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Successor Agency

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Staff Report

ITEM 6

To: Oversight Board for the Successor Agency to the former Lemoore Redevelopment Agency

From: Jeff Britz, City Manager

Date: June 20, 2012

Subject: Resolution to Approve and Direct the Successor Agency to Transfer the Properties Used for Governmental Purposes

Discussion

AB X1 26 states that successor agencies shall dispose of assets and properties of the former redevelopment agency as directed by the oversight board expeditiously and in a manner aimed at maximizing value. Additionally, the law provides direction for properties used for governmental purposes. Section 34181(a), states that as an alternative to selling the properties, oversight boards may direct the successor agency to transfer ownership of assets that were constructed and used for governmental purposes such as roads, school buildings, parks, and fire stations, to the appropriate jurisdiction pursuant to any existing agreements relating to the construction or use of such assets.

Three of the properties of the former Lemoore Redevelopment Agency that are for public purposes are identified in Exhibit A attached. These properties, in their present condition, have little or no value and the City's intention is to maintain them for the benefit of the public. This subject was discussed during the last Oversight Board meeting, which was held on May 24, 2012. All members in attendance were in favor of transferring the public use properties to the City of Lemoore provided that the properties remain a public use. The Oversight Board directed staff to prepare a resolution to direct the Successor Agency to transfer the properties and describe the intended use.

Three other parcels owned by the former Lemoore Redevelopment Agency are also for the public benefit and are intended for the future site of the Lemoore Little League Park. However, there is underground contamination and the site is undergoing remediation. Redevelopment agencies were provided protection through the Polanco Act and currently successor agencies do not enjoy the same protection. There is a bill being considered – the Governor's Budget Trailer Bill for AB X1 26 – which includes such protection. Until such time that a new law is passed, the Successor Agency may have more immunity from suits than the City. These properties may be brought back to the Oversight Board for consideration at a later time.

All six properties are identified as Capital Assets in the map provided for the last Oversight Board meeting and can be viewed at:

http://www.lemoore.com/successor_agency/ob/agendas/2012/may24/data/5_24_12_ob_item_5_3.pdf

Attached is Resolution No. 2012-07 which formalizes the Oversight Board's approval and direction to the Successor Agency to transfer the public use properties to the City of Lemoore. Upon approval by the Oversight Board, this item will be taken to the Lemoore City Council for acknowledgement by resolution that the properties will continue to be used for the public's benefit.

Budget Impact

The taxing entities will lose their share of revenue that may be gained by selling each of the properties to a private entity.

Recommendation

That the Oversight Board for the Successor Agency to the former Lemoore Redevelopment Agency adopt Resolution No. 2012-07 formalizing its approval and direction to the Successor Agency to transfer title of the three public use properties, identified in Exhibit A, to the City of Lemoore for the benefit of the public.