



# CITY OF POMONA SUCCESSOR AGENCY STAFF REPORT

October 2, 2017

To: Honorable Chair and Members of the Successor Agency

From: Linda Lowry, Executive Director

Submitted By: Kirk Pelsler, Deputy Executive Director

Subject: **Adoption of a Resolution Approving the sale of 1300 S. Reservoir Street in Pomona, California (APN 8327-019-900) to Yum Yum Donut Shops, Inc. for the Purchase Price of \$270,000 - Council District 3**

## OVERVIEW

**Recommendation** – That the Successor Agency to the former Redevelopment Agency (“Successor Agency”), adopt the attached Resolution:

- 1) Approving a “Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate” with Yum Yum Donut Shops, Inc. (“Buyer”) for the sale of Successor Agency property at 1300 S. Reservoir Street in Pomona, California (APN 8727-019-900) (the “Property”) for the price of \$270,000;
- 2) Contingent upon the Pomona Oversight Board’s (“Oversight Board”) approval of disposition of the Property, authorizing the City Manager to execute the Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate, in substantially the form submitted, and all related documents to complete the sale transaction.

**Fiscal Impact** – The Successor Agency will receive sale proceeds of \$270,000, less customary closing costs.

### **Previous Action(s)** –

- On Sept. 18, 2017, the Council accepted the \$270,000 offer from the Buyer and directed staff to prepare sale documentation for final approval.

**Environmental Review** – Pursuant to section 15061(b)(3) of the CEQA Guidelines, it can be seen with certainty that there is no possibility that the sale of the subject Site will have a significant effect on the environment and, therefore, approval of the Purchase and Sale Agreement is not subject to CEQA.

## **EXECUTIVE SUMMARY**

The Successor Agency will consider a resolution approving a Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate (Agreement) with Yum Yum Donut Shops, Inc, for the sale of Successor Agency property known as 1300 S. Reservoir Street in Pomona, California (APN's 8327-019-900) for the price of \$270,000. The proposed sale is consistent with the Successor Agency's approved Long Range Property Management Plan (LRPMP), and applicable State Law, which requires the Successor Agency to sell the property at not less than fair market value, and as expeditiously as practical. The subject property's fair market value was determined to be \$230,000 by a July 2017 appraisal report prepared by the MAI Certified firm of Santolucito Dore Group, Inc.

## **BACKGROUND & DISCUSSION**

The Dissolution Law that eliminated all redevelopment agencies in the State requires the sale of all real property assets of the former Redevelopment Agency, following the California Department of Finance's ("DOF") approval of the LRPMP. The DOF approved Pomona's LRPMP on October 7, 2014, and the Property is among the assets that must be sold.

The parcel, commonly known as 1300 S. Reservoir Street, is on the list of parcels to be sold by the Successor Agency as part of the redevelopment dissolution in California. The former RDA purchased the subject property in 1989 for approximately \$35,000 for the purpose of land assemblage for future development opportunity. The sale is subject to approval by the Oversight Board.

## **CONCLUSION**

The property needs to be sold pursuant the State Dissolution Law, and the Property is listed as Site No. 15 on the approved LRPMP. Staff is recommending the Successor Agency accept the Buyer's valid offer of \$270,000 in accordance with State law and the approved Long Range Property Management Plan.

Attachment No.        1.        Resolution Approving the Sale with Exhibit A – Purchase & Sale Agreement