

Mayor
John Murray
Mayor Pro Tem
John Grego
Council Members
Mary Hornsby
Ed Martin
Willard Rodarmel



City of
LEMOORE
CALIFORNIA
Redevelopment Agency

**Redevelopment
Division**

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

Staff Report

ITEM
NO. 15

To: Lemoore Redevelopment Agency Board
From: Judy Holwell, Redevelopment Project Manager
Date: July 9, 2008
Subject: Kings County Office of Education – Request for Funds

Discussion

Attached is a letter from Kings County Office of Education (KCOE) requesting financial support for their Lemoore Support Center, which is intended to be located at 850 'D' Street in Lemoore (the Site). On January 16, 2007, during a Redevelopment Agency meeting, Steve Corl, Assistant Superintendent, Business Services for KCOE, briefed the Board on this project. It was noted at the time that because there are two buildings at the Site to be rehabilitated, they would be eligible to receive Façade Improvement Loan/Grant funds in the amount of \$100,000. Mr. Corl informed the Board that they may be back to request funding.

Since that time, staff has been working with KCOE to bring this project to fruition. As you know, this area, which is just east of the new John D's Restaurant, has been underutilized for more than 10 years and is contributing to the blight in the community. In addition, it is near one of the main entrances to our community. Elevations of the proposed façades are attached which show significant improvement to the aesthetics of the buildings. After extensive review of the improvements necessary to complete the entire project (interior, exterior and site), KCOE has determined that the estimated cost is \$4,384,622 in addition to the cost for property acquisition, equipment and furnishings, which equals a grand total of \$6,022,282.

Attached is detailed information pertaining to the background of the project, cost estimate and community benefit, in addition to an explanation of their financial request from the Agency in the amount of \$500,000. Staff has reviewed the information and has determined that aside from the aesthetical value that the project brings, there are additional benefits to the community as well. KCOE touts 42 jobs with an annual payroll of over \$2,000,000. It should be noted that these would not be new jobs to the community or county; however, we anticipate that a portion of the income will be captured by Lemoore businesses that currently is being spent in Hanford.

The greater benefit to the community may be in the form of a long-term agreement with the City/Agency for the use of certain facilities at the Site. KCOE offers that they would allow use of the conference facilities, computer lab and tennis courts. In determining a value for such uses, staff estimates the benefit to the City/Agency and public over a 20-year period to be approximately \$10,000 per year for a total of \$200,000.

Because there is great value to the community in the form of improving the aesthetics of a main entrance, increased income that may stay in the community, and the use of certain facilities, staff recommends that the Agency Board consider a financial contribution to KCOE in the amount of \$300,000 contingent upon the execution of a 20-year agreement for facilities use and the addition of the façade improvements presented.

Budget Impact:

The Redevelopment Agency Capital Projects Fund will require a budget adjustment in the amount of \$300,000.

Recommendation:

That the Agency Board approve a \$300,000 contribution to the Kings County Office of Education for the Lemoore Support Center in exchange for the community benefits realized by the reduction of blight and the use of the facilities for 20 years; and

That the Agency Board direct staff to negotiate an agreement with the Kings County Office of Education which shall include the use of facilities for 20 years and the addition of the façade improvements.