

DOWNTOWN LINDSAY UPDATE

City Council Meeting

7-11-2023



TONIGHT...

- Part 1 – Update
- Part 2 – Feasibility Study
- Part 3 – Vacant Parcel or Downtown Improvement District

NEW BUSINESSES DOWNTOWN

Primos Auto Insurance Services

- 190 E. Honolulu St.

Salas Income Tax & Insurance

- 242 S. Elmwood Ave.

J&L's Body Shop

- 173 S. Elmwood Ave.

Valley Movement

- 143 E. Honolulu St.



DOWNTOWN
BEAUTIFICATION

Downtown Murals Grant

- Applying for \$300,000 through Caltrans
 - Library
 - Police Department
 - Wellness Center

DOWNTOWN FIRE SITE

- Contract – Item 11.6, Award Contract
- Demo to begin by the end of month
- About 30 days to complete

FEASIBILITY STUDY FINDINGS

Issues

- Retail / Office rents not high enough to support new construction projects
- Low population / low income create challenges for retail
- Accessibility to Highway 65
- Surplus Land Act

Opportunities

- Housing adds higher assessed value and catalyzes downtown activity
- Funding available for affordable housing through multiple resources

SURPLUS LAND ACT PROCESS

- Provide more affordable housing in State of CA
- Governed by CA State Housing Community Development
- City Council declares property “surplus”
- Notice to affordable housing developers – 60 days
- Negotiate in Good Faith – 90 days
- HCD reviews property transactions
- Penalties for improper disposition

FEASIBILITY STUDY FINDINGS

Affordable Housing

- 20-30 Unit Mixed-Use Development
- Limited, if any, funding provided by City

Commercial Uses

- Additional funding and/or fee waivers by City to make the project pencil



CONVERTED TO PARK USE

- Not recommended at this time
- No Funding for construction or maintenance
 - Staff resources and funding opportunities are focused on Olive Park and Harvard Park
 - Limited grants/funding from State until Olive & Harvard are completed
- Can put Conditions of Approval on a potential project
- Sweet Brier .2 Miles, Olive Park - .4 miles
- Once parcel is zoned for a park it becomes very limiting
 - Vote of the people to rezone & must replace land
- Can always look at potential park if commercial projects fail



QUESTIONS

Downtown Vacant tax vs. Community/Business District

Survey Results

- 6 in 10 voters support downtown vacancy tax measure but 23% are undecided
 - Yes, probably yes, lean yes – 59%
 - No, probably no, lean no – 18%
 - Undecided – 23%
- A 2/3 majority would be an uphill battle

DOWNTOWN VACANT TAX VS. COMMUNITY/BUSINESS DISTRICT

Vacant Parcel Tax

- General Election Vote
- Specific Purpose requires 2/3 majority vote, general purpose is 50% plus 1
- Could generate up to \$300,000 per year (\$5K per vacant parcel) in new funding
 - Code Enforcement
 - Economic Development activities such as business grants or loans
 - Beautification improvements
 - Finance larger capital projects
- Collected through property taxes
- Target on Lindsay

Downtown Vacant tax vs. Community/Business District

- Community Farcicalities District (CFD)
 - Prop 218 vote of property owners within district, must be a “yes” by 2/3 of respondents
 - Collected through property taxes
 - Finance capital projects
 - More “under the radar”
 - Core Downtown has approx. 100 properties
 - 100 properties at \$500 per year is only \$50,000
 - 175 parcels at \$500 per year is only \$87,500.
 - Hermosa & Downtown – 300 parcels at \$500 is \$150,000

RECOMMENDATIONS FOR TONIGHT

Direct Staff to move forward with the Surplus Land Act for Fire properties

Receive direction on Vacant Property Tax or Downtown Business District

- Future study session on agenda to development more complete financial estimates and timelines