

# City of Milpitas

Department of Financial Services



**Date:** May 11, 2010  
**To:** Honorable Mayor and City Council  
**Through:** Tom Williams, City Manager  
**From:** Emma C. Karlen, Director of Financial Services  
**Subject:** Evidence in support of Health & Safety Code §33445 Findings

## **Background:**

The purpose of this report is to offer evidence to the Milpitas Redevelopment Agency Board and to the City Council, supporting findings that are consistent with the requirements of Cal. Health and Safety Code §33445. With the consent of the legislative body, the Agency may pay all or part of the value of the land and the cost of the installation and construction of any building, facility, structure, or other improvement which is publicly owned either within or outside the project area, if the legislative body determines the following:

1. That the buildings, facilities, structures, or other improvements are of benefit to the project area or the immediate neighborhood in which the project is located.
2. That no other reasonable means of financing the buildings, facilities, structures, or other improvements, are available to the community.
3. That the payment of funds for acquisition of land or the cost of buildings, facilities, structures, or other improvements will assist in the elimination of one or more blighting conditions inside the Project area, or provide housing for low or moderate-income persons and is consistent with the Implementation Plan.

Several of the projects to be financed by the Agency in the 2010-2011 Capital Improvement Program are either ongoing projects or have been identified in earlier Capital Improvement Programs. H&S §33445 findings for these projects have been made in previous years. Community Redevelopment Law changed in 1994 as a result of the passage of AB1290; specific blight findings are now required. Consequently, this report will reference many of the physical and economic conditions that cause blight as described in Health & Safety Code §33031 and how the financing of the projects listed will assist in the elimination of blighting conditions inside the Project Area.

## **Discussion:**

The buildings, facilities, structures, or other improvements proposed to be funded in whole or in part by the Agency are enumerated in the 2010-2015 Capital Improvement Program. They are categorized as Community Improvement Projects and Storm Drain Improvement Projects. The proposed format and amounts of financing for these projects for fiscal year 2010-2011 are outlined in the 2010-2015 Capital Improvement Program.

Community Improvements

Project	Blighting Conditions	Improvements
City Building Improvements	<p>Many of the City Buildings that are located inside or adjacent to the Project Area are seismically inadequate and ADA non-compliant. These buildings are unsafe and unhealthy for employees, citizens and community groups to work or use.</p>	<p>This project provides for the necessary rehabilitation work, electrical upgrades and renovations that will bring the City buildings up to code. These improvements will eliminate the conditions of the buildings that are unsafe and unhealthy for people to work or use and will benefit the Project Area by creating a strong infrastructure base providing stability to Area neighborhoods and businesses.</p>
Local Match of Department of Energy Grant Program	<p>Many of the City Buildings that are located inside or adjacent to the Project Area are aging and energy inefficient. These buildings are unsafe and unhealthy for employees, citizens and community groups to work or use.</p>	<p>The Department of Energy provides a grant for three activities: a mandatory study to calculate job creation and reductions in greenhouse gas emissions for various City facilities, replacement of aging and inefficient HVAC chillers and controls at the Police/Public Works Building and conversion of lighting at the Sports Center parking lot to energy efficient LED fixtures. The grant requires local funding match. These improvements will benefit the Project Area by addressing the deficiency of the mechanical cooling system in the Police/Public Works building which also houses the Emergency Operation Center and 911 Dispatch Center. The improvements will also reduce crimes or theft of vehicles at the Sports Center parking lot due to inadequate lighting and its close proximity to high crime areas.</p>
Climate Action Plan	<p>Many City-owned buildings and improvements are deficient from a greenhouse gas emissions standpoint. A new California Environmental Quality Act (CEQA) requirement signed into law in 2008 created regional targets for greenhouse gas emissions reduction tied to building and infrastructure improvements, operations and land use. Under this requirement, local governments may set targets and goals to retrofit or improve municipal buildings and public improvements to reduce GHG emissions.</p>	<p>This project will provide funding for the preparation of a Milpitas Climate Action Plan. The plan will include an inventory of City owned capital facilities, a greenhouse emission analysis, and land use recommendations in order to comply with new CEQA criteria. The Plan will benefit the Project Area by ensuring that the continued vital growth in the Project Area can be achieved both economically and environmentally. The Climate Action Plan will also ensure that current and future public improvements and construction of publicly owned infrastructure in the Project Area will minimize or reduce greenhouse gas emissions.</p>

Storm Drain Improvements

Project	Blighting Conditions	Improvements
City Fuel Tank Improvements	Within the Project Area, there are many aging City-owned underground fuel tanks that may potentially contaminate ground water. Contaminated ground water is unsafe and unhealthy for local residents and businesses to use.	This project involves the removal of underground fuel tanks and installation of above ground double walled tanks at Wrigley Ford, Bellew, Penitencia, Berryessa, and Jungens Storm Pum Stations. These are State mandated improvements intended to protect ground water from potential contamination. Many of these fuels tanks are within the Project Area. This project will eliminate the blighting conditions of the aging underground fuel tanks and improve the health and safety of ground water for use in the Project Area.

Each of these projects will benefit the Project Area, and each project is consistent with the updated Five-Year Redevelopment Implementation Plan and the Amended and Restated Redevelopment Plan, adopted by the City Council and Agency in April 2010. Although many of these projects are partially funded by various revenue sources such as gas tax funds, grants, user fees, and developer contributions, these revenues are inadequate to fund all the foregoing projects. Without the Agency's funding, there are no other reasonable means of funding to complete these projects. The blighting conditions described above cause and will continue to cause a reduction and lack of proper utilization of the Project Area to such an extent that these conditions cannot be alleviated either by private enterprise or the City acting alone, requiring redevelopment financing to be used in the interest of the community.

**Recommendation:**

Adopt Resolution finding that the financing proposed is consistent with the purposes of California redevelopment law and the Agency's Implementation Plan, benefiting the Project Area and assisting in the elimination of blight in the Project Area and that no other reasonable means of financing the projects are available to the community.