



CITY OF POMONA SUCCESSOR AGENCY REPORT

March 6, 2017

To: Honorable Mayor and Members of the City Council, Sitting as the Successor Agency

From: Linda Lowry, City Manager

By: Kirk Pelser, Deputy City Manager

Subject: **Adoption of a Resolution Approving a Purchase and Sale Agreement with the County of Los Angeles, for the sale of Successor Agency Property known as 340-350 Short Street, Pomona, California (APNs 8348-001-900 and 901) - Council District 1**

OVERVIEW

Recommendation – That the City Council, sitting as the Successor Agency to the former Redevelopment Agency, adopt the attached Resolution:

- 1) Approving a Purchase and Sale Agreement with the County of Los Angeles for the sale of Successor Agency Property at 340-350 Short Street, Pomona, California (APNs 8348-001-900 and 901) for the appraised fair market price of \$831,600; and,
- 2) Contingent upon the Pomona Oversight Board approving disposition of the Site, authorize the City Manager to execute the Purchase & Sale Agreement, in substantially the form submitted, and all related documents to complete the sale transaction.

Fiscal Impact – The Successor Agency will receive sale proceeds of \$831,600, less closing costs. The County is agreeable to the fair market price as appraised by Boznanski and Company, the City's appraiser. The approved Long Range Property Management Plan (LRPMP) requires that proceeds from the sale of the property be distributed to the various taxing entities, including the City of Pomona. The City will receive a 20% portion of the net sales proceeds, estimated to be \$165,000.

Previous Action – The Successor Agency will convey the Property in accordance with the Long Range Property Management Plan approved on July 10, 2014, by the Oversight Board of the Successor Agency and subsequently approved by the California Department of Finance by letter dated October 7, 2014.

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

A proposed resolution for the Purchase and Sales Agreement (“Agreement”) with the County of Los Angeles for sale of Successor Agency Property located at 340-350 Short Street (APNs 8348-001-900 and 901) for the Purchase Price of \$831,600, is presented for Successor Agency consideration and approval. The proposed Agreement is consistent with the Successor Agency’s approved Long Range Property Management Plan (LRPMP), which requires the Successor Agency to sell the property at not less than fair market value and as expeditiously as practical.

BACKGROUND & DISCUSSION

The dissolution law that eliminated all redevelopment agencies in the State requires the sale of all 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.

The County of Los Angeles has been leasing the Property from the Redevelopment Agency for the neighboring County Department of Public Social Services facility parking since 1993. To assure that perpetual parking is provided for their facility, the County desires to purchase the Property from the Successor Agency.

The site consists of two (2) parcels, together equal to approximately 57,400 square feet (1.32 acres +/-). Approximately three quarters ($\frac{3}{4}$) of the site is used for parking (the remainder is unimproved). The County has no plans for the unimproved portion at this time. Although a portion of the unimproved area fronts Holt Avenue, without additional property, a separate independent development is constrained due to lack of parking.

Pursuant to Mr. Kevin Webb of the Los Angeles County’s Chief Executive Office, Real Estate Division, the County Board of Supervisors will approve the sale after the City’s / Successor Agency’s approval of the Purchase and Sales Agreement. County legal counsel has advised their staff that the current and proposed use will not require CEQA review, as there is no change of use. The City’s Planning Division concurs with that opinion. Moreover, the County Board of Supervisors must approve the purchase by way of a public hearing, which Mr. Webb estimates will take 10 to 12 weeks after they receive the signed Purchase and Sales Agreement from the City.

Presented for City / Successor Agency approval is the Purchase and Sale Agreement, which includes the following major deal-points:

- Purchase Price - \$831,600 (\$14.49 per square foot). Such amount will be deposited into escrow upon opening by the County.
- Los Angeles County Board of Supervisors must approve the Purchase and Sale Agreement following the City approval (this can take 10 to 12 weeks following the City’s execution of the Purchase and Sales Agreement)

- Term of Escrow Period – 60 days or sooner from the County’s execution of the Purchase and Sales Agreement (an extension may be mutually executed)

CONCLUSION

The Subject property needs to be sold pursuant to the approved LRPMP. We have the ability to sell to the County of Los Angeles, which has been utilizing (leasing) the site as parking for nearly 25 years. Additionally, the County is agreeable to the fair market price as appraised by Boznanski and Company, the City's appraiser. Without the parcels, the County would not be able to fully park their facility. Sale to the County will benefit both the buyer and seller.

Attachments: 1. Resolution with Attachment 1 – Purchase & Sale Agreement
2. Aerial Photo of Site