

# Lompoc City Council

## *Lompoc Redevelopment Agency*

### *Agenda Item*



**Meeting Date:** May 18, 2010

**TO:** Laurel M. Barcelona, City Administrator/Executive Director

**FROM:** Linda R. Wertman, Redevelopment Program Coordinator  
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**SUBJECT:** REQUEST FOR CITY COUNCIL AND THE LOMPOC REDEVELOPMENT AGENCY BOARD TO APPROVE THE USE OF TAX INCREMENT FUNDS FOR CONSTRUCTION, INSTALLATION, AND REHABILITATION PROJECTS FOR COMMUNITY RECREATION FACILITIES REHABILITATION PROJECT.

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#### **RECOMMENDATION:**

Staff recommends the Lompoc City Council:

1. Hold a public hearing and take public testimony to consider the use of the Lompoc Redevelopment Agency's tax increment revenue to assist with construction, installation, and rehabilitation costs for the Community Recreation Facilities Rehabilitation Project;
2. After the City Council has reviewed the Summary Report and considered all oral and written testimony during the public hearing, staff recommends the Council adopt Resolution No. 5637(10), and thereby make the appropriate findings contained in that Resolution, approving the use of tax increment revenue by the Agency for the Community Recreation Facilities Rehabilitation Project.

Staff recommends after the public hearing, the Lompoc Redevelopment Board:

3. Adopt Resolution 10-140 authorizing the expenditure of approximately \$7,100,000 of bond proceeds revenue for land and equipment acquisition, rehabilitation, construction, and installation costs for the Community Recreation Facilities Rehabilitation Project, which includes the Senior Community Center, and the Aquatic Center;

**BACKGROUND:**

On August 5, 2008, Council directed the City Administrator to execute the Lease and Option to Purchase Agreements for 1110 West Ocean Avenue and 1120 West Ocean Avenue for use as the future Lompoc Valley Senior Community Center. The property at 1110 West Ocean Avenue's purchase was finalized in November 2008 and was purchased for \$375,000, utilizing Redevelopment Tax Increment funding. The 1120 West Ocean property was finalized in early 2009 and was purchased for \$1,487,500, utilizing Community Development Block Grant (CDBG) funding. Total acquisition cost for both parcels was \$1,862,500. The Agency proposes to assist the City in the rehabilitation of the existing building and development of the adjacent vacant lot for use as the Lompoc Valley Senior Community Center, utilizing Bond Proceeds whose debt service will be paid by Redevelopment Tax Increment revenue. At this time, the total project cost for the Senior Community Center's rehabilitation and redevelopment work is estimated to be \$7,675,634.

The Aquatic Center was the Agency's largest investment to date in the project area. It has been discovered that the Aquatic Center is in need of a dehumidifier in order for the facility to operate properly. The lack of a dehumidifier has caused damage to the existing building, and the facility is in need of rehabilitation to repair some of the damage the building has experienced since it has been in service. The Agency will participate in the purchase and installation of the dehumidifier and complete rehabilitation of the Aquatic Center by providing approximately \$1,872,500 in bond proceeds.

On August 19, 2008, Resolution No. 08-128 was adopted declaring the Agency's intention to issue tax allocation bonds (the "2009 Tax Allocation Bonds" now known as the "2010 Tax Allocation Bonds"); the Agency anticipates the issuance of these bonds within the next 30 to 45 days. Therefore, the Agency has prepared the summary report for the Community Recreation Facilities Rehabilitation Project required by Health and Safety Code Section 33445 (the "Summary Report"), and made the Summary Report available for public review and copying as required by Health and Safety Code Section 33679.

**CONCLUSION:**

The Agency's primary mission is to eliminate blight in the project area. The elimination of blight is accomplished by this project by providing infrastructure investment in the Project Area. The infrastructure investment will provide a much-needed dehumidifier for the Aquatic Center and repair the damage to the facility; it will provide for rehabilitation and development of a vacant building and lot to be used as the Lompoc Valley Senior Community Center. If additional proceeds are

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generated as a result of the Bond issuance, the Agency will bring these funds before the Agency Board for approval of the use of those funds as well as the project the funds are proposed to assist. These recreation projects will enhance opportunities for visitors and area residents to enjoy Lompoc recreational facilities and encourage investment by property and business owners in the Old Town Area.

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Linda R. Wertman  
Redevelopment Program Coordinator

**APPROVED FOR SUBMITTAL TO THE CITY ADMINISTRATOR AND  
REDEVELOPMENT AGENCY EXECUTIVE DIRECTOR:**

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Arleen T. Pelster, AICP  
Community Development Director/Deputy Director

**APPROVED FOR SUBMITTAL TO CITY COUNCIL AND LOMPOC  
REDEVELOPMENT AGENCY BOARD:**

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Laurel M. Barcelona  
City Administrator/Executive Director

Attachments:        [City Resolution 5637\(10\)](#)  
                              [Agency Resolution 10-140](#)  
                              [H&S Code Section 33445 and 33679 Summary](#)