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**Redevelopment
Division**

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Staff Report

**ITEM
NO.** 16

To: Lemoore Redevelopment Agency Board
From: Judy Holwell, Redevelopment Project Manager 
Date: April 11, 2007
Subject: Acquisition of Property from Kerman Kart Club
APN No. 024-080-076

Discussion

The Kerman Kart Club (“Club”), a California non-profit corporation, purchased 10.55 acres from the Lemoore Redevelopment Agency (“Agency”) in May 2003 for \$105,500 and agreed to construct a new go-kart racing track and related facilities (the “Project”). The Project was expected to provide commercial go-kart racing and recreational opportunities for the community of Lemoore. The Agreement with the Agency was that the Project would be fully complete by December 31, 2005. Because of budget constraints, the Project was put on hold and in December 2005 Kerman Kart Club requested an extension, which was approved, giving them until February 2007 to complete Phase I and February 2008 for the completion of Phase II. To date, the Club still has not raised enough money to fund this Project and they are requesting that the property revert back to the Agency.

The Club estimated the total Project cost at \$350,000 which included the land and construction of the track and on-site facilities. They had held a successful fund raiser and were able to pay for the land in full upon close of escrow. However, when they decided to do the Project, they had not taken into account the cost of development impact fees and the cost to run utilities to the site. The Agency’s Agreement required the Club to install a 12” waterline from the corner of 19th and Idaho avenues to the Project site. Their estimate came in at approximately \$400,000 for the job. They also received an estimate of \$60,000 from P. G. & E. Apparently this estimate was so high because they had to connect to existing service on the west side of Highway 41.

Attached is a letter from San Joaquin Raceway Park “Home of the Kerman Kart Club” stating their desire for the property to revert back to the Agency. Staff recommends that since the Project is not moving forward, the Agency should pay the Club the sum of \$105,500 less all expenses incurred on this Project by the Agency, including escrow fees during the initial sale and reversion of the property back to the Agency; engineering fees associated with the creation of the parcel by metes and bounds description; legal fees to draw up the Agreement, Amendment No. 1 and consultations; and staff time.

The Agency has funds available for property acquisition for redevelopment purposes. If the Board determines that the reversion of this property back to the Agency is in the best interest of the community, staff will proceed with ordering a Title Report to determine that the property has a clean Title prior to entering into escrow.

Budget Impact

The Redevelopment Agency Capital Projects Fund would be reduced by not more than \$100,000.

Recommendation

That the Agency Board approve the purchase of 10.55 acres of land (APN 024-080-076) in the Lemoore Industrial Park, from Kerman Kart Club, for an amount not to exceed \$100,000; and that the Board authorize the Agency's Executive Director to execute said documents necessary to complete the transaction.