



City of Grover Beach

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CITY OF GROVER BEACH ECONOMIC DEVELOPMENT EFFORTS WOULD BE HIT HARD BY GOVERNOR BROWN'S BUDGET PROPOSAL

GROVER BEACH, CA — According to Grover Beach officials, Governor Brown's proposal to eliminate redevelopment agencies would have devastating effects on the City's economic development efforts. Governor Brown included the elimination of redevelopment agencies as part of his attempt to balance the State's budget deficit – now estimated at more than \$25 billion dollars.

"The number one priority for the Grover Beach City Council is economic development. The elimination of the Grover Beach Improvement Agency would bring to a halt our recent economic development efforts. Annually, we have received a greater share of locally generated property tax through the Agency and have been able to use those funds to complete critical capital projects and economic programs that provide assistance to businesses and create jobs. All of this effort will be lost," said Grover Beach Mayor John Shoals.

He went on to add *"The attempt by the Governor to kill redevelopment represents the same old Sacramento budget tactics of raiding local government funds to solve the State's budget problems. This is the very thing that the recent voter-approved Proposition 22 was supposed to protect against."*

Annually, the City receives more than \$1.1 million dollars in revenue through the Redevelopment Agency. According to current state law, the implementation and operation of a redevelopment agency by a city enables the city to retain a higher percentage of the property tax in areas covered by redevelopment than would otherwise be possible. In areas not covered by redevelopment, the city can expect to receive between 15 to 18 cents out of every property tax dollar collected. In areas covered by redevelopment, the share of property tax retained can reach 60 cents on the dollar. The city then uses these funds for its economic development efforts. Examples of how Grover Beach has put these funds to work include the following:

- **\$1.8 million** in redevelopment dollars to match \$1.2 million in federal funds to restore the **bridge** providing access to the State beach and to complete the first leg of the **West Grand Avenue Storm Drain Project**.
- Approximately **\$30,000** in redevelopment dollars to complete the **Technology Master Plan** that will guide the installation of a high speed fiber network. This network will connect local businesses with overseas markets.

- Approximately **\$286,000** in redevelopment dollars to match \$1.1 million in federal grants in the completion of the **West Grand Avenue Enhancement Project**, which serves as a gateway to the City's downtown commercial core.
- **\$75,000** in redevelopment funds to support local businesses with a variety of initiatives and direct services, including: the Shop Local Program, Business Loan and Grant Program, Façade Improvement Program, Chamber of Commerce support, business organization support, and marketing.
- Approximately **\$500,000** to support a **Habitat for Humanity Project Affordable Housing Development** of four single-family homes and used another **\$164,000** in redevelopment funds to **repair and rehabilitate fifteen (15) other homes** owned or occupied by income-eligible residents.

"It is clear to see that these projects and programs have directly benefitted the community. These projects and programs would not have been possible without the support of the redevelopment agency," concluded Mayor Shoals.

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