

AGENDA
CITY COUNCIL OF THE CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF
MORENO VALLEY

March 17, 2009

STUDY SESSION – 6:00 P.M.

City Council Closed Session

First Tuesday of each month – 6:00 p.m.

City Council Study Sessions

Third Tuesday of each month – 6:00 p.m.

City Council Meetings

Second and Fourth Tuesdays – 6:30 p.m.

City Hall Council Chamber - 14177 Frederick Street

Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, in compliance with the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the City Clerk's office at 951.413.3001 at least 48 hours before the meeting. The 48-hour notification will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Bonnie Flickinger, Mayor Pro Tem
Jesse L. Molina, Council Member

Richard A. Stewart, Mayor

Robin N. Hastings, Council Member
William H. Batey II, Council Member

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CITY COUNCIL OF THE CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO
VALLEY**

**STUDY SESSION - 6:00 PM
MARCH 17, 2009**

CALL TO ORDER

PLEDGE OF ALLEGIANCE

INVOCATION

ROLL CALL

INTRODUCTIONS

**PUBLIC COMMENTS ON MATTERS UNDER THE JURISDICTION OF THE CITY
COUNCIL**

There is a three-minute time limit per person. Please complete and submit a BLUE speaker slip to the City Clerk. All remarks and questions shall be addressed to the presiding officer or to the City Council and not to any individual Council Member, staff member or other person.

SPECIAL ORDER OF BUSINESS

1. RDA Bond Issue Improvement Project at the Moreno Valley Auto Mall (Economic Development Department/15 Min.)
2. Residential Parking Permits on Loraine Terrace (Batey/Molina/10 Min.) ❖
3. Review of Possible Developers for an Affordable Housing Project on the RDA Property at the Northeast Corner of Alessandro Boulevard and Day Street (Economic Development Department/15 Min.)
4. City Council Requests and Communications

(Times shown are only estimates for staff presentation. Items may be deferred by Council if time does not permit full review.)

- ❖ Oral Presentation only – No written material provided

***Materials related to an item on this Agenda submitted to the City Council/Community Services District/Community Redevelopment Agency after distribution of the agenda packet are available for public inspection in the City Clerk's office at 14177 Frederick Street during normal business hours.**

CLOSED SESSION

A Closed Session of the City Council, Community Services District and Community Redevelopment Agency of the City of Moreno Valley will be held in the City Manager's Conference Room, Second Floor, City Hall. The City Council will meet in Closed Session to confer with its legal counsel regarding the following matter(s) and any additional matter(s) publicly and orally announced by the City Attorney in the Council Chamber at the time of convening the Closed Session.

• PUBLIC COMMENTS ON MATTERS ON THE CLOSED SESSION AGENDA UNDER THE JURISDICTION OF THE CITY COUNCIL

There is a three-minute time limit per person. Please complete and submit a BLUE speaker slip to the City Clerk. All remarks and questions shall be addressed to the presiding officer or to the City Council and not to any individual Council member, staff member or other person.

The Closed Session will be held pursuant to Government Code:

1 SECTION 54956.9(b)(1) - CONFERENCE WITH LEGAL COUNSEL - SIGNIFICANT EXPOSURE TO LITIGATION

Number of Cases: 2

2 SECTION 54956.9(c) - CONFERENCE WITH LEGAL COUNSEL - INITIATION OF LITIGATION

Number of Cases: 2

3 SECTION 54957.6 - LABOR NEGOTIATIONS

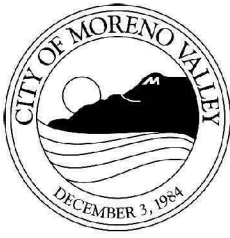
a) Agency Representative: Robert G. Gutierrez
Employee Organization: MVCEA

b) Agency Representative: Robert G. Gutierrez
Employee Organization: MVMA

c) Agency Representative: Robert G. Gutierrez
Employee Organization: Moreno Valley Confidential
Management Employees

REPORT OF ACTION FROM CLOSED SESSION, IF ANY, BY CITY ATTORNEY

ADJOURNMENT



APPROVALS	
BUDGET OFFICER	<i>caf</i>
CITY ATTORNEY	<i>RJA</i>
CITY MANAGER	<i>RH</i>

Report to City Council

TO: Redevelopment Agency Board of Directors

FROM: Barry Foster, Economic Development Director

AGENDA DATE: March 17, 2009

TITLE: RDA BOND ISSUE IMPROVEMENT PROJECT AT
THE MORENO VALLEY AUTO MALL

RECOMMENDED ACTION

Staff recommends that the Redevelopment Agency Board of Directors consider the preliminary plans and designs for the Moreno Valley Auto Mall Improvement Project.

BACKGROUND

In November 2007, the Redevelopment Agency (RDA) issued \$41.6 Million in bonds to fund a variety of important projects in Moreno Valley. One of the funded improvement projects will enhance access, parking, and aesthetics at the Moreno Valley Auto Mall.

The Moreno Valley Auto Mall has not received any major improvements since it opened 18 years ago in 1991. Over the years, competing auto malls in Riverside, Loma Linda, Corona, and Ontario have made significant updates to their signage and vehicle display areas. As a collective group, the Moreno Valley Auto Mall is a major sales tax generator for the City of Moreno Valley (in FY 2007/08 the Auto Mall produced 14.25% of the City's total sales tax revenue). The proposed improvements are intended to upgrade the Auto Mall and further strengthen auto sales, along with facilitating the future development of vacant parcels at the southerly section of the Auto Mall.

DISCUSSION

Economic Development – Redevelopment staff has worked with Public Works, Planning, and outside consultants to develop conceptual designs for the Auto Mall improvement project. Proposed improvements include the following:

- Designing and installing a modern, expanded, and enhanced Auto Mall freeway sign, along with new monument signs at major project entryways off Moreno Beach Blvd.
- Renovating the landscaping parkway areas and installing automobile display features at major project entryways and strategic internal intersections.
- Enhancing access to Moreno Valley Pontiac / GMC by allowing a right-in and right-out connection directly from Moreno Beach Drive to Motor Way (the ring road) between Eucalyptus Avenue and Trail Ridge Way.
- Vacating part of Motor Way between the new Moreno Beach Drive access and Auto Mall Drive to provide additional merchandise display area, strengthening auto sales and facilitating the future development of vacant parcels at the southerly section of the Auto Mall.
- Amending the Auto Mall Specific Plan and updating the accompanying Auto Mall Sign Program to allow for the new Auto Mall signage.
- Restriping to provide additional customer and employee parking opportunities on Motor Way and Auto Mall Drive.

In February, Economic Development and Planning staff presented conceptual site plans and potential sign design ideas to major stakeholders at the Auto Mall (the three existing auto dealerships and Majestic Realty) to solicit their input on preliminary plans and designs. Overall, everyone was pleased with the proposed designs and excited about what the improvements could do to enhance the effectiveness of the Moreno Valley Auto Mall. The conceptual plans will be presented to the RDA Board of Directors at the March 17 Study Session. Staff anticipates completing final design work early this summer and completing construction by Spring 2010.

FISCAL IMPACT

As a group, the Moreno Valley Auto Mall is a major sales tax generator for the City of Moreno Valley. In FY 2007/08, it produced 14.25% of the City's sales tax revenue. Enhancing auto sales and facilitating the future development of vacant parcels at the southerly section of the Auto Mall will bolster the City's sales tax revenues. The Moreno Valley Auto Mall Improvement Project is funded by the 2007 Redevelopment Agency Tax Allocation Bonds. Design and construction of the Moreno Valley Auto Mall Improvement Project has no impact on the General Fund.

Auto Mall Improvement Project
Account Number: 897.91725

Available 08/09 Budget: \$1,790,999

CITY COUNCIL GOALS

- **REVENUE DIVERSIFICATION & PRESERVATION**
Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

- **PUBLIC FACILITIES & CAPITAL PROJECTS**
Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

- **POSITIVE ENVIRONMENT**
Create a positive environment for the development of Moreno Valley’s future.

- **COMMUNITY IMAGE, NEIGHBORHOOD PRIDE & CLEANLINESS**
Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

SUMMARY

In November 2007, the Redevelopment Agency (RDA) issued \$41.6 Million in bonds to fund a variety of important projects in Moreno Valley. One of the funded projects will enhance access, parking, and aesthetics at the Moreno Valley Auto Mall. Currently, Economic Development is working with Public Works, Planning, and outside consultants to develop conceptual designs for the project. Proposed improvements include amending the Auto Mall Specific Plan, revising the Auto Mall Sign Program, and installing updated signage, renovated landscaping, new automobile display features, enhanced access, additional merchandise display area, and additional parking on Motor Way and Auto Mall Drive.

ATTACHMENTS/EXHIBITS

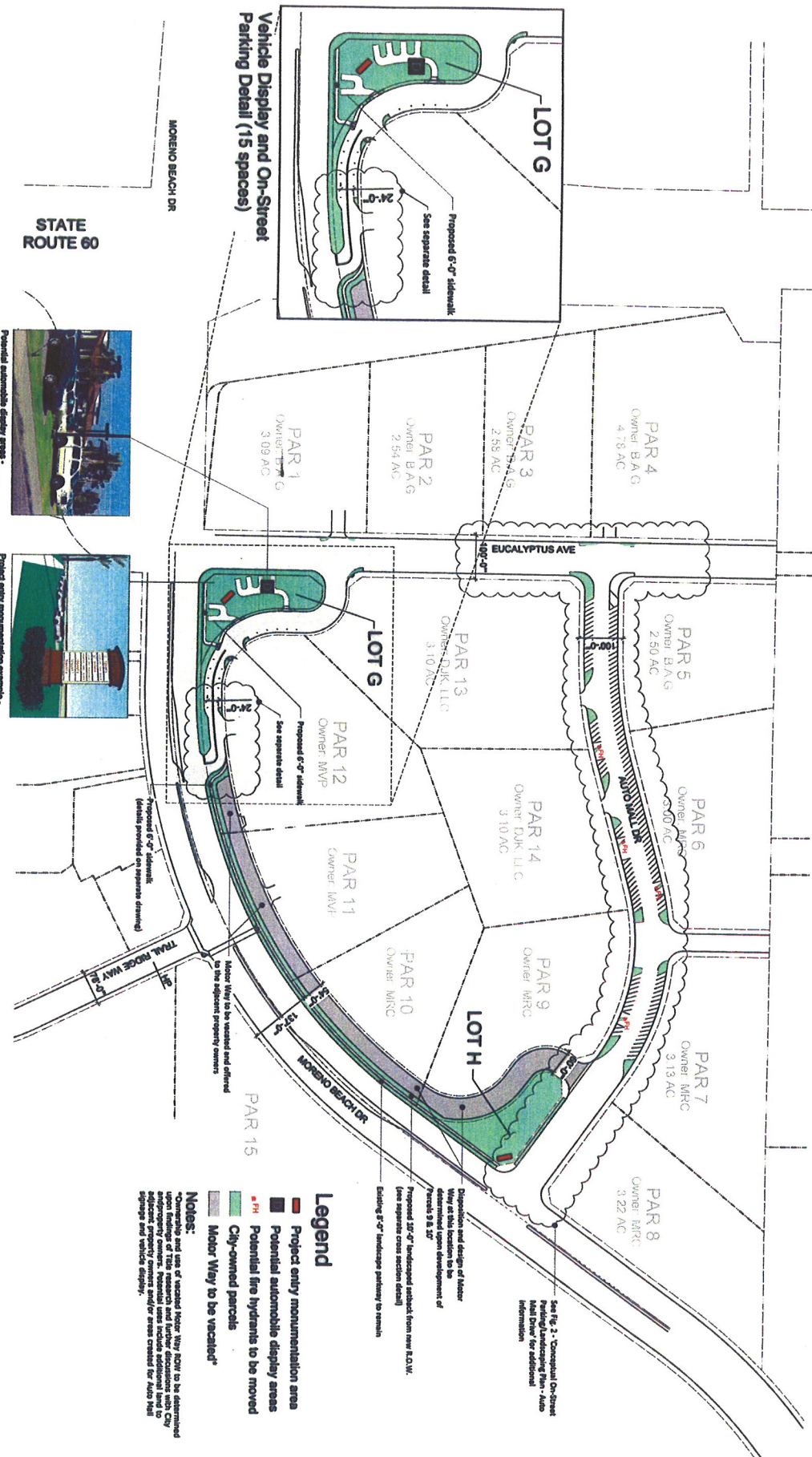
Proposed conceptual designs for street improvements, signage, and revised striping.

Prepared By: Michele Patterson

Department Head Approval: Barry Foster

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:

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- Notes:**
- *Owner's and use of vacant Motor Way (MFG) to be determined upon filing of Title records and further discussions with City and appropriate owners. Potential uses include additional land to be developed for other uses (e.g., office space, retail, etc.) and signage and vehicle display.
- Legend**
- Project entry monumentation area
 - Potential automobile display areas
 - Potential fire hydrants to be moved
 - City-owned parcels
 - Motor Way to be vacated*

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Economic Development Department

MEMORANDUM

To: Mayor and City Council

From: Michele Patterson, Acting Redevelopment Manager

Date: March 16, 2009

Subject: PowerPoint Presentation for the March 17, 2009 Study Session: Agenda Item 1: RDA Bond Issue Improvement Project at the Moreno Valley Auto Mall (Economic Development Department/15 Min.)

cc: Agenda packet distribution list

Attached is the PowerPoint Presentation, which was not available at the time of agenda preparation.

Enl

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MORENO VALLEY
WHERE DREAMS SOAR



MORENO VALLEY
WHERE DREAMS SOAR

THE MORENO VALLEY AUTO MALL RDA BOND IMPROVEMENT PROJECT

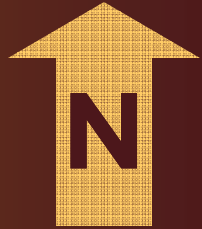
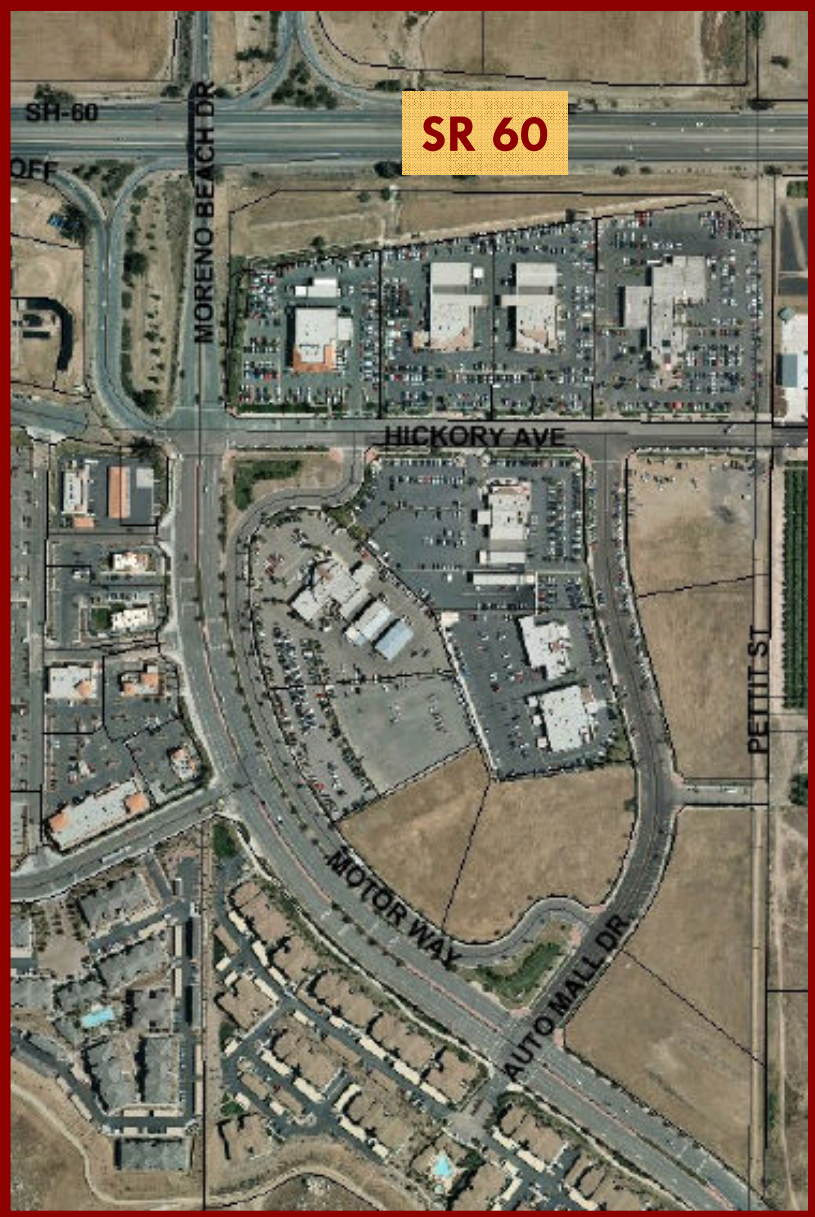
***Presented By: Barry Foster
Economic Development Director***

RDA Bond Issuance



Nason/SR 60 Bridge	\$21.5 million
Ironwood Ave	\$ 3.0 million
Fire Station @ Morrison Park	\$ 6.5 million
Day Street	\$ 3.0 million
Auto Mall Upgrades	\$ 2.0 million
Indian Basin Storm Water	\$ 3.1 million
Edgemont Water	\$ 2.5 million
Total	\$41.6 million

Moreno Valley Auto Mall



Conceptual Planning Process



Worked with Public Works, Planning, and Consulting team (planning – design, civil engineering, and sign – design)



Proposed improvements include:

- Amending the Auto Mall Specific Plan,
- Revising the sign program / updating signage,
- Renovating landscaping,
- Improving access,
- Adding merchandise display area, and
- Enhancing Motor Way & Auto Mall Drive parking.

Stakeholder Meetings



Three Dealership owners:

- Embraced the updated, contemporary signage design,
- Appreciated additional parking and better access,
- Suggested vehicle displays be incorporated into entry signs.



Majestic Realty – (owner of undeveloped parcels):

- Pleased with new signage design,
- Appreciated the direct Moreno Beach access and elimination of part of Motor Way.

Project Cost Categories

Conceptual design & PW/project mgmt	\$	402,000
Demo, mobilization, traffic control	\$	47,000
Street improvements	\$	255,000
Utility work	\$	12,000
Landscaping / irrigation	\$	121,000
Vehicle display features	\$	80,000
Signage (freeway sign and entry features)	\$	850,000
Final engineering, landscape, lighting, irrigation	\$	81,000
Contingency @ 20%	\$	152,000
TOTAL	\$	2,000,000

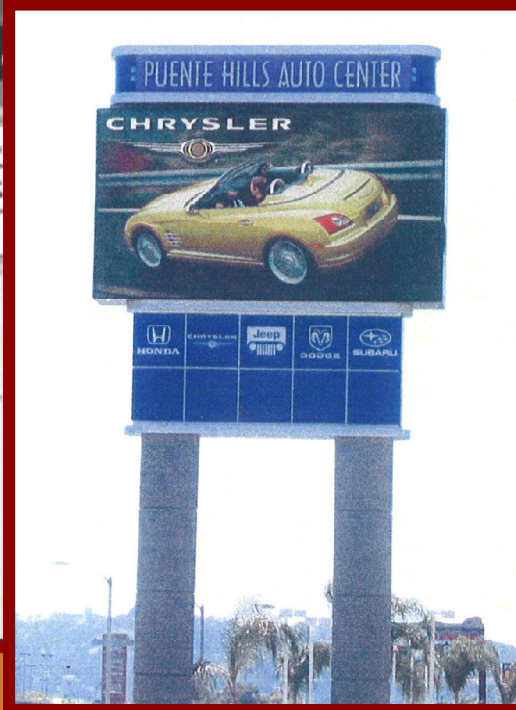
Auto Mall - Freeway Signage



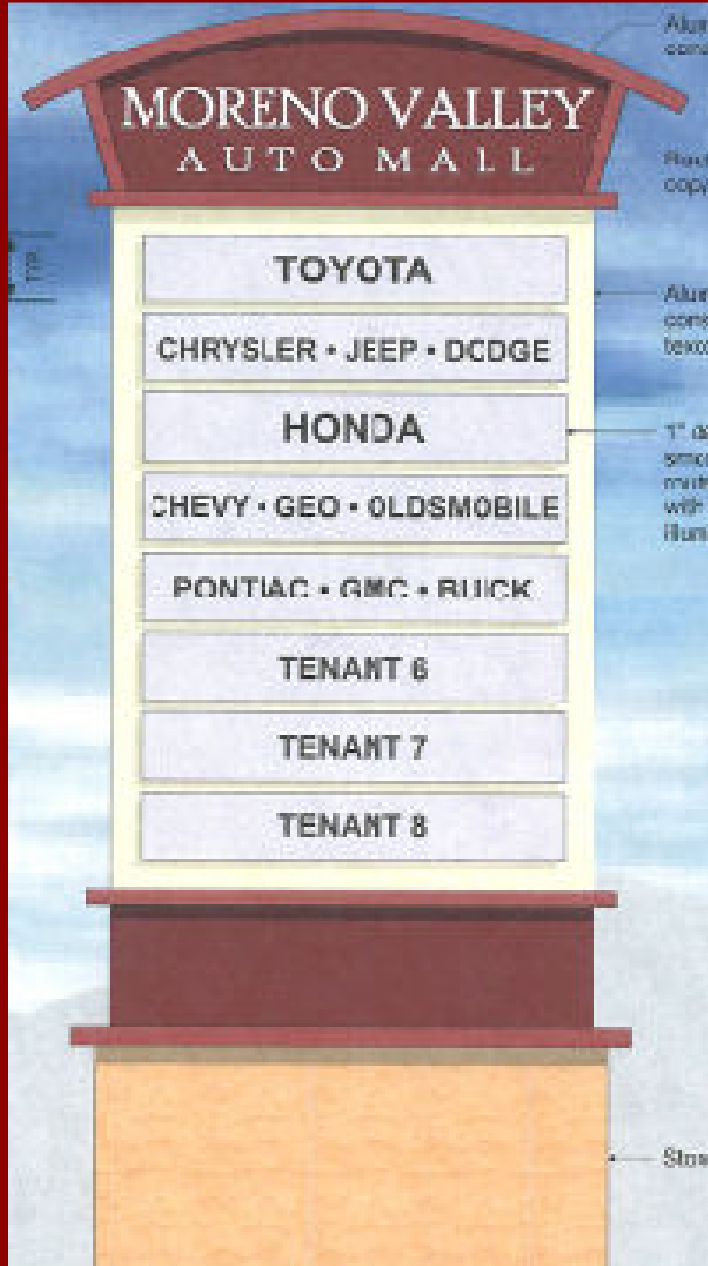
**Preliminary
Design**

Auto Mall – Freeway Signage Examples

Other Communities



Auto Mall - Monument Signage



Preliminary Design

Auto Mall – Vehicle Display Features



Samples of other Cities / RDAs that funded Auto Center Signage / Improvements

- ✓ Cathedral City
- ✓ Cerritos
- ✓ Corona
- ✓ Fontana
- ✓ Industry
- ✓ Loma Linda
- ✓ Long Beach
- ✓ Monrovia
- ✓ Montclair
- ✓ Norco
- ✓ Ontario
- ✓ Rancho Mirage
- ✓ Riverside
- ✓ Santa Ana

Preliminary Timeline



Finalize Plans / Designs

Fall 2009



Bid Process

Fall 2009



Start Improvements

Winter 2010

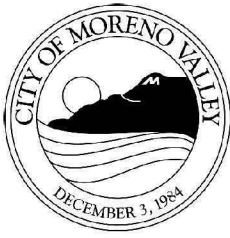


Finish Improvements

Spring 2010







APPROVALS	
BUDGET OFFICER	<i>caf</i>
CITY ATTORNEY	<i>RDA</i>
CITY MANAGER	<i>RM</i>

Report to City Council

TO: Chairperson and Members of the Community Redevelopment Agency Board of the City of Moreno Valley

FROM: Barry Foster, Economic Development Director

AGENDA DATE: March 17, 2009

TITLE: REVIEW OF POSSIBLE DEVELOPERS FOR AN AFFORDABLE HOUSING PROJECT ON THE RDA PROPERTY AT THE NORTHEAST CORNER OF ALESSANDRO BOULEVARD AND DAY STREET

RECOMMENDED ACTION

Staff recommends that the Community Redevelopment Agency Board of the City of Moreno Valley evaluate preliminary proposals from two developer groups (Palm Desert Development Company and Family Services Partnership, a venture ship of Family Services Association along with National Community Renaissance and Workforce Homebuilders) for an affordable housing project on RDA land at Alessandro Blvd. and Day Street.

BACKGROUND

Last year, using proceeds from the 20% Set-aside - Affordable Housing Fund, the Redevelopment Agency (RDA) acquired slightly more than eight acres of property at the northeast corner of Alessandro Blvd. and Day Street for the purpose of developing an affordable housing project. The blighted property at this location is highly visible and serves as an excellent location for a redevelopment project. The required Phase I Environmental Report, Historical & Cultural Survey, and the demolition of the existing structures on the property has been completed.

To develop an affordable housing project, the RDA Board must select a qualified affordable housing developer as a partner. This relationship will begin with a Negotiation Agreement and then move into a Disposition and Development Agreement (DDA) to establish the business points for the development of an affordable housing project. In August 2007, staff mailed a Request for Qualifications (RFQ) to seven

affordable housing developers. Four developers responded to the RFQ by submitting a variety of documentation of their qualifications and experience. In September, staff determined that all four were qualified and capable of developing an affordable housing project on the RDA's land holding.

The approximately 8-acre property at Alessandro and Day is targeted to be the first project in Moreno Valley with an R-30 housing density. With this in mind, staff then provided Council members with several tours of market-rate and affordable housing projects in Orange County that demonstrate quality R-30 higher density housing developments.

In the next step, staff prepared a Request for Proposals (RFP), which was mailed to each of the four qualified developers. Three of the developers responded to that RFP with written proposals (preliminary site plans and project pro formas) and they were subsequently asked to make presentations to a 'working group' of staff members from the City Manager's Office, Community Development, Economic Development, and Public Works departments. After careful consideration and evaluation, the working group concluded that two developers best possessed the capability for the development of the project.

DISCUSSION

In December 2008, the two developer groups (Palm Desert Development Company and the FSA partnership of Family Services Association, along with National Community Renaissance and Workforce Homebuilders) made presentations to the RDA Board at a Study Session. After the presentations it was determined that more specific criteria was necessary to produce a better comparison of the two proposals. Staff developed a set of criteria for the proposed project based upon 9% Tax Credit Equity Financing and gave each development team the same established criteria. Both teams prepared project revised pro formas based on this information. The following tables summarize the information contained in the project pro formas provided by each development team.

<i>FSA Partnership</i>			<i>Palm Desert Development</i>	
Category	Total	Costs Per Unit	Total	Costs Per Unit
<i>Total Units</i>	225		228	
<i>1 bedroom</i>	0		0	
<i>2 bedroom</i>	153		135	
<i>3 bedroom</i>	69		90	
<i>4 bedroom</i>	0		0	
<i>Mgrs Unit</i>	3		3	
<i>Total Project Cost</i>	\$63,776,984.00	\$283,453.26	\$ 54,809,674.00	\$ 240,393.31
<i>Total Dev. Fee</i>	\$4,200,000.00	\$21,066.67	\$ 4,800,000.00	\$ 21,052.63
<i>RDA Assistance</i>				
<i>Land</i>	\$5,000,000.00	\$22,222.22	\$ 5,000,000.00	\$ 21,929.82
<i>Loan</i>	\$15,579,936.00	\$69,244.16	\$ 9,800,000.00	\$ 42,982.46
<i>Total Agency Assistance</i>	\$20,579,936.00	\$91,466.38	\$ 14,800,000.00	\$ 64,912.28

FSA Partnership			Palm Desert Development	
Operating Expenses				
<i>Management</i>	\$108,000.00	\$480.00	\$105,000.00	\$460.53
<i>Administration</i>	\$86,400.00	\$384.00	\$145,350.00	\$637.50
<i>Salaries</i>	\$222,750.00	\$990.00	\$312,000.00	\$1,368.42
<i>Maintenance</i>	\$225,750.00	\$1,003.33	\$230,400.00	\$1,010.53
<i>Utilities</i>	\$241,500.00	\$1,073.33	\$243,000.00	\$1,065.79
<i>Insurance</i>	\$78,750.00	\$350.00	\$35,604.00	\$156.16
<i>Reserves</i>	\$120,000.00	\$533.33	\$125,646.00	\$551.08
<i>Other</i>	\$98,250.00	\$436.67		\$0.00
Total	\$1,181,400.00	\$5,250.67	\$1,197,000.00	\$5,250.00

ALTERNATIVES

1. Evaluate preliminary proposals from two developer groups (Palm Desert Development Company and the FSA partnership of Family Services Association, along with National Community Renaissance and Workforce Homebuilders) for the development of an affordable housing project on the RDA land at Alessandro Boulevard and Day Street. *Staff recommends this alternative because it will provide critical information to the RDA Board as they consider choosing a developer for this project.*
2. Decline to evaluate proposals from two developer groups. This would halt the process for the development of the proposed affordable housing project, jeopardizing the timing of a future project. *Staff does not recommend this alternative.*

FISCAL IMPACT

The proposed presentations have no fiscal impact at this time. Please note, the pro formas by both developers are preliminary and based on current estimates, but are subject to further refinement and negotiation. Should a Negotiation Agreement result in the drafting of a Development and Disposition Agreement, the RDA's financial assistance to the project would be established at that time and any funding would be made with RDA Affordable Housing funds designated exclusively for the development of affordable housing. Please note, the RDA's financial assistance provided to this project will have **no** impact on the City's General Fund.

CITY COUNCIL GOALS

Positive Environment - Create a positive environment for the development of Moreno Valley's future.

SUMMARY

The Community Redevelopment Agency (RDA) has acquired property at the northeast corner of Alessandro Boulevard and Day Street for the development of an affordable housing project and childcare facility. Moving forward with the project will require the selection of a qualified affordable housing developer to partner with the RDA. This partnership will be established through a Negotiation Agreement and eventually a Development and Disposition Agreement. In December 2008, the two developer groups made presentations to the RDA board at a Study Session. After the presentations, City Council directed Staff to develop a set of criteria proposed for each developer to use in creating their proposals to allow for a more effective comparison of the two proposed projects. Both teams prepared project pro formas based on that information. This information is provided for evaluation of the two development teams and their preliminary project proposals.

NOTIFICATION

Publication of the Agency's Agenda

ATTACHMENTS/EXHIBITS

Prepared By: John Strickler

Department Head Approval: Barry Foster

Concurred By: Michele Patterson

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for: