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Staff Report

ITEM 6

To: Lemoore City Council/Successor Agency Board
From: Judy Holwell, Project Manager 
Date: September 12, 2013
Subject: Long Range Property Management Plan for
Properties of the former Lemoore Redevelopment Agency
as required by California Health & Safety Code Section 34191.5

Discussion

As required by the State of California Health and Safety Code (HSC) Section 34191.5, all redevelopment agencies in California are required to submit a Long Range Property Management Plan (Plan) to the California Department of Finance (DOF) within six (6) months of receiving their Finding of Completion. The City of Lemoore as Successor Agency to the former Lemoore Redevelopment Agency (Agency) received its Finding of Completion on June 7, 2013. Submittal of our Plan, which must address the disposition and use of real property, is therefore due to the DOF no later than December 7, 2013.

On August 22, 2013, our request to transfer Government Purpose Properties to the City of Lemoore was approved by the DOF, which leaves the Agency with 11 remaining parcels. As shown in the attached Plan, all of the parcels are located in the Lemoore Industrial Park and are vacant land. Each of these parcels were acquired for economic development purposes and are zoned Light Industrial, with the exception of one lot, which is split approximately fifty-fifty between Light Industrial and Regional Commercial.

HSC Section 34191.5(2) addresses the permissible use of agency properties, which includes the following:

1. Retention of property for governmental use
2. Retention of property for future development
3. Sale of property
4. Use of property to fulfill an enforceable obligation

Since all of the Agency's remaining parcels were purchased for economic development purposes, the Plan lists future development as the permissible use, which includes any

and all allowed uses identified in our Lemoore Municipal Code for the above stated zoning.

Council is asked to review and approve the Plan and direct staff to present it to the Oversight Board for approval, as required by HSC Section 34191.5(b). Once the Plan is approved by the Oversight Board, it must be forwarded to the DOF for final approval.

Following final approval by the DOF, the properties are to be placed in a Community Redevelopment Property Trust Fund to be administered by the Agency in accordance with the approved Plan. Properties are then to be sold in a manner aimed at maximizing value with the proceeds from each sale being remitted to the Kings County Auditor-Controller's Office for distribution to the taxing entities. All properties are required to be appraised prior to sale and require approval of the Oversight Board and the DOF. If the City desires to purchase any of the properties, the same process is to be followed.

As many of you know, the Agency had accepted an offer on two parcels in the Lemoore Industrial Park, when AB 1484 was signed into law, which among other requirements, forbade agencies from selling any properties. The sale of the two parcels would have brought a new, revenue generating, business to Lemoore. Unfortunately, the agreement for the transaction was in the process of being prepared and was not fully executed. A letter was sent to the DOF requesting a one-time authorization to complete the transaction. However, our request was denied. Now that we are close to having an approved Plan, if the business is still interested in acquiring the lots, staff will order an appraisal and proceed with the required process.

Budget Impact

The Successor Agency receives \$250,000 per year for administering the winding down of the Redevelopment Agency. Expenditures required for the sale of the 11 parcels, such as appraisals, will be paid from this source.

Recommendation

Approve the Long Range Property Management Plan and direct staff to present it to the Oversight Board for approval.