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**Redevelopment  
Division**

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## Staff Report

JOINT ITEM NO. 11

**To: Lemoore City Council and  
Lemoore Redevelopment Agency Board**

**From: Judy Holwell, Redevelopment Project Manager**

**Date: December 15, 2009**

**Subject: Acquisition of Property & Certificate of Acceptance –  
APN 023-400-001; Note Payoff – APN 024-052-098;  
Amendment of Disposition & Development Agreements –  
APN 020-053-003 & 024-051-017 – Coker Ellsworth**

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### Discussion

The Redevelopment Agency (Agency) has negotiated a property transaction with Coker Ellsworth to purchase 6.1 acres of his land at 400 S. 19 ½ Avenue for approximately \$558,724. The purchase price, which is not higher than the fair market value of the site, was determined following the Agency's receipt of an appraisal performed by Packwood Creek Appraisers. The property is adjacent to the old Buy N Split Market and other parcels owned by both the Agency and City of Lemoore (City), which total 12.94 acres, and is a proposed location for the Little League Park (Park). All parcels together will total 19.04 acres for the Park project.

The property acquisition is just one aspect of several components that make up this transaction. Mr. Ellsworth has agreed to sell the property to the Agency, in part to eliminate a debt owed to the Agency and to request a timeline extension on a Disposition and Development Agreements (DDA) and a Contract of Conveyance and Development. A portion of the debt owed is on property purchased near the golf course to build his Fairway Homes subdivision. Mr. Ellsworth also owes the Agency for the construction of the lake at Hole 14. The DDAs are for the E Street lot, which Mr. Ellsworth intends to construct a mixed use building and for Lot 17 in the Lemoore Industrial Park for a build-to-suit project.

Therefore, the terms of the 6.1 acre property acquisition is based on the following terms:

Agency Cash payment	\$250,000
Elimination of debt owed to City	\$308,724 (as of Jan. 31, 2010)
Extension of DDA projects	3 years
Construction to begin by	January 1, 2012
Project to be complete by	December 31, 2012

Staff recommends approving the property purchase and accepting the Certificate of Acceptance (attached); approving the two Release of Liens (attached), thereby eliminating the debt Mr. Ellsworth owes to the Agency; adopting Amendment No. 2 to the DDA (attached) approving the extension on the project timeline as outlined above; and adopting Amendment No. 3 to the Contract for Conveyance and Development (attached) approving the extension on the project timeline as outlined above. All of the aforesaid components must occur simultaneously at close of escrow in order for the property acquisition to take place. If any one or more of the details outlined above do not occur, then escrow will be cancelled and all transactions will be null and void.

### **Budget Impact**

A reduction of approximately \$308,724 in anticipated accounts receivable from Mr. Coker Ellsworth and a reduction of approximately \$250,000, plus one-half of the closing costs, from the Redevelopment Agency Capital Projects – Property Acquisition Fund.

### **Recommendation**

A) That the Agency Board, by motion:

- 1) Approve the purchase of 6.1 acres of land at 400 S. 19 ½ Avenue (APN 023-400-001) from Mr. Coker Ellsworth in the amount of approximately \$558,724 (\$250,000 payment and approximately \$308,724 elimination of debt), plus one-half of the closing costs;
- 2) Accept the attached Certificate of Acceptance for the property acquisition;
- 3) Approve the attached Release of Liens for the elimination of debt (APN 024-052-098 formerly APN 024-052-088);
- 4) Adopt Amendment No. 2 to the Disposition and Development Agreement (APN 024-051-017) granting the timeline extension; and authorize the Executive Director to execute all the documents necessary to complete the transaction.

B) That the City Council, by motion, adopt Amendment No. 3 to the Contract for Conveyance and Development (APN 020-053-003) granting the timeline extension; and authorize the City Manager to execute said document, which is contingent upon each of the documents listed in the Discussion above, through close of escrow.