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**Redevelopment  
Division**

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## Staff Report

**ITEM  
NO. 9**

**To: Lemoore Redevelopment Agency Board**  
**From: Judy Holwell, Redevelopment Project Manager**  
**Date: October 8, 2007**  
**Subject: Amendment No. 2 to Disposition and Development Agreement  
re APN No. 024-051-011**

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### **Discussion:**

In December 2005, the Redevelopment Agency Board approved the sale of Lot 6 (.83 acres) located on the Southwest corner of 19<sup>th</sup> & Iona avenues in the Lemoore Industrial park to Mr. Nelson Majors for the purpose of constructing an 11,880 sq. ft. build-to-suit building. Mr. Majors did not have any particular business lined up to occupy the building. After searching for a potential tenant, Mr. Majors successfully contracted with a tenant desiring to open a used car dealership in Lemoore.

The terms identified in Mr. Majors' agreement with the RDA did not accommodate the nature of a used car business. Mr. Majors asked that the Board allow for construction of a smaller 5,000 sq. ft. building due to a greater need for vehicle display on the lot. The Board saw a benefit in this proposal since an auto dealership would generate a significant amount of sales tax revenue for the City. The Board approved Amendment No. 1 in September 2006 which allowed the construction of a smaller 5,000 sq. ft. building.

In June 2007, the contract for the used car dealership fell through. In light of the project termination, Mr. Majors is requesting the Board allow him to revert back to the original proposal of constructing an 11,880 sq. ft build-to-suit building. Mr. Majors is also requesting an extension in order to recruit a new tenant for the building. Attached is Amendment No. 2 which details the original terms of the Disposition and Development Agreement with a six-month extension to construct the building. The original Note has been paid in full.

### **Budget Impact:**

None at this time.

### **Recommendation:**

That the Agency Board approve Amendment No. 2 to the Disposition and Development Agreement with Nelson Majors.