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Oversight Board

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Staff Report

ITEM # 4

To: Lemoore Oversight Board
From: Jeff Laws, Acting City Manager
Date: April 22, 2013
Subject: Adoption of Resolution No. 2013-05 transferring the Governmental Purpose Properties of the former Lemoore Redevelopment Agency to the City of Lemoore pursuant to Health and Safety Code Section 34181(a)

Discussion

On June 28, 2012, the Lemoore Oversight Board met and took action to transfer the government use properties to the City of Lemoore. However, following the meeting, we were informed that the Governor had signed into law AB 1484, which changed the requirements to dispose of former redevelopment agency properties.

Health and Safety Code Section 34181(a) requires the Oversight Board to direct the Successor Agency to transfer ownership of those assets that were constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, and local agency administrative buildings, to the appropriate public jurisdiction. The following Lemoore Redevelopment Agency (RDA) properties are currently being used for governmental purposes or are intended for such use:

<u>Item #</u>	<u>APN</u>	<u>Location/Purpose</u>
1	023-290-031	Park/Ponding Basin – Re: 19 th Avenue Interchange
2	023-400-001	400 S 19 ½ Avenue – Future Little League Park
3	023-400-002	500 S 19 ½ Avenue – Future Little League Park
4	023-400-003	500 S 19 ½ Avenue – Future Little League Park
5	023-430-010	19 th Avenue – Youth Sports Complex
6	023-450-015	19 ½ Avenue – Ponding Basin behind CA Storage

The following is a brief description of each property. Additional supporting documentation for each site is on file at City Hall and will be forwarded to the California Department of Finance (DOF) with this Staff Report and Resolution following the Board's approval.

Item #1 was purchased to replace that portion of the park/ponding basin that was taken for the SR 198 at 19th Avenue Interchange Project. The property was purchased in 2010 and is approximately 1.15 acres. The park/ponding basin is a benefit to the public.

Items #2, #3, and #4 were purchased for the future site of the Lemoore Little League Park. Currently, the three parcels, totaling 9.1 acres, are the site of a brownfield contamination remediation project and have little to no value in their present condition. Redevelopment agencies were provided protection for sites such as these through the Polanco Act. AB 1484 extends that same protection to successor agencies, but not to cities. A further review of this subject has discovered that since this project is currently being remediated through the State Superfund, the owner of the property is protected until the remediation is finished and the case is closed. Our City Attorney advises that there is some risk to the City but the risk is known and likely manageable. The City Attorney's opinion is based on the April 10, 2013 letter from Associated Soils Analysis, Inc., which indicates that most of the remediation work is finished on the site. The letter also indicates that an additional 18-24 months will be needed to complete the remediation efforts and that funding is likely available to complete the remaining work. Therefore, these three parcels should be transferred to the City for the public's benefit.

Item #5 was purchased from the City of Lemoore in 1990 for the purpose of constructing a youth sports complex. In 1995 the facility opened and has been home to the Lemoore Sports Complex since that time.

Item #6 was purchased from Frank Silva in 2002 for the purpose of creating a ponding basin for the adjacent housing subdivision. In 2004, three of the 12.61 acres were sold to a mini storage business. The remaining 9.61 acres are still being used for storm water runoff, which is a benefit to the public.

There are 11 additional parcels that will be retained until such time the Successor Agency performs all of the requirements in AB 1484 associated with winding down the former Redevelopment Agency and DOF issues a Finding of Completion (FOC). After receiving a FOC, the Successor Agency has six months to approve and submit to the DOF a Long-Range Property Management Plan (LRPMP).

Following the Board's action on the transfer of the government purpose properties, staff will prepare the LRPMP for presentation to the Successor Agency and will bring it to the Oversight Board for approval after receiving the FOC. After DOF approves the LRPMP, the properties can be sold in a manner aimed at maximizing value, with the proceeds being distributed proportionately between the taxing entities. The law does not provide a deadline in which DOF has to approve the LRPMP. However, DOF has indicated it "will conduct the review of the plans as they are submitted on a flow basis."

The following link identifies the location of all the properties owned by the former RDA: http://www.lemoore.com/successor_agency/ob/agendas/2012/may24/data/5_24_12_ob_item_5_3.pdf.

Attached is Resolution No. 2013-05 directing the Lemoore Successor Agency to transfer the governmental use properties listed above (and shown in Exhibit A) to the City of Lemoore to be used for public purposes, which includes language that the

properties are to be used for public purposes for the foreseeable future. Following approval of the transfer by DOF, the Lemoore City Council will adopt a resolution indicating that the properties will continue to be used for the benefit of the public and approve a Certificate of Acceptance.

Actions of the Oversight Board are subject to review by DOF pursuant to HSC Section 34179 and shall become effective five (5) business days following such action, unless during the five day period, DOF requests a review, then it has 40 days. However, pursuant to HSC Section 34181(f), DOF may extend its review period by up to 60 days for property transfers. All property transfers require at least 10 days' notice to the public. Such notice was posted on April 24, 2013 in the Hanford Sentinel, at City Hall, and on the Successor Agency's website.

Budget Impact

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

Recommendation

That the Lemoore Oversight Board for the Lemoore Successor Agency to the former Lemoore Redevelopment Agency adopt Resolution No. 2013-05 formalizing its approval and direction to the Lemoore Successor Agency to transfer title of the six properties identified in Exhibit A to the City of Lemoore to be used for governmental purposes.