



# CITY OF LODI COUNCIL COMMUNICATION

**AGENDATITLE:** Consider extending the active date to May 12, 2006 for an application submitted by San Joaquin Valley Land Company for entitlements related to development of a 220 acre site located immediately south of Harney Lane between State Route 99 and the Union Pacific Railroad, pending a decision by Blue Shield of California to remain and expand in Lodi.

**MEETING DATE:** April 19, 2006

**PREPARED BY:** City Manager

**RECOMMENDED ACTION:** Council direction requested.

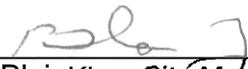
**BACKGROUND INFORMATION:** On January 18, 2006, the City Council authorized the City Manager to enter into an agreement between Blue Shield of California and San Joaquin Valley Land Company to provide for reimbursement of costs related to engineering and planning for the development of approximately 220 acres, of which 20 acres is intended to accommodate a new Blue Shield of California office, 41 acres of regional retail shopping, and 134 acres of residential and supporting uses such as parks and schools.

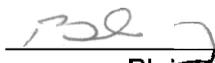
This agreement contemplated that Blue Shield would make a decision by February 28, 2006 on whether to pursue the purchase of the office site to the exclusion of other possible sites in San Joaquin County. If Blue Shield did not make a decision by the decision date, the application would be withdrawn.

The applicant and Blue Shield have requested relief from the decision date deadline. Blue Shield has indicated that they now expect to make a decision no later than May 12, 2006. Blue Shield has communicated that this is an important corporate decision involving the long term future of the company and its employees. The decision is more difficult and complex than originally anticipated when Blue Shield agreed to the decision date. Staff is aware that Blue Shield is actively conducting due diligence as evidenced by its frequent contacts with staff and requests for information. This due diligence is being conducted in earnest at the highest levels of the organization.

**FISCAL IMPACT:** All costs related to processing the land use application are being passed-on to the applicant. Economic benefits from the project if approved have not been analyzed or quantified.

**FUNDING AVAILABLE:** Not Applicable

  
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Blair King, City Manager

APPROVED:   
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Blair King, City Manager