

**LODI CITY COUNCIL  
SHIRTSLEEVE SESSION  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, MARCH 3, 2020**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, March 3, 2020, commencing at 7:04 a.m.

NOTE: Council Member Mounce participated via teleconference.

Present: Council Member Mounce, Mayor Pro Tempore Nakanishi, and Mayor Kuehne

Absent: Council Member Chandler

Also Present: City Manager Schwabauer, City Attorney Magdich, and Assistant City Clerk Farris

B. Topic(s)

B-1 Receive Overview of Opportunity Zones (CM)

Business Development Manager Astrida Trupovnieks provided a PowerPoint presentation regarding opportunity zones (OZ). Specific topics of discussion included description of OZ, selection process, creation, Qualified Opportunity Fund, benefits of investing in a fund, city benefits, incentives, Lodi OZ map, Sacramento OZ project, Northern California OZ projects, OZ program in California, wide-ranging projects, and development prospectus.

In response to Mayor Pro Tempore Nakanishi, City Manager Schwabauer stated the major expense behind producing a prospectus would be staff time; there may be other expenses associated with production of materials, but the partnership and the Chamber would be of significant assistance to the City.

In response to Mayor Pro Tempore Nakanishi, Ms. Trupovnieks explained the City's participation would be through stacking of incentives, such as assisting in application for new market tax credits or low-income housing tax credits, and the development of local incentives; this is a private sector initiative.

Council Member Mounce commented that getting these projects off the ground is key, otherwise the opportunity for the capital gains deferral is missed. She further commented that she would not be in favor of adding low-income housing on the Eastside, except for along the railroad tracks for workforce housing next to the train station. In response, City Manager Schwabauer confirmed the Transit Station is not within the OZ and the passenger portion of the rail service will be moving, but he further stated that there is other transit in the area, such as Greyhound, the City transit system, and the Regional Transit District.

Council Member Mounce stated that the Eastside would benefit most from broadband deployment, the expansion of hospitality and industrial businesses, and the addition of senior and veteran housing.

In response to Mayor Kuehne, Ms. Trupovnieks confirmed that real estate acquisition is central to the program; development does not need to take place solely on vacant property.

In response to Council Member Mounce, Ms. Trupovnieks stated that she plans to meet with local businesses during the prospectus process.

Ms. Trupovnieks invited Bob Gutierrez, Interim President of the San Joaquin Partnership, to speak. Mr. Gutierrez stated he has been involved with the City of Stockton's prospectus; developers are now beginning to invest, so this is an opportune time for Lodi to become involved; the State did not pass the conformity bill last year, but there is a push to pass it this year with the focus on affordable housing and renewable energy; San Joaquin Partnership is working with the City, the Chamber, and the Business Council to put together an investment tour, and OZ will become part of that; and the Partnership is committed to helping put together the prospectus.

Mike Rudé, member of the public, stated that he is a real estate broker, and questioned what needs to be done to avoid the delay experienced by City of Stockton and to get the OZ going more quickly in Lodi. Ms. Trupovnieks stated that the first step is the prospectus; and the second step is promoting the zone to potential developers, which has already been set in motion. City Manager Schwabauer confirmed that one benefit expires but other benefits do not; he further stated Stockton is not necessarily at fault for not having a project currently going; there is a host of factors that influence investment based on developers' different needs and desires for their projects.

Council Member Mounce stated that in regard to the range of projects, the Heritage District/Eastside has the majority of Lodi's affordable housing, and to add more low-income housing would be a mistake, as that concentration causes slums over time. She stated she would be an advocate of rehabbing existing housing or replacing housing with the same use, but she would be concerned with added new use for apartments.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 7:54 a.m.

ATTEST:

Pamela M. Farris  
Assistant City Clerk