EXECUTIVE SUMMARY/BACKGROUND:
The State of California Department of Finance (DOF) has informed the City of Covina that approximately $5,156,072.26 in taxable bond funds and approximately $704,789.52 in tax exempt funds (from the dissolved Covina Redevelopment Agency [RDA], Project Area No. 1) has been transferred to the City of Covina to be utilized in a manner consistent with the required Findings which existed with the dissolved Covina RDA, Project Area No. 1.

The aforementioned bond proceeds may be utilized by the City of Covina in any manner that economically directly benefits dissolved Covina Redevelopment Project Area No. 1. Findings that verify and memorialize the aforementioned direct economic benefit are legally required to be made and adopted. It is envisioned the following projects be enacted to be funded by the aforementioned bond proceeds (adequate Findings will be prepared for each project) as follows:

DISCUSSION:
As summarized above, the bond proceeds from the dissolved Covina Redevelopment Project Area No. 1 are available to be utilized by the City of Covina in a manner consistent with old Redevelopment Law; and with Findings that verify and memorialize the direct economic benefit to the dissolved Covina Redevelopment Project Area No. 1. The aforementioned bond funds are a "one-time" funding source.

Attached are proposed uses of the dissolved Covina Redevelopment Project Area No. 1 bond funds for consideration by the City Council.

FISCAL IMPACT:
The approximately $5,156,072.26 in taxable bond funds and approximately $704,789.52 in tax exempt funds (from the dissolved Covina RDA, Project Area No. 1) will not impact the General Fund.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):
The consideration of the proposed use of the dissolved Covina Redevelopment Project Area No. 1 bond funds report does not require a CEQA assessment. However, each specific project or use of dissolved Covina Redevelopment Project Area No. 1 bond funds will be subject to the provisions of CEQA and as each project or use is considered implementation, an environmental assessment will be performed pursuant to the provisions of CEQA.
Respectfully submitted,

Brian K. Lee
Director of Community Development

ATTACHMENTS:
Attachment A: Proposed Use of dissolved Covina RDA Bond Funds
Proposed Use of dissolved Covina RDA Bond Funds
July 18, 2017

The DOF has informed the City of Covina that approximately $5,156,072.26 in taxable bond funds and approximately $704,789.52 in tax exempt funds (from the dissolved Covina RDA, Project Area No. 1) has been transferred to the City of Covina to be utilized in a manner consistent with the required Findings which existed with the dissolved Covina RDA, Project Area No. 1.

It is envisioned the following projects be enacted to be funded by the aforementioned bond proceeds (adequate Findings will be prepared for each project) as follows:

○ Covina Senior Citizen and Community Center:

Approximately $3 million in funding is needed to fulfill the envisioned project budget requirements. The project site is located in Kelby Park, which is approximately 630 feet north of dissolved Covina RDA, Project Area No. 2. The Covina Senior Citizen and Community Center will be a City-owned facility that will be open to the public and will provide a wide range of activities and programs, including dedicated programs and activities to Covina Senior Citizens.

In general, the benefit to dissolved Covina RDA Project Area No. 1 is as follows:

- Covina residents who live and work within the boundaries of dissolved Covina RDA Project Area No. 1 will have access to all the programs and activities available within the proposed Covina Senior Citizen and Community Center;
- The Kelby Park location is the most feasible development site available for construction of the Covina Senior Citizen and Community Center. The Kelby Park site is located in the geographic center of the City of Covina and has the most flexibility in regards to available space for the site location of the facility; and,
- The Kelby Park location is in close proximity to downtown Covina, which is the cultural, historical and emotional “hub”, and therefore easily accessible to downtown Covina.

○ Vita Pakt Project:

It is anticipated that a land use entitlement proposal will be received on the Vita Pakt properties (and very possibly including the adjacent Sprint Communications property). A portion of the Vita Pakt properties are adjacent to the Metrolink railroad tracks, immediately east of the Covina Metrolink Station. These Vita Pakt properties are “land locked”, in the only connection to the bulk of the Vita Pakt property having frontage on Barranca Avenue, is via an access easement over the LA Engineering property that is located adjacent to the Metrolink railroad tracks, with frontage on Barranca Avenue.
As a component of the Vita Pakt project, there are a number of potential benefits the City of Covina could receive from the proposed Vita Pakt project. There is approximate 2.5 acres of property immediately north of the Metrolink ROW and abutting the Covina Metrolink Station that is a strong candidate to be adaptively reused. At this point in time the aforementioned property could be obtained by a combination of negotiations with the developer, use of anticipated development impact fees and/or the use of economic development funding. The following features would benefit the City as part of any development agreement negotiations:

- Community recreation asset by adaptively reusing the existing easterly-most concrete packing house as a gymnasium and community meeting rooms, and Parks and Recreation offices;
- Economic development opportunity to create a unique and vibrant specialty retail and food venue that will both raise the regional profile of Covina and also attract people to the downtown area;
- Adaptively reuse the existing wooden parking house structure to become a new “Technology incubator and Maker Space facility” to create contemporary “shared space” employment, job creating and entrepreneurial venue increasing the day-time professional population to the downtown area; and,
- Add a new community recreation amenity of a dog park (not necessarily located in the Metrolink ROW adjacent property).

o Public space enhancements:

The area within what is designated as the Covina Town Center Specific Plan roughly resemble those portions of the land area of Dissolved Covina Redevelopment Project Area Nos. 1 and 2 within the Covina downtown area. Upgrades, enhancements, deferred maintenance efforts and other improvements to the public spaces within the Covina downtown area would directly benefit the Dissolved Covina Redevelopment Project Area No. 1 as follows:

- Public Alleys. The improvements of the public alleys are necessary in order to increase the viability of their use as pedestrian linkages. Said improvements may include the following features:
  
  ✓ Decorative upgrades/improvements to the surface of the public alleys, especially for the “east/west” oriented alleys;
  ✓ Incorporation of decorative pedestrian-oriented lighting within, over or adjacent to the public alleys to create a more inviting pedestrian experience;
  ✓ Purchase façade easements from properties abutting key portions of the public alleys in order to facilitate the installation of murals and other public artwork;

ATTACHMENT A
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✓ Extension of electrical power outlets to key locations within the public alleys that would enable special events or similar activities to utilize portions of the public alleys; and,
✓ Installation of wayfinding signage and other visual “branding” and informational signage and “placemaking” icons.

- Public Streets and Sidewalks. Upgrades, improvements, new construction and addressing some deferred maintenance issues to the public streets and sidewalks are desirable as follows:
  ✓ The extension of the unique downtown sidewalk design north and south of the current downtown “core” would create a stronger visual and experiential “link” with the southerly end of the downtown and the Covina Metrolink station;
  ✓ Continue the decorative intersection treatments onto other Citrus Avenue intersections north and south of the “core” downtown district. Convert the Citrus Avenue/College Street intersection to a “scramble” intersection. Plan for the future conversion of the Citrus Avenue/Badillo Street and the Citrus Avenue/San Bernardino Road intersections into “scramble” intersections;
  ✓ Upgrade the existing decorative street lamps within the downtown district and extend the decorative street lamps to include the ability to display decorative and seasonal banners and hanging flowering elements;
  ✓ Install decorative and illuminated “public parking” directional signage to direct motorist to the public parking lots;
  ✓ Install “wayfinding” and “branding” features to guide motorists and pedestrians to key downtown destinations; and,

  o Placemaking:

The installation of “Placemaking” features would increase the visual appeal, uniqueness, spatial quality of the downtown district. The proposed “Placemaking” features are as follows:

- Gateway Archway. Two (2) “Downtown Gateway” Arch features spanning Citrus Avenue on the north and south ends of the downtown area (exact location to be determined). The Gateway Archways would provide a significant visual identification of the downtown district and create a “sense of arrival” and a “sense of place”. Increasing the visual “branding” of the downtown and “placemaking” will result in the public’s awareness of the downtown Covina “destination”, which will increase the economic vitality of downtown Covina and dissolved Covina RDA Project Area No. 1.
• Wayfinding and branding. Wayfinding signage and the incorporation of consistent and repetitive “branding” graphics will reinforce the downtown Covina “destination” and “place”. In addition to providing informational assistance to visitors, such as the location of key infrastructure such as parking, public facilities and significant venues (such as the Covina Theater), the Wayfinding signage increases the public’s visual sense of “arrival” within a special location within Covina, and overall create a higher level of awareness of geographic destination.

○ Parking Lots:

The existing public parking lots need to be aesthetically upgraded to be consistent with the incorporation of the Wayfinding signage and improvements to the alleys. Aesthetic improvements include increasing and improving landscaping, decorative lighting, clearly delineated pedestrian travel paths, bicycle parking areas, addition of electric charging stations, improved trash enclosure, information signage and decorative paving treatment. Improvements to the public parking lots will increase the desirability to the public of using the public parking lots, which will translate into a better visitation experience for the public. Furthermore, significant aesthetic upgrades to highly visible parking lots, such as the public parking lot adjacent to the northside of Badillo Street, west of Citrus Avenue, will elevate the public’s positive impression of downtown Covina.

• Rear façade treatments. As with the alleys, where feasible, purchase façade easements from properties abutting key and highly visible portions of the public parking lots in order to facilitate the installation of murals and other public artwork. The incorporation of murals and other decorative façade upgrade treatments to building facades abutting the public parking lots will create a more vibrant downtown destination and elevate the public’s feeling of arrival at a special “place”.

○ Repair/Upgrade to the Large Banner Poles:

The repair and structural upgrade to the existing “large banner poles” that span Citrus Avenue and Badillo Street and allow for the display of significant community and civic events and information is important to the continued vitality of the downtown area; as the Covina community has historically sought out the display of community and civic information displayed by the banners.
Uses to be Researched

In addition to the aforementioned projects, it is proposed that the following activities and/or programs also be funded by the dissolved Covina RDA Bond Funds. However, additional analysis and research must be completed to determine if the following uses are legally permissible. Upon determining the ability to fund the following activities and/or programs with dissolved Covina RDA Bond Funds, then the appropriate findings will be prepared. If it is determined that the following activities and/or programs cannot be funded with dissolved Covina RDA Bond Funds, then these activities and/or programs will be eliminated or alternative funding scenarios will be explored.

- **Tenant Improvement Forgivable Loan Program (Economic Development Strategy):**

  In order to further encourage the reinvestment into the downtown area, which also benefits dissolved Covina RDA Project Area No. 1 and attract new businesses into the downtown area; a forgivable loan program for the purchase and installation of fixtures and equipment in conjunction with a tenant improvement project. The amount of the forgivable loan would be established by the City Council, but is envisioned to be in the range of approximately $50,000 to $100,000. The forgivable loan would be tied to the performance of the business in regards to sales tax performance and as the identified annual sales tax projection is obtained, a percentage of the forgivable loan will be “forgiven”, thereby reducing the loan balance. If the identified annual sales tax projection is not made, then the forgivable loan holder would have to pay the difference between the actual annual sales tax generated and the projected sales tax identified in the forgivable loan.

- **Special Studies, Analysis and other specialized work:**

  In order to facilitate the positive growth, land use transition and economic vitality of Covina, including the downtown Covina area, a detailed, pragmatic and fiscally achievable implementation plan need to be developed; specifically, an infrastructure implementation plan for the portion of the downtown area along the southerly side of the Metrolink tracks. Producing special studies, analytical work and similar studies require specialized experts. Funding to perform this work will benefit the downtown area and greater Covina by ensuring that important transformative land use and economic development concepts can be implemented.
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