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**To:** Lemoore City Council  
**From:** Judy Holwell, Redevelopment Project Manager  
**Date:** September 2, 2010  
**Subject:** Update regarding Non-Participation by Wal-Mart  
to apply for CDBG Grant Funds

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As you know, it is the City's policy to require the first developer in an area to oversize, subject to reimbursement, the infrastructure necessary to accommodate future development. Wal-Mart had been urging the City to find alternate funding sources to help pay for the infrastructure improvements to the Westside and in January 2009, staff identified a grant opportunity through the California Department of Housing and Community Development (HCD) Community Development Block Grant (CDBG) Economic Development Over-The-Counter Grant Program that could be used to pay for such improvements.

Staff discussed this grant opportunity with California Consulting, who in turn contacted our CDBG area representative, Patrick Talbot, to determine if funds were still available and to inquire about the requirements of the Grant Program. Funds were indeed available and a city could apply for up to \$5,000,000 over a two-year period for projects that would create economic development in the community. Mr. Talbot also indicated that the concept identified would qualify as an eligible project, but that in addition, the application would have to identify the new business being developed and be tied to the creation of new Targeted Income Group jobs at that facility. The business would have to sign an employee disclosure agreement up front, which would allow the City or its agent the ability to perform project monitoring to review payrolls and income self certifications of employees hired for the new facility.

Staff also contacted our then City Attorney, Don Neufeld, to discuss the concept and to request Wal-Mart's participation in obtaining the available grant funds. After several months and attempts by Mr. Neufeld to obtain an affirmative answer from Wal-Mart, word was finally received that it would not cooperate with the City to allow the necessary project monitoring required to secure this good source of alternate funding. Since the City cannot apply for this particular grant program without the participation of a new business, the ability to obtain up to \$5,000,000 of financial assistance for Westside infrastructure improvements was and still is inaccessible.