
Pomona Successor Agency Oversight Board

October 19, 2017

To: Honorable Chair and Members of the Pomona Successor Agency Oversight Board

From: Linda Lowry, Executive Director

Submitted By: Kirk Pelser, Deputy Executive Director

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

OVERVIEW

Recommendation – That the Pomona Successor Agency Oversight Board adopt the attached resolution approving a “Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate” with Yum Yum Donut Shops, Inc. (the “Buyer”) for the sale of Successor Agency property at 1300 S. Reservoir Street in Pomona, California (APN's 8327-01-900) (the “Property”) for the purchase price of \$270,000;

Fiscal Impact – The Successor Agency will receive sale proceeds of \$270,000, less customary closing costs. The RDA dissolution law requires that the proceeds from the sale of the property be distributed to the various taxing entities, including the City of Pomona. There is no sales commission associated with this sale. The former RDA purchased the subject property in 1989 for \$35,000 for the purpose of land assemblage for future development opportunity.

Previous Action(s) –

- On October 2, 2017, the Successor Agency adopted a resolution approving sale of the Property to the Buyer for the purchase price of \$270,000.
- On September 18, 2017, the Successor Agency reviewed offers from two (2) interested parties. At that time, one of the offers was rejected, and staff was directed to accept the offer from the Buyer.

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 Sale is not subject to CEQA.

EXECUTIVE SUMMARY

The Oversight Board 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 at 1300 S. Reservoir Street in Pomona, California (APN 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. The former RDA purchased the subject property in 1989 for \$35,000 for the purpose of land assemblage for future development opportunity. The RDA dissolution law requires that the proceeds from the sale of the property be distributed to the various taxing entities, including the City of Pomona

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.

The subject parcel, commonly known as 1300 S. Reservoir Street, was 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 the purpose of land assemblage for future development opportunity.

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 Buyers valid offer of \$270,000 in accordance with State law and the approved Long Range Property Management Plan.

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| Attachment No. | 1. | Resolution Approving the Sale with Exhibit A – Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate |
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