

Mayor  
Tom Buford  
Mayor Pro Tem  
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John Grego  
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**Redevelopment  
Division**

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## Staff Report

ITEM  
NO. 6

**To: Lemoore Redevelopment Agency Board**  
**From: Judy Narbaitz, Redevelopment Project Manager**  
**Date: September 26, 2006**  
**Subject: Coker Ellsworth – Fifth Amendment to Option Agreement**

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### **Discussion**

On April 24, 1997, the Redevelopment Agency (Agency) approved an Option Agreement (Agreement) to sell property to Mr. Coker Ellsworth with a \$243,250 down payment and the Agency agreeing to carry a Promissory Note (Note) on the remaining principal of \$216,500 and interest. The term of the Note is three years after close of escrow, which is due to expire on October 30, 2006.

Mr. Ellsworth is requesting a three year extension on the payment of the Note, which is currently earning interest at a rate of 6.5 percent. Currently, our LAIF accounts are earning interest at a rate of 4.53 percent. Because the interest we can earn from Mr. Ellsworth is greater than a LAIF account, staff is recommending approval of the extension.

### **Budget Impact**

The interest on the remaining principal and interest over the three-year term amounts to a difference of approximately \$4,949 (see below). This amount would accrue to the Redevelopment Agency Low-Moderate Housing Fund.

- Interest @ 6.5 percent      \$15,954
- Interest @ 4.53 percent      \$11,005

### **Recommendation**

That the Agency Board approve the attached Amendment to Option Agreement extending the due date of the Promissory Note three years to October 30, 2009.