

**Mayor**  
William Siegel  
**Mayor Pro Tem**  
Lois Wynne  
**Council Members**  
Ray Madrigal  
Eddie Neal  
Willard Rodarmel



**Oversight Board  
for the  
Successor Agency**

119 Fox Street  
Lemoore, CA 93245  
Phone (559) 924-6704  
FAX (559) 924-6708

## Staff Report

ITEM NO. 4

**To: Oversight Board for the Successor Agency**  
**From: Jeff Laws, City Manager**  
**Date: August 4, 2014**  
**Subject: Adoption of Resolution No. 2014-07 for the Distribution of Property  
APN 024-051-011 to Shafiq Lakhani for the amount of \$40,000**

---

### Discussion

The City of Lemoore, acting on behalf of the Lemoore Successor Agency, received the attached Letter of Intent (LOI) from Shafiq Lakhani to purchase .80+/- acre of vacant land (APN 024-051-011) and develop it into a restaurant and retail strip similar to the development shown in the attached picture. The site is located on the southwest corner of 19<sup>th</sup> Avenue and Iona Avenue in the Lemoore Industrial Park, just south of the Valero Gas Station and east of Master Storage, as shown on the attached map. The proposed project is an opportunity for economic development and meets the intent of our Long Range Property Management Plan, which governs the disposition and use of our available properties.

Mr. Lakhani's offer is similar in price to the sale of other vacant parcels in the area. As you may recall, the Oversight Board approved the sale of two parcels to Bennett & Bennett Irrigation Systems for an amount of \$125,000. The two parcels total 3.14+/- acres, which equates to approximately \$39,809 per acre. The sale was subsequently approved by the California Department of Finance (DOF).

The Lemoore City Council, acting as the Lemoore Successor Agency to the former Lemoore Redevelopment Agency, met in closed session on May 20, 2014 to discuss Mr. Lakhani's proposal. If the project is constructed, the assessed value of the parcel will increase, and thus increase the amount of property tax revenue generated for the taxing entities. Additionally, the project will generate sales tax revenue, which will accrue to the City's General Fund. Council recommends that the Oversight Board direct the Successor Agency to approve the sale of said parcel for a price not less than \$40,000. The terms set forth in Mr. Lakhani's LOI, and listed below, are acceptable to Council.

Property: 0.80± acres of vacant land – APN 024-051-011  
Zoning: Light Industrial  
Price: \$40,000  
Deposit: \$5,000 paid August 4, 2014  
Due Diligence: 30 days following payment of deposit  
Deposit terms: Non-refundable once sale is approved by the DOF  
Balance: \$35,000 to be paid prior to close of escrow  
Escrow fees: Split 50/50  
Escrow period: 60 days

Council determined that the proposed project is appropriate for the surrounding uses and that the offer is acceptable to the community of Lemoore. Pursuant to California Health & Safety Code (HSC) Section 34181(a), an oversight board shall direct its successor agency to dispose of all assets and properties of the former redevelopment agency that were funded by tax increment revenues of the dissolved redevelopment agency.

Mr. Lakhani has agreed to the terms listed in the attached Agreement for Purchase and Sale of Real Property (Agreement) and a 10-day Public Notice announcing the potential property sale was posted at City Hall and published in the Hanford Sentinel beginning on August 18, 2014. If the Lemoore Oversight Board determines that the proposed project is acceptable, then the Board should approve the Agreement and adopt Resolution No. 2014-07, which is required for the disbursement of public properties. Following the Board's approval, staff will seek approval from the California Department of Finance for the proposed property transaction.

### **Budget Impact**

The sale of this property will net approximately \$40,000 minus one-half of the escrow fees. Pursuant to HSC Section 34177 (e), proceeds from asset sales and related funds that are no longer needed for approved development projects or to otherwise wind down the affairs of the agency, each as determined by the oversight board, shall be transferred to the county auditor-controller for distribution as property tax proceeds under HSC Section 34188.

### **Recommendation**

It is recommended that the Lemoore Oversight Board adopt Resolution No. 2014-07 approving the Agreement for Purchase and Sale of Real Property between the Lemoore Successor Agency to the former Lemoore Redevelopment Agency and Shafiq Lakhani for the disposition of real property listed as APN 024-051-011 for the amount of \$40,000.

# ***Shafiq Lakhani***

**955 S Commerce Way, Suite C  
Lemoore, CA 93245**

**(559) 307-0877**

[askydistributor@yahoo.com](mailto:askydistributor@yahoo.com)

May 14, 2014

Mayor Siegel and Council Members  
City of Lemoore  
Lemoore Successor Agency  
119 Fox Street  
Lemoore, CA 93245

RE: Letter of Intent to Purchase Lot 6 – 0.80± acre of vacant land  
in the Lemoore Industrial Park – APN 024-051-011

Dear Mayor Siegel and Council Members:

I am the owner of Lemoore Auto Mall, which is located in the Lemoore Industrial Park. I am selling this property to Bennett & Bennett Irrigation so they can locate and expand their business in Lemoore. However, I really like Lemoore and have been very satisfied with the support I have received from City staff. Because my experience here has been so pleasurable, I wish to develop a new project here so that I can continue doing business in Lemoore.

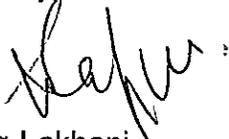
This letter serves as an offer to purchase and develop Lot 6, located on the southwest corner of 19<sup>th</sup> Avenue and Iona Avenue in the Lemoore Industrial Park. I am proposing to develop a restaurant/retail strip similar to the one shown in the attached photo. This project will bring jobs, sales tax revenue and increased property tax to Lemoore. The basic terms of my offer are as follows:

Property:	0.80± acres of vacant land – APN 024-051-011
Zoning:	Light Industrial
Price:	40,000.00
Deposit:	\$5,000 will be paid within five days of Council's acceptance of offer
Due Diligence:	30 days following payment of deposit
Deposit terms:	Non-refundable once sale is approved by CA Dept. of Finance
Balance:	Will be paid 10 days prior to close of escrow
Escrow fees:	Split 50/50
Escrow period:	60 days

I understand that a purchase contract will need to be developed. I will reimburse the City for the cost of having an attorney draw up the contract. I also understand that the sale of this property will need to be approved by the Oversight Board and the California Department of Finance. Additionally, I will adhere to the requirements included in the Lemoore Zoning Code, which includes, among other things, the installation of sidewalk, parking and landscaping. My intention is to be open for business by Spring of 2015.

Thank you for your consideration. If I can answer any questions, please feel free to contact me on my cell or email listed above. I look forward to your response.

Sincerely,

A handwritten signature in black ink, appearing to read 'Shafiq Lakhani', written in a cursive style.

Shafiq Lakhani  
Owner



## AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

This AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY ("**Agreement**") is made and entered into this \_\_\_ day of August, 2014, by and between, The Successor Agency to the Lemoore Redevelopment Agency (hereinafter "**Seller**"), and Shafiq Lakhani (hereinafter "**Buyer**").

### RECITALS

WHEREAS, Seller is the successor agency to the Lemoore Redevelopment Agency, and as such, is the owner of certain real property identified as APN 024-051-011, comprised of approximately .80 acres of vacant open land (the "**Property**") more particularly described on Exhibit "A" attached hereto and incorporated herein.

WHEREAS, Buyer desires to purchase and Seller desires to sell the Property to Buyer on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and for such other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. AGREEMENT AND PROPERTY.

1.1 Real Property. Seller agrees to sell, and convey to Buyer, and Buyer agrees to purchase from Seller, fee simple title to all of Seller's right, title and interest in and to the Property and all improvements thereon, if any, together with all rights, privileges and easements appurtenant to the Real Property, whether or not recorded (collectively "**Real Property**").

2. PURCHASE PRICE. The purchase price ("**Purchase Price**") for the Property shall be Forty Thousand Dollars (\$40,000.00). The Purchase Price shall be paid as follows:

- Five Thousand Dollars (\$5,000.00) refundable deposit ("**Deposit**") by Buyer upon signing this Agreement. The Deposit shall be nonrefundable if this Agreement terminates for any reason, unless canceled or terminated within the 30 day due diligence period, except as further outlined in paragraphs 3.3 below.
- The balance of the Purchase Price, being Thirty Five Thousand Dollars (\$35,000.00), shall be all due and payable prior to the Close of Escrow.

3. CONTINGENCIES. This transaction and the closing thereof are expressly contingent upon the following:

3.1 Preliminary Title Report. As soon as possible after the Opening of Escrow, Escrow Agent shall prepare or cause to be prepared a Preliminary Title Report for the Real Property showing all liens, encumbrances and other matters affecting title to the Real Property and shall provide a copy thereof, together with legible copies of the documents shown as title exceptions therein, to Buyer. Buyer shall have thirty (30) days from its receipt of the Preliminary Title Report to approve the Preliminary Title Report. If Seller fails to eliminate any title matter disapproved by Buyer within the ten (10) days of written notice thereof to Seller, Buyer may terminate this Agreement and the transaction identified herein. Subsequent to the approval of the Preliminary Title Report by Buyer, Seller shall not allow or cause any additional exception to title to occur. This obligation shall survive the Close of Escrow.

3.2. Feasibility. Buyer shall have until 5:00 p.m., Pacific Standard Time, on that date which is thirty (30) days from the date of execution of this Agreement by Buyer in which to investigate the Property, and to perform all engineering, and other similar studies that Buyer deems necessary, in its sole discretion, which shall be considered the due diligence period. Seller shall use its best efforts to provide to Buyer, within two (2) business days of Buyer's request complete copies of any and all documents and information related to or affecting the Property, or any portion thereof which Buyer may request. If Buyer requests any materials or information from Seller, and Seller does not possess the same but Seller is aware of from whom Buyer can obtain the same, Seller will completely disclose the same to Buyer.

At any time during said thirty (30) day due diligence period, Buyer may terminate this Agreement and this transaction for any reason by giving written notice to Seller, and shall receive the return in full of the Deposit. If Buyer does not terminate this Agreement, regardless of any issues discovered with the Property as a result of Buyer investigation, the Parties agree that the Property is being sold in an "as is" condition.

Any engineering or other similar inspection of the Property requested by Buyer shall be performed by a party selected by Buyer, and the expense therefore shall be paid by Buyer.

3.3 State Mandated Approval For Transfer of Property and Close of Escrow. As required by law pursuant to AB x 1 26, as amended by AB 1484, close of escrow is contingent upon ratification or approval of the Successor Agency to the Lemoore Redevelopment Agency, the Lemoore Oversight Board, and the Department of Finance of the State of California. If the state mandated approvals cannot be obtained, Seller, or its successors or assigns, shall have no obligation or liability whatsoever to Buyer or its successors or assigns except as follows: If such approvals cannot be obtained and escrow cannot be closed due to the inability to secure said approvals, Buyer shall be refunded its deposit of \$5,000 and Seller agrees to pay any escrow cancellation charges.

4. REPRESENTATIONS AND WARRANTIES.

4.1 Seller makes no representations or warranties related to the Property which is being sold "as is".

4.2 Buyer represents and warrants that Buyer will comply with all laws in the development of the Property, including, without limitation, the Lemoore Municipal Code.

5. ESCROW

5.1 Opening Of Escrow. Following approval by the Department of Finance, an escrow shall open to consummate the sale of the Property according to the terms and conditions of this Agreement at the office of Chicago Title, in Hanford, California ("**Escrow Agent**"). Written escrow instructions in accordance with the terms and conditions of this Agreement shall be prepared by the Escrow Agent, and the instructions shall be signed by the parties and delivered to the Escrow Agent and Escrow shall be opened within ten (10) days of either the Seller's acceptance hereof or receipt of approval from the California Department of Finance of the sale set forth herein, whichever is later. Buyer and Seller shall also deposit with the Escrow Agent all instruments, documents, monies and other items identified in the escrow instructions or reasonably required by the Escrow Agent to close the sale on the closing date specified below.

5.2 Closing Date. The Parties shall use their best efforts to have Escrow close (the "**Closing**") on or before 30 days following the approval of the California Department of Finance. All monies and documents required to be delivered shall be deposited in Escrow no later than close of business on the day prior to the Closing Dated.

5.3 Termination of Escrow. If Escrow Agent is unable to comply with the instructions contained in this Agreement on or before the dates set forth in Paragraph 5.1 above, it shall do so as soon thereafter as possible, unless Escrow Agent shall have received a demand to terminate the Escrow from a party hereto that is not in default in the performance of any of its obligations hereunder. Under no circumstances shall the provisions of this paragraph create an express or implied duty on the part of Seller or Buyer to extend the time of the Escrow, but Seller and Buyer shall have the option to extend the Escrow beyond the initial thirty (30) day extension period if they so agree.

5.4 General. Possession and risk of loss in connection with the Property shall not be transferred by Seller to Buyer until Close of Escrow. If the Property is damaged in any way whatsoever during the Escrow, Buyer shall have the right, at any time within twenty (20) days thereafter, to terminate this transaction and the Escrow and the same shall be treated as if terminated. Escrow Agent shall close Escrow when it is in a position to issue to Buyer a binding commitment from the title insurer to issue a title insurance policy as required for the Property and to otherwise perform under the Escrow Instructions to be prepared.

5.5 Brokers. The Parties represent and warrant that neither party engaged or worked with a real estate agent or broker related to this transaction.

5.6 Fees. Escrow and Title fees are to be split 50/50 by Seller and Buyer.

6. DEFAULT.

6.1 Correct and Cure. In the event either party in any way breaches the terms and provisions of this Agreement or the Escrow Instructions to be prepared in connection herewith, the non-breaching party shall give the breaching party ten (10) days written notice in which to cure the failure to perform, defect, breach or other problem, and if the same is not cured on or before the expiration of such ten (10) day period, then an event of default shall have occurred and the non-defaulting party shall be entitled to terminate this transaction and the escrow and seek any and all remedies available to it pursuant to law and this Agreement.

6.2 Right to Damages. If Buyer fails to complete the purchase under this agreement as herein provided by reason of any default of Buyer to close Escrow, Seller shall be released from its obligation to sell the property to Buyer and may proceed against Buyer upon any claim or remedy which Seller may have in law or equity.

7. GENERAL

7.1 Time of Essence. Time shall be considered of the essence in this Agreement.

7.2 Severability. In the event that any clause, provision, or portion of this Agreement or any part thereof shall be declared invalid, void, or unenforceable by any court having jurisdiction, such invalidity shall not affect the validity or enforceability of the remaining portions of this Agreement unless the result would be manifestly inequitable or materially impair the benefits intended to inure to either party under this Agreement, in which case this Agreement, as a whole, shall be deemed invalid, void and unenforceable.

7.3 Notices. Any notices or demands upon either party shall be in writing and shall be effective when delivered personally or when sent by United States registered or certified mail, postage prepaid, and addressed to the parties at the addresses shown in this Agreement or such other addresses indicated by one party to the other in writing from time to time.

Buyer:

Shafiq Lakhani  
5930 W. Sweet Drive  
Visalia, CA 93291

Seller:

The Successor Agency to the  
Lemoore Redevelopment Agency  
119 Fox Street  
Lemoore, CA 93245

7.4 Inconsistencies. In the event any term or condition of this Agreement or the Escrow Instructions to be prepared in connection herewith are in any way inconsistent with any pre-printed form Escrow Instructions or any other documents which have been or will be prepared in connection with this transaction, then, in such event, the terms and conditions of this Agreement (or any subsequent amendments thereto) shall control.

7.5 Attorneys' Fees. In the event a court action is instituted by either of the parties hereto for the enforcement of any of its rights or remedies hereunder, the party in whose favor judgment shall be rendered therein shall be entitled to recover from the other party all costs incurred by said prevailing party in said action, including reasonable attorneys' fees fixed by the Court.

7.6 Counterparts. This Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one single agreement between the parties.

7.7 Complete Agreement. It is understood and agreed that this Agreement contains the entire agreement between the parties relating to all issues involving the subject matter of this Agreement. No binding understandings, statements, promises or inducements contrary to this Agreement exist. This Agreement supersedes and cancels all previous agreements, negotiations, communications, commitments and understandings with respect to the subject matter hereof, whether made orally or in writing. Each of the parties to this Agreement expressly warrants and represents to the other that no promise or agreement which is not herein expressed has been made to the other, and that neither party is relying upon any statement or representation of the other that is not expressly set forth in this Agreement. Each party hereto is relying exclusively on the terms of this Agreement, its own judgment, and the advice of its own legal counsel and/or other advisors in entering into this Agreement.

7.8 Headings. The captions and titles in this Agreement are for convenience only and shall not affect the interpretation or meaning of this Agreement.

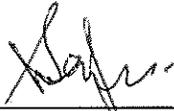
7.9 Governing Law. This Agreement and the construction and enforceability thereof shall be interpreted in accordance with the laws of the State of California. Venue shall be in Kings County.

7.10 Power And Authority. Each party represents and warrants to the other that (i) it has all requisite power and authority to execute and deliver this Agreement and perform its obligations hereunder, (ii) all corporate, board, body politic, or other approvals necessary for its execution, delivery, and performance of this

Agreement have been or will be obtained except as otherwise addressed in this Agreement, and (iii) this Agreement constitutes its legal, valid, and binding obligation.

7.11 Amendment and Waiver. The parties hereto may by mutual agreement amend this Agreement in any respect, provided that any such amendment shall be in writing, signed by both parties. The waiver of any condition under this Agreement shall not constitute a future waiver of the same or like condition.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the date set forth above.

<b>SELLER:</b>  The Successor Agency to the Lemoore Redevelopment Agency  By: _____ Jeff Laws, City Manager	<b>BUYER:</b>  Shafiq Lakhani  By:  _____ Shafiq Lakhani
---	---

**RESOLUTION NO. 2014-07**

**A RESOLUTION OF THE LEMOORE OVERSIGHT BOARD FOR THE LEMOORE SUCCESSOR AGENCY TO THE FORMER LEMOORE REDEVELOPMENT AGENCY APPROVING THE AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY BETWEEN THE LEMOORE SUCCESSOR AGENCY TO THE FORMER LEMOORE REDEVELOPMENT AGENCY AND SHAFIQ LAKHANI FOR THE DISPOSITION OF PROPERTY – APN 024-051-011**

**WHEREAS**, AB X1 26 (“AB 26”) was passed by the California State Legislature on June 15, 2011, signed by the Governor on June 28, 2011, and on February 1, 2012 redevelopment agencies in the state of California were dissolved; and

**WHEREAS**, AB 1484 was subsequently passed by the California State Legislature and signed into law by the Governor on June 27, 2012 modifying the provisions of AB 26; and

**WHEREAS**, pursuant to AB 1484, Health and Safety Code (HSC) sections 34177(e) and 34181(a) were suspended forbidding successor agencies from disposing of any property until they receive a Finding of Completion and receive approval of a Long Range Property Management Plan (LRPMP) from the California Department of Finance (DOF); and

**WHEREAS**, on June 7, 2013, the DOF issued its Finding of Completion to the Lemoore Successor Agency; and

**WHEREAS**, on March 12, 2014, the Lemoore Successor Agency received notification from the DOF that its LRPMP was approved and that pursuant to HSC section 34191.3, the approved LRPMP shall govern and supersede all other provisions relating to the disposition and use of all real property assets of the former redevelopment agency; and

**WHEREAS**, in accordance with HSC section 34191.4, upon receiving a Finding of Completion and approval of a LRPMP, all real property and interests in real property shall be transferred to the Community Redevelopment Property Trust Fund of the Agency, unless that property is subject to the requirements of an existing enforceable obligation; and

**WHEREAS**, actions taken by successor agencies pursuant to a DOF approved LRPMP are subject to oversight board approval per HSC Section 34181 (f); and

**WHEREAS**, the City of Lemoore as Successor Agency to the former Lemoore Redevelopment Agency, received a Letter of Intent dated May 14, 2014 (Exhibit A) from Shafiq Lakhani (Lakhani) to purchase approximately .80 acres of vacant land – APN 024-051-011 in the Lemoore Industrial Park to develop a restaurant and retail strip; and

**WHEREAS**, the Lemoore Successor Agency convened on May 20, 2014 and directed staff to negotiate the terms of the agreement with Lakhani and to further present it to the Oversight Board for approval; and

**WHEREAS**, the terms of the agreement were negotiated with and accepted by Lakhani to purchase said property in an Agreement for Purchase and Sale of Real Property (Exhibit B); and

**WHEREAS**, HSC section 34180 requires the actions of a successor agency shall first be approved by its oversight board; and

**WHEREAS**, the Oversight Board convened on August 28, 2014 and directed the Successor Agency to execute said Agreement; and

**WHEREAS**, HSC Section 34181(f) requires that actions to dispose of assets and properties of a former redevelopment agency shall be approved by resolution of its oversight board at a public meeting after at least 10 days' notice to the public of the specific proposed actions and that such notice was posted for the required 10 days beginning on August 18, 2014.

**NOW, THEREFORE, THE LEMOORE OVERSIGHT BOARD FOR THE LEMOORE SUCCESSOR AGENCY TO THE FORMER LEMOORE REDEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:**

**SECTION 1.** The recitals above are true and correct and are incorporated into this Resolution.

**SECTION 2.** The Lemoore Oversight Board for the Lemoore Successor Agency to the former Lemoore Redevelopment Agency hereby approves the Agreement for Purchase and Sale of Real Property for the sale of APN 024-051-011 with Shafiq Lakhani for an amount not less than \$40,000 (minus one-half title and escrow fees).

**SECTION 3.** Approval by the State of California Department of Finance will be obtained prior to the disposition of any individual property sale.

**SECTION 4.** The proceeds from the sale of each property will be submitted to the Kings County Auditor-Controller for distribution to the taxing entities.

**SECTION 5.** The City Manager of the City of Lemoore, or designee, acting as the Successor Agency to the former Lemoore Redevelopment Agency is authorized to execute said Agreement.

**SECTION 6.** Pursuant to HSC section 34179(h), all actions taken by an oversight board may be reviewed by the State of California Department of Finance, and therefore, this Resolution shall not be effective for five (5) business days unless the Department requests a review.

**PASSED, APPROVED, AND ADOPTED** by the Lemoore Oversight Board for the Lemoore Successor Agency to the former Lemoore Redevelopment Agency at a regular meeting this 28<sup>th</sup> day of August 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

\_\_\_\_\_  
Mary J. Venegas, Board Clerk

\_\_\_\_\_  
John F. Murray, Chairperson