CITY COUNCIL AGENDA - May 6, 2003

SUBJECT: CONSIDERATION OF AN ACTION POLICY REGARDING MAINTAINING A JC PENNEY STORE IN THE PORTERVILLE DOWNTOWN

SOURCE: City Manager

BACKGROUND:

Since the disastrous fire of May 9, 2003, City elected leaders and staff have taken initial steps to support the economic recovery of the area affected by the Fire. JC Penney, which was entirely destroyed, was an anchor for the Porterville Downtown. Intuitively, it is important to take every reasonable step to restore JC Penney, and this has been the operational goal for this effort.

Accomplishing this goal has involved communicating with Neil Smith, who represents the property owner and employees of the JC Penney organization. Early on, this was through near-site meetings, and subsequently there has been a limited amount of telephone communication with JC Penney Corporate Headquarters.

The communications involved a Mayor’s proclamation, and an indication by the City Manager to JC Penney officials that the City is eager for a face-to-face meeting to review possibilities and opportunities. It has also been reported that there is a great outpouring of correspondence supporting the restoration from the community-at-large.

To prepare for such a meeting, the City Manager has asked Economic Development staff to review possibilities, including the eligibility to use job development monies for job retention after a physical disaster that threatens employment, and the ability of the City (if the Council wishes to proceed) to extend its Enterprise Zone to cover the site. Important is the determination of the benefit of extending the Enterprise Zone. Staff is currently communicating with the State Trade and Commerce Department in this regard.

If the Smith and JC Penney’s representatives determine to proceed with a new store, it may be of a different size or configuration. The City should then be responsive to its property utilization plan in the downtown area.
For the City to be effective in its efforts, these matters should be known. Beyond this, and more importantly, the Council tasking should be explicit.

**Action Policy:** The City Manager requests the Council consider authorizing normal discretion, subject to review and approval, for the City staff to engage the Smith Properties and JC Penney to support the replacement of the Store. The City should research the availability to specific assistance items through normal sources such as intergovernmental grants and the Enterprise Zone program. The coordination of Planning and Building matters should be a priority item within these Departments. Property issues should be through the specific consideration of the City Council as a property negotiation matter.

Possible travel to Dallas, Texas to meet with JC Penney officials should be authorized for staff and City Council representatives.

**RECOMMENDATION:** Authorize the City Manager to proceed with the Action Policy as outlined above, including possible travel to Dallas, Texas.