

**LODI CITY COUNCIL  
SPECIAL JOINT CITY COUNCIL MEETING  
WITH THE REDEVELOPMENT AGENCY OF THE CITY OF LODI  
CARNEGIE FORUM, 305 WEST PINE STREET  
WEDNESDAY, MAY 28, 2008**

A. CALL TO ORDER / ROLL CALL

The Special Joint City Council meeting with the Redevelopment Agency of the City of Lodi of May 28, 2008, was called to order by Mayor Mounce at 7:02 p.m.

Present: Council Members/Redevelopment Agency Members – Hansen, Johnson, Katzakian,  
and Mayor/Chairperson Mounce

Absent: Council Members/Redevelopment Agency Members – Hitchcock

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

B. PUBLIC HEARINGS

B-1 Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Mounce called for the joint public hearing of the City Council and the Redevelopment Agency of the City of Lodi to consider a resolution certifying the adequacy of the Final Program Environmental Impact Report for the Lodi Community Improvement Project; a resolution finding that the use of taxes allocated from the Lodi Community Improvement Project for the purposes of increasing, improving, and preserving the community's supply of low- and moderate-income housing outside the Project Area will be of benefit to the Project; and consideration by the City Council of the introduction of an ordinance adopting the proposed Redevelopment Plan for the Lodi Community Improvement Project. *NOTE: Joint action of the Lodi City Council and Redevelopment Agency.*

City Manager King briefly introduced the subject matter of the Final Program Environmental Impact Report for the Lodi Community Improvement Project and proposed Redevelopment Plan for the Lodi Community Improvement Project.

City Attorney Schwabauer stated a conflict of interest analysis was completed pursuant to the Political Reform Act and Fair Political Practices Commission regulations. He stated it was determined that Council Member Hitchcock had a conflict that prevented her from participating based on the ownership of real property in the proposed Project Area.

Mr. King provided a PowerPoint presentation regarding the Lodi Community Improvement Project. Specific topics of discussion included the process of the public hearing, recommendation, proposed Project Area, financial projections, reason for proposed project, overview of provisions in proposed plan, funding source, public outreach efforts, addressing community concerns, and the consultants participating in the same.

Ernie Glover of GRC Redevelopment Consultants provided an overview of the redevelopment process. He specifically discussed qualifications of the firm, redevelopment process in other communities, the non-use of eminent domain, blight designation and the related process, compatible and incompatible uses for future uses of property, home values, hazardous waste and clean-up efforts, crime statistics in the eastern portion of City, funding source for services such as public safety, small business loans and lending options, and possible tax increment application.

Don Frasier of Frasier and Associates provided an overview of tax increment projections. He specifically discussed his firm's qualifications, receipt of greater share of future property tax amounts, local application of future tax increment, payment of property taxes and Proposition 13 application remaining the same, example of when a home is sold how future property tax share is greater for the Redevelopment Agency, revenue projections of approximately 4% per year based on 2% of property tax increase and 2% property changeover, possible \$600 million over next 40 years on present value, additional funding for taxing authorities and school district, consultations with school district, Delta College, San Joaquin County, and the water district, and no opposition from taxing agencies.

In response to Mayor Mounce, City Attorney Schwabauer stated the ordinance will not pass tonight as it must be voted on at a regular meeting. Mr. Schwabauer stated he is hesitant to give legal advice regarding a referendum because, if he gives advice to an individual who is going to circulate a referendum and he is wrong, it places the City in a bad position. Mr. Schwabauer stated that, in providing a response to a Council Member directly, he will state that a referendum generally includes that an ordinance may be subject to a referendum, a standard percentage of signatures is usually 10% based on the last election, specific language indicating what a yes and no vote means, circulation to obtain signatures with the ordinance and proposed language, verification through the City Clerk and Registrar of Voters, ballot placement requirements, preparation of title and summary, and a fiscal analysis. City Clerk Johl stated she concurs with the City Attorney and there are no additional requirements other than those set forth in the Election Code and as indicated by the City Attorney.

Hearing Opened to the Public

- Robert Emmer, representing the Library Board of Trustees, spoke in favor of the proposed Lodi Community Improvement Project based on possible benefits to the Library through improvements to the same.
- Nick Santoya spoke in opposition to the proposed Lodi Community Improvement Project based on concerns regarding indebtedness and ballot placement for voter approval.
- Jerold Kyle spoke in opposition to the proposed Lodi Community Improvement Project based on concerns regarding indebtedness.
- Ken Bingamaxl spoke in favor of the proposed Lodi Community Improvement Project based on the possible benefit to the proposed development area, including improvements to schools and downtown businesses.
- Phyllis Roach spoke in opposition to the proposed Lodi Community Improvement Project based on concerns regarding indebtedness, errors on the current map of the proposed area in comparison to the original map, and housing.
- Constance Zweifel spoke in opposition to the proposed Lodi Community Improvement Project based on concerns regarding blight designation and ballot placement for voter approval on ballot.
- Eunice Friederich spoke in opposition to the proposed Lodi Community Improvement Project based on concerns regarding indebtedness and double dipping for utilities.
- Pat Patrick, representing the Chamber of Commerce as Chief Executive Officer and the Loel Foundation as a Board of Directors member, spoke in favor of the proposed Lodi Community Improvement Project based on possible benefits to businesses, job creation, reduction of crime in the Project Area, improvements to infrastructure, increased property values from redevelopment, and overall benefits to seniors in the community including housing options.
- Barbara Flockhart spoke in opposition to the proposed Lodi Community Improvement Project based on concerns regarding indebtedness, the lack of voter approval, and the length of possible debt of 40 years.
- John Talbot spoke in opposition to the proposed Lodi Community Improvement Project based on concerns regarding blight designation and diversion of funding from the County.
- Georgianna Reichelt spoke in opposition to the proposed Lodi Community Improvement Project based on concerns regarding the lack of voter approval through the ballot process, examples of redevelopment in San Diego, funding lost to schools, use of eminent domain, and the need for businesses to take care of their own properties.

- Dale Gillespie, representing himself as a developer and the Loel Foundation as a Board of Directors member, spoke in favor of the proposed Lodi Community Improvement Project based on benefits for senior housing, general affordable housing options, and the City's long history of not using eminent domain that will likely remain the same.
- Nancy Beckman, representing the Lodi Conference and Visitors' Bureau (LCVB), spoke in favor of the proposed Lodi Community Improvement Project based on possible improvements on Cherokee Lane that could be made through redevelopment, which will help keep tourists in the City for lodging purposes.
- Ed Atwood spoke in neutrality to the proposed Lodi Community Improvement Project, stating individuals moving in a blighted area should be screened. He also asked specific questions regarding a parcel of land left outside of the proposed area and the use of redevelopment funds for new structures as well as rehabilitating old ones.
- Chuck Easterling of the Downtown Lodi Business Partnership spoke in favor of the proposed Lodi Community Improvement Project based on the benefits to the community and the removal of eminent domain.
- Beth Kim, representing herself as a developer of the Comfort Suites and a member of LCVB, spoke in favor of the proposed Lodi Community Improvement Project based on possible benefits to the Cherokee Lane area.
- Steve Spiegel, as a property owner along Lockeford Street and the railroad, spoke in favor of the proposed Lodi Community Improvement Project based on possible improvements to the proposed Project Area.

Public Portion of Hearing Closed

In response to Mayor Mounce, Mr. King stated the City does not currently have an ability to build a Wal-Mart in the middle of the east side of the City as indicated by a speaker due to an ordinance that prohibits the use of eminent domain for private purpose. He stated an agency does have the power to acquire through just compensation to the owner land for a public purpose, which may include infrastructure improvements or rights of way. He also generally discussed the process associated with the same including the need for a resolution of necessity, purchase amount held in escrow, a court determining value of property and just compensation, and when a seller may wish to go through such a process.

In response to Mayor Mounce, Mr. King discussed ordinance adoption at a regularly scheduled meeting, the prohibition against using eminent domain for a private purpose, and approximately 30% of redevelopment agencies in the state not having eminent domain in the beginning and not adding at a later date. He also stated that, if eminent domain was ever considered at a later date, the process would need to be redone, including ordinance introduction and adoption, formation of Project Area committees, amendments to the plan and environmental documentation, timelines associated with the same, property identification, and the whole process would be subject to a referendum.

RECESS

At 8:41 p.m., Mayor Mounce called for a recess, and the City Council meeting reconvened at 8:52 p.m.

B. PUBLIC HEARINGS (Continued)

B-1 Mr. King stated redevelopment law is very specific as to how comments, in writing or (Cont'd.) orally, are responded to. He stated the comments were received and written responses will be made prior to the proposed June 18, 2008, date for the regularly scheduled meeting of the City Council where this topic will be considered.

In response to Mayor Mounce, Mr. King stated that, with respect to Mr. Atwood's comments generally, the City Council designated a Study Area approved by the Planning Commission, all parcels were reviewed, vacant parcels generally work against the 80% urbanization requirement, there may be an active agricultural use on the subject property, and redevelopment funds can be used for new infrastructure and construction, although it must be consistent with the General Plan as well.

In response to Mayor Pro Tempore Hansen, Mr. King stated future City Councils will have the ability to make decisions on individual projects as they come before them.

In response to Mayor Pro Tempore Hansen, Mr. King provided an overview of the City Council's consideration of an initial report in November 2007 of what a redevelopment project may look like, the Project Area is preliminary until such time as it is adopted, while the process is fairly narrow the legislative discretion of the Council is broad, an area cannot be added to but can be deleted from, and the Planning Commission determines what the area is and if it is consistent with the General Plan. He stated the Planning Commission went through the process and made the recommendation as is currently presented to the City Council.

In response to Council Member Johnson, Mr. King confirmed the only action recommended for tonight is the transmittal of the report from the Agency to the City Council.

Mayor Mounce stated she will not support the recommendation based on her concerns regarding long-term improvements to the east side of town, free enterprise, growth of government, indebtedness, and an option to vote on the ballot.

Mayor Pro Tempore Hansen stated he will support the recommendation based on the ability to use redevelopment as a tool to address long-term infrastructure projects and the need to bring in additional dollars to the community.

Council Member Johnson stated he will support the recommendation based on the ability to address improvements in the east side of town.

Mr. King stated staff will respond to comments pursuant to the law and agendize the matter for the June 18, 2008, regular City Council meeting.

MOTION / VOTE:

The Redevelopment Agency of the City of Lodi, on motion of Member Johnson, Katzakian second, adopted Resolution No. RDA2008-04 authorizing the transmittal of the report from the Agency to the City Council pursuant to law. The motion carried by the following vote:

Ayes: Members – Hansen, Johnson, and Katzakian

Noes: Members – Mayor Mounce

Absent: Members – None

Abstain: Members – Hitchcock

C. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 9:23 p.m.

ATTEST:

Randi Johl  
City Clerk