

# CITY OVERCOMES DECISION ON REDEVELOPMENT AGENCIES

A year ago, Gov. Jerry Brown announced plans to dissolve redevelopment agencies statewide, which created a measure of financial chaos among city governments. Fortunately, leadership, planning, and a dash of fortuity put Rancho Mirage in a better position than most others.

Redevelopment work has had a dramatic impact on Rancho Mirage. The city's redevelopment agency helped fund significant projects including The River entertainment complex, Rancho Mirage Public Library, flood control facilities, senior housing developments, and the drive you enjoy down a widened Highway III with no

utility poles obstructing your view.

Almost two-thirds of the city was in the designated project area, including the entire prized Highway III commercial corridor. Of almost 400 redevelopment agencies in California, Rancho Mirage was the 22nd largest, with annual gross tax increment of more than \$49 million. This means the project area was generating almost \$2,800 a year per resident in redevelopment-based property taxes for various taxing agencies.

While the statewide ruling negatively affected the city's annual operating budget, there was even greater concern over uncertain access to approximately

\$50 million in existing bond money the city had planned to spend. "Access to these unspent bond proceeds is critical for us to move forward with community improvement projects for which there would be no alternate source of funding," says City Finance Director Isaiah Hagerman.

Rancho Mirage is among the first California cities to refinance bonds after the dissolution of the redevelopment agencies. The action allows the city to pave the way for street improvements, infrastructure projects, and the revival of a program to enhance commercial properties in and outside the original redevelopment project area.