



**Lou Ann Texeira**  
*Executive Officer*

**MEMBERS**

<b>Federal Glover</b> <i>County Member</i>	<b>Dwight Meadows</b> <i>Special District Member</i>
<b>Michael R. McGill</b> <i>Special District Member</i>	<b>Rob Schroder</b> <i>City Member</i>
<b>Martin McNair</b> <i>Public Member</i>	<b>Don Tatzin</b> <i>City Member</i>
<b>Gayle B. Uilkema</b> <i>County Member</i>	

**ALTERNATE MEMBERS**

<b>Sharon Burke</b> <i>Public Member</i>
<b>Tom Butt</b> <i>City Member</i>
<b>George H. Schmidt</b> <i>Special District Member</i>
<b>Mary N. Piepho</b> <i>County Member</i>

April 13, 2011 (Agenda)

April 13, 2011  
Agenda Item 8

Contra Costa Local Agency Formation Commission (LAFCO)  
 651 Pine Street, Sixth Floor  
 Martinez, CA 94553

**Northeast Antioch Monthly Update**

Dear Commissioners:

On February 9, 2011, the Commission approved the extension of out of agency service by the City of Antioch (water/sewer) and Delta Diablo Sanitation District (sewer) to the Marsh Landing Generating Station property located in the unincorporated Northeast Antioch area.

The Commission’s approval included various conditions, including a requirement that the City and County provide LAFCO with monthly updates regarding the status of the preparation of a joint City/County Economic Development Strategy for the Northeast Antioch Area, the annexation of Northeast Antioch, and the tax transfer negotiations.

The Commission received the first monthly update on March 9. Also on March 9, LAFCO received a request for reconsideration of the Commission’s February 9 approval of the out of agency service request. The Commission expressed disappointment with the first monthly update and concern regarding the lack of progress on the part of the City and County toward reaching agreement on the property tax exchange and ultimate annexation of the area. These concerns were communicated to the agencies in a letter dated March 10 and were echoed in the request for reconsideration.

On March 23, LAFCO held a special meeting to consider the request for reconsideration, which was subsequently withdrawn. As part of the discussion on March 23, there was interest in LAFCO’s participation in the City/County Economic Development subcommittee, and appointment of one or two LAFCO representatives to sit as non-voting members of the subcommittee.

The City and County have submitted their second monthly update (attached), which provides information regarding upcoming meetings and other anticipated actions relating to the strategic plan and annexation efforts.

RECOMMENDATION

1. Receive and file the update; and
2. Consider appointing one or two LAFCO representatives to serve on the City/County subcommittee.

Please contact the LAFCO office if you have any questions.

Sincerely,

LOU ANN TEXEIRA  
EXECUTIVE OFFICER

Attachment - Letter from the City of Antioch and Contra Costa County dated March 30, 2011

March 30, 2011

Mike McGill, Chairman of LAFCO  
LAFCO  
651 Pine Street, 6th Floor  
Martinez, CA 94553

Dear Chairman McGill:

This letter constitutes the second monthly update provided to LAFCO by City and County staff concerning the status of the Northeast Antioch Annexation, and reflects the activities of City and County staff during the month of March 2011. This update also provides information on upcoming meetings and other anticipated actions relevant to the Annexation. It is being submitted to LAFCO on March 30, 2011 in order to be included in the packets that are delivered for the April 13, 2011 LAFCO meeting. The submittal date of this letter also reflects the fact that County staff has a mandatory furlough on Thursday March 31, and City staff is furloughed on April 1, 2011:

- The first meeting of the Subcommittee for the Northeast Antioch Annexation and Strategic Plan is scheduled for Monday April 25, 2011 at 6:00pm, to be held at Antioch City Hall in the 3<sup>rd</sup> floor conference room. It is hoped that this date will be convenient for LAFCO members selected at the April 13, 2011 LAFCO meeting to serve as non voting members on the Subcommittee.
- A Request for Proposals (RFP) was prepared by City and County staff during the first week of March 2011, and was subsequently distributed to five (5) qualified consultants on March 17, 2011. A copy of this RFP is attached.

As LAFCO is aware, a detailed Fiscal Analysis was previously prepared by Gruen and Associates to address the fiscal implications of the proposed annexation. This analysis includes projected revenues from the annexation area, as well as the cost of providing needed utilities and services, including the cost of critically needed sewer and water service to the existing Viera residential area. The market analysis, which is a critical component of the Fiscal Analysis, needs to be updated due both to the changing market and to the overly simplified assumptions concerning future commercial/industrial development used in the original market analysis. The deadline for consultants to submit proposals to the City and County is Thursday April 7, 2011. Proposals received will be evaluated by City and County staff, and will be brought to the Subcommittee on April 25, 2011 for the Subcommittee's review and recommendation.

- When City and County staff became aware of the possibility of reconsideration of the Out of Agency Agreement most of staff activities between March 9, 2011 and the March 23, 2011 LAFCO meeting revolved around the questions and issues raised by possible LAFCO reconsideration. Staff activities included numerous discussions between the various parties involved, including LAFCO staff, City and County staff, and GenOn, among others. During this time period a variety of information was provided by City and County staff, including a letter to LAFCO dated March 11, 2011 that clarified the contents of the March 1, 2011 letter from City and County staff. This March 11, 2011 letter was previously distributed to LAFCO.

- Following up on discussions at the March 23, 2011 LAFCO meeting, City and County staff are in the process of contacting consultants to determine qualifications and level of interest in serving as the Subcommittee's "Facilitator". A list of qualified and interested "Facilitators" will be brought to the Subcommittee on April 25, 2011 for the Subcommittee's review and recommendation.
- City and County staff will be meeting on Monday April 11, 2011 to finalize a draft schedule for the Joint City/County Economic Development Plan for the Northeast Antioch Area, which will include a schedule for the Tax Transfer Agreement and the Annexation. This Draft Schedule will be presented and discussed at the April 25, 2011 Subcommittee Meeting, along with a number of other agenda items including the selection of a consultant for the market analysis and selecting a "Facilitator".

In an e mail sent to City and County staff by your Executive Director on March 24, 2011 questions were raised as to whether more than one LAFCO member could attend the Subcommittee meetings, and what the role of that LAFCO member would be. Based on the discussions at the March 23, 2011 LAFCO meeting it is our clear recollection that LAFCO can select one or two representatives to serve on the Subcommittee, and that LAFCO Subcommittee members are not limited to the role of "Observers", but would act as nonvoting participating Subcommittee Members.

Please feel free to let us know if you need clarification on any of the information in this update letter.



Jim Jakel  
Antioch City Manager



Catherine Kutsuris  
Director, Contra Costa County, Department  
of Conservation & Development

Attachments: Request for Proposals

Cc Antioch City Council  
County Board of Supervisors  
Lou Ann Texeira , Executive Director LAFCO

**The City of Antioch and Contra Costa County are Jointly Requesting  
Proposals to Prepare a Market Analysis to Assess the Short Term and Long  
Term Development Potential for an Approximately 800 Acre Area that is  
being Considered for Annexation to the City of Antioch  
March 17, 2011**

**Overview:**

The City of Antioch and Contra Costa County are jointly requesting proposals from qualified consultants to prepare a market analysis to assess the short term and long term development potential for an approximately 680 acre area that is being considered for annexation to the City of Antioch. The area in question is referred to as the Northeast Antioch Annexation Area (NAAA). This Northeast Annexation Area consists of three subareas, referred to as Area 1, Area 2a, and Area 2b. The location of the NAAA, as well as the boundaries of the three subareas, is shown in Attachment A. Area 1 consists primarily of heavy industrial uses, with many of the existing industrial sites currently vacant or underutilized. Area 2a is largely made up of existing marinas and water oriented uses. Area 2b is almost entirely residential, and consists of approximately 120 older homes built in the 1940's to 1960's, most of which are single family detached. Virtually all of these existing homes are currently on wells and septic fields, with several of these well and septic systems beginning to fail creating a potentially significant public health issue.

As noted, this is an RFP for a joint project sponsored by both the City of Antioch and Contra Costa County. Both jurisdictions will be the consultant's client. The context for this somewhat unusual, but innovative arrangement is discussed in the following background section.

**Background:**

The Northeast Antioch Annexation Area has been located within the City of Antioch's Sphere of Influence for over 40 years. In July 2005 a "Strategic Plan" for the Northeast Annexation Area was presented to City Council. This Strategic Plan provides background information relevant to the annexation, including data such as assessed valuation, the number of registered voters in the annexation area, the type and cost of infrastructure needed to serve the area. A copy of this Strategic Plan is available on the City's web site. At the City Council meeting in July 2005 when this Strategic Plan was presented, the residents and property owners in Areas 2a and 2b (as shown Attachment A) voiced their strong opposition to annexing to the City of Antioch.

In June 2007 the City Council authorized the submittal to LAFCO of the annexation of Area 1, which is the approximately 460 acres of industrial land on the north and south sides of Wilbur Avenue. This annexation request did not

include Areas 2a and 2b, due to the fact just noted that residents and property owners were vigorously opposed to annexation to the City. CEQA documentation for the annexation was prepared by the firm CHM2Hill in the form of a Negative Declaration, which was adopted by City Council in March 2008. This CEQA analysis was subsequently updated and expanded to include all three subareas (Subareas 1, 2a, and 2b) by the consulting firm Circle Point in 2009. Copies of these environmental documents are available from the City.

During the time period from when the annexation application was filed by the City in 2007 and while the CEQA documentation was being prepared, the City and the County worked together in an effort to achieve consensus on the terms of a Tax Transfer Agreement for the annexation. In 2008 the consulting firm of Gruen, Gruen and Associates was retained to prepare a Fiscal Study on the proposed annexation. This study, which was completed in October 2009, provides detailed information on the existing and projected tax revenue that could be anticipated from the Northeast Annexation Area. The Fiscal Study looked at all potential forms of revenue, including property tax, sales tax, franchise tax, real estate transfer tax etc. It also addressed the City's projected annual cost to provide City services to the area, with Public Safety being the largest single cost item. In addition, the engineering firm of Carlson/Barbee/Gibson, as a sub consultant to Gruen, prepared a detailed estimate of the cost to construct the infrastructure needed to serve the Northeast Annexation Area. One of the key findings of this Fiscal Analysis was that the infrastructure costs were higher than expected, with the total projected cost to bring the existing infrastructure to City standards being in excess of \$70 million. A separate analysis was also done to estimate the cost to bring infrastructure to serve the existing residential area (Area 2b), which has had problems with failing wells and septic systems. The cost of this basic infrastructure just to serve the residential area, consisting of sewer and water lines, lies in the range of \$10 million to \$15 million.

The City and County continued to negotiate on the terms of the Tax Transfer Agreement without resolution. The primary stumbling block in the negotiations became the \$10-\$15 million infrastructure "liability" presented by the Residential Area 2b. In previous discussions, LAFCO staff stated that LAFCO would condition the approval of annexation of Area 1 on the City accepting the annexation of Areas 2a and 2b. LAFCO would accomplish this by classifying Areas 2a and 2b as "islands", thereby restricting the ability of residents and property owners to vote on the annexation. The need by the City to set aside funding for the infrastructure needed by Area 2b (\$10-\$15 million) conflicted with the County's goal not to be negatively impacted fiscally by the annexation of Area 1. The net result of these two competing objectives was that negotiations on the Tax Transfer Agreement became stalemated.

While the City and County were trying to come to agreement on the terms of a Tax Transfer Agreement, two large power plant projects were proceeding through the approval process with the California Energy Commission. Both of

these power plants were proposed within Area 1 of the Northeast Antioch Annexation Area. The first such project, the 400 megawatt Gateway Generating Station owned and operated by PG&E, received CEC approval in 2008. Given that annexation was not completed by that date, the City requested from LAFCO an Out of Agency Service Agreement to provide sewer and water service to the Gateway power plant. LAFCO approved this request in May 2008 and the City subsequently provided services to the Gateway Plant. In 2008 the Mirant Corporation (now known as GenOn) initiated an application at the CEC to build a 760 megawatt power plant on a site adjacent to the PG&E Gateway project, also located within Area 1 of the Northeast Antioch Annexation Area. This Mirant/GenOn project subsequently received the key CEC approvals to construct in August 2010. Like Gateway, the Mirant/GenOn power plant needed to hook up to City infrastructure.

In order to break the stalemate in the negotiations on the Tax Transfer Agreement, the City and the County collectively decided to step back, and approach the Northeast Antioch Annexation in a collaborative way through the concept of joint economic development. The staffs of the City and the County put together a Work Program detailing how such a collaborative effort could be implemented. This Work Program, a copy of which is attached, was approved by the Antioch City Council in January 2011 and by the County Board of Supervisors in February 2011. On February 9, 2011 the City brought an application for an Out of Agency agreement for the Mirant/GenOn Power Plant to LAFCO. At this February hearing, LAFCO expressed concern about the length of time the annexation process had taken to date, and directed that the City and the County resolve the Tax Transfer Agreement issue as expeditiously as possible. At a meeting in late February 2011 between the staffs of the City and the County, it was determined that the next task that needed to be completed to move the process forward was to update the Market Analysis portion of the Fiscal Study previously prepared by Gruen.

### **Scope of Market Analysis:**

The previous Background section provides the context in which the Market Analysis is to be proposed. The following are the specific issues the market analysis will need to address:

1. The Gruen Fiscal Study utilized some very "rough" assumptions in terms of the type and intensity of future development that could be expected in all three subareas (Areas 1, 2a, and 2b). For Area 1 the Fiscal Study assumed that the entire area would be developed with industrial uses with a consistent floor area ratio. Little change from existing land uses was assumed for Areas 2a and 2b. The proposed Market Analysis will need to provide more fine grained, "realistic" analysis of the type of development that could be expected in the future, given projected market trends and the relative geographic and

locational advantages and disadvantages of the Northeast Antioch Annexation Area.

2. The Northeast Annexation Area has a number of inherent characteristics that may give it a competitive advantage for attracting certain types of uses. Specifically the area has deep water access due to its setting along the San Joaquin River, and the area is also very well served by rail access. These issues will need to be considered in the Market Analysis.
3. As stated in the Background Section, a number of large power generating facilities have been recently constructed or are proposed to be constructed within the subject area. This is due in part to the large gas transmission line that is located just to the east of the annexation area, and presumably due to the annexation area's location on the electrical grid. Power plants are desirable to the extent they create very high assessed values with correspondingly high property tax revenues, and the power they generate would be potentially attractive to industrial uses with a high energy requirements. The Market Study will need to address the potential for the subject area to attract and accommodate additional power generating uses, as well as "spin off" uses such facilities may generate.
4. The deep water access creates the potential to designate a portion of the Annexation Area as a "Port District". The market analysis will need to address the advantages and drawbacks of such designation, including the implications of a port designation as a source of revenue and the economic development potential.
5. The market analysis will need to address the future development potential of the existing residential area (2b).

A Subcommittee was formed to oversee the implementation of the Work Program, consisting of representatives of the City Council and the Board of Supervisors. The proposal should include at least one meeting with this Subcommittee and two meetings with City and County staff,

**Timing of the Market Analysis:**

Given the need to move the annexation process forward as quickly as practical, we are requesting that an initial draft of the Market Analysis be completed within 3 weeks of the contract being signed and work authorized.

**Contents of Proposal:** The Proposal should contain at a minimum the following information:

1. A description of the approach and methodology to be used.



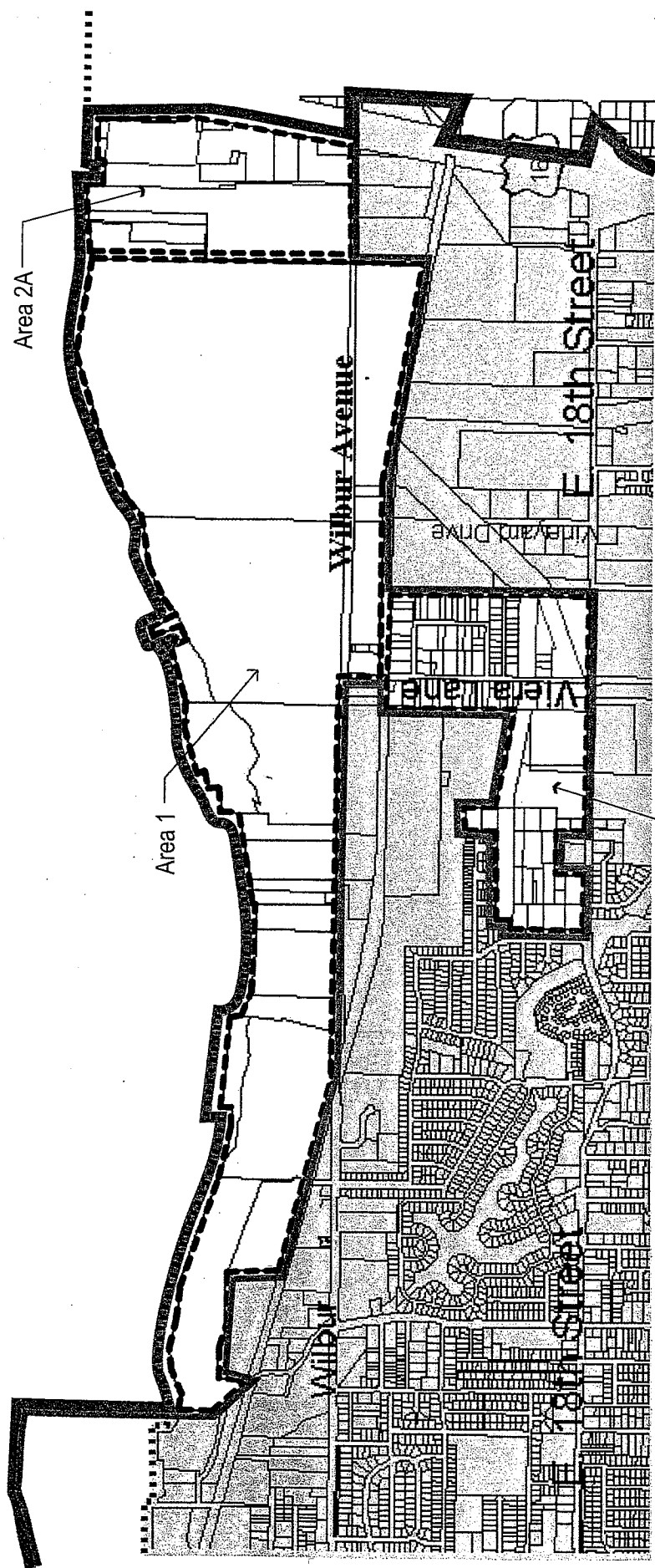
2. A summary of the firm's experience in conducting similar studies. Of particular importance is experience in preparing market analysis concerning power generating facilities as well as familiarity with locational criteria for power plants. In addition, experience in working with port facilities and port districts would be valuable.
3. A budget and schedule to complete the work. The budget needs to identify the staff person involved in completing the task and the hours of the staff person dedicated to the completion of the task.
4. Qualifications and experience of all team members, as well as billing rates.

**Administrative Information**

**Deadline for Submittal:** All proposals must be submitted to the City no later than 5pm Thursday April 7, 2011. Any questions concerning this RFP should be directed to either Victor Carniglia 925-779-7036, City of Antioch or Patrick Roche 925-335-1242, Contra Costa County

**Contact Information:** The proposals should be submitted to the attention of Victor Carniglia, consultant for the City of Antioch. He can be reached at (925) 779-7036 or e mailed at [vcarniglia@ci.antioch.ca.us](mailto:vcarniglia@ci.antioch.ca.us). Mailing Address is: City of Antioch, Attn Victor Carniglia, P.O. Box 5007, Antioch, CA 94531-5007

**Number of Copies of Proposal:** A total of 15 copies of the proposal need to be submitted.



**LEGEND**

- ..... Urban Limit Line
- City Sphere of Influence (SOI)
- City Boundary
- ▨ DDSD Service Boundary and SOI
- ▨ Area 1
- ▨ Area 2A
- ▨ Area 2B

**EXHIBIT 2**  
 Current Administrative Boundaries  
 Northeast Antioch Reorganization

# WORK PROGRAM FOR THE PREPARATION OF A JOINT CITY/COUNTY ECONOMIC DEVELOPMENT STRATEGY FOR THE NORTHEAST ANTIOCH AREA

Updated January 5, 2011

**INTRODUCTION:** In preparing a Work Program for a project as complex the proposed Joint Economic Development Strategy there is a benefit in identifying the goals that both parties hope to accomplish. This section identifies these goals, along with the key assumptions on which this Work Program is based. It is important to note that this Work Program, along with the Goals and Assumptions on which the Work Program is based, may evolve and change over time through the work of the City Council/Board of Supervisor Subcommittee, to be established as defined in Task #1 of this Work Program.

## **Goals to Achieve through the Joint City/County Economic Development Strategy:**

1. **Need to increase job creation:** The Northeast Antioch Area, which contains hundreds of acres of vacant and underdeveloped land, has the potential for the development of the type of land uses that could bring hundreds and perhaps thousands of new, well paying jobs to Eastern Contra Costa County. East County currently suffers from a poor jobs housing ratio.
2. **Need to enhance the existing tax base:** While the existing industrial area along Wilbur Avenue currently generates a net tax surplus, the opportunity exists to significantly increase the tax base above current levels through the development/redevelopment of vacant and underutilized properties with new, higher intensity job generating uses. Power plants, such as Mirant and Gateway, appear to have the greatest near term potential to enhance the existing tax base, given their relatively small footprint and high capital cost. However, the job creation they bring is limited particularly when compared to the cost to construct this type of facility.
3. **Need to complete the annexation process:** Annexation of the Northeast Antioch Area to the City of Antioch and DDS is a necessary precondition to provide water and sewer services to the area. The development of the type of higher intensity uses needed to increase job generation and enhance the tax base is only possible by making City and DDS sewer and water services available through annexation. Realizing annexation is a key goal of this effort. The successful negotiation of a tax sharing agreement between the City and the County is the key to moving the annexation process forward to a successful conclusion.
4. **Need to address the sewer/water problems facing the existing residential area:** The majority of existing residential uses in the Northeast Antioch Area lack sewer and water service, as they depend on aging septic fields and wells. This situation presents a significant potential public health issue that needs to be resolved. Resolution of this issue will likely require funding from outside the existing residential area, given the high cost of constructing utilities to serve the area and the relatively low assessed value of the existing residential uses.
5. **Need to address the zoning/building code status of the existing housing in residential area:** The existing residential area likely contains many non-conforming, substandard structures and uses. Balancing the desire of the existing residents to maintain what they consider the character of the area with the need to appropriately address public health safety issues will present be a challenge that needs to be addressed.

## **Key Assumptions that Shape How the Work Program is Structured.**

1. **Geographic Boundary of Annexation:** The Antioch City Council has to date authorized submitting an annexation application for only the Industrial Area, known as Area 1. LAFCO staff has stated that they would not support the annexation of the Industrial Area (refer to Area 1 on the attached map) that does not address in some fashion the Viera residential subarea (Area 2b) and the existing marinas (Area 2a). The City may in the future choose to add these two areas to the annexation application pending a satisfactory resolution to the Tax Transfer Agreement with the County.
2. **Assumption of Residential "Island" Determination by LAFCO:** Based on discussions with LAFCO staff, it is the understanding of the City and County that LAFCO staff would recommend that LAFCO find the marina and residential marina areas (Areas 2a and 2b) are "islands" for the purpose of annexation under LAFCO law, assuming these areas meet the "island" criteria as established by LAFCO law. It is the City's and County staff's understanding that if such an "island" determination is made by LAFCO, that the existing residents within the "island" area would not have the discretion to vote on the annexation. Such discretion would exist with LAFCO.
3. **"Island" Determination by LAFCO:** The Joint Economic Development Strategy will need to take into account the possibility that LAFCO may determine that Areas 2a and 2b are not "islands". If this is the case, one option would be for Areas 2a and 2b to remain in the County. Over time these residential properties contiguous to the City boundary could singly or in groups annex to the City and DDSB when they desire to hook up to City sewer and water service.

## **WORK PROGRAM**

### **TASK #1: Finalize Work Program and form a City Council/Board of Supervisors**

**Subcommittee:** Given the complex and potentially controversial issues involved with formulating and implementing a Joint Economic Development Strategy for an area with the size and diversity of Northeast Antioch, it would be appropriate early on to form a Council/Supervisor Subcommittee to review/update the work program on an ongoing basis, and to provide a "sounding board" for City and County staff on policy and political issues that arise during the process:

- **Subtask 1a, City/County staffs finalize Work Program:** This will likely take several iterations, and will include preparing time lines for the various tasks, and more detail on the parties responsible for each task.
- **Subtask 1b, Form Council/Board Subcommittee, get Work Program approved:** Membership of a Subcommittee could consist of 1 City Council and 1 Board of Supervisor Member. The finalized Work Program could either be brought to the full City Council/Board of Supervisors for their approval, or approved by the Subcommittee
- **Subtask 1c, Public Information Strategy:** It would be useful early on to address how and when the residents/property owners in the Northeast Antioch Area would be kept informed and have input on the preparation of the Joint Economic Development Strategy. This issue of public notification is particularly critical for the residential area, where premature or late

notice on project status could aggravate resident's concerns. The Council/Supervisor Subcommittee would approve the public information strategy. Updating of polls of residents previously conducted by the City in 2008 may be considered.

- o Responsible Party: City/County staff

- Subtask 1d, Estimate in as Much Detail as Possible the Cost of Carrying Out the Work Program, and Identify City/County/ and other Funding Sources: Performing the various tasks identified in the work program will take a commitment from both the City and County in terms of staff time and financial resources. Costs of performing the tasks in the work program need to be estimated in more detail as the Work Program moves forward, and will require securing the financial resources needed to offset City staff and consultant costs. This may require finding new funding sources, or shifting current resources to this effort. The significant cost items would likely involve updates to the existing fiscal analysis of the annexation, preparing documents and plans relating to establishing a redevelopment district, and the preparation of CEQA documents. The existing Negative Declaration prepared by the City for the Northeast Annexation and certified in June 2010 would serve as a basis for any CEQA analysis.

The City and County agree to split the cost of performing the various tasks in the Work Program on a 50/50 basis, with the exception that each agency will be responsible for funding and securing funding sources as necessary for their respective staff costs.

**TASK #2: City/County consensus on Fiscal Analysis:** The key precondition to preparing and implementing the Joint Economic Development Program envisioned is for the City and County staff and decision makers to agree on the specifics of the financial issues relevant to the Northeast Antioch Area:

- Subtask 2a, Gruen Report: County staff needs to review in detail the assumptions and analysis contained in the report "Fiscal Impacts of the Annexation of the Northeast Antioch Area, October 2009" prepared by Gruen/Gruen Associates for the City of Antioch. This analysis contains data on existing and projected property and sales tax for the Northeast Antioch area broken out by subarea, and presents several scenarios assuming a range of possible tax sharing between the City and the County. This Gruen Study also contains a detailed cost analysis prepared by the engineering firm of Carlson/Barbee/Gibson, working as a sub consultant to Gruen that provides detailed cost estimates of providing sewer, water, storm drain, roads and other infrastructure to the annexation area. County staff needs to review this analysis, and get comfortable with the data and the conclusions.
  - o Responsible Party: Review of Gruen report by County staff, followed by meeting with City staff and Gruen to respond to questions, with revisions to Gruen report as appropriate. Gruen report could then be brought to the Council/Supervisor Subcommittee for their review and approval.
- Subtask 2b, Gas Surcharge and other possible revenue sources: During the discussions over the last year on the annexation, the issue was raised by County staff of the possibility of the County or City collecting a significant amount of tax revenue through a "Gas Tax Surcharge" from gas fired power plants. County records showed such tax revenue received by the County from the Northeast Antioch Area for the years 2000-2007. However, there were unanswered questions over the applicability of this tax source to Mirant, and how recent State legislation may have changed how this tax is collected. This needs to be clarified.

- Responsible Party: County staff would research the amount of gas tax surcharge revenue collected in the past. City/County staff would jointly research the potential for revenue from this tax, and other “exotic” possible sources of tax revenue.

**TASK #3: Explore possible formation of redevelopment district within Northeast Antioch**

**Area**: The use of redevelopment funding is a logical tool to finance the needed infrastructure for the area, which currently lack most basic infrastructure, other than roads. The flip side of this issue is the extent the use of redevelopment funding could impact City/County General fund revenue.

- Subtask 3a: City/County staffs prepare a “white paper” on the procedural steps necessary to implement a redevelopment district in the Northeast Antioch Area, and determine how this could be coordinated with the City’s current plan to merge its existing redevelopment districts. Determine the possibility of structuring a redevelopment district in such a manner so as to minimize the impact on General Fund revenue. Also, consider ways to address possible concerns of residents in area to the issue of redevelopment district formation.
  - Responsible Party: City/County staff working jointly, acknowledging that the County has more expertise and experience in dealing with redevelopment related issues.
- Subtask 3b: Determine fiscal implications of possible formation of redevelopment district. Gruen report does not explicitly address redevelopment district formation, although the report contains useful source data, such as existing and projected assessed values that would be useful in a fiscal analysis of redevelopment.
  - Responsible Party: County/City staff would prepare a work scope for Gruen (or other mutually agreed upon consultant) to analyze fiscal implications/benefits of redevelopment district formation. Determine estimated redevelopment plan adoption costs (including CEQA) and how to fund these consultant costs.
- Subtask 3c: Define the project boundaries and prepare a Redevelopment Plan for the Project Area along with corresponding CEQA documents.

**TASK #4: Negotiate possible “revenue sharing” between the City and the County**: With the information from Tasks #2 and #3 in hand, the City and the County should be in a position to discuss/negotiate possible revenue sharing for the Northeast Antioch Area. This negotiation will need to take into account all relevant variables, including the need to provide sufficient funding to subsidize the basic infrastructure needed to serve the residential area.

- Subtask 4a: City/County staffs negotiate an agreement balancing the items listed above. Perhaps develop two or three different revenue sharing scenarios.
- Subtask 4b: Bring the draft revenue sharing agreement and any alternate revenue sharing scenarios to the Council/Supervisor Subcommittee for their review and comment.
- Subtask 4c: It is anticipated that one of the key “products” of the revenue sharing agreement would be resolution to the issue of the Tax Transfer Agreement required for annexation.
- **TASK #5: City/County Land Use Requirements for Northeast Antioch Area**: The City and County General Plan designations are very similar for the industrial subarea (Area 1), but tend to differ for the marina and residential areas (Areas 2a and 2b). The City has not

yet rezoned the area, so zoning can't currently be compared. City/County staff need to work together to evaluate the range of land use possibilities for the Northeast Antioch Area to ensure a consistent set of land use designations. In addition, land use designations and development standards need to be established that further the City /County goals for the area, including job creation and enhancing the tax base.

- Subtask 5a: Both jurisdictions may need to amend their General Plans and zoning/prezoning as necessary for consistency and to help achieve the same mutual land use goals for the area. The land use goals would reflect the overall goals identified at the beginning of this work program, which would focus on land uses that provide significant job creation as well as increased tax base.
- Subtask 5b: Any General Plan or zoning changes will require environmental documentation, which could be prepared jointly with one jurisdiction acting as lead agency.
- Subtask 5c: Any change of General Plan/zoning would require public notice of the area in question.
- Subtask 5d: The concept of permit streamlining could be explored to enhance the attractiveness of the area to end users/investors. This could be reflected in the zoning code for the area. A related approach would be to prepare environmental documentation (i.e. a Project Level EIR) that prospective employers/investor could use to facilitate their own environmental clearance for their project.
- Subtask 5e: It will be necessary to formulate pre zoning for the residential area 2b. Alternately a "study" zone could be used.
  - Crafting zoning for this area will be a challenge given the wide "variety" of buildings within the residential area.
  - County Code Enforcement may need to provide data on the number and location of non conforming structures in the residential area.

**TASK #6: Formalizing Coordination of Economic Development/Marketing Efforts for the Northeast Antioch Area:** Due to budget cuts the City has a very limited economic development function. The County has more staff that carry out economic development duties, but this staff is currently spread over a wide range of projects. Possible ways to formalize economic development coordination are as follows:

- Subtask 6a: City and County could agree to commit staff and/or financial resources to seek grant funding supportive of economic development in the area. The City currently employees a lobbyist that could be helpful in this regard.
- Subtask 6b: City and County could consider maintaining a joint web site to market the area.

**TASK #7: Explore Possibility of Formation of Port Authority:** The Northeast Antioch Area currently has deep water access and is located along an existing shipping channel. The area is also well served with rail access.

- Subtask 7a: City and County jointly explore the economic potential of the area as a port, and explore the possible formation of a joint City/County Port Authority. This will likely require a feasibility and fiscal analysis by a consultant.

**Other TASKS as determined by the City/ County Subcommittee**