

Mayor
William Siegel
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Lois Wynne
Council Members
John Gordon
Eddie Neal
Willard Rodarmel



**Office of the
City Manager**

119 Fox Street
Lemoore ♦ CA 93245
Phone ♦ (559) 924-
6704
FAX ♦ (559) 924-9003

Staff Report

Item 5

To: Lemoore Oversight Board
From: Judy Holwell, Project Manager 
Date: February 20, 2014
Subject: Resolution No. 2014-05 Approval of a revised 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 (LRPMP) 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. Subsequently, on September 26, 2013, the Oversight Board approved a LRPMP and the Successor Agency submitted it to the DOF for approval.

Recently, DOF staff reviewed our LRPMP and requested clarification as to our use of the term "Future Development" in the Permissible Use column. It was explained that the Successor Agency intends to sell the property for future development. DOF staff explained that "Future Development" is the term to be used when the Agency will retain property and use Agency funds for the development. (Some agencies have bond proceeds available from bonds issued prior to January 1, 2011 that can be used for such development.) DOF staff indicated that the proper term to use is "Sale of Property", which indicates that we intend to sell the property to another entity. We were asked to make the minor change to our LRPMP, obtain approval by our Oversight Board, and resubmit it to DOF for approval.

Since all of the Agency's remaining parcels were purchased for economic development purposes, the LRPMP has been revised to show the permissible use as Sale of Property. As previously reported, following 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 LRPMP. 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 to be sold pursuant to HSC Section 34180(f), which states:

(f) (1) If a city, county, or city and county wishes to retain any properties or other assets for future redevelopment activities, funded from its own funds and under its own auspices, it must reach a compensation agreement with the other taxing entities to provide payments to them in proportion to their shares of the base property tax, as determined pursuant to Section 34188, for the value of the property retained.

(2) If no other agreement is reached on valuation of the retained assets, the value will be the fair market value as of the 2011 property tax lien date as determined by an independent appraiser approved by the oversight board.

DOF does not believe that it is legislative intent that property appraisals be obtained for properties that the LRPMP proposes to sell or transfer to entities other than the city or county that created the former redevelopment agency. (DOF Q&A v.01.15.13)

Budget Impact

None.

Recommendation

Adopt Resolution No. 2014-05 approving the revised Long Range Property Management Plan and direct staff to present it to the State of California Department of Finance for approval.