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Successor Agency

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Staff Report

ITEM 7

To: Oversight Board for the Successor Agency to the former Lemoore Redevelopment Agency
From: Jeff Brittz, City Manager
Date: June 21, 2012
Subject: Property Maintenance

Discussion

During the May 24 Oversight Board meeting, the Board discussed disposing of former Lemoore Redevelopment Agency properties. It was decided that those properties being used for governmental purposes would be transferred to the City of Lemoore and those properties currently being marketed for economic development purposes would be disposed of as quickly as possible as appropriate offers to develop are received and the sales price negotiated. The decision not to sell the properties in a 'fire sale' was reached in order to generate the greatest amount of revenue for the taxing entities.

Section 34177(e) of the Health and Safety Code requires the disposal to be done expeditiously and in a manner aimed at maximizing value. Until such time that the properties are disposed of, successor agencies have an obligation to properly maintain them. In Lemoore, property owners are obligated to properly maintain their properties, which also will help to maximize the value.

Parcels owned by the former Lemoore Redevelopment Agency are primarily vacant and require continuous weed abatement for fire control. An estimated annual amount of \$8,000 to maintain the former Lemoore Redevelopment Agency properties was included in the Recognized Obligation Payment Schedule (ROPS), which was approved by the Department of Finance for the next six-month period. In the past, weed abatement has been performed by outside contractors. At the time redevelopment was eliminated, the Redevelopment Agency did not have a signed agreement. The work had been provided based on written bids received and a follow-up phone call asking the low bidder to begin abating the properties.

Staff recommends accepting bids for the maintenance of any properties that are still an obligation of the former Lemoore Redevelopment Agency. Contractors will be required to bid the job on a per acre cost basis to include the maintenance of all currently owned Redevelopment Agency properties for up to a 24-month period on an as needed basis. As individual properties are disposed of, abatement will no longer be required. Bids will be reviewed for experience and ability of the contractor to perform the required work

using his/her own equipment. A contract will be awarded based on the bid with the lowest cost that also meets the criteria listed above.

In order to expeditiously comply with the City's property maintenance standards, staff is requesting that the Successor Agency be granted limited authority from the Oversight Board to enter into a contract for property maintenance. The delegation of this contracting authority will avoid delays in meeting the Successor Agency's obligation to keep the properties in compliance. In addition, the contract amount will be added to each six-month ROPS for your approval.

Budget Impact

The new contracted amount will be added to each six-month ROPS.

Recommendation

That the Oversight Board authorize the Successor Agency to enter into a new agreement for property maintenance for properties owned by the former Lemoore Redevelopment Agency to maximize the value, and include such cost in each six-month Recognized Obligations Payment Schedule.