

2019 State of the City Address

By

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Mayor of Riverbank

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Good evening. Senator Galgioni, Sheriff Dirkse, Mayor Young, Mayor McCarty, ladies & gentlemen; thank you for being here tonight. I wish to give a special thanks to our hosts Mr. and Mrs. Velasco for opening their beautiful Antiqua facility for tonight's event.

We say our good byes to Congressman Jeff Denham who has significantly assisted us in the partial transfer of the Ammunition Base. We welcome Congressman Josh Harder and look forward to finishing many projects while protecting our water rights. Adam Christiansen is out hunting and fishing while Sheriff Jeff Dirkse is transforming his department. We say good bye to Councilmember Leanne Jones Cruz and extend a welcome to Councilmember Luis Uribe.

CalTrans district 10 Director Mr. Dennis Agar moves up while acting director Mr. Dan McElhinney picks up the mantle. He and his staff will continue to work directly with Riverbank in the safety concerns along SR 108 and North County Corridor.

Senator Galgiani is our champion on water, public safety, education and many other areas. We recognize the tremendous support this community receives from Assemblymember Heath Flora not only on water issues but providing a voice for the valley. Our Supervisor Kristen Olsen gives our slice of the county relevance.

Thanks to all who participates in the many different aspects for our city. From Authority Members, Commissioners, directors, Advisory Committee, Representatives to the various groups and organizations that help develop policies and protect Riverbank's interests.

Your City Councilmembers are very dedicated and industrious who work hard in the many facets of municipal service and several are involved in forming policies at the state level through the League of California Cities. Our efforts these past six years are a set up for what will be a spectacular next two years. In moving forward we must always remember the past.

During the past 50 year the City of Riverbank expanded over 6 and ½ times. Many of the businesses have changed hands or dissolved. New businesses have arrived and many are thriving. Over the next fifty years new businesses will arrive and the challenges they face will be solved with our creative staff.

Many of our Religious Groups and non-profits have met the needs for Riverbank while new groups are added to their ranks. Generational changes have also occurred. With each new generation, new challenges will be answered by business solution technological advances, and governmental innovations. What will Riverbank look like in fifty years? The work we do today may not be realized for many years but the results will show our vision, and how strong we are in our preparations. Let's see where the future begins.

Riverbank Industrial Complex

The changes in the Riverbank Industrial Complex support building local businesses and fostering economic development. Under the guidance of Ms. Melissa Holdaway our Riverbank Industrial Complex is in a position to affect our future in an extremely positive way. Our business incubator has transitioned seven new businesses, two businesses are currently in transition and we encourage others who believe they can develop a business to try their hand here.

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We removed the roofing and siding on many buildings at the Riverbank Industrial Complex and mitigated soil contaminated with PCBs. We also completed replacing the roofing and siding with the Capital Improvement funds that we have set aside each year since 2010. Once remediation is complete, the remaining parcel will transfer to the City. The US Army and Army Corps of Engineering have agreed to the terms for the Feasibility of Early Transfer (FOSET). The US Environmental Protective Agency has yet to sign off on the FOSET but negotiations are reassuring. While timing of the transfer will be difficult to gauge, all the necessary legal paperwork is expected to be completed by mid-year. The transfer of the final parcel of property will require concurrence and the signature of the Governor.

The Local Redevelopment Agency (LRA) has also been in the process of purchasing surrounding sale parcel properties adjacent to the Industrial Complex for the overall success in our development.

The Local Redevelopment Agency released a Request for Proposal (“RFP”) for a Master Developer and has selected the candidate we feel will best meet the needs of the community and the Riverbank Industrial Complex. We have negotiated the term sheet and have a fully executed contract.

The Local Redevelopment Agency has obtained a new round of funding with the Office of Economic Adjustment (OEA) for the LRA operations.

Industrial Complex -Master Developer

The City received two highly qualified proposal for the Master Developer. After an interview processes and responses to additional questions the City is partnering with Aemetis Inc.

Aemetis is an advanced renewable fuels and biochemical company focused on the production through innovative technologies that replace traditional petroleum-based products. Livestock feed is a by-product.

Aemetis has already secured the Riverbank site, signed an ethanol agreement, entered into a 20-year fixed-price feedstock supply agreement, completed preliminary engineering, and obtained necessary environmental approvals. Aemetis is working closely with our staff to complete the design, engineering, and process through the City Planning and Building departments.

This is historic. Aemetis needs Riverbank to meet the mandates set forth in the Federal Renewable Fuel Standard and California’s Low Carbon Fuel Standard to improve air quality, reduce greenhouse gas emissions, expand domestic employment, reduce dependence on imported crude oil and attract investment into our industrial projects. This Plant will take eventually 1.6M tons annually of waste orchard, dead forest trees and other biomass that otherwise would be

burned and convert this waste into clean, low carbon biofuels. Planning documents are in the process of completion and if approved construction of the Riverbank plant may begin mid-year. Their total commitment is in excess of \$175M providing approx. 130 direct employees and over 1,800 indirect employees (drivers, transports, support staff). With the commitment of funding, long term contracts and proposed economic growth, Aemetis is the right choice for Riverbank Master Developer.

The biofuels plant is not the only project. Aemetis is committed to building the infrastructure at the Industrial Complex for future manufacturers and commercial projects. This Industrial Complex will be a major regional employer in very short order. PMZ Commercial Developer Mr. Cary Pope will be managing the Industrial Complex not associated with the biofuels plant.

The community has received a Federal BUILD (Better Utilizing Investment to Leverage Development) Transportation Grant of \$20M that is dedicated to the construction on a 3 miles segment of the North County Corridor. The EIR should be completed and considered in January 2020. If approved the 3 mile segment will start construction in 2022 to be completed by 2025. Future overpasses at Claribel and the BNSF rails will lessen the impacts with the tracks at Terminal Ave. The total cost of this 3 mile segment will be \$61M with additional State SB1 funding, local Measure L funds and Public Facility Fee's completing the funding source.

While the North County Corridor will impact the Riverbank Industrial Complex, the existence of the North County Corridor as a freeway adjacent to the site will have valued benefits. With existing rail services the possibilities are tremendous. The opportunities that are present at the Riverbank Industrial Complex are huge and nowhere in this region are opportunities as great as they are here in Riverbank. With the vision of the Aemetis Team, high paying jobs and a regional reach, the Riverbank Industrial Complex will ensure Riverbank will benefit well beyond the next fifty years.

Our Development Services Administration Manager Kathleen Cleek has been improving our roads and securing transportation grants. Her efforts provided funding for the Roselle & Claribel intersection now under construction and expected to be completed in 2 days, as well as the Patterson sidewalk project which has recently been completed. Measure L funding authorized by you – the voters, have improved 50 roads within our city this last year, and will allow an overlay on Claus Road this year and will complete additional crack seal and slurry seals on many other roads. In addition 8th Street from Patterson to Kentucky will be upgraded with a street overlay and full ADA improvements. The City has also partnered with St. Frances Catholic Church for a complete streets project on Callander to make the area more walkable for residents. Your Measure L monies are being used in the most efficient and effective way. Kathleen has been involved in the planning of regional road projects and looks forward in developing a non-motorized networks.

Annexation Strategy

Our Planning Manager Donna Kenney has been busy with the housing planning and construction of over 300 homes on the east side of the city and is in the process of bringing our annexation

strategy forward. Our Crossroads West specific plan is completed and will come before the City Council for consideration.

If approved, the project is 380 acres of contiguous properties south and west of the existing city boundaries. Highlights of the project include:

- Expansion of our Sports Complex to a 22 acre Regional Sports Complex
- 59 acres of Commercial with up to 550,000 square feet of retail space
- Two schools
- Fire station
- 2400 homes of varying density
- Parks

This project is building on the successes of the current Crossroads with improvements in the quality of life features are being emphasized. Browman Development built the current Crossroads Shopping Center and will build out the Crossroads West Shopping Center. Browman will continue to manage both centers. The retail will complement the existing Shopping Center and continue to attract businesses that will thrive.

The Federal Government, specifically the US Environmental Protection Agency has instituted MS4 which is the elimination of pollutants from waterways by storm water runoff. All storm water must be captured and treated prior to discharge in our waterways. Our developments are complying with this law while we are still building a regional storm water storage system which will take most of the storm water runoff and recharge our Aquifer.

The bottom line is that we will continue to conserve our water resources. As we continue to develop the required housing we need, we will find the way to capture all waste water and treat it to be reintroduced to the aquifer or transfer for agriculture use. Public Works Director Mr. Michael Riddell received a grant to develop a Proof of Concept for a tertiary plant with regional implications. With all the reuse of water, storm water capture – we will be replenishing the aquifer with more water than we use.

Governor Newsom announced several key appointments to help tackle some of the state's most urgent issues: meeting the most diverse water needs; boosting economic development across California; and bolstering the education system.

His appointments of Bill Lyons as Ag liaison and Joaquin Esquivel as the Chair of the SWB are most positive. Governor Newsome also declare a severe housing shortage throughout California.

Strategic Financial Planning

Our Assistant City Manager & Finance Director Mrs. Marisela Garcia Financial Review looked out to the next five years identifying our revenue sources and obligations. We analyzed the threats to our income as well as our opportunities to increase revenue streams.

While our reserves are stronger than anticipated, this has been due to frugal spending, careful planning and tremendous increase in sales taxes. There are still uncertainties. Our contract for Riverbank Police Services have increased by 10%. CalPERS Retirement costs will continue to increase significantly in the upcoming years. We are currently paying an additional unfunded

liabilities to CalPERS and their recent investments are reported to be less successful. Case in point: In 2014 we paid \$385K to CalPERS or 13% of our payroll and this coming year we will be pay \$713K or 21% of our payroll to CalPERS. Our unfunded liabilities have increased from \$1.8 M to \$6.1M through 2040. 72% percent of our General Fund is used for salaries and benefits and will continue to increase.

I would like our City employees to know that the City Council truly appreciate their partnership during the latest contract negotiations which has contributed greatly in the city's sustainability. We have a four year contract with the employees with an agreement to form a sub-committee that will look at alternatives to CalPERS. This subcommittee will provide the start of contract negotiations in 2021.

We are in discussions with the County for property tax sharing agreements. When a property is annexed to the city, the county will keep that current property tax or baseline. The improvements to the annexed properties made at the city risks then assessed an increased tax value. Special districts and schools receive approximately 80% of the above baseline tax value. The remaining tax revenue is split 13.4% county and 6.6% City. While the county needs to provide for Services County wide, the City has more of the burden than proportioned. We are currently discussing with the county for a more equitable tax sharing solution. One that will not burden the county, but a better arrangement that can help the city remain sustainable. While the talks are informal the latest comment by the county is to award those cities that do what the county wants with a merit benefit in tax sharing. While this comment seems harmless it would set a very bad precedent.

Riverbank Police Services

In 2018 Riverbank has enjoyed reduced crime numbers overall. RPS has a relatively high clearance/arrest rate. In 2018 Riverbank Police Services generated over **14,600**. These case numbers include a wide variety of police activity ranging from dispatched calls for service to self-initiated activities, and from the simplest of encounters to very complex, time consuming investigations. During the year Riverbank Police Services Deputies made **545 custodial arrests**. The majority of these arrests were for property crimes, drug related crimes and for warrants. Crimes against persons/crimes of violence made up the minority of arrests.

I am very proud of our association with the Stanislaus County Sheriff Department and extremely proud of the work accomplished by the Riverbank Police Services. The Sheriff's Department provides great services above and beyond our contract if needed. They have a world class SWAT; their rescue and recovery services are the best in the region. While I have stated our Riverbank Police Services Contract with the County has increased 10% with little debate we are down 27% in sworn officers. The County is struggling to fill their rank and file. Recent policy shifts and the 10% pay increase may help but we must wait and see. However, we are looking

for other ways to bolster our police services elsewhere without jeopardizing our reserves. This is worth exploring as cost continues to increase while services are being stretched.

Homeless

Homelessness and homeless issues are not just a county or a city issue, it is a societal issue. Our entire community must become involved to solve Homelessness!

Our community is struggling with housing – transitional housing for the homeless, low income housing, housing in general. In fact, this county must have an additional 21,000 homes built by 2022. We may not meet this goal established by Housing and Community Development (HCD). However, we need to make an effort. Affordable housing is greatly needed. What is needed to build affordable housing, is funding. The State has set aside funding for affordable housing and we will take advantage of that offer.

Last year the 9th Circuit Court of appeals issued a ruling that in effect allows homeless population access to public lands if no facility to house the homeless exist. The State is offering assistance to those declaring homelessness a crisis. The county, this city and six other county cities declared homelessness a crisis. Collectively a grant to help homeless programs of \$7.2 million was received. \$500,000 will be set aside for programs and street outreach. What Riverbank receives will depend on our program. What we don't want is homeless invading the Parks or other public facilities and lowering the quality of life for all. The county suggest we provide a low barrier shelter – I am opposed to that concept. A low barrier shelter will allow for drugs, weapons, animals unfettered access to the shelter. These are Liabilities that does not address the problem.

We have a great group of non-profit and faith based community religious leaders, and Community Service organization that support many of the community needs. Together we discussed our homeless issues and plan to take action this year.

My strategy is to provide a HOST House style facility for the needs of Riverbank. This will be a transitional housing. Educational Programs through the Cambridge Academy will offer life skills and training that could lead to employment. A Low Income Housing program for those who transition successfully will be required. Together, with the nonprofits, faith based organizations, Housing Authority, City and County we can design a program that fits Riverbank, to provide relief to those who seek it, and provide a roof for those in need.

We have had great success in Affordable Housing. The apartments on Claus and Patterson and the newly constructed one on Claus and California should be duplicated as much as possible. In our requirements we must also meet the needs of migrant farm workers' housing. If we can accomplish this we can use this housing as temporary housing for the homeless in the winter months.

City Buildings Improvements

Fifty years ago, our City Leaders accomplished a tremendous task of securing funds for the Community Center, Swimming Pool, and Park. The total cost of this complex was \$400,000 which included the purchase of the land. On August 17th, 1968 a dedication ceremony was held for the completion of all the projects. During the ceremony our leaders placed a time capsule in the corner stone of the Community Center with directions to open and display its contents on this date 50 years later.

During our preparations for opening the capsule; it was discovered there were no contents in the capsule. Whether it was by design or by other influences, the intent of those leaders were to have certain items in the capsule for display. While those items are lost, the community center is currently being renovated to be preserved for the next fifty years. When we re-dedicate the Community Center we will have items in the Capsule – I guarantee it! Funds are being sought for upgrades to the Swimming Pool facility. Scout Hall will follow.

Spatial Analysis

Several years ago there was an incident that identified the great need for increased security for City Employees and for those doing business at City Hall. While surveying the City Buildings, our City Manager Sean Scully, realized that employees were working over each other. We are conducting a Spatial Analysis to determine the current needs, near term needs and the needs fifty years out. We will also determine the funding required and the method of payment. This includes Police Service Facilities.

Cannabis

We authorized two Cannabis Dispensaries and place a one year moratorium on additional dispensaries until an evaluation on the effects of their operations are on their neighbors and the city. While Cannabis Dispensaries are now part of the landscape, the perceived disruptions and open public use of cannabis did not materialize. The retail Properties they occupied have been improved and City safety revenues increased. The black market for marijuana has been reduced but CM and H has not yet been affected. This trend was expected but new users of the harder drugs will be lessened as fewer contacts with dealers are anticipated.

The moratorium has been extended and may eliminate future dispensaries and reduce the city's revenue for security possibly reverse the current trends. There are many illegal acts from those on an independent purchase programs. The Public use of cannabis that is open are mainly from non-retail operations and have zero quality control. Other activities in Riverbank discovered illegal cultivation of marijuana. Approximately 350 pounds of unprocessed plants were confiscated. The residences were arrested for the illegal grow.

While Prop 64 allows for local control of the cannabis industry, the State is looking to regulate deliveries in local communities. We take offense to the method of change without consultation. This month the City of Riverbank will join cities and counties across California in filing a

lawsuit against the Bureau of Cannabis Control (BCC) to challenge the adoption of this cannabis regulation. This illegal regulation will allow the delivery of cannabis in every city and county in the State of California, even in jurisdictions that prohibit these deliveries. The BCC adopted this regulation despite the fact that Prop. 64 specifically preserves the power of local jurisdictions to regulate and even ban cannabis deliveries. This lawsuit is being filed to protect local control and the voters' intent when they voted for Prop. 64.

Quality Events

Under Parks & Recreation Director Sue Fitzpatrick leadership we had another successful Annual Cheese & Wine Festival with more attendees than prior years. This event is more family orientated and diverse. Each year we improve the event and this upcoming event will be even better.

Our Recreation programs were extremely successful and had record enrollment numbers. Some highlights were the Sharks and Mermaid swim program for the kids in the Autistic Spectrum and the drum circle for special needs. Our Halloween Hay Ride continues to excite and thrill – some of the thrill seekers come annually from as far away as Merced and Tracy! Our annual Christmas Parade continues to be popular – the big man himself always shows up to kick off his season. This last parade had three marching bands, floats and the best flag bearers. Our Memorial Day Ceremony was very well attended. This year we will have a few special guest and it will touch all that attend.

WHAT TO EXPECT

We received a grant of \$352,000 for renovations to the Riverbank Community Center and began construction. Most of the needed renovations will be completed while funding for the kitchen is being sought.

Love Riverbank is returning on April 13th. One Church will be the host and lead in our effort to improve Riverbank.

Over the next few years we will remain vigilant and defend our rights as a community from the State grab of funds, water or any other undue burden that does not provide a clear benefit to Riverbank.

- We will continue improvement of our transportation and road systems while providing friendlier bike and pedestrian pathways.
- We will continue to provide the best in our parks and activities for our youth to enjoy so they can grow in a safe environment. We will seek funding to improve existing facilities.
- We will complete the Citywide Park Master Plan so as the City grows we secure the open space, sports fields, aquatic complex and other facilities we need.

- We will seek communities input to Prop. 68 The statewide Park Development and Community Revitalization Program on four projects that meet the criteria but most importantly the needs of Riverbank.
- We will lease acreage of Army Corp property adjacent to Jacob Myers Park to extend Pedestrian/bike trail.
- We will identify new sources of revenues to fully staff our police force, Planning department, Human Resources, Economic Development, Code Enforcement, and Parks and Recreation
- We will continue with quality developments and forming partnerships with businesses locating in the Riverbank Industrial Complex and throughout Riverbank.

In the near term we are exploring community communications outreach with electronic informational signs, allowing food trucks, installing traffic monitoring systems, and exploring a dog park location.

You can see that there is a vision for our future as we continue to move forward in planning, development, and improvements. Our city is much better off than when I first gave this address. There has been great strides in retail additions, housing improvements, potential growth, Cooperation with other government agencies and much richer in community events.

The state of our city is strong. In only one way is the state of this city poorer and that is because we lost one of Riverbank best friends and supporter – Scott McRitchie. He contributed to our community through his guidance in our Housing Authority, Friends of Jacob Myers Park, Feeding those in need, and many other community activities. Scott was a humanitarian who gave much to this community. His contributions will long be remembered. This city has lost others major contributors, leaders, entrepreneurs, fellow worker, and pioneers in our city and they will be truly missed.

To keep the City strong Riverbank City Council will continue to look to the future and evaluate what we must do today. To do all this we must rely on a superior staff. The City of Riverbank is supported by the best staff, not only in this county but in our region. I look forward to the next two years that will set the stage for the next 50 years. God Bless Riverbank. Thank you and good night.