lodi will continue to use this authority to fund necessary water distribution, storm drain and wastewater improvements.

h. Business Improvement District (BID)

A business improvement district (BID) allows business districts to establish an assessment that generates revenue to support enhanced services, including maintenance, security, marketing and economic development. Two types of BID mechanisms exist under California law: "Business Improvement Areas" (BIAs) and "Property Based Improvement Districts" (PBIDs). The Business Improvement Area has been used widely in the state, and provides for an additional fee to be added to annual business licensing charges. However, due to the limited income generated through the business license fee, BIAs have typically had a relatively narrow scope of services.

The City currently has a BIA in the Downtown. Established in 1997 by City Ordinance Number 1654, the Downtown Lodi Business Improvement Area (DLBIA) has a membership of approximately 220 business owners, professionals and merchants and is governed by the on-profit Downtown Lodi Business Partnership (DLBP). Businesses within the improvement area pay a mandatory annual assessment, which varies based on the type of business and the benefit zone within which the business lies. Revenues for the DLBP in 2001 were approximately $224,000, comprised of $36,000 in annual assessments, $47,000 from the City's General Fund, $114,000 from special fund raising events and $27,000 carry-over of previous year's funds. The DPBP funds cooperative advertising and marketing, promotional activities and special events that benefit DLBIA members, such as See's Candy sales, the Farmers Market, Halloween Festival, December Parade of Lights, and "Downtown Lodi Live." The DLBIA is not anticipated to be a funding source for any of the proposed redevelopment programs or activities.

In 1994, the Property and Business Improvement District Law provided for an assessment on commercial property, thereby paving the way for a new generation of PBIDs to eventually replace the existing BIAs. PBIDs can fund a wide range of activities, such as security, maintenance, economic development, promotion and management activities, as well as public improvements such as acquisition and maintenance of parking facilities, benches, trash receptacles, street lighting, decorations, parks, and fountains. The creation of a PBID requires petition support from businesses that would pay more than 50 percent of the annual fees to be collected in the proposed area. A PBID has a cap on assessments and a five-year maximum life, requiring a new petition process to renew.

PBIDs require the creation of an advisory committee of property and business owners, ensuring that those who pay govern the district. Private property owners play an active role in the collaboration of the reinvestment in depressed areas. Business groups organize and prioritize the issues identified by the community. Once a majority of property owners reach consensus on a plan, it can be funded by PBID revenues. Funds from the PBID can be leveraged with CDBG and redevelopment funds to realize greater objectives. Funds can be used for capital costs although they are typically used for "clean and safe" programs, district promotions and marketing costs. Funds need to be leveraged to achieve larger results.

i. Development Impact Fees

The City of Lodi has a comprehensive development impact fee program to fund fire and public safety facilities, streets, water and wastewater improvements. Impact fees are charged on all new private development in the city to help pay for the costs of public facilities and infrastructure to serve the needs of future residents and businesses.

Under applicable state laws regarding the imposition of development impact fees, such fees can be imposed on a new private development only to the extent that there is a direct nexus or relationship between the need for public facilities caused by such new development and the level of fees imposed. Such fees are specifically prohibited from being charged to alleviate existing deficiencies. The proposed redevelopment program is largely designed to eliminate blighting conditions through the removal or replacement of existing deficient improvements. Consequently, development impact fees collectable by

the City will not be allowed to fund such improvements. To the extent proposed improvements are intended to serve new development in the Project Area, development impact fees may be used as a potential funding source, to the extent allowable by law.

The drawback of relying on fees as a source of funding is the timing of their collection and subsequent availability, as compared to the funding need for the improvement. These fees can only be used on a pay-as-you-go basis and cannot be bonded as they are likely to fluctuate greatly from year to year.

j. Developer and Property Owner Participation

In many communities, developer participation has become a much more common vehicle for obtaining funds for redevelopment activities. For example, funds may be advanced to a redevelopment agency in the form of a grant or loan for public improvements, which are then repaid during the course of project implementation from tax increment revenues. These funds can contribute to selected projects; however, they are dependent on the level of development activity in the Project Area.

Although the Agency is interested in pursuing such opportunities, such participation is speculative and cannot be counted on. Furthermore, development within the Project Area is constrained by physical and economic blighting conditions, and as a result, developer exactions are unlikely to generate any significant amount of funding as an offset to public implementation costs. Within the context of the forgoing considerations, it would not be prudent at this point for the Agency to base a long-term project on the ability of one (or more) prospective developer(s) to advance funds for redevelopment activities. However, the proposed Agency budget assumes private participation in certain of the redevelopment program activities.

k. Private Donations

Private donations by individuals, civic booster organizations, or corporate sponsors could make a minor contribution to the implementation of the Redevelopment Program. Donations could be used to fund all or part of minor streetscape improvements such as benches, entrance signage, directional signs, bicycle racks, or landscaping. However, in terms of the total funding needs of the Redevelopment Program, donations may be expected to provide only a very small part of the funding needed for the Redevelopment Program's implementation.

l. Private Loan Assistance

Congress created the Community Reinvestment Act (CRA) to encourage banks to invest in their local communities. The purpose of the CRA is to ensure that banks lend in all communities. All of the major banks in California have significant CRA loan programs. Although the CRA will assure that loan funds will be available for rehabilitation in the Project Area, banks will apply normal credit standards and do not provide subsidies.

Other types of loan programs available through banks include the Federal Title 1 Program for housing rehabilitation and Small Business Administration programs for business creation or expansion. The purpose of Title 1 loans is to assist residential property owners to improve property and eliminate health and safety problems. Title 1 loans are for single family homes (up to $25,000) and multifamily developments (up to $60,000). Affordable housing loans and grants are also available through savings and loans institutions.

m. Mills Act

An owner of an eligible historic property may enter into a ten-year contract with a participating city to rehabilitate the building in exchange for a reduction in local property taxes. Owner occupied single family residences or income producing commercial properties may qualify for the Mills Act program. However, eligible properties must be listed on the National Register of Historic Places, be located in a National

Register or local historic district, or be listed on a state, county or city official register. While this could be an applicable source of funds for historic preservation projects, it would require significant start-up cost and resource dedication from the City of Lodi, since the City would have to adopt the Mills Act.

n. Private Investment

Private investment in the Project Area has been limited in most areas, as indicated by the blighting conditions. The private sector is unlikely to provide the extensive improvements necessary to revitalize the area. The blighting conditions are likely to continue or become worse without significant private investment in the Project Area.

D. Other Funding Sources Considered to Be Infeasible

A variety of other funding sources were considered to fund the proposed Redevelopment Program, as discussed in the previous sections. As permitted by law, funds can be from local, state and/or federal government sources, and from private sector sources. However, to a large extent, existing resources for the proposed redevelopment program have been maximized. Other sources are dwindling or have been found to be clearly infeasible or to have little potential of generating measurable revenues. Due to the infeasibility of other funding sources, the Agency will rely on tax increment revenue as a major funding source for the proposed redevelopment program.

E. Tax Increment Financing: the Primary Source of Funding

1. Introduction

The primary source of financing for most redevelopment projects is tax increment revenue generated by the increase in property values within a project area. The detailed tax increment projections for a redevelopment project in the Project Area are contained in Appendix H of this report.

The CRL imposes specific time and fiscal limits on particular Agency activities. These time limits affect the amount of tax increment revenue an agency can receive.

- **Time Limit for Eminent Domain Powers**
  The Agency can exercise its eminent domain powers for 12 years from the adoption of the redevelopment plan. Although this limit does not directly affect tax increment revenues, it could have an impact on the agency's ability to implement its redevelopment program.
- **Time Limit to Incur Debt**
  The Agency's ability to enter into new bonded indebtedness is limited to 20 years from the adoption of the redevelopment plan.
- **Time Limit to Receive Tax Increment and Repay Debt**
  The Agency can collect tax increment for 45 years to repay debt. Thus, the Agency has 25 years to repay bonds issued in year 20, the last year for issuance of debt. The Agency can continue to repay debt for 15 years after it has completed all project activities.
- **Limit on Amount of Outstanding Bonded Indebtedness**
  The Redevelopment Plan must contain limits regarding the total amount of outstanding bonded indebtedness secured by tax increment revenue. The Agency intends to limit the amount of outstanding bonded indebtedness over the life of the Plan to $100 million.

Based on the assumptions outlined in this chapter, the tax increment available for the proposed Redevelopment Program (both housing and non-housing activities) over the 45 year life of the Redevelopment Plan would be sufficient to meet the costs of the Program, which cannot reasonably be

financed from other sources. Refer to the tables in Appendix H for detailed analysis of potential tax increment revenues for the proposed Redevelopment Project.

The Redevelopment Agency may also accept financial or other assistance from any public or private source for purposes of redevelopment consistent with the CRL and the Redevelopment Plan. However, as described in the previous section, in the City of Lodi, funding from other reasonably available private and public funding sources is available for only a portion of the proposed projects.

2. Using Tax Increment Revenue to Eliminate Blighting Conditions

The general purpose of redevelopment is the elimination of blighting conditions. The completion of a redevelopment program results in a project area that is physically enhanced and economically stronger.

Substantial evidence of physical and economic blight within the proposed Project Area was provided in Chapter II. The Redevelopment Program described in Chapter III is specifically designed to stimulate private investment and alleviate physical and economic blighting conditions in the Project Area. The use of tax increment revenue is the most appropriate means of providing sufficient funding for the Redevelopment Program.

3. Stabilizing and Enhancing the Property Tax Base

In many communities, the adoption and implementation of redevelopment programs has led to the stabilization of tax rolls and tax receipts for taxing entities within project areas. As a result, these communities have avoided declines in tax revenues due to worsening conditions and the erosion of property values.

In most redevelopment project areas, the use of public redevelopment funds to provide public investment to leverage private investment has resulted in substantial increases in property values over time due to rehabilitation, new construction and property appreciation.

4. Establishing a Frozen Base

The first major step in the implementation of a tax increment financing program is accomplished at the time of formal redevelopment plan adoption. The total value of taxable property within a project area's boundaries at the time of adoption is determined, and a base year for tax increment purposes is established. The tax roll used is formally called the "base year assessment roll", more commonly referred to as the "frozen base". The establishment of a frozen base provides for a segregation of assessed values between existing values and enhanced values deriving from future redevelopment of a project area. Future property taxes related to increases over the frozen base assessed value are referred to as incremental taxes or tax increment.

Tax increment revenues are projected by applying the property tax rate to the incremental assessed value over the frozen base. The frozen base is the total assessed value of property in a project area, including homeowners' exemptions, at the time the Redevelopment Plan is adopted.[3]

5. Distribution of Property Taxes during Project Implementation

Following adoption of a redevelopment plan, all of the entities that levy taxes in a project area, such as the county, city, school districts, and special assessment districts, continue to receive all property tax

[3] The official County Fiscal Officer's Report for the proposed Project Area is provided in Appendix G, and includes locally assessed value plus homeowners' exemptions plus state-assessed property as reported by the State Board of Equalization.

revenues accruable from the frozen base. In addition, they will receive a portion of the property tax revenues generated from the increases in assessed value over the frozen base. These additional payments are called "pass-through payments" (see Section F.5 for a detailed explanation of the calculation of pass-through payments). Table IV-2 lists the taxing entities and percent distribution of property taxes among the entities.

Table IV-2
Property Tax Distribution
Lodi Redevelopment Project Area

Taxing Entity	Percent Share
1. General Fund	16.4%
2. County General Fund	21.7%
3. Lodi Unified Schools	27.6%
4. San Joaquin Delta Community College	3.9%
5. County Office of Education	1.4%
6. San Joaquin County Flood Control	0.2%
7. San Joaquin County Mosquito Abatement	0.8%
8. North San Joaquin Water Conservation	0.5%
9. Education Revenue Augmentation Fund	27.6%
TOTAL	**100.0%**

Note: These factors are adjusted for the Educational Revenue Augmentation Fund (ERAF). The City General Fund and County General Fund contribute to ERAF. Totals may not add up to 100 percent due to rounding.
Source: San Joaquin County Auditor-Controller, January 2002.

Increased property tax revenues above the frozen base and after payment of obligations are allocated to the sponsoring redevelopment agency to be used to fund the costs of implementing the Redevelopment Program. The agency may pay for the project on an ongoing (pay-as-you-go) basis, or it may borrow funds (issue bonds) to be repaid by future tax increment revenues.

6. Distribution of Property Taxes after Project Completion

When a redevelopment project is completed and loans or other indebtedness have been repaid, all property taxes flow back to the respective taxing entities. These entities then benefit from increases in property tax revenues resulting from a revitalized and redeveloped project area. In many communities, such increases are substantial. In fact, over time, taxing entities can recoup sufficient revenues following project completion to make up for the property tax revenue that was used for tax increment during the redevelopment implementation period.

This would occur because the increases in assessed valuation from project area revitalization are sufficiently greater under redevelopment than the assessed valuation increases that would realistically occur without redevelopment. Thus, payments to the affected taxing entities resulting from new development and reassessments at the time of property transfers can exceed the normal property taxes that the taxing entities would receive from a slow growing assessed valuation roll without redevelopment.

F. Assumptions Used in Tax Increment Projections

The primary source of funding for the Lodi Redevelopment Project will be tax increment financing. It is the most reliable source of long term funding and the only source that will generate enough funds to meet the cost of the proposed Redevelopment Program. Refer to the tables in Appendix H for a detailed analysis of potential tax increment revenues for the proposed Redevelopment Project.

The projections in this report are based upon Seifel Consulting's understanding of the general assessment practices of San Joaquin County. These practices are subject to policy changes, legislative changes, and the individual appraiser's judgment. While Seifel Consulting believes its estimates are reasonable, taxable values resulting from actual appraisals and adjustments are likely to vary from the amounts assumed in the projections.

The tax increment projections are intended only as estimates, which are based on the best available information as of January 2002. Actual tax increments may be higher or lower than indicated in the model. The development projections shown in Appendix H are not intended to predict future development, but rather to provide a reasonable estimate, on an annual basis, of potential tax increment growth resulting from the increase in assessed value resulting from new development.

1. Present Value Assumptions

The analysis below provides estimates of tax increment revenues in both future value (nominal) dollars and present value (constant) dollars. The purchasing power of nominal dollars would decline because of inflation and/or the cost of borrowing. Therefore, it is important to convert the annual amounts to the equivalent value in constant 2002 dollars before making a direct comparison between potential revenues and project costs.

The present value in 2002 dollars was calculated by discounting future tax increment revenues by an annual rate of 5.5 percent. As the discount rate increases, the present value figure decreases. This discount rate is estimated to be equivalent to the average cost of funds for the City of Lodi and its Redevelopment Agency. It accounts for the cost of inflation, as well as the cost of borrowing money, to approximate the present value of future dollars. Most tax increment will be pledged to the issuance of debt, and only a portion of tax increment will be used on a pay as you go basis.

2. Frozen Base

The base year for the proposed Project Area will be Fiscal Year (FY) 2001/02, as provided in the San Joaquin County Fiscal Officer's Report (Section 33328 Report). The base year assessed value is $540.2 million.

3. Growth Assumptions

Tax increment revenues are generated from the growth in assessed value above the frozen base. Growth in assessed property values in the proposed Project Area is based upon the following three factors:

a. Annual Inflation Rate

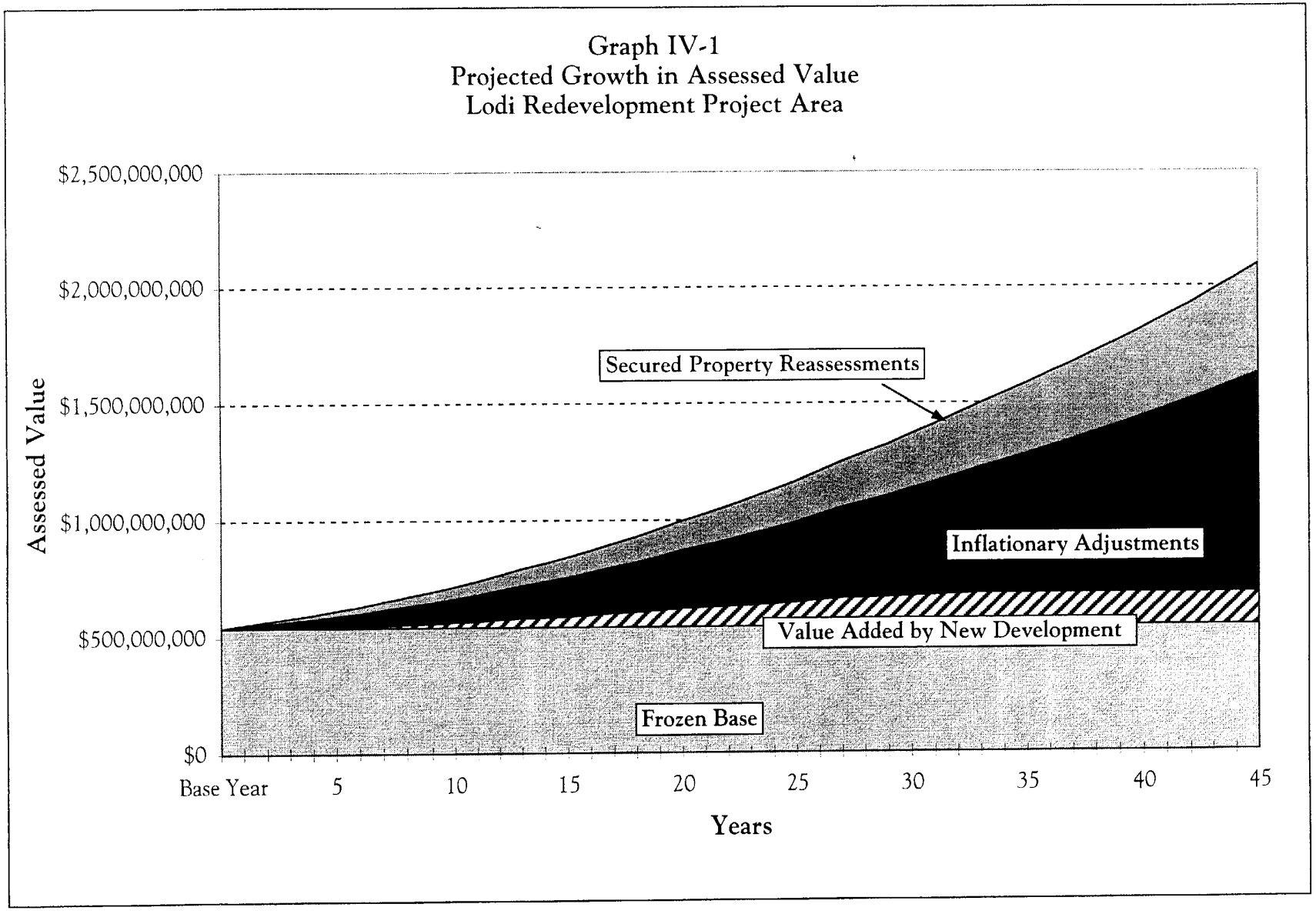
The annual inflation rate is assumed at two percent per year for secured properties that remain in the same ownership. Two percent is the maximum annual increase allowed by the California State Constitution as a result of Proposition 13. This inflation factor is applied to the assessed value of secured property. Unsecured and state-assessed property is conservatively assumed to remain constant.

b. Reassessment Adjustment

An annual reassessment adjustment, assumed at one percent, represents the increases in assessed value following property reassessment, which is triggered by: (1) the transfer (sale) of real property, (2) upgrading of real property improvements due to rehabilitation or additions to existing buildings, or (3) the reassessments of new development to market value once construction is completed.

c. New Development

The projection for the incremental value from new development is based on estimates of growth that will occur with new construction and redevelopment of residential, commercial and industrial properties. These estimates conservatively assume that only 85 percent of the projected buildout for the Project Area, as evaluated in the Environmental Impact Report (EIR), will actually occur. (Refer to the development tables in Appendix H for detailed annual development schedules in the Project Area.) Graph IV-1 illustrates the growth in assessed valuation based on these growth assumptions for the Project Area.


Graph IV-1
Projected Growth in Assessed Value
Lodi Redevelopment Project Area
$2,500,000,000
$2,000,000,000
$1,500,000,000
$1,000,000,000
$500,000,000
$0
Assessed Value
Secured Property Reassessments
Inflationary Adjustments
Value Added by New Development
Frozen Base
Base Year
5
10
15
20
25
30
35
40
45
Years

4. Agency Tax Increment Obligations

Incremental property tax revenues are projected by applying the effective property tax rate, assumed at one percent, to the estimated increased assessed value over the frozen base. The Agency must use the tax increment revenues to fulfill the following obligations:

- County Retention Fee for Property Tax Administration
  Counties typically retain fees for the administration of tax increment revenues. The projections in this Report include this potential San Joaquin County administration fee deduction, assumed at 1.5 percent of gross tax revenues.
- Statutory Pass-through Payments
  Each taxing entity deriving property tax revenue within the Lodi Project Area is guaranteed an annual payment from the Agency. These payments are termed pass-through payments because the Agency would forward this portion of tax increment revenues to the taxing entities. The CRL provides standard formulas for the calculation of pass-through payments. Each entity would receive a payment in proportion to its property tax levy within the Project Area at the time of Plan adoption. The pass-through payments constitute the State Legislature's determination of the amount of payments necessary to alleviate any financial burden of a redevelopment program to affected taxing entities. Health and Safety Code Section 33607.5(f)(1)(B) states that statutory pass-through payments are the exclusive payments that are required to be made by a redevelopment agency to affected taxing entities during the term of a redevelopment plan. (See Section F.5 below for further details on these payments.)
- Additional Payments to Basic Aid Entities
  Basic aid school entities receive annual payments from an agency in addition to their standard pass-through. No basic aid districts have been indicated in the Project Area.
- Set-Aside for Housing Program
  Section 33334.2 of the CRL requires that 20 percent of the gross tax increment revenues collected by the Redevelopment Agency be used for increasing and/or improving the community's supply of low and moderate income housing. In other words, approximately 20 cents out of each tax dollar allocated to the Agency during the life of the Project Area must be channeled into a Housing Set-Aside Fund to finance the Agency's programs for affordable housing. Administrative costs related to the implementation of the Housing Program are paid out of the Housing Set-Aside Fund.
- Debt Service Obligations
  An agency must make annual debt service payments on outstanding indebtedness. Most agencies issue bonds to undertake projects because sufficient tax increment revenues are not likely to be generated for a number of years after initiating the Redevelopment Plan. The Agency will incur debt obligations as a result of issuing bonds. The cost of paying off the principal and interest of this bond debt is accounted for by applying a higher present value discount rate, which is equal approximately to the cost of borrowing funds for the City. (Refer to the discussion of present value assumptions in section D.1 of this chapter.)
- Agency Administration
  Non-reimbursable Agency administrative costs are projected at 10 percent of tax increment for non-housing projects. As mentioned above, this figure does not include the administrative costs for the Affordable Housing Program.

After meeting the above obligations, the remaining tax increment revenues are available to the Agency to fund the Non-Housing Redevelopment Program described in Chapter III of this Report.

5. Calculation of Pass-Through Payments

Over the life of the Redevelopment Project, each taxing entity will receive its proportionate share of pass-through payments, calculated for three tiers. Each taxing entity receives an amount equal to its property tax levy multiplied by the increase in assessed value above the relevant pass-through base assessed value, then multiplied by a mandated pass-through percentage for each of three tiers.

- Tier One
  20 percent of the gross tax increment received by the Agency from assessed value growth above the frozen base (equivalent to 25 percent of the net tax increment after the Agency's 20 percent of the housing set-aside is deducted). This annual payment begins when the Agency first receives tax increment revenues. Pass-throughs are the same as the Housing Set-Aside amount for the first ten years of the Project.

  The City of Lodi can elect to receive the tier one pass-through (its proportionate share of 20 percent of gross tax increment). However, it then cannot participate in the tier two and tier three pass-throughs. This Report on the Plan assumes that the City of Lodi will elect to receive its share of the pass-through, although the City has the option to forego these pass-through payments. Over the life of the proposed Redevelopment Plan, the City of Lodi's pass-through payments from tax increment are projected to total almost $2 million in constant 2002 dollars.
- Tier Two
  16.8 percent of the gross tax increment received by the Agency from assessed value growth above the tier two pass-through assessed value base, equal to the Project Area assessed value in the tenth year of tax increment collection. This annual payment begins in the eleventh year during which the Agency receives tax increment revenue. This tier two pass-through is added to the tier one payment and continues through the life of the Redevelopment Project.
- Tier Three
  11.2 percent of the gross tax increment received by the Agency from assessed value growth above the tier three assessed value base, equal to the Project Area assessed value in the thirtieth year of tax increment collection. This annual payment begins the thirty-first year during which the Agency receives tax increment revenue. This tier three pass-through is added to the tier one and tier two payments and continues through the life of the project.

County Auditor-Controllers must contribute to the Educational Revenue Augmentation Fund (ERAF) on behalf of certain taxing entities within their jurisdictions. To make these payments, an Auditor-Controller may adjust the levies of taxing entities, resulting in a decrease in their share of the total property tax. The remainder of property tax is forwarded to ERAF. Not all entities must contribute a share of their property tax to ERAF in this way. For example, school districts and taxing entities whose boundaries extend across multiple counties are not affected.

In San Joaquin County, the Auditor-Controller adjusts downward the levies for all entities in each tax rate area that contribute to ERAF and creates a separate ERAF "levy" to reflect the sum of their contributions to ERAF for each tax rate area. The preliminary County Fiscal Officer's Report contained in Appendix G lists the property tax levies adjusted for ERAF for all of the affected taxing entities in the Project Area. This Report on the Plan utilizes the property tax levies that are adjusted for ERAF for the purpose of calculating pass-through payments, although State Law does not clearly indicate whether or not ERAF adjusted or unadjusted property tax levies should be used. The distribution of the property taxes from the base assessed value is based on these ERAF adjusted factors, after adjusting for the ERAF portion of the County's contractual pass-through in the Original Area.

G. Tax Increment Projections

1. Incremental Tax Revenues

The assessed value of the Project Area is projected to grow by over $1.5 billion (over the base assessed value of $540.2 million) during the 45-year tax increment collection. Incremental tax revenues are generated by the growth in the assessed value of the Project Area over the base assessed value. Graph IV-1 (shown previously) illustrates the projected growth over the base assessed value, attributable to inflation on properties that remain in the same ownership, new development, and reassessments.

The projections shown in Table IV-3 represent total revenues to the Agency over the 45-year life of the Project. Tax increment revenues will actually accrue over time, with limited revenues in the early years of implementation, which will grow as the assessed value of the Project Area increases.

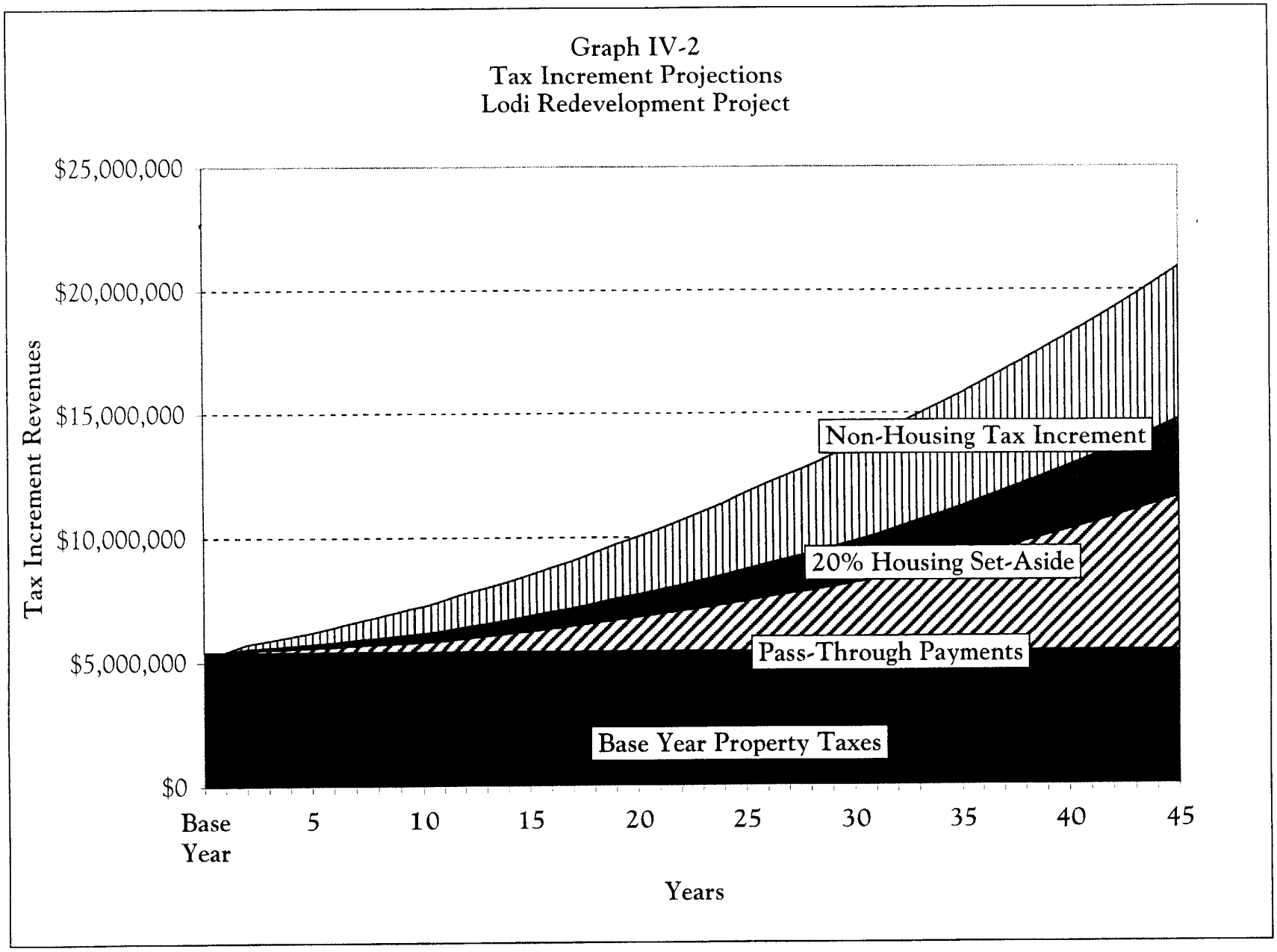
Graph IV-2 illustrates the growth of tax increment revenues over time, in future value dollars. The graph shows tax increment growth over the base year property taxes through the life of the Project. This graph also shows the distribution of tax increment revenues over time among affected taxing entities, affordable housing activities and non-affordable housing activities. Detailed annual tax increment projections are presented in Appendix H.

Table IV-3
Summary of Tax Increment Projections
Lodi Redevelopment Project

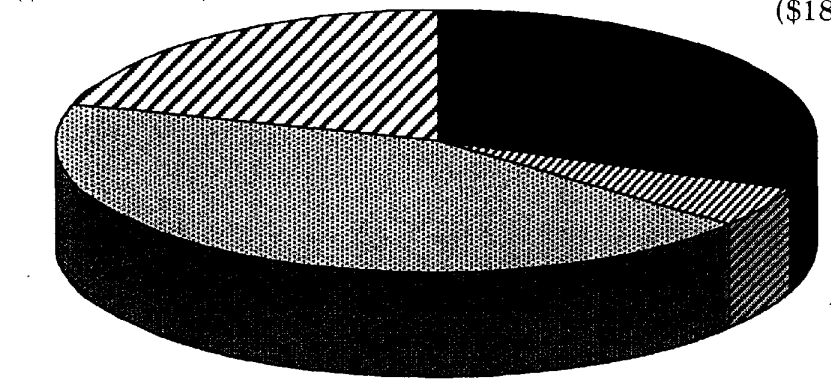
	Future Value (Nominal Dollars)[4]	Present Value (Constant 2002 Dollars)
Incremental Tax Revenues	**$290,600,000**	**$60,700,000**
Less: County Property Tax Administration	4,400,000	900,000
Tax Revenues Remitted to Agency	**286,300,000**	**59,800,000**
Less: Pass-Throughs to Taxing Entities	98,300,000	18,700,000
Less: Debt Obligation	0	0
TI Available to Agency After Obligations	**187,900,000**	**41,100,000**
Less: Housing Set-Aside	58,100,000	12,100,000
Tax Increment Available for Non-Housing Program	**129,800,000**	**29,000,000**
Less: Agency Administration Costs	13,000,000	2,900,000
Tax Increment Available for Non-Housing Projects	**$116,900,000**	**$26,100,000**

Graph IV-3 summarizes the distribution of tax increment revenues over the 45-year life of the Project (in constant 2002 dollars).

[4] Figures may not tally due to rounding.


Graph IV-2
Tax Increment Projections
Lodi Redevelopment Project
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$0
Tax Increment Revenues
Non-Housing Tax Increment
20% Housing Set-Aside
Pass-Through Payments
Base Year Property Taxes
Base Year
5
10
15
20
25
30
35
40
45
Years

Graph IV-3
Distribution of Tax Increment Revenues
Proposed Lodi Redevelopment Project Area
(Constant 2002 Dollars)



2. Tax Increment Available for Affordable Housing Activities

About $58 million in nominal dollars, 20 percent of gross tax increment revenues, is projected to be contributed to the Housing Set-Aside Fund. This amount is equivalent to about $12 million in constant 2002 dollars.

The 20 percent Housing Set-Aside funds will be the primary source of funding for affordable housing in the Lodi Redevelopment Project. Any excess tax increment after debt service for the Non-Affordable Housing Redevelopment Program will also be available to the Agency.

3. Tax Increment Available for Non-Housing Activities

After fulfilling its affordable housing, pass-through obligations, it is projected that tax increment revenues available to fund the Agency's Non-Housing Redevelopment Program and associated administrative costs would be about $130 million in nominal dollars. This amount is equivalent to about $29 million in constant 2002 dollars.

H. Financial Feasibility of the Proposed Redevelopment Project

This section demonstrates why tax increment revenue made possible through the proposed Redevelopment Plan will be a necessary part of the overall financing program to eliminate blighting conditions in the proposed Project Area. By utilizing tax increment revenue, the Agency has a feasible plan for financing the redevelopment program to alleviate blight. Together with other public and private revenue sources, tax increment financing will be a critical funding component in helping the City of Lodi meet the costs required to implement the Redevelopment Program.

To evaluate the feasibility of the proposed Redevelopment Project, the following analysis compares the Redevelopment Program's costs and tax increment revenues. As previously shown in Table IV-1, the net cost to the Agency to complete the proposed Redevelopment Program (excluding non-housing Agency administrative costs) is approximately $36.5 million in constant 2002 dollars.

The Agency is projected to receive about $41.1 million in tax increment revenue for the Redevelopment Program (in constant 2002 dollars). The Agency is expected to require about $12.1 million for affordable housing, $24.3 million for other non-housing activities, and $2.9 million for non-housing administration. Thus, the Agency will have sufficient funds to support its Redevelopment Program, but little available surplus as shown in Table IV-4.

Table IV-4
Comparison of Estimated Tax Increment Revenues
and Funding Requirements
(2002 dollars)

Tax Increment Available for Projects[5]	**$41.1 million**
Less: Housing Program Fund Requirements	$12.1 million
Less: Projected Administration Expense for Non-Affordable Housing Activities	$2.9 million
Less: Non-Housing Program Funding Requirements [6]	$24.3 million
Funding Surplus	**$1.8 million**

Although the estimated project costs and the projected revenues will vary over time from those set forth in the estimates and projections presented in this chapter, it is reasonable to conclude that the Redevelopment Project is financially feasible within the 45 year duration of the Plan.[7]

I. Reasons Why Tax Increment Financing Is Necessary

This chapter demonstrates the general economic feasibility of the proposed Redevelopment Project and the reason for including the provision for the division of taxes pursuant to Section 33670 in the Redevelopment Plan, as required by law. As discussed in this chapter, the costs to alleviate documented blighting conditions substantially exceed available funding from public and private sources. Tax increment financing (as outlined in Section C of this chapter) is the only source available to the community to fill the substantial gap between the costs of the Redevelopment Program and other public and private revenue sources. Because these projects and activities are critical to the revitalization and conservation of the Project Area, tax increment financing is needed to assist in funding these projects. Tax increment financing has been and will continue to be the critical funding source that will help the City fund the Redevelopment Program's cost.

The private sector alone cannot financially support the substantial costs of the proposed Redevelopment Program. Because these projects and activities are critical to the revitalization and conservation of the proposed Lodi Project Area, tax increment financing is needed to assist in funding these projects. Tax increment financing will be the critical funding source that will help the City of Lodi fund the Redevelopment Program's cost.

[5] Present value of future tax increment revenues projected to be available for implementation of the Redevelopment Program (includes housing, non-housing and non-housing administration costs). See Appendix H for details.

[6] See Table IV-1.

[7] The tax increment projections are intended only as estimates, which are based on the best available information as of January 2002. Actual tax increments may be higher or lower than indicated in the model. The development projections shown in Appendix H are not intended to predict future development, but rather to provide a reasonable estimate, on an average annualized basis, of potential tax increment growth resulting from the increase in assessed value resulting from the new development.

V. Implementation Plan (July 2003 to June 2008)

A. Background

Sections 33490 and 33352(c) of the CRL require that a redevelopment agency adopting a redevelopment plan prepare and adopt a five-year implementation plan for a project area. The purpose of the implementation plan is to describe:

- The specific goals and objectives of an agency for a project area.
- The specific projects proposed by the agency, including a program of both non-housing and affordable housing actions and proposed expenditures within the first five years of the plan.
- How the agency's proposed objectives, projects, and expenditures will help to eliminate blight in the project area (as described in Section 33031) and implement the affordable housing requirements (as described in Sections 33334.2, 33334.4, 33334.6 and 33413).

This Implementation Plan is designed to guide the Agency's efforts in eliminating blighting conditions in the Project Area while meeting other Agency objectives as required by the CRL. In addition, the affordable housing component of the Implementation Plan provides a mechanism for the Agency to monitor its progress in meeting its affordable housing obligations under the CRL. In effect, the Implementation Plan is the Agency's general plan of action for the first five years, providing flexibility so the Agency may adjust to changing circumstances and new opportunities. This plan also includes the Agency's Affordable Housing Production Plan, also known as the AB 315 Plan, as required by Section 33413 of the CRL.

The planning period specifically covered by this Implementation Plan for the Lodi Redevelopment Plan is the period from July 2003 through June 2008. This period includes the first five years in which the Agency would be entitled to receive tax increment revenue from the Project Area if the Redevelopment Plan is adopted in the summer of 2002.[1] In addition, information for later years is provided in the housing component of this Implementation Plan as required by Section 33413. The affordable housing production plan contained in Section H covers the five year period from July 2003 to June 2008, the ten-year period through June of 2013, and a third period from July 2013 to the end of the Redevelopment Plan term.

The Implementation Plan is intended to be a program level document, therefore the implementation of specific projects and activities over the five year period may vary in timing, location, cost, expenditure, scope, and content from what is set forth in this document. The Agency will use this Implementation Plan as a flexible guide as unforeseen constraints and opportunities will most likely arise while undertaking this program.

Section B of this plan describes the objectives of the Redevelopment Plan. Section D summarizes the five-year action program for non-housing activities. Sections E through H address affordable housing obligations, production goals, activities, and proposed schedule of expenditures, as well as present the Agency's Affordable Housing Production Plan (also known as the AB 315 Plan).

[1] Assuming adoption in July 2002, the Agency can begin to receive tax increment in FY 2003/2004. The first installment of tax increment would likely be allocated to the Agency in January 2004.

B. Objectives of the Redevelopment Plan

The five year goals and objectives set forth below are based upon the statement of goals and actions contained in the Redevelopment Plan for the Lodi Redevelopment Project which are incorporated into this Implementation Plan by this reference. The goals and actions expressed in the Redevelopment Plan are comprehensive in nature and pertain to the total redevelopment program that has an implementation period of 30 years. The goals and objectives of the proposed Redevelopment Project emphasize eliminating physical and economic blighting conditions that interfere with successful revitalization of commercial areas and the enhancement and conservation of residential neighborhoods within the Project Area.

In general, the proposed Redevelopment Project would:

- Revitalize certain areas in Lodi that exhibit both physical and economic blight;
- Stimulate private investment in Lodi's commercial areas;
- Promote the conservation and enhancement of residential neighborhoods; and
- Provide tax increment funds for the redevelopment activities that are needed to alleviate blighting conditions.

C. Adverse Physical and Economic Conditions and Elimination of Blight

The Implementation Plan is required to provide an explanation of how the goals, objectives, programs and expenditures for the first five years will serve to eliminate blight in the Project Area. As background, it is first useful to summarize the blighting influences that affect the Lodi Redevelopment Project Area (please refer to Chapter II for a comprehensive discussion of blighting conditions). In summary, eight of the nine blighting conditions, as defined by Section 33031(a) of the CRL, were found to exist in the Project Area.

a. Adverse Physical Conditions

- Deficient or Deteriorated Buildings.
- Factors that Inhibit Proper Use of Buildings or Lots.
- Incompatible Uses.
- Substandard Lots in Multiple Ownership.

b. Adverse Economic Conditions

- Depreciated or Stagnant Values and Impaired Investments.
- Economic Indicators of Distressed Buildings or Lots.
- Residential Overcrowding or Problem Businesses.
- High crime rate.

As discussed in Section E below, the Redevelopment Program for the Lodi Project Area will alleviate the blighting conditions described in Chapter II. Section E describes the deficiencies to be corrected by projects proposed for the first five years of tax increment collection. The five-year action program shown in Section E will initiate the process of improving the area and alleviating those blighting conditions. Table V-1 provides a matrix summarizing the relationship between proposed projects and how they will eliminate blight.

Table V-1
How Redevelopment Program Will Eliminate Adverse Conditions
Lodi Redevelopment Project Area

ADVERSE CONDITIONS	Redevelopment Program					
	Economic Development	Building Rehabilitation	Public Facilities	Circulation and Landscaping	Site Preparation	Affordable Housing
	1	2	3	4	5	6
Deficient or Deteriorated Buildings	■	■			■	■
Factors that Inhibit Proper Use of Building or Lots	■	■	■	■	■	■
Incompatible Uses	■			■	■	
Substandard Lots in Multiple Ownership	■				■	■
Depreciated or Stagnant Values and Impaired Investments	■	■	■	■	■	
Economic Indicators of Distressed Buildings or Lots	■	■		■	■	■
Residential Overcrowding		■				■
High Crime Rate	■		■			■
Deficient Public Improvements*	■		■	■	■	

*Although not considered physical or economic blight under the CRL,
the existence of deficient public improvements is recognized as a deterrent to economic growth in the Project Area.

D. Five Year Action Program for Non-Housing Redevelopment Activities

This section describes the proposed Non-Housing Redevelopment Program, including the deficiencies to be corrected, project descriptions, and the estimated project costs. As they are implemented, these projects may be modified over time to better serve the purposes of redevelopment. The cost estimates are preliminary and subject to refinement as the Redevelopment Program planning and implementation proceed. Some of these projects may not be completed within the first five years of the Redevelopment Program, and thus, related costs may not be incurred in the first five years. These activities are grouped in the following categories:

1. Economic Development
2. Building & Site Rehabilitation, Facade Improvement and/or Historic Preservation
3. Public Infrastructure and Facilities
4. Neighborhood Preservation, Circulation and Landscaping Improvements
5. Site Preparation and Development

1. Description of Non-Housing Program

Economic Development

During the first five years of the project, the Agency will encourage office uses in Downtown Lodi, create a strategy to attract and retain businesses to the Project Area and support commercial buildings and lodging along Cherokee Lane.

Building & Site Rehabilitation, Façade Improvement and/or Historic Preservation

The Agency will assist with façade improvement in the Downtown and other areas, establish development standards and design guidelines to improve the appearance of buildings and businesses and support rehabilitation, seismic improvement and historic preservation efforts.

Public Infrastructure and Facilities

The Agency will assist in public infrastructure and facilities improvements. The Agency will accomplish these goals by implementing storm drain, wastewater and water distribution improvements in the Project Area.

Neighborhood Preservation, Circulation and Landscaping Improvements

During the first five years of the project, the Agency will emphasize neighborhood preservation, circulation and landscaping improvements by updating code enforcement efforts and development standards for multifamily residences.

Site Preparation and Development

Based on available revenues during the first five years of the project, the Agency does not anticipate expending funds on site preparation and development. However, to the extent additional revenues are available, they may be applied to assembling sites, facilitating hazardous materials cleanup, and/or relocating incompatible uses to facilitate the redevelopment program.

2. Five Year Implementation Plan Revenues

Based on tax increment projections presented in Chapter IV and Appendix H of this Report, the Agency is projected to receive approximately $1.3 million dollars in tax increment revenues for non-housing activities and administration during the five year Implementation Plan period (2003 to 2008) in constant 2002 dollars.[2]

Table V-2 summarizes the funds available to cover projected non-housing program costs (net of Agency non-Housing administrative expense) during the first five years of the Redevelopment Project.

Table V-2
Projected Tax Increment Revenues
For Non-Housing Activities[1]
FY 2003-2008
Lodi Redevelopment Project

Fiscal Year	Nominal Dollars	Constant 2002 Dollars
2003/04	$169,000	$152,000
2004/05	$245,000	$209,000
2005/06	$330,000	$267,000
2006/07	$419,000	$320,000
2007/08	$529,000	$384,000
Total	**$1,692,000**	**$1,332,000**

[1]These figures are net of Agency Non-Housing Administrative expenses.
Source: Seifel Consulting Inc.

3. Five Year Implementation Plan Expenditures

Table V-3 summarizes estimated Agency non-Housing program expenditures during the first five years of the project. The nature and scope of the projects and expenditures have been shaped primarily by Agency objectives for the Project Area, available revenues for funding projects and activities, and blighting factors to be eliminated within the Project Area. Refer to Chapter III of this report for a more complete description of the Redevelopment Program and estimated expenditures.

The estimated Agency expenditures included in Table V-3 represent an estimate based on reasonable assumptions regarding potential tax increment revenues over the first five years of the Redevelopment Plan, as described in Chapter IV.

[2] See Chapter IV for a detailed description of projected revenues and expenditures. Agency administration related to non-housing projects will also be paid out of tax increment revenues and are netted out of figures shown above.

Table V-3
Projected Non-Housing Program Expenditures
FY 2003-2008
Lodi Redevelopment Program
in Constant 2002 dollars

PROGRAM CATEGORIES	Net Cost to Agency
1. Economic Development	$250,000
2. Building & Site Rehabilitation, Facade Improvement and/or Historic Preservation	$260,000
3. Public Infrastructure and Facilities	$272,000
4. Neighborhood Preservation, Circulation and Landscaping Improvements	$250,000
5. Site Preparation and Development	$0
6. Recovery of City Advances to Agency	$300,000
Subtotal Non-Housing Costs	**$1,332,000**
Non-Housing Admin. Costs	$148,000
Total Non-Housing Costs	**$1,480,000**

As indicated above, the Agency estimates expenditures of approximately $1.3 million in non-housing programs during the first five years and is projected to receive approximately $1.3 million in tax increment revenues to cover these programs. An additional $148,000 in Agency non-housing administrative expense will also be covered through tax increment revenues. Thus, tax increment revenues are projected to be sufficient to cover the Agency's planned expenditures for non-housing projects over the first five years of tax increment collection.

E. Housing Activities

Sections E through H of this chapter comprise the housing component of the Implementation Plan for the Lodi Redevelopment Project, and summarize the Agency's housing obligations pursuant to CRL Sections 33334.2, 33334.4, 33334.6, and 33341.3. These obligations include recent amendments to the CRL under Assembly Bill 637 that are effective as of January 1, 2002. The following sections also provide an overall framework for the Agency's housing goals, policies and programs.

Section F describes housing production requirements. Building upon CRL requirements and background analysis, Section G outlines the Agency's proposed Housing Program over the five year Implementation Plan period. Section H describes the five year program of housing goals and activities. This section and Section H provide the context for the proposed five-year program.

1. Housing Requirements

The housing portion of an implementation plan sets forth specific goals and objectives in enough detail to measure performance. The CRL requires that an implementation plan include the following affordable housing planning components:[3]

- The total number of housing units projected to be developed, rehabilitated, price-restricted, assisted, or destroyed for three time periods: 1) on an annual basis for the first five years, 2) in aggregate for the second five years, and 3) in aggregate for years 11 to the end of the Plan.
- Identification of proposed locations for replacement housing, which the Agency would be required to produce if a planned project would result in the destruction of existing affordable housing.
- An explanation of how the goals, objectives, programs, and expenditures set forth in the Implementation Plan will implement the housing requirements of the CRL, including a housing program for each of the five years of the implementation plan.
- Estimates of deposits into the Housing Set-Aside Fund during the first five years, and the Agency's plans for utilizing annual deposits to the Housing Set-Aside Fund.

2. Agency Approach to Meeting Housing Requirements

The Agency intends to implement relevant goals, objectives, policies, strategies and programs from the General Plan Housing Element in the Project Area.[4] The following major goals of the Affordable Housing Program of the Lodi Redevelopment Project are designed to be consistent with and help implement the goals and policies of the General Plan:

- Encourage homeownership and renovation.
- Facilitate development of new affordable housing.
- Provide funding assistance for rehabilitation of single and multi family housing for low and moderate income households.
- Facilitate development of housing for the elderly.
- Spend affordable housing set-aside funds in accordance with CRL, including:
  - Preserve and provide housing opportunities at all income levels in accordance with the CRL.

[3] Affordable housing is used in this chapter to define housing which is affordable to households earning at or below 120 percent of median income for San Joaquin County, assuming generally that 30 percent of household income is spent on housing.

[4] In March 1991, the City Council adopted the Housing Element of the General Plan. It identified the City's general housing needs, and the objectives and priorities to guide planning decisions and policies, and established housing, community developments, and emergency shelter goals for the City.

- Provide opportunities for homeowners earning at or below 120 percent of median income to maintain and repair their homes and promote neighborhood revitalization.
- Provide homeownership opportunities for first time homebuyers earning less than 120 percent of median income.

One purpose of the housing program will be to implement a key provision of the CRL— the enhancement of affordable housing opportunities for households earning at or below 120 percent of median income. The Agency will utilize at least 20 percent of all tax increment revenue allocated to the Agency to increase, improve and preserve Lodi's supply of affordable housing.

The Agency may establish a range of housing programs, which seek to enhance project design and leverage federal, state, and private funding sources to develop high quality, attractive, and affordable housing developments serving a diverse population. The funds directed toward this project will be used in a flexible manner in order to respond to favorable development opportunities.

The type of financial assistance for the affordable housing program may include cost write-down and gap financing to allow design enhancements, property acquisition, construction costs, predevelopment costs, and permit fees. Appropriate uses of these funds include new affordable rental and ownership housing construction, assistance to homebuyers with acquiring affordable housing, and assistance for housing rehabilitation.

F. Statutory Requirements for Housing

This section summarizes the Agency's affordable housing requirements under the CRL, and provides background information and analysis regarding affordable housing needs and conditions in the Project Area and the overall community. The major statutory requirements for affordable housing imposed on redevelopment agencies by the CRL may be categorized generally as:

1. Housing Production Requirement (Section 33413). Agencies must make available specified minimum percentages of new or substantially rehabilitated housing units in a project area at a legally defined affordable housing cost.[5]
2. Housing Fund Requirement (Section 33334.2). Agencies are required to expend specified percentages of tax increment revenue for the provision of affordable housing.
3. Replacement Housing Requirement (Section 33413). Agencies must replace within four years, housing units removed from the housing stock as a result of redevelopment activities.

These three requirements are described in greater detail in the following three sections. Relevant section references to the CRL are included in parentheses.

[5] The CRL defines "substantially rehabilitated" as rehabilitation of any Agency-assisted multifamily rental or single family housing unit which has increased in value by at least 25 percent of the after-rehabilitation value of the dwelling (values include the value of the land).

1. Housing Production Requirement

As part of an implementation plan, an agency must adopt a plan for a project area showing how the agency intends to meet its housing production requirement (the "Housing Production Plan"). The plan must be consistent with the community's housing element (in Lodi known as the Housing Element), and must cover the following time periods:

- Production over the first five years.
- Production over the first ten years.
- Production through the life of the plan.

The plan must include estimates of the number of new or substantially rehabilitated residential units within a project area, and the number of affordable housing units, which will be developed in order to meet the requirements of the CRL. Additionally, the plan must include estimates of the number of units the Agency itself will develop during the time period of the plan, including the number of affordable housing units. The plan must be reviewed every five years in conjunction with the update of a community's housing element or with the implementation plan cycle. Section G of this chapter contains the Agency's Housing Production Plan for the Lodi Redevelopment Project. (Section 33413.(b))

a. Agency Developed Housing

The CRL affordable housing obligation requires that at least 30 percent of all new or substantially rehabilitated dwelling units developed directly by an agency must be available at affordable housing cost to persons and families of very low, low, or moderate income. Of those units, at least 50 percent must be affordable to very low-income households. The 50 percent requirement translates to 15 percent of the total number of units developed or rehabilitated by the agency (50 percent of 30 percent equals 15 percent). This requirement applies only to units developed by an agency and does not apply to units developed by housing developers pursuant to agreements with an agency. (Section 33413.(b)(1).) This production requirement is not anticipated to apply to the Lodi Project Area because the Agency does not anticipate directly developing units in the Project Area.

b. Housing Not Developed by the Agency

When new or substantially rehabilitated dwelling units are developed or substantially rehabilitated in a project area by public or private entities other than a redevelopment agency, including entities receiving agency assistance, at least 15 percent of these units must be affordable to very low, low, or moderate income households. Of those units, at least 40 percent must be affordable to very low-income households. This 40 percent requirement for very low-income households translates to 6 percent of the total number of units developed and substantially rehabilitated by entities other than the Agency in a project area (40 percent of 15 percent equals 6 percent). (Section 33413.(b)(2).) The Agency anticipates that this production requirement will apply to the Project Area.

2. Housing Fund Requirement

The CRL requires an agency to set aside in a separate Low and Moderate Income Housing Fund (the "Housing Set-Aside Fund") at least 20 percent of all tax increment revenue generated from its project areas. The funds must be used for the purpose of increasing, improving, and preserving the community's supply of affordable housing. Such housing must be available at affordable housing cost to persons and families of very low, low, or moderate income. (Sections 33334.2 and 33334.3)

a. Fund Targeting: Income Levels and Affordable Housing Cost

Housing Fund moneys must be targeted to the following specific income levels: [6]

Very Low	Incomes up to 50 percent of area median income, adjusted for family size.
Low	Incomes typically from 50 percent up to 80 percent of area median income, adjusted for family size.[7]
Moderate	Incomes typically from 80 percent up to 120 percent of area median income, adjusted for family size.[8]

Housing assisted by Housing Set-Aside Fund moneys must be available at an affordable housing cost in accordance with the CRL.[9] Table V-4 shows the affordable housing cost definitions by income level and type of tenure.

Table V-4
Affordable Housing Cost

	Rental Housing[10]		Ownership Housing	
Income Level	**% Income Spent on Housing**	**% of Area Median Income**	**% Income Spent on Housing**	**% of Area Median Income**
Very Low	30 percent	50 percent	30 percent	50 percent
Low	30 percent	60 percent	30 percent	70 percent
Moderate	30 percent	110 percent	35 percent[11]	110 percent

Source: California Health and Safety Code, Section 50052.5.

b. Provision of Housing According to Need by Income and Age

Over the duration of each five-year implementation plan, Housing Set-Aside Fund moneys must be expended to assist very low and low-income households in at least the same proportion to housing need by income level.[12] The proportion is calculated based on the number of housing units needed for very low, low and moderate income households, minus any units being provided by other governmental programs, divided by the total number of units needed for all three income levels (Section 33334.4).

The San Joaquin Council of Governments (SJCOG) sets forth the affordable housing need for the City in the City's regional fair share allocation. Table V-5 shows the fair share allocation and the targeting objective currently applicable to the City of Lodi Redevelopment Agency for housing affordable to

[6] The Health and Safety Code defines low and moderate income in Section 50093, low income in Section 50079.5, and very low income in Section 50105.

[7] In any given year the definition can be different; income limits are published by California's Department of Housing and Community Development based on data published by the U.S. Department of Housing and Urban Development (HUD) pursuant to Heath and Safety Code 50079.5.

[8] In any given year the definition can be different; income limits are published by the state's Department of Housing and Community Development based on data published by the U.S. Department of Housing and Urban Development (HUD) pursuant to Heath and Safety Code 50093.

[9] Health and Safety Code Section 50052.5 includes the definition of affordable housing cost.

[10] Rental housing costs include utility costs. Affordable housing costs are adjusted by family size.

[11] But not less than 28 percent of actual income.

[12] The CRL, as amended by AB 637, specifies that an agency must use the regional fair share allocation, as it may be adjusted by the local Council of Governments and State HCD, to determine housing need.

persons at or below 120 percent of median income. The Agency will use the Housing Set-Aside Fund to meet these needs where feasible.

Table V-5
SJCG Regional Fair Share Allocations
Affordable Housing Need by Income Category[13]
City of Lodi

Income Category	Percent Share
Very Low	40%
Low	28%
Moderate	32%
Total	100%

Source: SJCOG Draft Regional Housing Needs Allocation, San Joaquin County, 2002.

The Agency will provide financial assistance in proportion to the need percentage shares shown in the last column of Table V-5. In other words, at least 40 percent of funds will be spent on units affordable to very low-income households, and at least 68 percent will be spent on units affordable to low or very low-income households.

Starting January 1, 2002, an agency's Housing Set-Aside Fund expenditures must be targeted to assist families in at least the same proportion as the population under 65-years bears to the total population of the City. The proportion is calculated as the percentage of the community's population that is under the age of 65 based on the most recent census information. This requirement must be met over the duration of the five-year implementation plan.

Table V-6 shows the age distribution and the targeting objective currently applicable to the City of Lodi Redevelopment Agency for housing affordable to families. Based on this data, the Agency will spend at least 86 percent of its Housing Set-Aside Fund for families.

Table V-6
Population by Age Category
Based on Census 2000
City of Lodi

Age Category	Population	Percent Share
Families: 0 – 65 years of age	48,858	86%
Seniors: 65 years or more	8,141	14%
Total	56,999	100%

Source: Census 2000

[13] The San Joaquin Council of Government is mandated by California law to allocate housing needs for its local jurisdictions. Table V-5 figures are draft projections and based on 1990 census data. The percent share is subject to updates by SJCOG when Census 2000 becomes available.

c. Duration of Affordability

The CRL also requires the placement and recordation of affordability controls on any new or substantially rehabilitated housing assisted by Housing Set-Aside Fund moneys. These controls on assisted housing units require that the units remain affordable for the longest feasible time, but not less than certain minimum time periods. The minimum periods of affordability are 55 years for rental housing and 45 years for owner-occupied housing, with a shorter duration permitted if an agency recoups its Housing Set-Aside Fund investment when an assisted owner-occupied unit is sold at a non-affordable price or to a non-qualifying buyer (Section 33334.3).

3. Replacement Housing Requirement

When residential units sheltering households earning at or below 120 percent of median income are destroyed or removed, or are no longer affordable due to agency action, an agency must replace within four years those units with an equal number of replacement units which have an equal or greater number of bedrooms (Section 33413). At least thirty days prior to acquiring property or adopting an agreement that will lead to the destruction or removal of low and moderate income housing units, an agency must adopt by resolution a replacement housing plan that generally describes the location, timing, and method by which replacement housing will be provided (Section 33413.5).

Replacement units may be located anywhere within the territorial jurisdiction of the agency (Section 33413[a]). An agency may either construct replacement housing, or cause housing to be constructed through agreements with housing developers. The basic income and affordability standards for replacement housing are the same as those for use of Housing Fund moneys (described above). The units must be available at affordable housing cost to households of low and moderate income. In addition, the CRL requires that 100 percent of the replacement units be available at affordable housing cost to the same income level of households as were displaced from the units removed or destroyed (Section 33413[a]).

Replacement housing must remain affordable for the longest feasible duration, and for at least as long as the land use controls of the redevelopment plan remain in effect (Section 33413[c]). The affordability controls on such units must be made enforceable by recorded covenants or restrictions.

4. Goals, Objectives and Programs Requirement

An agency must provide an explanation of how the goals, objectives, programs, and expenditures set forth in an implementation plan will implement the affordable housing requirements, including a housing program for each of the five years of the implementation plan.[14]

The objectives, programs, and expenditures for the Lodi Redevelopment Project that are related to affordable housing requirements are discussed in Sections G and H.

[14] After the adoption of the initial plan, the parts of the plan that address the affordable housing requirements must be adopted every five years either in conjunction with the community's housing element cycle or the implementation plan cycle (Section 33490).

G. Housing Production Plan

1. Housing Production (2003 through End of Redevelopment Plan)

The Agency projects that approximately 74 new housing units will be constructed and about 136 units will be substantially rehabilitated in the Project Area during the life of the Redevelopment Plan. Table V–8 shows the housing production.

Production (2003 through June 2008)

During the first five years, the Agency projects that 7 new housing units could be constructed and about 12 units substantially rehabilitated in the Project Area.

Production (2008 through June 2013)

Over the second five-year period, the Agency projects that approximately 20 new housing units are could be constructed and 35 units substantially rehabilitated in the Project Area.

2013 to End

The Agency projects that an additional 47 housing units could potentially be constructed and 89 units substantially rehabilitated in the Project Area through the end of the Plan.

2. Affordable Housing Production Obligation (2003-2013)

a. Affordable Housing Production Obligation

Based upon the forecasted 74 new and substantially rehabilitated housing units in the Project Area between 2003 and 2013, the Agency would have an obligation to ensure that a total of 16 new affordable units are developed. Of these, at least 7 units must be made available at affordable housing cost to very low-income households, and 9 units must be affordable to very low, low and moderate-income households. This housing obligation would be met by acquisition and substantial rehabilitation of single family and multifamily housing within the Project Area.

b. Replacement Obligation

The Agency has no plans to destroy or remove any residential units at this time. No households are expected to be displaced in the first five years of the Plan, and therefore the Agency would not incur a replacement-housing obligation. In the event that residential units are destroyed or removed in the future, the City and Agency will follow all state requirements for replacement housing and relocation.

3. Agency's Plan to Meet the Housing Obligation

During the first five years, the Agency projects that about 12 of 19 new or substantially rehabilitated housing units will qualify as affordable housing units (3 units would be affordable to very low income households and 9 units affordable units to very low, low or moderate income households), as shown on Table V-7.

During the following five years (2008 to 2013), the Agency projects about 35 of 55 new or substantially rehabilitated housing units will qualify as affordable housing units (14 units would be affordable to very low income households and 21 units affordable units to very low, low or moderate income households). Table V-7 shows that the Agency will exceed its housing obligation in the next ten years with these 47 affordable units.

Table V-7 also shows how the Agency anticipates meeting its housing production requirement over the life of the Plan.

Table V-7
Affordable Housing Production Obligation
2003 to 2008, 2008 to 2013 and 2013 to End
Lodi

	2003-2008	2008-2013	2013-End	Total	%
1. Housing Production					
New Units	7	20	47	74	
Substantial Rehabilitation*	12	35	89	136	
Subtotal	19	55	136	210	
2. CRL Affordable Housing Production Requirement					
Very Low	2	5	9	16	6%
Very Low, Low or Moderate	3	6	14	23	9%
Subtotal	5	11	23	39	15%
3. Proposed Units that Will Meet CRL Requirement					
Very Low	3	14	35	55	40%
Very Low, Low or Moderate	9	21	54	81	60%
Subtotal	12	35	89	136	100%
4. Cumulative Production Surplus (Deficit)					
Very Low	1	9	26	39	
Very Low, Low or Moderate	6	15	40	59	
Subtotal	7	24	66	98	

Notes:
*Between 2003 and the end of plan, the Agency plans to assist in the substantial rehabilitation of approximately 136 housing units within the Project Area.
*Percentages may not add up exactly due to rounding. CRL Affordable Housing Production Requirements are rounded up to the nearest whole unit.

Methodology
1. Total new units produced in the project area during the period.
2. Number of affordable units required based on the units produced (1).
3. Number of units projected to be built to satisfy CRL affordable housing obligation.
4. Remaining affordable surplus or obligation at the end of the ten-year period.

Income Levels
Very Low- typically affordable to households earning up to 50 percent of median income.
Low- typically affordable to households earning between 51 and 80 percent of median income.
Moderate- typically affordable to households earning between 81 and 120 percent of median income.

Source: Lodi Redevelopment Agency, Lodi Planning Department, Draft EIR, Wagstaff & Associates.

H. Housing Goals and Programs

1. Housing Activity Goals and Objectives

In addition to discussion of an agency's progress in meeting its specific affordable housing obligations under the CRL, an implementation plan must set forth the agency's goals and objectives for affordable housing during the five years (Section 33490.(a)).

During the five year Implementation Plan period, the Redevelopment Agency will concentrate on achieving those objectives, which are most applicable to the Agency's affordable housing activities. In developing its Affordable Housing Program, the Agency has been guided by the Housing Element of the City General Plan, which is incorporated into the Implementation Plan by this reference.

The Agency is committed to assisting the City in achieving the objectives and policies presented in Housing Element, including:

- To provide a range of housing types and densities for all economic segments of the community while emphasizing high quality development and homeownership.
- To encourage the maintenance, improvement and rehabilitation of the City's existing housing stock and residential neighborhoods.
- To ensure the provision of adequate services to support existing and future residential development.
- To promote equal opportunity to secure, safe, sanitary and affordable housing for all members of the community regardless of race, sex or other arbitrary factors.
- To encourage energy efficiency in all new and existing housing.

2. Housing Set-Aside Fund Revenues

The primary funding source for the Agency's housing activities will be the 20 percent portion of annual tax increment revenue deposited by the Agency into its Housing Set-Aside Fund. Table V-8 shows the deposits into the Housing Set-Aside Fund. Based on the tax increment projections presented in Chapter IV and Appendix H of this Report on the Plan, the Agency projects that it will deposit approximately $640,000 into the Housing Set-Aside Fund in the first five years in nominal (or future) dollars, equivalent to approximately $500,000 in constant 2002 dollars.[15]

[15] A discount rate of six percent was used to calculate constant 2002 dollars. Refer to Chapter IV for an explanation of translating nominal dollars to constant 2002 dollars, and the discount rate used.

Table V-8
Annual Deposits to Housing Set-Aside Fund
2003 to 2008
Lodi Project Area

Fiscal Year	Nominal Dollars	Constant 2002 Dollars
2003/04	$64,000	$58,000
2004/05	$93,000	$79,000
2005/06	$126,000	$101,000
2006/07	$159,000	$121,000
2007/08	$201,000	$146,000
Total	**$643,000**	**$505,000**

*Numbers may not match total due to rounding.
Source: Lodi Redevelopment Agency, Seifel Consulting Inc.

3. Affordable Housing Program and Proposed Five Year Activities

The Housing Program assisted by the Agency complies with Housing Element objectives and policies referenced above. The Agency's funds will be used in a flexible manner to respond to favorable development opportunities. The type of financial assistance to be provided may include cost write-down and gap financing for projects utilizing federal and state grant or loan funds to facilitate design enhancements, property acquisition, construction and predevelopment. Appropriate uses of these funds include new affordable rental and ownership housing construction, and assistance to homebuyers with acquiring affordable housing.

The Agency plans to target its Housing Set-Aside Fund for specific income groups as required by the CRL. However, the Agency will make every effort to encourage the preservation and development of housing affordable to a variety of income levels by using the programs described above and applying its resources in a manner that meets or exceeds the ten year housing production requirement described in Section G. By combining various funding sources, and in partnership and collaboration with others dedicated to the preservation and development of affordable housing, the Agency is confident it will be able to meet its housing production obligations within the first ten years.

The Agency recognizes the important role of housing programs and activities in its Redevelopment Program. Consequently, the proposed Housing Program should not be viewed simply as an implementation procedure for the Agency's stated goals and objectives related to housing, but as a key element in its overall revitalization efforts. Through the annual budgeting process, the Agency will translate the housing objectives and programs described in this chapter into specific budget expenditures using the limited Housing Set-Aside Fund deposits that are expected during the initial Implementation Plan period.

Schedule for Annual Unit Production

The CRL requires that the Agency formulate annual housing production goals over the first five years. The annual production goals are targets that the Agency has established. The Agency expects to take advantage of various opportunities as they are presented and to initiate actions as necessary, consistent with the CRL and the City's Housing Element, to preserve and facilitate the development of housing for households whose basic needs are not met by the private housing market. The Housing Program for the Lodi Redevelopment Project will focus on development of new affordable housing, substantial rehabilitation of existing housing and promotion of homeownership and renovation.

Affordable Housing Development

During the first five years of the project, the Agency will assist in the development of housing (contingent upon local, state and federal use regulations), affordable to very low and low-income households.

Substantial Rehabilitation

During the first five years of the project, the Agency will emphasize housing rehabilitation by offering housing rehabilitation loans for single-family homes as well as for rental housing that is occupied by very low, low and moderate-income households. Utilizing Housing Set-Aside Funds, this program will provide low interest loans for major housing rehabilitation activities such as roofing and structural improvements. In exchange for substantial rehabilitation assistance, the Agency would apply an affordability covenant to ensure the units remain affordable.

Homeownership and Renovation

The Agency will assist low and moderate-income households, utilizing Housing Set-Aside Funds. The Agency will accomplish this goal by promoting homeownership and offering incentives to developers of new housing to include affordable units in the development.

Senior Housing Development

The Agency will assist in development of senior development (contingent upon local, state and federal use regulations), affordable to very low and low-income households.

At this time, based on information and opportunities known to date, the Agency plans to achieve the following annual housing goals within the Project Area. Table V-9 shows the annual estimate of Agency-assisted housing units to be produced during the first five years of the plan, assuming a potential Agency subsidy of $40,000 - $45,000 per unit. If the Agency is able to leverage additional funds, it will produce more units.

Table V-9
Estimate of Agency-Assisted Housing Units
2003 to 2008
Lodi Redevelopment Project

Year	1	2	3	4	5	Total
	2003/04	2004/05	2005/06	2006/07	2007/08	
New Development	0	0	0	1	2	3
Substantial Rehabilitation	0	1	2	2	4	9
Total Affordable Housing Units	**0**	**1**	**2**	**3**	**6**	**12**

4. Estimated Housing Set-Aside Fund Expenditures 2003-2008

The Agency estimates expenditures for housing activities of approximately $.5 million, equal to its revenues during the first five years.

The Agency plans to target its Housing Set-Aside Fund for specific income and age groups as required by the CRL, and the Agency will make every effort to encourage the development of housing affordable to a variety of income levels. By combining various funding sources, and in partnership and collaboration with others dedicated to the development of affordable housing, the Agency is confident it also will be able to meet its housing production obligations within the first ten years.

The Agency will provide financial assistance inside the Project Area in proportion to the need, which is determined using the most recent census data.[16] In other words, at least 40 percent of funds will be spent on housing affordable to very low-income households, and at least 68 percent will be spent on housing affordable to very low and low-income households, as shown in Table V-10.

Table V-10
Housing Set-Aside Fund Distribution by Income Category
Five Year Period (2003 to 2008)
Lodi Project Area
Constant 2002 Dollars

	Percent Share	Tax Increment Funds
Very Low	40%	$202,000
Low	28%	$141,400
Moderate	32%	$161,600
Total	100%	$505,000

The Agency will also provide financial assistance for families in at least the same proportion as the population under 65-years bears to the total population of the City. At least 86 percent of the Housing Set-Aside Fund will be spent on housing that serves households under the age of 65, as shown in Table V-11.

[16] Census data is used to determine the proportion of need and, therefore, these percentages are subject to periodic update.

Table V-11
Housing Set-Aside Fund Distribution by Age Category
Five Year Period (2003 to 2008)
Lodi Project Area
Constant 2002 Dollars

	Percent Share	Tax Increment Funds
Families: 0 – 65 years of age	86%	$434,300
Seniors: 65 years or more	14%	$70,700
Total	100%	$505,000

The Agency will combine the Housing Set-Aside Fund revenue from the Redevelopment Project with other funding sources devoted to the provision of affordable housing. These other funding sources include, but are not limited to, Housing Set-Aside funds from other Project Areas, Community Development Block Grant (CDBG) funds, Home Investment Partnership (HOME) funds, California Housing Finance Agency (CHFA) assistance, the state's Department of Housing and Community Development (HCD) programs, low income housing tax credit equity funds, and other creative financing options such as private sector or foundation contributions.

In conclusion, the Agency's goals stated above will meet its CRL affordable housing production requirements in the first five years of tax increment collection. The housing production requirements will be met by affordable units assisted within the Project Area. Furthermore, in accordance with CRL, the Agency is proposing to assist in the development of units and spend Housing Set-Aside funds by income category in accordance with need from 2003 to 2008. The Housing Fund will be spent entirely within the Project Area.

VI. Method or Plan for Relocation of Families, Persons or Businesses Who May Be Displaced

This chapter sets forth the general policies for the administration of the relocation program and the provision of services and benefits to displaced families, individuals, businesses, and community institutions.

This plan should be considered as general in nature. As recommended in an October 1982 State Department of Housing and Community Development study entitled "A Study of Relocation and Housing Development in California Redevelopment Agencies," a comprehensive and detailed plan need not be developed until relocation is imminent. At that time, a more specific analysis will be prepared, pursuant to Title 25, Section 6038 of the California Code of Regulations.

A. Statutory Requirements

Section 33352(f) of the CRL requires that a report to the legislative body contain:

> *A method or plan for the relocation of families and persons to be temporarily or permanently displaced from housing facilities in the project area, which method or plan shall include the provision required by Section 33411.1 that no persons or families of low or moderate income shall be displaced unless and until there is a suitable housing unit available and ready for occupancy by the displaced person or family at rents comparable to those at the time of their displacement.*

B. Analysis

The Agency anticipates that a minimal number of dwellings would be displaced over the life of the Redevelopment Plan, although the Agency has no plans to relocate residents or businesses at this time. Relocation would only be used if it were reasonably necessary to redevelop a property. The Agency would not commence any reasonably necessary relocation until it has firm commitments from public funding sources or competent developers that the desired redevelopment of an area will take place in a timely manner and with the least disruption to existing homes and businesses.

The Agency will establish a method and plan for relocation of families and persons to be displaced in connection with any Agency project. The Agency relocation policy will comply with CRL Section 33367(d)(7), which requires a redevelopment agency to have a feasible relocation method or plan if the agency's redevelopment plans are to result in the displacement of any households or businesses in a project area.

If household relocation becomes necessary, specific relocation plans containing detailed household and housing availability surveys will be prepared at the initiation of each project. Land assembly involving relocation will be authorized by the Agency only if the specific relocation plan can ensure the availability of sufficient suitable and affordable housing units to meet the specific relocation needs created by the land assembly project.

The Agency will have a feasible method of meeting the relocation needs that may result from implementation of the Redevelopment Plan.

VII. Analysis of Preliminary Plan

In accordance with Section 33322 of the CRL, the City Planning Commission adopted the Preliminary Plan for the Lodi Redevelopment Project on July 11, 2001.

A. Statutory Requirements

Section 33352(g) of the CRL requires that a report to the legislative body contain:

An analysis of the preliminary plan.

The Preliminary Plan is organized into five elements as required by the CRL. Section 33322 of the CRL requires that the local planning commission formulate a Preliminary Plan for the redevelopment of each selected project area, and Section 33324 provides the following directives for preparation of that preliminary plan:

A preliminary plan need not be detailed and is sufficient if it:

(a) Describes the boundaries of the project area.

(b) Contains a general statement of the land uses, layout of principal streets, population densities and building intensities and standards proposed as the basis for the redevelopment of the project area.

(c) Shows how the purposes of this part would be attained by such redevelopment.

(d) Shows that the proposed redevelopment is consistent with the community's general plan.

(e) Describes, generally, the impact of the project upon the area's residents and upon the surrounding neighborhood.

B. Boundaries of the Project Area

The Preliminary Plan includes the selected project boundaries of Lodi Redevelopment Project Area. These boundaries are within the Survey Area for the Lodi Project Area as designated by the City Council on April 18, 2001.

C. Land Uses, Streets, Population and Building Standards

The Preliminary Plan contains a general statement of land uses, layout of principal streets, population density, residential unit density, building intensity, and development standards.

1. Land Uses

As a basis for the redevelopment of the proposed Project Area, it is proposed that, in general, the land uses in the Project Area shall be residential, commercial, industrial, other and roadway rights of way, as permitted by the City of Lodi General Plan as it currently exists and as it may be amended from time to time.

2. Layout of Principal Streets

As a basis for the redevelopment of the Project Area, the principal streets, as shown on the Figure I-1, Project Area Boundary Map, include: north of Kettleman Lane, south of Turner Road, east of Ham Lane and west of Commerce Street.

Existing streets within the Project Area may be closed, widened, or otherwise modified, and additional streets may be created as necessary for proper pedestrian or vehicular circulation.

3. Population Density, Residential Unit Density, Building Intensity and Building Standards

Within the confines of the General Plan Land Use designations, there will be a permitted range of development. Population densities will be consistent with permitted levels in the General Plan although certain specified areas may see a net increase or decrease in density dependent upon the development proposed and permitted in that area by the Redevelopment Plan.

As a basis for the redevelopment of the Project Area, the Preliminary Plan proposes that, in general, building intensities be controlled by limits on: 1) the percentage of ground area covered by buildings (land coverage); 2) the ratio of the total floor area for all stories of the buildings to areas of the building sites (floor area ratio); 3) the size and location of the buildable areas on building sites; and 4) the heights of buildings. The land coverage, sizes, and location of buildable areas should be limited as feasible to provide adequate open space.

As a basis for the redevelopment of the Project Area, the Preliminary Plan proposes that building standards should generally conform to the building requirements of applicable state statutes and local codes.

D. Attainment of Purposes of State Law

This proposed Redevelopment Plan adoption will be undertaken to achieve the following goals in furtherance of the purposes of the CRL and the City's General Plan.

- Eliminate blighting influences and correct environmental deficiencies, including, among others, buildings in which it is unsafe or unhealthy to live or work, incompatible and uneconomic land uses, and small and irregular lots.
- Assemble land into parcels suitable for modern, integrated development with improved pedestrian and vehicular circulation.
- Replan, redesign, and redevelop areas which are stagnant or improperly utilized.
- Provide opportunities for participation by owners and tenants in the revitalization of their properties.
- Strengthen retail and other commercial function in the Project Area.
- Strengthen the economic base of the Project Area by stimulating new investment.
- Expand employment opportunities.
- Provide an environment for social and economic growth.
- Expand and improve housing for low and moderate income persons.
- Install new or replace existing public improvements, facilities, and utilities in areas that are currently inadequately served with regard to such improvements, facilities, and utilities.

E. Conformity with the General Plan

The Preliminary Plan is consistent with the City of Lodi General Plan. The Preliminary Plan proposes a conforming pattern of land uses and includes all highways and public facilities indicated by the General Plan. The Redevelopment Plan will include provisions providing that it will remain consistent with the General Plan as it (the General Plan) is amended from time to time.

F. Consistency of Redevelopment Plan with Preliminary Plan

Since the adoption of the Preliminary Plan, the Agency has developed a more detailed Redevelopment Plan applying the same general standards, uses, and programs for the redevelopment of the Project Area as set forth in the Preliminary Plan. In this respect, the Redevelopment Plan reaffirms provisions of the Preliminary Plan, establishing standards for development and ensuring enforceability of the redevelopment objectives.

The additions which have been made to the Redevelopment Plan have been designed to clarify and provide requisite detail as required by the CRL, and are consistent with the adopted goals and objectives of the Preliminary Plan.

G. General Impacts upon Surrounding Neighborhoods

As the Preliminary Plan states, the principal purpose of the Project is the elimination and prevention of blight through the assistance and encouragement of public and private rehabilitation and redevelopment efforts, through selective land acquisition, clearance and disposition for private redevelopment, and through the provision of new or replacement of existing public improvements, facilities, and utilities within and serving the Project Area. Direct redevelopment activities should occur only when sufficient financial resources are available and such action will product effective and immediate redevelopment results.

The impact of the proposed Project upon occupants of that area and surrounding neighborhoods are, in general, in the areas of relocation, transportation, traffic circulation, community facilities and services, environmental quality, cultural resources, employment opportunity, and economic development. Agency activities in the Project may include property acquisition, minimal relocation of occupants, demolition of structures, construction of public improvements, and land disposition for private development.

The Environmental Impact Report (EIR), described in Chapter X, discusses the physical impacts of the proposed Redevelopment Project on area residents in detail. A summary of the impacts of redevelopment activities associated with the Redevelopment Plan that are addressed in the EIR appears in Chapter XIII of this report, the "Neighborhood Impact Report."

VIII. Planning Commission Actions

At its May 8, 2002 meeting, the Planning Commission is expected to consider the adoption of a resolution finding the Lodi Redevelopment Plan in conformance with the Lodi General Plan.

A. Statutory Requirements

Section 33352(h) and (j) of the CRL requires that a report to the legislative body contain:

> *The report and recommendations of the planning commission. (h)*
>
> *The report required by Section 65402 of the Government Code. (j)*

The following sections of the CRL describe the purpose and requirements for review of a redevelopment plan by a planning commission:

> *33346. Before the redevelopment plan of each project area is submitted to the legislative body, it shall be submitted to the planning commission for its report and recommendation concerning the redevelopment plan and its conformity to the general plan adopted by the planning commission or the legislative body. The planning commission may recommend for or against the approval of the redevelopment plan.*
>
> *33347. Within 30 days after a redevelopment plan is submitted to it for consideration, the planning commission shall make and file its report and recommendation with the agency. If the planning commission does not report upon the redevelopment plan within 30 days after its submission by the agency, the planning commission shall be deemed to have waived its report and recommendations concerning the plan and the agency may thereafter approve the plan without the report and recommendations of the planning commission.*

B. Analysis

Pursuant to Section 33352(j), the Planning Commission must make a report and recommendation as to the conformity of the proposed Redevelopment Plan to the General Plan (Government Code 65402). The Agency will refer the proposed Lodi Redevelopment Plan to the Planning Commission for its report and recommendation. The Planning Commission is scheduled to review the proposed Redevelopment Plan for its conformance with the General Plan as part of its May 8, 2002 actions.

IX. Summary of Public Review of the Proposed Plan

In accordance with Section 33385 of the CRL, the Lodi City Council formed a Project Area Committee (PAC) for the Project Area.

A. Statutory Requirements

Section 33385 of the CRL requires a legislative body to form a project area committee (PAC) in either of the following situations:

> *(1) A substantial number of low-income persons or moderate-income persons, or both, reside within the project area, and the redevelopment plan as adopted will contain authority for the agency to acquire, by eminent domain, property on which any persons reside.*
>
> *(2) The redevelopment plan as adopted contains one or more public projects that will displace a substantial number of low-income or moderate-income persons, or both.*

Section 33352(i) requires that a report to the legislative body contain a summary of the minutes of the meetings of the project area committee.

B. Analysis

The City and Agency formed the PAC in accordance with the procedures of Sections 33385 and 33385.5. The Agency has received extensive public input regarding the proposed Redevelopment Plan, both from the PAC, and through public meetings and hearings.

1. PAC Formation and PAC Information Meetings

In summer 2001, the City and Agency called for the formation of the Lodi Redevelopment PAC. On September 5, 2001, the City Council conducted a duly noticed public hearing on the "Procedures for the Formation of PAC" and adopted the formation procedures and called for the PAC formation.

The procedures established rules for the noticing and conduct of an election of a nine member PAC, including members from the following representation categories: residential owner occupants, residential tenants, business tenants, business property owners, and community organizations. There was no public opposition to the draft PAC Formation Procedures, and the City Council approved the PAC Formation Procedures at the conclusion of the public hearing.

On September 15, 2001, the Agency mailed a written notice to all residents, property owners, businesspersons, and community organizations within the Project Area announcing its intention to form a PAC. On September 25, 2001, the Agency held a public information meeting to discuss the proposed Redevelopment Plan, the function of the PAC, the process to elect its members, and opportunities to serve on it. A copy of the notice of the PAC formation meeting (which was mailed to all property owners and occupants in the Project Area) is contained in Appendix I.

On October 19, 2001, the Agency conducted the election of residents, business owners and operators, and community organizations representatives to the PAC.

On November 7, 2001, the City Council certified the results of the PAC election and directed the Agency to consult with the PAC during the Plan adoption process.

The PAC Formation Procedures called for the PAC committee to be composed of two residential tenants, two homeowners, two business tenants, two business property owners, and one community organization. At the October 19th election, the eight elected positions were filled. The City Council selected the Eastside Community Improvement Committee to appoint one of its members as the community organization representative to the PAC. Ann Larson was appointed by the Eastside Community Improvement Committee to serve as the community organization representative.

PAC Meetings and Actions

Meeting #1

The first meeting of the PAC was held on November 27, 2001. The PAC members and consultants introduced themselves and established a meeting schedule of the second Tuesday of each month. PAC roles and responsibilities were discussed, including its primary responsibility of reviewing the Redevelopment Plan and submitting a report recommending the plan be adopted or rejected.

PAC by-laws and two applicable laws to the PAC were discussed. These include The Brown Act, a California Law regarding open meetings and the Political Reform Act, which require public officials to file Statements of Economic Interests and prohibits public officials from using their political position to influence governmental decisions for personal gain. PAC members were also given an overview of redevelopment. This included its purpose, potential projects, funding sources, the Plan adoption process and work completed to date by the Redevelopment Agency.

Meeting #2

The second PAC meeting was held on December 18, 2001. The minutes of the November 27, 2001 meeting were approved. Due to a scheduling conflict, the meeting time was changed from the second Tuesday of each month to the third Tuesday of each month. Staff noted that a representative from the Eastside Improvement Committee would be appointed to the PAC during the January meeting to fill the vacancy on the committee. PAC officers were elected. Chuck Easterling was elected to Chairperson. Eduardo Aguirre and Connie Jauregui were elected to Vice-Chairperson and Secretary, respectively. A motion was made and adopted to approve the by-laws with the change of meeting dates to reflect every Third Tuesday and an annual meeting date of December 17, 2002. A presentation was given to the PAC on the major documents involved in the Redevelopment process, including the Redevelopment Plan, Preliminary Report, and Environmental Impact Report. Funding sources and required expenditures and allocations were also discussed.

Meeting #3

The PAC held its third meeting on January 15, 2002. Meeting agenda items included review of Draft Redevelopment Plan, Draft Owner Participation Rules and Residential Conservation Areas. The committee approved minutes of the December 18, 2001 meeting with one minor change clarifying offices can be held for two years rather than one. The Agency's counsel distributed and discussed the Draft Redevelopment Plan and the Rules Governing Participation by Property Owners. The Committee raised concerns about the use of eminent domain in the Project Area and mentioned that a group was organizing against it. Staff responded to the concerns and the Agency stated it would exercise diligence and discretion when using eminent domain. Member Snyder asked if historical elements are given any consideration in the Redevelopment process. Staff replied that it can be a factor for Agency participation.

Meeting #4

The PAC conducted its fourth meeting on February 19, 2002. Agenda items included Review of Preliminary Report, General Comments of PAC and Public Comment. Meeting minutes from January 15, 2002 were approved with two minor corrections.

The Agency's redevelopment consultant, Seifel Consulting, reviewed the content of the Preliminary Report, focusing on Chapter 2: Existing Conditions. The consultant described factors of physical and economic blight including Deficient or Deteriorated Buildings, Factors that Inhibit Proper Use of Buildings, Incompatible Uses, Substandard Lots, Crime Rates and Residential Overcrowding. The consultant also explained that the Agency must demonstrate a connection between the blight conditions and ways in which the Redevelopment Program will mitigate the blight. Member Snyder inquired about protections for historic buildings within the Project Area and the consultant clarified that a certain process must be followed for such buildings.

Meeting #5

The fifth PAC meeting was held on March 19, 2002. Agenda items included approval of February 19, 2002 meeting minutes, Preliminary Report discussion and a review of the Draft EIR and EIR Schedule.

Staff responded to questions and comments regarding the Preliminary Plan, which was reviewed at the February 19th PAC meeting. Staff also discussed the Draft Environmental Impact Report (DEIR), a document that assesses the environmental impacts of the Redevelopment Plan, including Land Use Impact, Noise, Air Quality, Biology, Traffic, Visual Impacts and Wildlife. Staff explained that all of the impacts noted in the document were mitigable except for Air Quality, which will have a "Significant Unavoidable Impact." In order for the EIR to be certified and the plan move forward, the City Council must make a specific finding noting that nothing can be done to offset the air quality condition. The DEIR is available for public review and comment for 45 days and at the end of this period, April 25th, the Agency is required by law to respond to any comments generated. These comments will be compiled with the draft EIR to become the final environmental report. The City Council will vote for its certification in June 2002.

Meeting #6

The April meeting of the PAC was cancelled. The sixth PAC meeting is scheduled for May 21, 2002.

Copies of the minutes of the PAC meetings are attached in Appendix I.

2. Other Community Consultations

A public hearing on the proposed Redevelopment Plan is scheduled to take place as the Plan adoption process continues. The notice of the joint public hearing will be published in the Lodi News Sentinel newspaper once a week for four consecutive weeks (prior to the joint public hearing) in accordance with the notice requirements of the CRL. Additionally, notices of the joint public hearing will be sent by certified mail to each taxing entity and by first class mail to every property owner, business, community organization and resident in the Project Area, as required by CRL Section 33452.

On May 15, 2002, the City Council and Agency are expected to consider scheduling a June 19, 2002 joint public hearing on the proposed Plan and authorizing publication and mailing of the legal notice of the joint hearing. The Agency will respond to comments made at the hearing in writing. All of the comments made at that hearing, as well as the Agency's response, will be part of the record of adoption of the Plan.

X. Environmental Review

The Lodi Redevelopment Agency, with the assistance of Wagstaff & Associates, prepared the Environmental Impact Report (EIR) for the Lodi Redevelopment Project Area Plan. This EIR provides the environmental documentation required by CRL for the Lodi Redevelopment Plan.

The separate EIR document serves as the principal background reference for environmental impact and mitigation information for the City and Agency's decision-makers during deliberations pertaining to the Redevelopment Plan. In compliance with Section 33352(k) of the CRL, the EIR is incorporated by reference into this Report.

A. Statutory Requirements

Section 33352(k) of the CRL requires that a report to the legislative body include the report required by Section 21151 of the Public Resources Code—the environmental impact report (EIR).

B. Analysis

On March 12, 2002, the Redevelopment Agency released for public review the Draft Environmental Impact Report (Draft EIR). The document was distributed to all affected taxing entities, the PAC, the Planning Commission and other entities as required by law. The public review period of the Draft EIR was March 12, 2001 to April 25, 2002. A public hearing on the document was held on April 24, 2002 at the regular Lodi Planning Commission Meeting. All written comments received at the public hearing will be addressed in the Response to Comments Document, which will also show relevant changes to the text of the Draft EIR.

The Final EIR is scheduled to be transmitted on May 31, 2002 to the City Council, the Planning Commission and the PAC pursuant to Section 21151 of the Public Resources Code. Comments will be received on the Final EIR at the June 19, 2002 joint public hearing of the City Council and Agency on the Redevelopment Plan adoption. The certification of the EIR does not constitute approval of the Redevelopment Project itself; rather, the Final EIR must be certified before any action can be taken on the Redevelopment Plan.

A summary of the impacts of redevelopment activities associated with the Redevelopment Plan that are addressed in the EIR appears in Chapter XIII of this report, the "Neighborhood Impact Report."

XI. Report of the County Fiscal Officer

Pursuant to Section 33327 of the CRL, the Agency advised the Office of the San Joaquin County Auditor, the State Board of Equalization and all affected taxing entities that it had designated FY 2001/02 as the base year for the proposed Lodi Redevelopment Plan. In accordance with Section 33328, on January 14, 2002, the County Auditor issued the Report of the County Fiscal Officer that contains the base year values for secured and unsecured property in the proposed Project Area for FY 2001/02.

A. Statutory Requirements

Section 33352(l) of the CRL requires a report to the legislative body to contain the county fiscal officer's report required by Section 33328. The Report of the County Fiscal Officer for the Lodi Redevelopment Project (33328 Report) is provided as Appendix G.

Pursuant to Section 33352(n) of the CRL, this Report on the Plan must include an analysis of the County Fiscal Officer's Report (33328 report) that includes a summary of the Agency's consultation, or attempts to consult, with each of the affected taxing entities, and a response to any of the affected taxing entities' written concerns about the proposed Lodi Redevelopment Project. (Summaries of the consultations with affected taxing entities are included in Chapter XII, while the analysis of the fiscal report is included in the next sections of this chapter.)

Section 33328 of the CRL requires that:

> *The county officials charged with the responsibility of allocating taxes under Section 33670 and 33670.5 shall prepare and deliver to the redevelopment agency and each of the taxing entities, a report which shall include the following:*
>
> *(a) The total assessed valuation of all taxable property within the project area as shown on the base year assessment roll.*
>
> *(b) The identifications of each taxing entity levying taxes in the project area.*
>
> *(c) The amount of tax revenue to be derived by each taxing entity from the base year assessment roll from the project area, including state subventions for homeowners, business inventory, and similar subventions.*
>
> *(d) For each taxing entity, its total ad valorem tax revenues from all property within its boundaries, whether inside or outside the project area.*
>
> *(e) The estimated first year taxes available to the redevelopment agency, if any, based upon information submitted by the redevelopment agency, broken down by taxing entities.*
>
> *(f) The assessed valuation of the project area for the preceding year, or, if requested by the redevelopment agency, for the preceding five years, except for state assessed property on the board roll. However, in preparing this information, the requirements of Section 33670.5 shall be observed. The assessed value shall be reported by block if the property is divided by blocks, or by any other geographical area as may be agreed upon by the agency and county officials.*

B. Total Assessed Valuation of all Taxable Property within the Project Area as Shown on the Base Year Assessment Roll

The FY 2001/02 base year value reported by the County of San Joaquin Auditor for the Lodi Redevelopment Project is $540,175,192.

The State Board of Equalization reported the assessed values of railroads and the non-operating, non-unitary assessed values of state-assessed property located within the boundaries of the proposed Lodi Redevelopment Project to be $2,347,706 in FY 2001/02.

C. Identification of Each Taxing Entity Levying Property Taxes in the Project Area

As shown on Schedules III and IV of the County Fiscal Officer's Report, the following taxing entities were identified in the Project Area:

1. County General
2. Lodi Unified Schools
3. San Joaquin County Delta Community College
4. County Office of Education
5. San Joaquin County Flood Control
6. San Joaquin County Mosquito Abatement
7. North San Joaquin Water Conservation
8. City of Lodi

D. Ad Valorem Tax Revenues Derived by Each Taxing Entity from the Base Year Assessment Roll of the Project Area

As shown in the County Fiscal Officer's Report, the tax revenue to be derived by the affected taxing entities from all properties within the Project Area boundaries for the FY 2001/02 base year is about $5.3 million. The proportionate share of tax revenue for each affected taxing entity is indicated in Table XI-1.

Table XI-1
Ad Valorem Tax Revenues
Derived from Base Year FY 2001/02
Lodi

	Tax from Project Area	Tax Distribution
County General	$1,147,631	21.7%
Lodi Unified Schools	$1,464,269	27.6%
San Joaquin Co. Delta Community College	$205,858	3.9%
County Office of Education	$73,607	1.4%
San Joaquin County Flood Control	$9,028	0.2%
San Joaquin County Mosquito Abatement	$40,545	0.8%
North San Joaquin Water Conservation	$27,129	0.5%
City of Lodi	$868,301	16.4%
Education Revenue Augmentation Fund (ERAF)	$1,460,347	27.6%
	$5,296,715	100.0%

The County Fiscal Officer's Report includes the total ad valorem tax revenues for each taxing entity, both within the Project Area boundaries and the total amount received inside and outside the Project Area. Based on the revenue estimates, almost three fourths of taxing entities (5 of 8) derive less than two percent of revenues from Countywide property taxes within the Project Area. The listing below shows the percentage of total tax revenues derived by each affected taxing entity from properties within the Project Area.

Table XI-2
Basic Property Tax Revenues
Generated in Project Area and Totals for Taxing Entities
Derived from Base Year FY 2001/02
Lodi

	Project Area	Total Tax	%
County General	$1,147,631	$64,928,960	1.8%
Lodi Unified Schools	$1,464,269	$20,310,486	7.2%
San Joaquin Co. Delta Community College	$205,858	$10,938,990	1.9%
County Office of Education	$73,607	$3,999,590	1.8%
San Joaquin County Flood Control	$9,028	$500,467	1.8%
San Joaquin County Mosquito Abatement	$40,545	$2,239,178	1.8%
North San Joaquin Water Conservation	$27,129	$162,214	16.7%
City of Lodi	$868,301	$5,407,579	16.1%
Education Revenue Augmentation Fund (ERAF)	$1,460,347	$82,699,269	1.8%
	$5,296,715	$191,186,733	2.8%

E. Estimated First Year Taxes Available to the Redevelopment Agency

The County Fiscal Officer's Report does not provide an estimate of the first year tax increment available to the Agency. However, based on projections of tax increment revenues contained in Appendix H, the Agency would receive zero dollars in the first year of the Redevelopment Plan.

XII. Summary of Consultations with Taxing Entities

A. Statutory Requirements

CRL Section 33328 requires an agency prior to publication of a notice of the public hearing on a proposed redevelopment plan to consult with affected taxing entities with respect to the proposed redevelopment plan and the allocation of tax increment revenues. Pursuant to Section 33352(n), if, as part of these consultations, any of the affected taxing entities express written objections or concerns with the proposed project area, an agency must include a response to these concerns, additional information, if any, and, at the discretion of the agency, proposed or adopted mitigation measures.

B. Agency Contacts with Affected Taxing Entities

Each of the eight taxing entities affected by the proposed Redevelopment Project was sent a copy of the following:

- Statement of Preparation of the Redevelopment Plan
- Notice of Preparation of the Draft Environmental Impact Report
- Preliminary Report on the Plan
- Draft Environmental Impact Report

The Draft Redevelopment Plan and the Notice of the Joint Public Hearing are scheduled to be transmitted in May 2002.

The Agency consulted or attempted to consult with each of the affected taxing agencies through meetings and telephone follow-up. The results of the consultations with the taxing entities affected by the Redevelopment Project are summarized below:

County of San Joaquin

The City began consultation with the County regarding the establishment of a Lodi Project Area prior to the City establishing the Agency and continued to discuss the proposed plan adoption. Agency staff's last conversation with the County was with Rich Laiblin of the County Administrator's Office on January 10, 2002. At that time he did not express any concerns regarding the proposed Redevelopment Plan.

City of Lodi

The City of Lodi essentially initiated this redevelopment program. The City Manager, who is also the Executive Director of the Agency, has provided direction since the inception of the establishment of the Project Area.

Lodi Unified School District

Staff of the Redevelopment Agency have had numerous conversations with representatives of the Lodi Unified School District. The Assistant Superintendent for Facilities and Planning discussed with the Agency the impacts of being included within the Project Area. The Agency has received no response from the Lodi Unified School District.

San Joaquin Delta Community College

The Agency has received no response from the San Joaquin Delta Community College.

County Office of Education

The Agency has received no response from the County Office of Education.

San Joaquin County Flood Control

The Agency has received no response from the San Joaquin County Flood Control District.

San Joaquin County Mosquito Abatement

The Agency has received no response from the San Joaquin County Mosquito Abatement District.

North San Joaquin Water Conservation

The Agency has received no response from the North San Joaquin Water Conservation District.

C. Responses to Written Objections or Concerns of the Affected Taxing Entities

If, before or at the joint public hearing on the adoption of the Redevelopment Plan, the Agency receives written objections from the taxing entities, the Agency will prepare and present responses to the City Council prior to the Council's adoption of the Redevelopment Plan.

XIII. Neighborhood Impact Report

Section 33352(m) of the CRL states that a report to the legislative body must contain a neighborhood impact report if the proposed project area contains low or moderate income housing. Because the Lodi Redevelopment Project Area does contain low and moderate-income residential housing, a neighborhood impact report is required.

This Chapter summarizes the potential impacts on the neighborhoods in the Lodi Project Area, in accordance with Section 33352(m) of the CRL. The Environmental Impact Report (EIR) for the Proposed Lodi Redevelopment Plan, prepared by Wagstaff and Associates and the Agency, is the source of much of the information included in this Chapter.

The EIR examined the potential overall effects of the proposed Redevelopment Plan assuming full attainment of the objectives and activities of the Redevelopment Plan, and resulting full private sector buildout of the Project Area consistent with the General Plan. (The various environmental impact analyses in the EIR are based on the assumption that the Redevelopment Program projects and activities will be highly successful in stimulating improved economic development.) In this way, the EIR avoids understating the environmental impacts that could occur under the Redevelopment Plan. Actual development may be less.

A. Statutory Requirements

Section 33352(m) of the CRL requires that this Report include a neighborhood impact report:

> *If the project area contains low- or moderate-income housing, a neighborhood impact report which describes in detail the impact of the project upon the residents of the project area and the surrounding areas, in terms of relocation, traffic circulation, environmental quality, availability of community facilities and services, effect on school population and quality of education, property assessments and taxes, and other matters affecting the physical and social quality of the neighborhood. The neighborhood impact report shall also include all of the following:*
>
> *(1) The number of dwelling units housing persons and families of low or moderate income expected to be destroyed or removed from the low and moderate income housing market as part of a redevelopment project.*
>
> *(2) The number of persons and families of low or moderate income expected to be displaced by the project.*
>
> *(3) The general location of housing to be rehabilitated, developed, or constructed pursuant to Section 33413.*
>
> *(4) The number of dwelling units housing persons and families of low or moderate income planned for construction or rehabilitation, other than replacement housing.*
>
> *(5) The projected means of financing the proposed dwelling units for housing persons and families of low and moderate income planned for construction or rehabilitation.*
>
> *(6) A projected timetable for meeting the plan's relocation, rehabilitation, and replacement housing objectives.*

B. Analysis

The EIR for the Lodi Redevelopment Plan assessed the environmental impacts of the Redevelopment Plan and the program of redevelopment activities (sometimes referred to in this Report as the Redevelopment Program) made possible by and proposed to be undertaken pursuant to the Redevelopment Plan. The Plan adopts all mitigation measures from the EIR. The following summary of the environmental impact is based in part on the analysis presented in the EIR.

The major Redevelopment Program categories include the following:

1. Economic Development
2. Building Rehabilitation, Façade Improvement, and/or Historic Preservation
3. Public Infrastructure and Facilities
4. Neighborhood Preservation, Circulation and Landscaping Improvements
5. Site Preparation and Development
6. Affordable Housing

For a more detailed description of potential redevelopment activities, please refer to the Redevelopment Plan and Chapters III and V of this report.

The proposed Redevelopment Program emphasizes the elimination of blighting conditions and constraints that interfere with revitalization and conservation of the proposed Project Area by improving the economic conditions and enhancing residential areas. The direct impact of redevelopment activities will alleviate blight and promote economic development, residential neighborhood conservation and areawide public improvements. The Redevelopment Program also reflects the goals and policies of the City's General Plan and economic development studies.

The direct impact of redevelopment activities will be to aid in the revitalization of the Project Area. The Redevelopment Program will revitalize areas that exhibit adverse physical and economic conditions; stimulate private investment in Lodi's commercial areas; improve housing conditions and infrastructure in residential neighborhoods; and provide tax increment funds for the redevelopment activities that are needed to alleviate blighting conditions.

The secondary impacts of redevelopment activities will be to: improve transportation and circulation; preserve and create civic, cultural, and educational facilities and amenities as a catalyst for area revitalization; upgrade, modernize and expand public infrastructure; revitalize business areas in the Project Area through business retention, expansion and attraction and tourism promotion; and preserve residential neighborhoods. This growth and stabilization will in turn produce several impacts, which are discussed in the following sections.

1. Major EIR Findings

One significant, unavoidable impact—an increase in long-term regional emissions for Reactive Organic Gases and Nitrogen Oxide—was identified in the EIR analyses and findings. Other impacts that were identified as potentially significant could be reduced to less-than-significant levels by inclusion of the mitigation measures listed in the EIR.

This EIR has been formulated as a program EIR, a type of EIR authorized by Section 15168 of the California Environmental Quality Act (CEQA) Guidelines for use in documenting the environmental implications of community general plans, redevelopment plans and other "programs" that involve a series

of interrelated actions taken by a governmental authority that can be characterized as one project to achieve an overall program goal. The approach used in preparing the EIR under the "program EIR" authority was to describe the anticipated broad-based, Project Area-wide and community-wide impacts of the proposed Redevelopment Plan. The EIR describes the cumulative, aggregate effects of the combination of anticipated plan-related actions and facilitated development on future Project Area-wide and community-wide environmental conditions.

In light of the special status of redevelopment plans under CEQA and as interpreted by recent case law (Friends of Mammoth v. Town of Mammoth Lakes), an EIR must evaluate at a project level, rather than a program level, each redevelopment activity of the proposed program for which sufficient information is available with respect to site location, project design, and total buildout to enable and require project-level evaluation. The proposed Redevelopment Program does not contain any proposed program for which sufficient location, design, and buildout information is known to date. Thus, all programs and projects included in the proposed Redevelopment Program were analyzed at a program level consistent with the State CEQA Guidelines.

2. Relocation

At this time, the Agency has not proposed any redevelopment actions that would result in the displacement of individuals from their homes. If in the future the Agency were to take action that would cause displacement, the Agency prior to taking the action, would establish a method and plan for relocation of families and persons to be displaced in connection with any Lodi Redevelopment Agency project. The adopted Agency relocation policy will comply with CRL Section 33367(d)(7), which requires a redevelopment agency to have a feasible relocation method or plan if the agency's redevelopment plans are to result in the displacement of any households in a project area.

3. Transportation, Circulation and Parking

The transportation system serving the Project Area consists of a network of regional roadways, local roads, transit services, rail lines, pedestrian and bicycle provisions, and parking facilities.

The Redevelopment Program would improve traffic signalization and traffic circulation at critical intersections, especially along Cherokee Lane. The EIR states that the increased traffic on surrounding roadways would be a less than significant impact since intersections would maintain acceptable levels of services. The increase in transit use generated by the Redevelopment Project-facilitated development would generate increased demand for some local and interregional transit services, but would not be expected to have a significant adverse impact on the services.

The Redevelopment Program will encourage alternative transportation by improved bicycle and pedestrian circulation. Redevelopment would create a comprehensive pedestrian and bicycle network, providing linkages and improving access to Downtown from the proposed Multi-modal Train Station and Transit Center. The EIR states that it is expected that additional traffic on existing and planned bicycle and pedestrian facilities could be accommodated by existing and planned facilities. The Redevelopment Program includes creating a comprehensive pedestrian and bicycle network, providing linkages and improving access to Downtown from the proposed Multi-modal Train Station and Transit Center; providing pedestrian access to the Transit Center; continuing to provide new sidewalks and/or widening sidewalks in the Downtown, neighborhoods and other areas; and improving street signs and streetlights in the Downtown, neighborhoods and other areas.

Project-facilitated development may also increase demand for on and off street parking in the Project Area. However, the increased demand is not expected to cause adverse impacts on parking conditions

because the Redevelopment Plan includes provisions for development of parking in Downtown Lodi and along Cherokee Lane. In addition, individual developments facilitated by redevelopment would continue to be subject to the City's design review and parking requirements.

4. Environmental Quality

Redevelopment activities will generally enhance the environmental quality of the Project Area by improving neighborhoods and facilitating a hazardous materials cleanup program. Achievement of the basic redevelopment objective of blight elimination, as made possible by the Redevelopment Plan, is, in itself, a positive environmental impact.

a. Hazardous Materials

The City is required by state hazardous materials regulatory agencies to assign or accept responsibility for cleanup of the groundwater contamination in several areas with contaminated groundwater. Three of four contamination "hot spots" are partially or completely within the proposed Project Area. The City is currently involved in litigation with insurance companies representing prior site occupants suspected of earlier contamination. Responsibility for cleanup of suspected groundwater contamination sources will be determined and cleanup is expected to occur pending a final decision in litigation. Most of this cleanup will occur independently of the Redevelopment Plan. However, remediation may be required on a project by project basis prior to initiation of any redevelopment-related construction that may have the potential to disturb or disperse already contaminated groundwater. The proposed Redevelopment Program includes the facilitation of a hazardous materials cleanup program to aid in any required future site-specific predevelopment remediation activities.

Project-facilitated construction has the potential for exposing construction workers and future site occupants to spills, leaks and other discharges of existing hazardous materials or wastes. In addition, hazardous substances may be stored, generated, and/or used in association with project-facilitated new commercial, industrial or other uses within the Project Area. The EIR recommends measures that would be expected to reduce the potentially significant health and safety impacts associated with potential exposure to hazardous materials to a less-than-significant level.

b. Population

The Redevelopment Project could potentially add to population growth in the Project Area. The Redevelopment Project would be expected to facilitate and encourage improvement to the Project Area housing stock and, by extension, population growth within the Project Area. The EIR estimates that between the years 2001 and 2020, the Project Area housing total would increase by an estimated 210 units with the Redevelopment Project (roughly 4.1 percent of the projected Citywide 2001-2020 housing increase of 5,160 units). This anticipated housing increase and associated population increase would not in and of themselves constitute a significant adverse environmental impact.

Based on an average household size of 2.56 persons per household, the population increase associated with 210 additional housing units (538 persons) would be well within the allowable two-percent annual population increase under the City's Growth Management Plan.

Project-facilitated development may contribute to the existing jobs/housing imbalance in Lodi. The projected addition of a substantially greater number of jobs than housing units in the Project Area would exacerbate this imbalance, constituting a potentially significant adverse impact. The implementation of all relevant mitigation measures identified in EIR pertaining to project-related commute period vehicular traffic increases and associated project and cumulative transportation system impacts would reduce the environmental effects associated with project-related incommuting to less-than-significant levels.

c. Land Use and Applicable Land Use Plans and Policies

Redevelopment under the Redevelopment Program will provide opportunities for the City to enhance its residential character, stimulate private investment, and promote economic development.

The EIR provides an evaluation of the Redevelopment Program's consistency with the goals and policies of relevant local and regional plans. Its findings include the following:

- The General Plan goals, objectives and policies would govern all actions set forth in the Redevelopment Plan.
- The City of Lodi zoning ordinance is intended to serve as a tool for implementing the City's General Plan.
- The Central City Revitalization Program (Revitalization Program) was adopted as City Council policy in 1994 and is intended to be a General Plan implementation tool for revitalizing the downtown, the Cherokee Lane corridor and the East Side residential neighborhood.
- The City's Downtown Development Standards and Guidelines were developed in 1997 as an implementation tool of the adopted Revitalization Program. The primary purpose of the Standards and Guidelines is to ensure that high-quality design standards are maintained for all new construction and rehabilitation projects within the downtown.
- The proposed Redevelopment Plan would establish the land uses set forth in the current and future City of Lodi General Plan as the permitted uses within the Project Area.

The EIR states that redevelopment-facilitated development in the Project Area would occur primarily as infill, with no significant change in established community-wide or central area land use patterns. In the East Side residential neighborhood, existing land use incompatibilities resulting from multi-family residential uses would be expected to be improved. Infill development and rehabilitation activity would be expected to foster central area consolidation and nuisance reduction, which would be positive land use effects.

The EIR also found that in addition to beneficial land use compatibility effects, some redevelopment-facilitated land use changes could result in adverse land use compatibility impacts. Given the proximity of some existing, planned and anticipated residential uses to existing and planned commercial and industrial areas, project-assisted intensification could introduce significant new land use conflicts among specific residential, commercial, and industrial developments (e.g., traffic, visual, light, noise, parking, odor and other conflicts). The EIR includes measures to reduce potential land use compatibility impacts to a less than significant level:

- During City review and prior to approval of individual projects within the Project Area, emphasize the need to avoid significant new land use conflicts.
- Require assurances to City satisfaction of: (1) adequate land use separation, scale transition, and noise buffering; (2) creative siting of buildings to avoid conflicts; (3) adequate protections against light, glare, and shadow impacts; (4) adequate odor control; (5) adequate offstreet parking provisions; (6) adequate and safe truck access and offstreet loading provisions; and (7) other common measures warranted to avoid such land use conflicts.

d. Biology

Most of the Project Area is already developed with industrial, residential and commercial uses, and anticipated new development and intensification would not have a significant impact on the general vegetation and wildlife habitat values of the Project Area. The remaining undeveloped and underdeveloped land in the Project Area has already been disturbed by past agricultural and development activities, limiting its habitat value. Redevelopment-facilitated development would be expected to replace

some remaining existing, largely degraded vegetation and wildlife habitats with new structures and landscaping.

Although chances of encountering special-status species in the Project Area are low, redevelopment-facilitated development may result in impacts on special status species. To reduce biological impacts, the EIR includes the following mitigation measure:

- Some suitable habitat for giant garter snake may be present along drainage ditches in the Project Area. If disturbance to suitable giant garter snake habitat (i.e. drainage ditches) is proposed as part of a redevelopment-assisted development or improvement project, systematic surveys will be conducted before development is approved. If any populations are encountered, an appropriate mitigation plan will be developed, in consultation with affected resource agencies.

Redevelopment-facilitated development could affect potential jurisdictional wetland habitat. Some disturbance of wetlands could be associated with redevelopment-assisted development on vacant or underused parcels that contain seasonal wetlands or drainage ditches. The EIR requires that, to mitigate potential wetland impacts, development that would involve modifications to potential wetlands and other waters be coordinated with the California Department of Fish and Game and the U.S. Army Corps of Engineers. Any required mitigation protocols and associated individual project design modifications will be incorporated into proposed improvement plans during the initial stages of project review. These measures would ensure that potential impacts on wetland resources would be minimized and adequate replacement would be provided, mitigating any potential impact to a less-than-significant level.

e. Drainage and Water Quality

The proposed Redevelopment Program includes the implementation of storm drain, wastewater and water distribution improvements in the East Side neighborhood, along Cherokee Lane and Downtown. These activities will have a positive environmental impact.

As redevelopment-facilitated development in the Project Area would be limited to areas that are already substantially developed, the increment of additional impervious surface (buildings, pavement, etc.) and related stormwater runoff rate increase would be minimal. In addition, development facilitated by the project would not be expected to alter surface water drainage patterns or interfere with surface water flows.

Redevelopment program-facilitated building construction and infrastructure improvements in the Project Area could further degrade downstream water quality. Associated factors that may contribute to downstream water quality problems include soil disturbance during construction; new impervious surfaces created with project-facilitated developments and increased vehicle traffic; and herbicides, pesticides, and fertilizers from new landscaping associated with project-facilitated development. New project-facilitated commercial operations could contaminate surface and groundwater if potential pollutants are spilled or disposed of improperly.

The EIR mitigation measure requires applicants for project-facilitated development requiring a discretionary City approval to comply with all applicable state, regional and City water quality provisions. Additional requirements consistent with Regional Water Quality Control Board's (RWQCB) specifications will be imposed for projects involving the grading of more than five acres. Implementation of these requirements will reduce this impact to a less-than-significant level.

f. Cultural Resources

Prehistoric Resources

Due to the general nature of the proposed Redevelopment Plan and associated future development activities, it is difficult to forecast the impact of future project-facilitated development on archaeological resources. However, it is possible that archaeological sites could be encountered in the Project Area during construction activities. As included in the EIR, in the event that subsurface cultural resources are encountered during ground-disturbing activities for construction activity, work in the immediate vicinity will be stopped and a qualified archaeologist retained to evaluate the find. The discovery or disturbance of any cultural resources should be reported to the Central California Information Center (CCIC), and if prehistoric, to the Native American Heritage Commission. Mitigation measures prescribed by these groups and required by the City should be undertaken prior to resumption of construction activities. Implementation of this measure would reduce this potential impact to a less-than-significant level.

Historic Resources

The majority of the historic properties in the City of Lodi are concentrated in the Project Area, specifically in the downtown. Project-facilitated development in the Project Area has the potential to destroy or substantially degrade historic resources, if these resources are not identified or recognized and their maintenance, rehabilitation and/or appropriate reuse are not promoted. This impact would be partially offset by Redevelopment Program assistance for building rehabilitation and historic preservation through low-interest loans and grant funds. Implementation of the following mitigation measure included in the EIR and incorporated in the Redevelopment Plan will reduce potential effects on historic resources to a less-than-significant level.

- Evaluate all future project-assisted public improvement projects and private development projects for the presence of, and potential impacts on, historic resources. If disturbance of a historic resource cannot be avoided, implement a mitigation program. Sponsors of projects on sites that contain unlisted structures 45 years or older shall have a qualified architectural historian prepare a report to evaluate the suitability of the structure for historic status. If the structure is determined to be eligible for historic status, the Lodi Planning Commission should determine whether the structure should be preserved in place, offered for relocation to another site, or documented with photographs and a report for submittal to a museum or library prior to demolition.
- Alternatively, conduct a single survey of the Project Area. Evaluate any buildings 45 years of age or older and determine their potential architectural and/or historic significance, prior to any project-facilitated development.

5. Community Facilities and Services

a. Water

Water Sources

Additional development facilitated by implementation of the proposed Redevelopment Plan and associated increases in commercial activity, employment, and residential population would result in increases in the demand for water service. The City is prepared to provide the additional domestic water necessary for anticipated additional development in this area within the City's existing water entitlements and distribution systems. However, water table fluctuations due to aquifer overdraft create some uncertainty regarding available water supply for the City's future needs. Implementation of the following two City of Lodi General Plan Land Use and Growth Management Element policies would ensure that project-related impacts on the adequacy of City water sources would be reduced to a less-than-significant level:

- The City will develop new facilities, as necessary, to serve new development in accordance with the City's Water, Wastewater, and Drainage Master Plans.
- The City will assess water, wastewater, and drainage development fees on all new residential, commercial, office and industrial development sufficient to fund required systemwide improvements.

Water Distribution

The proposed Redevelopment Plan includes implementation of water distribution improvements in the East Side neighborhood, along Cherokee Lane and Downtown. These activities will have a positive environmental impact.

The existing water distribution system may not be adequate to serve anticipated new redevelopment-facilitated development and intensification in the Project Area. The existing water distribution system in portions of the Project Area, especially in the East Side residential neighborhood, suffers from aged, deteriorating pipes of varying materials. These pipes may not adequately serve existing development in the short term or project-facilitated new development in the long term. One specific deficiency noted in the City's Water Master Plan is the inadequacy of smaller and older lines throughout the City to supply fire flows. Implementation of the following measure would ensure that project-related impacts on the adequacy of City water distribution system would be reduced to a less-than-significant level:

- As project-facilitated development takes place over the next 20 years, implement remaining needed central area water distribution system improvements identified in the City's Water Master Plan.
- Promote water conservation as the Project Area redevelops.

b. Police and Fire Protection and Emergency Medical Service

Implementation of the Redevelopment Plan may lead to an increase in the need for police protection, fire protection, and emergency medical services, and require the purchase of new equipment or the construction of new facilities for additional staff. Full buildout of the Project Area would increase population and the number of businesses in the City of Lodi. However, implementation of the Redevelopment Plan may provide additional resources to both the Police Department and Fire Department. Planned building code enforcement, the redevelopment of dilapidated and abandoned buildings, and new structures would reduce potential fire hazards and provide new buildings that meet all Uniform Fire Codes and Uniform Building. In addition, improvements to the water distribution system and traffic circulation will assist with public safety response systems.

Police

Redevelopment-facilitated development and intensification within the Project Area would increase demands for police service. The City of Lodi Police Department may require additional staffing or equipment to serve these added demands. Implementation of the following measure would ensure that project-related impacts on the adequacy of police service would be reduced to a less-than-significant level:

- The Police Department shall monitor the rate of additional police calls per year associated with the Project Area and the adequacy of associated response times. As warranted by the monitoring data, the City shall provide additional officers and facilities (funded through the City's general fund). Following established City procedures, the Police Department shall also review discretionary approvals for project-facilitated commercial and residential development within the Project Area.

Fire

Project-facilitated development and intensification within the Project Area would increase demands for fire protection and emergency medical services. Depending on the type of use, density, and occupancy of individual project-facilitated developments, the City of Lodi Fire Department may require additional

staffing or equipment to meet its fire protection goals. Implementation of the following measure would ensure that project-related impacts on the adequacy of fire service would be reduced to a less-than-significant level:

- The Fire Department shall monitor the rate of additional fire protection service calls per year associated with the Project Area and the adequacy of associated response times. If warranted by the monitoring data, the City shall provide additional firefighters and equipment (funded through the City's general fund).
- The Fire Department shall also review discretionary approvals for project-facilitated commercial and residential development within the Project Area.

c. Sanitary Sewer Services

The proposed Redevelopment Program includes implementation of wastewater distribution improvements in the Eastside neighborhood, along Cherokee Lane and Downtown. These improvements will have a positive environmental impact.

Sewage Collection

The existing wastewater collection system serving the Project Area may not be adequate to serve anticipated new development and intensification in the Project Area. The existing wastewater collection system, especially within the eastern portion of the city, including the Project Area, contains some lines that are approximately 100 years old. These conditions have resulted in excessive infiltration and inflow in some areas, especially the East Side residential neighborhood. Much of the infiltration and inflow problem has been addressed with corrective action completed. An improvement program for the East Side residential neighborhood is planned for completion over the next 10 years. Implementation of the following measure would ensure that project-related impacts on the sewage collection system would be reduced to a less-than-significant level:

- Continue to implement the central area sewage collection system improvements identified as needed in the City of Lodi General Plan, and the City's Sanitary Sewer System Technical Report, including the planned improvements to East Side neighborhood collection system. Implementation of these measures over the next 20 years would reduce project wastewater collection system impacts to a less-than-significant level.

Sewage Treatment

Redevelopment-facilitated development intensification in the Project Area would increase the demand for sewage treatment. Sewage collection and treatment facilities are expected to be adequate to serve General Plan buildout. As required by state law, additional project-facilitated development would be consistent with the General Plan. No significant impacts related to wastewater treatment were identified in the City of Lodi General Plan EIR.

d. Parks and Recreation

The proposed Redevelopment Program includes assistance in providing facilities to serve residents in the Project Area, such as community centers, libraries, and education and training centers. These activities will have a positive environmental impact.

Park and recreation facilities in the Project Area are already operating at capacity. Redevelopment-facilitated development and intensification in the Project Area would increase the demand for park and recreation services. Redevelopment-facilitated population growth (approximately 538 people) and employment growth (2,014 jobs) would generate some additional demand for park and recreation services in the Project Area. Existing Project Area facilities do not have sufficient capacity to accommodate this additional demand. Implementation of the following measure would ensure that project-related impacts on parks and recreation would be reduced to a less-than-significant level:

- The City shall ensure that at least 1.83 acres of parkland is developed within or convenient to the Project Area. As project-facilitated buildout takes place in the Project Area, adequate corresponding park and recreation provisions shall be provided through required dedication of land and/or in-lieu payment of City adopted park and recreation fees.

e. Solid Waste and Recycling

The proposed Lodi Redevelopment Plan would increase the production of solid waste. Total estimated waste generation associated with the projected redevelopment-facilitated Project Area growth increments would be approximately 9,940 tons per year, or 20 to 30 tons per average day. The North County Sanitary Landfill has an estimated 30 years of remaining capacity, sufficient to accommodate solid waste that would be generated by new development associated with the proposed redevelopment project. The EIR did not identify any significant solid waste disposal impacts.

6. School Population and Quality of Education

The EIR estimates that new residential development in the Project Area would result in increase an increase of 93 students in the Lodi Unified School District (LUSD) over the 20-year buildout period. The actual effect of this number of new students would depend on future enrollment and capacity conditions at LUSD schools. Existing LUSD schools serving the Project Area may not have sufficient capacity to accommodate the additional school population generated by project-facilitated residential development.

Pursuant to CRL Section 33607.5, the Lodi Redevelopment Agency would be required to make statutory pass-through payments of tax increment revenue to affected school districts. Statutory Agency pass-through payments constitute the exclusive payments required to be made by the Redevelopment Agency to mitigate any significant environmental effect of the adoption and implementation of the proposed Redevelopment Plan. Implementation of the following measures would ensure that project-related impacts on schools would be reduced to a less-than-significant level. They would be expected to enable the LUSD to fund school improvements necessary to accommodate students from project-facilitated development:

- The Lodi Redevelopment Agency shall make the statutory pass-through payment of tax increment revenue to the LUSD and the San Joaquin County Office of Education pursuant to CRL Section 33607.5.
- The City of Lodi shall require developers in the redevelopment area to pay state-authorized school impact fees to the extent approved by the LUSD.
- Individual project applicants may also choose to enter into agreements with the LUSD to provide additional impact fees negotiated with the LUSD.

7. Effect on Property Assessments and Taxes

Chapter IV of this Report has already provided an overview of the tax increment financing process proposed to be employed by the Agency to fund the redevelopment activities described in Chapter III. Under this process, all entities collecting property tax revenues from lands lying within the Project Area would continue to receive the base year level of revenue from the Project Area at a constant annual rate during the redevelopment period. Any additional revenues generated by new development in the Project Area are used to pay the Agency's debts, for low and moderate income housing activities and to pay the statutory mandated pass-throughs to affected taxing entities. Affected taxing entities would continue to receive annual increases in property tax revenue from other portions of their tax rate areas lying outside of the geographic boundaries of the Project Area.

If adopted as planned, the Base Year for the Redevelopment Plan would be Fiscal Year 2001/02. Thereafter, until the end of the redevelopment period, incremental increases in property tax revenues derived from growth in the assessed value of the Project Area, less statutorily mandated payments to affected taxing entities, are proposed to be allocated to the Agency to fund the Redevelopment Plan. This allocation would not occur automatically; the Agency would annually be required to establish the amount of outstanding indebtedness and file a report with the County Auditor-Controller to demonstrate how the tax increment revenues were being used to repay debts.

Each entity would continue to receive its property taxes on the Base Year Assessed Value in the Project Area. Only property taxes generated on the growth of assessed value would be allocated to the Agency. These revenues are called "tax increment."

Under AB 1290, the Agency is also required to make a set of fixed formula "pass-through" payments to each entity out of this tax increment. Property tax contributions vary for each entity depending upon the proportion of their property tax revenues that are generated within the Project Area and upon their required pass-through payments under AB 1290. Chapter IV describes these payments in detail.

a. Entities Affected

According to the San Joaquin County Controller's Report to Taxing Entities of January 14, 2002, there are eight different levies on property taxes, not including levies in excess of the one percent "Proposition 13" limitation to cover debt service on outstanding bonds.[1]

1. City General Fund
2. County General Fund
3. Lodi Unified Schools
4. San Joaquin Delta Community College
5. County Office of Education
6. San Joaquin County Flood Control
7. San Joaquin County Mosquito Abatement
8. North San Joaquin Water Conservation

Appendix G presents the Auditor-Controller's Report, which lists the taxing entities and levies, and shows the FY 2001/02 distribution of property tax revenues derived by each taxing entity.

b. Impact

As documented in Chapter II, without redevelopment assistance, the Project Area will continue to suffer from a multitude of adverse physical and economic conditions that will continue to discourage new investment and growth in property values. Since the redevelopment activities are expressly designed to alleviate these conditions and encourage economic growth, it is reasonable to conclude that a significant portion of the projected growth in property values should be attributed to redevelopment. In other words, without redevelopment, a major portion of the tax increment revenue would not have been generated in the first place.

Second, in the case of the non-basic aid school districts or offices, the contributed revenue does not translate into a direct loss of revenue for local school and community college districts because the state makes up the difference in property tax revenues that a school or community college district receives with and without a redevelopment project in place.

[1] The property tax levies above the one percent property tax limitation of Article XII are not considered in the fiscal impact analysis, as these funds are fully distributed to the entities, which have outstanding bonds.

The Redevelopment Plan's fiscal impacts upon services would be offset by substantial benefits (both physical and fiscal), and would be derived from the planned public improvements, improved housing stock, increased sales tax revenues, and a revitalized climate anticipated from the Redevelopment Plan.

8. Physical and Social Quality of Neighborhood

a. Air Quality

Construction Activity Air Quality Impacts

Construction activities facilitated by the proposed Redevelopment Project could generate construction period exhaust emissions and fugitive dust that could affect local air quality. Implementation of the following measures would ensure that project-related construction impacts on air quality would be reduced to a less-than-significant level.

- The City shall require that individual redevelopment-facilitated projects within the Project Area involving new construction shall comply, where applicable, with current San Joaquin Valley Unified Air Pollution Control District regulations.
- In addition, where appropriate, the City may also require the following:
  - A limitation on traffic speeds on unpaved roads to 15 miles per hour (mph);
  - Installation of wheel washers for all exiting trucks, or wash off all trucks and equipment leaving the site;
  - Suspension of excavation and grading activities when winds exceed 20 mph; and/or
  - A limitation on the size of the area subject to excavation, grading or other construction activity at any one time to avoid excessive dust.

Long-Term Regional Emissions Increases

The EIR determined that emissions resulting from new vehicle trips generated by redevelopment-facilitated intensification in the Project Area would, by the year 2020, be expected to exceed the applicable thresholds of significance for Reactive Organic Gases and Nitrogen Oxides, resulting in a significant project impact. When this increase in "mobile emissions" is considered cumulatively with possible new industrial "stationary sources" of emissions that could locate within the Project Area, the total of project-related indirect and direct emissions would also exceed applicable significance thresholds.

The EIR provides that the following emissions control strategies shall be applied to redevelopment program-facilitated development activities within the Project Area:

- Where practical, future development proposals shall include physical improvements, such as sidewalk improvements, landscaping, lighting and the installation of bus shelters and bicycle parking, that would act as incentives for pedestrian, bicycle and transit modes of travel.
- Employment-generating development projects of 10,000 square feet (approximately 25 employees) or more shall be required to provide secure and weather-protected bicycle and shower/locker facilities for employees.
- Employment-generating development projects shall provide carpool/vanpool incentives, develop an employee rideshare incentives program, or use other feasible transportation demand measures to reduce vehicle trip generation.

Implementation of these measures would assist in reducing identified project and cumulative impacts on long-term regional emissions levels. It is estimated that the above measures would reduce regional indirect emissions by five to seven percent. This reduction would not reduce this impact to a less-than-

significant level even in the absence of potential industrial emissions. Since no other feasible measures are available, these identified project and cumulative effects on regional air emissions would represent a significant unavoidable impact.

b. Noise

At this time, the exact location and nature of development projects facilitated by the proposed redevelopment plan are not known, and the compatibility of the proposed land uses and the noise environment on the sites cannot be evaluated. Given existing noise levels in the Project Area, City policy would require noise impact analysis for many discretionary development applications involving sites in the area.

Project-facilitated intensification of and changes in land uses in the Project Area could expose additional people to noise levels exceeding acceptable levels. Noise impacts can be reduced through appropriate site planning (e.g., setbacks, noise-protected areas), construction of noise barriers, and/or incorporation of noise insulation features into a project's design as specified in the City of Lodi General Plan. As part of the future environmental review process for individual projects, new developments facilitated by the redevelopment plan shall be evaluated. The results of the noise assessments and the measures identified to reduce noise levels shall be incorporated in the project plans sufficient to meet exterior and interior noise level standards. All such evaluations shall be completed to City satisfaction by a qualified acoustical consultant.

To reduce the potential for noise impacts resulting from project-facilitated construction activities, the EIR recommends implementation of a combination of measures at all construction sites when noise-sensitive receptors are located in the project vicinity. The combination of measures shall be evaluated on an individual, project-by-project basis and shall be sufficient to achieve compliance with applicable City General Plan and/or Noise Ordinance standards at affected receptors.

c. Other Matters Affecting the Physical and Social Quality of the Neighborhood

The Proposed Redevelopment Plan will have a beneficial impact upon the residents, property owners and businesses in the Project Area. This will be accomplished by rehabilitating and preserving the residential neighborhoods, alleviating blighting conditions and removing barriers to development. Implementation of the Redevelopment Plan will bring about coordinated growth and development, making the Project Area a more attractive area, which in turn should stimulate reinvestment. More importantly, the Redevelopment Plan will eliminate blighting influences, which deter and negatively impact the Project Area as a whole.

Through the Agency's involvement in facilitating the rehabilitation of income eligible units, the redevelopment process will also improve the quality of housing in the project area. Commercial development projects that will be brought about as a result of redevelopment action will alleviate blighting conditions, stimulate the local economy and increase the employment opportunities for surrounding residents. The Agency's proposed commercial façade improvement program will enhance the attractiveness and visibility of the existing commercial areas.

C. Impact of Plan on Housing

The Redevelopment Plan would result in an increase of funds available for the development of affordable housing throughout the City. The Agency will allocate at least 20 percent of the distributed tax increment revenue to the development, rehabilitation and preservation of housing affordable to qualifying households. The rehabilitation of deteriorated or vacant structures could constitute a beneficial impact.

The following text addresses the six specific housing data requirements in accordance with CRL Section 33352(m).

1. Removal or Destruction of Low or Moderate Income Housing

The destruction or removal of existing housing units is not an objective of the Lodi Redevelopment Plan. The Agency does not have any current plans that would result in the removal of low and moderate income housing from within the Project Area.

As indicated in Chapter VI on relocation, at this time, the Agency has no plans to destroy or remove any dwelling unit that houses persons or households of low or moderate income in the Project Area. Should any relocation be necessary for residents, a relocation plan will be adopted prior to displacement and relocation benefits would be provided in accordance with state law.

2. Number of Low or Moderate-Income Persons/Families Expected to Be Displaced

The Agency does not have any plans that would result in the displacement of low and moderate income housing from within the Project Area at this time. The Lodi Redevelopment Project does not contemplate the displacement of any existing housing within the Project Area. A situation may arise where the rehabilitation of a severely deteriorated or dilapidated unit or units, used as housing, may necessitate the displacement of current residents. In such instances the Agency will ensure that the relocation will be undertaken in a manner providing all benefits and resources available under the law. In no event, however, will there be a displacement of a substantial number of low or moderate-income persons.

3. General Location of Housing to Be Rehabilitated, Developed or Constructed

The Lodi Redevelopment Project does not contemplate the destruction or removal of any low or moderate income housing units at this time. If it were to be determined that the acquisition of real property, or the execution of an agreement for the disposition and development of property, or the execution of a participation agreement, necessary to further the established goals of the Lodi Redevelopment Plan, will result in the removal of any units from the low and moderate income housing stock, the Agency shall adopt by resolution, a Replacement Housing Plan. This Replacement Housing Plan shall include all elements required by the CRL.

4. Dwelling Units Housing Persons or Families of Low/Moderate Income Planned for Construction or Rehabilitation, Other than Replacement Housing

As described in Chapter V, the Agency's housing production requirements will be met through preserving, improving and increasing the City's supply of low and moderate-income housing.

At least 15 percent of all new or substantially rehabilitated housing units developed within the Project Area will be affordable to low and moderate income households. The Agency estimates that over the life of the Redevelopment Plan, about 137 new dwelling units will be developed for low and moderate income households. Refer to Chapter V for a detailed description of the Agency's housing production plan.

5. Means of Financing the Proposed Construction or Rehabilitation of Dwelling Units for Persons or Families of Low/Moderate Income

The Housing Set Aside Fund would provide sufficient funds to adequately provide new affordable housing units to offset any loss of units in the Project Area.

6. Timetable for Housing Relocation, Rehabilitation and Replacement

The Agency does not have any current plans that would result in the displacement of low and moderate income housing from within the Project Area. Refer to Chapter V for the current schedule for housing production in the Project Area. The Agency will meet all statutory time requirements for relocation and replacement housing as outlined in Chapter VI should any housing units be relocated or replaced.

Due to CRL housing affordability requirements, housing assistance activities in the Project Area would be expected to result in beneficial housing impacts by providing additional affordable units that would not otherwise be available without the proposed Redevelopment Plan. The Plan would also help preserve and improve the quality of affordable housing units by providing assistance for rehabilitation of existing affordable units.

Appendix A:
Sources

SOURCES

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Other Organizations and Persons Consulted:

Industrial/Office/Retail Brokers
Chuck Easterling, Real Estate Broker and PAC member
Elizabeth Rosenquist, Real Estate Broker
Jim Verseput, SSB Realtors
Dave Williams, Dave Williams Real Estate
Elvera Batres, Century 21 Properties Unlimited
Judy Pfeifle, First Commercial Real Estate

Residential Brokers
Wilma Bauer, SSB Realtors
Rose Marie Mendonca, Prudential – Rose Marie Realty
Teresa Williams, KWS Real Estate

John Wagstaff, Wagstaff and Associates, Environmental Consultant

This report was prepared by the Lodi Redevelopment Agency in association with Seifel Consulting Inc.

San Joaquin County Auditor-Controller-TRA Factors
City of Lodi Sales Tax reports (1993-2000)
Historic Sales Tax Trends (from Gruen and Gruen report)
Lakewood Mall Sales Tax Report
West Kettleman Lane Sales Tax Report
East Kettleman Lane Sales Tax Report
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West Lodi Avenue Sales Tax Report
South Cherokee Lane Sales Tax Report
North Cherokee Lane Sales Tax Report

Data Sources:

Mapping
Baumbach & Piazza, mapping services
San Joaquin County Assessor Parcel Maps
8.5"x11"
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Board of Equalization Valuation Division Maps (poster size)

Lodi Conference & Visitors Bureau. http://www.visitlodi.com/history.html

HdL Coren & Cone, Sales Tax Data, 1994-2001.

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Appendix B:
Legal Description of the Project Area

REGISTERED PROFESSIONAL ENGINEER
TERRY PIAZZA
No. 19638
Exp. 9-30-01
CIVIL
STATE OF CALIFORNIA

September 3, 2001

JOB NO. 0048

CITY OF LODI

REDEVELOPMENT PROJECT NO. 1

LEGAL DESCRIPTION OF THE PROJECT AREA BOUNDARY

Commencing at a brass disk at the Southwest corner of the Southeast quarter of Section 12, Township 3 North, Range 6 East, Mount Diablo Base and Meridian; thence South 11° 03' 40" West 97.99 feet to an angle point on the South line of State Highway Route No. 12 and the True Point of Beginning; thence along the South line of said Highway the following four courses: (1) South 86° 52' 18" West, 55.24 feet, (2) South 83° 26' 17" West, 500.90 feet, (3) South 84° 34' 39" West, 299.36 feet, (4) North 89° 46' 57" West, 453.16 feet; thence North 03° 15' 30" East, 703.0 feet to the North line of Tamarack Drive; thence South 86° 41' 04" West, 10.0 feet; thence North 03° 04' 04" East, 67 feet; thence South 86° 41' 04" West, 25 feet; thence North 03° 04' 04" East, 100 feet; thence North 86° 41' 04" East, 25 feet; thence North 03° 04' 04" East, 215 feet; thence North 86° 22' 04" East, 12.70 feet; thence North 02° 25' 44" East, 329.86 feet; thence North 86° 41' 04" East, 22.86 feet; thence North 03° 00' 04" East, 112.7 feet; thence South 86° 41' 04" West, 32.91 feet; thence North 03° 04' 04" East, 36.96 feet; thence North 86° 41' 04" East, 10 feet; thence North 03° 04' 04" East, 252.60 feet more or less to the North line of Park Street; thence along said North line and its westerly projection South 86° 39' 04" West, 223.11

01° 04' 00" West, 134.80 feet; thence South 89° 31' 30" West, 50.00 feet; thence South 01° 04' 00" East, 10.80 feet; thence South 89° 31' 30" West, 97.30 feet; thence North 01° 07' 15" West, 40.00 feet; thence South 89° 31' 30" West, 157.34 feet to the West line of Fairmont Avenue; thence along the West line of Fairmont Avenue, South 01° 11' 30" East, 78.00 feet; thence South 89° 31' 30" West, 219.11 feet to the West line of the CULBERTSON TRACT as filed in Volume 11 of Maps and Plats, page 53, San Joaquin County Records; thence North 01° 11' 30" West, 114.80 feet to the Southeast corner of Lot 29 of the CULBERTSON TRACT; thence South 89° 31' 30" West, 219.11 feet to the Southwest corner of Lot 30 of said CULBERTSON TRACT; thence along the West line of said CULBERTSON TRACT, South 01° 11' 30" East, 161.00 feet; thence South 89° 31' 30" West, 259.11 feet to the West line of Ham Lane; thence along the West line of Ham Lane, North 01° 11' 30" West, 270.00 feet to the centerline of Lodi Avenue; thence continue along the West line of Ham Lane, North 01° 05' 20" West, 91.14 feet; thence along the North line of Lot 17 of HUTCHINS HOMESTEAD ADDITION NO. 3 and its westerly project, North 89° 33' 37" East, 180.96 feet to the Northeast corner of said Lot 17; thence North 01° 12' 00" West, 10.00 feet; thence North 89° 33' 37" East, 115.96 feet; thence along the West line of Sunset Drive, South 01° 19' 00" East, 10.00 feet; thence North 89° 33' 37" East, 175.96 feet to the Northeast corner of Lot 51 of said subdivision last described; thence North 01° 26' 00" West, 9.21 feet; thence North 89° 33' 37" East, 115.96 feet; thence along the West line of Fairmont Avenue, South 01° 32' 00" West, 4.21 feet; thence North 89° 33' 37" East, 175.96 feet; thence South

feet to the West line of School Street; thence along the West line of School Street the following four courses: (1) North 03° 05' 34" East, 417.09 feet, (2) North 03° 00' 04" East, 558.90 feet, (3) North 02° 54' 29" East, 1322.86 feet, (4) North 03° 12' 49" East, 943.28 feet to the South line of Chestnut Street; thence along the South line of Chestnut Street, South 85° 21' 00" West, 325.78 feet to the southerly projection of the East line of Church Street; thence along the East line of Church Street, North 02° 50' 00" East, 165.00 feet; thence South 85° 21' 00" West, 250.00 feet to the West line of an alley; thence along the West and South lines of said alley the following three courses: (1) North 2° 50' 00" East, 10.00 feet, (2) North 29° 45' 17" West, 33.11 feet, (3) South 85° 21' 00" West, 495.00 feet to the East line of Lee Avenue; thence along the East line of Lee Avenue, South 02° 50' 00" West, 200.00 feet to the South line of Chestnut Street; thence along the South line of Chestnut Street, South 85° 21' 00" West, 301.39 feet to the East line of Hutchins Street; thence along the East line of Hutchins Street, South 01° 04' 00" East, 73.86 feet; thence South 89° 31' 30" West, 944.15 feet; thence North 01° 04' 00" West, 296.40 feet; thence South 89° 31' 30" West, 57.85 feet; thence South 01° 04' 00" East, 5.00 feet; thence South 89° 31' 30" West, 390.00 feet; thence South 01° 04' 00" East, 384.80 feet; thence South 89° 31' 30" West, 232.00 feet; thence North 1° 04' 00" West, 240.00 feet to the Northeast corner of Lot 24 of TURNAGE SUBDIVISION as filed in Volume 11 of Maps and Plats, page 119, San Joaquin County Records; thence South 89° 31' 30" West, 100.00 feet to the Northwest corner of said Lot 24' thence along the East line of Orange Avenue, North

30" East, 10.00 feet, (9) North 01° 19' 00" West, 20.12 feet to the westerly extension of the North line of an alley; thence along the North line of the alley and its westerly projection the following five courses: (1) South 87° 09' 56" East, 160.03 feet, (2) South 02° 50' 04" West, 3.26 feet, (3) South 87° 09' 56" East, 50 feet, (4) South 02° 50' 04" West, 6.46 feet, (5) South 87° 09' 56" East, 520.0 feet to the West line of Pleasant Avenue; thence along the West line of Pleasant Avenue, North 03° 00' 04" East, 1050 feet to the South line of Pine Street; thence along the South line of Pine Street North 86° 59' 56" West 360 feet to the southerly projection of the West line of Lee Avenue; thence along the West line of Lee Avenue and its southerly projection North 03° 00' 04" East, 960 feet to the North line of Locust Street; thence along the North line of Locust Street, South 86° 59' 56" East, 360 feet to the West line of Pleasant Avenue; thence along the West line of Pleasant Avenue, North 03° 00' 04" East, 450.85 feet to the westerly projection of the North line of Lockeford Street; thence along the North line of Lockeford Street and its westerly projection South 86° 59' 56" East, 374.90 feet to an angle point; thence leaving the North line of Lockeford Street, South 80° 27' 13" East, 95.2 feet more or less to the Northeast corner of Church and Lockeford Streets; thence South 86° 59' 56" East, 297.5 feet to the Northwest corner of Lockeford and School Streets; thence along the West line of School Street and its northerly projection North 01° 33' 50" East, 322.64 feet to the North line of De Force Avenue; thence along the North line of De Force Avenue, North 88° 48' 10" East, 28.95 feet more or less to the West line of School Street; thence along the West

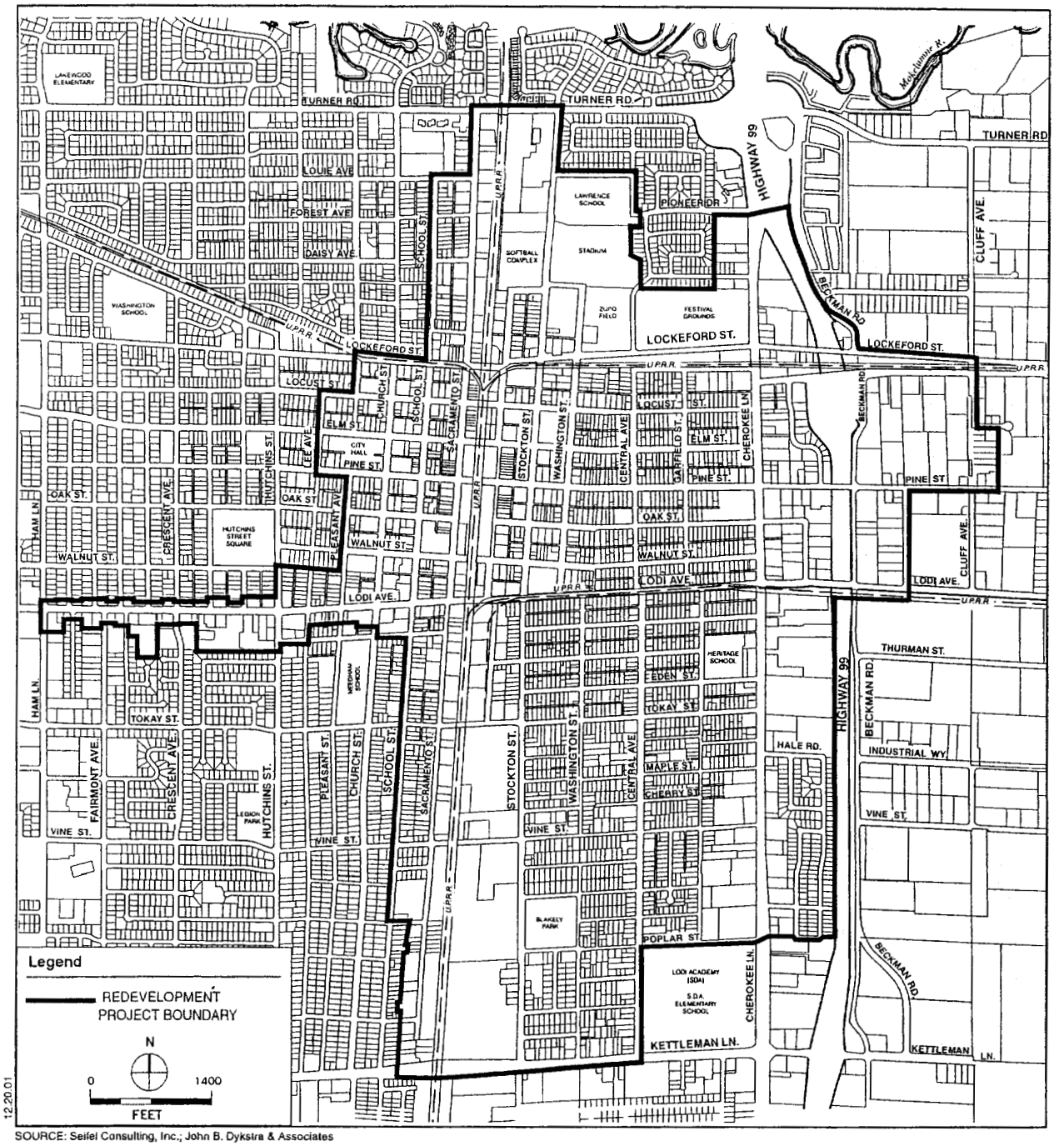
01° 45' 00" East, 5.00 feet to the Northwest corner of Lot 86 of said subdivision last described; thence North 89° 33' 37" East, 115.96 feet to the Northeast corner of said Lot 86; thence along the West line of Orange Avenue, North 01° 45' 00" West, 24.85 feet; thence North 89° 33' 10" East, 187.60 feet; thence South 01° 45' 00" East, 25.00 feet; thence North 89° 33' 10" East, 127.60 feet; thence along the West line of Avena Avenue, South 01° 45' 00" East, 0.80 feet; thence North 89° 31' 30" East, 192.50 feet; thence North 01° 45' 00" West, 22.00 feet; thence North 89° 31' 30" East, 132.50 feet; thence along the West line of Cresent Avenue South 01° 45' 00" East, 24.80 feet; thence North 89° 31' 30" East, 380.20 feet; thence along the West line of Rose Avenue North 01° 45' 00" West, 60.00 feet; thence North 89° 31' 30" East, 230.10 feet; thence along the East line of an alley South 01° 45' 00" East, 56.70 feet; thence North 89° 31' 30" East, 150.10 feet; thence along the West line of California Street North 01° 45' 00" West, 56.70 feet; thence along the westerly projection of the South lines of Lots 14 and 6 of Block 8 of HUTCHINS HIGH SCHOOL ADDITION as filed in Volume 6 of Maps and Plats, page 27, San Joaquin County Records, North 89° 31' 30" East, 380.00 feet to the Southeast corner of said Lot 6; thence along the West line of Hutchins Street the following nine courses: (1) North 01° 19' 00" West, 50.00 feet, (2) South 89° 31' 30" West, 10.00 feet, (3) North 01° 19' 00" West, 50.00 feet, (4) North 89° 31' 30" East, 10.00 feet, (5) North 01° 19' 00" West, 50.00 feet, (6) South 89° 31' 30" West, 10.00 feet, (7) North 01° 19' 00" West, 220.00 feet to the North line of Walnut Street, (8) along the West line of Walnut Street, North 89° 31'

length of 32.77 feet; thence along the North line of Donner Avenue and its easterly projection North 89° 17' 40" East, 841.11 feet to the East line of Calaveras Street; thence along the East line of Calaveras Street, South 00° 42' 20" East, 412.49 feet; thence along a curve to the left having a radius of 20 feet, a central angle of 90° and an arc length of 31.42 feet; thence along the North line of Pioneer Drive, North 89° 17' 40" East, 66.79 feet to the Southwest corner of Lot 11 of "LAWRENCE RANCH SUBDIVISION, UNIT NO. 1" as filed in Volume 13 of Maps and Plats, page 143, San Joaquin County Records; thence along the West line of said subdivision last described the following four courses: (1) South 40° 23' 40" West, 79.64 feet, (2) South 00° 42' 20" East, 104.04 feet, (3) South 82° 45' 10" West, 52.31 feet, (4) South 00° 59' 20" East, 358.00 feet to the Northwest corner of Lot 20; thence along the southwesterly line of said Lot 20, South 61° 36' 20" East, 57.38 feet; thence along the West lines of Lots 20 through 24 inclusive, South 00° 59' 20" East, 276.44 feet; thence South 22° 57' 20" East, 53.45 feet to the Southwest corner of Lot 25; thence along the South lines of Lots 25 through 38 inclusive, North 89° 17' 40" East, 818.60 feet to the Southeast corner of Lot 38; thence North 00° 42' 20" West, 840.0 feet to the Northeast corner of Lot 116; thence along the South line of Pioneer Drive, North 89° 17' 40" East, 366.3 feet to the West line of Cherokee Lane; thence North 75° 58' 31" East, 510.71 feet to a point on the East line of Beckman Road, said point also being a point on a curve from which the radial bears South 86° 04' 31" East; thence along the East line of Beckman Road the following ten courses: (1) southeasterly along a curve to the

line of School Street the following seven courses: (1) North 00° 27' 40" East, 111.98 feet, (2) South 89° 01' 06" East, 2.71 feet, (3) North 00° 04' East, 801.9 feet, (4) South 85° 34' 58" West, 20.13 feet, (5) North 00° 33' 35" East, 395.14 feet more or less to the North line of Forrest Avenue, (6) along the North line of Forrest Avenue, North 86° 12' East, 19.46 feet to the West line of School Street, (7) along the West line of School Street and its northerly projection North 00° 11' East, 427.54 feet to the North line of Louie Avenue; thence along the North line of Louie Avenue, North 89° 05' 30" East, 392.45 feet; thence along a curve to the left having a radius of 25 feet, a central angle of 88° 00' and an arc length of 38.40 feet; thence along the West line of Sacramento Street, North 01° 05' 30" East, 664.20 feet; thence North 02° 35' 32" West, 105.78 feet to the North line of Turner Road; thence along the North line of Turner Road the following ten courses: (1) North 82° 26' 47" East, 82.11 feet, (2) North 89° 26' 30" East, 8.00 feet, (3) South 82° 25' 42" East, 70.71 feet, (4) North 89° 26' 30" East, 130.45 feet, (5) North 03° 00' 04" East, 15.03 feet, (6) North 89° 26' 30" East, 100.20 feet, (7) North 03° 00' 04" East, 15.03 feet, (8) North 89° 26' 30" East, 246.04 feet, (9) South 78° 54' 30" East, 122.53 feet, (10) North 89° 26' 30" East, 242.59 feet; thence South 0° 33' 30" East, 40.00 feet to the centerline of Turner Road; thence along the East line of Stockton Street as delineated on that Map of "COLONY RANCH" as filed in Volume 24 of Maps and Plats at page 50, San Joaquin County Records and its northerly projection South 03° 10' 40" West, 694.37 feet; thence along a curve to the left having a radius of 20 feet, a central angle of 93° 53' and an arc

89° 53' 16" West, 321.23 feet to the centerline of Cluff Avenue; thence continuing along the South line of Pine Street, South 89° 31' 32" West, 673.61 feet to a point of non-tangential curvature; thence along a curve to the left having a radius of 30 feet; a central angle of 90° 31' 32", an arc length of 47.40 feet and a chord that bears South 49° 10' 52" West, 42.62 feet to the most southerly corner of that property conveyed to the City of Lodi by deed recorded in Book 3792 of Official Records, page 312, San Joaquin County Records and the East line of Kelley Street; thence along the East line of Kelley Street and its southerly projection, South 01° 09' 47" East, 1200.42 feet to the South line of the Central California Traction Company Right of Way; thence along the South line of said Right of Way, North 87° 16' West, 856.95 feet to the West line of State Highway Route No. 99; thence along the West line of Highway 99 the following four courses: (1) South 00° 49' 00" East, 29.94 feet, (2) South 03° 51' 12" East, 600.66 feet (3) South 00° 48' East, 3032.54 feet, (4) South 01° 10' 10" East, 261.88 feet to the North line of the South half of the Southwest quarter of Section 7, Township 3 North, Range 6 East, Mount Diablo Base and Meridian; thence North 87° 40' 50" West, 138.24 feet; thence South 0° 35' 30" East, 10.0 feet; thence South 47° 19' 10" West, 38.20 feet; thence North 87° 40' 50" West, 266.09 feet; thence North 42° 40' 50" West, 38.20 feet; thence North 0° 35' 30" West, 10.0 feet; thence along the said North line last described, North 87° 40' 50" West, 252.96 feet to the East line of Cherokee Lane; thence South 61° 45' 43" West, 192.91 feet more or less to the intersection of the South line of Poplar Street and the West line of Cherokee Lane; thence

left having a radius of 770.0 feet, a central angle of 24° 29' 47", an arc length of 329.21 feet and a chord bearing South 08° 19' 24" East, 325.86 feet, (2) South 20° 34' 18" East, 360.71 feet, (3) along a curve to the left having a radius of 1970 feet, a central angle of 06° 01' 42" and an arc length of 207.27 feet, (4) South 26° 36' 00" East, 138.05 feet, (5) South 25° 44' 07" East, 131.90 feet, (6) South 26° 36' East, 38.33 feet, (7) along a curve to the left having a radius of 372 feet, a central angle of 28° 58' 30" and an arc length of 188.12 feet, (8) South 55° 34' 30" East, 157.89 feet, (9) along a curve to the right having a radius of 178 feet, a central angle of 55° 07' 30" and an arc length of 171.26 feet, (10) South 00° 27' 00" East, 119.60 feet; thence South 43° 45' 12" East, 36.35 feet to the North line of Lockeford Street; thence along the North line of Lockeford Street, South 87° 00' East, 1272.54 feet to the northerly projection of the East line of Cluff Avenue; thence along the East line of Cluff Avenue and its northerly projection the following five courses: (1) South 01° 09' 46" East, 331.92 feet, (2) South 89° 48' 44" West, 2.0 feet, (3) South 01° 09' 46" East, 128.89 feet, (4) North 89° 48' 44" East, 2.0 feet, South 01° 09' 46" East, 354.67 feet to the South line of Mounce Street; thence along the South line of Mounce Street, North 89° 48' 44" East, 289.19 feet to the northerly projection of the West line of Parcel "A" as delineated on that map filed in Book 7 of Parcel Maps, page 13, San Joaquin County Records; thence South 01° 09' 46" East, 712.42 feet to the intersection of the southerly projection of the West line of said Parcel "A" and the South line of Pine Street; thence along the South line of Pine Street, North



SOURCE: Seifel Consulting, Inc.; John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

FIGURE 1-1: REDEVELOPMENT PROJECT AREA

along the South line of Poplar Street the following three courses: (1) South 85° 47' 10" West, 617.50 feet, (2) South 00° 36' 30" East, 10.0 feet, (3) South 85° 47' 10" West, 620.30 feet to the East line of Central Avenue; thence along the East line of Central Avenue South 00° 36' 35" East, 1160.74 feet to the North line of State Highway Route No. 12; thence South 00° 37' 30" East, 110.14 feet; thence along the South line of said Highway 12 the following five courses: (1) South 86° 29' West, 44.05 feet, (2) along a curve to the left having a radius of 3945 feet, a central angle of 4° 05' 08" and an arc length of 281.30 feet to a point of reverse curvature, (3) along a curve to the right having a radius of 5892.19 feet, a central angle of 4° 05' 08" and an arc length of 420.15 feet, (4) South 89° 29' West, 592.36 feet, (5) South 74° 33' 28" West, 71.79 feet to the TRUE POINT OF BEGINNING.

Containing 1,184 acres more or less.

Appendix C:

List of Unreinforced Masonry Buildings

Appendix C

Lodi Redevelopment Project
Redevelopment Plan Adoption

LIST OF UNREINFORCED MASONRY BUILDINGS IN DOWNTOWN LODI

April 2002

Prepared by
John B. Dykstra & Associates
for the
City of Lodi

INTRODUCTION

This list of unreinforced masonry buildings was prepared for incorporation in the Report to Council on the proposed Lodi Redevelopment Redevelopment Project. The list covers only unreinforced masonry buildings of brick construction. A total of 66 unreinforced masonry buildings have been identified.

METHODOLOGY

The list was prepared in two stages. The first stage consisted of a review of historic maps of downtown Lodi prepared and maintained for insurance purposes by the Sanborn Map Company during the period 1926 to 1960. These maps described the type of construction (brick, reinforced concrete, or wood frame, for example) of every building in the area. In addition, in many cases the use of the building was also described. The second stage consisted of a field reconnaissance survey to verify the continued existence of the buildings.

LOCATIONS OF UNREINFORCED MASONRY BUILDINGS

The approximate location of buildings identified as being of unreinforced masonry construction are shown in the map presented as Figure C-1, Location of Unreinforced Masonry Buildings, Downtown Lodi.

LIST OF UNREINFORCED MASONRY BUILDINGS

The list of unreinforced masonry buildings is presented in the pages following the map.

Lodi Redevelopment Project

LIST OF UNREINFORCED MASONRY BUILDINGS IN DOWNTOWN LODI[1]

April 2002

Block Bounded by Lockeford, Sacramento, Locust, and School Streets (1 Building)

217 N. Sacramento Street

Block Bounded by Lockeford, Main, Locust, and Sacramento Streets (5 Buildings)

200-202 N. Sacramento Street
206-208 N. Sacramento Street
210 N. Sacramento Street
25-27 E. Locust Street (2 buildings)

Block Bounded by Locust, Sacramento, Elm, and School Streets (7 Buildings)

101-107 N. Sacramento Street
5-7 W. Elm Street
21-25 W. Elm Street
27-31 W. Elm Street and 100-106 School Street (corner building)
106A-114 N. School Street
116 N. School Street
118-120 N. School Street

Block Bounded by Locust , Main, Elm, and Sacramento Streets (5 Buildings)

110 N. Sacramento Street
114 N. Sacramento Street
116 N. Sacramento Street
118 N. Sacramento Street
124-126 N. Sacramento Street

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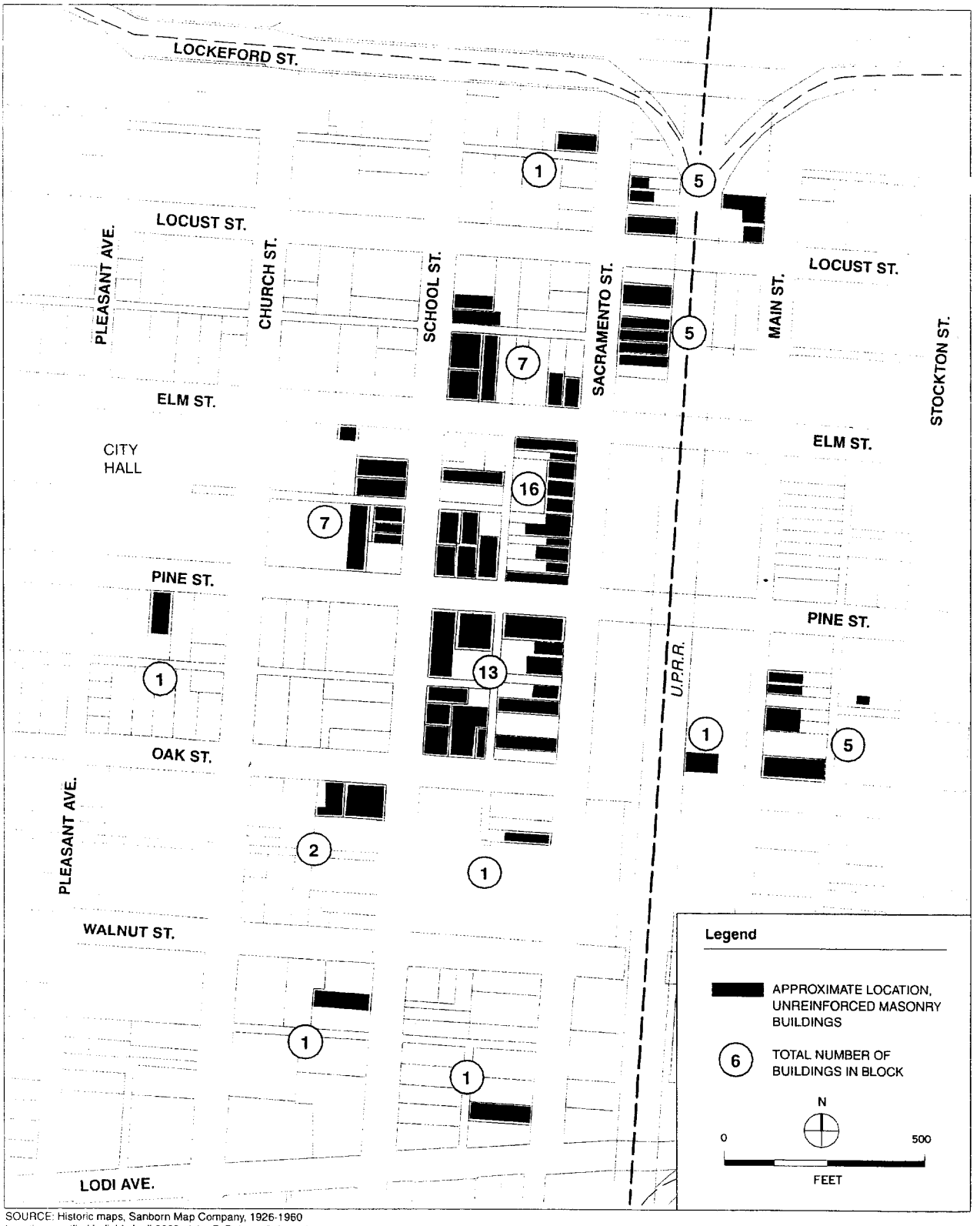
[1] Building count approximate due to unified facades and other building modifications made over time. Addresses are those as shown on the Sanborn Maps and may or may not coincide with current addresses.



4.16.02

SOURCE: Historic maps, Sanborn Map Company, 1926-1960
Locations verified in field, April 2002, John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

FIGURE C-1: LOCATION OF UNREINFORCED MASONRY BUILDINGS, DOWNTOWN LODI

Block Bounded by Elm, School, Pine, and Church Streets (7 Buildings)

106 W. Elm Street
7 N. School Street
9 N. School Street
11-13 N. School Street
21-23 N. School Street
25 N. School Street
107-111 W. Pine Street (partially reinforced with concrete bond beam)

Block Bounded by Elm, Sacramento, Pine and School Streets (16 Buildings)

1 N. Sacramento Street
5-7 N. Sacramento Street
9-11 N. Sacramento Street
15 N. Sacramento Street
19-25 N. Sacramento Street
27-43 N. Sacramento Street (estimated 3 buildings, unified facades)
45 N. Sacramento Street
47 N. Sacramento Street
15-17 W. Pine Street
19-21 W. Pine Street (front)
19-21 W. Pine Street (rear)
23-25 W. Pine Street and 2-4 N. School Street (corner building)
6-12 N. School Street
20-22 N. School Street

Block Bounded by Pine Street, Church Street, Oak Street, and Pleasant Avenue (1 Building)

212 W. Pine Street (partially reinforced with concrete bond beam)

Block Bounded by Pine, Sacramento, Oak, and School Streets (13 Buildings)

14-20 W. Pine Street
2-12 W. Pine Street and 1 S. Sacramento Street (corner building)
7-9 S. Sacramento Street
11-17 S. Sacramento Street
23 S. Sacramento Street
27-31 S. Sacramento Street
41- 43 S. Sacramento Street
15 W. Oak Street
17-21 W. Oak Street

22-28 S. School Street
16-20 S. School Street
14-14A S. School Street
2-6 S. School Street

Block Bounded by Pine, Main, Walnut, and Sacramento Streets (1 Building)

31-33 E. Oak Street

Block Bounded by Pine, Stockton, Oak, and Main Streets (5 Buildings)

112 E. Pine Street (rear, on alley)
32 S. Main Street
18-20 S. Main Street
10-14 S. Main Street
6-8 S. Main Street

Block Bounded by Oak, School, Walnut, and Church Streets (2 Buildings)

110 W. Oak Street
104-108 W. Oak Street and 101-107 S. School Street (corner building)

Block Bounded by Oak, Sacramento, Walnut, and Church Streets (1 Building)

105 S. Sacramento Street

Block Bounded by Walnut Street, School Street, Lodi Avenue, and Church Street (1 Building)

201 S. School Street

Block Bounded by Walnut Street, Sacramento Street, Lodi Avenue, and School Street, (1 Building)

221 S. Sacramento Street

Appendix D:

Building Conditions by Survey Areas and Subareas

Appendix D

Lodi Redevelopment Project
Redevelopment Plan Adoption

BUILDING CONDITIONS RATINGS BY SURVEY AREAS AND SUBAREAS

January 2002

Prepared by
John B. Dykstra & Associates
for
Seifel Consultants Inc.
and the
City of Lodi

INTRODUCTION

The Building Conditions Survey

A comprehensive Building Conditions Survey was conducted to evaluate the general condition of buildings in the proposed Redevelopment Project.[1] During this survey a total of 3,382 buildings were rated on a scale of 1 (worst condition) to 5 (best condition). This appendix provides detailed information on the distribution of building conditions ratings throughout the proposed Project Area.

The tables and maps presented in this appendix summarize conditions in effect at the time of the Building Conditions Survey which was conducted in March and April 2000 and updated in September 2001.

Standards

The general standards and criteria used in assessing the physical condition of buildings are summarized in Table D-1, Building Conditions Assessment, presented on the following page.

DEFINITION OF SURVEY AREAS AND SUBAREAS

A total of eight survey areas have been defined to facilitate the assembly and analysis of data and the presentation of the results of Building Conditions Survey. In defining the areas, consideration was given to land uses, age and quality of development, and the presence of logical boundaries (such as streets). In turn, to provide even greater detail on the distribution of blighting conditions in the proposed Project Area, these survey areas were then divided into a total of 51 subareas.

The boundaries of the survey areas are shown on Figure D-1, Building Conditions Survey Areas

RESULTS OF THE BUILDING CONDITIONS SURVEY

The results of the Building Conditions Survey are summarized in Figure D-2, Average Building Conditions Ratings by Survey Areas. In addition, more detail is provided for each of the eight survey areas as follows:

- A map showing the boundaries of each survey area and the subareas that make up the survey area.
- A table showing average building conditions ratings for the survey area and the subareas that make up the survey area.

---

[1] For more detail on the Building Conditions Survey, reference should be made to Section II of the Preliminary Report.

Table D-1
Building Conditions Assessment

STANDARDS USED IN ASSESSING BUILDING CONDITIONS

Specific Standard: The provisions of the California Community Redevelopment Law pertaining to blight

General Standard: The relative cost of correcting building deficiencies, code compliance problems, and seismic safety problems to a degree sufficient to ensure a relatively long-term physical and economic life (i.e., 20-40 years)

Building Condition Rating	General Condition	Likely Cost of Correcting Deficiencies[6]	Potential for Private Economic Rehabilitation[7]
1	Very extensive physical/structural deficiencies (often dilapidated)[1]	Very high	Very difficult, if not impossible
2	Extensive physical/structural deficiencies[2]	High	Difficult
3	General good condition, some deficiencies present[3]	Significant	Possible
4	Relatively few deficiencies present[4]	Low to moderate	Relatively easy
5	General excellent condition[5]	Minor to low	None required

ADVERSE PHYSICAL CONDITIONS CONSIDERED IN ASSESSING BUILDING CONDITIONS

Major Adverse Physical Conditions

- General dilapidation (very serious deterioration of entire structure or major parts thereof)
- Apparent abandonment (vandalized or boarded up buildings)
- Structural failure (cracking or subsided foundations, sagging walls or roofs, etc.)
- Structural weakness (buildings without adequate foundations, substandard construction, unreinforced masonry walls, etc.)

Other Adverse Physical Conditions

- Potential seismic weakness
- Deferred maintenance and neglect
- Broken windows
- Peeling or faded paint
- Sagging porches
- Dry rot in walls, window frames, door frames, doors, roof rafters, and trim
- Deteriorated, damaged, poorly repaired, or excessive layers of roofing materials
- Cracks or loose bricks in chimneys
- Deteriorated, broken, or loose siding materials
- Deteriorated or broken stucco walls
- Rusted, deteriorated, or missing roof drainage gutters or down spouts
- Faulty wiring or plumbing
- Old and possibly substandard and hazardous electrical service
- Eroded mortar or loose bricks in masonry walls
- Informal or substandard construction

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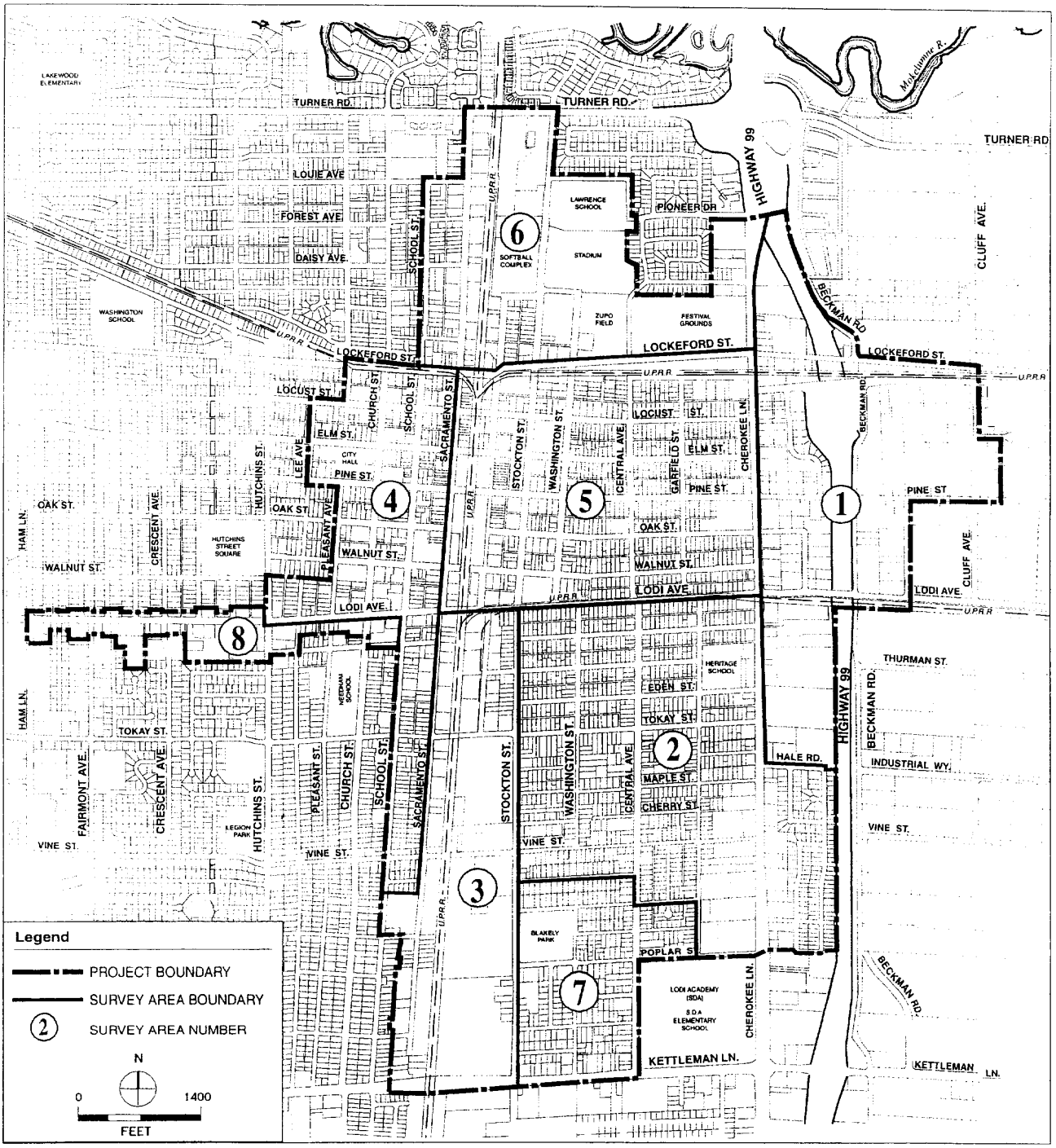
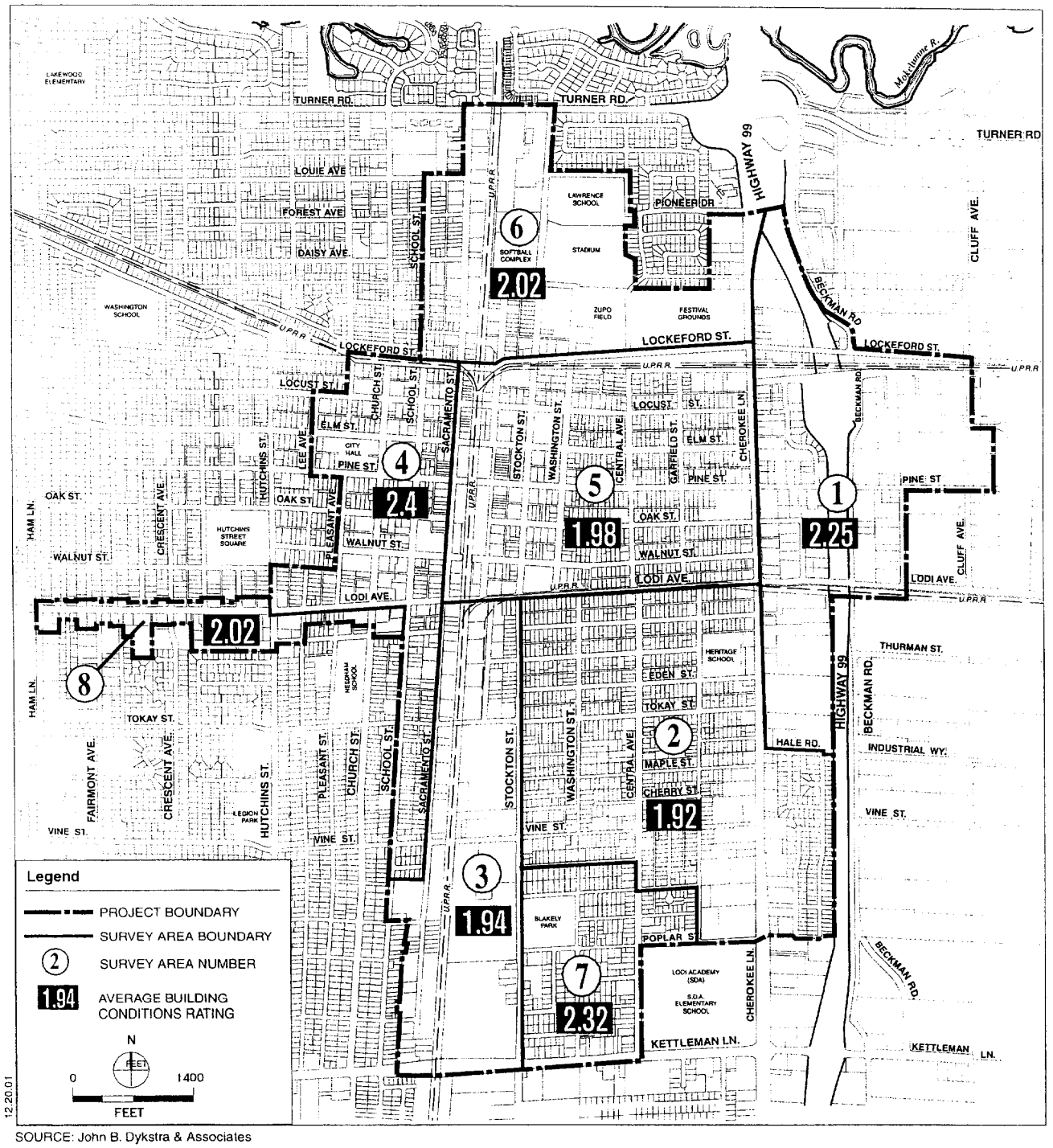


12.20.01

SOURCE: John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

FIGURE D-1: BUILDING CONDITIONS SURVEY AREAS



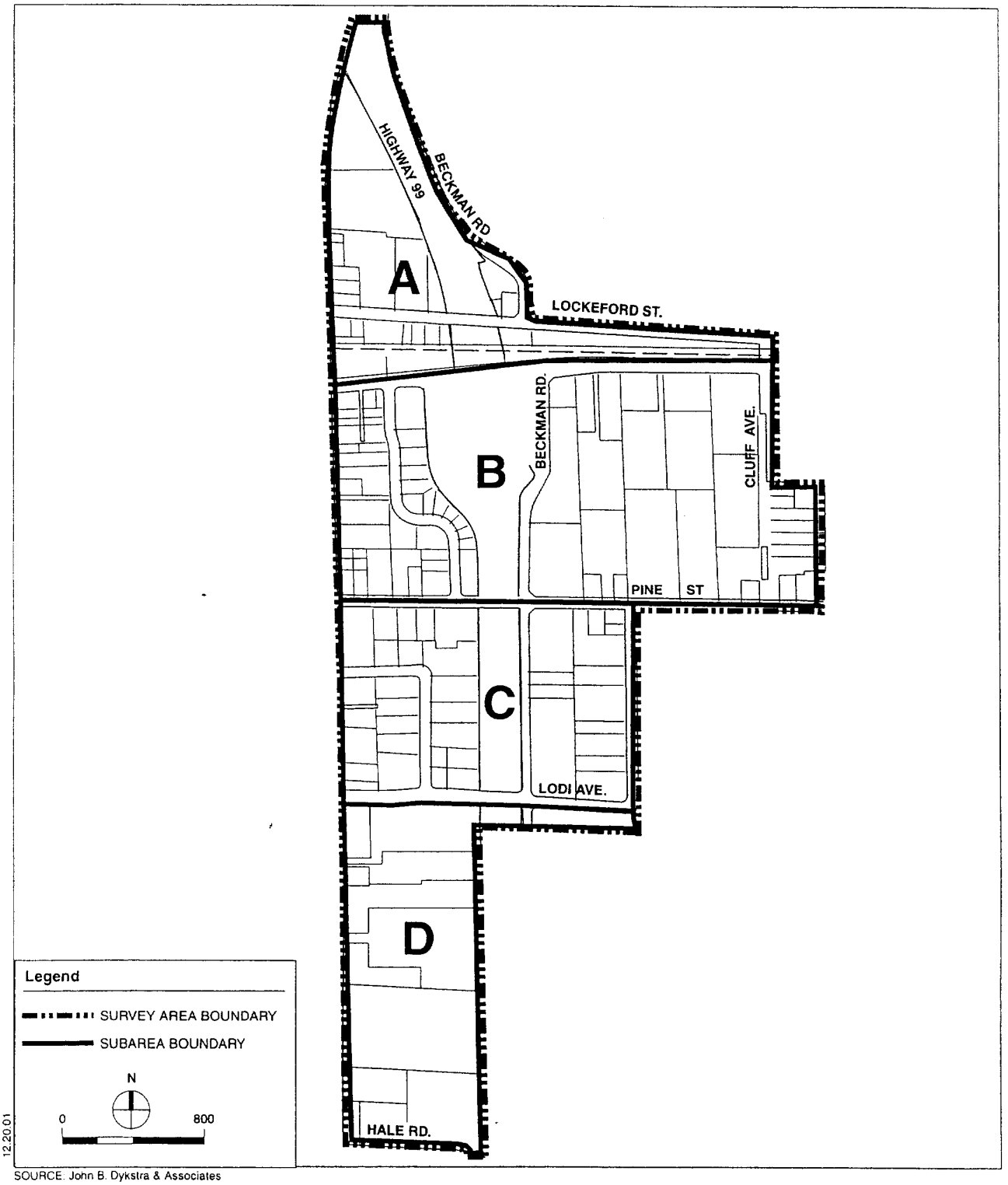
12.20.01

SOURCE: John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

FIGURE D-2: AVERAGE BUILDING CONDITIONS RATINGS BY SURVEY AREA

Survey Area 1



12.20.01

SOURCE: John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

BUILDING CONDITIONS SURVEY AREA 1, SUBAREA LOCATION MAP

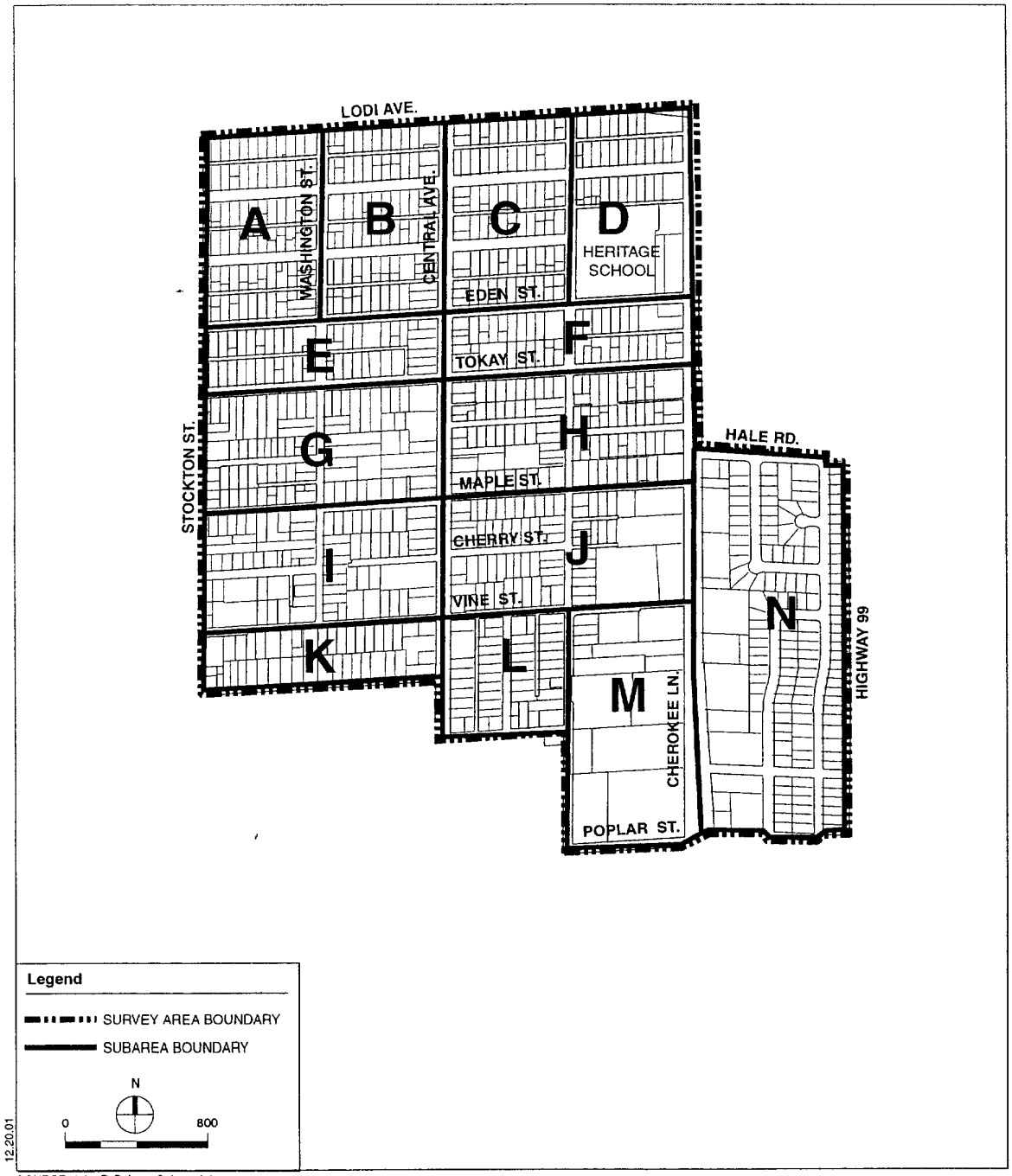
Lodi Redevelopment Project

BUILDING CONDITION SURVEY

SURVEY AREA 1

Subarea	Building Conditions Ratings					Average Rating
	1	2	3	4	5	
A	10	12	16	2	0	2.25
B	24	38	22	7	0	1.57
C	11	22	18	1	0	2.17
D	0	7	10	4	1	2.95
Totals	45	79	66	14	1	2.25

Survey Area 2



SOURCE: John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

BUILDING CONDITIONS SURVEY AREA 2, SUBAREA LOCATION MAP

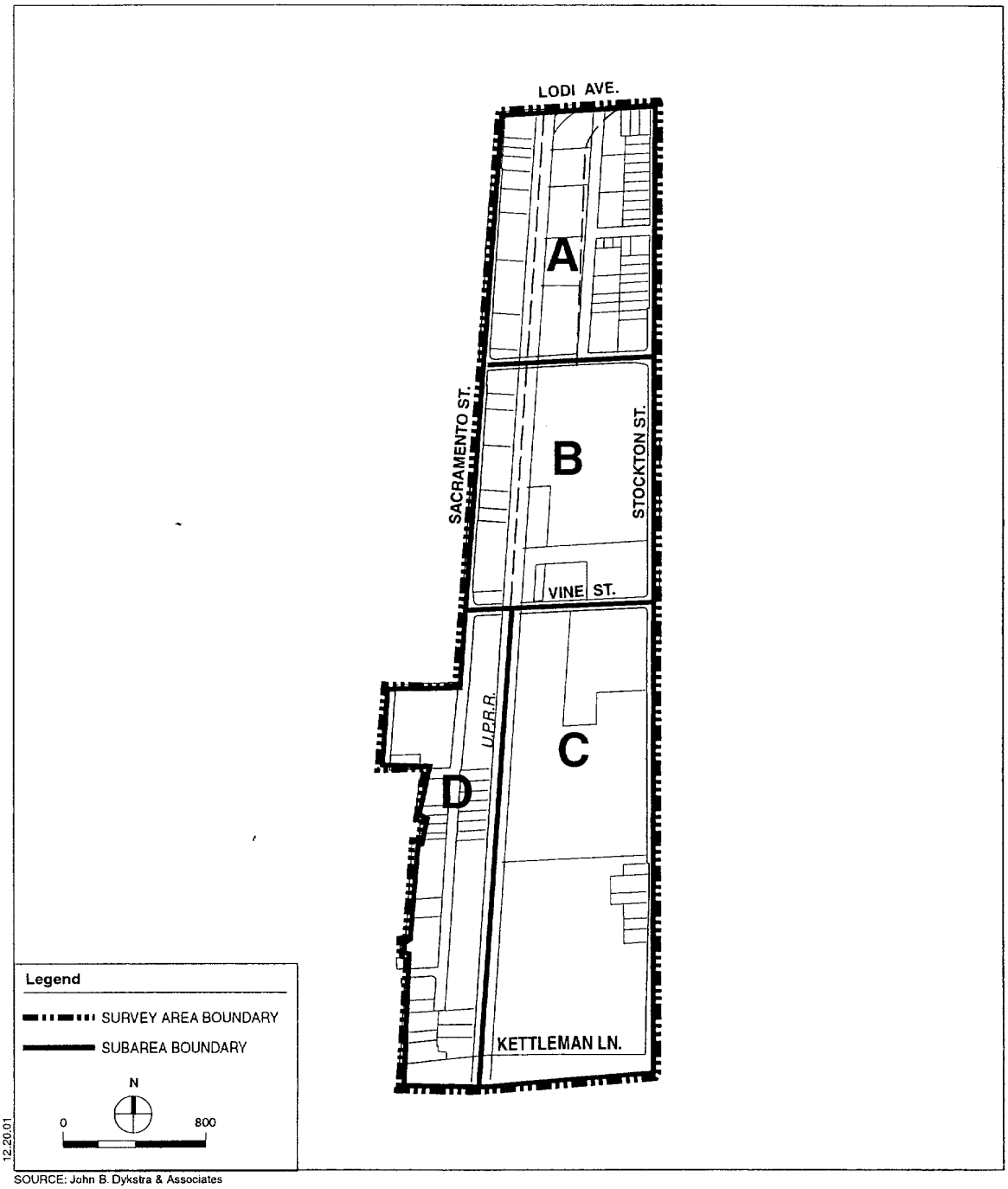
Lodi Redevelopment Project

BUILDING CONDITIONS SURVEY

SURVEY AREA 2

Subarea	Building Conditions Ratings					Average Rating
	1	2	3	4	5	
A	41	52	19	0	1	1.83
B	27	54	21	3	0	2.00
C	53	41	17	2	0	1.72
D	23	24	10	4	0	1.92
E	30	30	10	0	0	1.71
F	21	30	6	0	0	1.74
G	40	52	29	0	0	1.91
H	50	49	14	0	0	1.68
I	24	54	20	2	0	2.00
J	35	44	13	0	0	1.76
K	10	36	9	0	0	1.98
L	18	30	8	2	0	1.90
M	6	17	23	0	0	2.37
N	16	83	64	1	0	2.30
Totals	394	596	263	14	1	1.92

Survey Area 3



SOURCE: John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

BUILDING CONDITIONS SURVEY AREA 3, SUBAREA LOCATION MAP

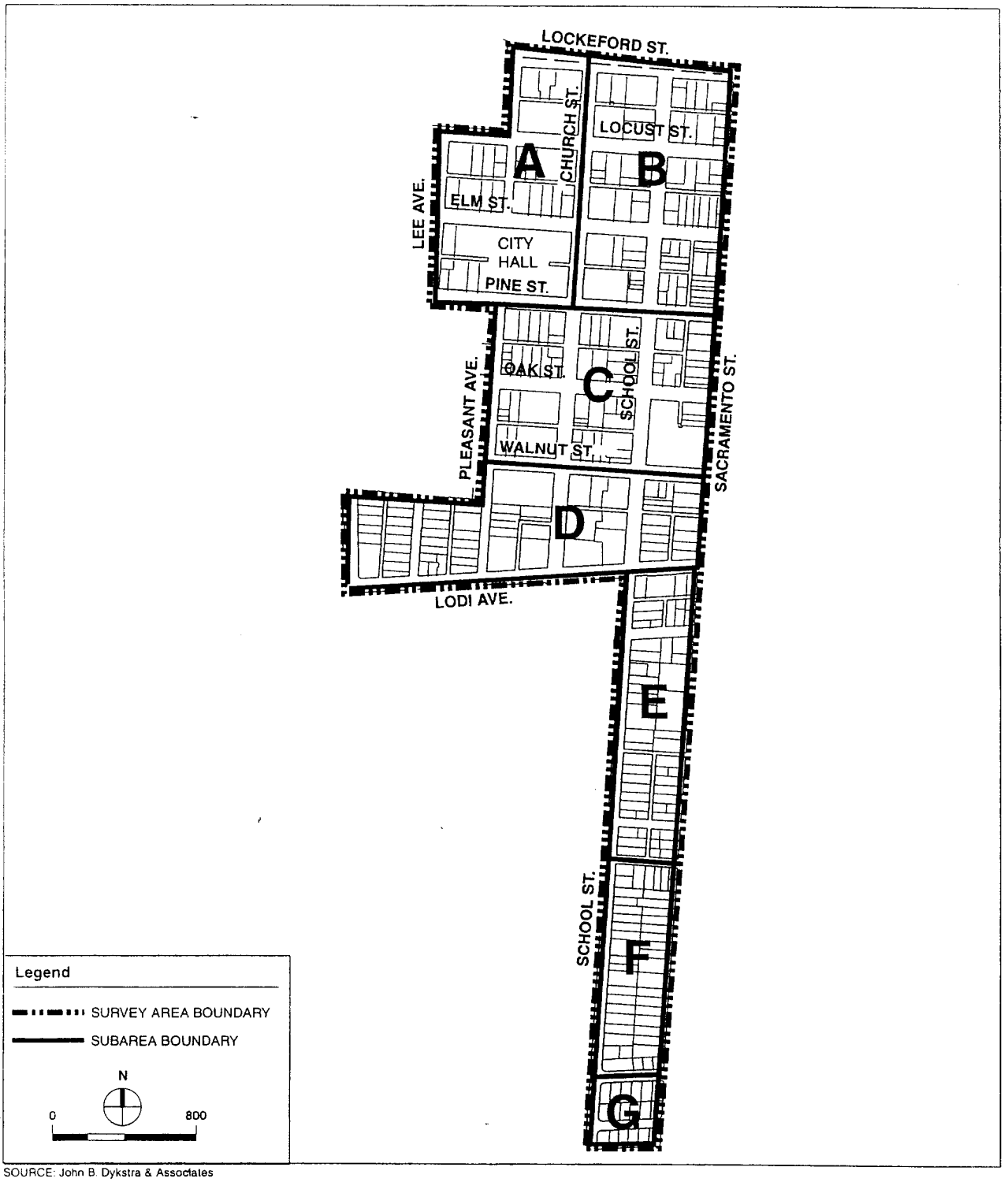
Lodi Redevelopment Project

BUILDING CONDITIONS SURVEY

SURVEY AREA 3

Subarea	Building Conditions Rating					Average Rating
	1	2	3	4	5	
A	3	10	3	0	0	2.00
B	11	8	1	0	0	1.50
C	6	11	4	0	0	1.90
D	22	25	26	0	0	2.05
Totals	42	54	34	0	0	1.94

Survey Area 4



SOURCE: John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

BUILDING CONDITIONS SURVEY AREA 4, SUBAREA LOCATION MAP

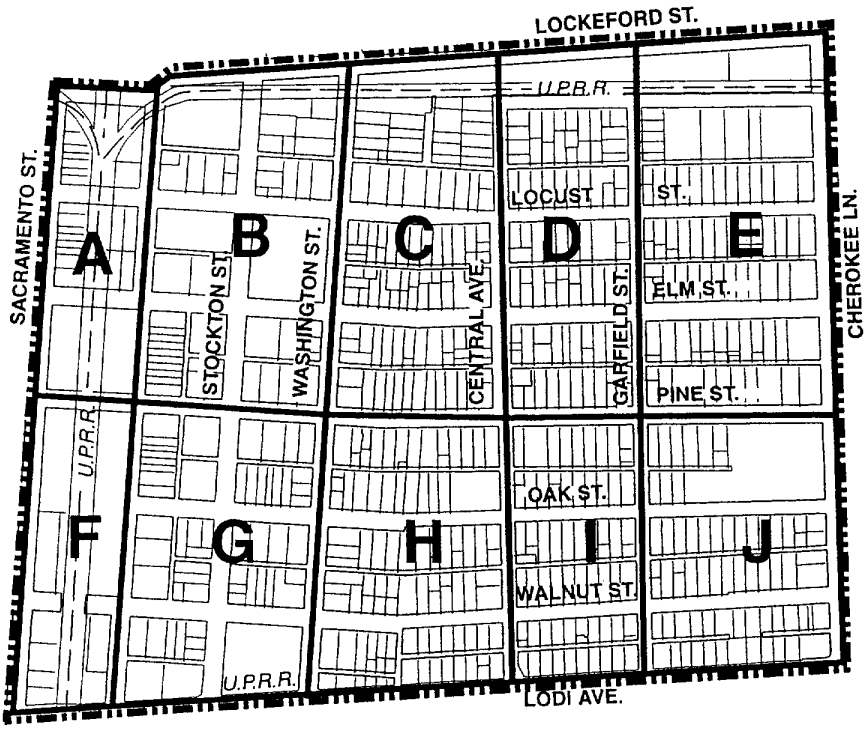
Lodi Redevelopment Project

BUILDING CONDITIONS SURVEY

SURVEY AREA 4

Subarea	Building Conditions Ratings					Average Rating
	1	2	3	4	5	
A	3	19	11	11	2	2.78
B	31	23	26	0	2	2.01
C	13	25	21	8	1	2.40
D	5	25	29	10	1	2.67
E	15	28	14	1	0	2.02
F	22	21	17	1	0	1.95
G	4	7	5	0	0	2.06
Totals	93	148	123	31	6	2.40

Survey Area 5



Legend

SURVEY AREA BOUNDARY

SUBAREA BOUNDARY

N

0 800

12.20.01

SOURCE: John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

BUILDING CONDITIONS SURVEY AREA 5, SUBAREA LOCATION MAP

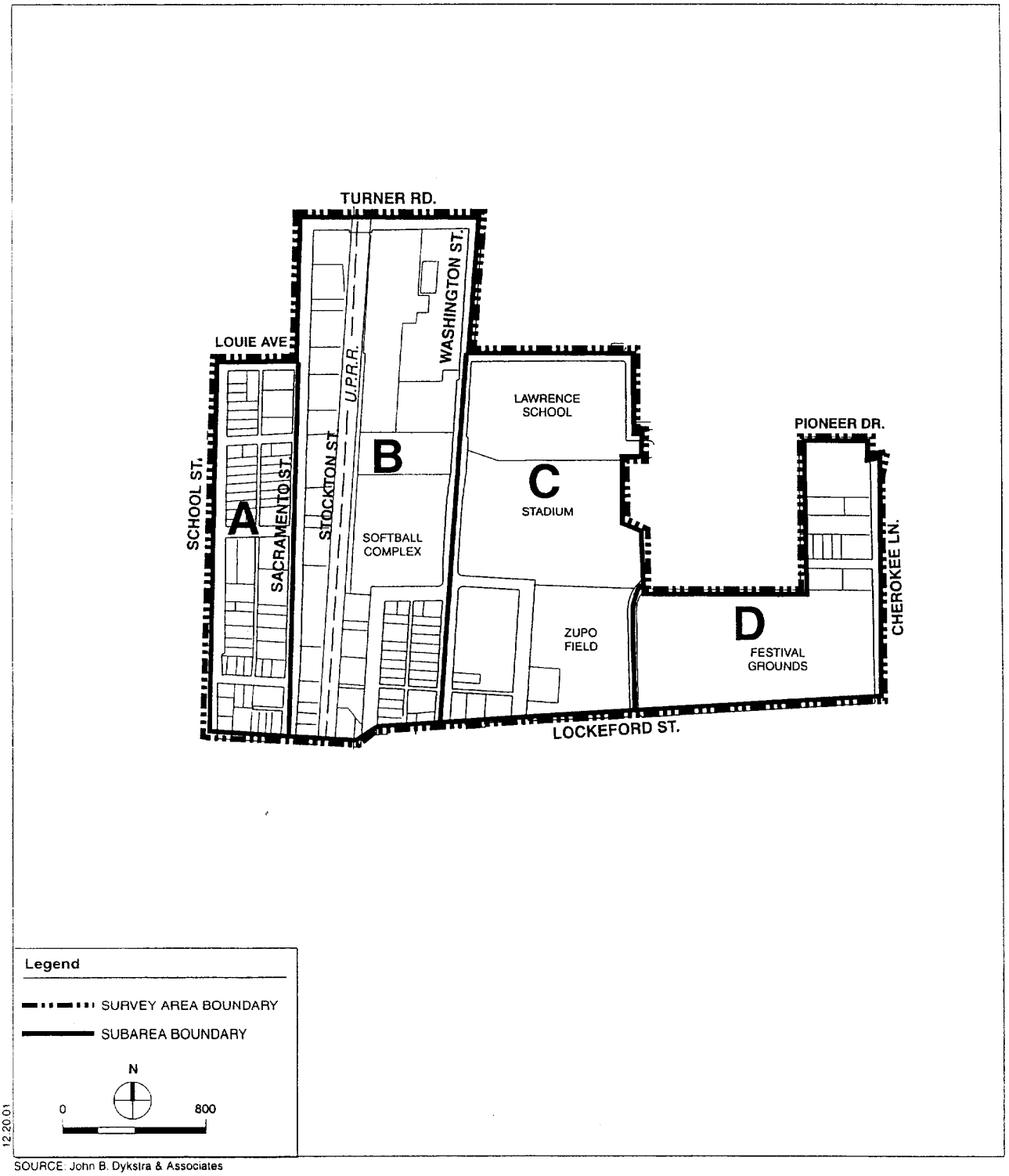
Lodi Redevelopment Project

BUILDING CONDITIONS SURVEY

SURVEY AREA 5

Subarea	Building Conditions Ratings					Average Rating
	1	2	3	4	5	
A	7	16	0	0	0	1.70
B	34	25	8	3	0	1.71
C	40	72	11	0	0	1.76
D	38	46	16	2	0	1.82
E	37	62	12	1	0	1.79
F	1	4	4	0	4	3.15
G	19	34	14	3	0	2.01
H	32	58	21	2	2	2.27
I	39	51	5	0	0	1.64
J	20	50	17	1	0	1.99
Totals	267	421	107	12	6	1.98

Survey Area 6



12.20.01

SOURCE: John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

BUILDING CONDITIONS SURVEY AREA 6, SUBAREA LOCATION MAP

Lodi Redevelopment Project

BUILDING CONDITIONS SURVEY

SURVEY AREA 6

Subarea	Building Conditions Ratings					Average Rating
	1	2	3	4	5	
A	20	41	21	1	1	2.05
B	25	36	7	0	1	1.78
C	4	6	5	1	0	2.19
D	7	8	8	0	0	2.04
Totals	56	91	41	2	1	2.02

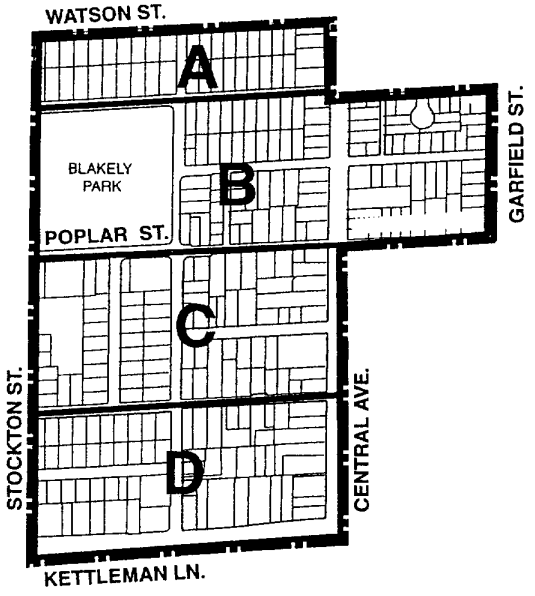
Survey Area 7

Lodi Redevelopment Project

BUILDING CONDITIONS SURVEY

SURVEY AREA 7

Subarea	Building Conditions Ratings					Average Rating
	1	2	3	4	5	
A	3	21	18	2	0	2.43
B	18	30	9	3	0	1.95
C	19	48	24	3	2	2.18
D	13	34	18	8	0	2.29
E	13	19	8	15	1	2.73
Totals	66	152	77	31	2	2.32



Legend

SURVEY AREA BOUNDARY

SUBAREA BOUNDARY

N

0 800

12.20.01

SOURCE: John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

BUILDING CONDITIONS SURVEY AREA 7, SUBAREA LOCATION MAP

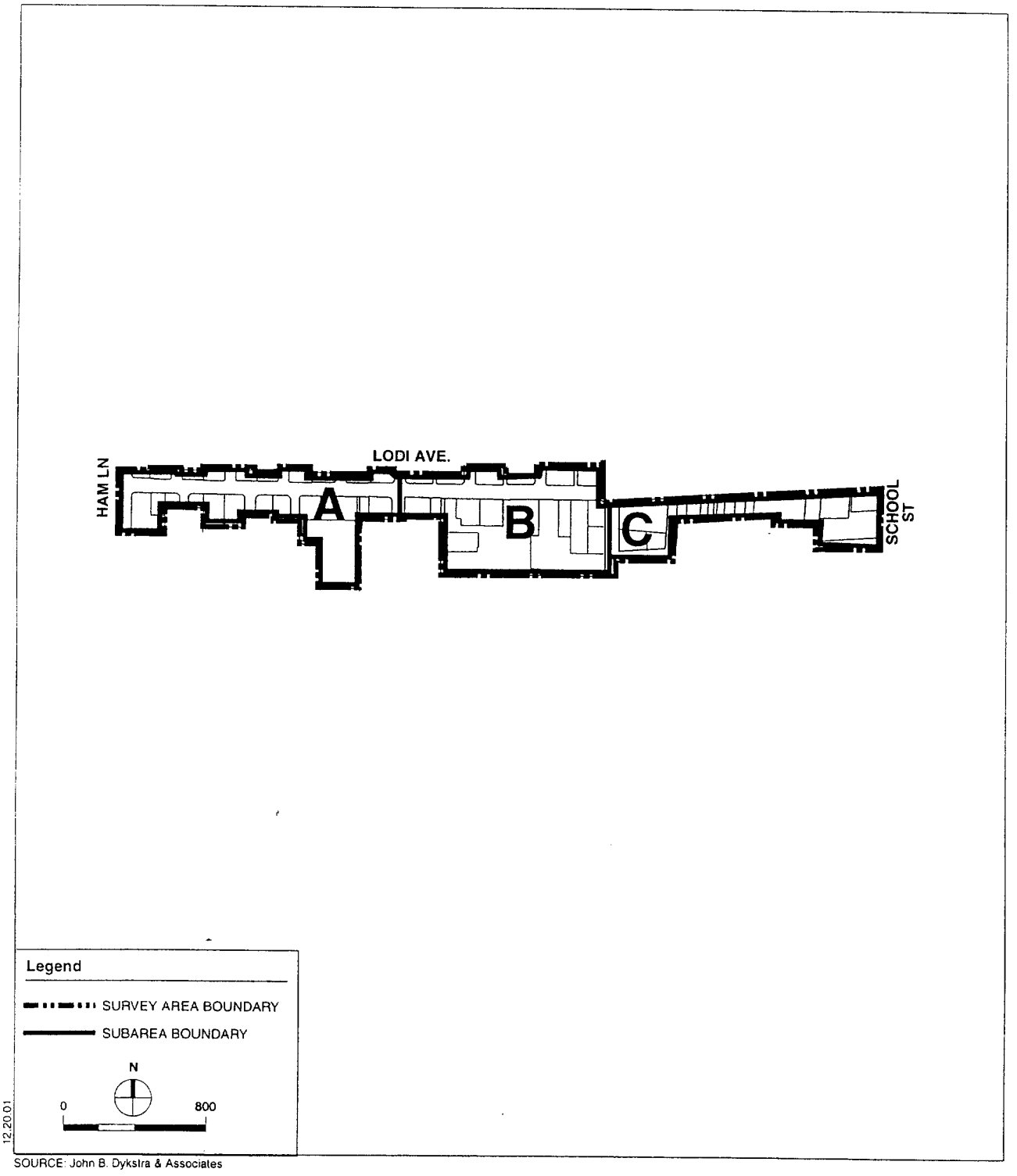
Survey Area 8

Lodi Redevelopment Project

BUILDING CONDITIONS SURVEY

SURVEY AREA 8

Subarea	Building Conditions Ratings					Average Rating
	1	2	3	4	5	
A	6	19	8	1	0	2.12
B	1	10	4	0	1	1.75
C	4	8	2	1	1	2.19
Totals	11	37	14	2	2	2.02



SOURCE: John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

BUILDING CONDITIONS SURVEY AREA 8, SUBAREA LOCATION MAP

Appendix E:
List of Code Compliance Problems

Table E-I
List of Code Compliance Problems
Project Area
January - April 2002

This summary identifies Community Improvement Case Activity enforcement actions by the following categories: (1) dangerous buildings, (2) housing deficiencies, (3) nuisances, (4) zoning violations, and (5) miscellaneous. The locations of these enforcement actions are shown on Figure II-5, Code Compliance Problems.

APN	TYPE	DESCRIPTION
04124047	Dangerous Building	Unsecured building and living in trailer.
04302606	Dangerous Building	Building is deteriorated.
04303506	Dangerous Building	Masonry wall is falling
04303514	Dangerous Building	Vacant and unsecured
04307309	Dangerous Building	Roof supports removed during remodeling
04308201	Dangerous Building	Unsecured packing shed
04312404	Dangerous Building	Fire damage
04523014	Dangerous Building	Storing gals of paint in dwelling.
04532004	Dangerous Building	Foundation fall into basement
04716118	Dangerous Building	Vacant unsecured
04716122	Dangerous Building	Vacant and unsecured
04729016	Dangerous Building	Unlivable conditions and drug use in the garage.
04306403	Dangerous Building	Vacant and unsecured
04307214	Dangerous Building	Extensive modification
03308055	Housing Deficiency	Electrical problems not corrected after fire.
04116508	Housing Deficiency	Living without utilities.
04117002	Housing Deficiency	Substandard wiring plumbing
04121017	Housing Deficiency	Living without utilities and living in basement.
04122001	Housing Deficiency	People living in basement, junk debris, loud music, drug activity
04123035	Housing Deficiency	Extreme substandard living conditions
04302605	Housing Deficiency	Illegal living units
04303208	Housing Deficiency	Mold
04307210	Housing Deficiency	Drug, gang, prostitution activity
04307603	Housing Deficiency	Substandard housing
04307609	Housing Deficiency	Severe roach infestation.
04308515	Housing Deficiency	Ceiling is falling down
04308701	Housing Deficiency	Substandard conditions
04308715	Housing Deficiency	No heat
04308809	Housing Deficiency	Lead poisoning
04309011	Housing Deficiency	Refrigerator not working windows can not be open no hot water
04311325	Housing Deficiency	Meter panel damage
04311419	Housing Deficiency	Substandard Housing
04311421	Housing Deficiency	Deteriorated porch
04312210	Housing Deficiency	Living in a commercial building
04314005	Housing Deficiency	Vacant in foreclosure
04314015	Housing Deficiency	Substandard housing
04318006	Housing Deficiency	Occupancy of garage
04320113	Housing Deficiency	Garage conversion
04320114	Housing Deficiency	Substandard housing

Table E-I (cont'd)
List of Code Compliance Problems
Project Area
January - April 2002

APN	TYPE	DESCRIPTION
04320116	Housing Deficiency	Unsanitary condition
04321042	Housing Deficiency	No elect.
04523010	Housing Deficiency	Gas stove leak
04523026	Housing Deficiency	Living in basement
04524013	Housing Deficiency	Substandard housing
04706011	Housing Deficiency	Over occupancy maybe living in basement enclosing carport
04708001	Housing Deficiency	Substandard housing
04708014	Housing Deficiency	Meter tampering
04708016	Housing Deficiency	Deteriroated electrical renovation in progress
04710027	Housing Deficiency	Structures are illegally used sperate dwelling units
04713020	Housing Deficiency	Extremely unsanitary inside & out.
04714047	Housing Deficiency	Living in garage
04714051	Housing Deficiency	Living in garage area
04716319	Housing Deficiency	Substandard Housing
04719114	Housing Deficiency	Substandard housing
04719232	Housing Deficiency	Inhabitable condition
04719235	Housing Deficiency	Living in garage substandard housing.
04719314	Housing Deficiency	No heat substandard conditions
04719320	Housing Deficiency	Living in garage
04719330	Housing Deficiency	Ceiling is leaking in bathroom, kitchen, and living room.
04719408	Housing Deficiency	No utilities
04719408	Housing Deficiency	Over occupancy
04719425	Housing Deficiency	Substandard housing
04721005	Housing Deficiency	No Heat
04724017	Housing Deficiency	Living in trailer, stealing power
04727020	Housing Deficiency	Living in business and operating business without lic.
04731118	Housing Deficiency	Water heater violation
04732211	Housing Deficiency	Substandard housing
04734112	Housing Deficiency	Substandard housing
04734118	Housing Deficiency	Mold, termites, electrical outlets not working
04734212	Housing Deficiency	Substandard housing
04735106	Housing Deficiency	Trailer w/hook ups a lot of foot traffic all night long.
04735119	Housing Deficiency	Covered garage and basement into living quarters.
04735208	Housing Deficiency	Living without utilities.
04735208	Housing Deficiency	Living w/o utilities.
04735218	Housing Deficiency	Unsafe waterheater
04735225	Housing Deficiency	Substandard housing
04737031	Housing Deficiency	Living in garage
04739005	Housing Deficiency	Ceiling is leaking.
04739008	Housing Deficiency	Living without utilities since Nov. 20, 2000
04745028	Housing Deficiency	Electrical problems
04745028	Housing Deficiency	Junk, debris, sewer backs up into clean outs. Pool is green
04905015	Housing Deficiency	Living in garage and trailers substandard conditions
04306701	Housing Deficiency	Substandard housing
04306710	Housing Deficiency	Foundation deteriorated

Table E-I (cont'd)
List of Code Compliance Problems
Project Area
January - April 2002

APN	TYPE	DESCRIPTION
04312308	Housing Deficiency	Substandard living conditions
04320101	Housing Deficiency	Deteriorated Building
04320118	Housing Deficiency	Living in basement
04320217	Housing Deficiency	Plumbing problem
04529028	Housing Deficiency	Substandard electric
04531013	Housing Deficiency	Tampered meter
04719235	Housing Deficiency	Living in garage, substandard housing
04722018	Housing Deficiency	SFD Converted into a duplex
04730032	Housing Deficiency	Sub electrical Sub plumbing
04732115	Housing Deficiency	Deteriorated housing
04733010	Housing Deficiency	Kitchen fire
04734109	Housing Deficiency	Dilapidated house
04734129	Housing Deficiency	Substandard housing
04734140	Housing Deficiency	Substandard housing
04734212	Housing Deficiency	Extremely substandard condition outside
04734223	Housing Deficiency	Substandard housing
04735121	Housing Deficiency	Possible illegal additions
04735409	Housing Deficiency	No smoke detector, broken window
04739008	Housing Deficiency	Over occupancy 4 adults 5 Children.
04743030	Housing Deficiency	Electrical outlets smell
04745028	Housing Deficiency	Substandard housing
04721022	Housing Deficiency	Living in shed
04311406	Housing Deficiency	Refrigerator not working
04719112	Housing Deficiency	Raw sewage front of garage
04743047	Housing Deficiency	Heater/air does not work
04311109	Nuisance	Inop vehicle
04730020	Nuisance	Inop vehicle
04320129	Nuisance	Maggots emanating from dumpster
04716116	Nuisance	Extremely unsanitary piles of garbage.
04727024	Nuisance	Raw food, garbage, junk.
04733034	Nuisance	Junk and debris inoperable vehicle
04524019	Nuisance	Extremely raunchy property fire and health hazard
03730019	Nuisance	Operating auto repair business.
04118017	Nuisance	Tall dry weeds
04127456	Nuisance	Tall weeds, mound of dirt, inop-vehicles
04304205	Nuisance	Severe rat infestation.
04306714	Nuisance	Junk, tires in alleyway.
04311301	Nuisance	Refrigerator in view
04311325	Nuisance	Dumping discarded items onto church parking lot.
04312315	Nuisance	Junk and debris
04312424	Nuisance	Dumping in alleyway behind this address of tires, junk, & debris
04314002	Nuisance	Inop vehicles junk
04314017	Nuisance	Stove and Carpet in alleyway
04315008	Nuisance	Accum. junk & debris, inoperable vehicle
04319001	Nuisance	junk and debris

Table E-I (cont'd)
List of Code Compliance Problems
Project Area
January - April 2002

APN	TYPE	DESCRIPTION
04502011	Nuisance	Barking dog, dog feces.
04705016	Nuisance	Inop-vehicle
04706019	Nuisance	Two inoperable vehicles
04711004	Nuisance	Inop vehicle
04712036	Nuisance	Inop vehicle
04713020	Nuisance	Inop-vehicle
04713025	Nuisance	inop-vehicle
04714009	Nuisance	Inop vehicle
04714011	Nuisance	Inop vehicle
04714012	Nuisance	Inop vehicle
04714014	Nuisance	Inop vehicle
04714026	Nuisance	Inop-vehicle
04714031	Nuisance	inop vehicle
04714037	Nuisance	Inop vehicle
04714046	Nuisance	Inoperable vehicles
04714046	Nuisance	Inop vehicle
04715001	Nuisance	Inop vehicle
04715002	Nuisance	Inop vehicle
04715003	Nuisance	Inop vehicle
04715004	Nuisance	Inop vehicle
04715007	Nuisance	Inop-vehicle
04715014	Nuisance	Inop vehicle
04716109	Nuisance	Inop-vehicle
04716112	Nuisance	Inop-vehicle
04716117	Nuisance	Inop-vehicle
04716125	Nuisance	Inop vehicle
04716127	Nuisance	Inop vehicle
04716205	Nuisance	inop vehicle
04716207	Nuisance	Inop vehicle
04716209	Nuisance	Inop vehicle
04716214	Nuisance	Inop vehicle
04716311	Nuisance	Inop vehicle
04716312	Nuisance	Inop vehicle
04722003	Nuisance	Inop vehicle
04722023	Nuisance	Inop vehicle
04725007	Nuisance	Inop-vehicle
04726006	Nuisance	Inop vehicle
04726006	Nuisance	Inoperable vehicle
04726006	Nuisance	Inop vehicle
04726009	Nuisance	Inop vehicle
04726009	Nuisance	Inop-vehicle
04726011	Nuisance	Inop vehicle
04726011	Nuisance	Inop-vehicle
04726014	Nuisance	Inop vehicle
04726016	Nuisance	Inop vehicle

Table E-I (cont'd)
List of Code Compliance Problems
Project Area
January - April 2002

APN	TYPE	DESCRIPTION
04726033	Nuisance	Inop vehicle
04727011	Nuisance	Inop-vehicle
04727020	Nuisance	Inop-vehicle
04727028	Nuisance	Inop-vehicle
04729009	Nuisance	Inop vehicle
04729011	Nuisance	Inop-vehicle
04729014	Nuisance	Inop-vehicle
04729022	Nuisance	Inop vehicle
04730003	Nuisance	Inop vehicle
04730012	Nuisance	Inop vehicle
04730033	Nuisance	Inop vehicle
04731108	Nuisance	Inop-vehicle
04731116	Nuisance	Inop vehicle
04731125	Nuisance	Inop vehicle
04731203	Nuisance	Inop vehicle
04731204	Nuisance	Inop-vehicle
04731208	Nuisance	Inop-vehicle
04731212	Nuisance	Inop-vehicle
04731225	Nuisance	Inop-vehicle
04731403	Nuisance	Tall weeds
04732101	Nuisance	Inop-vehicle
04732103	Nuisance	Inop vehicle
04732123	Nuisance	Inop-vehicle
04732203	Nuisance	Inop-vehicle
04732208	Nuisance	Inop-vehicle
04732216	Nuisance	inop-vehicle
04737003	Nuisance	Inop-vehicle
04739009	Nuisance	Inop-vehicle
04739013	Nuisance	Inop vehicle
04743019	Nuisance	Tall weeds
04713010	Nusiance	Junk, lawn maintenance
04123018	Zoning	Auto repair business cars outside the business.
04307122	Zoning	Living in trailer
04307122	Zoning	Living or sleeping in RV
04307213	Zoning	Abandoned truck bed being occupied.
04321063	Zoning	Employee living at business
04523006	Zoning	Living in vacant unsecured dwelling
04702036	Zoning	illegal occupancy of garage, repair shop in residential zone
04742007	Zoning	Outdoor tire storage
04123003	Zoning	Inoperable vehicle
04123004	Zoning	Inoperable vehicle
04306605	Zoning	Water intrusion & mold in SFR & AptA
04307122	Zoning	Living in RV
04722003	Zoning	Living in RV
04314001	Zoning	Auto repair business in residential area.

Table E-I (cont'd)
List of Code Compliance Problems
Project Area
January - April 2002

APN	TYPE	DESCRIPTION
04731403	Zoning	Living in an RV
04311408	Zoning	Roosters
04705013	Zoning	5 temp tents non-compliance under Use Permit
04712027	Zoning	Screen over 12 ft.
04719111	Zoning	Parking on lawn
04730052	Zoning	Vehicles parked in lawn
04733037	Zoning	Auto repair business in residential area
04744022	Zoning	Auto repair in residential
04533004	Misc	Workwithout permits
04702014	Misc	Working without permits.
04715005	Misc	Illegal addition to garage area
04722021	Misc	Illegal addition
04905036	Misc	Pouring oil into storage drain
04705008	Misc	Work without a permit
04729001	Misc	Carport without permits
04729008	Misc	Addition without permits
04321042	Misc.	Oil and anti-freeze seeping through the base of the building.
04714009	Misc.	Illegal addition of carport
04716123	Misc.	Illegal additon of a porch covering and flooring.
04744051	Misc.	Without permits
04316001	Misc.	Electric wiring to #3 shed with 3 pad locks on shed.
04320101	Misc.	Fence encroaching onto sidewalk
04730028	Misc.	Goats, refuse cans, hanging clothes, inop-vehicle.
04709003	Misc.	Work w/o permits.

Source: Lodi Community Development Department

Appendix F:

Photographic Documentation of Existing Conditions

Appendix F

Lodi Redevelopment Project

PHOTOGRAPHIC DOCUMENTATION

April 2002

Prepared by
John B. Dykstra & Associates
for
Seifel Consultants Inc.
and the
Lodi Redevelopment Agency

INTRODUCTION

This appendix provides photographs and photo captions that illustrate and describe existing conditions within the boundaries of the proposed Lodi Redevelopment Project.[1] It is an important part of the Report to Council.

The photographs were taken in January 2002 and are representative of conditions in effect at that time.

CONDITIONS ILLUSTRATED IN THE PHOTOGRAPHS

The photographs presented in this appendix illustrate a wide variety of conditions present in the area. Although many of the photographs document adverse conditions that may be used to support a finding that the area is blighted and in need of redevelopment, other photographs illustrate conditions (such as historically interesting buildings or residences in need of attention) that could benefit from the use of redevelopment resources (seismic retrofitting and rehabilitation loans and grants, for example).

Conditions illustrated in photographs include, but are not limited to:

1. **Historically and Architecturally Interesting Commercial Buildings.** Nearly all of these buildings, many of which are worthy of enhancement and preservation, are located in Lodi's downtown core. Many are of brick, unreinforced masonry construction. Some have been sensitively restored or rehabilitated. However, many others are badly deteriorated or dilapidated. Deficiencies shown in the photographs include deteriorated walls, peeling paint, dry rot, and soft mortar and brick erosion. In some cases serious structural problems are indicated by cracked, damaged, or failing load bearing brick or concrete walls. Buildings with serious structural problems are considered to be unsafe and hazardous for human occupancy.

2. **Historically and Architecturally Interesting Residential Buildings.** These include Victorian and post Victorian residences scattered throughout the eastern part of the proposed Project Area. A number of these residences have been properly restored or rehabilitated. However, as the photographs clearly illustrate, many homes are badly deteriorated or dilapidated. In many cases these homes may be considered to be unsafe or unhealthy for occupancy.

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[1] The conditions identified in the captions for the photographs are based upon an exterior field inspection. Most are representative of conditions that are obvious and are, to one degree or another, potentially hazardous, hazardous, unsafe, or unhealthy. In some cases confirmation of the actual extent of such conditions in specific buildings would necessitate an interior inspection which was generally not performed. The descriptions contained in the captions have been reviewed and approved for accuracy by the City Community Development Department.

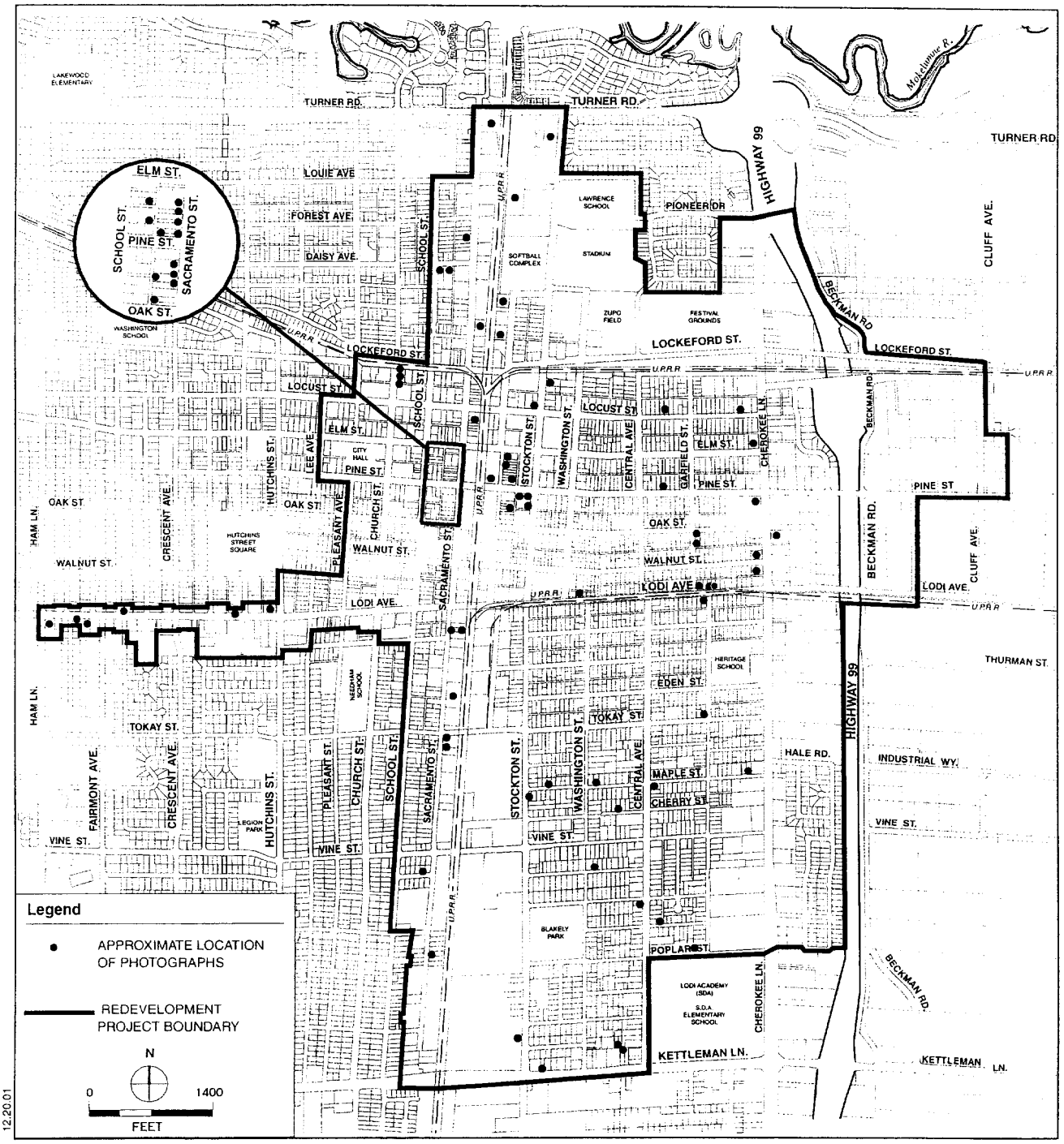
3. **Deteriorated or Dilapidated Buildings.** These include both commercial and residential structures. Many show evidence of general neglect and cumulative deferred maintenance. Some of these buildings exhibit surface deterioration that may be relatively easy to correct, with appropriate economic assistance. In other buildings deterioration is more extensive. A number are dilapidated. In general, dilapidated buildings are considered to be unsafe or unhealthy for human occupancy. However, interior inspections may be necessary to confirm the extent of dilapidation.

4. **Abandoned Buildings.** There are also a relatively large number of abandoned, apparently abandoned, or boarded up buildings in the area. These buildings are very likely to be unsafe or unhealthy for human occupancy. However, interior inspections may be necessary to confirm the extent of deterioration or dilapidation.

5. **Buildings Under Rehabilitation.** Some of these buildings are badly deteriorated. Other buildings need only minor attention. In a number of cases rehabilitation seems to have been going on for many years, indicating that appropriate economic assistance may be necessary to achieve completion.

ORGANIZATION

A map showing the approximate location of the photographs is presented on the following page as Figure F-1, Photograph Location Map. The photographs themselves are presented on pages 1 through 44.

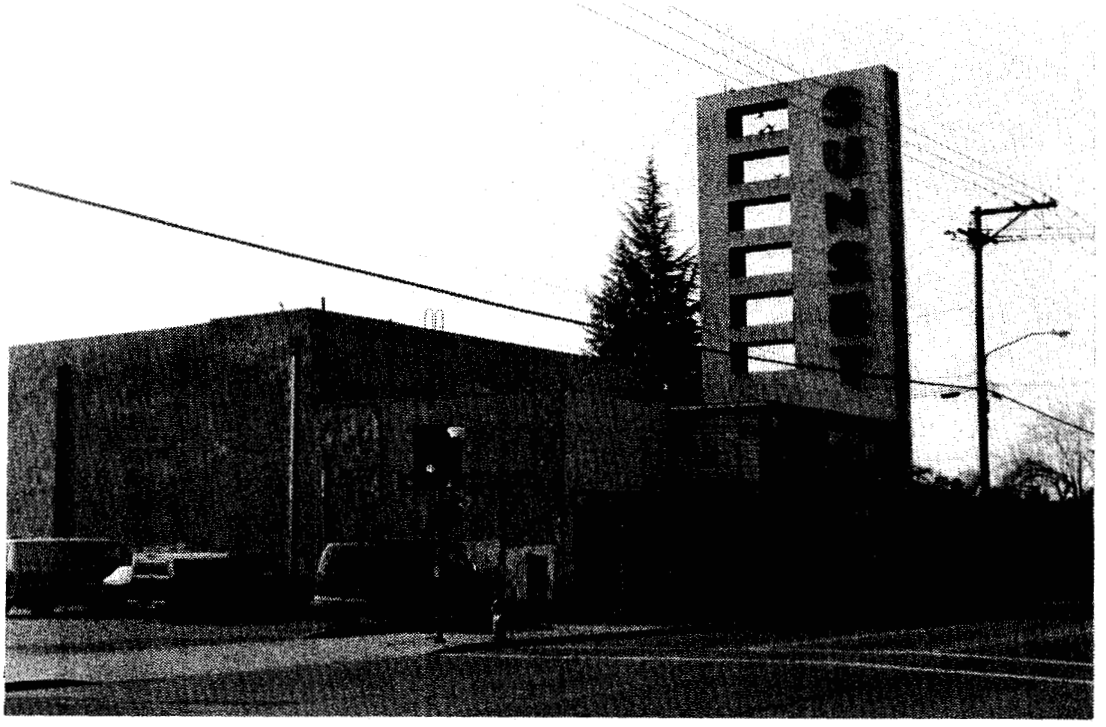


12.20.01

SOURCE: John B. Dykstra & Associates

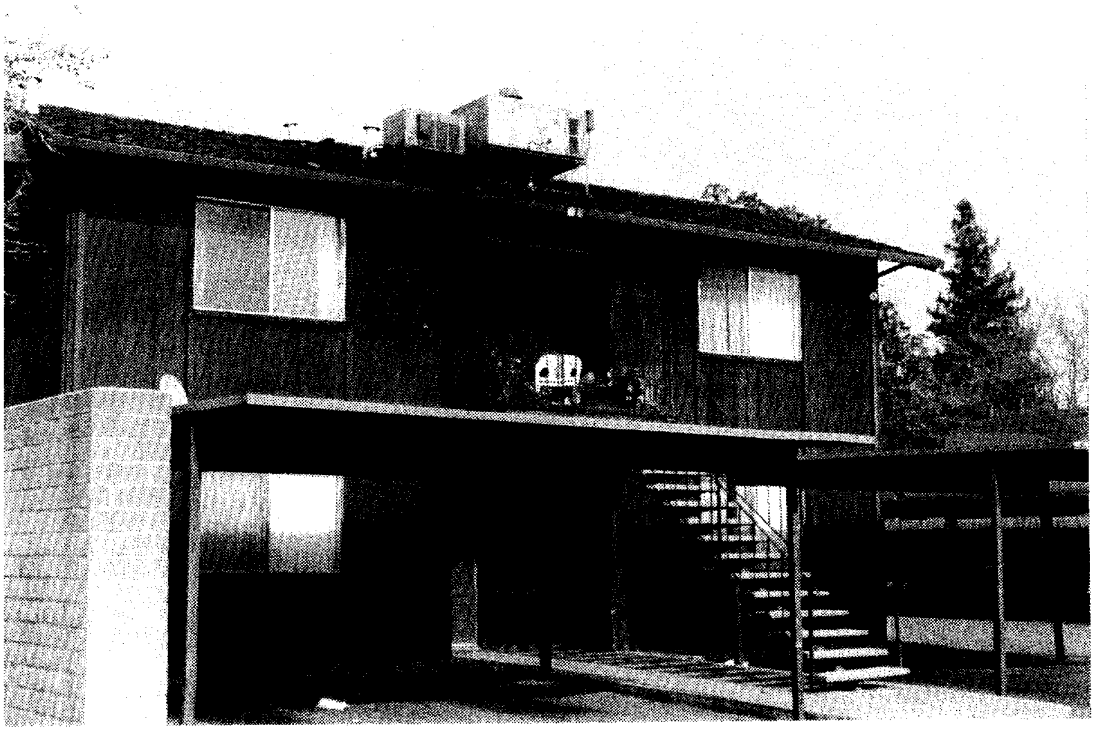
CITY OF LODI REDEVELOPMENT PLAN ADOPTION

FIGURE F-1: PHOTOGRAPH LOCATION MAP

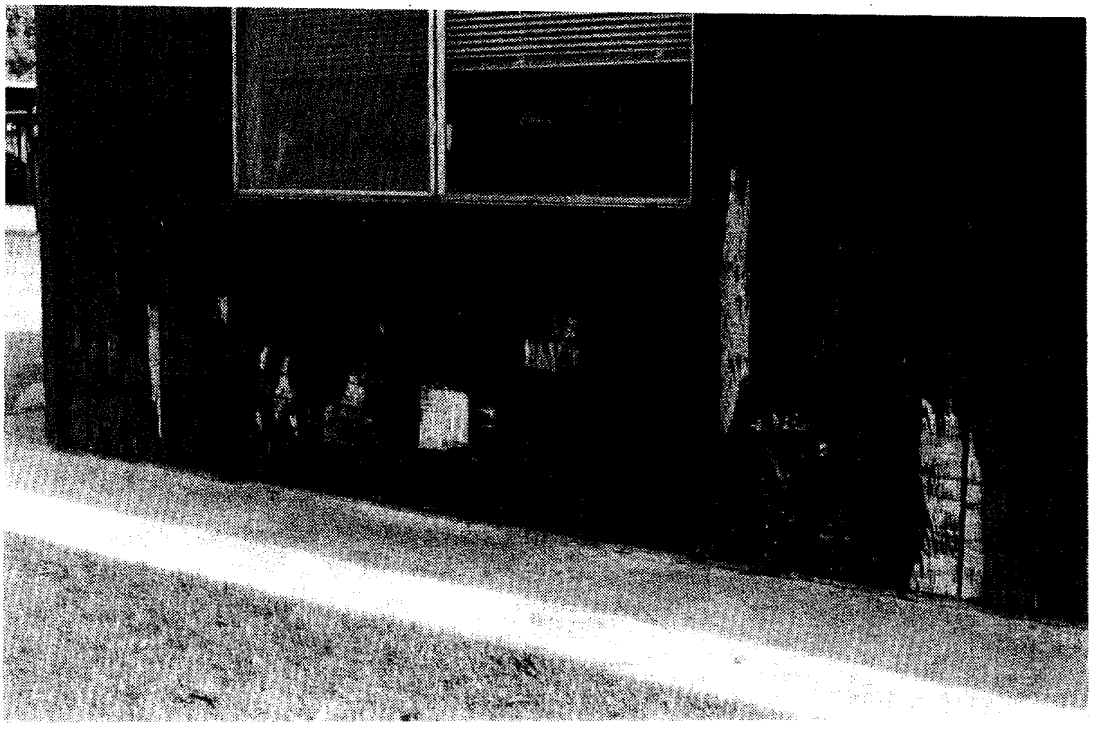


Vacant, deteriorated movie theater, West Lodi Avenue

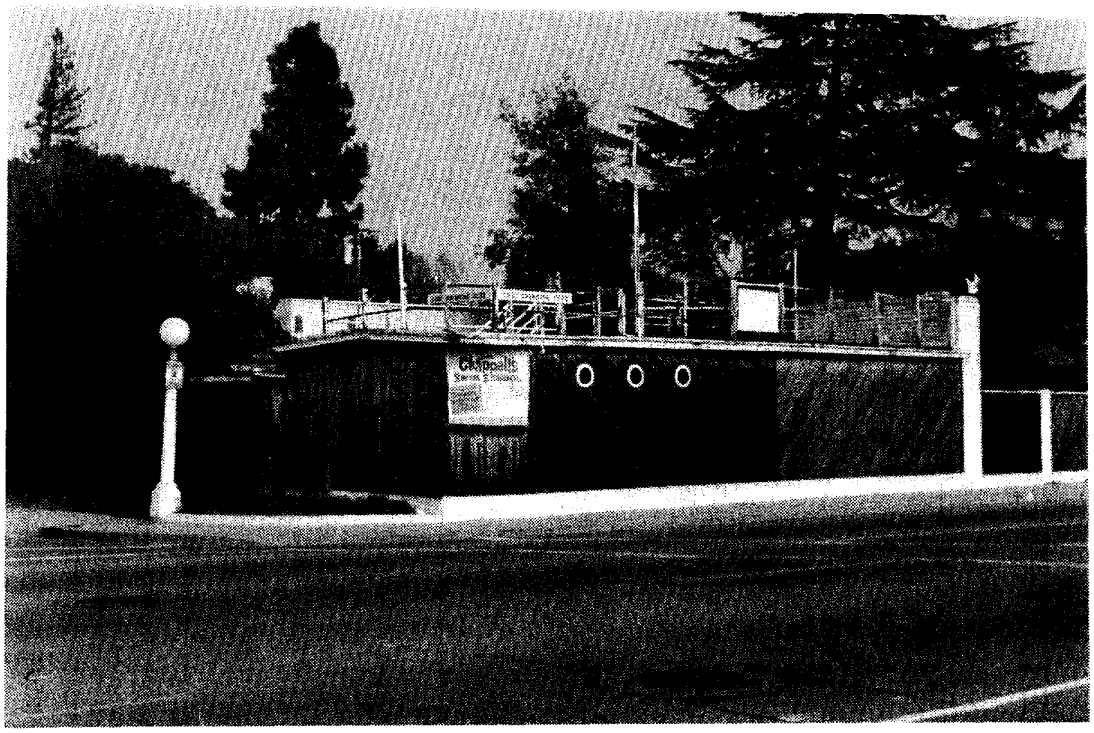
Residence, surface deterioration, South Sunset Drive at West Lodi Avenue



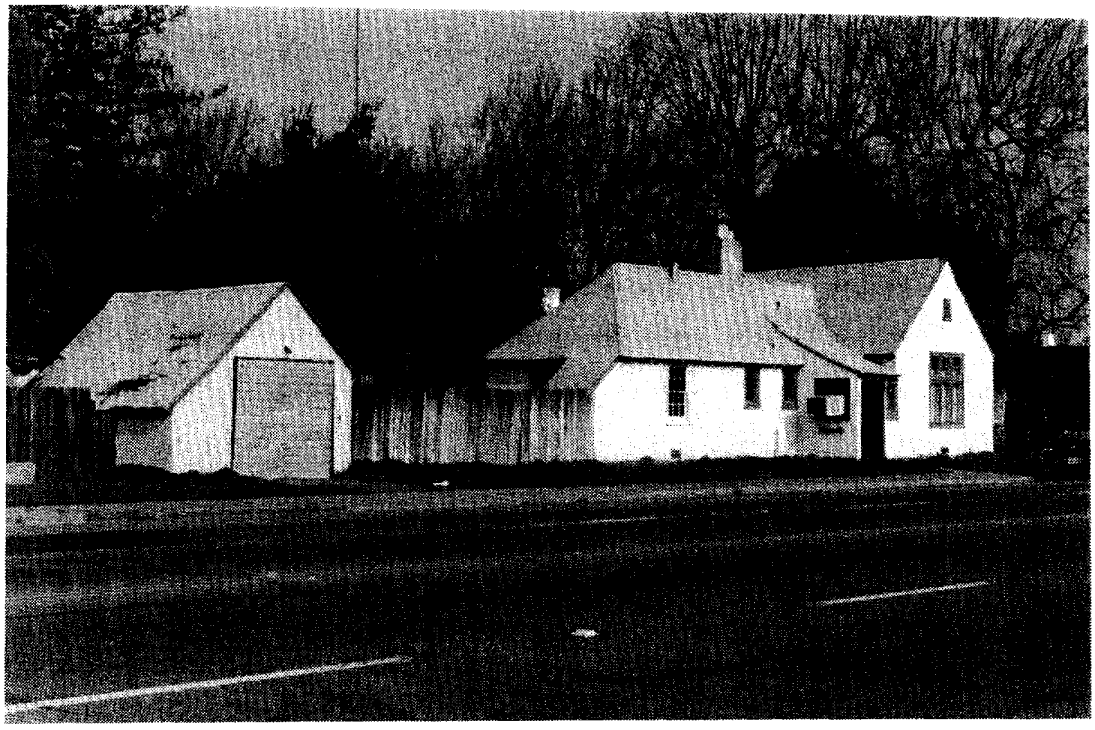
Deteriorated apartment complex, roof and siding deterioration, corner Ham Lane and West Lodi Avenue



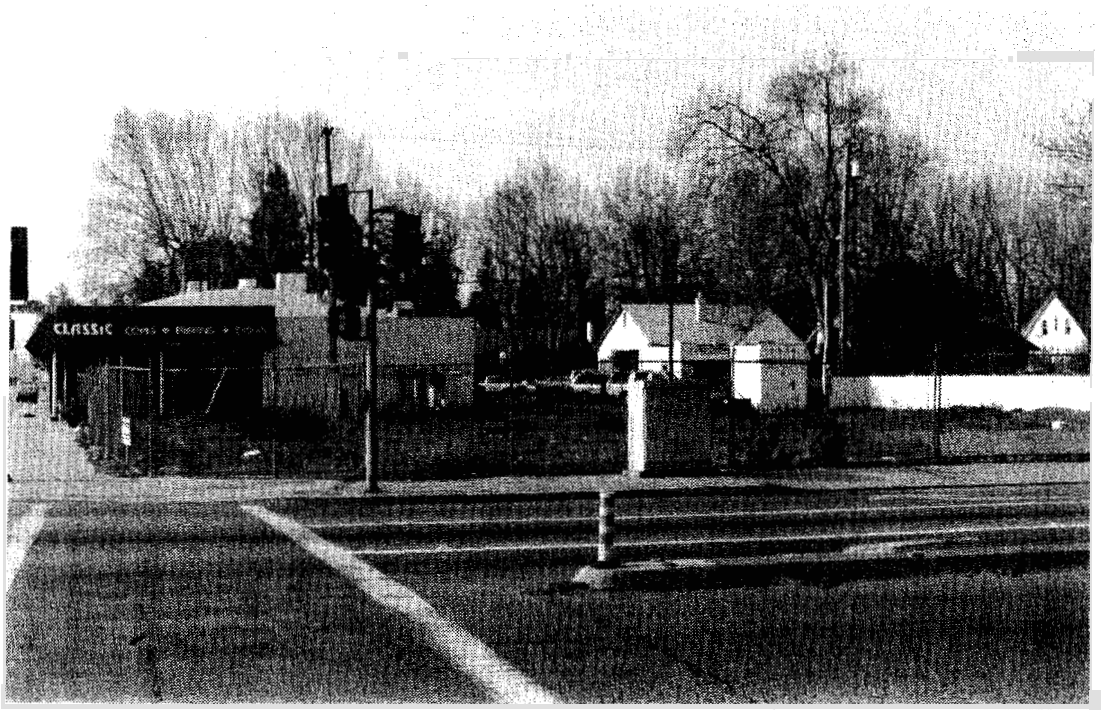
Badly deteriorated siding, detail, apartment complex, Ham Lane and West Lodi Avenue



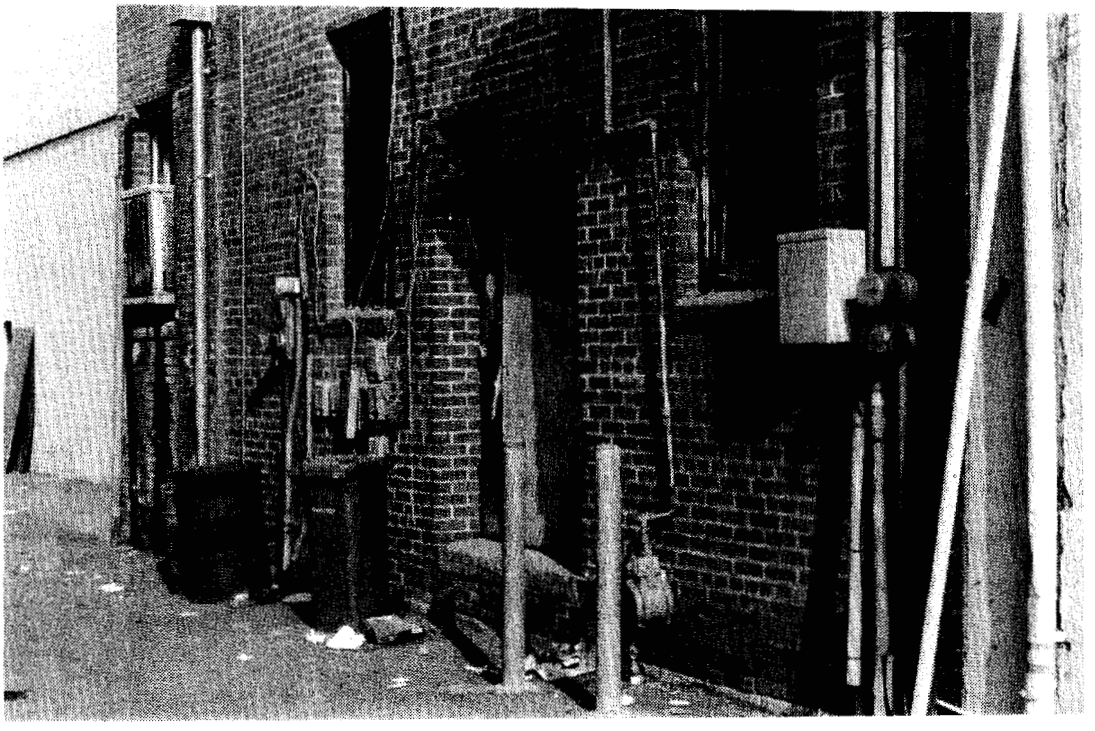
Aging and deteriorated building, corner West Lodi Avenue and South Orange Avenue



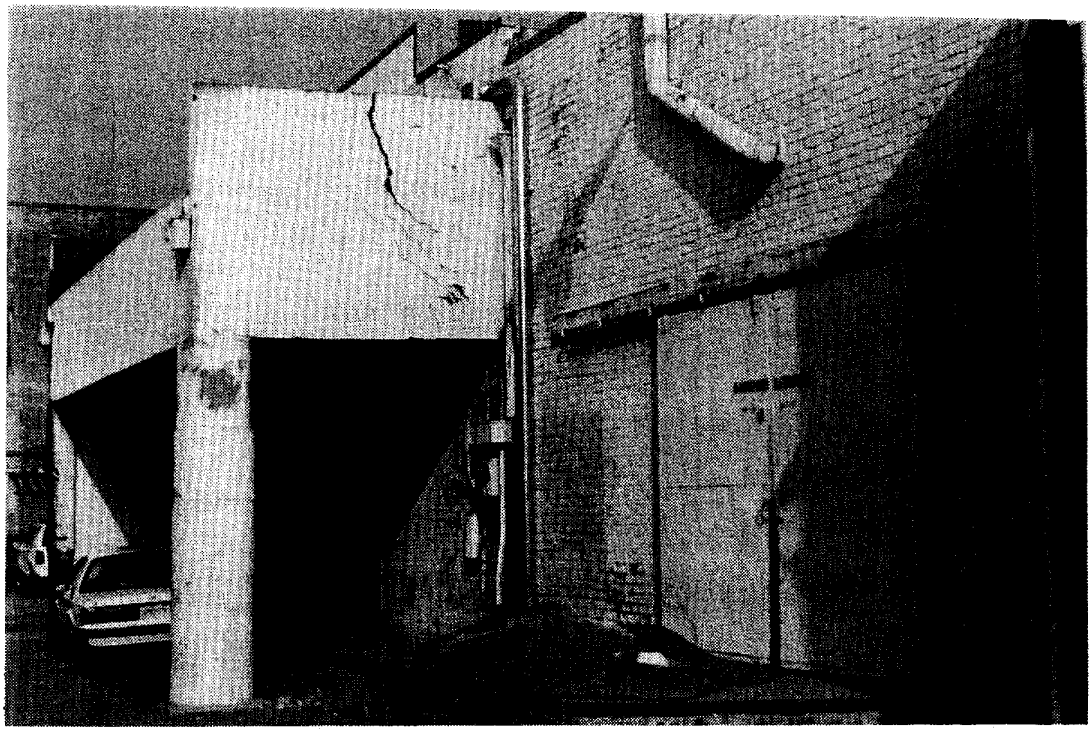
Aging and deteriorated residence and garage, West Lodi Avenue, South California Street



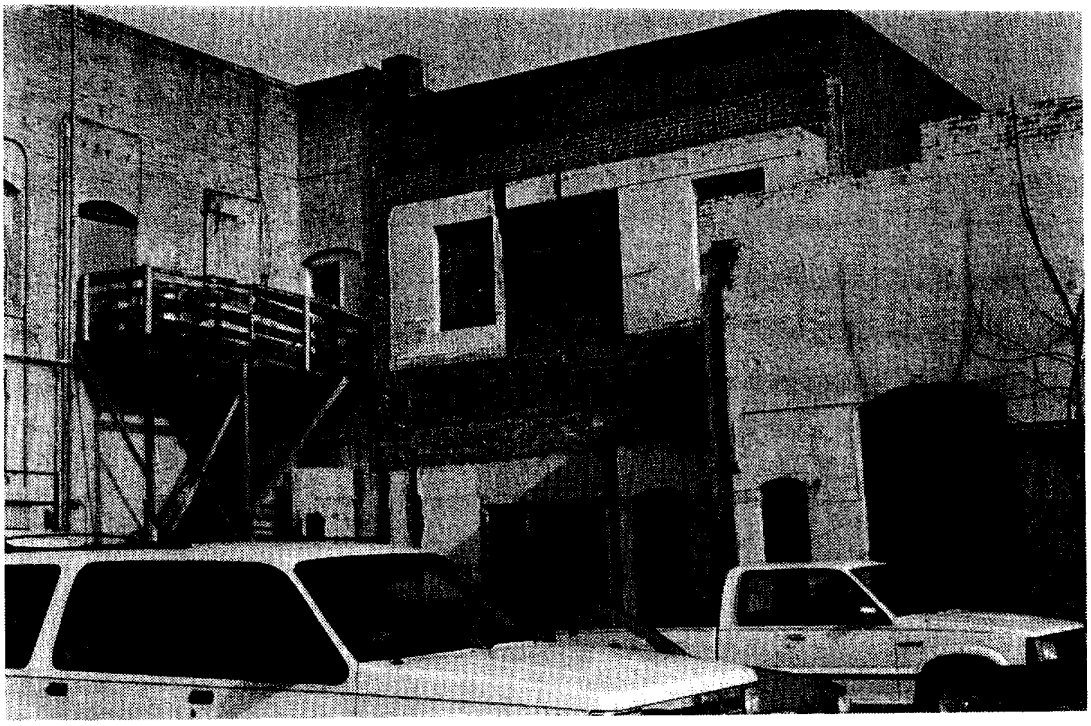
Vacant, corner property, source of soils and groundwater contamination, corner South Hutchins Street and West Lodi Avenue



Rear wall, unreinforced brick construction, failure of wall over door, alley block bounded by West Pine, South Sacramento, West Oak, and South School Streets



Loading dock, evidence of structural failure, potentially unsafe, rear, 21 South Sacramento Street

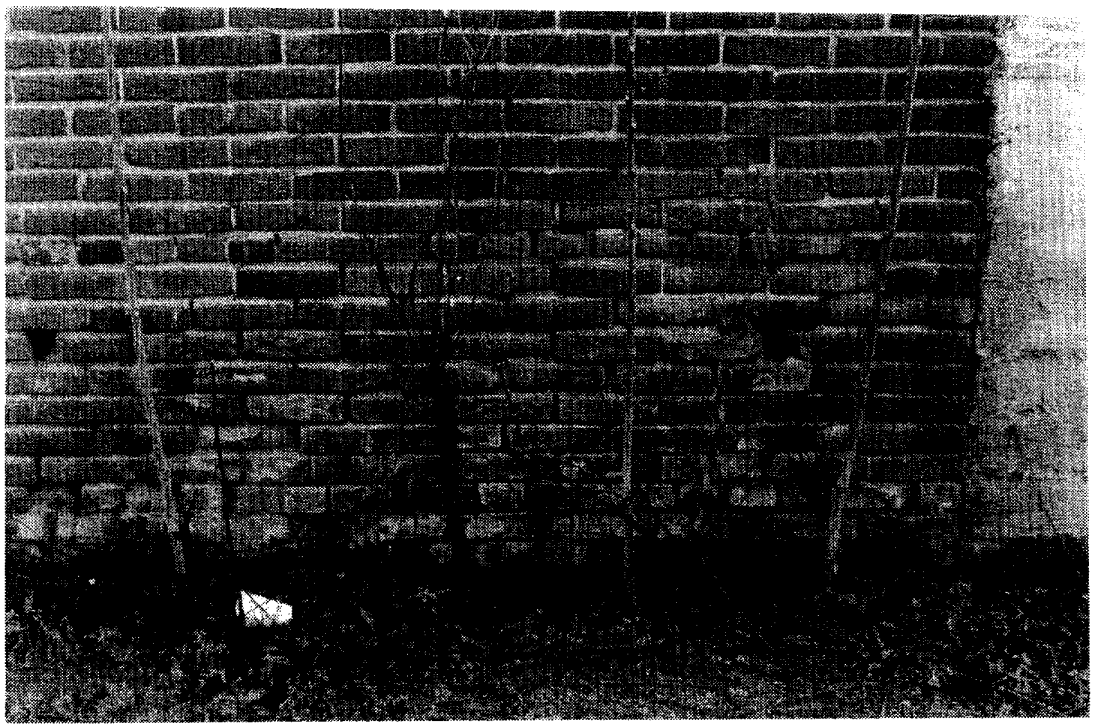


Unreinforced masonry brick buildings, rear, potentially hazardous, block bounded by West Pine, South Sacramento, West Oak and South School Streets

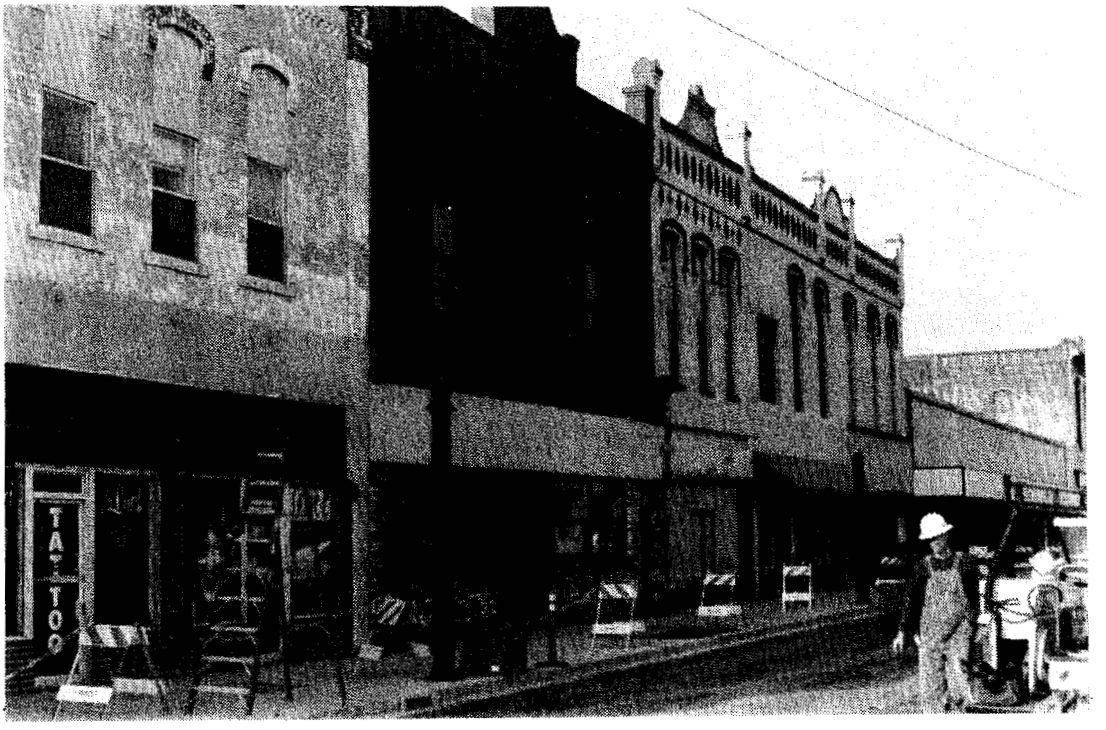
Unreinforced brick building, potentially hazardous, 15 South Sacramento Street

Serious Mortar and brick erosion, sidewall, potentially hazardous, 15 South Sacramento Street

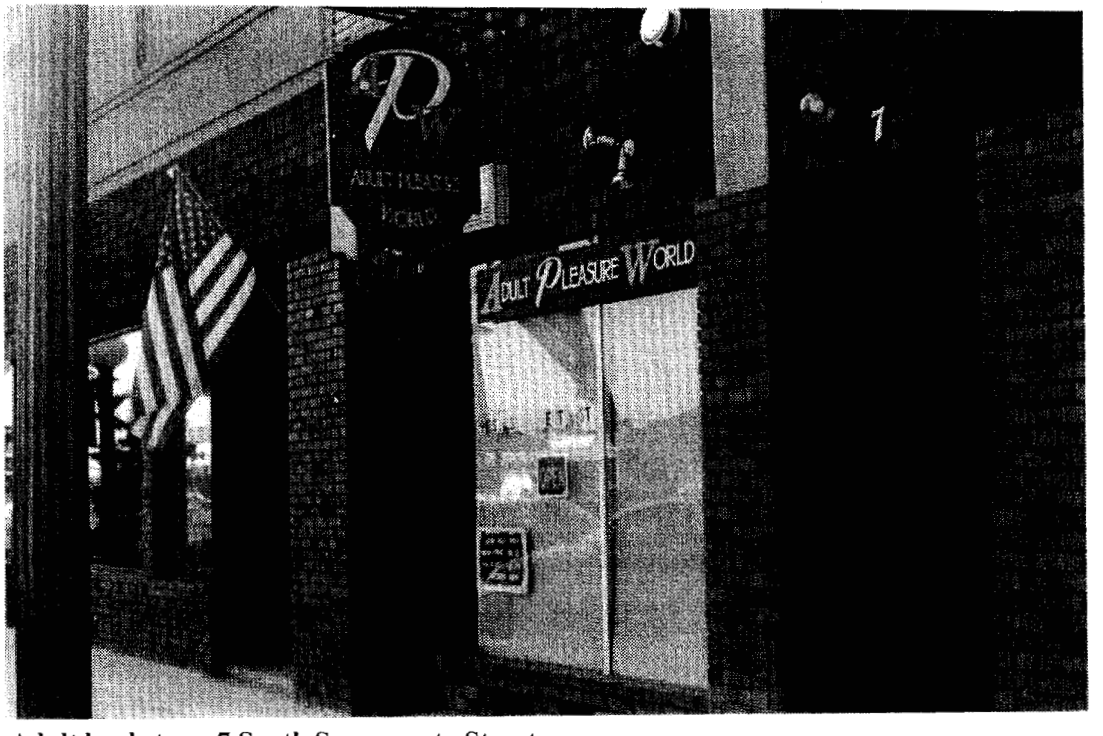
Unreinforced brick building, stucco front, potentially hazardous, at 21 South Sacramento Street



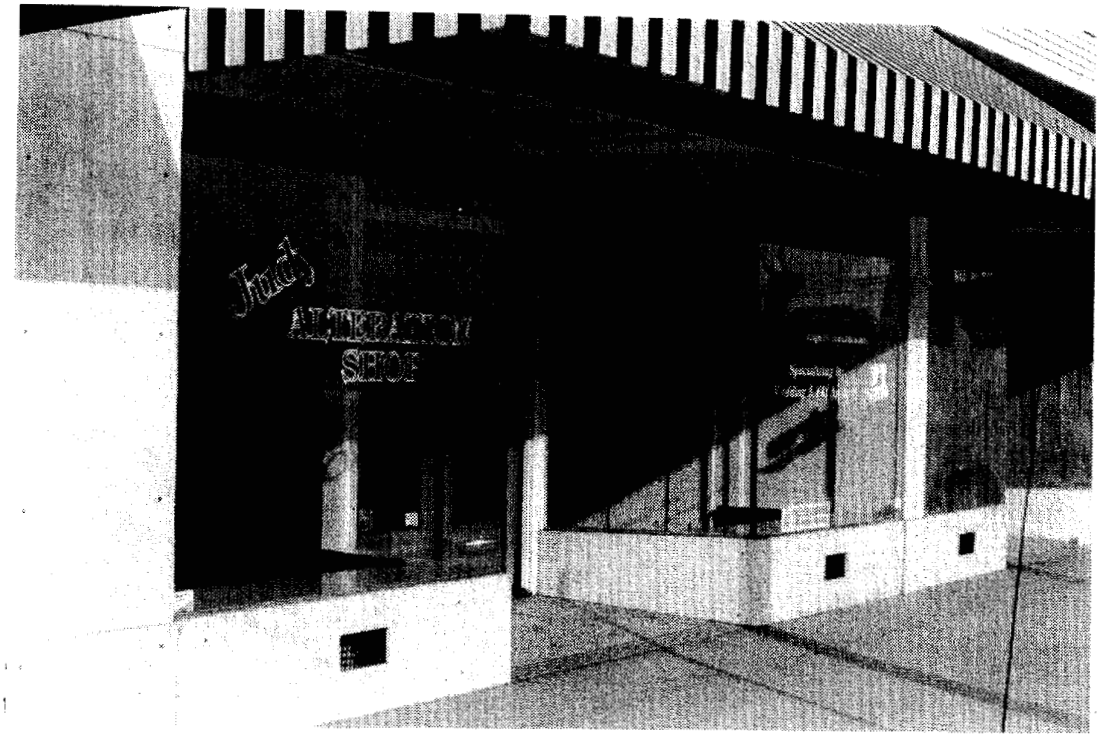
Serious mortar and brick erosion, potentially hazardous, sidewall, building at 21 South Sacramento Street



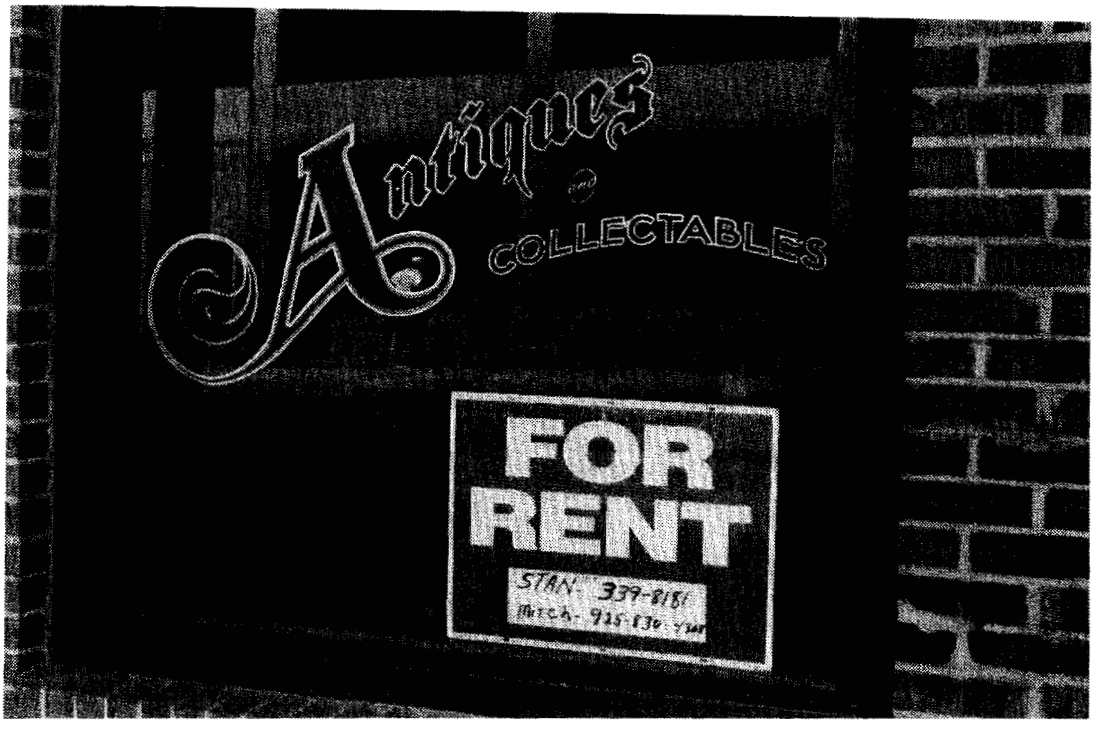
Row of architecturally and historically interesting unreinforced masonry buildings, potentially hazardous, substantially vacant, North Sacramento Street between West Elm and West Pine Streets



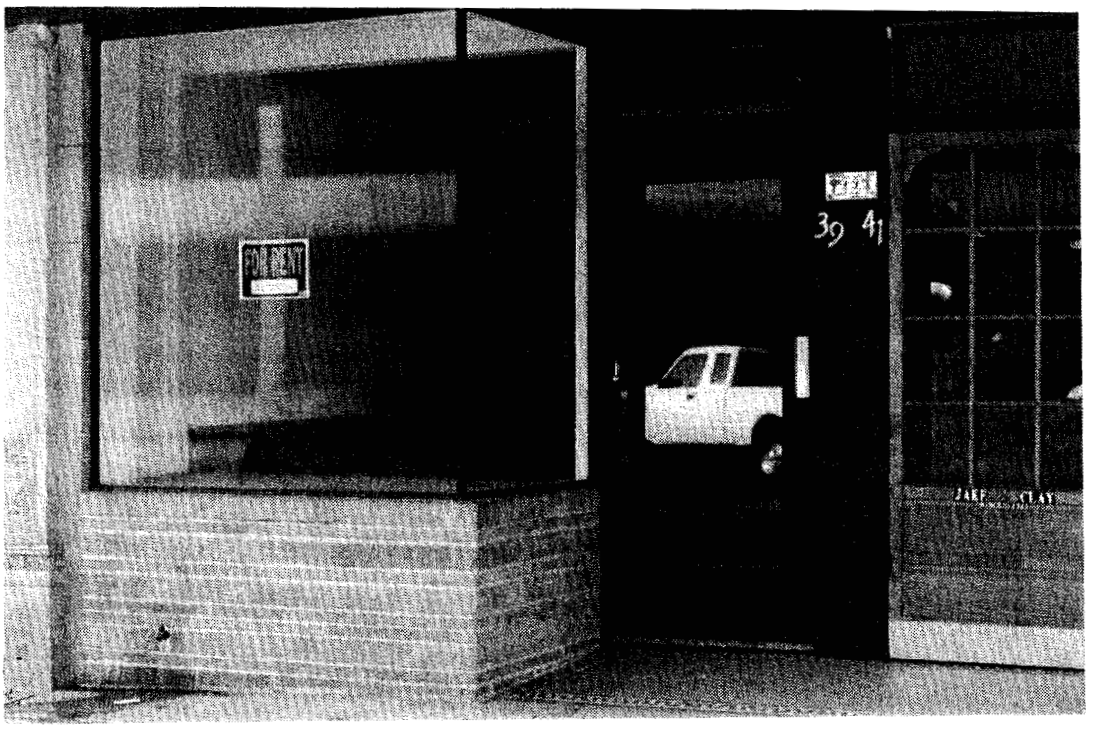
Adult bookstore, 7 South Sacramento Street



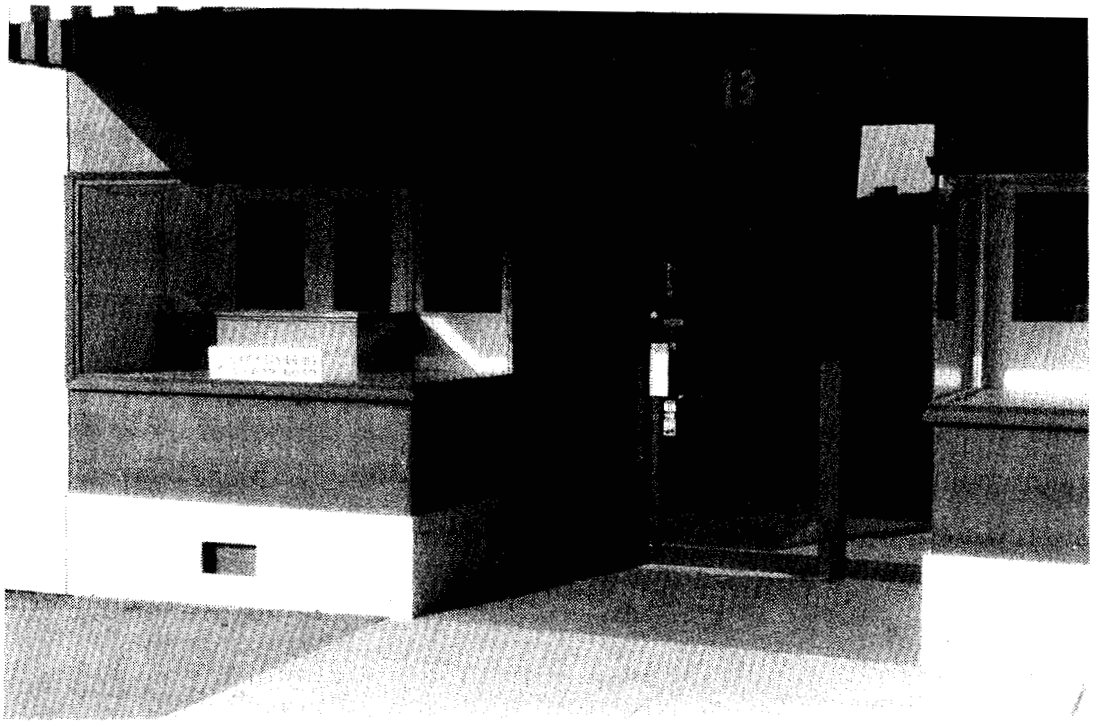
Commercial vacancy, one of many, 7 West Pine Street



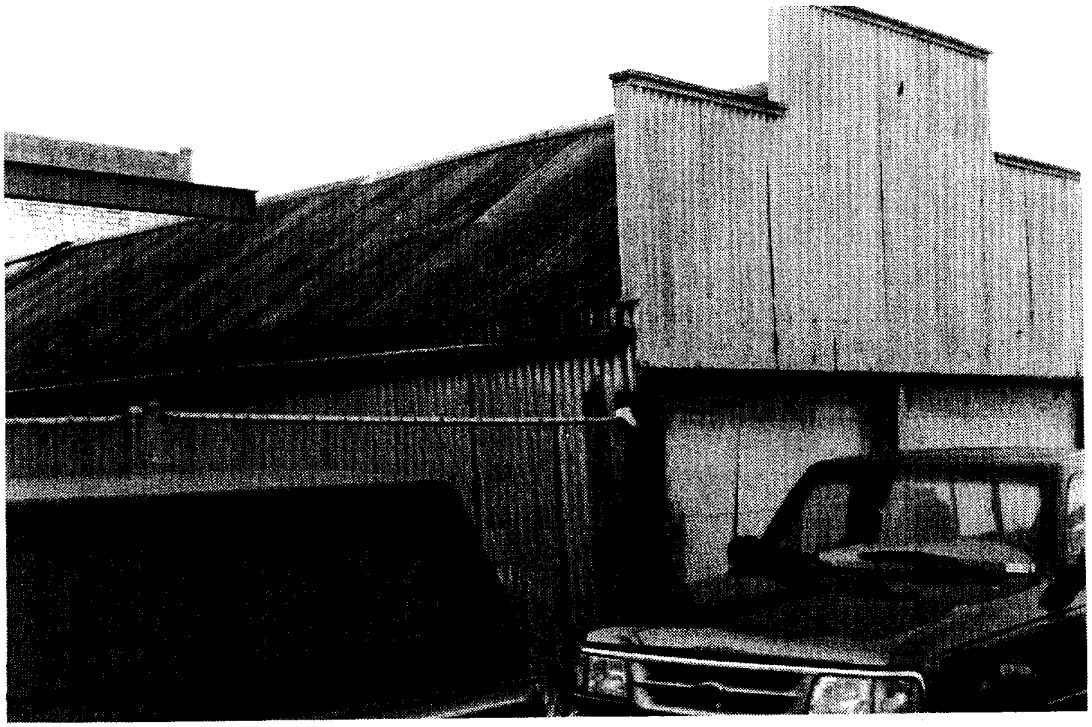
Commercial vacancy, one of many, 35 North Sacramento Street



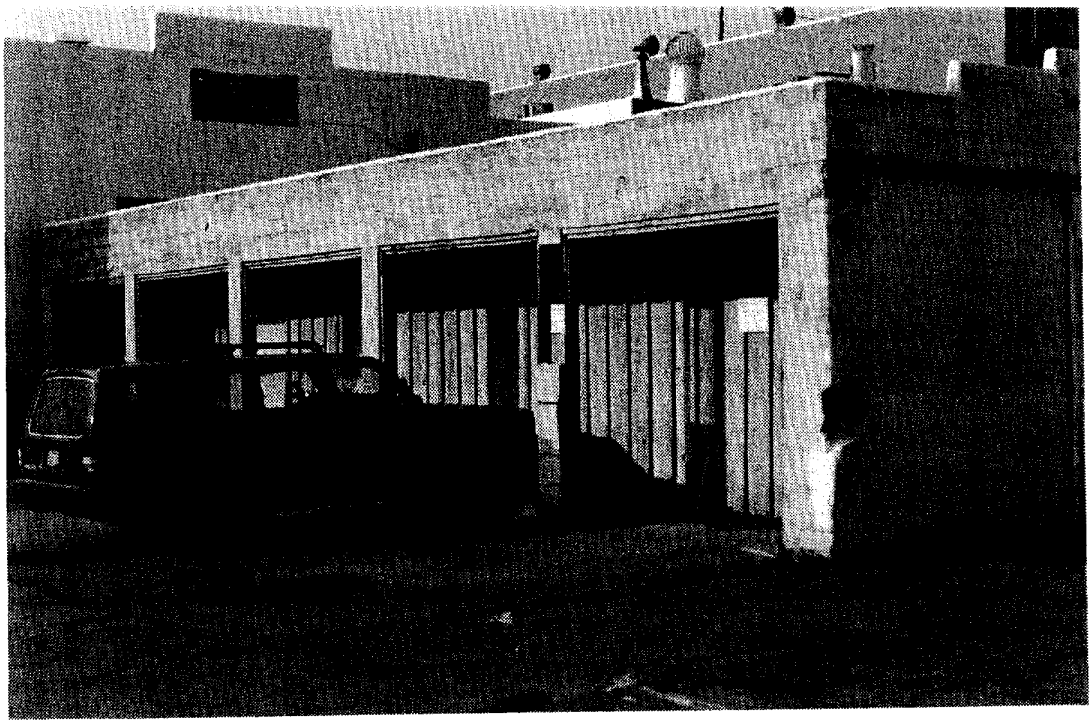
Commercial vacancy, one of many, 39 North Sacramento Street



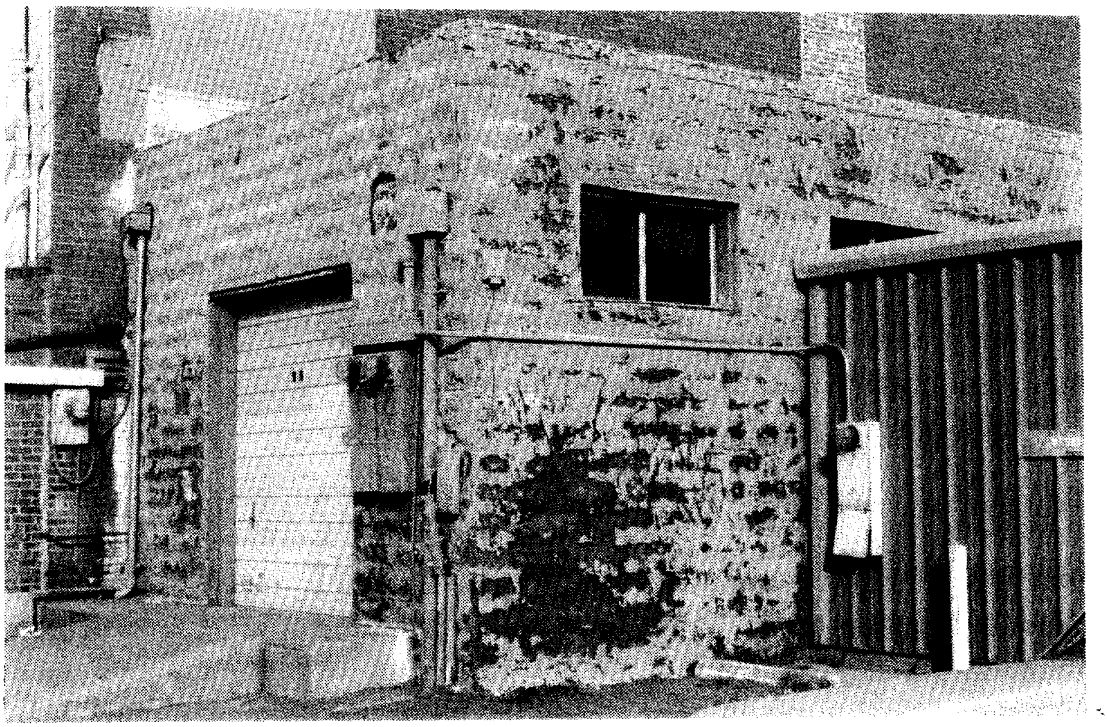
Commercial vacancy, one of many, 13 West Pine Street



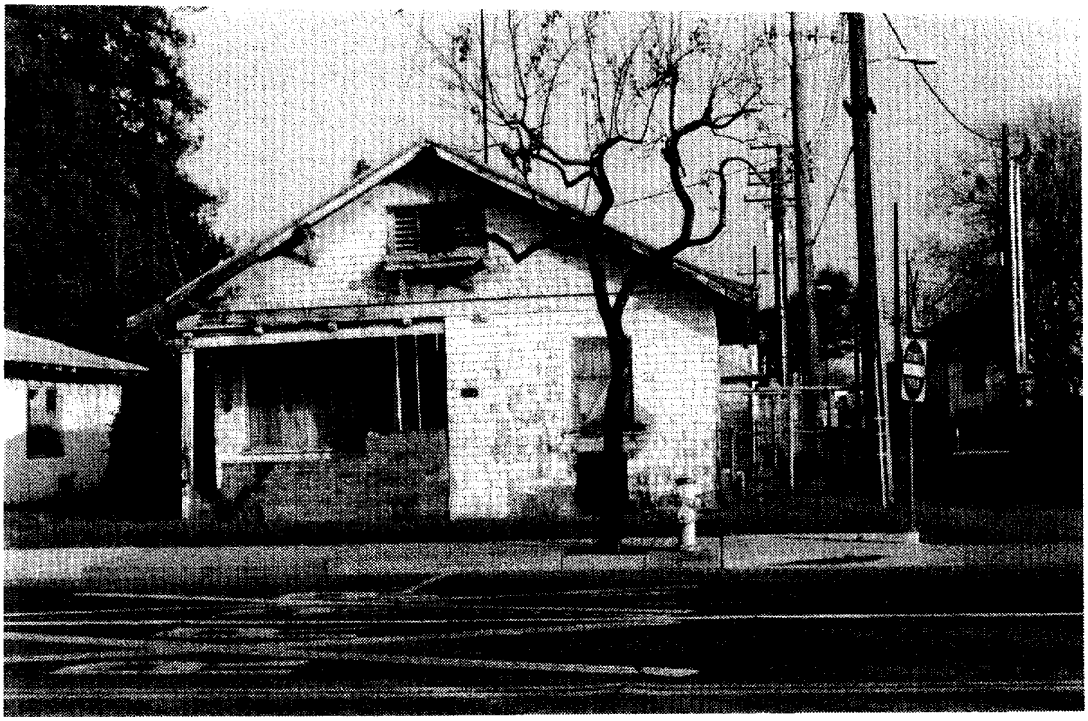
Dilapidated corrugated metal garage, alley, in block bounded by West Elm, North Sacramento, West Pine, and North School Streets



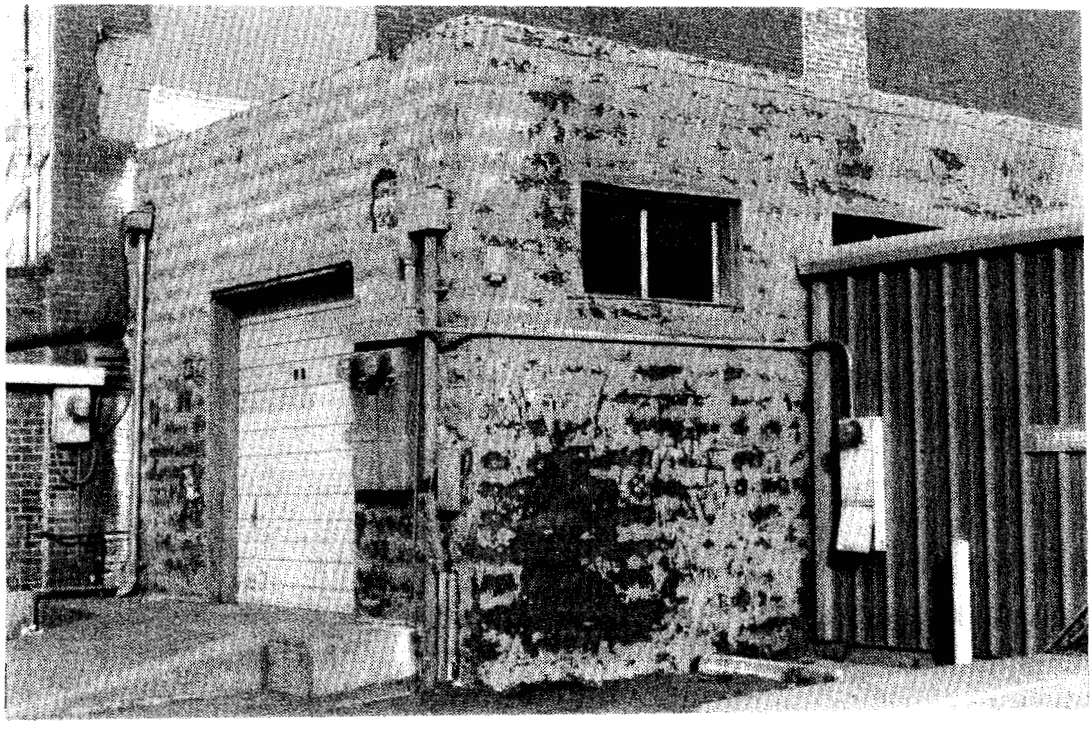
Dilapidated concrete block garage, unsafe (failed column), alley, block bounded by West Elm, North Sacramento, West Pine, and North School Streets



Building addition, Styrofoam exterior, badly deteriorated, alley, block bounded by West Elm, North Sacramento, West Pine, and North School Streets

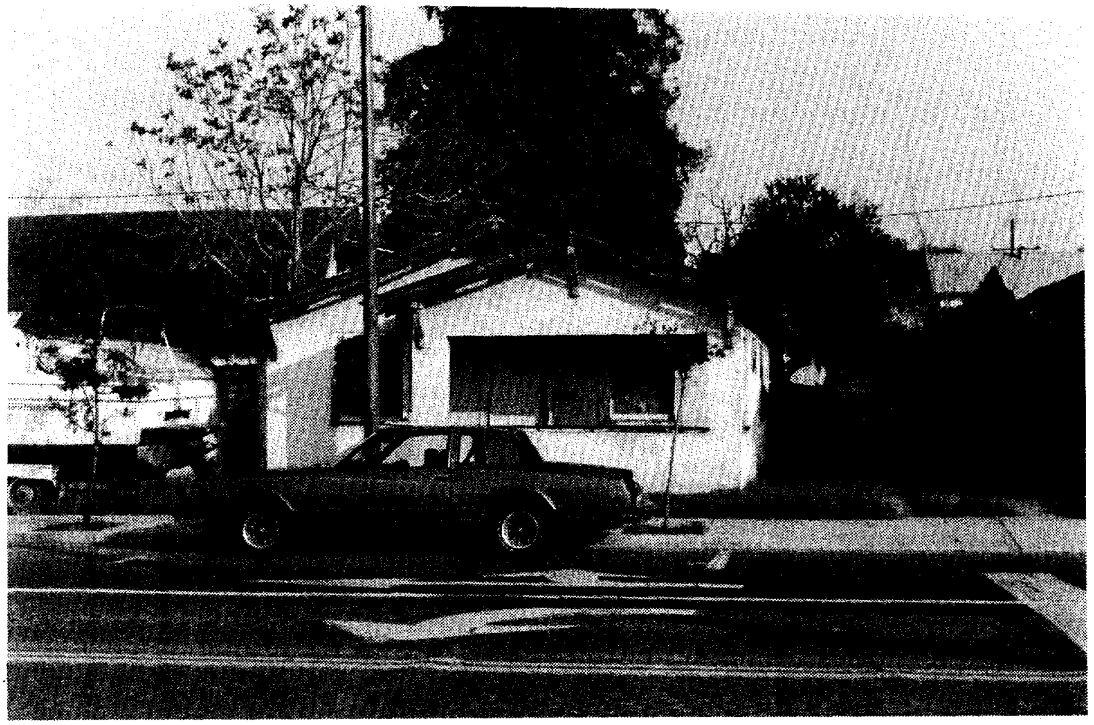


Dilapidated residence, potentially unsafe and unhealthy, 216 North Church Street

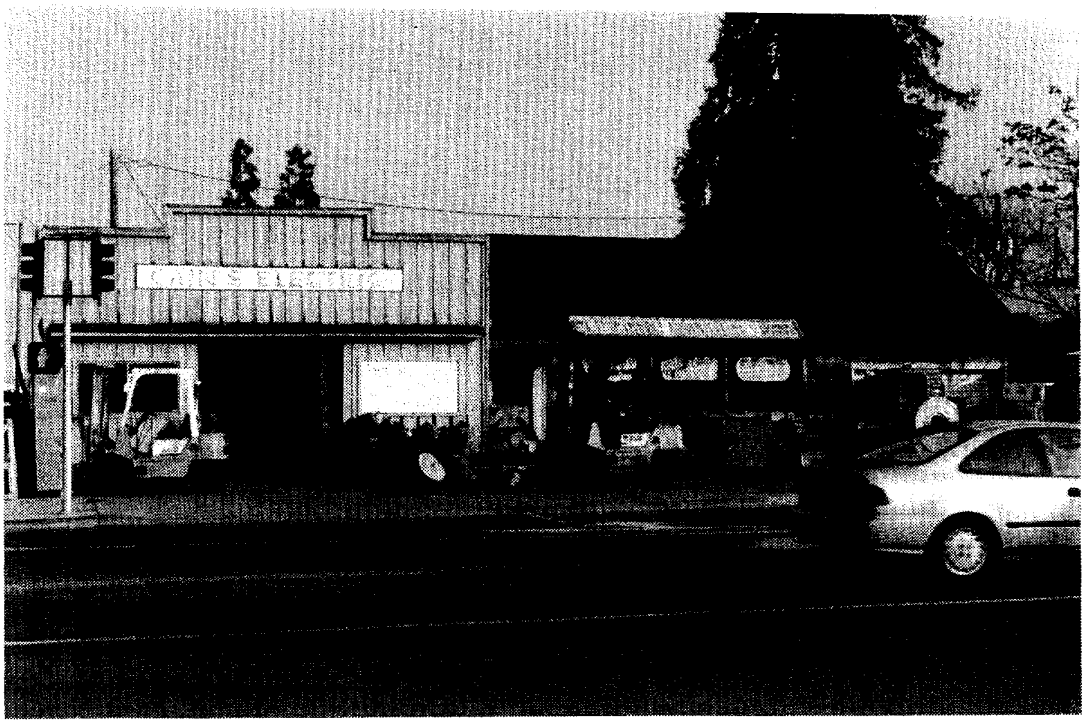


Building addition, Styrofoam exterior, badly deteriorated, alley, block bounded by West Elm, North Sacramento, West Pine, and North School Streets

Dilapidated residence, potentially unsafe and unhealthy, 216 North Church Street

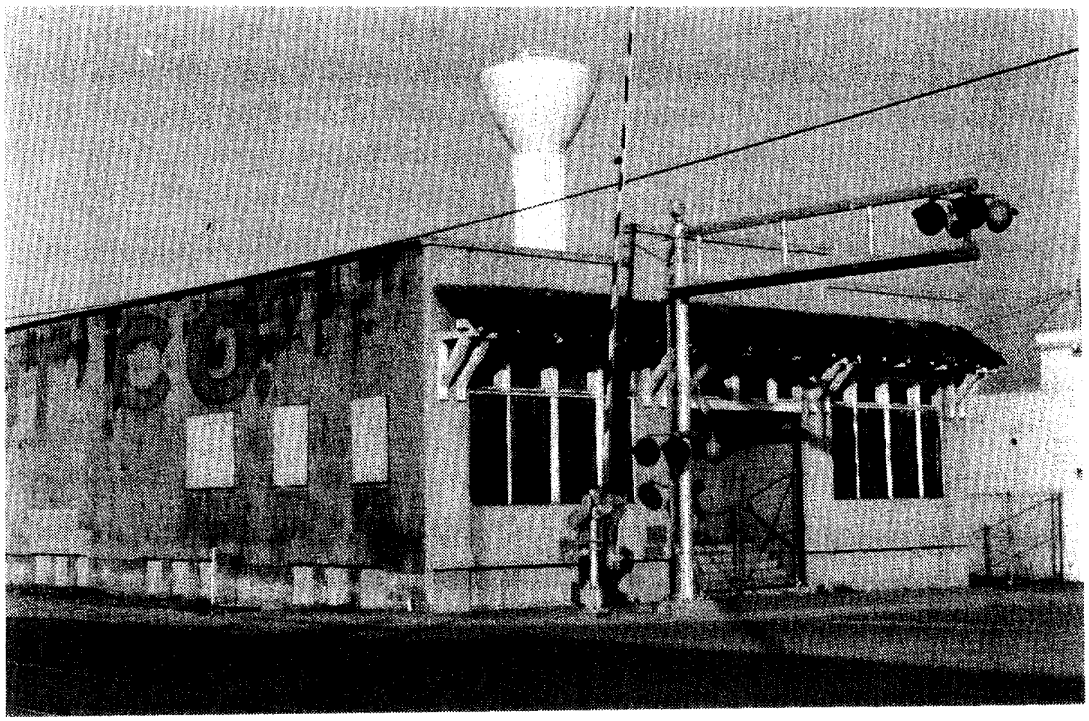


Badly deteriorated residence, 218 North Church Street

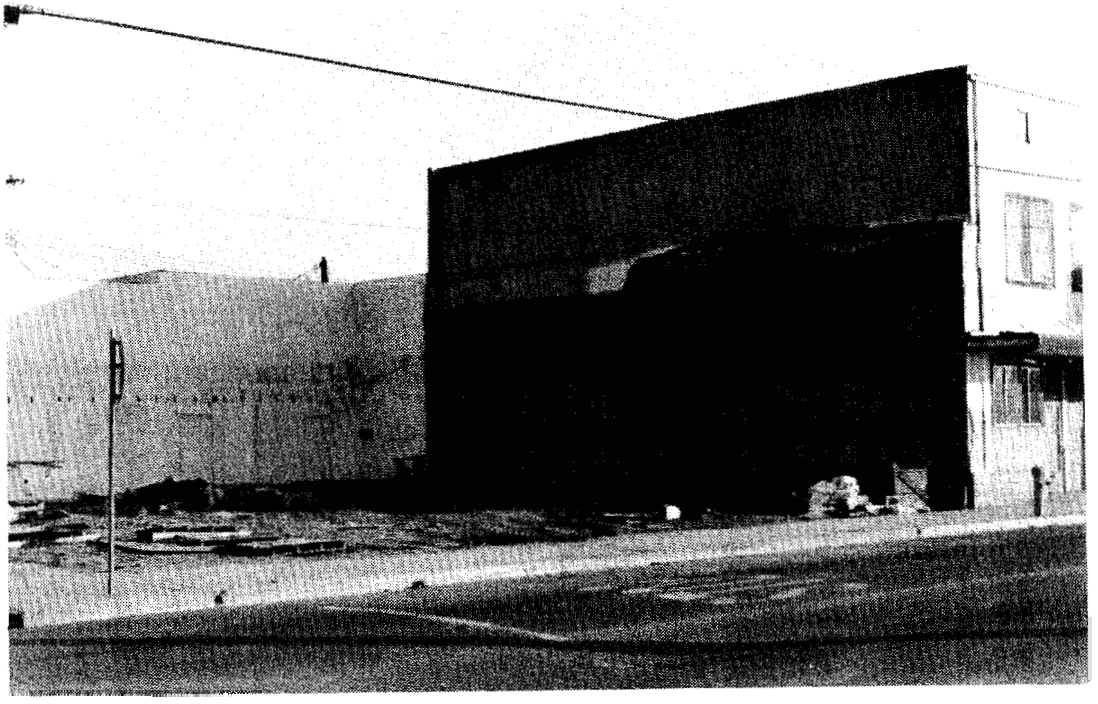


Badly deteriorated commercial buildings, corner of West Lockeford and North Church Streets

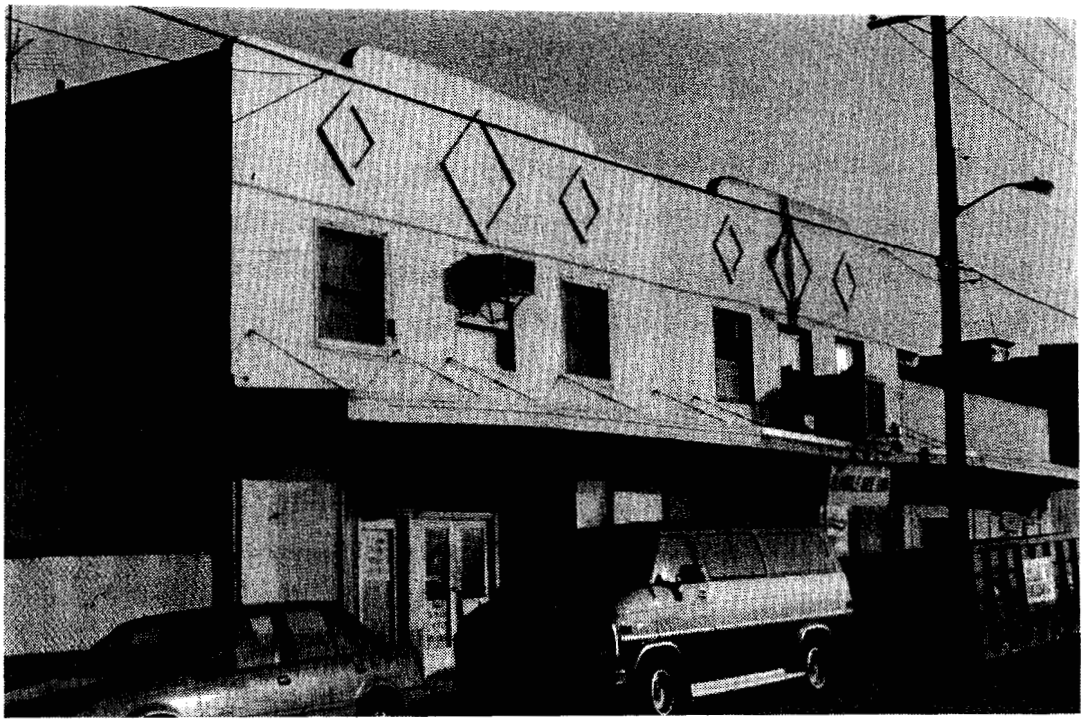
Dilapidated residence, vacant, unsafe and unhealthy, 224 North Stockton Street



Dilapidated metal-clad building, vacant, unsafe and unhealthy, East Elm Street at railroad track

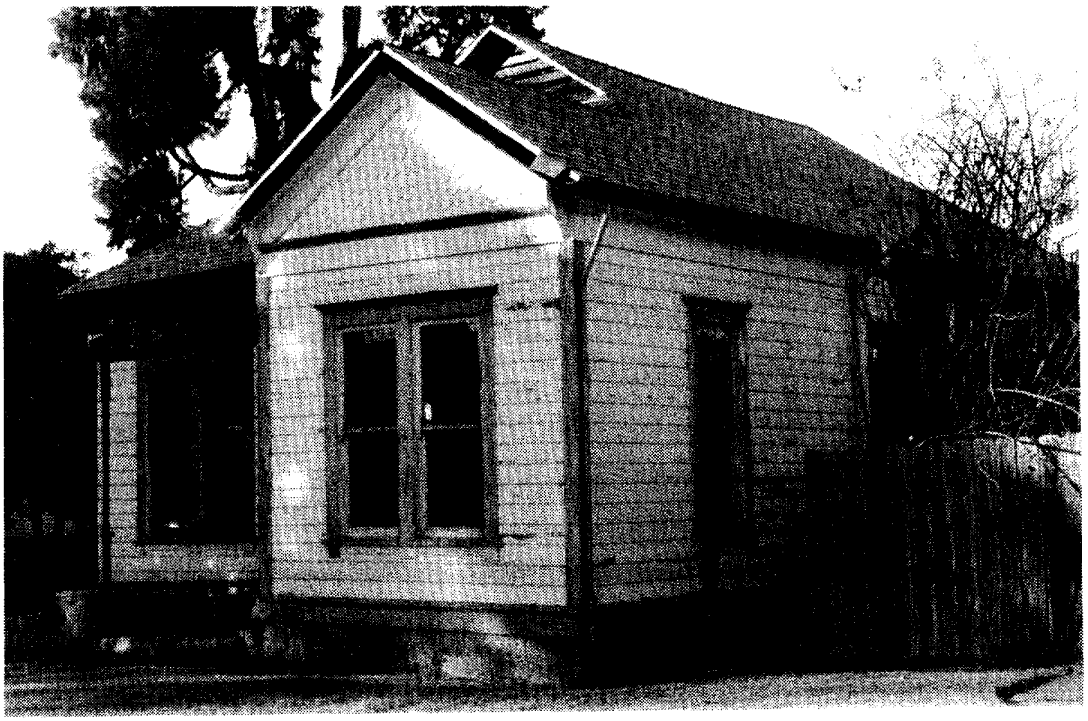


Demolition site, debris accumulation, corner, East Elm and North Main Streets

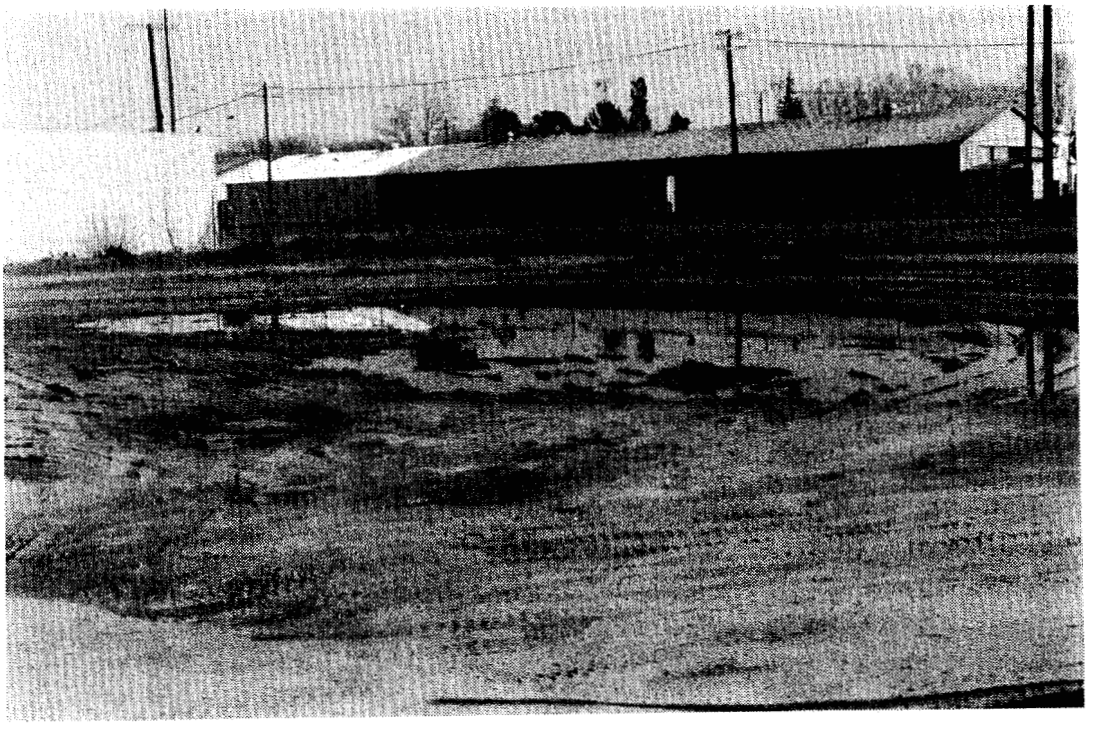


Old reinforced concrete building, deterioration, broken windows, sagging canopy, 24 North Main Street

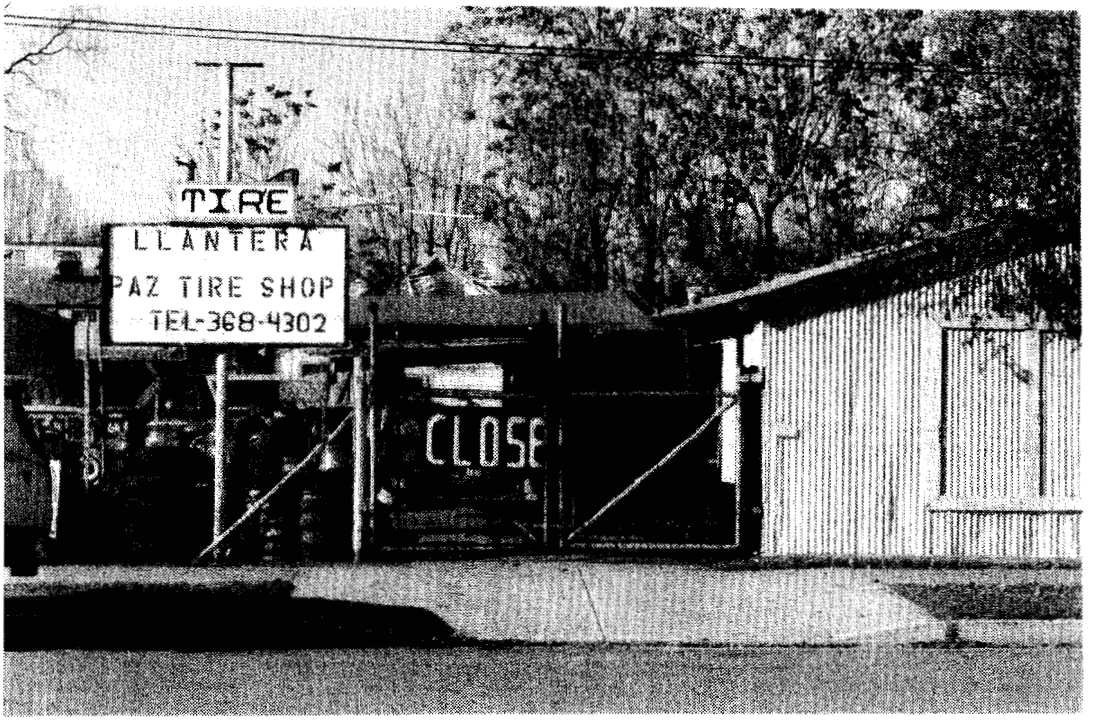
Railroad property, rainwater ponding, abandoned spur tracks, construction debris, west side North Main Street, between East Elm and East Pine Streets



Architecturally and historically interesting Victorian with structural problems, potentially unsafe and unhealthy for occupancy, serious deterioration, appears to be under renovation, adjacent to 424 East Pine Street

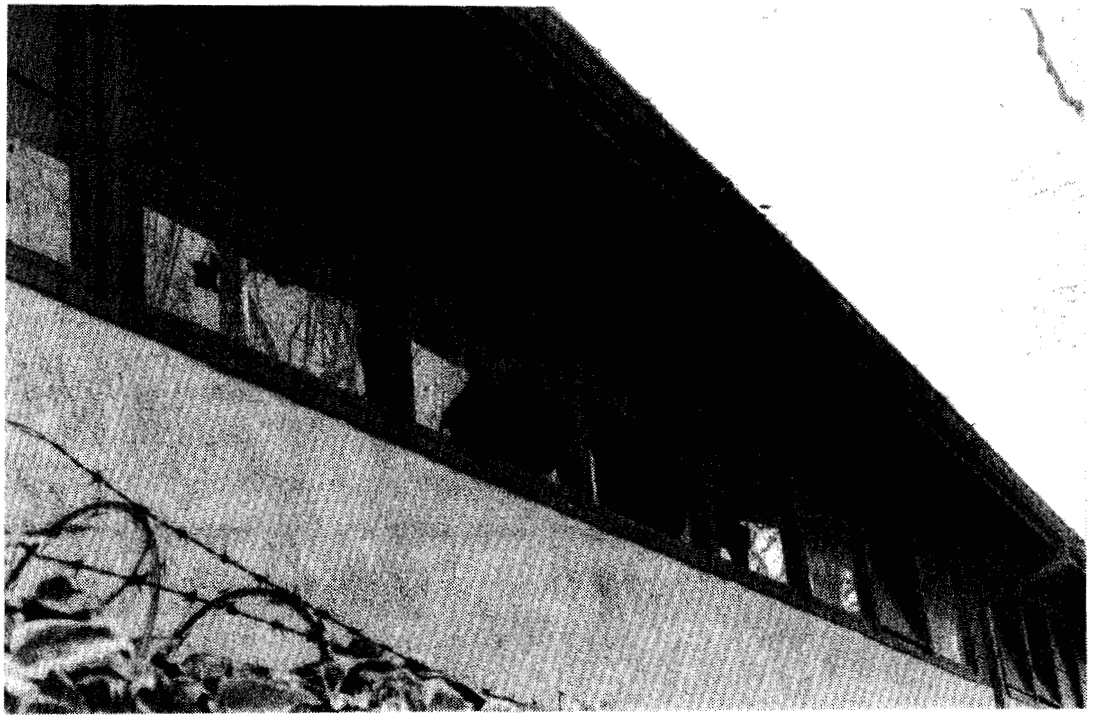


Underutilized commercial/industrial property, rainwater ponding, opposite 401 North Sacramento Street



Tire shop, deteriorated building, 625 North Sacramento Street

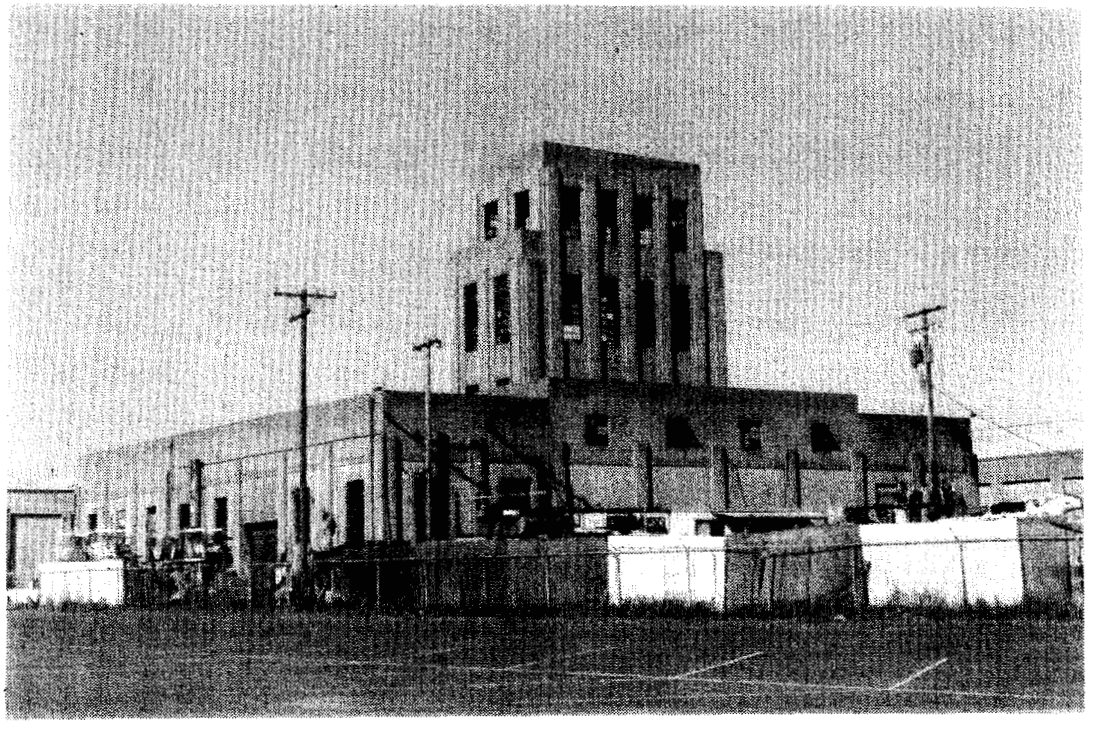
Deteriorated metal building, 10 Daisy Avenue



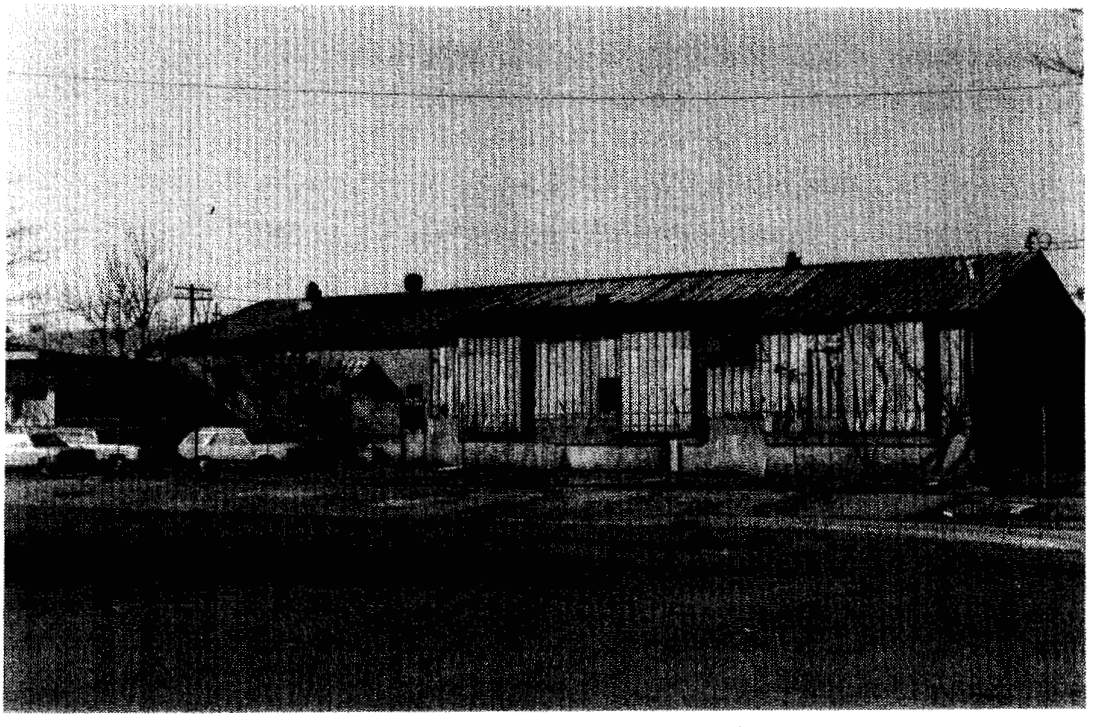
Broken windows, otherwise well-maintained industrial/service building, corner Daisy and North School Streets

Underutilized commercial/industrial site, rainwater ponding, currently used for truck parking, corner North Sacramento Street and East Turner Road

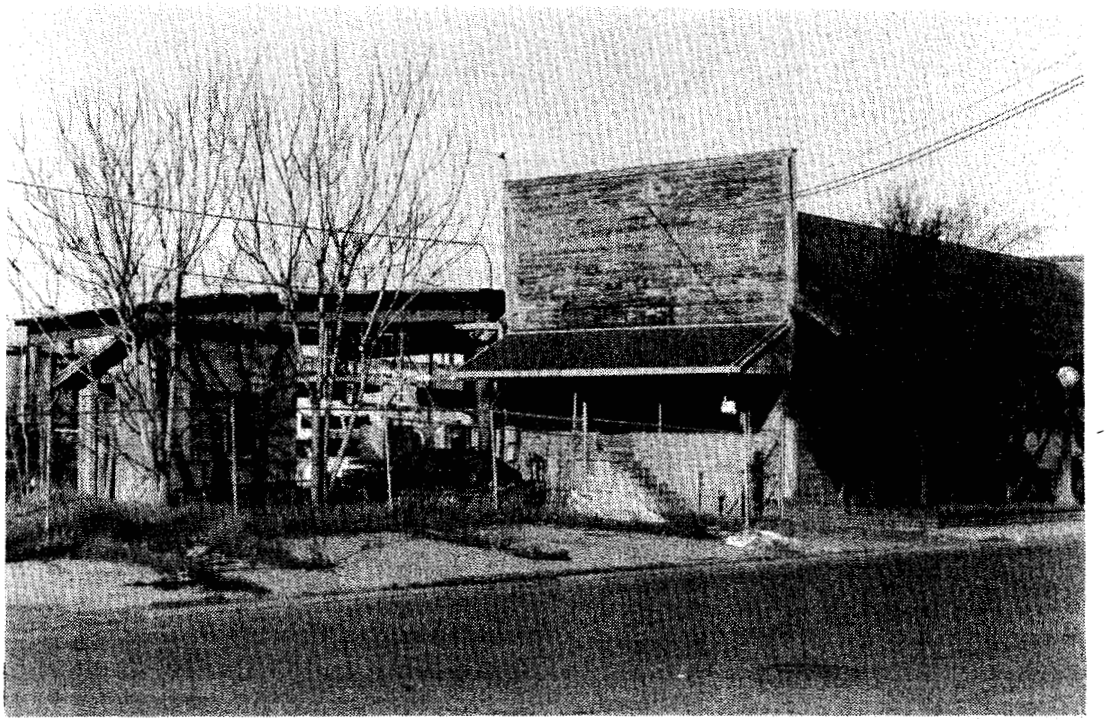
Abandoned trailers and automobiles, corner of East Turner Road and North Stockton Street



Dilapidated reinforced concrete industrial building, broken windows, potentially unsafe and unhealthy, westerly frontage of North Stockton Street, opposite Lawrence School

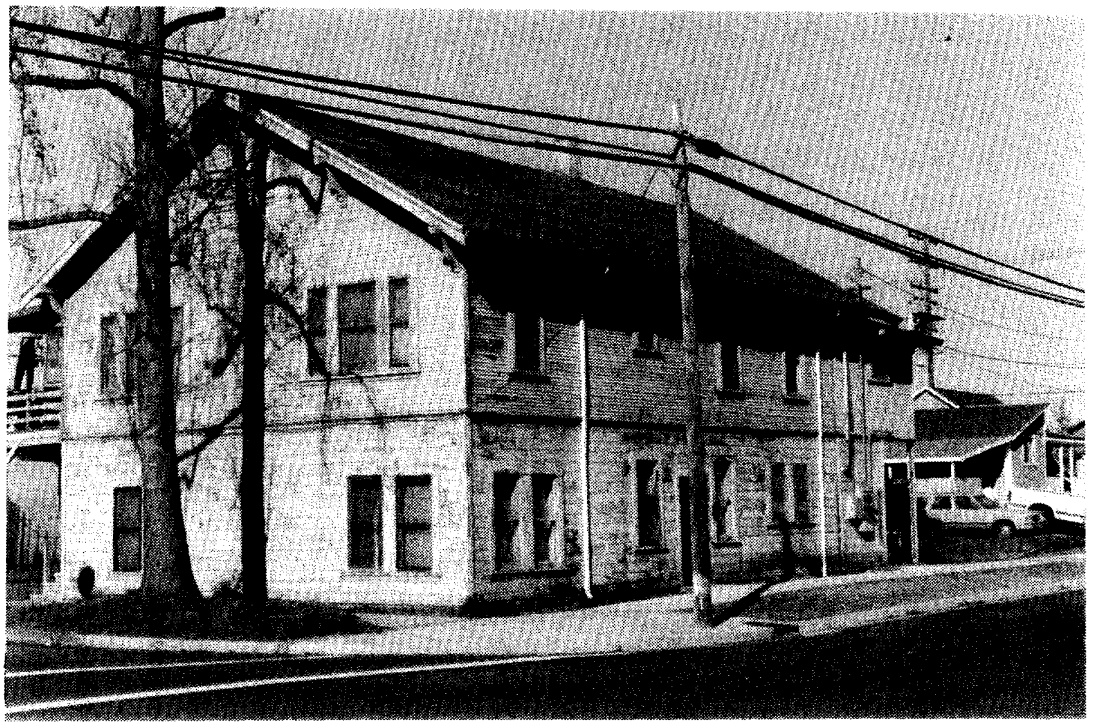


Badly deteriorated industrial warehouse building, broken windows, non-operating vehicles, intersection of Lawrence Avenue and North Main Street

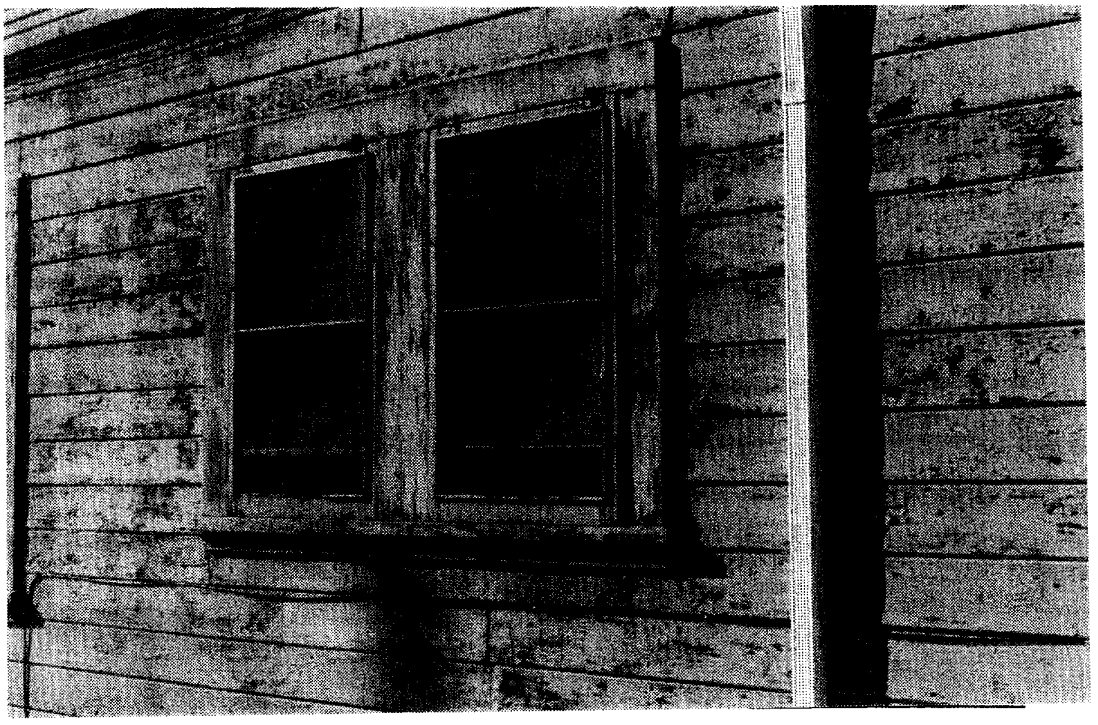


Deteriorated buildings, trash and debris accumulation, potentially unsafe and unhealthy, 315 North Main Street

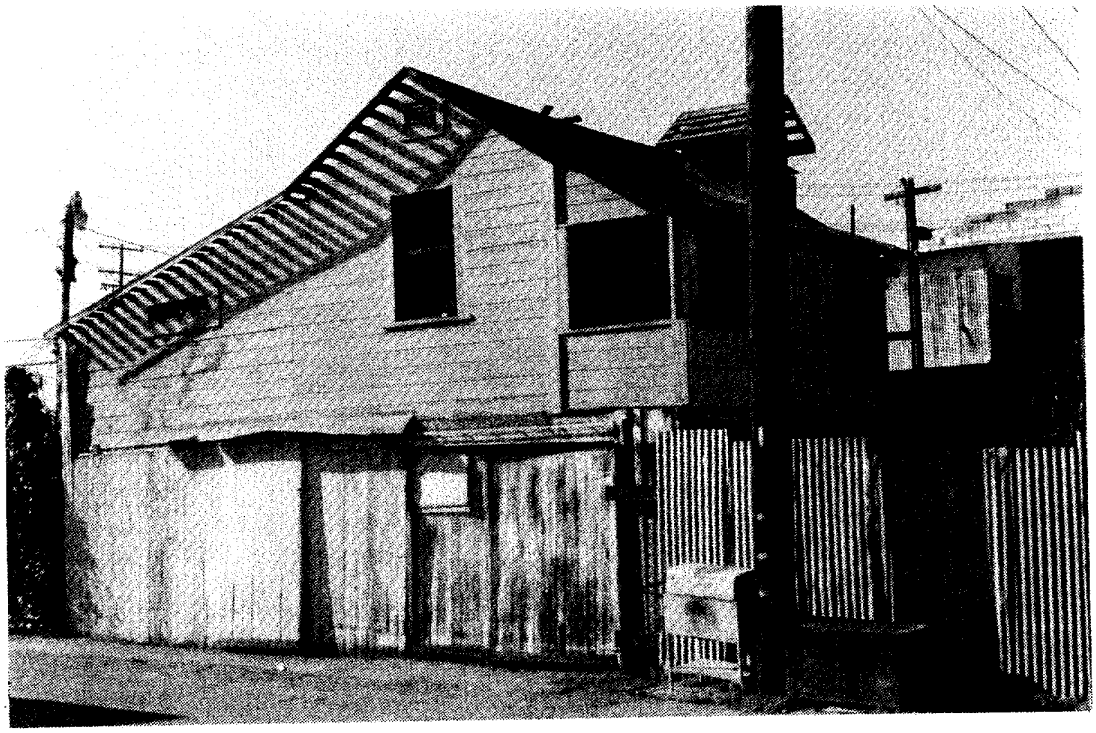
Illegal dumping, abandoned spur tracks, unhealthy, opposite 316 North Main Street



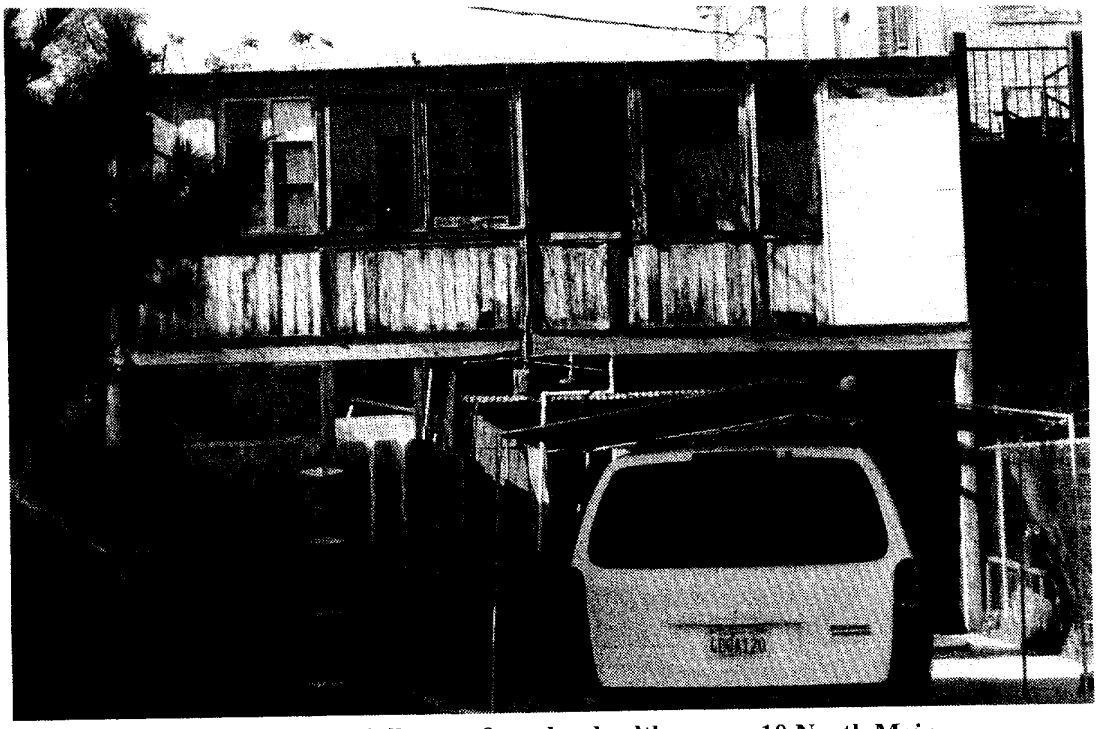
Badly deteriorated apartment building, broken windows, deteriorated siding, dry rot, ripped screens, corner North Stockton and East Locust Streets



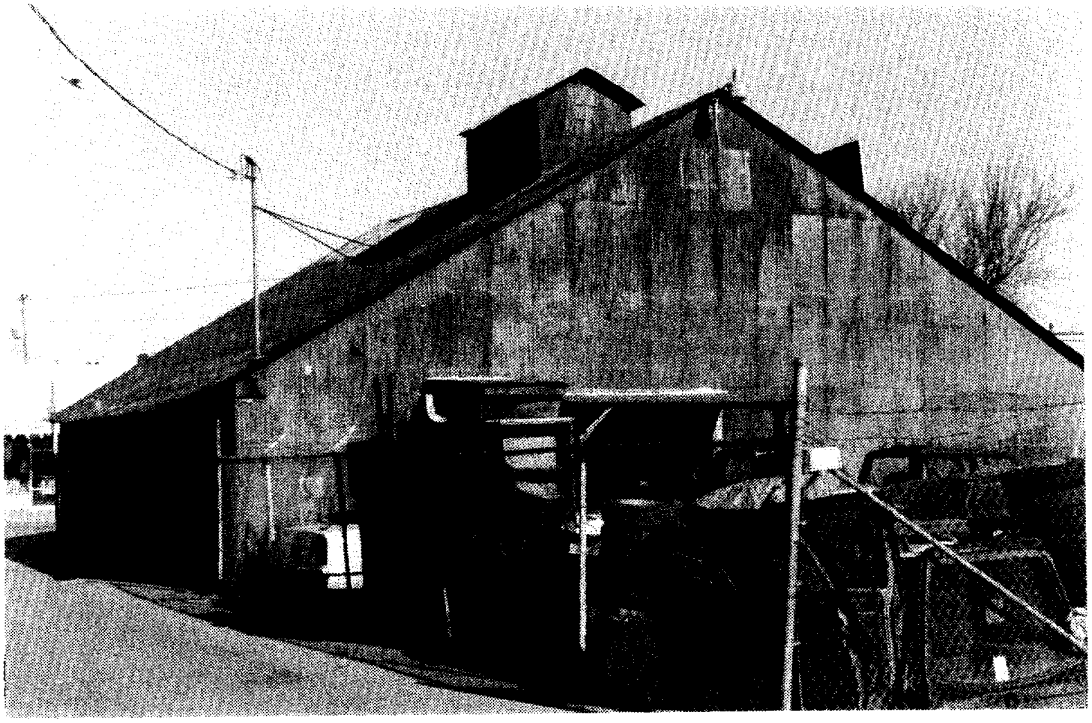
Deteriorated siding, ripped screens, detail, apartment building, North Stockton and East Locust Streets.



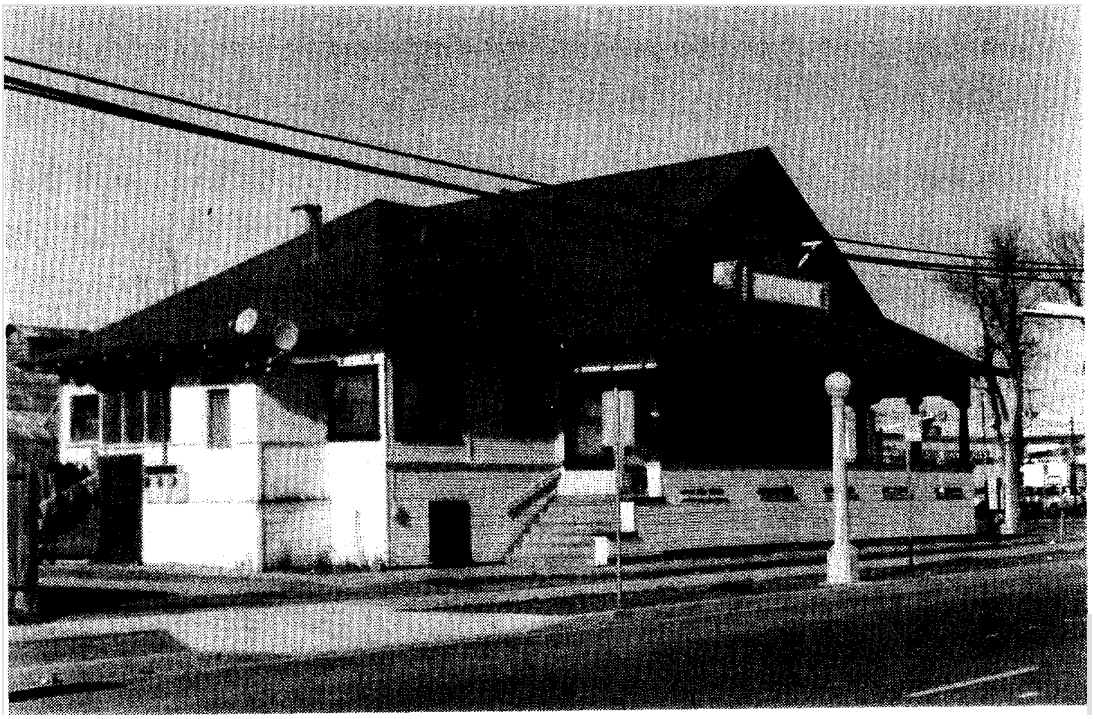
Abandoned residential garage building, dilapidated, unsafe and unhealthy, alley in block bounded by East Elm, North Stockton, East Pine, and North Main Streets



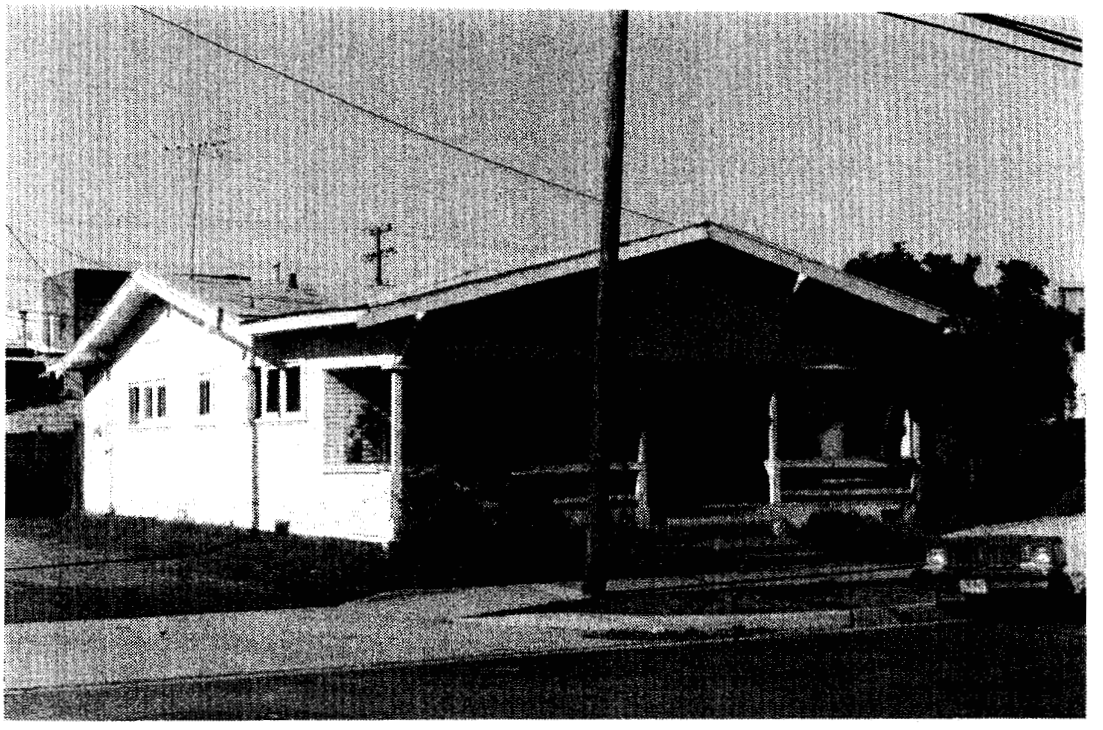
Dilapidated structure, potentially unsafe and unhealthy, rear, 10 North Main Street



Dilapidated corrugated metal commercial building, sagging roof, potentially unsafe and unhealthy, East Pine Street at alley between South Main and South Stockton Streets

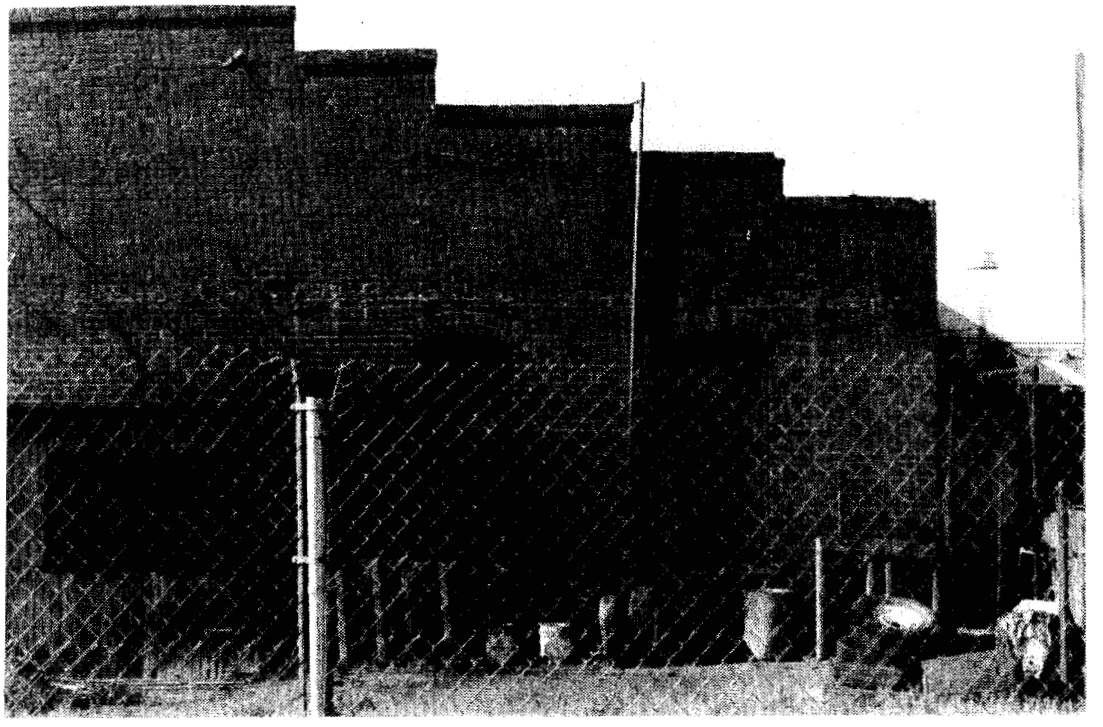


Large deteriorated residence, sagging porch, leaning chimney, corner East Pine and South Stockton Streets

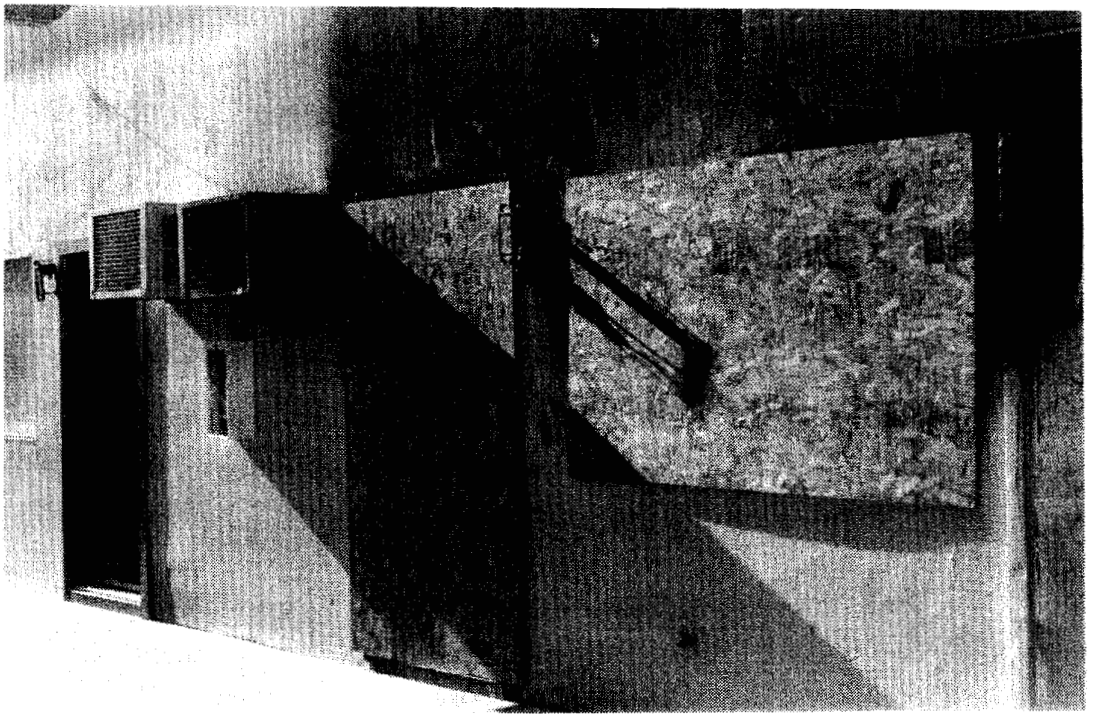


Deteriorated residence, sagging porch, broken windows, peeling paint, 15 South Stockton Street

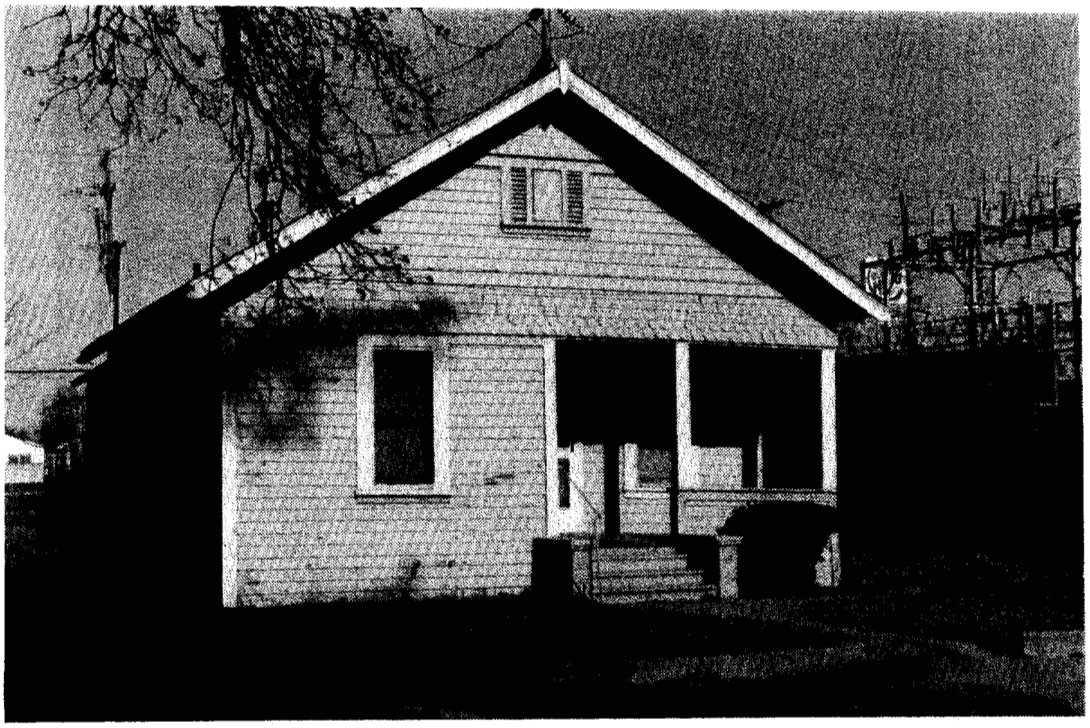
Broken windows, detail, residence, 15 South Stockton Street



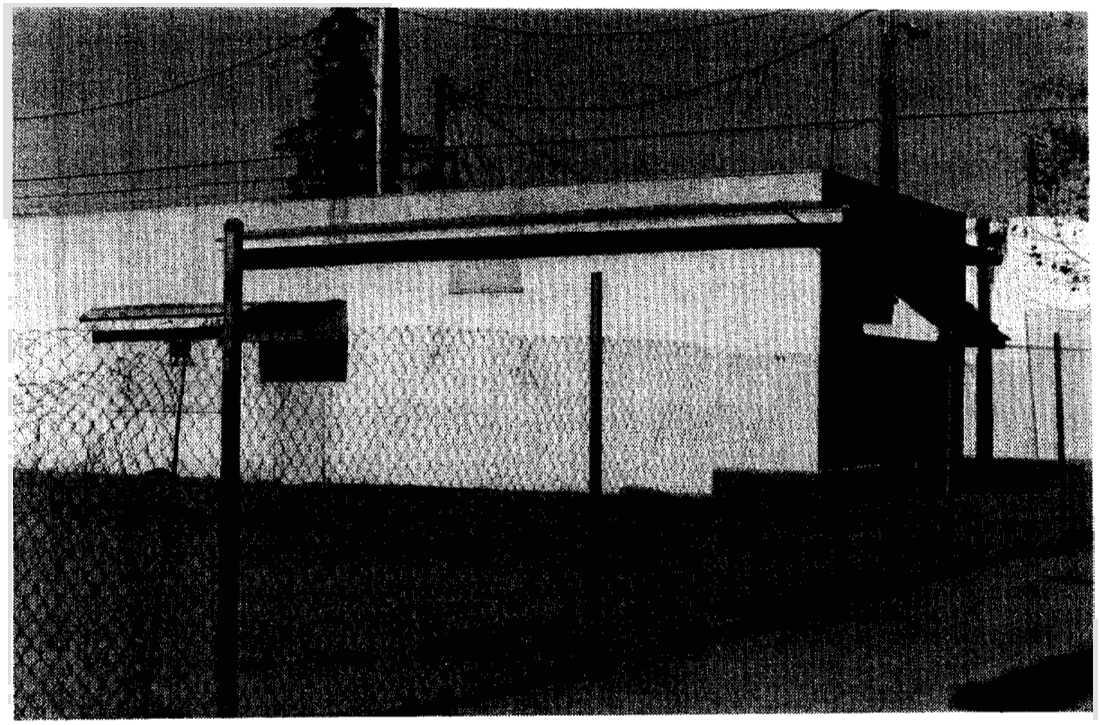
Unreinforced masonry brick building, structural failure, rear wall, unsafe, adjacent to 130 North Sacramento Street



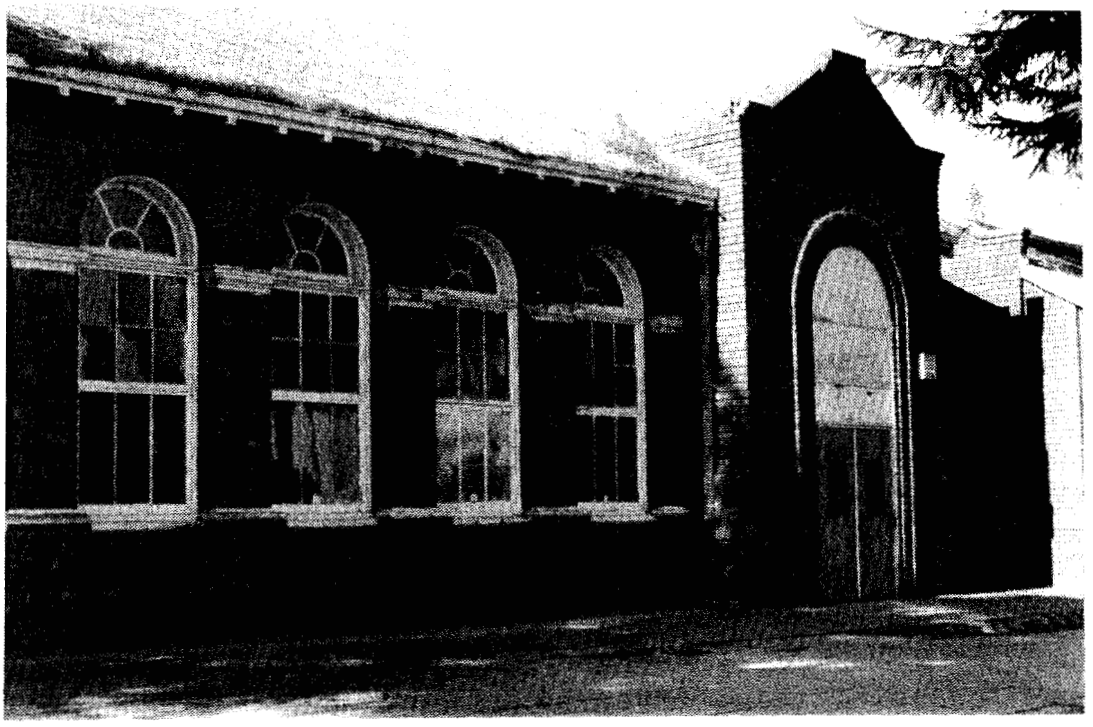
Burned out apartment, 425 East Locust Street



Badly deteriorated residence, peeling paint, sagging porch, 541 East Locust Street



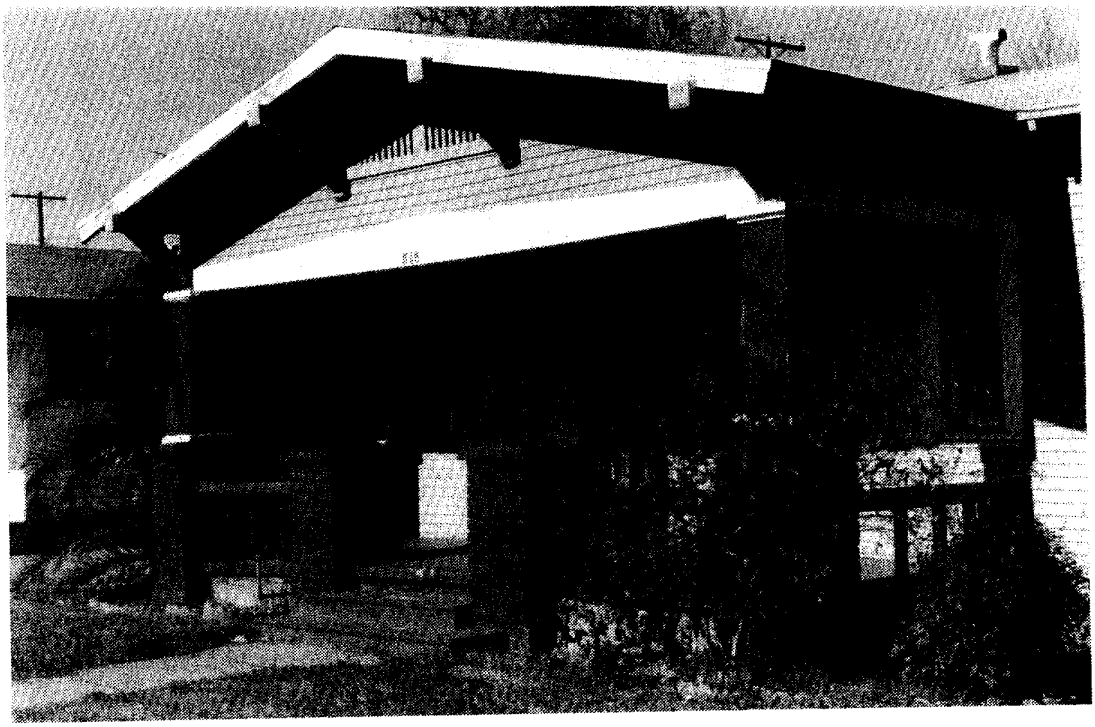
Vacant underutilized property, boarded up building, corner North Cherokee Lane and East Elm Street



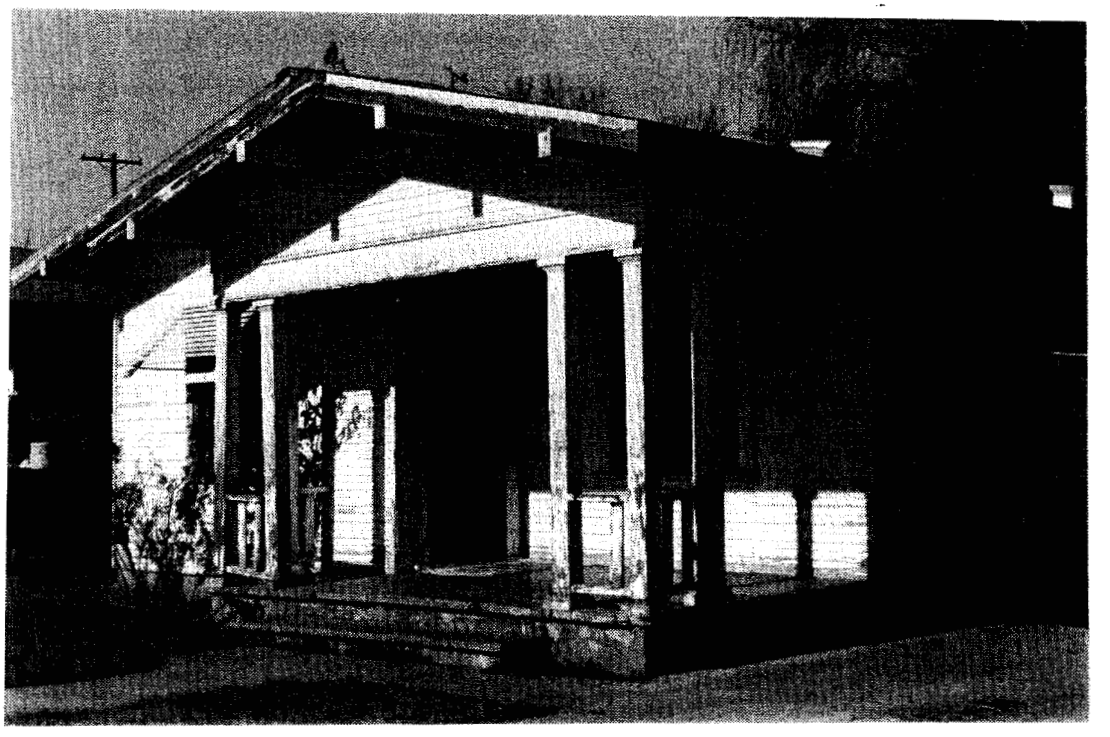
Architecturally and historically interesting Lincoln School, dilapidated, unsafe and unhealthy for occupancy, corner South Cherokee Lane and East Pine Street

Small deteriorated commercial buildings, peeling paint, dry rot, corner East Walnut Street and South Cherokee Lane

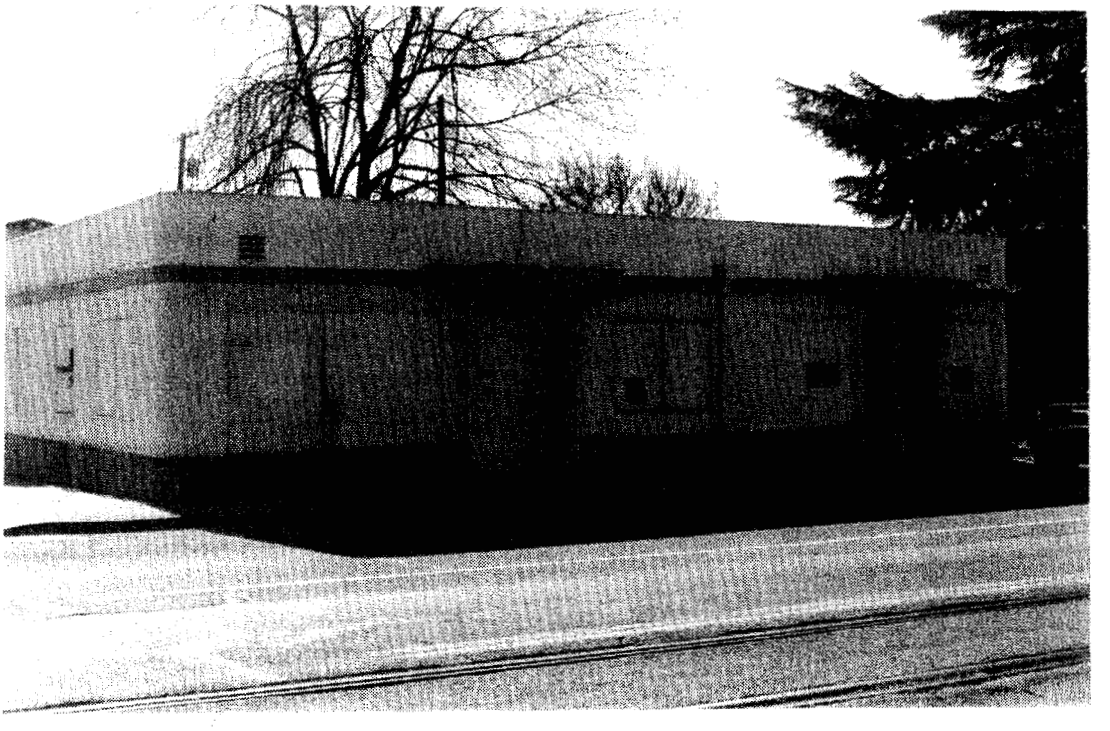
Large commercial building, brick construction, deteriorated, corner East Walnut Street and South Cherokee Lane



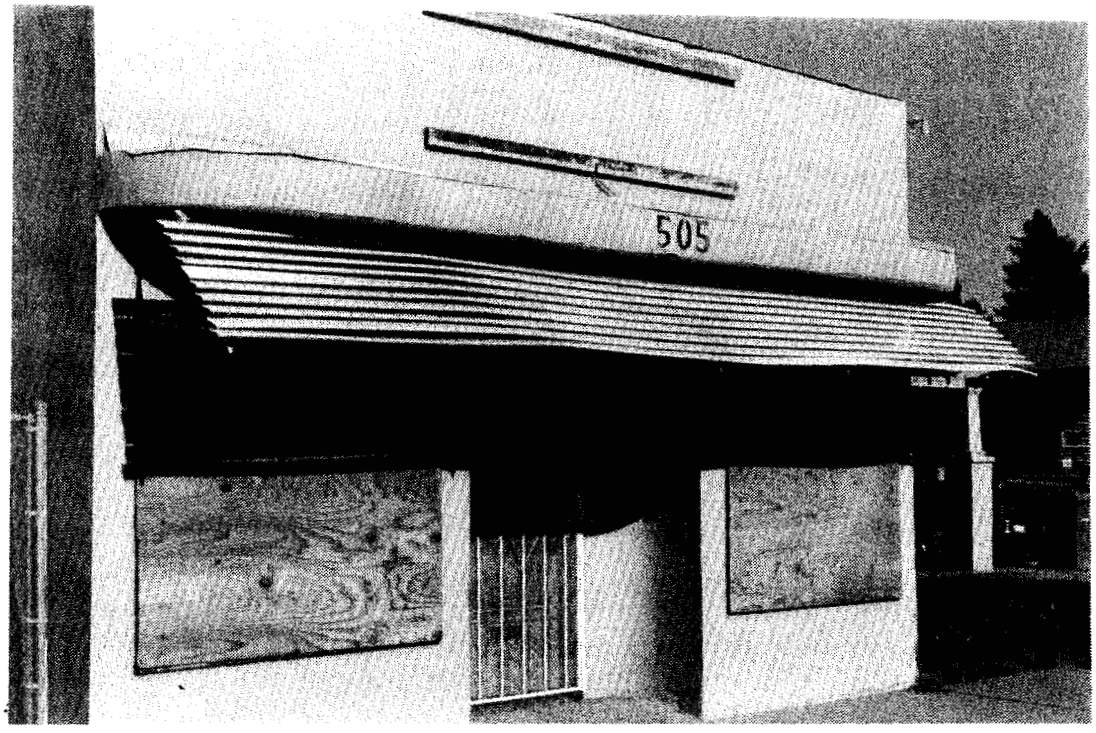
Badly deteriorated residence, sagging front porch, broken windows, potentially unsafe and unhealthy, 515 East Lodi Avenue



Dilapidated residence, sagging and broken front porch, peeling paint, dry rot, potentially unsafe and unhealthy, adjacent to 515 East Lodi Avenue



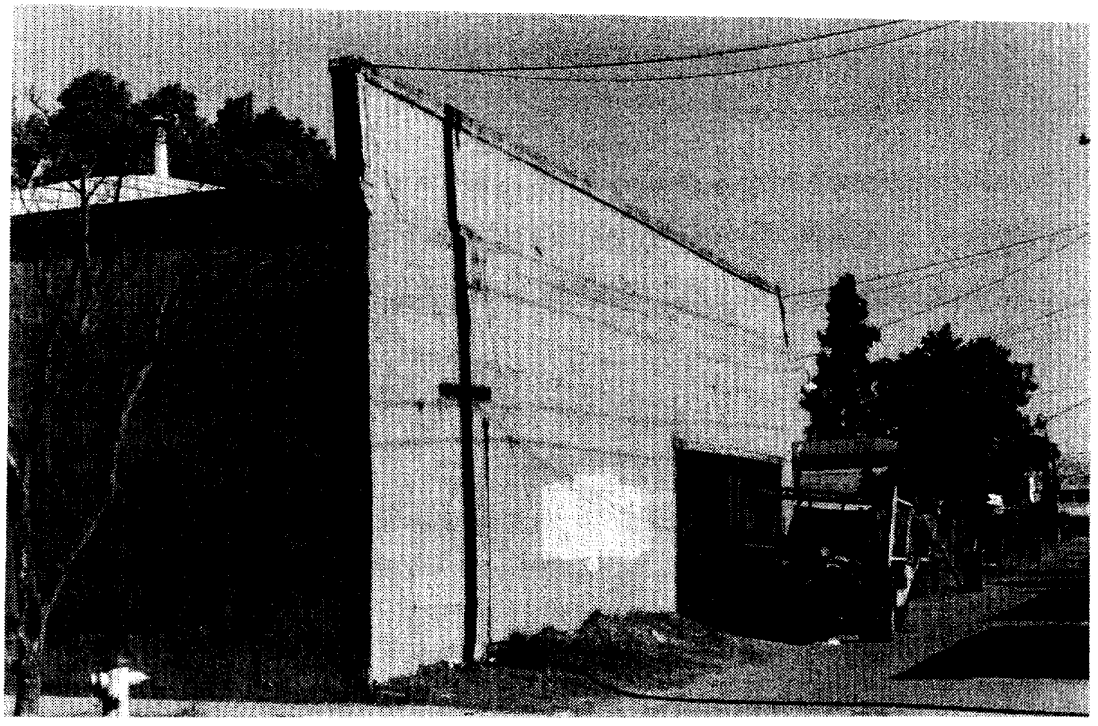
Boarded up commercial building, badly deteriorated, corner East Lodi Avenue and South Garfield Street



Boarded up commercial building, deteriorated, 505 East Lodi Avenue

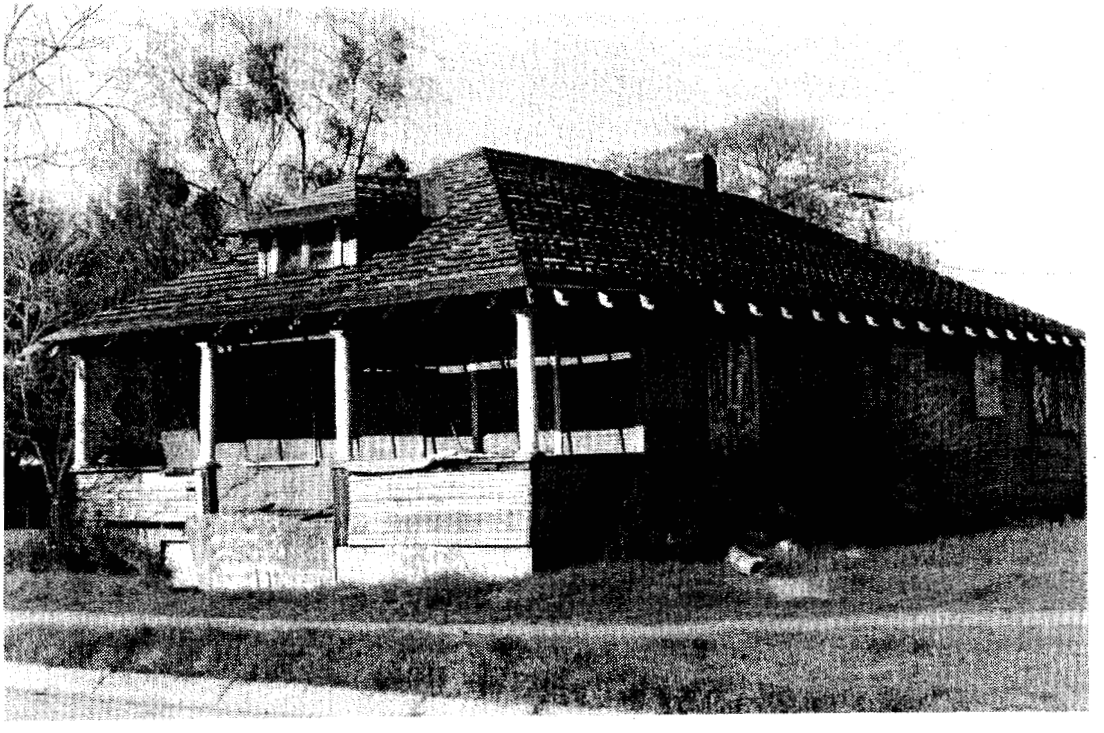
Dilapidated house, broken window frames, deteriorated roof, extensive dry rot, unsafe and unhealthy, opposite 236 East Lodi Avenue

Dilapidated commercial building, evidence of structural problems (cracked walls), dry rot, peeling paint, potentially unsafe and unhealthy, 502 East Oak Street



Evidence of serious structural problems, sagging walls, potentially unsafe and unhealthy, detail, rear of 502 East Oak Street

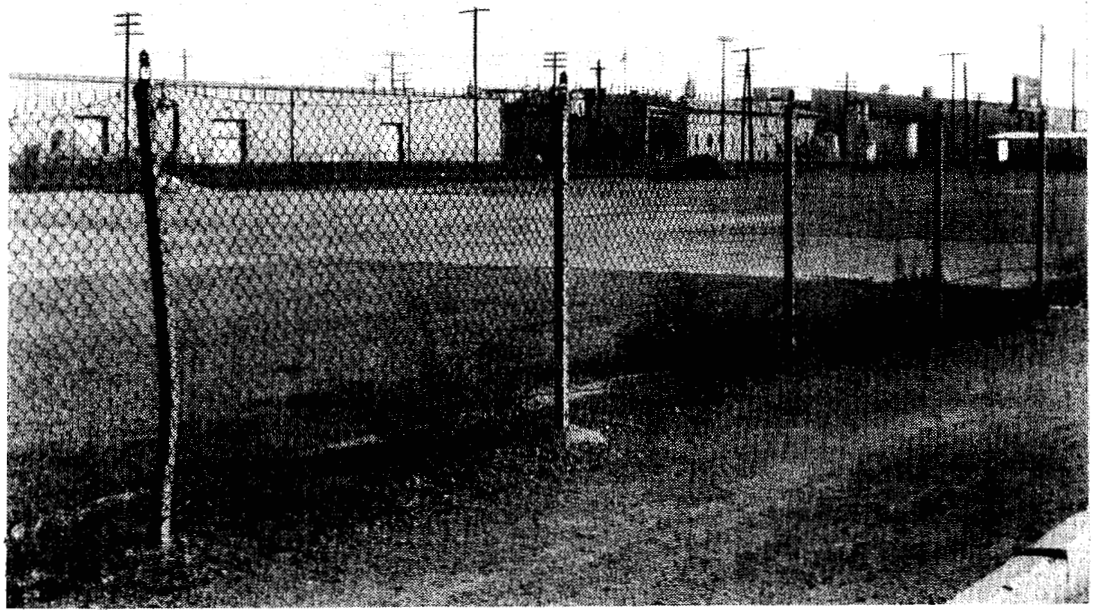
Architecturally and historically interesting structure, former creamery, Art Deco design, *circa* 1938, deteriorated, 100 South Cherokee Lane



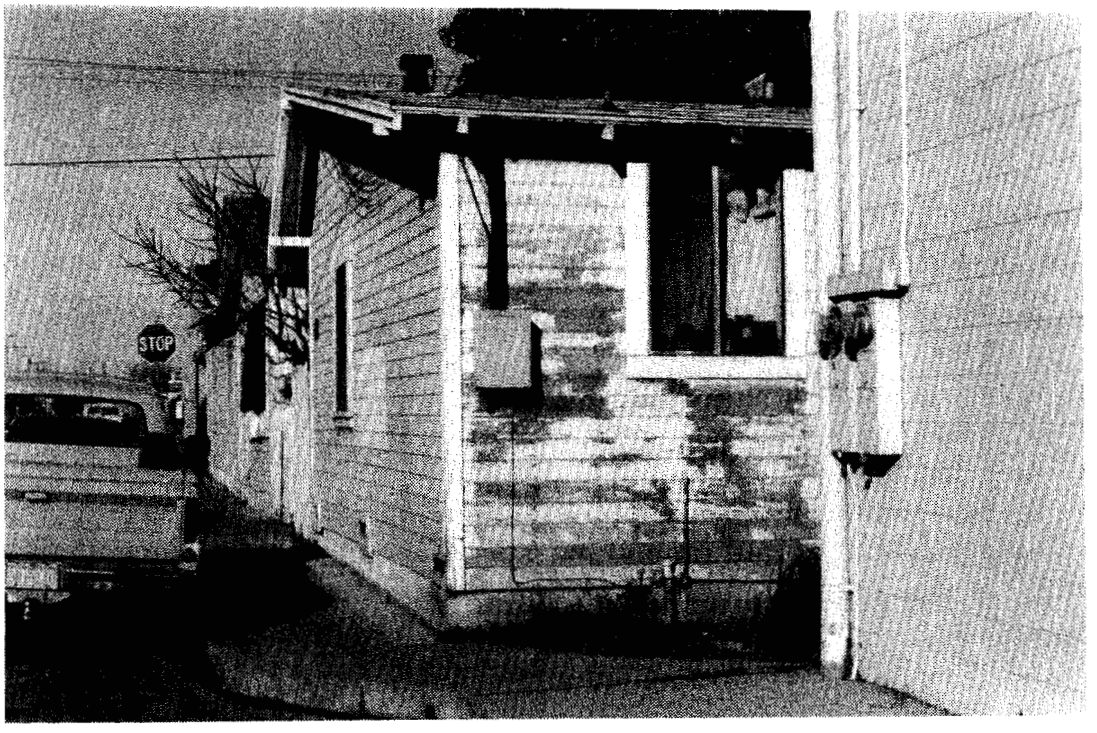
Totally dilapidated residence, unsafe and unhealthy for occupancy, 543 East Maple Street

Dilapidated front porch, residence, potentially unsafe, 316 South Sacramento Street

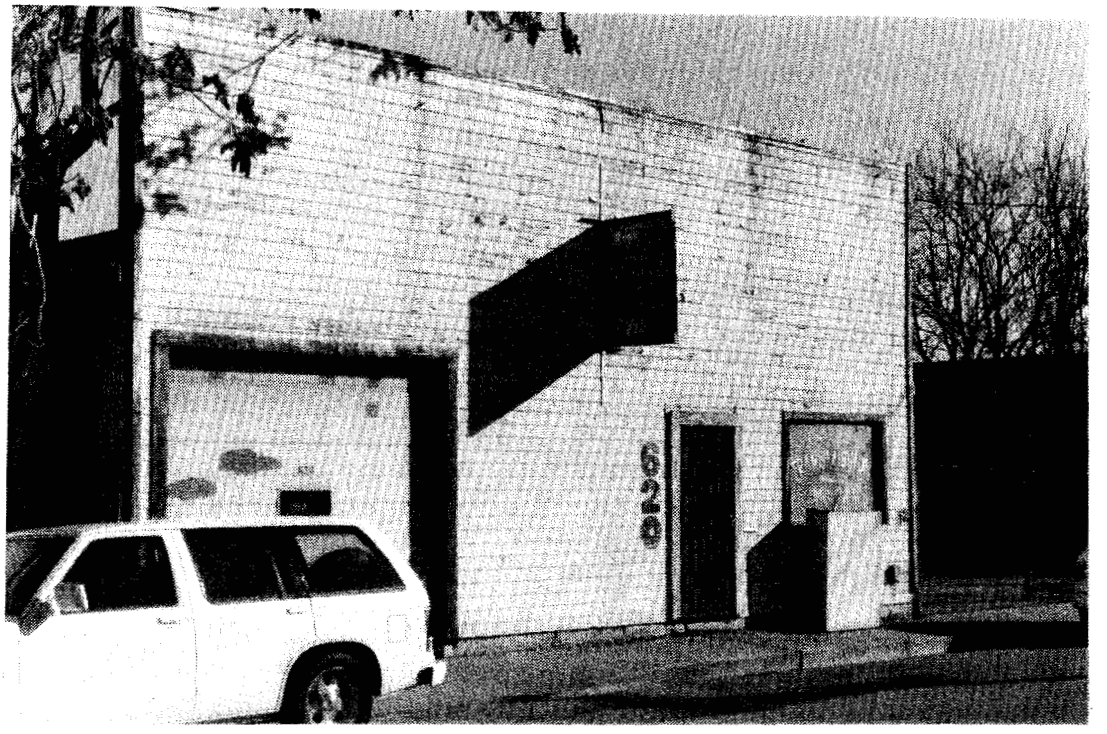
Badly deteriorated residence, peeling paint, dry rot, potentially unsafe and unhealthy, 316 South Sacramento Street



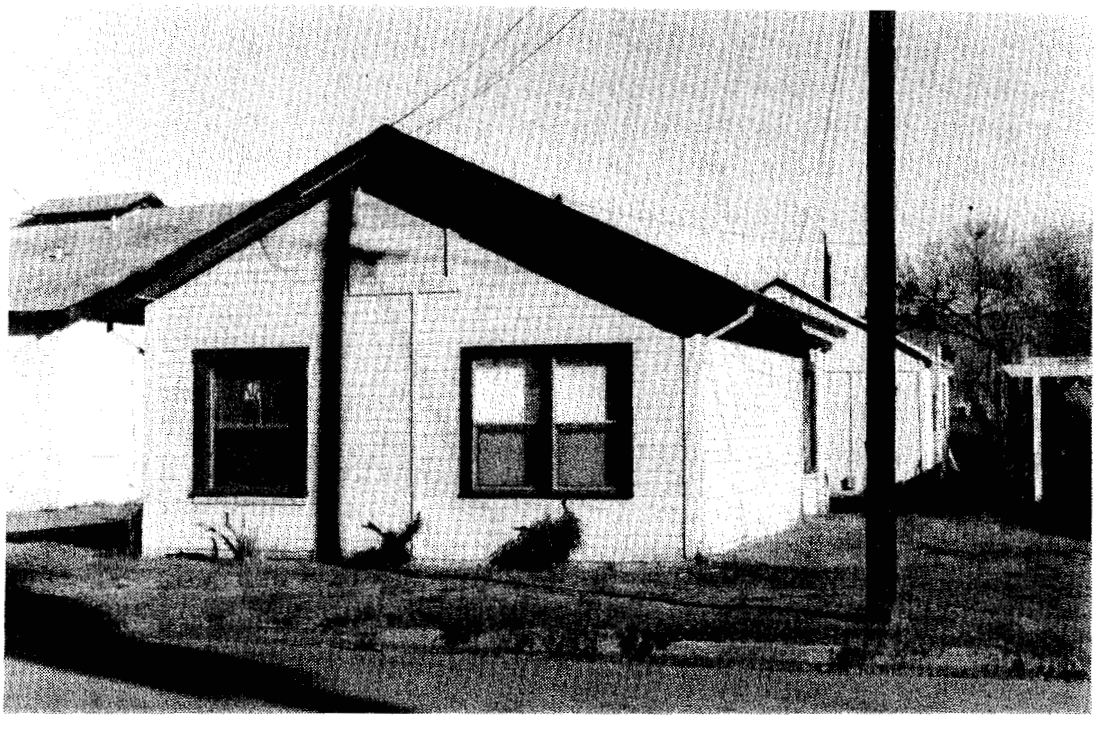
Large underutilized property, east side of South Sacramento Street between Chestnut and West Tokay Streets



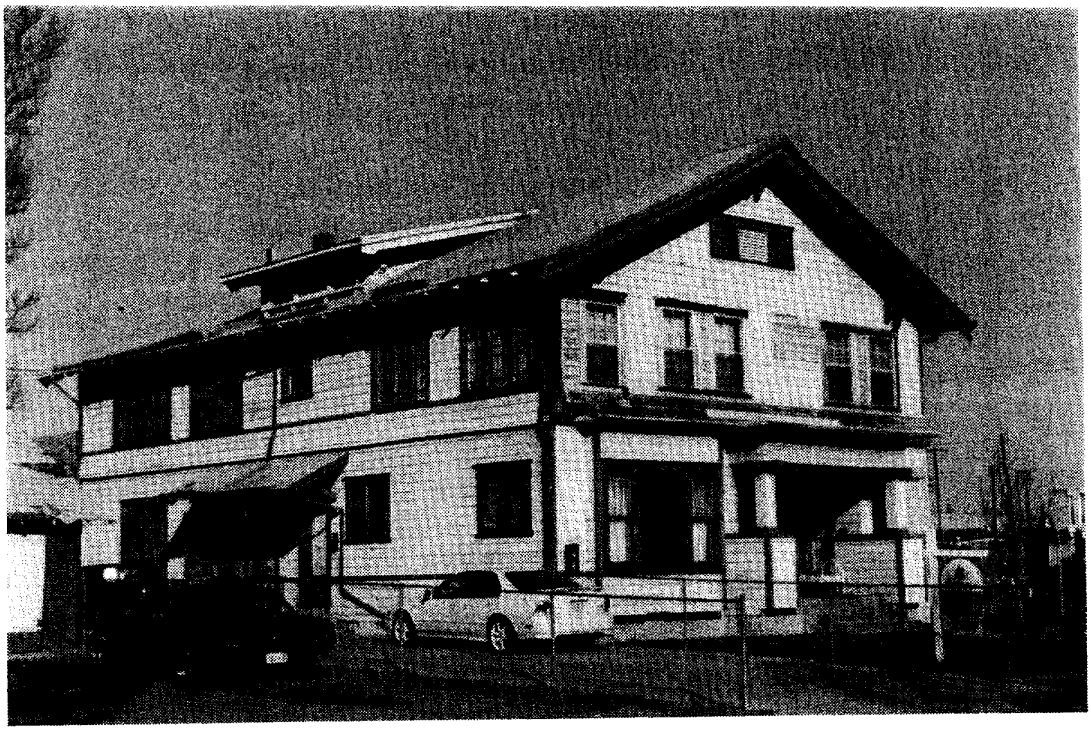
Deteriorated residential units, sagging sidewalls and sinking foundation, potentially unsafe and unhealthy, 602, 604 South Sacramento Street



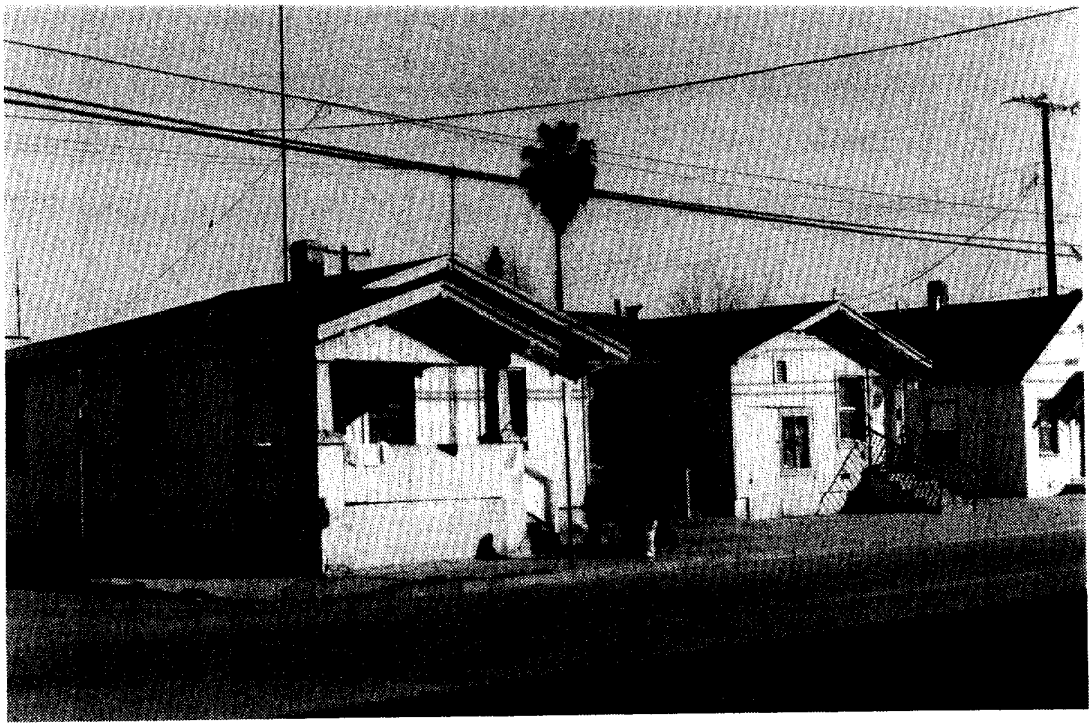
Deteriorated commercial garage building, 620 South Sacramento Street



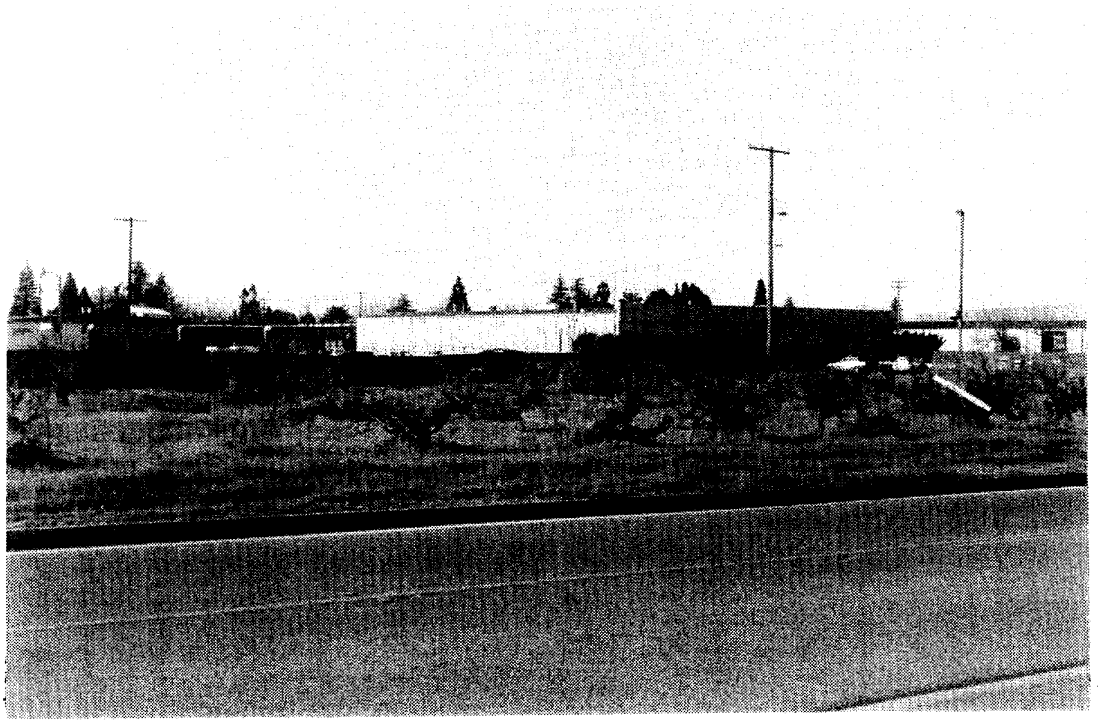
Small worker's cottage, located in industrial area, well painted, side wall deflection, 1116-1/2 South Sacramento Street



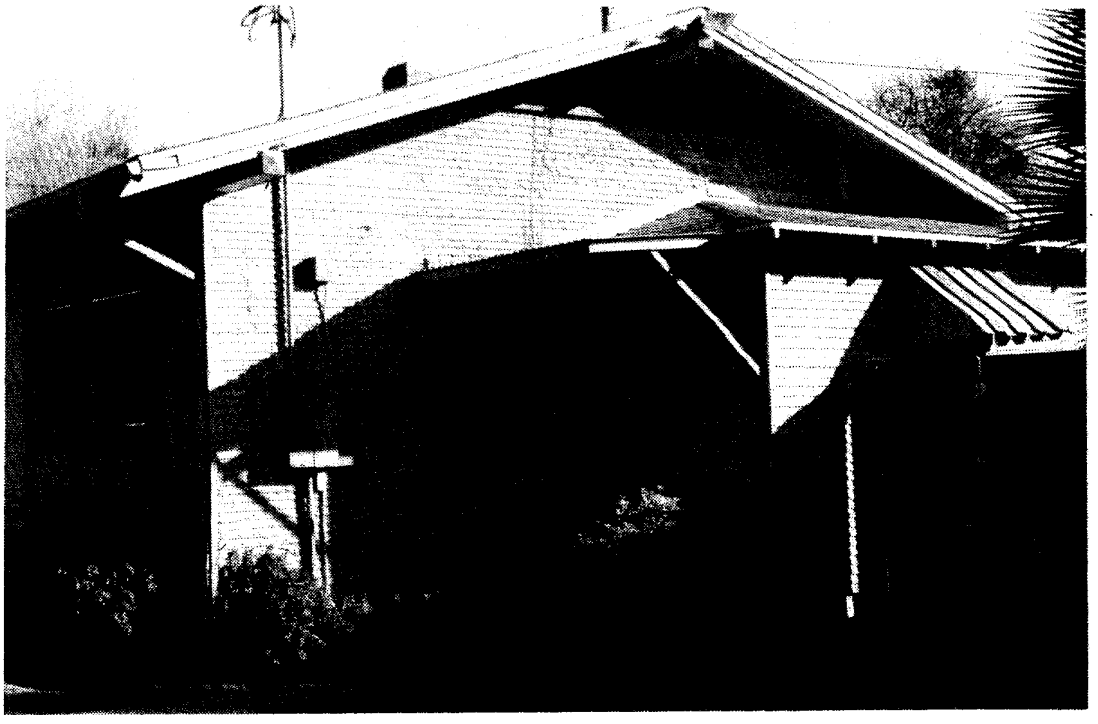
Badly deteriorated residence, peeling paint, dry rot, missing and deteriorated gutters, 9 Sierra Vista Place



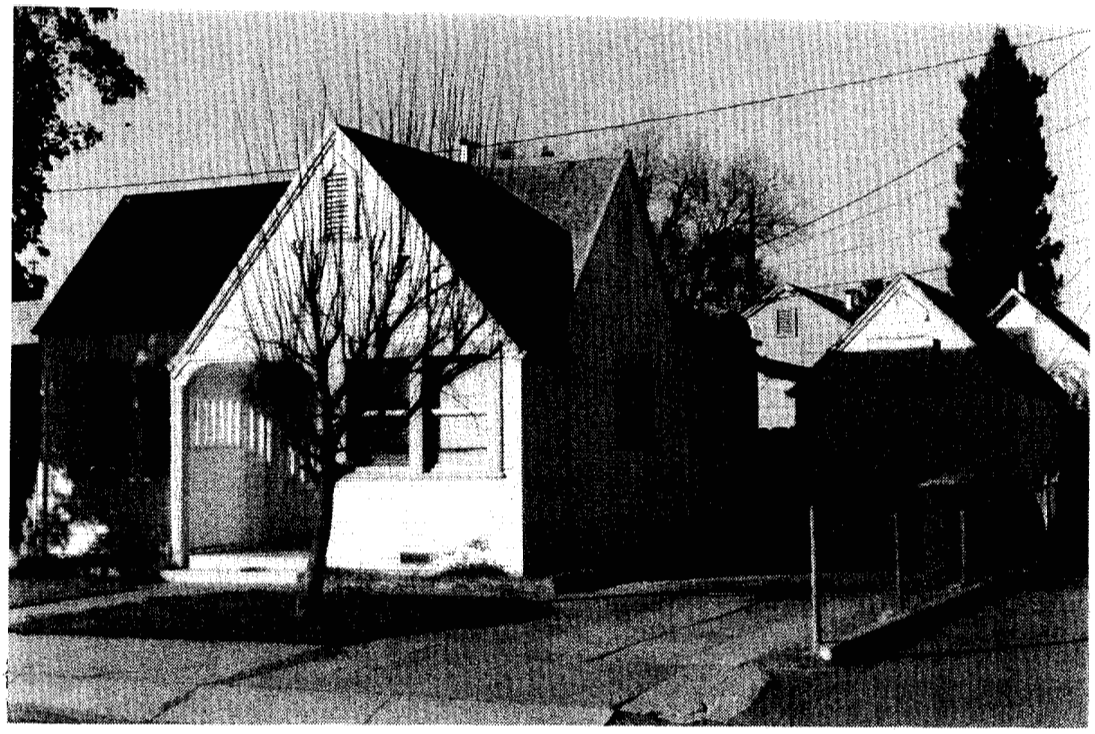
Badly deteriorated residences, peeling paint, dry rot, broken concrete steps, potentially unsafe and unhealthy, 802, 804 South Stockton Street



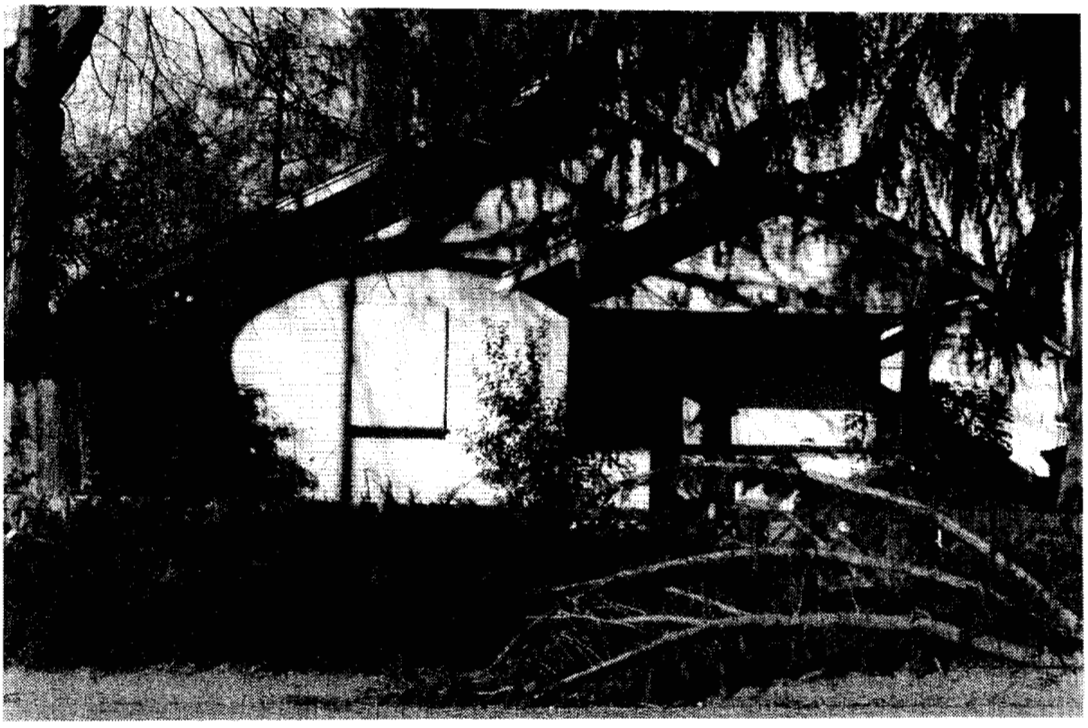
Large underutilized property, prominent corner location, abandoned vineyard, west side of South Stockton Street at Kettleman Lane



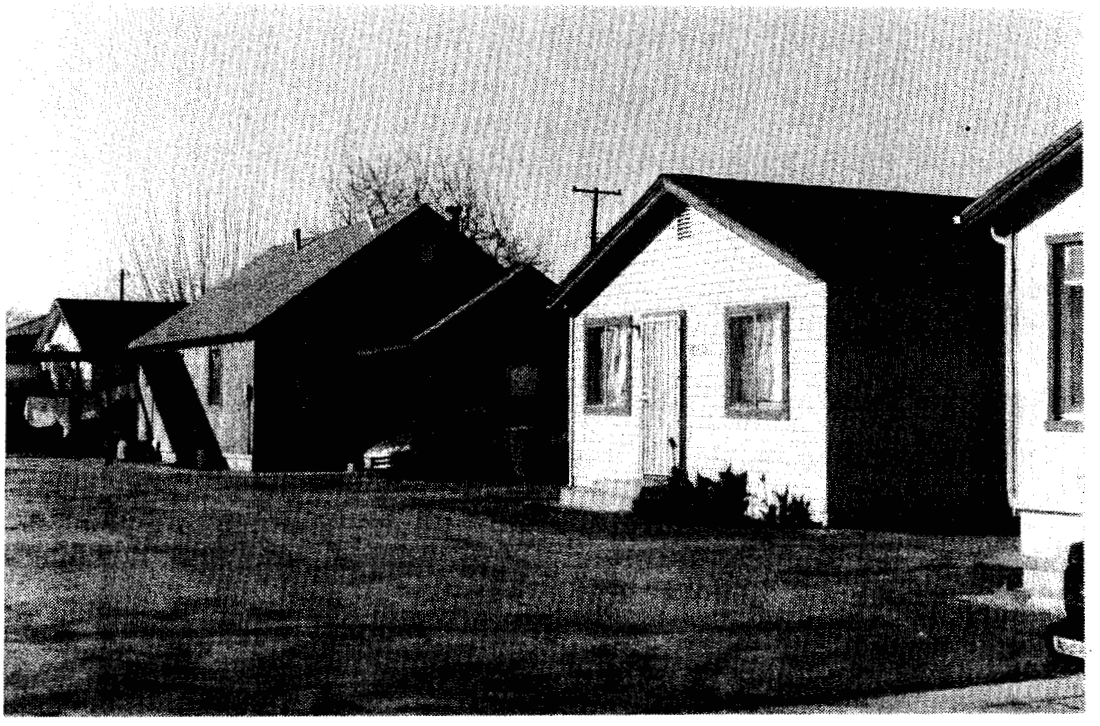
Attractive, solid residence, surface deterioration, 1001 South Central Avenue



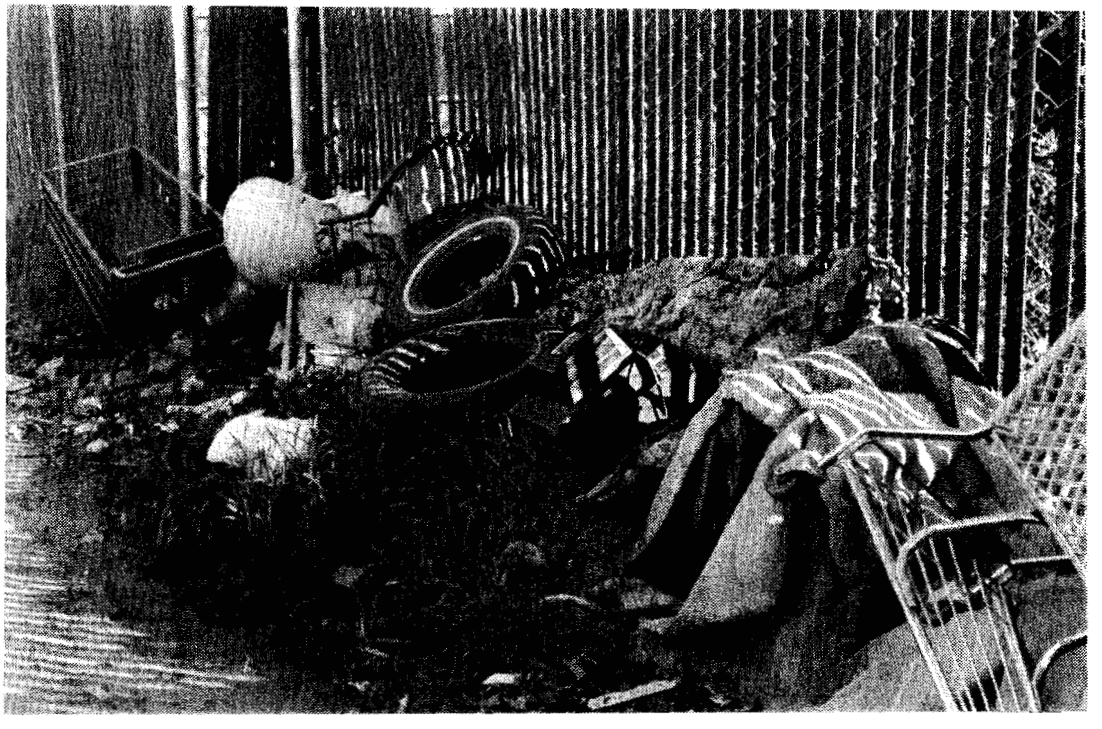
Deteriorated cottage and garage, 409 Concord Street



Residence, deteriorated, boarded up, potentially unsafe and unhealthy, 435 Poplar Street

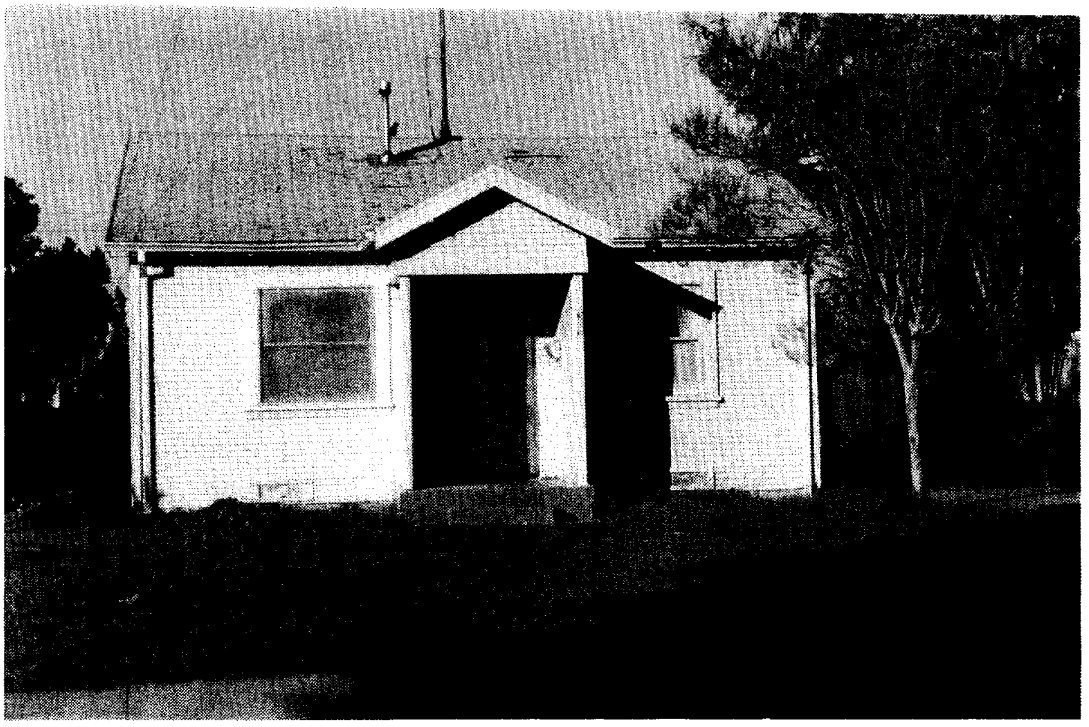


Deteriorated cottages, 1319-1/2, 1321-1/2 South Central Avenue



Trash accumulation, 1321 South Central Avenue

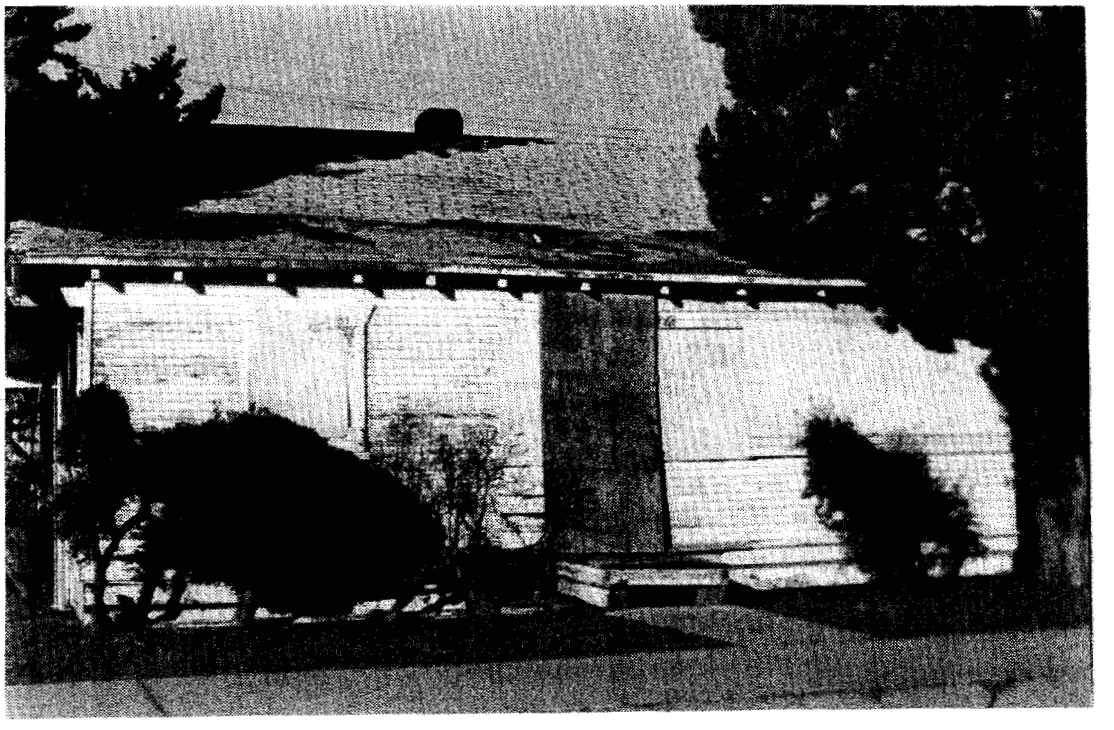
Aging and deteriorated commercial buildings, substandard and congested off-street parking, 201-225 East Kettleman Lane



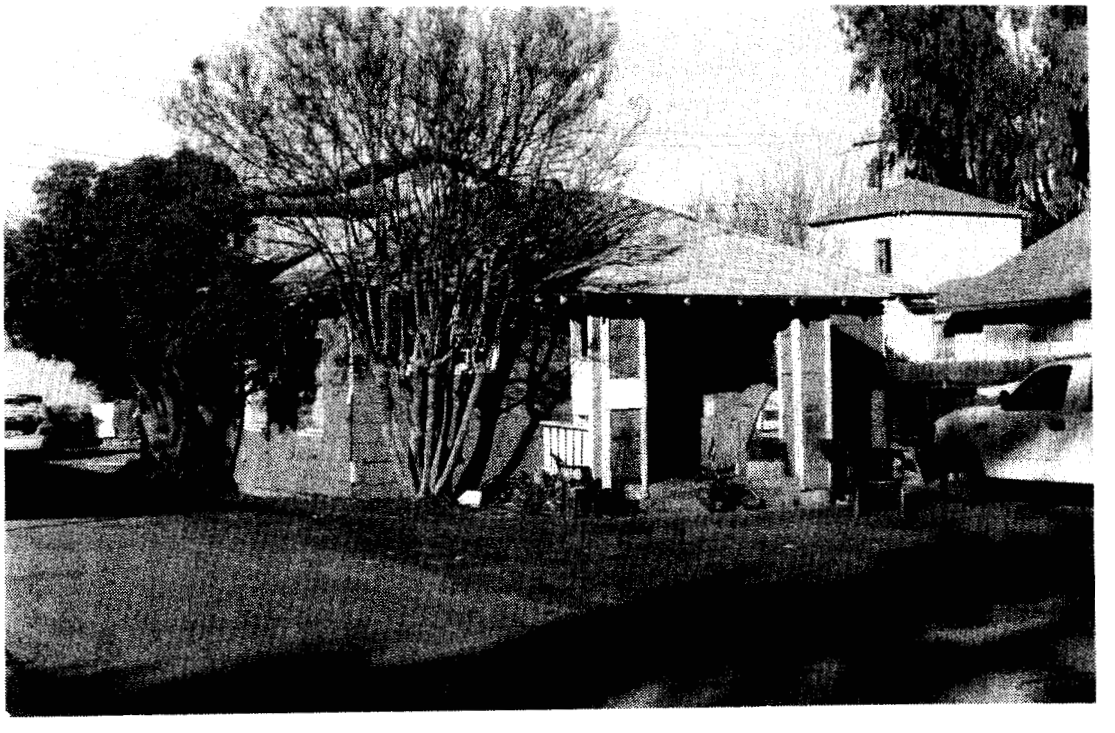
Deteriorated cottage, recent paint over deteriorated surface, 307 Watson Street

Badly deteriorated cottage, potentially unsafe and unhealthy, 219 Cherry Street

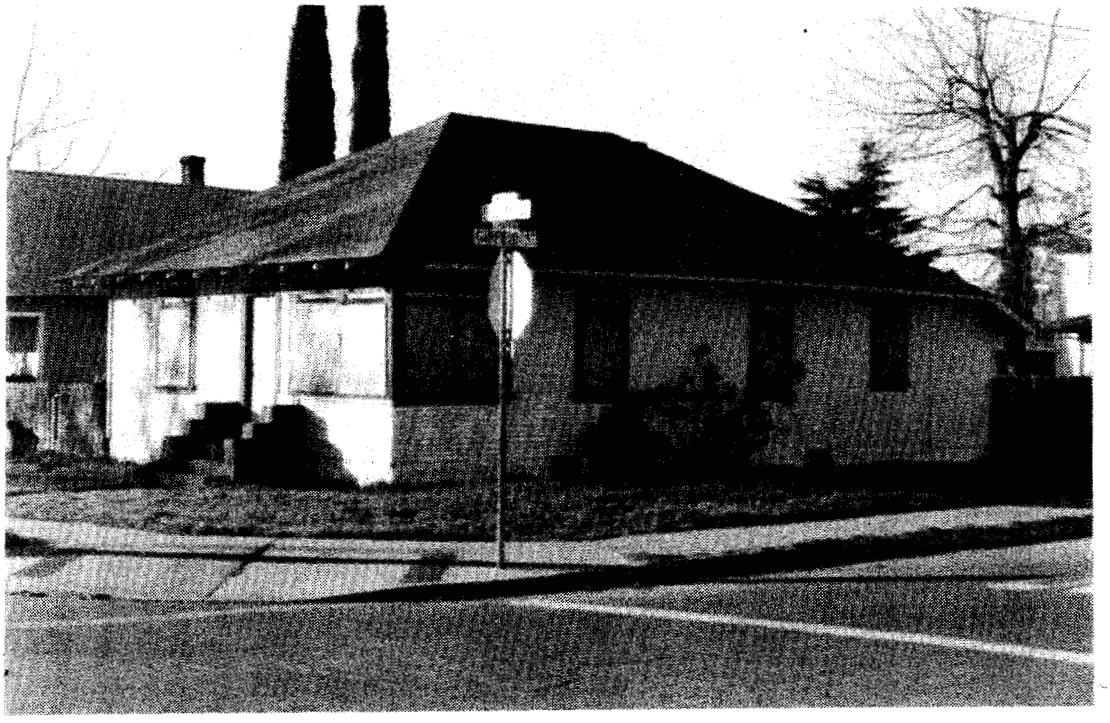
Deteriorated residence, 227 Cherry Street



Abandoned, dilapidated house, unsafe and unhealthy, 221 Maple Street



Dilapidated house, potentially unsafe and unhealthy, 305 Maple Street



Boarded up residence, corner South Garfield and East Tokay Streets

Appendix G:

County Fiscal Officer's Report
San Joaquin County Auditor

CITY OF LODI REDEVELOPMENT PROJECT
SAN JOAQUIN COUNTY
SCHEDULE OF AD VALOREM TAX REVENUE FROM ALL PROPERTY
WITHIN THE BOUNDARIES OF EACH TAXING AGENCY
BASE YEAR 2001-02

SCHEDULE IV

ENTITY-FUND NUMBER	TAXING AGENCIES	FY2001-02 TOTAL CUR YR REVENUE
01000-01	County General	64,928,960
22104-01	Lodi Unified Schools	20,310,486
23101-01	SJCo. Delta Community College	10,938,990
24101-01	County Office of Education	3,999,590
34100-01	SJCo. Flood Control	500,467
37103-01	SJCo. Mosquito Abatement	2,239,178
41102-01	North San Joaquin Water Conservation	162,214
50502-00	City of Lodi	5,407,579
50997-00	Educ. Rev. Augment. Fd. (ERAF)	82,699,269
	Total	191,186,733

Per Health & Safety Code Section 33328 (d)

CITY OF LODI REDEVELOPMENT PROJECT
SAN JOAQUIN COUNTY
SCHEDULE OF TAXING AGENCIES AND AMOUNT OF TAX REVENUE
TO BE DERIVED BY EACH AGENCY WITHIN THE PROJECT AREA
BASE YEAR 2001-02

SCHEDULE III

ENTITY-FUND NUMBER	TAXING AGENCIES	FY2001-02 BASE REVENUE
01000-01	County General	1,147,631
22104-01	Lodi Unified Schools	1,464,269
23101-01	SJCo. Delta Community College	205,858
24101-01	County Office of Education	73,607
34100-01	SJCo. Flood Control	9,028
37103-01	SJCo. Mosquito Abatement	40,545
41102-01	North San Joaquin Water Conservation	27,129
50502-00	City of Lodi	868,301
50997-00	Educ. Rev. Augment. Fd. (ERAF)	1,460,347
	Total	5,296,715

Per Health & Safety Code Section 33328 (b) and (c)

CITY OF LODI REDEVELOPMENT PROJECT
SAN JOAQUIN COUNTY
BASE YEAR 2001-02

(Detail for H&S Code 33328(c))

	Tax Rate Area (TRA) 001-001	
Total Assessed Value (AV) of Affected Parcels	512,968,964	512,968,964
Net AV of TRA	1,957,493,127	
Utility AV	(3,090,921)	
AV of TRA	1,954,402,206	
FACTOR - Total AV of Affected Parcels divided by AV of TRA	0.26246847	

ENTITY-FUND NUMBER	TAXING AGENCIES	FY2001-02 BASE REVENUE 001-001	BASE REVENUE MULTIPLIED BY FACTOR	ADJUSTED BASE REVENUE 001-001	NEW RDA TRA 001-
01000-01	County General	4,165,744.74	1,093,376.65	3,072,368.09	1,093,376.65
22104-01	Lodi Unified Schools	5,315,791.80	1,395,227.74	3,920,564.06	1,395,227.74
23101-01	SJCo. Delta Community College	747,286.87	196,139.24	551,147.63	196,139.24
24101-01	County Office of Education	267,142.11	70,116.38	197,025.73	70,116.38
34100-01	SJCo. Flood Control	32,772.50	8,601.75	24,170.75	8,601.75
37103-01	SJCo. Mosquito Abatement	147,182.58	38,630.79	108,551.79	38,630.79
41102-01	North San Joaquin Water Conservation	98,842.76	25,943.11	72,899.65	25,943.11
50502-00	City of Lodi	3,152,053.02	827,314.53	2,324,738.49	827,314.53
50997-00	Educ. Rev. Augment. Fd. (ERAF)	5,300,960.10	1,391,334.89	3,909,625.21	1,391,334.89
	Total	19,227,776.48	5,046,685.08	14,181,091.40	5,046,685.08

CITY OF LODI REDEVELOPMENT PROJECT
SAN JOAQUIN COUNTY
BASE YEAR 2001-02

(Detail for H&S Code 33328(c))

	Tax Rate Area (TRA) 001-003
Total Assessed Value (AV) of Affected Parcels	1,960,294
Net AV of TRA	1,076,762,109
Utility AV	(31,723)
AV of TRA	1,076,730,386
FACTOR - Total AV of Affected Parcels divided by AV of TRA	0.00182060

ENTITY-FUND NUMBER	TAXING AGENCIES	FY2001-02 BASE REVENUE 001-003	BASE REVENUE MULTIPLIED BY FACTOR	ADJUSTED BASE REVENUE 001-003	NEW RDA TRA 001-
01000-01	County General	2,386,349.46	4,344.59	2,382,004.87	4,344.59
22104-01	Lodi Unified Schools	2,944,829.67	5,361.36	2,939,468.31	5,361.36
23101-01	SJCo. Delta Community College	414,528.55	754.69	413,773.86	754.69
24101-01	County Office of Education	151,761.48	276.30	151,485.18	276.30
34100-01	SJCo. Flood Control	18,239.33	33.21	18,206.12	33.21
37103-01	SJCo. Mosquito Abatement	81,977.07	149.25	81,827.82	149.25
50502-00	City of Lodi	1,858,410.69	3,383.42	1,855,027.27	3,383.42
50997-00	Educ. Rev. Augment. Fd. (ERAF)	3,045,339.53	5,544.35	3,039,795.18	5,544.35
	Total	10,901,435.78	19,847.17	10,881,588.61	19,847.17

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detail for Sch III

CITY OF LODI REDEVELOPMENT PROJECT
SAN JOAQUIN COUNTY
BASE YEAR 2001-02

(Detail for H&S Code 33328(c))

	Tax Rate Area (TRA) 001-013
Total Assessed Value (AV) of Affected Parcels	22,898,228
Net AV of TRA	22,908,340
Utility AV	(3,165)
AV of TRA	22,905,175
FACTOR - Total AV of Affected Parcels divided by AV of TRA	0.99969671

ENTITY-FUND NUMBER	TAXING AGENCIES	FY2001-02 BASE REVENUE 001-013	BASE REVENUE MULTIPLIED BY FACTOR	ADJUSTED BASE REVENUE 001-013	NEW RDA TRA 001-
01000-01	County General	49,925.38	49,910.24	15.14	49,910.24
22104-01	Lodi Unified Schools	63,699.24	63,679.92	19.32	63,679.92
23101-01	SJCo. Delta Community College	8,967.25	8,964.53	2.72	8,964.53
24101-01	County Office of Education	3,215.61	3,214.63	0.98	3,214.63
34100-01	SJCo. Flood Control	393.27	393.15	0.12	393.15
37103-01	SJCo. Mosquito Abatement	1,765.11	1,764.57	0.54	1,764.57
41102-01	North San Joaquin Water Conservation	1,186.00	1,185.64	0.36	1,185.64
50502-00	City of Lodi	37,614.72	37,603.31	11.41	37,603.31
50997-00	Educ. Rev. Augment. Fd. (ERAF)	63,487.44	63,468.18	19.26	63,468.18
	Total	230,254.02	230,184.17	69.85	230,184.17

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detail for Sch III

CITY OF LODI REDEVELOPMENT PROJECT NO.1
ASSESSED VALUE WITHIN PROJECT AREA
IN SAN JOAQUIN COUNTY
2000-2001 PRECEDING YEAR

SCHEDULE II

	LAND	IMPROVEMENTS	PERSONAL PROPERTY	HOME-OWNERS' EXEMPTION	OTHER EXEMPTIONS	NET ASSESSED VALUE
Secured	131,249,548	284,896,947	33,660,531	6,079,085	14,320,475	429,407,466
SBE	0	0	0	0	0	0
Total Secured	131,249,548	284,896,947	33,660,531	6,079,085	14,320,475	429,407,466
Unsecured	249,404	13,897,937	67,440,089	0	2,071,854	79,515,576
Total Assessed Value	131,498,952	298,794,884	101,100,620	6,079,085	16,392,329	508,923,042

Per Health & Safety Code Section 33328 (f)

CITY OF LODI REDEVELOPMENT PROJECT NO.1
ASSESSED VALUE WITHIN PROJECT AREA
IN SAN JOAQUIN COUNTY
2001-2002 BASE YEAR

SCHEDULE I

	LAND	IMPROVEMENTS	PERSONAL PROPERTY	HOME-OWNERS' EXEMPTION	OTHER EXEMPTIONS	NET ASSESSED VALUE	ADD HOMEOWNER'S EXEMPTION	NET BASE TOTAL
Secured	135,580,849	295,427,571	31,725,394	6,033,003	13,667,942	443,032,869	6,033,003	449,065,872
SBE	2,230,659	74,124	42,923	0	0	2,347,706	0	2,347,706
Total Secured	137,811,508	295,501,695	31,768,317	6,033,003	13,667,942	445,380,575	6,033,003	451,413,578
Unsecured	254,102	21,721,543	68,869,278	0	2,083,309	88,761,614	0	88,761,614
Total Assessed Value	138,065,610	317,223,238	100,637,595	6,033,003	15,751,251	534,142,189	6,033,003	540,175,192

Per Health & Safety Code Section 33328 (a)

CITY OF LODI REDEVELOPMENT PROJECT
PER ASSESSOR'S CERTIFICATION 11/19/01 & 01-08-02

FY2001-02

		SECURED					UNSECURED			
TRA	TOTAL	LAND	IMPROV.	PER PROP	H.O. EXEMPT	OTHER EXMP	LAND	IMPROV.	PER PROP	OTHER EXMP
001-001	545,812,495	129,470,136	279,931,650	31,599,241	6,012,003	13,415,764	254,102	20,898,307	66,314,601	2,083,309
001-003	1,967,294	752,868	1,175,399	32,027	7,000	0	0	0	0	0
001-013	23,416,584	5,357,845	14,320,522	94,126	14,000	252,178	0	823,236	2,554,677	0
Total	571,196,373	135,580,849	##########	31,725,394	6,033,003	13,667,942	254,102	21,721,543	68,869,278	2,083,309
	571,196,373									

FY2000-01

		SECURED					UNSECURED			
TRA	TOTAL	LAND	IMPROV.	PER PROP	H.O. EXEMPT	OTHER EXMP	LAND	IMPROV.	PER PROP	OTHER EXMP
001-001	524,996,894	125,374,997	270,153,180	33,538,087	6,065,085	14,073,241	249,404	13,109,522	64,505,232	2,071,854
001-003	1,852,159	719,418	1,098,161	27,580	7,000	0	0	0	0	0
001-013	22,873,109	5,155,133	13,645,606	94,864	7,000	247,234	0	788,415	2,934,857	0
Total	549,722,162	131,249,548	##########	33,660,531	6,079,085	14,320,475	249,404	13,897,937	67,440,089	2,071,854
	549,722,162									

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Appendix H:
Tax Increment Projections

Appendix Table 1
Summary of Tax Increment Projections
Proposed Lodi Redevelopment Project Area

Summary of Assumptions	
Growth Assumptions	
2001/02 Secured Assessed Value:	$449,065,872
2001/02 State Board Assessed Value:	$2,347,706
2001/02 Unsecured Assessed Value:	$88,761,614
2001/02 Total Assessed Value:	$540,175,192
2001/02 Unitary Payments:	$0
Annual Inflationary Adjustment: 2% of Secured AV	
Reassessed Property Assessments: 1% of Secured AV	
Development Per Absorption Analysis	
Annual Growth in State Board Assessed Value:	0.0%
Annual Growth in Unsecured Assessed Value:	0.0%
Annual Growth in Unitary Payments:	0.0%
Tax Increment Generation	
Project Adopted between 12/2/01 and 8/20/02	
Property Tax Rate:	1.0%
Tax Increment Cap:	N/A
County Property Tax Admin Fee:	1.5%
Pass-Through Payments and Net TI for Housing are calculated based on Incremental Tax Revenues.	
Sponsoring Community	
City receives pass-through	
Agency Administration Cost	
Cost in FY 2002/03:	$0
Percent of TI to Agency net of Housing and Pass-Throughs:	10.0%
Present Value Discount Rate	
Present value discounted to 2001/02 at:	5.5%

Tax Increment Projections From 2002/03 Through End of Project		
	Nominal Dollars	Constant 2001/02 Dollars
County Distribution of Basic Incremental Taxes		
Incremental Tax Revenues	$290,624,240	$60,721,882
Less: County Property Tax Admin Fee	4,359,364	910,828
Tax Revenues Remitted to Agency	286,264,876	59,811,054
TI Available to Agency After Obligations		
Tax Revenues Remitted to Agency	286,264,876	59,811,054
Less: Pass-Throughs to Taxing Entities	98,270,644	18,676,833
TI Available to Agency After Obligations	187,994,233	41,134,221
Projected Use of TI Funds		
Agency Administration (Non-Hsg)	12,986,938	2,898,984
TI Available for Housing Programs	58,124,848	12,144,376
TI Available for Non-Housing Projects	116,882,446	26,090,860
Total TI Funds Used by Agency	187,994,233	41,134,221
Subtotal, TI for Housing & Projects	*175,007,294*	*38,235,237*
Cumulative TI for Housing Programs		
2011/ 12	1,868,384	1,277,327
2021/ 22	8,548,893	4,114,577
2031/ 32	21,877,931	7,471,442
2046/ 47	58,124,848	12,144,376
Cumulative TI for Non-Housing Projects		
2011/ 12	4,918,522	3,362,563
2021/ 22	20,650,259	10,095,888
2031/ 32	48,895,455	17,229,963
2046/ 47	116,882,446	26,090,860

Appendix Table 2A
Tax Increment Projections
Proposed Lodi Redevelopment Project Area
(In Future Value or Nominal Dollars)

		County Distribution of Basic Incremental Taxes			Agency Obligations		Net Tax Increment Available for Housing Programs		Net Tax Increment Available for Non-Housing Projects	
Year (N)	Fiscal Year	(1) Incremental Tax Revenues*	(3) County Admin Fee	(4) Net Taxes Remitted to Agency	(5) Pass-Through Payments	(7) Agency Admin Expenses	(8) Annual	(9) Cumulative	(10) Annual	(11) Cumulative
0	2001/ 02									
1	2002/ 03	0	0	0	0	0	0	0	0	0
2	2003/ 04	321,123	4,817	316,306	64,225	18,786	64,225	64,225	169,071	169,071
3	2004/ 05	465,476	6,982	458,494	93,095	27,230	93,095	157,320	245,073	414,144
4	2005/ 06	627,666	9,415	618,251	125,533	36,718	125,533	282,853	330,466	744,610
5	2006/ 07	794,857	11,923	782,934	158,971	46,499	158,971	441,824	418,492	1,163,103
6	2007/ 08	1,005,402	15,081	990,321	201,080	58,816	201,080	642,905	529,344	1,692,447
7	2008/ 09	1,213,945	18,209	1,195,735	242,789	71,016	242,789	885,694	639,142	2,331,588
8	2009/ 10	1,418,391	21,276	1,397,115	283,678	82,976	**283,678**	**1,169,372**	746,783	3,078,371
9	2010/ 11	1,641,918	24,629	1,617,289	328,384	96,052	328,384	1,497,755	864,470	3,942,841
10	2011/ 12	1,853,145	27,797	1,825,348	370,629	108,409	370,629	1,868,384	975,681	4,918,522
11	2012/ 13	2,115,256	31,729	2,083,527	423,051	123,742	423,051	2,291,436	1,113,682	6,032,205
12	2013/ 14	2,386,518	35,798	2,350,720	522,063	135,135	477,304	2,768,739	1,216,218	7,248,423
13	2014/ 15	2,608,965	39,134	2,569,831	613,020	143,502	521,793	3,290,532	1,291,516	8,539,939
14	2015/ 16	2,862,441	42,937	2,819,505	702,016	154,500	572,488	3,863,021	1,390,501	9,930,440
15	2016/ 17	3,145,315	47,180	3,098,136	801,940	166,713	629,063	4,492,084	1,500,419	11,430,858
16	2017/ 18	3,438,123	51,572	3,386,551	908,892	179,003	687,625	5,179,708	1,611,031	13,041,890
17	2018/ 19	3,716,834	55,753	3,661,082	1,014,794	190,292	743,367	5,923,075	1,712,629	14,754,519
18	2019/ 20	4,048,210	60,723	3,987,487	1,128,895	204,895	809,642	6,732,717	1,844,055	16,598,574
19	2020/ 21	4,390,748	65,861	4,324,887	1,254,031	219,271	878,150	7,610,867	1,973,436	18,572,010
20	2021/ 22	4,690,129	70,352	4,619,777	1,372,586	230,917	938,026	8,548,893	2,078,249	20,650,259
21	2022/ 23	5,000,599	75,009	4,925,590	1,486,149	243,932	1,000,120	9,549,013	2,195,389	22,845,648
22	2023/ 24	5,336,357	80,045	5,256,312	1,606,489	258,255	1,067,271	10,616,284	2,324,296	25,169,944
23	2024/ 25	5,683,420	85,251	5,598,168	1,733,373	272,811	1,136,684	11,752,968	2,455,300	27,625,244
24	2025/ 26	6,045,511	90,683	5,954,828	1,865,247	288,048	1,209,102	12,962,070	2,592,431	30,217,675
25	2026/ 27	6,468,330	97,025	6,371,305	2,011,831	306,581	1,293,666	14,255,736	2,759,227	32,976,902
26	2027/ 28	6,869,479	103,042	6,766,436	2,164,335	322,821	1,373,896	15,629,632	2,905,385	35,882,287
27	2028/ 29	7,224,813	108,372	7,116,441	2,304,240	336,724	1,444,963	17,074,594	3,030,514	38,912,801
28	2029/ 30	7,592,458	113,887	7,478,572	2,438,842	352,124	1,518,492	18,593,086	3,169,114	42,081,914
29	2030/ 31	8,006,967	120,105	7,886,863	2,584,730	370,074	1,601,393	20,194,480	3,330,665	45,412,580
30	2031/ 32	8,417,258	126,259	8,290,999	2,737,685	386,986	1,683,452	21,877,931	3,482,876	48,895,455
31	2032/ 33	8,841,268	132,619	8,708,649	2,892,834	404,756	1,768,254	23,646,185	3,642,805	52,538,261
32	2033/ 34	9,279,102	139,187	9,139,916	3,101,469	418,263	1,855,820	25,502,005	3,764,364	56,302,624
33	2034/ 35	9,691,423	145,371	9,546,051	3,308,948	429,882	1,938,285	27,440,290	3,868,937	60,171,562
34	2035/ 36	10,116,885	151,753	9,965,132	3,511,990	442,976	2,023,377	29,463,667	3,986,788	64,158,350
35	2036/ 37	10,555,112	158,327	10,396,785	3,721,124	456,464	2,111,022	31,574,689	4,108,175	68,266,524
36	2037/ 38	11,006,485	165,097	10,841,387	3,936,532	470,356	2,201,297	33,775,986	4,233,203	72,499,727
37	2038/ 39	11,471,399	172,071	11,299,328	4,158,402	484,665	2,294,280	36,070,266	4,361,982	76,861,708
38	2039/ 40	11,950,261	179,254	11,771,007	4,386,928	499,403	2,390,052	38,460,318	4,494,624	81,356,332
39	2040/ 41	12,443,488	186,652	12,256,836	4,622,310	514,583	2,488,698	40,949,016	4,631,246	85,987,578
40	2041/ 42	12,951,513	194,273	12,757,240	4,864,753	530,218	2,590,303	43,539,318	4,771,966	90,759,544
41	2042/ 43	13,474,778	202,122	13,272,656	5,114,470	546,323	2,694,956	46,234,274	4,916,908	95,676,452
42	2043/ 44	14,013,741	210,206	13,803,535	5,371,678	562,911	2,802,748	49,037,022	5,066,198	100,742,649
43	2044/ 45	14,568,873	218,533	14,350,340	5,636,602	579,996	2,913,775	51,950,797	5,219,967	105,962,616
44	2045/ 46	15,140,659	227,110	14,913,549	5,909,474	597,594	3,028,132	54,978,928	5,378,348	111,340,964
45	2046/ 47	15,729,598	235,944	15,493,654	6,190,533	615,720	3,145,920	58,124,848	5,541,482	116,882,446
OTAL		290,624,240	4,359,364	286,264,876	98,270,644	12,986,938	58,124,848		116,882,446	
umulative										
To:	2011/ 12	9,341,922	140,129	9,201,794	1,868,384	546,502	1,868,384		4,918,522	
To:	2021/ 22	42,744,464	641,167	42,103,297	10,609,672	2,294,473	8,548,893		20,650,259	
To:	2031/ 32	109,389,656	1,640,845	107,748,811	31,542,596	5,432,828	21,877,931		48,895,455	
To:	2046/ 47	290,624,240	4,359,364	286,264,876	98,270,644	12,986,938	58,124,848		116,882,446	

* Based on revenues from Basic Tax Increment (1.0%), exclusive of bond overrides.

Assumptions:

County Admin Fee as a % of Incremental Tax Revenues: 1.5%

Pass-Through Payments and Net TI for Housing are calculated based on Incremental Tax Revenues

Agency Admin as a % of TI net of Housing & Pass-Throughs: 10%

TI for Housing Programs as a % of Incremental Tax Revenues: 20%

Appendix Table 2B
Tax Increment Projections
Proposed Lodi Redevelopment Project Area
(In Present Value or Constant 2001/02 Dollars)

		County Distribution of Basic Incremental Taxes			Agency Obligations		Net Tax Increment Available for Housing Programs		Net Tax Increment Available for Non-Housing Projects	
		(1) Incremental	(3) County	(4) Net Taxes	(5) Pass-	(7) Agency				
Year (N)	Fiscal Year	**Tax** Revenues*	**Admin** Fee	**Remitted** to Agency	**Through** Payments	**Admin** Expenses	(8) Annual	(9) Cumulative	(10) Annual	(11) Cumulative
0	2001/ 02									
1	2002/ 03	0	0	0	0	0	0	0	0	0
2	2003/ 04	288,513	4,328	284,186	57,703	16,878	57,703	57,703	151,902	151,902
3	2004/ 05	396,406	5,946	390,460	79,281	23,190	79,281	136,984	208,708	360,610
4	2005/ 06	506,663	7,600	499,063	101,333	29,640	101,333	238,316	266,758	627,368
5	2006/ 07	608,172	9,123	599,050	121,634	35,578	121,634	359,951	320,203	947,570
6	2007/ 08	729,164	10,937	718,226	145,833	42,656	145,833	505,784	383,905	1,331,475
7	2008/ 09	834,510	12,518	821,993	166,902	48,819	166,902	672,686	439,370	1,770,845
8	2009/ 10	924,222	13,863	910,359	184,844	54,067	184,844	857,530	486,603	2,257,448
9	2010/ 11	1,014,097	15,211	998,885	202,819	59,325	202,819	1,060,349	533,922	2,791,370
10	2011/ 12	1,084,888	16,273	1,068,615	216,978	63,466	216,978	1,277,327	571,193	3,362,563
11	2012/ 13	1,173,778	17,607	1,156,171	234,756	68,666	234,756	1,512,082	617,994	3,980,557
12	2013/ 14	1,255,264	18,829	1,236,435	274,596	71,079	251,053	1,763,135	639,708	4,620,265
13	2014/ 15	1,300,727	19,511	1,281,217	305,628	71,544	260,145	2,023,281	643,899	5,264,164
14	2015/ 16	1,352,702	20,291	1,332,412	331,751	73,012	270,540	2,293,821	657,108	5,921,272
15	2016/ 17	1,408,891	21,133	1,387,757	359,216	74,676	281,778	2,575,599	672,087	6,593,360
16	2017/ 18	1,459,762	21,896	1,437,866	385,898	76,001	291,952	2,867,552	684,013	7,277,373
17	2018/ 19	1,495,827	22,437	1,473,390	408,400	76,582	299,165	3,166,717	689,242	7,966,615
18	2019/ 20	1,544,254	23,164	1,521,090	430,635	78,160	308,851	3,475,568	703,444	8,670,059
19	2020/ 21	1,587,603	23,814	1,563,789	453,431	79,284	317,521	3,793,089	713,553	9,383,612
20	2021/ 22	1,607,443	24,112	1,583,331	470,425	79,142	321,489	4,114,577	712,276	10,095,888
21	2022/ 23	1,624,503	24,368	1,600,135	482,793	79,244	324,901	4,439,478	713,198	10,809,086
22	2023/ 24	1,643,201	24,648	1,618,553	494,679	79,523	328,640	4,768,118	715,710	11,524,796
23	2024/ 25	1,658,835	24,883	1,633,952	505,924	79,626	331,767	5,099,885	716,635	12,241,431
24	2025/ 26	1,672,530	25,088	1,647,442	516,033	79,690	334,506	5,434,391	717,213	12,958,644
25	2026/ 27	1,696,214	25,443	1,670,771	527,570	80,396	339,243	5,773,634	723,562	13,682,206
26	2027/ 28	1,707,497	25,612	1,681,884	537,973	80,241	341,499	6,115,133	722,171	14,404,377
27	2028/ 29	1,702,198	25,533	1,676,666	542,889	79,334	340,440	6,455,573	714,003	15,118,380
28	2029/ 30	1,695,562	25,433	1,670,128	544,647	78,637	339,112	6,794,685	707,732	15,826,112
29	2030/ 31	1,694,910	25,424	1,669,487	547,134	78,337	338,982	7,133,667	705,033	16,531,145
30	2031/ 32	1,688,872	25,333	1,663,539	549,300	77,646	337,774	7,471,442	698,818	17,229,963
31	2032/ 33	1,681,467	25,222	1,656,245	550,171	76,978	336,293	7,807,735	692,803	17,922,766
32	2033/ 34	1,672,735	25,091	1,647,644	559,099	75,400	334,547	8,142,282	678,598	18,601,365
33	2034/ 35	1,655,985	24,840	1,631,145	565,404	73,454	331,197	8,473,479	661,090	19,262,455
34	2035/ 36	1,638,563	24,578	1,613,985	568,813	71,746	327,713	8,801,192	645,713	19,908,168
35	2036/ 37	1,620,417	24,306	1,596,111	571,266	70,076	324,083	9,125,275	630,685	20,538,853
36	2037/ 38	1,601,622	24,024	1,577,598	572,829	68,444	320,324	9,445,600	616,000	21,154,853
37	2038/ 39	1,582,251	23,734	1,558,517	573,569	66,850	316,450	9,762,050	601,648	21,756,501
38	2039/ 40	1,562,370	23,436	1,538,935	573,544	65,292	312,474	10,074,524	587,625	22,344,126
39	2040/ 41	1,542,042	23,131	1,518,911	572,813	63,769	308,408	10,382,932	573,921	22,918,046
40	2041/ 42	1,521,325	22,820	1,498,505	571,429	62,281	304,265	10,687,197	560,530	23,478,576
41	2042/ 43	1,500,275	22,504	1,477,771	569,442	60,827	300,055	10,987,252	547,446	24,026,022
42	2043/ 44	1,478,941	22,184	1,456,757	566,900	59,407	295,788	11,283,040	534,661	24,560,684
43	2044/ 45	1,457,371	21,861	1,435,511	563,847	58,019	291,474	11,574,515	522,170	25,082,854
44	2045/ 46	1,435,610	21,534	1,414,076	560,326	56,663	287,122	11,861,637	509,965	25,592,819
45	2046/ 47	1,413,699	21,205	1,392,494	556,375	55,338	282,740	12,144,376	498,041	26,090,860
TOTAL		60,721,882	910,828	59,811,054	18,676,833	2,898,984	12,144,376		26,090,860	
Cumulative										
To:	2011/ 12	6,386,634	95,800	6,290,835	1,277,327	373,618	1,277,327		3,362,563	
To:	2021/ 22	20,572,886	308,593	20,264,293	4,932,062	1,121,765	4,114,577		10,095,888	
To:	2031/ 32	37,357,208	560,358	36,796,850	10,181,005	1,914,440	7,471,442		17,229,963	
To:	2046/ 47	60,721,882	910,828	59,811,054	18,676,833	2,898,984	12,144,376		26,090,860	

* Based on revenues from Basic Tax Increment (1.0%), exclusive of bond overrides.

Assumptions:
Present value discounted to 2001/02 at: 5.5%

Appendix Table 3A
Tax Revenues
Proposed Lodi Redevelopment Project Area
(In Future Value or Nominal Dollars)

		First & Second Payments to Agency			Supplemental Payments		Total Basic Tax Revenues			
Year (N)	Fiscal Year	(1) Secured, State Board, Unsecurd AV	(2) Increase in AV Over Base	(3) First & Second Payments	(4) Supplemental Secured Assessements	(5) Supplemental Secured Payments	(6) First & Second Payments	(7) Supplemental Secured Payments	(8) Unitary Payments	(9) Incremental Tax Revenues
0	2001/ 02	540,175,192								
1	2002/ 03	553,647,168	13,471,976	0	4,625,378	0	0	0	0	0
2	2003/ 04	567,523,304	27,348,112	273,481	4,764,140	47,641	273,481	47,641	0	321,123
3	2004/ 05	581,815,723	41,640,531	416,405	4,907,064	49,071	416,405	49,071	0	465,476
4	2005/ 06	596,536,915	56,361,723	563,617	6,404,887	64,049	563,617	64,049	0	627,666
5	2006/ 07	613,050,354	72,875,162	728,752	6,610,539	66,105	728,752	66,105	0	794,857
6	2007/ 08	630,099,714	89,924,522	899,245	10,615,674	106,157	899,245	106,157	0	1,005,402
7	2008/ 09	651,495,195	111,320,003	1,113,200	10,074,450	100,745	1,113,200	100,745	0	1,213,945
8	2009/ 10	672,777,363	132,602,171	1,326,022	9,236,960	92,370	1,326,022	92,370	0	1,418,391
9	2010/ 11	693,647,683	153,472,491	1,534,725	10,719,305	107,193	1,534,725	107,193	0	1,641,918
10	2011/ 12	716,417,756	176,242,564	1,762,426	9,071,949	90,719	1,762,426	90,719	0	1,853,145
11	2012/ 13	737,995,874	197,820,682	1,978,207	13,704,948	137,049	1,978,207	137,049	0	2,115,256
12	2013/ 14	764,638,553	224,463,361	2,244,634	14,188,457	141,885	2,244,634	141,885	0	2,386,518
13	2014/ 15	792,297,595	252,122,403	2,521,224	8,774,123	87,741	2,521,224	87,741	0	2,608,965
14	2015/ 16	815,095,483	274,920,291	2,749,203	11,323,854	113,239	2,749,203	113,239	0	2,862,441
15	2016/ 17	840,899,061	300,723,869	3,007,239	13,807,665	138,077	3,007,239	138,077	0	3,145,315
16	2017/ 18	869,702,521	329,527,329	3,295,273	14,284,993	142,850	3,295,273	142,850	0	3,438,123
17	2018/ 19	899,559,378	359,384,186	3,593,842	12,299,262	122,993	3,593,842	122,993	0	3,716,834
18	2019/ 20	928,027,641	387,852,449	3,878,524	16,968,598	169,686	3,878,524	169,686	0	4,048,210
19	2020/ 21	961,734,606	421,559,414	4,215,594	17,515,429	175,154	4,215,594	175,154	0	4,390,748
20	2021/ 22	996,662,540	456,487,348	4,564,873	12,525,523	125,255	4,564,873	125,255	0	4,690,129
21	2022/ 23	1,027,299,128	487,123,936	4,871,239	12,935,989	129,360	4,871,239	129,360	0	5,000,599
22	2023/ 24	1,058,958,913	518,783,721	5,187,837	14,851,975	148,520	5,187,837	148,520	0	5,336,357
23	2024/ 25	1,093,167,880	552,992,688	5,529,927	15,349,269	153,493	5,529,927	153,493	0	5,683,420
24	2025/ 26	1,128,558,321	588,383,129	5,883,831	16,167,953	161,680	5,883,831	161,680	0	6,045,511
25	2026/ 27	1,165,475,254	625,300,062	6,253,001	21,532,897	215,329	6,253,001	215,329	0	6,468,330
26	2027/ 28	1,208,495,470	668,320,278	6,683,203	18,627,580	186,276	6,683,203	186,276	0	6,869,479
27	2028/ 29	1,249,470,773	709,295,581	7,092,956	13,185,719	131,857	7,092,956	131,857	0	7,224,813
28	2029/ 30	1,285,823,721	745,648,529	7,456,485	13,597,312	135,973	7,456,485	135,973	0	7,592,458
29	2030/ 31	1,323,315,321	783,140,129	7,831,401	17,556,581	175,566	7,831,401	175,566	0	8,006,967
30	2031/ 32	1,365,516,022	825,340,830	8,253,408	16,384,961	163,850	8,253,408	163,850	0	8,417,258
31	2032/ 33	1,407,389,117	867,213,925	8,672,139	16,912,918	169,129	8,672,139	169,129	0	8,841,268
32	2033/ 34	1,450,627,631	910,452,439	9,104,524	17,457,807	174,578	9,104,524	174,578	0	9,279,102
33	2034/ 35	1,495,275,805	955,100,613	9,551,006	14,041,665	140,417	9,551,006	140,417	0	9,691,423
34	2035/ 36	1,537,400,799	997,225,607	9,972,256	14,462,915	144,629	9,972,256	144,629	0	10,116,885
35	2036/ 37	1,580,789,544	1,040,614,352	10,406,144	14,896,802	148,968	10,406,144	148,968	0	10,555,112
36	2037/ 38	1,625,479,950	1,085,304,758	10,853,048	15,343,706	153,437	10,853,048	153,437	0	11,006,485
37	2038/ 39	1,671,511,069	1,131,335,877	11,313,359	15,804,017	158,040	11,313,359	158,040	0	11,471,399
38	2039/ 40	1,718,923,122	1,178,747,930	11,787,479	16,278,138	162,781	11,787,479	162,781	0	11,950,261
39	2040/ 41	1,767,757,536	1,227,582,344	12,275,823	16,766,482	167,665	12,275,823	167,665	0	12,443,488
40	2041/ 42	1,818,056,982	1,277,881,790	12,778,818	17,269,477	172,695	12,778,818	172,695	0	12,951,513
41	2042/ 43	1,869,865,412	1,329,690,220	13,296,902	17,787,561	177,876	13,296,902	177,876	0	13,474,778
42	2043/ 44	1,923,228,095	1,383,052,903	13,830,529	18,321,188	183,212	13,830,529	183,212	0	14,013,741
43	2044/ 45	1,978,191,658	1,438,016,466	14,380,165	18,870,823	188,708	14,380,165	188,708	0	14,568,873
44	2045/ 46	2,034,804,128	1,494,628,936	14,946,289	19,436,948	194,369	14,946,289	194,369	0	15,140,659
45	2046/ 47	2,093,114,973	1,552,939,781	15,529,398	20,020,057	200,201	15,529,398	200,201	0	15,729,598
TOTAL				284,407,654		6,216,586	284,407,654	6,216,586	0	290,624,240
Cumulative										
To:	2011/ 12			8,617,873		724,050	8,617,873	724,050	0	9,341,922
To:	2021/ 22			40,666,486		2,077,978	40,666,486	2,077,978	0	42,744,464
To:	2031/ 32			105,709,775		3,679,881	105,709,775	3,679,881	0	109.389.656
To:	2046/ 47			284,407,654		6,216,586	284,407,654	6,216,586	0	290,624,240

Notes:
First & Second Payments are based on the 1% basic tax rate applied to the Increase in AV Over Base.
Supplemental Secured Assessments include reassessed property and new development.
Supplemental Secured Payments are based on the 1% basic tax rate applied to the Supplemental Secured Assessments.
Unitary payments are estimated to escalate at an annual rate of: 0%

Appendix Table 3B
Growth in Assessed Value
Proposed Lodi Redevelopment Project Area
(In Future Value or Nominal Dollars)

		Growth in Secured Assessed Value						Total Secured, State Board and Unsecured AV			
		(1)	(2)	(3)	(4)	Growth Rates (5)	(6)	(7)	(8)	(9)	(10)
Year (N)	Fiscal Year	Secured AV	Inflationary Adjustments	Reassessed Property Assessments	New Development Assessments	Annual	Average Annual	Secured	State Board	Unsecured AV	Secured, State Board, Unsecurd AV
0	2001/ 02	449,065,872	8,981,317	4,490,659	0			449,065,872	2,347,706	88,761,614	540,175,192
1	2002/ 03	462,537,848	9,250,757	4,625,378	0	3.00%	3.00%	462,537,848	2,347,706	88,761,614	553,647,168
2	2003/ 04	476,413,984	9,528,280	4,764,140	0	3.00%	3.00%	476,413,984	2,347,706	88,761,614	567,523,304
3	2004/ 05	490,706,403	9,814,128	4,907,064	0	3.00%	3.00%	490,706,403	2,347,706	88,761,614	581,815,723
4	2005/ 06	505,427,595	10,108,552	5,054,276	1,350,611	3.00%	3.00%	505,427,595	2,347,706	88,761,614	596,536,915
5	2006/ 07	521,941,034	10,438,821	5,219,410	1,391,129	3.27%	3.05%	521,941,034	2,347,706	88,761,614	613,050,354
6	2007/ 08	538,990,394	10,779,808	5,389,904	5,225,770	3.27%	3.09%	538,990,394	2,347,706	88,761,614	630,099,714
7	2008/ 09	560,385,875	11,207,718	5,603,859	4,470,592	3.97%	3.21%	560,385,875	2,347,706	88,761,614	651,495,195
8	2009/ 10	581,668,043	11,633,361	5,816,680	3,420,279	3.80%	3.29%	581,668,043	2,347,706	88,761,614	672,777,363
9	2010/ 11	602,538,363	12,050,767	6,025,384	4,693,922	3.59%	3.32%	602,538,363	2,347,706	88,761,614	693,647,683
10	2011/ 12	625,308,436	12,506,169	6,253,084	2,818,865	3.78%	3.37%	625,308,436	2,347,706	88,761,614	716,417,756
11	2012/ 13	646,886,554	12,937,731	6,468,866	7,236,083	3.45%	3.37%	646,886,554	2,347,706	88,761,614	737,995,874
12	2013/ 14	673,529,233	13,470,585	6,735,292	7,453,165	4.12%	3.44%	673,529,233	2,347,706	88,761,614	764,638,553
13	2014/ 15	701,188,275	14,023,765	7,011,883	1,762,240	4.11%	3.49%	701,188,275	2,347,706	88,761,614	792,297,595
14	2015/ 16	723,986,163	14,479,723	7,239,862	4,083,992	3.25%	3.47%	723,986,163	2,347,706	88,761,614	815,095,483
15	2016/ 17	749,789,741	14,995,795	7,497,897	6,309,768	3.56%	3.48%	749,789,741	2,347,706	88,761,614	840,899,061
16	2017/ 18	778,593,201	15,571,864	7,785,932	6,499,061	3.84%	3.50%	778,593,201	2,347,706	88,761,614	869,702,521
17	2018/ 19	808,450,058	16,169,001	8,084,501	4,214,761	3.83%	3.52%	808,450,058	2,347,706	88,761,614	899,559,378
18	2019/ 20	836,918,321	16,738,366	8,369,183	8,599,415	3.52%	3.52%	836,918,321	2,347,706	88,761,614	928,027,641
19	2020/ 21	870,625,286	17,412,506	8,706,253			3.55%	870,625,286	2,347,706	88,761,614	961,734,606
20	2021/ 22	905,553,220	18,111,064	9,055,532			3.57%	905,553,220	2,347,706	88,761,614	996,662,540
21	2022/ 23	936,189,808	18,723,796	9,361,898			3.56%	936,189,808	2,347,706	88,761,614	1,027,299,128
22	2023/ 24	967,849,593	19,356,992	9,678,496			3.55%	967,849,593	2,347,706	88,761,614	1,058,958,913
23	2024/ 25	1,002,058,560	20,041,171	10,020,586			3.55%	1,002,058,560	2,347,706	88,761,614	1,093,167,880
24	2025/ 26	1,037,449,001	20,748,980	10,374,490			3.55%	1,037,449,001	2,347,706	88,761,614	1,128,558,321
25	2026/ 27	1,074,365,934	21,487,319	10,743,659			3.55%	1,074,365,934	2,347,706	88,761,614	1,165,475,254
26	2027/ 28	1,117,386,150	22,347,723	11,173,861			3.57%	1,117,386,150	2,347,706	88,761,614	1,208,495,470
27	2028/ 29	1,158,361,453	23,167,229	11,583,615			3.57%	1,158,361,453	2,347,706	88,761,614	1,249,470,773
28	2029/ 30	1,194,714,401	23,894,288	11,947,144			3.56%	1,194,714,401	2,347,706	88,761,614	1,285,823,721
29	2030/ 31	1,232,206,001	24,644,120	12,322,060			3.54%	1,232,206,001	2,347,706	88,761,614	1,323,315,321
30	2031/ 32	1,274,406,702	25,488,134	12,744,067			3.54%	1,274,406,702	2,347,706	88,761,614	1,365,516,022
31	2032/ 33	1,316,279,797	26,325,596	13,162,798			3.53%	1,316,279,797	2,347,706	88,761,614	1,407,389,117
32	2033/ 34	1,359,518,311	27,190,366	13,595,183			3.52%	1,359,518,311	2,347,706	88,761,614	1,450,627,631
33	2034/ 35	1,404,166,485	28,083,330	14,041,665			3.52%	1,404,166,485	2,347,706	88,761,614	1,495,275,805
34	2035/ 36	1,446,291,479	28,925,830	14,462,915			3.50%	1,446,291,479	2,347,706	88,761,614	1,537,400,799
35	2036/ 37	1,489,680,224	29,793,604	14,896,802			3.49%	1,489,680,224	2,347,706	88,761,614	1,580,789,544
36	2037/ 38	1,534,370,630	30,687,413	15,343,706			3.47%	1,534,370,630	2,347,706	88,761,614	1,625,479,950
37	2038/ 39	1,580,401,749	31,608,035	15,804,017			3.46%	1,580,401,749	2,347,706	88,761,614	1,671,511,069
38	2039/ 40	1,627,813,802	32,556,276	16,278,138			3.45%	1,627,813,802	2,347,706	88,761,614	1,718,923,122
39	2040/ 41	1,676,648,216	33,532,964	16,766,482			3.44%	1,676,648,216	2,347,706	88,761,614	1,767,757,536
40	2041/ 42	1,726,947,662	34,538,953	17,269,477			3.42%	1,726,947,662	2,347,706	88,761,614	1,818,056,982
41	2042/ 43	1,778,756,092	35,575,122	17,787,561			3.41%	1,778,756,092	2,347,706	88,761,614	1,869,865,412
42	2043/ 44	1,832,118,775	36,642,376	18,321,188			3.40%	1,832,118,775	2,347,706	88,761,614	1,923,228,095
43	2044/ 45	1,887,082,338	37,741,647	18,870,823			3.40%	1,887,082,338	2,347,706	88,761,614	1,978,191,658
44	2045/ 46	1,943,694,808	38,873,896	19,436,948			3.39%	1,943,694,808	2,347,706	88,761,614	2,034,804,128
45	2046/ 47	2,002,005,653	40,040,113	20,020,057	0	3.00%	3.38%	**2,002,005,653**	**2,347,706**	**88,761,614**	**2,093,114,973**
TOTAL					139,661,925						
Cumulative											
To:	2011/ 12				23,371,166						
To:	2021/ 22				81,808,819						
To:	2031/ 32				132,049,180						
To:	2046/ 47				139,661,925						

Assumptions:

Annual Inflationary Adjustment: 2% of Secured AV
Reassessed Property Assessments: 1% of Secured AV
Development Per Absorption Analysis

State Board Annual Increase: 0%
Unsecured AV Annual Increase: 0%

Appendix Table 4
New Development Schedule
Proposed Lodi Redevelopment Project Area
(In Present Value or Constant 2001/02 Dollars, unless otherwise noted)

		Residential, Vacant Land		Retail/Dining Commercial		Commercial Office		Heavy Industrial		Warehouse/ Light Industrial		Total Assessed Value	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(7)	(8)
Year (N)	Fiscal Year	Units	Incremental Assessed Value ($150,000/unit)	Square Feet	Incremental Assessed Value ($55/SF)	Square Feet	Incremental Assessed Value ($90/SF)	Square Feet	Incremental Assessed Value ($60/SF)	Square Feet	Incremental Assessed Value ($50/SF)	Constant 2001/02 Dollars	Escalated to Nominal Dollars
0	2001/ 02		0		0		0		0		0	0	0
1	2002/ 03		0		0		0		0		0	0	0
2	2003/ 04		0		0		0		0		0	0	0
3	2004/ 05		0		0		0		0		0	0	0
4	2005/ 06	8	1,200,000		0		0		0		0	1,200,000	1,350,611
5	2006/ 07	8	1,200,000		0		0		0		0	1,200,000	1,391,129
6	2007/ 08	8	1,200,000	16,300	896,500	12,000	1,080,000	20,000	1,200,000		0	4,376,500	5,225,770
7	2008/ 09	8	1,200,000	17,000	935,000		0	25,000	1,500,000		0	3,635,000	4,470,592
8	2009/ 10	8	1,200,000		0		0	25,000	1,500,000		0	2,700,000	3,420,279
9	2010/ 11	8	1,200,000		0		0	25,000	1,500,000	17,950	897,500	3,597,500	4,693,922
10	2011/ 12	8	1,200,000		0		0		0	17,950	897,500	2,097,500	2,818,865
11	2012/ 13	8	1,200,000	34,000	1,870,000	14,000	1,260,000		0	17,950	897,500	5,227,500	7,236,083
12	2013/ 14	8	1,200,000	34,000	1,870,000	14,000	1,260,000		0	17,950	897,500	5,227,500	7,453,165
13	2014/ 15	8	1,200,000		0		0		0		0	1,200,000	1,762,240
14	2015/ 16	8	1,200,000		0		0	25,000	1,500,000		0	2,700,000	4,083,992
15	2016/ 17	8	1,200,000		0	15,000	1,350,000	25,000	1,500,000		0	4,050,000	6,309,768
16	2017/ 18	8	1,200,000		0	15,000	1,350,000	25,000	1,500,000		0	4,050,000	6,499,061
17	2018/ 19	8	1,200,000		0		0	22,500	1,350,000		0	2,550,000	4,214,761
18	2019/ 20	8	1,200,000	34,000	1,870,000	14,000	1,260,000		0	14,425	721,250	5,051,250	8,599,415
19	2020/ 21	8	1,200,000	33,500	1,842,500	14,000	1,260,000		0	14,425	721,250	5,023,750	8,809,176
20	2021/ 22	8	1,200,000		0		0		0	14,425	721,250	1,921,250	3,469,991
21	2022/ 23	8	1,200,000		0		0		0	14,425	721,250	1,921,250	3,574,091
22	2023/ 24	8	1,200,000		0		0	25,000	1,500,000		0	2,700,000	5,173,479
23	2024/ 25	8	1,200,000		0		0	25,000	1,500,000		0	2,700,000	5,328,684
24	2025/ 26	9	1,350,000		0		0	25,000	1,500,000		0	2,850,000	5,793,463
25	2026/ 27	9	1,350,000	17,000	935,000	15,200	1,368,000	25,000	1,500,000		0	5,153,000	10,789,238
26	2027/ 28		0	17,000	935,000	20,000	1,800,000		0	14,425	721,250	3,456,250	7,453,719
27	2028/ 29		0		0		0		0	14,425	721,250	721,250	1,602,105
28	2029/ 30		0		0		0		0	14,425	721,250	721,250	1,650,168
29	2030/ 31		0		0		0	25,000	1,500,000	14,425	721,250	2,221,250	5,234,521
30	2031/ 32		0		0		0	25,000	1,500,000		0	1,500,000	3,640,894
31	2032/ 33		0		0		0	25,000	1,500,000		0	1,500,000	3,750,121
32	2033/ 34		0		0		0	25,000	1,500,000		0	1,500,000	3,862,624
33	2034/ 35		0		0		0		0		0	0	0
34	2035/ 36		0		0		0		0		0	0	0
35	2036/ 37		0		0		0		0		0	0	0
36	2037/ 38		0		0		0		0		0	0	0
37	2038/ 39		0		0		0		0		0	0	0
38	2039/ 40		0		0		0		0		0	0	0
39	2040/ 41		0		0		0		0		0	0	0
40	2041/ 42		0		0		0		0		0	0	0
41	2042/ 43		0		0		0		0		0	0	0
42	2043/ 44		0		0		0		0		0	0	0
43	2044/ 45		0		0		0		0		0	0	0
44	2045/ 46		0		0		0		0		0	0	0
45	2046/ 47		0		0		0		0		0	0	0
TOTAL		178	26,700,000	202,800	11,154,000	133,200	11,988,000	392,500	23,550,000	187,200	9,360,000	82,752,000	139,661,925
Cumulative													
To:	2011/ 12	56	8,400,000	33,300	1,831,500	12,000	1,080,000	95,000	5,700,000	35,900	1,795,000	18,806,500	23,371,166
To:	2021/ 22	136	20,400,000	168,800	9,284,000	98,000	8,820,000	192,500	11,550,000	115,075	5,753,750	55,807,750	81,808,819
To:	2031/ 32	178	26,700,000	202,800	11,154,000	133,200	11,988,000	342,500	20,550,000	187,200	9,360,000	79,752,000	132,049,180
To:	2046/ 47	178	26,700,000	202,800	11,154,000	133,200	11,988,000	392,500	23,550,000	187,200	9,360,000	82,752,000	139,661,925

Future value based on 2001/02 values escalated annually at: 3%

Appendix Table 5A
Pass-Through Payments to Affected Taxing Entities
Proposed Lodi Redevelopment Project Area
(In Future Value or Nominal Dollars)

ERAF Adjusted Levies

Year (N)	Fiscal Year	(1) City General Fund[A] Levy: 16.39%	(2) County General Levy: 21.67%	(3) Lodi Unified Schools Levy: 27.64%	(4) San Joaquin Delta Comm. College Levy: 3.89%	(5) County Office of Education Levy: 1.39%	(6) San Joaquin Cty Flood Control Levy: 0.17%	(7) San Joaquin County Mosquito Levy: 0.77%	(8) North San Joaquin Water Cons. Levy: 0.51%	(9) ERAF Levy: 27.57%	(10) Total Pass-Throughs Levy: 100.00%
0	2001/ 02										
1	2002/ 03	0	0	0	0	0	0	0	0	0	0
2	2003/ 04	10,528	13,915	17,755	2,496	893	109	492	329	17,707	64,225
3	2004/ 05	15,261	20,171	25,736	3,618	1,294	159	713	477	25,667	93,095
4	2005/ 06	20,579	27,199	34,703	4,879	1,745	214	961	643	34,611	125,533
5	2006/ 07	26,060	34,444	43,947	6,178	2,209	271	1,217	814	43,830	158,971
6	2007/ 08	32,964	43,568	55,588	7,815	2,794	343	1,539	1,030	55,439	201,080
7	2008/ 09	39,801	52,605	67,119	9,436	3,374	414	1,858	1,244	66,939	242,789
8	2009/ 10	46,504	61,464	78,422	11,025	3,942	484	2,171	1,453	78,212	283,678
9	2010/ 11	53,833	71,150	90,781	12,763	4,563	560	2,514	1,682	90,538	328,384
10	2011/ 12	60,758	80,304	102,460	14,405	5,151	632	2,837	1,898	102,185	370,629
11	2012/ 13	69,352	91,662	116,952	16,442	5,879	721	3,238	2,167	116,639	423,051
12	2013/ 14	78,245	113,115	144,324	20,290	7,255	890	3,996	2,674	151,275	522,063
13	2014/ 15	85,539	132,822	169,468	23,825	8,519	1,045	4,692	3,140	183,970	613,020
14	2015/ 16	93,849	152,105	194,071	27,284	9,756	1,197	5,374	3,596	214,785	702,016
15	2016/ 17	103,124	173,755	221,695	31,168	11,144	1,367	6,139	4,107	249,442	801,940
16	2017/ 18	112,724	196,928	251,262	35,324	12,631	1,549	6,957	4,655	286,862	908,892
17	2018/ 19	121,862	219,874	280,538	39,440	14,102	1,730	7,768	5,198	324,282	1,014,794
18	2019/ 20	132,726	244,596	312,081	43,875	15,688	1,924	8,641	5,782	363,581	1,128,895
19	2020/ 21	143,957	271,709	346,675	48,738	17,427	2,137	9,599	6,423	407,365	1,254,031
20	2021/ 22	153,772	297,396	379,449	53,346	19,075	2,340	10,507	7,030	449,671	1,372,586
21	2022/ 23	163,952	322,002	410,844	57,760	20,653	2,533	11,376	7,612	489,419	1,486,149
22	2023/ 24	174,960	348,076	444,111	62,437	22,325	2,738	12,297	8,228	531,317	1,606,489
23	2024/ 25	186,339	375,567	479,188	67,368	24,088	2,954	13,268	8,878	575,721	1,733,373
24	2025/ 26	198,211	404,140	515,645	72,493	25,921	3,179	14,278	9,553	621,827	1,865,247
25	2026/ 27	212,073	435,900	556,168	78,190	27,958	3,429	15,400	10,304	672,408	2,011,831
26	2027/ 28	225,225	468,943	598,327	84,118	30,077	3,689	16,567	11,085	726,303	2,164,335
27	2028/ 29	236,876	499,256	637,004	89,555	32,022	3,928	17,638	11,802	776,161	2,304,240
28	2029/ 30	248,929	528,420	674,214	94,786	33,892	4,157	18,669	12,491	823,283	2,438,842
29	2030/ 31	262,520	560,030	714,545	100,456	35,919	4,406	19,785	13,238	873,831	2,584,730
30	2031/ 32	275,972	593,170	756,829	106,401	38,045	4,666	20,956	14,022	927,625	2,737,685
31	2032/ 33	289,873	626,786	799,720	112,431	40,201	4,931	22,144	14,817	981,932	2,892,834
32	2033/ 34	304,228	671,991	857,396	120,540	43,100	5,286	23,741	15,885	1,059,302	3,101,469
33	2034/ 35	317,747	716,945	914,754	128,603	45,984	5,640	25,329	16,948	1,136,999	3,308,948
34	2035/ 36	331,696	760,938	970,884	136,495	48,805	5,986	26,883	17,988	1,212,315	3,511,990
35	2036/ 37	346,064	806,250	1,028,699	144,623	51,712	6,343	28,484	19,059	1,289,891	3,721,124
36	2037/ 38	360,863	852,922	1,088,248	152,994	54,705	6,710	30,133	20,162	1,369,794	3,936,532
37	2038/ 39	376,106	900,995	1,149,584	161,618	57,788	7,088	31,831	21,299	1,452,094	4,158,402
38	2039/ 40	391,806	950,509	1,212,759	170,499	60,964	7,477	33,580	22,469	1,536,863	4,386,928
39	2040/ 41	407,977	1,001,509	1,277,830	179,647	64,235	7,879	35,382	23,675	1,624,175	4,622,310
40	2041/ 42	424,633	1,054,039	1,344,853	189,070	67,604	8,292	37,238	24,916	1,714,107	4,864,753
41	2042/ 43	441,789	1,108,144	1,413,887	198,775	71,075	8,717	39,150	26,195	1,806,736	5,114,470
42	2043/ 44	459,460	1,163,873	1,484,992	208,772	74,649	9,156	41,118	27,513	1,902,145	5,371,678
43	2044/ 45	477,661	1,221,274	1,558,230	219,068	78,331	9,607	43,146	28,870	2,000,415	5,636,602
44	2045/ 46	496,408	1,280,397	1,633,665	229,673	82,123	10,073	45,235	30,267	2,101,634	5,909,474
45	2046/ 47	515,717	1,341,293	1,711,363	240,597	86,028	10,552	47,386	31,707	2,205,889	6,190,533
TOTAL		9,528,522	21,292,151	27,166,767	3,819,318	1,365,646	167,500	752,229	503,323	33,675,189	98,270,644
Cumulative											
To:	2011/ 12	306,288	404,820	516,512	72,615	25,965	3,185	14,302	9,570	515,129	1,868,384
To:	2021/ 22	1,401,437	2,298,782	2,933,027	412,348	147,440	18,084	81,214	54,341	3,263,000	10,609,672
To:	2031/ 32	3,586,493	6,834,286	8,719,902	1,225,912	438,341	53,764	241,448	161,555	10,280,896	31,542,596
To:	2046/ 47	9,528,522	21,292,151	27,166,767	3,819,318	1,365,646	167,500	752,229	503,323	33,675,189	98,270,644

[A] The City's pass-through is based only on the first tier of the AB1290 pass-through. Its shares of the second and third tiers are retained by the Agency.

Appendix Table 5B
Pass-Through Payments to Affected Taxing Entities
Proposed Lodi Redevelopment Project Area
(In Present Value or Constant 2001/02 Dollars)

Year (N)	Fiscal Year	(1) City General Fund[A] Levy: 16.39%	(2) County General Levy: 21.67%	(3) Lodi Unified Schools Levy: 27.64%	(4) San Joaquin Delta Comm. College Levy: 3.89%	(5) County Office of Education Levy: 1.39%	(6) San Joaquin Cty Flood Control Levy: 0.17%	(7) San Joaquin County Mosquito Levy: 0.77%	(8) North San Joaquin Water Cons. Levy: 0.51%	(25) ERAF Levy: 27.57%	(26) Total Pass-Throughs
0	2001/ 02										
1	2002/ 03	0	0	0	0	0	0	0	0	0	0
2	2003/ 04	9,459	12,502	15,952	2,243	802	98	442	296	15,909	57,703
3	2004/ 05	12,997	17,178	21,917	3,081	1,102	135	607	406	21,858	79,281
4	2005/ 06	16,612	21,956	28,013	3,938	1,408	173	776	519	27,938	101,333
5	2006/ 07	19,940	26,354	33,626	4,727	1,690	207	931	623	33,536	121,634
6	2007/ 08	23,907	31,597	40,315	5,668	2,027	249	1,116	747	40,207	145,833
7	2008/ 09	27,361	36,162	46,140	6,487	2,319	284	1,278	855	46,016	166,902
8	2009/ 10	30,302	40,050	51,100	7,184	2,569	315	1,415	947	50,963	184,844
9	2010/ 11	33,249	43,945	56,069	7,883	2,819	346	1,553	1,039	55,919	202,819
10	2011/ 12	35,570	47,012	59,983	8,433	3,015	370	1,661	1,111	59,822	216,978
11	2012/ 13	38,484	50,864	64,898	9,124	3,262	400	1,797	1,202	64,724	234,756
12	2013/ 14	41,156	59,496	75,912	10,672	3,816	468	2,102	1,406	79,568	274,596
13	2014/ 15	42,646	66,220	84,490	11,878	4,247	521	2,339	1,565	91,720	305,628
14	2015/ 16	44,350	71,880	91,712	12,894	4,610	565	2,539	1,699	101,501	331,751
15	2016/ 17	46,192	77,831	99,305	13,961	4,992	612	2,750	1,840	111,733	359,216
16	2017/ 18	47,860	83,612	106,681	14,998	5,363	658	2,954	1,976	121,796	385,898
17	2018/ 19	49,043	88,487	112,902	15,873	5,675	696	3,126	2,092	130,506	408,400
18	2019/ 20	50,631	93,305	119,048	16,737	5,984	734	3,296	2,206	138,694	430,635
19	2020/ 21	52,052	98,244	125,350	17,623	6,301	773	3,471	2,322	147,295	453,431
20	2021/ 22	52,702	101,926	130,048	18,283	6,537	802	3,601	2,409	154,115	470,425
21	2022/ 23	53,262	104,606	133,467	18,764	6,709	823	3,696	2,473	158,993	482,793
22	2023/ 24	53,875	107,181	136,753	19,226	6,874	843	3,787	2,534	163,606	494,679
23	2024/ 25	54,387	109,618	139,862	19,663	7,031	862	3,873	2,591	168,037	505,924
24	2025/ 26	54,836	111,808	142,656	20,056	7,171	880	3,950	2,643	172,032	516,033
25	2026/ 27	55,613	114,308	145,846	20,504	7,332	899	4,038	2,702	176,328	527,570
26	2027/ 28	55,983	116,562	148,722	20,908	7,476	917	4,118	2,755	180,532	537,973
27	2028/ 29	55,809	117,627	150,081	21,100	7,544	925	4,156	2,781	182,867	542,889
28	2029/ 30	55,591	118,008	150,567	21,168	7,569	928	4,169	2,790	183,857	544,647
29	2030/ 31	55,570	118,547	151,254	21,265	7,603	933	4,188	2,802	184,972	547,134
30	2031/ 32	55,372	119,016	151,853	21,349	7,634	936	4,205	2,813	186,122	549,300
31	2032/ 33	55,129	119,205	152,094	21,383	7,646	938	4,211	2,818	186,748	550,171
32	2033/ 34	54,843	121,139	154,562	21,730	7,770	953	4,280	2,864	190,959	559,099
33	2034/ 35	54,294	122,505	156,305	21,975	7,857	964	4,328	2,896	194,280	565,404
34	2035/ 36	53,723	123,244	157,248	22,107	7,905	970	4,354	2,913	196,350	568,813
35	2036/ 37	53,128	123,775	157,925	22,202	7,939	974	4,373	2,926	198,024	571,266
36	2037/ 38	52,511	124,114	158,358	22,263	7,960	976	4,385	2,934	199,327	572,829
37	2038/ 39	51,876	124,274	158,562	22,292	7,971	978	4,390	2,938	200,287	573,569
38	2039/ 40	51,224	124,269	158,555	22,291	7,970	978	4,390	2,938	200,929	573,544
39	2040/ 41	50,558	124,111	158,353	22,263	7,960	976	4,385	2,934	201,274	572,813
40	2041/ 42	49,879	123,811	157,971	22,209	7,941	974	4,374	2,927	201,344	571,429
41	2042/ 43	49,189	123,380	157,421	22,132	7,913	971	4,359	2,917	201,161	569,442
42	2043/ 44	48,489	122,829	156,719	22,033	7,878	966	4,339	2,904	200,743	566,900
43	2044/ 45	47,782	122,168	155,875	21,914	7,836	961	4,316	2,888	200,108	563,847
44	2045/ 46	47,068	121,405	154,901	21,777	7,787	955	4,289	2,870	199,273	560,326
45	2046/ 47	46,350	120,549	153,809	21,624	7,732	948	4,259	2,850	198,254	556,375
TOTAL		1,990,852	4,046,681	5,163,181	725,881	259,548	31,834	142,965	95,659	6,220,232	18,676,833
Cumulative											
To:	2011/ 12	209,395	276,756	353,115	49,644	17,751	2,177	9,778	6,542	352,169	1,277,327
To:	2021/ 22	674,511	1,068,622	1,363,461	191,686	68,540	8,407	37,753	25,261	1,493,821	4,932,062
To:	2031/ 32	1,224,808	2,205,903	2,814,523	395,688	141,483	17,353	77,932	52,145	3,251,169	10,181,005
To:	2046/ 47	1,990,852	4,046,681	5,163,181	725,881	259,548	31,834	142,965	95,659	6,220,232	18,676,833

[A] The City's pass-through is based only on the first tier of the AB1290 pass-through. Its shares of the second and third tiers are retained by the Agency.
Present value discounted to 2001/02 at: 5.5%

Appendix I:

Project Area Committee (PAC) Minutes and Public Notices

Noticia de Reuniónes Publicas y Llamada Para Voluntarios Para Servir Como Miembros En el Comité de Reconstrucción en Lodi
Proyecto Numero Uno

Damos noticia que el Consejo Municipal (City Council) de Lodi y la Agencia de Reconstrucción de la Ciudad de Lodi estan contemplando adoptar el Plan de Reconstrucción para le Primer Proyecto de la Agenica de Reconstrucción.

En conexión con la adopción del Plan de Reconstrucción, el Consejo Municipal (City Council) de la Ciudad de Lodi ha determinado la necesidad de establecer el Comité de la Area del Proyecto ("PAC") que va ser compuesta de dueños de casas, inquilinos, dueños de negoicios y representates de organizaciones en la comunidad que seran afectados en la Area del Proyecto. Miren el mapa que esta incluido. El Consejo Municipal (City Council) y la Agencia de Reconstrucción los invita a asistir a las siguientes reuniónes en conexión de la formación del PAC:

Fecha, Tiempo y Lugar	Proposito
25 de Septiembre 7:00PM First Baptist Church Primera Iglesia Bautista 19 S. Central Ave. Lodi, CA 95240	Cita de Información para hablar del Plan de Reconstrucción; establecer las funciones y hablar de la oportunidad de servir en el PAC; establecer los requisitos para servir en el PAC.
16 de Octubre 7:00 PM Carngie Forum 305 W. Pine St.	
7 de Noviembre 7:00 PM Carngie Forum 305 W. Pine St.	Una Reunión Publica del Consejo Municipal para anunciar los resultados de la eleción y confirmar los miembros del PAC.

El PAC es un grupo de dueños de casas, inquilinos, dueños de negocios, y representates de organizaciones comunitarias. Este grupo dará comentarios sobre el Plan de Reconstrucción que esta propuesto y dará recomendaciones al Consejo Municipal (City Council) y la Agencia de Reconstrucción.

Si usted vive en la Area del Proyecto, es dueño de un negocio o es miembro de una organización comunitaria, por favor asiste a una de las citas o reuniones ya mencionadas.

NOTICE OF PUBLIC MEETINGS AND CALL FOR VOLUNTEERS TO SERVE AS MEMBERS OF THE PROJECT AREA COMMITTEE FOR THE LODI REDEVELOPMENT PROJECT NO. 1

NOTICE IS HEREBY GIVEN THAT THE CITY COUNCIL AND THE REDEVELOPMENT AGENCY OF THE CITY OF LODI are contemplating the adoption of a Redevelopment Plan (the "Redevelopment Plan") for the Lodi Redevelopment Project No. 1 (the "Project").

In connection with the proposed adoption of the Redevelopment Plan, the City Council has determined the need for formation of a Project Area Committee ("PAC") to be composed of volunteer residential owner-occupants, residential tenants, business owners, and representatives of existing community organizations from the proposed Project Area, shown on the attached map. The City Council and the Redevelopment Agency invite you to attend the following public meetings and hearing in connection with formation of the PAC:

Date, Time and Location	Purpose
September 25, 2001 7:00 p.m. First Baptist Church 19 S. Central Avenue Lodi, CA 95240	Public Informational meeting to discuss adoption of the Redevelopment Plan; the establishment of, functions of and opportunity to serve on the PAC; and the eligibility requirements for PAC members.
October 16, 2001 7:00 p.m. Carnegie Forum 305 W. Pine Street Lodi, CA 95240	PAC election.
November 7, 2001 7:00 p.m. Carnegie Forum 305 W. Pine Street Lodi, CA 95240	A public meeting of the City Council to announce election results and confirm the members of the PAC.

The PAC is a group of citizens who are residential owner-occupants, residential tenants, business owners, and community organization representatives who will review the proposed Redevelopment Plan for the Lodi Redevelopment Project No. 1 for the purpose of providing advisory recommendations to the City Council and Redevelopment Agency relating to the adoption and implementation of the Redevelopment Plan.

If you reside in the Project Area, own and operate a business within the Project Area or are a member of a community organization serving the Project Area shown on the attached map and are interested in serving your community, please come to the meetings outlined above. Persons who wish to participate in the redevelopment process but who are not interested in serving on the PAC are also welcome to attend.

Project Area Committee Members
Lodi Redevelopment Project

Residential Owner Occupants
Laura Mayate-DeAndreis
Deane Savage

Residential Tenants
Connie Jauregui, Secretary
Virginia Snyder

Business Owner Tenants
Chuck Easterling, Chairperson
Eduardo Aguirre, Vice Chairperson

Business Owner-Property Owners
Sunil Yadav
Beth Griffin Latta

Community Organization
Ann Larson, Eastside Community Improvement Committee

The PAC consists of 9 members. Eight PAC members were elected by Project Area residents on October 19, 2001. Ann Larson, representative from the Eastside Community Improvement Committee, was appointed by the Eastside Community Improvement Committee. The City Council selected the Eastside Community Improvement Committee to appoint one of its members as the representative from a local community organization.

MINUTES

City of Lodi
Proposed Lodi Redevelopment Project
Proposed Area Committee (PAC)
Meeting 1
November 27, 2001
7:00 to 9:00 PM
Carnegie Forum Large Conference Room
305 W. Pine Street
Lodi, CA

ROLL CALL

MEMBERS PRESENT: Eduardo Aguirre, Chuck Easterling, Beth Griffin-Latta, Connie Jauregui, Laura Mayate-Deandreis, Deane Savage, Virginia Snyder

MEMBERS ABSENT: Sunil Yadav and Eastside Improvement Committee Representative

INTRODUCTION

Community Development Director Bartlam introduced himself to the Committee. He noted that he was also the Deputy Executive Director for the Redevelopment Agency. He introduced Dave Beatty and Ethan Walsh from the law firm of McDonough, Holland & Allen who is the agency's legal counsel. Each member introduced themselves and stated their interest in being a member of the committee.

REVIEW OF PAC ROLE AND RESPONSIBILITIES

Ethan Walsh reviewed some of the responsibilities and the role of the Project Area Committee (PAC) in the Redevelopment process. PAC's role is to serve as an advisory committee for the Redevelopment Agency. All PAC members represent people within the project area, the Redevelopment Agency wants to hear their input and views on the entire process. The members of the City Council are also members of the Redevelopment Agency, which is done for legal purposes. The PAC Committee and the City Council will be working interactively during the Redevelopment Agency process. The City Council members are required to consult with PAC members concerning policy matters that deal with the planning provision of residential facilities for residents that could be displaced by the project or other policy matters affecting residences and businesses within the project area. Under Redevelopment Law, the Redevelopment Agency is required to consult with the PAC committee and solicit their input on issues related to the project area. They will continue to consult with the Committee for at least 3 years after the plan adoption is completed and as projects are going on within the project area. One of the primary roles that the Committee will play is that the Redevelopment Agency is required to submit the Redevelopment Plan to the Committee for review. Once the Committee has reviewed the draft document, a report must be prepared along with a recommendation on whether the plan should be adopted or not. Community Development Director Bartlam noted that the plan would be prepared by him and the consultant staff that the City has hired to prepare the document. The Committee will have input throughout the preparation of the document and have the opportunity to vote for or against the final document. If the committee votes to approve the Plan, it will need a majority vote. If the committee recommends against the Plan, the Agency will have to adopt it by a two-thirds vote.

City of Lodi
Proposed Lodi Redevelopment Project
Proposed Area Committee (PAC)
Meeting 1
November 27, 2001
7:00 to 9:00 PM
Carnegie Forum Large Conference Room
305 W. Pine Street
Lodi, CA

1. **INTRODUCTION**

2. **REVIEW OF PAC ROLE AND RESPONSIBILITIES**

   - By-Laws
   - Brown Act and Statement of Economic Interest
   - PAC Responsibilities

3. **OVERVIEW OF REDEVELOPMENT**

   - Begin discussion of redevelopment goals and objectives
   - Begin discussion of proposed projects (housing and non-housing)
   - Hand out Preliminary Plan

4. **FUTURE MEETING SCHEDULE**

5. **VACANCIES**

6. **GENERAL COMMENTS OF PAC**

7. **PUBLIC COMMENT**

8. **ADJOURNMENT**

Materials Available at Meeting:
Meeting Agenda
Certified PAC Election Results
By-Laws
Brown Act
Statement of Economic Interest
Preliminary Plân with insert map of Proposed Area
Guide to Redevelopment

Materials on Display:
Project Area Map (large)
Feasibility Report Proposed Lodi Redevelopment Project
Community Redevelopment Law: Article 6.5 and Sections 33347.5 and 33366.
PAC Formation Procedures as adopted by Lodi City Council.
PAC Election Procedures as adopted by Lodi City Council.

Ms. Mayall reviewed potential redevelopment projects in the Project Area. Each project would help to alleviate conditions of blight and would work in coordination with Lodi's existing Central City Revitalization Program. Some of the projects included economic development, building rehabilitation and façade improvement, public infrastructure and facilities, circulation and landscaping improvements, site preparation and development, and affordable housing. A document will be brought before the PAC showing what blighted properties are in the area, what should be done to these properties, and how the PAC is going to proceed with the project.

Ms. Mayall reviewed the steps in the Plan adoption process. The steps were:

1) Project Area Designation (City Council adopts Survey Area)
2) Preliminary Plan (Statement of purpose and scope of a redevelopment program)
3) Formation of Project Area Committee (Project area committee is elected)
4) Preliminary Report on the Redevelopment Plan (Technical document designed to inform the community about the proposed Redevelopment Project)
5) Environmental Impact Report (Environmental impact analysis for project area.
6) Redevelopment Plan (Conclusion of consultation with taxing entities, the environmental review and community participation process)
7) Report to City Council (Information needed to adopt the Redevelopment Plan)

FUTURE MEETING SCHEDULE

The PAC decided the meetings would be held the 4th Tuesday of each month at 7:00 p.m. Due to the upcoming Christmas holiday, the next meeting of the PAC was scheduled for December 18, 2001.

GENERAL COMMENTS OF PAC

Virgina Snyder felt the Redevelopment Agency was exciting and she has been waiting for a program like this for a long time.

A question was asked if additional properties could be added to the already approved Project Area. Community Development Director Bartlam replied that the same process in approving the first Project Area would have to be used again if additional properties were to be added or another Project Area could be created to cover the additional properties.

ADJOURNMENT

There being no further business the meeting was adjourned at 9:05 p.m.

Respectively Submitted,

Lisa Wagner
Administrative Secretary

Community Development Director Bartlam stated the process would probably take 6 to 7 months. They currently are in process of drafting an outline of the Plan and hopefully will have it available for review by the January meeting. He was hopeful that the final document would go to the City Council for adoption by June 2002. After the Plan is adopted, the Committee would probably meet on an as needed basis.

Ethan Walsh briefly reviewed the by-laws, which will help facilitate future meetings. The by-laws set forth an organization for the PAC and gives rules and guidelines on the Committee's operations.

Mr. Aguirre asked if there would be other project areas other than Project Area No. 1? Community Development Director Bartlam responded that historically other agencies would name their project areas. Lodi did not want to put a name on the Project Area because it could become confusing over time. It's possible that there may be a Project Area No. 2; but not at this time.

Community Development Director Bartlam introduced Hilde Mayall from Seifel & Associates. Sefiel & Associates have been retained by the Agency to assist staff in preparing the documents necessary for adoption of the Plan.

Ethan Walsh then reviewed two specific laws regarding the PAC. The Brown Act, a California law regarding open meetings, states that Project Area meetings are open to the public and an agenda must be posted prior to the meeting. Next was the Political Reform Act, which is the Conflict of Interest Law in California. It requires certain public officials to file Statements of Economic Interests and further prohibits public officials from using their political position to influence governmental decisions or for personal gain. The Attorney General's Opinion No. 99-304, allows the members who own property in the Project area to render advice so that they have the broad perspective that the Legislature intended when it adopted the PAC requirements. Once the Plan is adopted, the PAC will review specific projects and if one of the members owns property nearby, that member would have to abstain from the vote. City Council members who own property in the Project area will be disqualified from participating in the project from the start. After the Plan is adopted, any member of the City Council who was disqualified from voting on the Plan can participate in individual decisions as long as their property is not located within the specified distance to the subject property.

OVERVIEW OF REDEVELOPMENT

Hilde Mayall explained that the primary goal of the Redevelopment Plan was to alleviate physical and economic blighting conditions in the Project Area by improving the area's economic base and preserving and enhancing residential areas. A feasibility study was conducted on the Project Area this past Spring. The study addressed what was in the area, existing conditions, what type of businesses may be located in the area, and what income the area may generate.

The primary funding source for most redevelopment projects will be tax increment revenue generated by increased property values in the project area. Taxes will not be increased in the area, and the tax increments collected will be given back to the Agency. Tax increment revenues would be used to leverage private funds as well as other public funds. Ms. Mayall estimated that over the life of the project (45 years) $150,000,000 (20 % for housing and 80% for non-housing redevelopment activities) would be generated in the Project Area. The Agency will be allowed to use a certain percentage of the monies for their administrative costs.

MINUTES
City of Lodi
Proposed Lodi Redevelopment Project
Proposed Area Committee (PAC)
Meeting 2
December 18, 2001
7:00 to 9:00 PM
Carnegie Forum Large Conference Room
305 W. Pine Street
Lodi, CA

ROLL CALL

MEMBERS PRESENT: Eduardo Aguirre, Chuck Easterling, Connie Jauregui, Laura Mayate-Deandreis, Deane Savage, and Sunil Yadav

MEMBERS ABSENT: Beth Griffin-Latta, Virginia Snyder, and Eastside Improvement Committee Representative

OTHERS PRESENT: Konradt Bartlam, Community Development Director, Hilde Myall, Seifel Consulting Inc.

INTRODUCTION
Community Development Director Bartlam noted that a representative from the Eastside Improvement Committee would be appointed to the PAC (Project Area Committee) at their upcoming meeting of January 10, 2002.

MINUTES
The minutes of November 27, 2001 were unanimously approved as mailed.

MEETING PLACE AND TIME
Originally, the PAC had arranged to meet the second Tuesday of each month. Due to a scheduling conflict, the large conference room is not available at that time. It was decided that the meetings would be held the third Tuesday of each month in the large conference room at the Carnegie Forum.

ELECTION OF OFFICERS

Chairperson:	Chuck Easterling
Vice-Chairperson:	Eduardo Aguirre
Secretary:	Connie Jauregui

ADOPTION OF BY-LAWS
Chairman Easterling chaired the meeting from this point. It was noted that if a member has 3 unexcused missed meetings within a 6-month period, they will be terminated from

City of Lodi
Proposed Lodi Redevelopment Project
Proposed Area Committee (PAC)
Meeting 2
December 18, 2001
7:00 to 9:00 PM
Carnegie Forum Large Conference Room
305 W. Pine Street
Lodi, CA

1. **INTRODUCTION**

2. **MINUTES**

3. **MEETING PLACE AND TIME**

4. **ADOPTION OF BY-LAWS**

5. **ELECTION OF OFFICERS**

   - Chairperson
   - Vice-Chairperson
   - Secretary

6. **VACANCIES**

7. **OVERVIEW OF REDEVELOPMENT**

   - Major Documents
   - Overview of Tax Increment Financing
   - Discussion of Goals and Objectives
   - Discussions of Projects and Activities
   - Review of Agency Eminent Domain Process

8. **GENERAL COMMENTS OF PAC**

9. **PUBLIC COMMENT**

10. **NEXT MEETING OF THE PAC**

11. **ADJOURNMENT**

Currently, the County gets most of the property taxes collected. With the Agency in place, funds currently collected by the County and distributed to other taxing entities (special districts & Lodi Unified School District) will be redirected to the Lodi Redevelopment Agency.

Member Aguirre asked what the impact might be to the other agencies that use to get a bigger share of the taxes. Ms. Myall replied that the different taxing entities are very concerned. The Financial Report will reflect the impacts. The Committee should be aware that the other entities will not lose money they currently receive, but rather earn less of future revenues.

To Redevelopment Agency cannot spend the money just on anything. It has to be identified in the thin scope of the goals and objectives in the Redevelopment Program. The Redevelopment Program is a response to the blight that exists in the Project Area.

During the first 5 years there is not much growth likely in the Project Area. During those first 5 years the Agency can borrow money to accomplish its goals from projected tax increments. After 5 years there should be enough increment to project a steady income which the Agency can bond against. Tax increment financing is defined as using future tax increment to do more projects to generate more tax increment. Any business the Agency is doing currently is being funded by the City and will have to be repaid.

Ms. Myall gave a brief account of what the 20% for affordable housing could be spent on. It is meant to be spent on low to moderate income (up to 120% median) housing. A law was passed last October requiring that monies be spent in proportion to the current housing needs in the area. The San Joaquin Council of Government determines the projection of housing needs by income. Agencies must show progress towards these goals.

Mr. Bartlam stated that an investment into a catalyst project usually will draw more businesses to the area. The Agency should look at projects as not necessarily being a 10 or 12 percent return on the investment, they should look at the return as an investment for the next project.

Chairman Easterling asked how the Agency could have an impact on a whole residential block that is blighted. Mr. Bartlam replied that the Agency could offer rehabilitation or grant loans to the properties. There would have to be some investment from the owner to show that they are willing to upgrade and maintain their property.

Ms Myall stated that Eminent Domain is a tool that the Agency can use to accomplish the goals and objectives of the Redevelopment Plan. Eminent Domain enables the Agency to assemble parcels if the need arises. The overriding authority is the Agency who can assemble private property for a public purpose. State Law interprets public purpose as the goals and objectives of the Redevelopment Plan. The first option would always be that the Agency purchase the property from a willing seller.

the Committee. It was suggested that all members have a list of the other members' phone numbers and addresses so they are able to communicate with one another.

Chairman Easterling asked if one of the members were to resign, would another person be reappointed or would an election need to be held. Mr. Bartlam replied it would depend on how much time is left within the realm of scope. If a vacancy were to occur in the next couple months, then an election would need to be held.

It was noted that at least 5 members would need to be present for a quorum.
Each member can serve for three years or until the PAC is terminated. Offices can be held for two years. The annual meeting will be held the third Tuesday of December 2002.

A motion was made by Member Savage, Member Jauregui second, that the By-Laws be approved with the change of meeting dates to reflect every third Tuesday of each month and that the annual meeting date be December 17, 2002. The motion was approved unanimously.

VACANCIES
The only vacancy noted was the one being held for a member of the Eastside Improvement Committee. A member will be appointed to the PAC at the next Eastside Improvement meeting of January 10, 2002.

OVERVIEW OF REDEVELOPMENT
Hilde Myall presented an overview of the major documents involved with the Redevelopment Agency.

The Redevelopment Plan spells out the powers of the Agency, the program, the By-Laws, and the Preliminary Report. The Technical Analysis document evaluates financial feasibility and projects tax increment.

The Preliminary Report is the draft that will go before the City Council. It acts as the evidence tosupport the Redevelopment Plan. It will be submitted with the Redevelopment Plan to the City Council.

The Environmental Impact Report will be out January 2002 for review and comment by the PAC. It will be circulated for 45 days for public comment, and then the final draft will be produced incorporating all comments received. It will accompany the Redevelopment Plan.

The Redevelopment Plan will be funded by tax increment revenues. The tax increment will be growth over the base year assessed value. The revenue generated will go the agency and will fund the program. Certain obligations will need to be paid from these funds. By State Law twenty percent (20%) will have to go towards affordable housing. The other 80% will be for non-housing needs.

NEXT MEETING OF THE PAC

The next meeting was confirmed as January 15, 2002 at 7:00 p.m. in the large conference room of the Carnegie Forum.

ADJOURNMENT

There being no further business the meeting was adjourned at 9:00 p.m.

Respectively Submitted,

Lisa Wagner
Administrative Secretary

City of Lodi
Proposed Lodi Redevelopment Project
Proposed Area Committee (PAC)
Meeting 3
January 15, 2002
7:00 to 9:00 PM
Carnegie Forum Large Conference Room
305 W. Pine Street
Lodi, CA

1. **INTRODUCTION**
2. **APPROVAL OF MINUTES OF DECEMBER 18, 2001**
3. **DRAFT REDEVLOPMENT PLAN**
4. **DRAFT OWNER PARTICIPATION RULES**
5. **GOALS & OBJECTIVES DISCUSSION (CONTINUED)**
   - Residential Conservation Areas
6. **GENERAL COMMENTS OF PAC**
7. **PUBLIC COMMENT**
8. **NEXT MEETING OF THE PAC**
9. **PUBLIC COMMENT**
10. **ADJOURNMENT**

Materials available at meeting:

Meeting Agenda

Minutes from December 18, 2001 PAC Meeting

MINUTES

City of Lodi
Proposed Lodi Redevelopment Project
Project Area Committee (PAC)
Meeting 3
January 15, 2002
7:00 to 9:00 PM
Carnegie Forum Large Conference Room
305 W. Pine Street
Lodi, CA

ROLL CALL

MEMBERS PRESENT: Eduardo Aguirre, Chuck Easterling, Connie Jauregui, Ann Larson, Beth Latta-Griffin, Deane Savage, Virginia Snyder and Sunil Yadav

MEMBERS ABSENT: Laura Mayate-Deandreis

OTHERS PRESENT: Konradt Bartlam, Community Development Director, Ethan Walsh, and Dirk Happee

INTRODUCTION

Chairman Easterling introduced Ann Larson who is the Eastside Improvement Committee representative.

MINUTES

The minutes of December 18, 2001 were approved as mailed with one minor change clarifying that offices can be held for two years rather than one year.

DRAFT REDEVELOPMENT PLAN

Mr. Bartlam introduced Ethan Walsh the Agency's counsel. Mr. Walsh handed out copies of the Draft Redevelopment Plan and the Rules Governing Participation by Property Owners to each member.

First he covered the Draft Redevelopment Plan (DRP). The Redevelopment Plan is the fundamental document governing the Redevelopment Agency's activities within the Project Area. It serves as the Agency's charter, establishes long term goals, grants the Agency certain powers, and places specific limitations on the authority of the Agency. The Plan is a long-term document and stays in affect for 30 years.

The Redevelopment Agency is granted specific powers by the Redevelopment Plan. Those powers include, acquire property through eminent domain and convey it to a private party for development, authorization for the Agency to construct public improvements within a project area, establish land use controls, and the ability to finance its activities through a variety of sources. The agency can resell land to private entities for fair reuse value as oppose to fair market value.

Member Snyder stated that a group is organizing a campaign that is in opposition to eminent domain. She asked if there was some sort of agreement that could be reached with the group. Mr. Bartlam replied that they would be opposed whether eminent domain was a factor or not. He has invited them to the PAC meetings, but they have not attended any meetings. He also shared that over the last 20 years, the City had obtained few properties using eminent domain.

Member Yadav asked the members if they had ever experienced property taken by eminent domain. He has been a victim of eminent domain, and spoke strongly against it. Chairman Easterling responded that discretion would need to be used and if eminent domain proceedings are used, it will probably be in a blighted property situation. The Agency will exercise diligence when using eminent domain.

Member Snyder asked if there is more opposition when a property taken by eminent domain and is resold to a private party rather than a public agency. Mr. Bartlam replied that it depends on the project. Usually there is less opposition if the project is going to benefit the community whereas an affordable housing project is more likely to raise opposition. He noted that it's usually easier to acquire commercial business properties because they can determine the value of the property and loss of future business value. When it comes to an individual's property, it's more of an emotional loss, which is harder to compensate.

Mr. Walsh noted specific powers granted to the Agency by the Redevelopment Plan. The Agency cannot incur debt beyond 20 years after the adoption of the Plan. The duration of the Plan is 30 years from the date of adoption. The Agency may not receive tax increments beyond 45 years from the adoption of the Plan. The Plan sets the maximum amount of bonded indebtedness that can be outstanding at one time. Twenty-percent (20%) of the tax increment received by the Agency must be used for low and moderate income housing. The agency may not use its power of eminent domain beyond 12 years from the date of the adopted Plan. A question was asked if the 12 years could be extended. Mr. Walsh responded that the original Plan would have to be amended and would have to go through the entire approval process to demonstrate that there still was existing blight and why the extra time is needed.

Other requirements set forth in Redevelopment Law are: 1) The Agency establish rules for the participation in redevelopment of the Project Area by owners and to establish preferences to business tenants for reentry within the redeveloped Project Area. 2) The Agency is required to assist people, business concerns and others displaced by the Project in finding other locations and facilities. 3) The Agency is required to make relocation payments to those parties effected. Mr. Bartlam clarified that the relocation fees are not only for eminent domain acquisition but also for residential and commercial situations as well, and the Agency has an obligation to relocate tenant and incur the costs associated with the relocation. He noted that sometimes the relocation charges are greater than the property acquisition.

DRAFT OWNER PARTICIPATION RULES

The Community Redevelopment Law and the Redevelopment Plan require that the Agency adopt rules governing owner participation prior to approval of the Plan. The rules are meant to explain how the Agency will encourage and allow owner participation in the redevelopment of the Project Area. The Owner Participation Rules allow that owners shall be given reasonable opportunity to participate in redevelopment by: 1) A property owner can retain all or portion of their property and develop and improve the property in accordance with the goals of the Plan. 2) A property owner can acquire adjacent property or other properties within the Project Area and develop or improve that property according the Plan. 3) A property owner can sell their property to the Agency and purchase other property in the Project Area. There are specific limitations on owner participation. They are: 1) The land uses proposed by the property owner need to be appropriate for the property and consistent with the City's General Plan and the Redevelopment Plan. 2) The construction, widening, or realignment of streets, as well as the construction of expansion of other public improvements will not involve owner participation. 3) The ability of the owner to finance the acquisition or development in accordance with the Plan. 4) The need or desire of the Agency to assemble land within the Project Area in order to create more efficient and marketable commercial and industrial parcels may prevent the owner from redeveloping their property in the manner they desire.

Next was a discussion regarding Conforming owners. This is a provision to give property owners assurance that their property is safe of being acquired by the Agency. This section allows the Agency to determine that certain property within the Project Area meets the requirements of the Redevelopment Plan and that the owners will be permitted to remain as conforming owners without entering into an agreement with the Agency. If an owner wants to carry out redevelopment of their property, and the owner either wants agency assistance or further assurance that their property will not be condemned by the Agency after the property owner makes improvements in accordance with the Plan, the owner can obtain Agency assistance or protection against condemnation through an owner participation agreement with the Agency.

The Owner Participation Rules additionally include the requirement that the Agency can not acquire real property when the building on that property is going to be continued with its present form and use without the consent of the owner, or the Agency needs to impose certain controls, limitations or restrictions on the property pursuant to the Plan, and the owner refuses to participate in the redevelopment of the property in the manner required by the Plan. Mr. Bartlam stated that the Agency's goal of investment is different than a private individual's goal. The Agency's return is sometimes in the form of bringing new jobs into the project area and it's hard to put a dollar amount on the benefit. Finally, the Agency will give a reasonable preference to business occupants who desire to remain in the Project Area to allow those business occupants to continue operating in the Project Area.

A question was asked that after the Plan is approved, if a business wants to do a project within the Project Area without Agency funding and the project does not conform to what has been approved in the Plan, does the Agency have a say in the matter? Mr. Bartlam responded "no" the Redevelopment Plan from an Agency standpoint needs to conform to the General Plan also, therefore it will not be approved.

Virginia Snyder asked if any consideration is given to historical elements. Mr. Bartlam replied that if it's important enough, it could be a trigger for Agency participation. He noted that downtown businesses have done improvements with the help of financial assistance from the City.

GOALS & OBJECTIVES DISCUSSION (CONTINUED)

Residential Conservation Areas. Mr. Bartlam explained that Residential Conservation Areas are not typically used in project areas. However, he felt it was a good idea since a portion of the Project Area is single-family residential. Residential Conservation Area adds a little more certainty to property owners within those discreet areas, that the Agency won't come in and condemn property and the Residential Conservation Area can spell out under what circumstances properties can be condemned.

GENERAL COMMENTS OF PAC

None

PUBLIC COMMENT

Chairman Easterling noted that in the future, this is where the Public will be invited to make their comments.

NEXT MEETING OF THE PAC

The next meeting will be held February 19, 2002.

ADJOURNMENT

There being no further business the meeting was adjourned at 9:00 p.m.

Respectively Submitted,

Lisa Wagner
Administrative Secretary

City of Lodi
Proposed Lodi Redevelopment Project
Project Area Committee (PAC)
Meeting 4
February 19, 2002
7:00 to 9:00 PM
Carnegie Forum Large Conference Room
305 W. Pine Street
Lodi, CA

1. **ROLL CALL**
2. **APPROVAL OF MINUTES OF JANUARY 15, 2002**
3. **REVIEW OF PRELIMINARY REPORT**
4. **GENERAL COMMENTS OF PAC**
5. **NEXT MEETING OF THE PAC**
6. **PUBLIC COMMENT**
7. **ADJOURNMENT**

Materials available at meeting:

Meeting Agenda

Minutes from January 15th, 2002 PAC Meeting

Preliminary Report

City of Lodi
Proposed Lodi Redevelopment Project
Project Area Committee (PAC)
Meeting 4
February 19, 2002
7:00 to 9:00 PM
Carnegie Forum Large Conference Room
305 W. Pine Street Lodi
Lodi, CA

ROLL CALL MEMBERS PRESENT: Eduardo Aguirre, Chuck Easterling, Beth Griffin-Latta, Connie Jauregui, Ann Larson, Laura Mayate-Deandreis, Deane Savage, Virginia Snyder and Sunil Yadav

MEMBERS ABSENT: None

OTHERS PRESENT: Konradt Bartlam, Community Development Director, and Hilde Mayall, Seifel & Associates.

MINUTES
The minutes of January 15, 2002 were approved with a correction to reflect that Beth Griffin-Latta arrived late, but did in fact attend the meeting. Another correction was made to the title of the minutes to show "Project Area Committee" rather than Proposed Area Committee."

REVIEW OF PRELIMINARY REPORT
Mr. Bartlam noted that the Preliminary Report is a required document that must be published. It outlines the proposed goals and objectives of the project area, it shows the anticipated financing structure, and it sets out the initial definition of blight, both economic and physical blight that exists in the project area. The preliminary report is a review document, not in its final form, and will likely have some comments made by the PAC, members of the public, and taxing entities who have received the report for their review and comment. Mr. Bartlam would like to get the document to a point where it's factually correct, but generally agreed upon by a variety of different people.

Mr. Bartlam noted that there would not be a meeting in March 2002 because he will be out of town. He will be sending the Draft Environmental Impact Report to the PAC members, which is a State-mandated document. The document will be very technical and will address environmental issues.

Hilde Mayall started with Chapter 2, Existing Conditions, of the Preliminary Report. Under the California Community Redevelopment Law (CRL), a proposed project area must be both urbanized and blighted. Mr. Bartlam added that the concept of an urbanized area is one where development has already taken place, there's not a lot of vacant or agricultural land.

A question was asked whether the current ground water contamination would have an effect on projects in the area. Mr. Bartlam replied that contamination is included in the

document as an influence and will have some negative effect on potential resale and value of property.

Ms. Mayall noted that there are definitions of physical and economical blight that are used within Chapter 2. Adverse Physical Condition types include deficient or deteriorated buildings, factors that inhibit proper use of building or lots, incompatible uses, and substandard lots. Adverse Economic Conditions include depreciated values or impaired investments, economic indicators of distressed buildings or lots, lack of neighborhood commercial facilities, residential overcrowding or problem businesses, and a high crime rate. Under the Assessment of Existing Conditions heading, the Standard for Assessment describes the methodology used to determine the physical and economical blight assessment of each property. A total of eight survey areas were defined within the Project Area. A comprehensive Building Conditions Survey was conducted within these survey areas and photographic documentation was also collected and incorporated into the Preliminary Report.

Getting in to more detail, Ms. Mayall noted an Adverse Physical Condition dealing with Earthquake Hazards. This condition was included in the report in the event ground shaking from an earthquake outside the Project Area would cause damage to the structures. It was noted that un-reinforced masonry buildings have proved to be hazardous during an earthquake. Within the downtown commercial area, there are several old unreinforced masonry buildings. Some are likely to be hazardous in the event of an earthquake.

Deficient or Deteriorated Buildings, Age of Buildings. The consultant looked at the age of the building stock in the project area. Within the Project Area they found deteriorated residential structures, unoccupied, dilapidated, and abandoned residential structures, Residential Structures with Informal and Potentially Substandard Construction, Small deteriorated residential units located on narrow alleys, structurally unsound residential structures, deteriorated commercial structures, old, badly deteriorated hotel buildings in downtown on Main and Sacramento Streets, an abandoned theater building on Lodi Avenue, a large, dilapidated, and abandoned school on Cherokee Lane, large un-reinforced masonry brick buildings, commercial structures with informal and possibly substandard construction, and unoccupied and apparently abandoned commercial structures.

The Building Conditions Survey outlines the methodology used as the consultant went through each building and how the building was evaluated. A Building Conditions Assessment was done for each building in the Project Area. The evaluation was based on a scale of 1 to 5 with 5 being that the building is in excellent condition. The idea is that if an area is physically blighted, the average rating of buildings will be 2.5 or less.

Factors That Inhibit Proper Use of Buildings or Lots. Some of the factors show up as physical as well as economic. Some factors noted were 1) Properties that suffer from soils and groundwater contamination 2) Properties that are adjacent to deteriorated, vacant or abandoned buildings 3) Lots of small size or irregular shape that are difficult to

develop 4) Properties located next to the railroad 5) Commercial and residential lots lacking adequate parking; and 6) Commercial uses that are impacted by fast moving traffic.

Incompatible Uses. Some of the factors are 1) residential near the railroad 2) Residential uses in close proximity to active industrial or packing plant uses; and 3) Commercial and residential located adjacent to dilapidated or abandoned buildings.

Substandard Lots. Over the years, a large number of lots have become substandard to economic development. Examples given were residential lots fronting onto an alley, small commercial lots in the downtown area along School Street, small and difficult to develop commercial lots along Cherokee Lane, and small lots in commercial and industrial areas that are substandard to modern economic use.

Public Improvement Deficiencies. You can use redevelopment funds to help fund public improvement deficiencies. Some of the deficiencies noted were 1) Deteriorated pavement surfaces 2) Unpaved or poorly paved alleys 3) Narrow alleys that have substandard access 4) Aging and inadequate storm drainage systems 5) Lack of public community facilities and 6) Parking inadequacies. Also, the East Side neighborhood contains aging, obsolete and inadequate wastewater utilities.

Economic Conditions that cause a Reduction of, or lack of, proper use of the Proposed Project Area. There are four categories of economic blight. 1) Depreciated values or impaired investments 2) Economic indicators or distressed buildings or lots 3) Residential overcrowding and 4) High crime rate. These blight conditions were evaluated by field survey, talking with people (City staff and public), and technical documents and data from public and private agencies.

Summary of Observed Economic Blight. Deteriorated residences, boarded-up commercial and residential buildings, vacancies, and other observed physical and economic conditions provide substantial evidence of depreciated values and impaired investments. Adverse economic conditions observed were deteriorated or poorly maintained commercial properties, vacant ground floor commercial spaces, vacant second floor spaces in the downtown area that lack elevators, underutilized properties, large number of lots that are likely to be substandard to economic development. Outmoded, obsolescent buildings, commercial buildings with marginal occupancy, and deteriorated, dilapidated and abandoned residences.

Depreciated Values or Impaired Investments. This section documents the presence of depreciated or stagnant property values or impaired investments in the Project Area by reporting on the 1) Poor economic performance of retail businesses 2) Residential sale prices below comparable city properties 3) Lodging establishments with lower revenues per room as compared to establishments outside the Project Area, and 4) presence of hazardous materials. Stagnant sales tax receipts in the Project Area are an indicator of depreciated values and impaired investments within the Project Area. Single family homes on the eastside tend to be older and smaller than newer homes that are being built

on the outskirts of town. Two bedroom homes sold for 53 percent less in the Project Area compared to other areas in the City. The Project Area contains poor quality multifamily housing, in addition to higher density housing. The lodging establishments in the Project Area tend to be very small, budget-class motels. Sixteen of the eighteen lodging establishments are located within the Project Area. Hazardous materials pose an unknown risk and for those who wish to invest and develop property. The remediation of toxic or hazardous waste is frequently costly and a major financial disincentive to reinvestment or development.

Economic Indicators of Distressed Buildings or Lots. Most lease rates for commercial and industrial space in the Project Area are lower than in other parts of Lodi and the surrounding area. Commercial lease rates in the Downtown area are 30 to 50 percent lower than other retail centers in Lodi. Office lease rates are from 60 to 75 percent lower in the Downtown area than other areas of Lodi. Abnormally high vacancies and commercial space in the Downtown area exists. The Infeasibility of Private Sector to Rehabilitate Properties section evaluates impaired investment in terms of private investor's ability to rehabilitate deteriorated, older buildings while achieving a reasonable return on investment. During a field survey, several areas of under-utilized properties were identified.

Residential Overcrowding. The data used was from the 1990 U.S. Census. The Project Area was divided into renter and owner households and showed that there was overcrowding in both categories.

A High Crime Rate. Information will be forth coming from Police Department

Conclusion for Economic Blighting Conditions. Based on findings, there is a necessity for redevelopment given the presence of economic and physical blight. This blight demonstrates a burden on the community meaning that private investment acting alone without public assistance in the form of redevelopment is not enough to turn it around.

Redevelopment Program Description. The PAC must demonstrate a connection between what the blight conditions are and how the Redevelopment Program will correspond to correcting the blight. The chapter is set up to note the deficiencies to be corrected, and then a description on how the proposed activities in the Project Area will help remedy the deficiencies. The areas to be addressed within the Project Area will be split into the following six categories: 1) Economic Development 2) Building Rehabilitation, Façade Improvements, and Historic Preservation 3) Public Infrastructure and Facilities 4) Neighborhood Preservation, Circulation and Landscaping Improvements 5) Site Preparation and Development and 6) Affordable Housing.

Member Snyder asked about demolishing or rehabilitating historic buildings within the Project Area. Ms. Mayall replied that if the building is of a certain age, they have to go through a certain assessment before the building could either be demolished or rehabilitated.

Proposed Methods of Financing and Feasibility. The intent of this chapter is to layout all the potential funding sources to the Agency and see if the sources are adequate enough to achieve the Redevelopment Program. The conclusion was that the funding sources are inadequate and therefore the tax increment revenue that comes from redevelopment is necessary to implement the Redevelopment Program. It also delineates how financing will be done if the funding sources are inadequate. It will be financed through tax increment revenue over the 45-year life of the project. The projection of revenue is subject to change, since it is being projected over a long period of time.

Tax Increment Financing: The Primary Source of Funding. This section explains what the financial impact will be to taxing entities' revenues. The tax increment projections are only estimates and the actual tax increments may be higher or lower than anticipated. The Agency must use the tax increment revenues to fulfill certain obligations. The assessed value of the Project Area is projected to grow by over $154 billion during the 45-year tax increment collection.

The appendices contain a list of sources that were used to prepare the document, a legal description, which is a State requirement, Building Conditions by Survey and Subareas, photographic documentation of blight, County Fiscal Officer's Report, and Tax Increment Projections.

NEXT MEETING OF THE PAC

The next PAC meeting will be held March 19, 2002

ADJOURNMENT

There being no further business the meeting was adjourned at 8:55 p.m.

Respectively Submitted,

Lisa Wagner
Administrative Secretary

City of Lodi
Proposed Lodi Redevelopment Project
Project Area Committee (PAC)
Meeting 5
March 19, 2002
7:00 to 9:00 PM
Carnegie Forum Large Conference Room
305 W. Pine Street
Lodi, CA

1. **ROLL CALL**
2. **APPROVAL OF MINUTES OF FEBRUARY 19, 2002**
3. **REVIEW OF PRELIMINARY REPORT**
4. **REVIEW OF DRAFT ENVIRONMENTAL IMPACT REPORT (DEIR)**
5. **GENERAL COMMENTS OF PAC**
6. **NEXT MEETING OF THE PAC**
7. **PUBLIC COMMENT**
8. **ADJOURNMENT**

Materials available at meeting:

Meeting Agenda

Minutes from February 19th, 2002 PAC Meeting

Draft EIR

City of Lodi
Proposed Lodi Redevelopment Project
Project Area Committee (PAC)
Meeting 5
March 19, 2002
7:00 to 9:00 PM
Carnegie Forum Large Conference Room
305 W. Pine Street Lodi
Lodi, CA

ROLL CALL

MEMBERS PRESENT: Eduardo Aguirre, Chuck Easterling, Beth Griffin-Latta, Connie Jauregui, Ann Larson, Laura Mayate-Deandreis, Deane Savage, Virginia Snyder and Sunil Yadav

MEMBERS ABSENT: None

OTHERS PRESENT: Konradt Bartlam, Community Development Director

MINUTES
The minutes of February 19, 2002 were approved with a correction noted that there would not be a PAC meeting in April.

REVIEW OF PRELIMINARY REPORT
Mr. Bartlam asked if there were any questions or comments regarding the Preliminary Report, which was reviewed at the last PAC meeting. Member Savage asked how HOME funds and the Community Development Block Grant Program (CDBG) connected with the Redevelopment Program. Mr. Bartlam responded that every year through the CDBG, $750,000 is granted to the City and the Council allocates a majority of those funds to construction projects, primarily located on the eastside, which is considered a target area. HOME funds totaling $200,000 can only be used for housing programs (i.e., owner-occupied rehabilitation and down payment assistance) and can only be granted to those who are income eligible. The two programs (Redevelopment & HOME funds) will work together to enhance the Project Area.

A member asked when the report mentions "the eastside neighborhood" what area does that mean? Mr. Bartlam responded that the eastside neighborhood is anything residential in the Project Area.

Member Savage stated the only way a community can grow is from within and people should be able to get the training and education to better themselves, which in return will improve the neighborhood. Mr. Bartlam noted that within the report on page III-9 under Public Infrastructure and Facilities it states "Assist in providing facilities to service residents in the Project Area, such as community centers, libraries and education and training centers."

Member Easterling asked if it was possible to use tax increment financing to help in the clean up of infrastructure environmental issues. Mr. Bartlam responded that Agency funds could help with the clean up costs.

REVIEW OF THE DRAFT ENVIRONMENTAL DOCUMENT

According to the California Environmental Qualities Act (CEQA) whenever a public agency considers a development project, it must assess the environmental impacts of that project. The Redevelopment Plan was assessed at a broad base level. The document attempts to assess what the impact of carrying out the plan would be. The document is required for public review and comment for 45 days. The items required to be assessed include Land Use Impact, Noise, Air Quality, Biology, Traffic, Visual Impacts, and Wildlife. The impact must be identified, analyzed, and then mitigated to offset the negative impact that might occur. In the dedevelopment Plan case, it is a built environment, and the Agency isn't looking for a great wholesale change. Most of the Project Area has already been analyzed when the General Plan was done 10 years ago.

Most of the impacts noted in the document were mitigable. These impacts can be dealt with through program implementation to be "Less than Significant." The "Air Quality" impact was the only item considered being a "Significant Unavoidable Impact." San Joaquin Valley is located in a non-attainment area. The air quality within the valley is below Federal standards. In order for the EIR to be certified and the Plan to move forward, the Council needs to make a specific finding relative to air quality impacts. There is nothing that can be done to offset the air quality condition. The finding will state the impact is significant; however it is unavoidable.

After the finish of the public comment period (April 28th), by law, the Agency is required to respond to any comments generated. Comments received and addressed will be complied with the draft EIR to become the final environmental report and will move onto the City Council for certification sometime in June 2002.

A question came up regarding "traffic calming" measures. Mr. Bartlam responded that the idea of traffic calming is to try to get the neighborhood back to a neighbor as opposed to being a main thoroughfare. The City uses traffic measures such as landscaped medians and narrower streets to control traffic speeds. Lodi Avenue is in the Project Area, the rail road tracks are set to be removed and the street will be reconstructed with a possible landscaped median.

Member Snyder mentioned the numerous accidents at the intersection of Lockeford and Cherokee Lane. Mr. Bartlam explained that the intersection was confusing and the turn lanes were not striped properly. He suggested that a left-turn arrow be installed at the intersection to help alleviate the problem.

GENERAL COMMENTS OF PAC

The next meeting of PAC will be May 21, 2002. Mr. Bartlam noted that at this meeting the Redevelopment Plan and Draft EIR will be wrapped up and packaged so that the committee can see how all the information fits together. He will be providing the Committee with a counter-document to support a document that was delivered to each member reflecting negativity towards redevelopment.

ADJOURNMENT

There being no further business the meeting was adjourned at 8:30 p.m.

Respectively Submitted,

Lisa Wagner
Administrative Secretary

5-15-02 G. Reichelt

Eerie Similarities Between Redevelopment and Cults

- ✔ Personality changes
- ✔ Dramatic shifts of values or beliefs
- ✔ Inability to make decisions without consulting a cult leader or guru
- ✔ New vocabulary
- ✔ Sudden use of a new ideology to explain everything
- ✔ Black and white, simplistic reasoning
- ✔ Insistence that you must do what they are doing

Symptoms of Cult Influence, by Brad Sagarin
http://www.workingpsychology.com/cultdef.html

MORR Conference
San Diego 4/27/02

Deprogramming the Cult to End Destructive Redevelopment Practices

- ✔ Activists have been responsible for abating destructive redevelopment proposals
- ✔ Including the public in private-public partnerships
  - Giving PACs more than a merely advisory role
  - Requiring the public to approve all redevelopment bonds by the same majority as for school bonds

MORR Conference
San Diego 4/27/02

Deprogramming the Redevelopment Cult

Purging Social Diseases Associated with Blight Pimping

Colette Marie McLaughlin

- ✔ How Redevelopment is similar to a cult
- ✔ Abating its cult-like destructive dynamics

Findings from Los Altos

- ✔ Private-public partnerships exclude the public
- ✔ Redevelopment creates blight in order to fix it
- ✔ Redevelopment tends to benefit private partners and harm those whom it is touted as helping
- ✔ Decision-makers tend to reject data that disagree with their private partners' unsupported claims

5-15-02 G. Reichelt

ocREGISTER.com

COMMENTARY

Tuesday, April 23, 2002

Redevelopment: It's too often misapplied

California cities continue to embrace redevelopment as if there were no down- sides for city taxpayers. Redevelopment law allows cities to use eminent domain to acquire private properties and to float debt to pay for new subsidized retail and hotel projects.

Much debate goes on about the use and abuse of eminent domain, and about redevelopment debt. Those debates and the examination of redevelopment agency finances need to continue.

But there are other drawbacks to redevelopment, which often do not make it into the debate. For instance, last year the Legislature passed S.B. 975, which requires that prevailing wages - i.e., union wages - be paid on any private construction project that receives any type of subsidy or tax break.

With the preponderance of redevelopment, which by its nature grants government privileges to anyone who builds within the rapidly expanding redevelopment zones, more private construction projects must pay higher wages. This means taxpayers must pay more to subsidize any sort of redevelopment deal and the state gets further ability to regulate private businesses.

Another new law, S.B. 588, creates a government committee, union-dominated, empowered to look at the payrolls of companies involved in these public-private deals, with an eye toward catching any potential violations in the wage rates that are paid.

Not only does the law give Big Brother an even more intrusive ability to monitor private companies, but it gives an interested party - organized labor - access to addresses of non-union employees for the purposes of union organizing. Non-union contractors feared union harassment of employees at home, but succeeded in assuring that at least the names and Social Security numbers of the non-union workers would be blacked out.

State legislators say they have a right to impose these mandates when state money is involved, and it's hard to argue against that point. But with redevelopment becoming so pervasive, many more projects will be considered public. It's just another way that a seemingly helpful tool can be harmful.

G. Reichelt

More cities win than lose by sharing sales taxes

STEINBERG BILL: *Dividing revenue based on housing construction, not just retail sales, makes sense.*

In a world where cities are strapped for money and houses are money-losers as tax producers, it's not surprising that everybody in Ventura County wants to play the sales tax game.

William Fulton

•

Growing pains

Most cities in the county don't produce very much housing, but they're all jockeying to get more retail stores inside their borders. The reason is simple: Cities get sales tax revenue based on where the stores are, not where the shoppers live. That's why you see so many stores lined up along "Sales Tax Canyon" on Highway 101. Every city wants to grab retail customers off the freeway.

Darrell Steinberg, a Democratic assemblyman from Sacramento, wants to change the sales tax game so that cities focusing on retail sales get less money, and cities that focus on people and housing get more. Steinberg's bill, AB 680, is the talk of the state Capitol. It would change the formula — for metropolitan Sacramento only — so that some sales tax is distributed based on population growth and housing construction, not just retail sales that occur in each jurisdiction.

The idea of forcing cities to share sales tax revenue is usually political suicide — not just in Sacramento but everywhere else in the state, including Ventura County. Cities don't trust the state to keep its promises about financial matters, even if they would come out better as a result. And tax-rich cities have a lot of lobbying power and usually squash any tax-sharing schemes.

But to everybody's surprise, Steinberg's bill is actually going somewhere. Despite opposition from politicians in the Sacramento suburbs, AB 680 has passed the Assembly. It may not make it through the Senate, and even if it did, there's very little chance that Gov. Gray Davis would sign such a controversial bill in an election year.

Nevertheless, Steinberg's persistence has put tax-sharing on the political radar screen — and it's likely to stay there. Sooner or later, a bill requiring local governments to share sales taxes will wind up on the governor's desk.

So, what does all this mean for cities in Ventura County? After all, the amount of sales tax money our cities gets is vastly different, ranging from $19 million a year for Thousand Oaks down to $500,000 a year for Port Hueneme.

To test this out, Solimar Research Group analyzed what would happen if the Steinberg bill were applied to Ventura County.

The Steinberg bill applies only to future growth in sales tax revenue. For that money only, the bill essentially replaces the current system — giving all the money to the city where the retail transaction took place — with a different method.

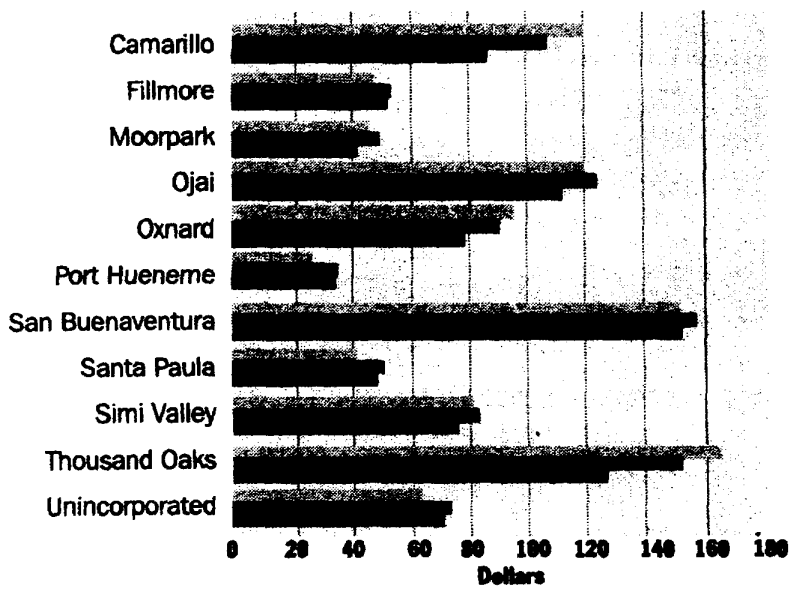
One-third of the growth in future sales tax revenue is still given to cities based on where retail transactions take place. But one-third would be given to cities based on their total population, and the final third would be given to cities (according to the traditional retail sales formula) only if they meet certain regional housing targets.

If they fall short of those targets, the money would be held back and used for countywide projects of various sorts. (Some in Sacramento are challenging the housing requirement, since it involves allocating local sales tax based on performance rather than a fixed formula.)

In essence, then, Steinberg's idea provides cities with an incentive to generate more housing and more retail sales together. If their retail sales are increasing fast, they can still get most of the sales tax revenue — if they are also building more housing. And if they build

How the Steinberg bill would affect Ventura County

(Per capita sales tax revenue under different scenarios)



Source: Solimar Research Group calculations based on provisions of AB 680, Census data and Controller's Financial Reports

more housing, of course, their population will go up, meaning they'll get more of the funds allocated by population as well.

In our analysis, we looked at how the Steinberg bill would have affected all of Ventura County's cities in the year 2000, assuming its provisions had been in place for 10 years. That means that all of the increase in sales tax in the county — a total of $24 million, or a 45 percent increase — would have been allocated under the Steinberg formula.

The chart accompanying this column shows the results. The chart shows how many sales tax dollars each city did receive under the current system, what they would have received under the Steinberg proposal assuming they hit the targets, and what they would have received under the Steinberg proposal if housing targets were not hit.

Assuming every city meets the housing targets — that's the gray bar in the middle — almost every city wins under the Steinberg bill. The only cities that lose are Camarillo and Thousand Oaks, cities whose sales tax bases have mushroomed in the last 10 years. (For Oxnard, it's a wash.) Essentially, what happens under this scenario is that about $2.3 million out of a total pool of $77 million is taken away from Camarillo and Thousand Oaks and given to the other jurisdictions. The biggest winners are the county, which would get $900,000, and Ventura, which would get almost $600,000.

If all the cities miss the housing target, obviously, it's a different story. Under this scenario, about $8 million is withheld from the cities. Under this scenario, by far the biggest loser is Thousand Oaks, which would see a loss of $4.6 million. Other major losers are Camarillo and Oxnard, which would each lose close to $2 million. The winners would be the county, which would gain $800,000, and Santa Paula, which would gain $200,000, as would Port Hueneme. Ventura and Fillmore are also winners.

It's interesting to see that the Steinberg bill doesn't create a clear-cut set of winners and losers. Rather, different types of cities are affected differently. Really aggressive sales-tax cities with an upscale population — like Thousand Oaks and Camarillo — would be the biggest losers, but they can reduce their losses if they keep building housing.

Older cities like Ventura, Santa Paula, Port Hueneme and Fillmore are winners no matter what because they are growing slowly in all ways — retail sales, housing and population — and the bulk of their tax base was built long ago. Cities like Oxnard, Moorpark and Simi Valley fall in the middle: Their sales tax base has grown rapidly, but they are building housing and adding population even faster because of growing families.

The Steinberg bill probably won't become law for Ventura County. But sooner or later, some change will occur.

As our results show, there's no one-size-fits-all answer for our communities because they're so different. Maybe our local politicians should get together and talk about the best way to split up the pie around here before Assemblyman Steinberg or someone else in Sacramento does it for them.

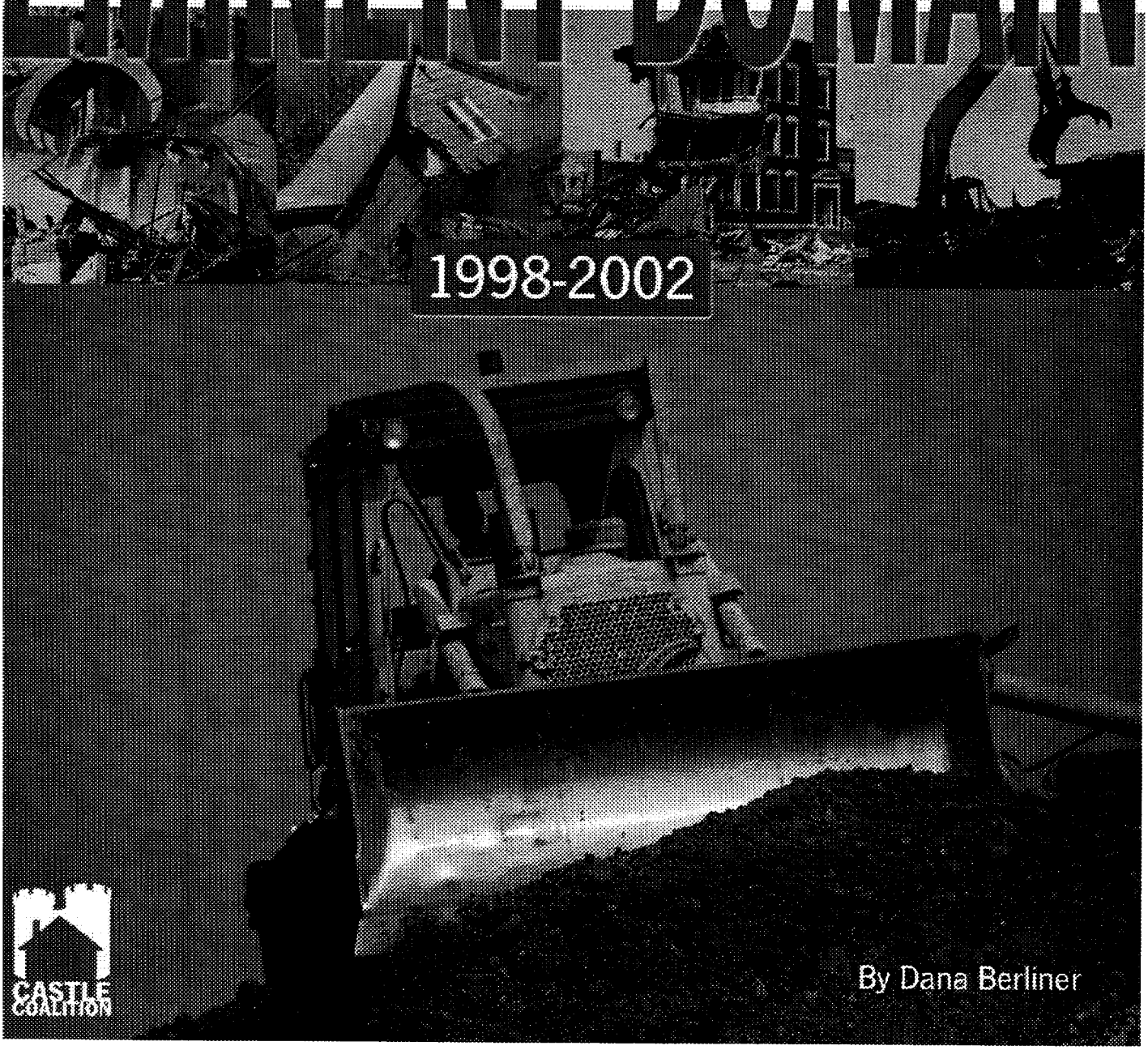
— William Fulton of Ventura is publisher of the California Planning & Development Report and president of Solimar Research Group. A short research report based on the Steinberg bill is available at www.solimar.org. His book, "The Reluctant Metropolis," which contains a chapter on Ventura County sales-tax wars, may be purchased at www.cp-dr.com.

5-15-02 G. Reichelt

GOVERNMENT THEFT:

The Top 10 Abuses of EMINENT DOMAIN

1998-2002



CASTLE COALITION

By Dana Berliner

Executive Summary

Eminent domain is the power of government to force people from their family homes, to destroy their businesses. It is a despotic power, and America's Founders placed limits on the condemnation power in the Fifth Amendment to the U.S. Constitution. Governments may condemn only for "public use," as well as paying just compensation. All 50 state constitutions also limit condemnations to those for public use. Yet government increasingly uses the eminent domain power to condemn property for *private* uses. Acting more like real estate agents than public servants, government agencies form unholy alliances with developers in order to force the rightful owners off of their property.

In this report, we bring together the 10 most egregious uses of eminent domain for private purposes from 1998 to 2001. These 10 are just the tip of an iceberg. We selected them from more than 100 that have come to our attention, yet there are many others we do not even know about. Indeed, in 1998, the head of the Council for Urban Economic Development estimated that cities undertake roughly 80 projects per year for private businesses that involve condemnations,[1] and each project could involve more than one condemnation. Many owners cave in to pressure and settle. Others resist condemnation in court, but the legal decisions are unpublished. Still others receive minimal news coverage or coverage only from local papers that do not survive in electronic form. For example, we could find few details on a mobile home park for fixed-income senior citizens that was condemned for a private mall project that fell through in Garden Grove, California.[2] We are thus regretfully certain that there are many other condemnations from this time period that are as offensive and improper as the ones listed in this report.

These ten low points of eminent domain abuse include:

- Removing an entire neighborhood and the condemnation of homes for a privately owned and operated office park and other, unspecified uses to complement a nearby Pfizer facility in New London, Connecticut
- Approving the condemnation of more than 1,700 buildings and the dislocation of more than 5,000 residents for private commercial and industrial development in Riviera Beach, Florida
- A government agency collecting a $56,500 bounty for condemning land in East St. Louis, Illinois, to give to a neighboring racetrack for parking
- Replacing a less-expensive car dealership with a BMW dealership in Merriam, Kansas
- Condemning a building in Boston just to help the owner break his leases so that the property could be used for a new luxury hotel
- Seizing the homes of elderly homeowners in Mississippi and forcing them and their extended families to move in order to transfer the land to Nissan for a new, privately owned car manufacturing plant, despite the fact that the land is not even needed for the project
- Taking the building of an elderly widow for casino parking in Las Vegas, claiming it was blighted but without ever even looking at the building
- Improperly denying building permits to a church in New Cassel, New York, then condemning the property for private retail as soon as it looked like the church would begin construction
- Condemning 83 homes for a new Chrysler plant in Toledo, Ohio, that was supposed to bring jobs but ended up employing less than half the projected number because it is fully automated
- Forcing two families (along with their neighbors) to move for a private mall expansion in Hurst, Texas, while spouses were dying of cancer

[1] Dean Starkman, "Take and Give: Condemnation is Used to Hand One Business Property of Another," *Wall Street Journal*, Dec. 2, 1998, at A1.

[2] Tiffany Horan, "$400 million mall; theme park floated," *Orange County Register*, March 7, 1998, at A1; Jon Hall, "There Goes the Neighborhoods," *OC Weekly*, March 6, 1998.

New London, Connecticut

The New London Development Corporation (NLDC), a private nonprofit organization, has been trying for more than three years to take the property of seven homeowners in the Fort Trumbull area of New London in order to construct privately owned office buildings and other, unspecified uses, that will complement the new Pfizer global research facility nearby.[3] The Fort Trumbull neighborhood was a close-knit community of approximately 80 homes and a few small businesses. Among those slated for condemnation are the homes of the Derys and Cristofaros. Wilhelmina Dery is 83 years old and lives in the house where she was born. Her son, daughter-in-law, and their children live next door. In comparison, the Cristofaro's mere 40-year tenure seems short. This will be the second Cristofaro family home condemned for a private redevelopment project. The first one was supposedly condemned for a seawall but in fact became part of an office complex. When the family moved, they brought the trees that they had planted next to their old home and have grown a beautiful garden around them at their Fort Trumbull home.[4]

Across from the Fort Trumbull residential community was an abandoned U.S. Naval research facility. No one objected to the replacement of the abandoned facility with a luxury hotel (for visitors to Pfizer) and upscale housing (for Pfizer employees). They only objected when it became clear that the NLDC planned to replace their working-class, waterfront community with offices for businesses related to Pfizer. The NLDC added insult to injury by exempting the Italian Dramatic Club, a politically well-connected membership club, while razing every home around it.[5]

The former head of the NLDC, Claire Gaudiani, explained "we all have to sacrifice." It seems she meant that the homeowners would sacrifice, while the private developer in the project would benefit.

Rather than doing the condemnations itself, the City of New London delegated its eminent domain power to the NLDC, a private organization. The former head of the NLDC, Claire Gaudiani, explained "we all have to sacrifice." It seems she meant that the homeowners would sacrifice, while the private developer in the project would benefit. Seven homeowners filed suit, and the case went to trial in mid-2001.[6] As of March 1, 2002, no decision has been issued.

[3] Laura Mansnerus, "Testing Limits of Land Use as Owners Refuse to Let Go," *The New York Times*, July 23, 2001, at B1.

[4] Kathleen Edgecomb, "Fort residents: 'You can't call a home a home here'," *The Day*, Dec. 21, 2000.

[5] Izaskun E. Larraneta, "New London, Conn., Development Group Accused of Pushing too Hard for Pfizer," *The Day*, Aug. 14, 2001.

[6] David Herszenhorn, "Residents of New London Go to Court, Saying Project Puts Profit Before Homes," *The New York Times*, Dec. 21, 2000, at B5; Isaskun Larraneta, "Eminent domain trial resumes today," *TheDay.com*, Aug. 13, 2001.

Riviera Beach, Florida

City Council members voted unanimously to approve a $1.25 billion redevelopment plan with the authority to use eminent domain to condemn at least 1,700 houses and apartments and dislocate 5,100 people. The city will then take the property and sell the land to commercial yachting, shipping, and tourism companies. The plan also would move Route 1 and replace a city park with an enlarged harbor. The proposal still needs the state's approval. If it occurs, it will be one of the largest exercises of eminent domain in the United States.[7]

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Many of the residents are descendants of Bahamian conch fishing families. They, as well as others, do not want to give up their homes.[8] Riviera Beach is one of the last remaining areas for affordable waterfront homes in Florida. As many as 150 boat-related businesses could be put out of business. The Maritime Industries Association of Palm Beach County has expressed concerns, after being contacted by one of the potential condemnees, Martin Murphy of Cracker Boy Boat Works. His boating service has been there for decades and cannot relocate.[9] The American Indian Movement also is keeping an eye on the project, because some of the development will take place on the remains of an ancient village. Also scheduled for demolition as part of the plan is Riviera Beach's last redevelopment project. After putting in nearly $1.9 million in public money, the city has decided the commercial development at Spanish Courts is a flop. According to city officials, it just wasn't a big enough project. According to Riviera Beach officials, if they spend much more money and displace thousands of residents, then the project will really take off.[10]

[7] Scott McCabe, "Residents Vow to Fight Riviera Plan," *Palm Beach Post*, Dec. 17, 2001, at 1B.

[8] *Id.*; Scott McCabe, "Riviera Approves Waterfront Project," *Palm Beach Post*, Dec. 20, 2001, at 1B.

[9] Jim Di Paola, "The Path of Progress", *CityLink Online*, Jan. 30, 2002.

[10] Scott McCabe, "Riviera Beach Set to Say 'Adios' to Spanish Courts," *Palm Beach Post*, Feb. 19, 2002, at 1A.

East St. Louis, Illinois

In 1999, the Southwestern Illinois Development Authority (SWIDA) began the process of condemning 148 acres belonging to National City Environmental and reselling it to Gateway International Motorsports Corp. for a parking lot to accommodate visitors to large race events. Gateway had previously tried to purchase the property, but the owner didn't want to sell.[11]

So Gateway went to the offices of SWIDA. It picked up an application for SWIDA to use eminent domain and paid the $2,500 application fee for condemnation for "private use."[12] (SWIDA's lawyers must have forgotten to tell the agency that property may be condemned only for "public use" under the U.S. and Illinois constitutions.) For private condemnation, SWIDA requires the private beneficiary to reimburse SWIDA for the value of the condemned property and also charges a percentage as a commission.[13] For the Gateway condemnation, SWIDA would receive $56,500,[14] more than its appropriated budget that year. SWIDA officials also got free tickets to Gateway events.

There was no pretense that the property was blighted. It was just property that Gateway wanted, that it wasn't able to buy, and that SWIDA procured for it for a substantial fee. The best SWIDA could do was claim that the condemnation served a public purpose because Gateway would bring money into the city through its racing events. The owner was not convinced and opposed the condemnation in court.

The case has gone through a series of reversals. First, the trial court approved the condemnation, but the Illinois Appellate Court rejected it in stinging language.[15] The Illinois Supreme Court then reversed again, 4-3, in sharply divided opinions.[16] Within two months, the Illinois Supreme Court granted rehearing, agreeing to reconsider the case.[17] A decision is still pending as of March 1, 2002.

[11] Daniel C. Vock, "Quick Take OK For Commercial Use: Court," *Chicago Law Bulletin*, April 19, 2001, at p.1.

[12] *Southwestern Illinois Dev. Auth. v. National City Environmental, LLC*, 2001 Ill. LEXIS 478, *4 (Ill. Apr. 19, 2001).

[13] *Id.* at *4 and *5.

[14] Brief of Institute for Justice and The Heartland Institute *Amici Curiae, Southwestern Illinois Dev. Auth. v. National City Environmental, LLC*, Docket No. 87809, Supreme Court of Illinois.

[15] *Southwestern Illinois Dev. Auth. v. National City Environmental, LLC*, 710 N.E.2d 896 (Ill. 1999).

[16] Mike Fitzgerald, "Illinois Supreme Court Upholds Seizure of Land for Motorsports Firm's Parking," *Belleville News-Democrat*, April 20, 2001; *Southwestern Illinois Dev. Auth. v. National City Environmental, LLC*, 2001 Ill. LEXIS 478 (Ill. Apr. 19, 2001).

[17] "Court Will Rehear Case Involving Taking Land for Raceway," *The Associated Press State & Local Wire*, June 4, 2001.

Merriam, Kansas

In 1998, the City of Merriam condemned William Gross's property, which he leased to a used car dealership, so that Gross's neighbor, a BMW dealership, could expand.[18] The city sold Gross's property to Baron's BMW for the same price they paid Gross and gave Baron $1.2 million in tax-increment financing to build a new BMW dealership and add a Volkswagen dealership. The City Council said the project served the public interest because the city would make $500,000 per year in sales tax revenues from the BMW and Volkswagen dealerships.

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This is hardly Kansas' first foray into condemnations for private parties. In 1998, the state took 150 homes for the Kansas International Speedway, and the Kansas Supreme Court ruled in favor of the takings when 30 homeowners tried to fight.[19]

As if it weren't bad enough to replace a used car dealership with a new car dealership, Gross had proposed using the site for a Mitsubishi dealership, which would have raised the site's yearly tax revenue from $40,000 to $150,000. The city refused. It wanted the BMWs. Gross depended on the income from his dealership for his retirement income.[20] He lost his property and his business, but the citizens of Merriam were less than pleased. At the next election, voters responded by ousting half of the city council.[21]

[18] Dean Starkman, "Take and Give: Condemnation is Used to Hand One Business Property of Another," *Wall Street Journal*, Dec. 12, 1998, at A1.

[19] John T. Dauner, & Steve Nicely, "Speedway Wins High-Court Test; Ruling Approves Condemnation Powers, 125 Percent Valuation," *The Kansas City Star*, July 11, 1998, at p. A1; *State ex rel. Tomasic v. The Unified Government of Wyandotte County/Kansas City, Kansas*, 962 P.2d 543, 554 (Kan. 1998).

[20] Tim Baxter, "Court Sets Pace on Baron Case; Setting Value on Land Being Condemned Could Take Months," *The Kansas City Star*, Sept. 5, 1998, at p. 1.

[21] Martin Wooster, "Government as Land-Grabber," *American Enterprise*, June 1, 2001, at p. 57.

Boston, Massachusetts

The Boston Redevelopment Authority (BRA) plans to seize a 14-story, 110-year-old granite and sandstone Ames Building, in order to break the leases with the building's tenants. The Intercontinental Hotel bought the property in 1998 and wants to convert the building into a boutique hotel.[22] Inconveniently, the building happened to have tenants. Two of them—the D'Angelo sandwich shop and the Taylor & Partners architectural design firm—didn't want to move. D'Angelo's lease ran until 2012, and Taylor's until 2003.[23] In other words, the landlord wants to get out of its long-term lease agreements. Typically, such disputes can be handled by buying out the tenant, simply waiting until the lease is up, or paying whatever penalties are stated in the lease agreement itself. Eventually the architectural firm settled, but the sandwich shop brought suit.

But the owner has politically powerful friends and has managed to get the government to intervene in this utterly private dispute.[24] So the BRA is condemning the building, which automatically breaks the leases. That way, the owner won't have to pay the penalties or reimburse the tenants for what they lose. Instead, the owner gets off nearly scot-free, and then the BRA will transfer the property right back to the same owner, minus those pesky leases, for development as the Intercontinental Hotel.

Tenants fare particularly poorly in condemnations. Business tenants usually expend a significant amount of money customizing their space, installing fixtures, and building their business in that location. When a condemnation occurs, leases are broken, and the tenants get little or no reimbursement for their losses and relocation expenses. Many, if not most, condemned businesses never reopen.

[22] Sarah Schweitzer, "BRA Plan to Seize Building Spurs Suit," *The Boston Globe*, July 28, 2001, at A1.

[23] *Id.*

[24] Paula Restuccia, "Hub Zoning Code Causes Contention," *The Boston Herald*, Jan. 25, 2002, at RE39.

Canton, Mississippi

Mississippi would not ordinarily be a contender for the Top Ten abusers of eminent domain. Up until 2000, Mississippi almost never condemned property for the benefit of private parties. However, in 2000, Mississippi passed the "Nissan Act." It authorized the State to pour money and incentives into a future Nissan manufacturing facility. And it gave the Mississippi Major Economic Impact Authority (MMEIA) the power to condemn property for the new facility.[25]

After pressuring most owners to sell, the MMEIA condemned three homes in 2001 in order to transfer the land to Nissan. Andrew Archie is in his late 60s, diabetic, and in poor health. He has lived on the land since he was eight years old. He lives there surrounded by his wife, children, and other family members. His children, including Lonzo Archie, who owns one of the other homes being condemned, have never lived anywhere else. The condemnation will require 15 Archie family members to move.[26]

But the MMEIA wants to save face with future developers, so that the next time it promises to take someone's home for private development, the developer will believe the MMEIA will follow through.

The MMEIA also is condemning the home of Percy and Minnie Bouldin, who have lived in their home for more than 40 years and raised their 13 children there. Percy did much of the construction of their house with his own hands.

Amazingly, both Nissan and the former head of the MMEIA have publicly admitted that the project will go forward even if Nissan can't get the Archie and Bouldin homesteads. The three properties constitute a tiny portion of the overall area—28 acres at the southern end of the project out of 1,400 acres. But the MMEIA wants to save face with future developers, so that the next time it promises to take someone's home for private development, the developer will believe the MMEIA will follow through.[27]

The Archies and Bouldins are close friends, and both families challenged the constitutionality of condemning their homes. The trial court ruled against them on July 26, 2001, but the Mississippi Supreme Court stayed the condemnations until it could hear the case in mid-2002.[28]

[25] See Record in *Percy Lee Bouldin and Minnie Pearl Bouldin, et al., v. Mississippi Major Economic Impact Authority*, Case No. 2001-CA-01296 (Mississippi Supreme Court).

[26] Timothy R. Brown, "State files for eminent domain to grab land for Nissan Project," *Associated Press*, Feb. 9, 2001.

[27] David Firestone, "Black Landowners Hold Ground in Mississippi," *The New York Times*, Sept. 10, 2001.

[28] Heath A. Smith, "Nissan Land Hearings Delayed," *The Clarion-Ledger*, Oct. 1, 2001.

Las Vegas, Nevada

When John Pappas died, he left his widow, Carol, a commercial building in downtown Las Vegas, intending that its rents would provide for her retirement.[29] On December 8, 1993, the Las Vegas Redevelopment Agency served Mrs. Pappas with notice that it was condemning her properties. The purpose of the condemnation was to transfer the land to a consortium of eight casinos for construction of a parking garage.[30] Among the 15 legal documents she received that day was one stating that she had 30 days to respond. Unbeknownst to Mrs. Pappas, however, there was a hearing in only seven days to decide whether the agency would get immediate possession of the property. Mrs. Pappas did not know about the hearing and did not attend. The Judge granted title to the agency, and the buildings were promptly demolished. Later, the Judge recused himself because he had invested in one of the casinos that was to acquire the property.

The case has been in litigation ever since. In 1996, a district court judge ruled that the condemnations were unconstitutional and illegal. In a harshly worded 65-page opinion, the judge found that the agency had "set itself up as an entity only unto itself." The court found that the agency ignored many statutes and procedures. For example, the supposed justification for the condemnation was that the area was blighted. However, the surveys of the area revealed no blight, and in fact, no one had even surveyed Mrs. Pappas' block.[31]

On March 29, 2000, the Nevada Supreme Court threw out the city's second too-early appeal and warned the city's attorneys against providing further "misleading" information.[32] After a series of judges recused themselves for accepting campaign contributions from casino interests, the Nevada Supreme Court ruled that campaign contributions did not disqualify judges.[33] The case then returned to the trial courts for various further proceedings on other issues. It is finally heading up to the Nevada Supreme Court and will probably be heard in 2002.

29 "The Pappas Dispute," *Las Vegas Review-Journal*, Sept. 3, 2000, at 2D.

30 Steve Sebelius, "It Was Worth Trying, Anyway," *Las Vegas Review-Journal*, Aug. 27, 2000, at 1J.

31 *City of Las Vegas Downtown Redevelopment Agency v. Pappas*, Case No. A327519, Opinion on Motion to Dismiss (July 3, 1996). Many of the facts in this section are taken from the court's ruling.

32 Mike Zapler, "Settlement talks between city, family stalled," *Las Vegas Review-Journal*, April 11, 2000, at 1B; "Misleading the Court," *Las Vegas Review-Journal*, April 11, 2000, p. 6B.

33 Ed Vogel, "State's high court rules judge can stay on redevelopment case," *Las Vegas Review-Journal*, Aug. 19, 2000 at 4B; *City of Las Vegas Downtown Redevelopment Agency v. Eighth Judicial District Court*, (Nev. 2000).

New Cassel, New York

St. Luke's Pentecostal Church, led by Pastor Fred Jenkins, had been saving for more than a decade to purchase property and move out of the rented basement where it holds services. It bought a piece of property on Prospect Avenue to build a permanent home for the congregation.[34] Before purchasing the property, it obtained a list of exactly what it would need to do to get all the permits for the building. After the purchase, the building department denied the permits for insufficient parking, an issue never mentioned before.

After successful litigation to acquire the parking variance, the North Hempstead Community Development Agency condemned the property. Unbeknownst to both St. Luke's and the previous owners, the building had been slated for condemnation. No one had bothered to tell St. Luke's during the discussions about the building permits or when it was struggling to get the parking variance. The head of the agency even testified against the parking variance but never mentioned that St. Luke's was wasting its time and money because he planned to condemn the property.

When St. Luke's tried to object to the condemnation, the NHCDA argued, successfully, that St. Luke's had lost its opportunity to object in 1994, before it had even bought the property.

St. Luke's conducts extensive community outreach, including paying for members funerals, helping the homeless, providing heating oil to needy families, and it had planned to open both a church and daycare facility on the new site. The church property was condemned for private retail development.

When St. Luke's tried to object to the condemnation, the NHCDA argued, successfully, that St. Luke's had lost its opportunity to object in 1994, before it had even bought the property. New York has a 30-day window for objecting to condemnations, and the window happens right after the agency approves a redevelopment plan, often long before the condemnation actually takes place. After title passed to the agency, St. Luke's discovered that the time limit had never applied, because the condemnation was under an exception. Now St. Luke's is trying to get the first court to return the property.[35]

Other owners have been tripped up by New York's requirement that future condemnations be challenged before they occur. Bill Brody's commercial buildings in Port Chester, which he painstakingly renovated over six years, have been condemned for a parking lot for a Stop N' Shop.[36] And William and Bill Minnich's family woodworking business will be condemned for parking for a Home Depot in Harlem.[37] Both owners would have challenged the condemnation but did not know about New York's procedures and missed the brief window. They brought a federal lawsuit challenging these procedures, but it was dismissed and is now on appeal.[38]

[34] Victor Manuel Ramos, "In North Hempstead: A Spiritual Homecoming Deferred; Redevelopment claims dreams of church's building," *Newsday*, Feb. 4, 2001.

[35] Marni Soupcoff, "North Hempstead Bulldozes Constitutional Rights," *The Westbury Times*, Feb. 22, 2002.

[36] "How the eminent domain bulldozer created a private-property backlash," *Governing*, Jan. 2001, at 26; Marni Soupcoff, "NY Gov't Land Grab," *New York Post*, December 18, 2000; Len Miniace, "U.S. judge extends ban on condemning property," *The Journal News*, Dec. 16, 2000.

[37] J.A. Lobbia, "East Harlem Suit Challenges Eminent Domain Property Rights and Wrongs," *Village Voice*, Dec. 26, 1999.

[38] *Minnich v. Gargano*, Case No. 01-9219 (2d Cir., filed Oct. 18, 2001).

Toledo, Ohio

In 1999, the city of Toledo condemned 83 homes to make room for expansion of a Daimler-Chrysler Jeep manufacturing plant. Even though the homes were well-maintained, Toledo declared the area to be a slum. Threatening to leave town otherwise, Chrysler asked for and received $232 million in state and municipal aid for its new plant. Using $28.8 million loaned to the city by HUD, Toledo paid for relocation of the property owners and used eminent domain to acquire the homes of those who resisted its offers. Toledo had hoped to repay the loan through increased tax revenue from the expected 4,900-person Chrysler workforce. However, the new plant that Jeep built was fully automated, assembling cars by laser-guided robots without much human participation. In total, the new plant employs only 2,100 workers.[39]

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Other Ohio cities are anxious to get on the eminent domain bandwagon. The city of Akron recently proposed an urban renewal project in East Akron that would condemn houses and businesses for the benefit of a Mercedes-Benz dealership.[40] One of the homes is owned by a Korean War veteran and his wife, who have lived there for 30 years. Nearby Richfield also is in the process of condemning homes and businesses for transfer to a private developer to develop commercial property.[41]

[39] Gideon Kanner, "The New Robber Barons," *National L.J.*, May 21, 2001, at A19.

[40] Julie Wallace, "Residents Blast Plan for Ganley Expansion," *Akron Beacon-Journal*, Dec. 11, 2001, at D1; Editorial, "Should City Aid Land Deals for Private Business?," *Akron Beacon Journal*, Nov. 28, 2001, at A15.

[41] Resolution No. 103-2001 of the Council of the Village of Richfield, Summit County, State of Ohio (passed on Oct. 2, 2001).

Hurst, Texas

The city of Hurst, Texas, agreed to let its largest taxpayer, a real estate company, expand its North East Mall and thus increase its sales and property tax revenue. There happened to be 127 homes in the way, but that didn't deter the City. Under the threat of eminent domain, almost all the homeowners sold their property. Ten did not, and brought a lawsuit.[42] The Lopez, Duval, Prohs, and Laue families had each owned their homes for approximately 30 years. Others had been there for more than a decade.[43]

In court, the owners presented evidence that the land surveyor who designed the roads for the mall had been told to change the path of one road to run through eight of the houses of the owners challenging the condemnations.

A Texas trial judge refused to stay the condemnations while the suit was ongoing, so the residents lost their homes.[44] Leonard Prohs had to move while his wife was in the hospital with brain cancer.[45] She died only five days after their house was demolished. Phyllis Duval's husband also was in the hospital with cancer at the time they were required to move. He died one month after the demolition. Of the ten couples, three spouses died and four others suffered heart attacks during the dispute and litigation.[46]

In court, the owners presented evidence that the land surveyor who designed the roads for the mall had been told to change the path of one road to run through eight of the houses of the owners challenging the condemnations.[47] The case ground on through litigation, and with no final decision ever issued, the owners finally settled in June 2000. Until the settlement, they had received no compensation at all for the loss of their homes. All are still upset at what the city did to them.[48]

42 "10 Residents Under Siege by Proposal for Big Mall," *New York Times*, May 18, 1997, at A16.

43 Jennifer Packer, "Fighting for home; settlement allows mall expansion, to the sorrow of residents," *Dallas Morning News*, July 2, 2000, at 1S.

44 "Texas Judge Clears Way for Expansion of Mall," *New York Times*, May 24, 1997, at A9.

45 Eric Felten, "Kiss Your House Good-Bye," *Reader's Digest*, March 2001.

46 Jennifer Packer, "Fighting for home," *supra* fn. 43.

47 Kendall Anderson, "Hurst accused of altering road plan; City denies changing course to allow for condemnations," *Dallas Morning News*, June 26, 1997, at 1G.

48 Jennifer Packer, "Fighting for home," *supra* fn. 43.

Conclusion

Most people would be shocked to discover that governments across the nation are taking individuals' homes only to transfer that property to a favored business or neighbor—or that businesses are often being condemned so that another business can take their property and make a larger profit. Yet in the past few years, governments across the country have taken private homes and businesses to replace them with other privately owned single businesses, malls, industrial developments and upscale housing. These "Top Ten" abuses are just a fraction of the many abuses of eminent domain throughout the nation. Under our Constitution, property rights are not conditioned on the whim of those with financial and political influence. Nor should they be sacrificed just so municipalities can put more money in their coffers. The time has come to end the abuse of eminent domain for the benefit of private parties, and the Castle Coalition will be at the center of a nationwide effort to resist the types of abuses catalogued in this report.

The Castle Coalition is a nationwide network of property owners and community activists that seeks to prevent government and private parties from taking private property through eminent domain for private use. Although the federal and state constitutions limit condemnations to "public use," governments at every level increasingly use condemnations to benefit politically and financially powerful private parties. This report, *The Ten Worst Abuses of Eminent Domain*, 1998-2002, by Institute for Justice Senior Attorney Dana Berliner, describes 10 of the most egregious eminent domain abuses in recent years. This report will be followed by a report describing the more than 100 recent uses of eminent domain for private parties.

The organization takes its name from the principle that everyone's home (or business) should be their castle–a place where they are safe and free from abusive government power. The Castle Coalition is a project of the Institute for Justice. For more information, visit www.castlecoaltion.org.

Citizens Fighting Eminent Domain Abuse

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