
Pomona Successor Agency Oversight Board

March 16, 2017

To: Chair and Members of the Oversight Board

From: Linda Lowry, City Manager

Submitted By: Kirk Pelser, Deputy City Manager

Subject: **Adoption of a Resolution Approving a Purchase and Sale Agreement with the Pomona Unified School District for the Sale of Successor Agency Property Located at 1510 Murchison Avenue in Pomona, California (APN's 8358-035-943 & 944) - Council District 1**

OVERVIEW

Recommendation – That the Pomona Successor Agency Oversight Board adopt the attached Resolution approving a Purchase and Sale Agreement for the sale of Successor Agency Property at 1510 Murchison Avenue (APN's 8358-035-943 & 944) to the Pomona Unified School District (PUSD) for the purchase price of \$355,000.

Fiscal Impact – The Successor Agency will receive sale proceeds of \$355,000, less closing costs. The approved Long Range Property Management Plan (LRPMP) requires that proceeds from the sale of property not previously purchased with bond proceeds be distributed to the various taxing entities, including the City of Pomona

Previous Action – On February 27, 2017, the Successor Agency adopted a Resolution approving a Purchase and Sale Agreement with the Pomona Unified School District.

On September 12, 2016, the Successor Agency reviewed a revised offer from the PUSD and directed staff to bring back an agreement to approve the sale of the land to the PUSD for \$355,000.

On August 1, 2016, The Successor Agency reviewed offers from Frontier Real Estate and PUSD for purchase of the subject property. Both parties were willing to pay the appraised value of \$335,000. The Successor Agency directed staff to proceed in negotiations with PUSD for a purchase price greater than the March 2016 appraised value of \$335,000.

On October 5, 2015, the Successor Agency rejected an offer from Frontier Real Estate (Frontier) to purchase the subject property for \$200,000 and directed staff to obtain an appraisal of the property to determine fair market value.

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. The proposed transaction contemplates sale of the Property in its current physical condition.

EXECUTIVE SUMMARY

The proposed resolution is for approval of a Purchase & Sale Agreement (Agreement) with PUSD for the purchase of the Successor Agency Property at 1510 Murchison Avenue (APN's 8358-035-943 & 944) for the price of \$355,000. The proposed purchase price is \$20,000 over the March 2016, appraised value of \$335,000. 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 for no 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 California Department of Finance's (DOF) approval of the LRPMP. The DOF approved Pomona's LRPMP on October 7, 2014.

PUSD had expressed its desire to acquire the Murchison property from the Successor Agency and engaged a real estate asset consultant to advise them on the development value in combining 1510 Murchison with the adjacent larger site already owned by PUSD. After PUSD acquires the subject property, they will likely package it with its larger adjacent parcel and put the combined site out for development/sale proposals.

CONCLUSION

The subject property must be sold pursuant to the approved LRPMP. Sale to PUSD can be done quickly and is \$20,000 over the March 2016 appraised value of \$335,000. Sale to a private developer would likely involve an option to the property for a lengthy time in order to obtain entitlements and the acquisition of the adjacent larger PUSD property. Staff is recommending the Oversight Board approve the sale with PUSD for the price of \$355,000.

Attachments: 1. Resolution with Exhibit 1 – Purchase & Sale Agreement
2. Aerial Photo depicting ownership