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**Redevelopment
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**Redevelopment Agency
Staff Report**

Item No. 8

To: Lemoore Redevelopment Agency Board
From: Lauren Apone, Administrative Analyst
Date: October 27, 2008
Subject: Acquisition of 500 19 ½ Avenue
APN No. 023-400-002 APN No. 023-400-003

Discussion:

As you are aware, the 2030 General Plan Adopted May 2008 designated the Northeast area of Cedar Lane and 19 ½ Avenue as parkland. The City wishes to build a park that will include youth baseball fields as well as other park amenities in this area. To begin this process, the Lemoore Redevelopment Agency wishes to purchase 3 acres at 500 19 ½ Avenue.

The property was appraised at \$410,000. City Manager Jeff Britz negotiated a selling price of \$380,000 with Mr. Joe De La Cruz, the current owner. On August 7, 2008, The City of Lemoore opened escrow on 500 19 ½ Avenue. Please see the attached map for property location. The property was originally to be purchased by the City of Lemoore using Park Acquisition funds. However, City Attorney Don Neufeld advised that under the Polanco Act, the City would reduce its liability for the cleanup if the Redevelopment Agency purchased the property.

During a 90-day due diligence period, the City investigated the environmental contamination of the property and assessed potential liability. The property was used as a gasoline station and had gasoline spills to the soil and groundwater. Associated Soils, Inc. is the environmental consultant hired by Mr. De La Cruz to assess the contamination and remediate the property. The property has been accepted on the Underground Storage Tank Cleanup Fund (USTCF) which will pay for the environmental remediation, up to 1.5 million dollars. The extent of the contamination is not yet known but it is believed to have spread to adjacent properties. Associated Soils has said that the remediation will not be completed for at least 5 to 7 years.

The acquisition of this property by the Redevelopment Agency serves a number of purposes. Besides reducing the City's liability, the Agency can remediate an environmental contaminated property. If the Agency does not acquire this property, there is a risk that the cleanup will be further delayed. This property would be purchased in accordance with "The Lemoore Redevelopment Agency's Five Year Implementation Plan 2005-2009" Goal 1,

Objective i, which states that the role of the Agency is to “Determine location of possible Brownfields and provide Agency assistance as appropriate.” This property is also physically blighted with an abandoned building that the Agency will remove.

Budget Impact:

The 2008-2009 Capital Fund has \$1,000,000 budgeted for property acquisition. The purchase of 3 acres at 500 19 ½ Avenue will impact this fund by approximately \$380,000 plus escrow fees.

Recommendation:

That the Agency Board approve the purchase of 500 19 ½ Avenue from Mr. Joe De La Cruz for an amount of \$380,000; and that the Board authorize the Agency Executive Director to negotiate said purchase.