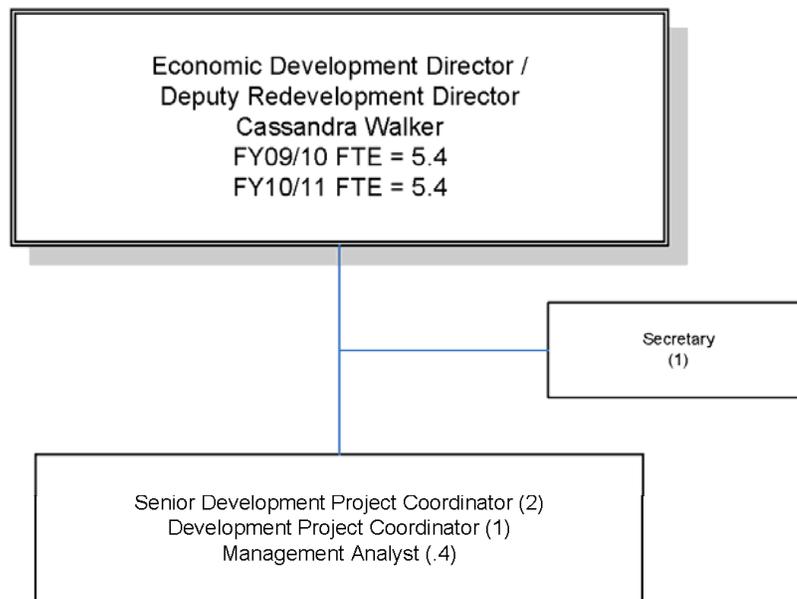


Napa Community Redevelopment Agency

Agency Objectives:

The Napa Community Redevelopment Agency (the Agency) was established pursuant to the Community Redevelopment Law as codified in the Health and Safety Code of the State of California. The City Council of the City of Napa adopted Ordinance No. 1557 on November 19, 1962, activating the Agency and designating itself as the governing body. Officials and staff of the City perform all work of the Agency.

The Agency is administered and staffed by the Economic Development Department, and focuses on revitalization of its two redevelopment project areas: Parkway Plaza, formed in 1969, and Soscol Gateway, formed in 2007. The Agency utilizes property tax increment revenue generated within the project areas to deliver capital improvement projects and economic development programs within the project areas. The redevelopment plan effectiveness for Parkway Plaza, encompassing the downtown area, expires in December 2012, so the Agency has a short time remaining to undertake projects and activities in this area. Meanwhile, it will take several years for Soscol Gateway's tax increment revenue to reach levels that would support debt financing, so in the near term the Agency will be focusing on planning efforts and smaller capital improvement projects to position the project area for the future.



The Agency is supported by Economic Development staff. The Agency funds 75% of the Economic Development Department's staff based on departmental average distribution.

FTE = Full Time Equivalent

Napa Community Redevelopment Agency Parkway Plaza Project Area

Project Area Overview:

The Parkway Plaza Redevelopment Project, consisting of 324 acres, is located in the historic heart of the City of Napa. In general, the boundaries of the Project Area are: Oak Street and Oil Company Road on the south, Jefferson Street on the west, Eggleston and Vallejo streets on the north, and McKinstry Street, Burnell Street and Soscol Avenue on the east. The Project Area encompasses the downtown, and the Napa River flows into and along the eastern two-thirds of the area.

At the time of adoption of the Project Area in 1969, the central objective as stated in the original Redevelopment Plan, was "... to renew the area as the heart of the city where government, business and residential areas focus, where people of the city can gather to conduct their affairs and to enjoy their city." The mission and goals have been more fully developed over the years, but still remain true to this initial purpose.

Originally adopted under the federal Urban Renewal Program, the Redevelopment Plan was and is called both a "Redevelopment Plan" and an "Urban Renewal Plan." Federal assistance to the Project was phased out in the late 1970s. Since that time, major Project funding has come from tax increment revenues. The Redevelopment Plan has been amended seven times primarily for technical reasons. The effectiveness of the Redevelopment Plan expires in December 2012. The Agency's activities in this project area will then be limited to repayment of debt and collection of 20 percent set-aside for affordable housing, until the debt is repaid. The deadline for repayment of the 2003 Series A, B and C tax allocation bonds is 2022; however staff anticipates this will happen several years sooner.

Napa Community Redevelopment Agency

Parkway Plaza Project Area

Major Accomplishments in Fiscal Years 2007-09:

- Selected an urban design team and developed the scope of work for the Downtown Specific Plan.
- Executed an Exclusive Right to Negotiate Agreement for the Borreo Building, and anticipate having a tenant in place by the end of the fiscal year.
- Completed the 2007 Lodging Market Study and developed new hotel policies which were approved by City Council.
- Constructed a second northbound left-turn lane on Soscol Avenue at Third Street.
- Completed the Second/Third Street lighting improvement project, adding new Victorian street lights, tree wells and street trees throughout the corridor.
- Completed design documents for Creekside Plaza, with anticipated contract award in June 2009 and construction in summer.
- Developed and executed an Operations and Maintenance Agreement for the new Fifth Street Parking Garage among the City, County and three private partners.
- Worked with key partners to develop and initiate a shop local and business retention campaign.
- Substantially completed toxic remediation near Clay Street Garage.

Key Initiatives for Fiscal Years 2009-11:

- Work with Public Works and Parks and Recreation Services to develop a funding strategy and construct the Riverfront Boat Dock.
- Initiate "Napa Art Walk," an outdoor sculpture program in Downtown Napa, in partnership with the Arts Council Napa Valley.
- Construct Creekside Plaza and complete design of Riverfront Green and First Street Overlook.
- Acquire property and undertake design for a parking structure near the future bypass channel.
- Assist with and lead key aspects of the Downtown Specific Plan.
- Prepare and implement a downtown retail strategy.
- Construct sidewalk and ADA improvements in various locations.
- Work with Housing Authority to plan an affordable housing project that would leverage the Agency's housing funds.

Napa Community Redevelopment Agency Parkway Plaza Debt Service Fund

Fund Purpose:

The project area's debt service fund is used to account for the collection of tax increment revenue and interest earnings, and payment of legally required pass-through payments, 20% housing set-aside, bond trustee fees, County administrative charges, and receipt of investment income and payment of bond debt service. Transfers Out to the project area's capital projects funds are made from remaining available funds.

	2006-07	2007-08	2008-09	2008-09	2009-10	%	2010-11	%
	Actual	Actual	Adjusted	Projected	Proposed	Change	Proposed	Change
Category Revenue Summary								
Taxes	\$ 3,468,935	4,538,085	4,433,375	4,489,158	5,060,000	14%	5,570,000	10%
Charges for Services	-	-	-	-	20,000	100%	22,500	13%
Interest on Investments	175,084	272,944	100,000	67,000	82,740	-17%	116,370	41%
Revenues Total	3,644,019	4,811,029	4,533,375	4,556,158	5,162,740	14%	5,708,870	11%
Category Expenditure Summary								
Services	192,294	305,562	629,607	1,019,135	561,000	-11%	672,000	20%
Debt Service	1,699,472	1,850,385	1,839,020	1,844,885	2,147,683	17%	2,193,683	2%
Operating Transfers Out	1,881,361	1,095,743	1,478,731	1,492,677	2,118,187	43%	2,826,011	33%
Operating Expenditures	3,773,127	3,251,690	3,947,358	4,356,697	4,826,870	22%	5,691,694	18%
Net Impact of Operations	\$ (129,108)	1,559,339	586,017	199,461	335,870	-43%	17,176	-95%
Net Contribution / (Use)	\$ (129,108)	1,559,339	586,017	199,461	335,870	-43%	17,176	-95%
Projected Fund Balance at June 30:		\$ 2,799,734		2,999,195	3,335,065		3,352,241	
		Audited						

Major Budget Changes for Fiscal Years 2009-11:

- No major budget changes in FY09-11, although it should be noted that the redevelopment plan effectiveness is set to expire in December of 2012.

Napa Community Redevelopment Agency Parkway Plaza Capital Improvement Projects Fund

Fund Purpose:

This fund accounts for capital projects, programs, professional services and administration of the Agency. Funding sources include tax increment funds transferred in from the project area's debt service fund, bond proceeds and investment income.

	2006-07	2007-08	2008-09	2008-09	2009-10	%	2010-11	%
	Actual	Actual	Adjusted	Projected	Proposed	Change	Proposed	Change
Category Revenue Summary								
Charges for Services	\$ -	23,269	-	-	-	0%	-	0%
Interest on Investments	260,257	222,049	350,000	74,690	52,250	-85%	39,890	-24%
Operating Transfers In	1,187,574	188,126	221,669	224,458	1,106,187	399%	1,712,011	55%
Revenues Total	1,447,831	433,444	571,669	299,148	1,158,437	103%	1,751,901	51%
Category Expenditure Summary								
Salaries and Wages	604,638	509,625	532,633	432,633	374,829	-30%	390,331	4%
Materials and Supplies	42,408	38,281	30,121	22,357	20,000	-34%	20,000	0%
Services	472,578	496,735	1,084,251	214,246	186,447	-83%	135,534	-27%
Capital Outlay	2,027,847	665,319	2,233,090	45,000	50,000	-98%	45,000	-10%
Operating Transfers Out	193,446	407,046	613,367	391,698	527,161	-14%	1,161,036	120%
Operating Expenditures	3,340,917	2,117,006	4,493,462	1,105,934	1,158,437	-74%	1,751,901	51%
Net Impact of Operations	\$ (1,893,086)	(1,683,562)	(3,921,793)	(806,786)	-	-100%	-	0%
Net Contribution / (Use)	\$ (1,893,086)	(1,683,562)	(3,921,793)	(806,786)	-	-100%	-	0%
Projected Fund Balance at June 30:		\$ 2,549,103		1,742,317	1,742,317		1,742,317	
		Audited						

Major Budget Changes for Fiscal Years 2009-11:

- Capital Project expenditures are now included in Operating Transfers Out when they are managed by and tracked in the City's Capital Projects fund. In this budget cycle, \$200,000 and \$825,000 of project expenditures are budgeted as Transfers Out in 2009-10 and 2010-11, respectively. Also, in this budget, Operating Transfers In from the project area's Debt Service fund are budgeted to cover projected expenditures for the year. It should also be noted that the redevelopment plan effectiveness is set to expire in December of 2012.

Napa Community Redevelopment Agency Parkway Plaza Low/Mod Fund

Fund Purpose:

This fund accounts for 20% of the gross tax increment revenues received by the Agency for the project area which is set aside for low and moderate income housing projects and programs. The 20% set-aside and investment earnings cover the debt service on the 2003 Tax Allocation Bonds Series B and C. The remaining revenues are paid to the Housing Authority of the City of Napa.

	2006-07 Actual	2007-08 Actual	2008-09 Adjusted	2008-09 Projected	2009-10 Proposed	% Change	2010-11 Proposed	% Change
Category Revenue Summary								
Interest on Investments	\$ 215,960	100,355	100,000	63,349	20,000	-80%	20,000	0%
Operating Transfers In	693,787	907,617	886,675	897,832	1,012,000	14%	1,114,000	10%
Revenues Total	909,747	1,007,972	986,675	961,181	1,032,000	5%	1,134,000	10%
Category Expenditure Summary								
Debt Service	423,141	426,986	415,705	423,088	423,315	2%	417,275	-1%
Operating Transfers Out	486,606	580,986	570,970	538,093	608,685	7%	716,725	18%
Operating Expenditures	909,747	1,007,972	986,675	961,181	1,032,000	5%	1,134,000	10%
Net Impact of Operations	\$ -	-	-	-	-	0%	-	0%
Net Contribution / (Use)	\$ -	-	-	-	-	0%	-	0%
Projected Fund Balance at June 30:	\$ -							
	Audited							

Major Budget Changes for Fiscal Years 2009-11:

- No major budget changes in FY09-11.

Napa Community Redevelopment Agency

Soscol Gateway Project Area

Project Area Overview:

To help implement the 2004 Soscol Gateway Vision, the Redevelopment Agency formed the Soscol Gateway Redevelopment Project Area in November 2007, primarily as a financing mechanism to help pay for major infrastructure improvements in the area. The Project Area boundary includes 376 acres of land generally between the Napa River and Soscol Avenue and Silverado Trail from Imola Avenue to approximately Spring Street. The Agency received the first payment of tax increment in 2008, and adopted a one-year budget for fiscal year 2008-09, which included borrowing \$725,000 from the City Water Fund to help jump-start efforts. It will take some years for the Project Area to generate tax increment revenue sufficient to issue additional debt, so in the meantime staff will concentrate efforts on planning activities and smaller capital improvement projects to help eliminate blight.

Major Accomplishments in Fiscal Years 2007-09:

- Facilitated the entitlement and approval process for the Ritz Carlton Hotel.
- Initiated an intensive level historic survey and development of an historic context statement.
- Issued a Request for Proposals for preliminary design of an interior drainage facility, with the goal of awarding a contract in August 2009.

Key Initiatives for Fiscal Years 2009-11:

- Work with appropriate parties to plan for interim and long-term uses for the Copia property.
- Continue to facilitate the Ritz Carlton Hotel project through construction.
- Coordinate with the Gasser Master Plan developer on off-site infrastructure improvements in the project area.
- Upon completion of the historic context statement and survey, work with community property owners on next steps, such as forming a district and/or preparing design guidelines.
- Design a major drainage facility and complete environmental review.
- Through ongoing planning efforts, define locations and a financing strategy for key infrastructure, and nodes for retail uses as part of the retail strategy.

Napa Community Redevelopment Agency Soscol Gateway Debt Service Fund

Fund Purpose:

The project area's debt service fund is used to account for the collection of tax increment revenue and interest earnings, and payment of legally required pass-through payments, 20% housing set-aside, bond trustee fees, County administrative charges, and receipt of investment income and payment of bond debt service (should debt be issued in the future.) Transfers Out to the project area's capital projects funds are made from remaining available funds.

	2006-07	2007-08	2008-09	2008-09	2009-10	%	2010-11	%
	Actual	Actual	Adjusted	Projected	Proposed	Change	Proposed	Change
Category Revenue Summary								
Taxes	\$ -	-	224,000	316,747	469,999	110%	579,000	23%
Interest on Investments	-	-	-	-	-	0%	2,750	0%
Revenues Total	-	-	224,000	316,747	469,999	110%	581,750	24%
Category Expenditure Summary								
Services	-	-	49,000	67,350	110,000	124%	135,000	23%
Operating Transfers Out	-	-	769,800	788,349	428,235	-44%	426,805	0%
Operating Expenditures	-	-	818,800	855,699	538,235	-34%	561,805	4%
Net Impact of Operations	\$ -	-	(594,800)	(538,952)	(68,236)	-89%	19,945	-129%
						0%		
Net Contribution / (Use)	\$ -	-	(584,800)	(538,952)	(68,236)	-88%	19,945	-129%
Projected Fund Balance at June 30:				(538,952)	(607,188)		(587,243)	

Audited

Major Budget Changes for Fiscal Years 2009-11:

- Negative fund balance is a result of debt to the City of Napa Water Fund.
- This is a new fund in this budget cycle.

Napa Community Redevelopment Agency Soscol Gateway Capital Improvement Project Fund

Fund Purpose:

This fund accounts for capital projects, programs, professional services and administration of the Agency. Funding sources include tax increment funds transferred in from the project area's debt service fund, bond proceeds (should bonds be issued in the future) and investment income.

	2006-07 Actual	2007-08 Actual	2008-09 Adjusted	2008-09 Projected	2009-10 Proposed	% Change	2010-11 Proposed	% Change
Category Revenue Summary								
Interest on Investments	\$ -	-	-	-	-	0%	320	0%
Operating Transfers In	-	-	725,000	725,000	334,235	100%	311,005	-7%
Revenues Total	-	-	725,000	725,000	334,235	-54%	311,325	-7%
Category Expenditure Summary								
Salaries and Wages	-	-	100,000	100,000	191,470	91%	198,510	4%
Materials and Supplies	-	-	8,400	8,400	-	-100%	-	0%
Services	-	-	55,000	50,000	56,500	3%	26,550	-53%
Capital Outlay	-	-	350,000	335,000	75,000	-79%	75,000	0%
Operating Transfers Out	-	-	-	-	11,265	100%	11,265	0%
Operating Expenditures	-	-	513,400	493,400	334,235	-35%	311,325	-7%
Net Impact of Operations	\$ -	-	211,600	231,600	-	-100%	-	0%
Net Contribution / (Use)	\$ -	-	211,600	231,600	-	-100%	-	0%
Projected Fund Balance at June 30:				231,600	231,600		231,600	
								Audited

Major Budget Changes for Fiscal Years 2009-11:

- This is a new fund in this budget cycle.

Napa Community Redevelopment Agency Soscil Gateway Low/Mod Fund

Fund Purpose:

This fund accounts for 20% of the gross tax increment revenues received by the Agency for the project area which is set aside for low and moderate income housing projects and programs.

	2006-07 Actual	2007-08 Actual	2008-09 Adjusted	2008-09 Projected	2009-10 Proposed	% Change	2010-11 Proposed	% Change
Category Revenue Summary								
Interest on Investments	\$ -	-	-	-	900	100%	2,200	144%
Operating Transfers In	-	-	44,800	63,349	94,000	110%	115,800	23%
Revenues Total	-	-	44,800	63,349	94,900	112%	118,000	24%
Category Expenditure Summary								
Services	-	-	-	-	-	0%	-	0%
Operating Transfers Out	-	-	-	-	-	0%	-	0%
Operating Expenditures	-	-	-	-	-	0%	-	0%
Net Impact of Operations	\$ -	-	44,800	63,349	94,900	112%	118,000	24%
Net Contribution / (Use)	\$ -	-	44,800	63,349	94,900	112%	118,000	24%
Projected Fund Balance at June 30:								
				63,349	158,249		276,249	

Audited

Major Budget Changes for Fiscal Years 2009-11:

- This is a new fund in this budget cycle.