

STAFF REPORT

Lancaster Redevelopment Agency

RCC 3
1/27/09
MVB

Date: January 27, 2009

To: Chairman Parris and Agency Board Members

From: Vern Lawson, Economic Development and Redevelopment Director

Subject: Approve Agreement for Acquisition of Real Property between the City of Lancaster and Mehrdad Taheripour for a 2.42-Acre Parcel that is Located on 10th Street West Approximately 470 Feet South of Avenue K-8.

Recommendation:

Approve Agreement for Acquisition of Real Property between the City of Lancaster and Mehrdad Taheripour for a 2.42-Acre Parcel that is Located on 10th Street West Approximately 470 Feet South of Avenue K-8.

Fiscal Impact:

\$1,540,000 to be obtained from the Agency's unrestricted fund balance.

Background:

As we continue to strive to expand our sales tax base we are working with our private sector partners to eliminate hurdles to allow shopping centers to be in a position to proceed when the economy recovers. One of our most promising future developments is the Armargosa Commons. This open air shopping center, with an approved Specific Plan and EIR, is well conceived and large enough to create a critical mass of retail synergy.

This Agenda item is a request to take another step towards the development of this ideally located retail center. Staff is requesting that the Council take an action to approve the acquisition of a 2.42-acre parcel that is located on 10th Street West approximately 470 feet south of Avenue K-8. This property was the former location of McClaskey Motors and more recently, Dollar Rent a Car. This purchase will allow the City to obtain necessary right-of-way to facilitate an entrance to the shopping center from 10th Street West. The access will be aligned with the intersection that acts as the main entrance to Lancaster City Park.

This transaction will also allow the City to control the site that formerly housed the automotive related business and ultimately demolish it to accommodate a building more architecturally compatible with the envisioned open air center. At that time we will have the option of selling the property to the developer less the necessary right-of-way, or retaining the remaining parcels to sell for development of compatible sales tax generating land uses.

The purchase price for the parcel is \$1,540,000 plus closing costs and will be paid all cash at the close of escrow. This is a negotiated settlement with the seller and requires the seller to provide title to the property that will be free and clear of all encumbrances. If the Council concurs with staff's recommendation, it would be appropriate to authorize the City Manager or his designee to execute the necessary documents to close escrow.

VL:SG:ad