



CITY OF POMONA SUCCESSOR AGENCY OVERSIGHT BOARD STAFF REPORT

May 17, 2018

To: Honorable Chair and Members of the 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 Property at 405-415 North Hamilton Boulevard in Pomona, California (APN's 8348-009-904 & 905) to Wermer Construction, Inc., for the Purchase Price of \$275,500**

OVERVIEW

Recommendation – That the Pomona Successor Agency Oversight Board consider the attached resolution approving an Agreement of Purchase & Sale and Joint Escrow Instructions (the “PSA”) with Wermer Construction, Inc. (the “Buyer”) for the sale of Successor Agency properties located at 405-415 North Hamilton Blvd. in Pomona, California (APN's 8348-009-904 & 905) (the “Property”) for the price of \$275,500.

Fiscal Impact –The Successor Agency will receive sale proceeds of \$275,500, less a 5% sales commission and customary closing costs. Dissolution Law requires that all proceeds from the sale of property, not previously purchased with bond proceeds, be forwarded to the Los Angeles County Treasurer and Tax Collector's Office for distribution to various taxing entities, including the City of Pomona.

Previous Action(s) –

- On May 7, 2018, the Successor Agency adopted a resolution approving the sale of the Property to Buyer for the purchase price of \$275,500.

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 Oversight Board will consider a resolution (Attachment No. 1) approving an Agreement of Purchase & Sale and Joint Escrow Instructions (the “PSA”) with Wermer Construction Inc. for the sale of Successor Agency property located at 405-415 North Hamilton Boulevard in Pomona, California (APN’s 8348-009-904 & 905) (the “Property”) for the price of \$275,500. 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 properties in a manner that maximizes value, and as expeditiously as practical. The subject properties’ fair market value was determined to be \$275,000 by a May 2017 appraisal report prepared by the firm of Lidgard & Associates.

BACKGROUND & DISCUSSION

The Dissolution Law eliminated all redevelopment agencies (“RDA(s)”) in the State, and requires each RDA’s “successor agency” to dispose of the real property assets of the RDA in accordance with the LRPMP approved by the oversight board and California Department of Finance (“DOF”). The DOF approved Pomona’s LRPMP on October 7, 2014, and the Property is among the assets that must be sold.

The subject Property, totaling 12,573 square feet (Photo/Map attachment No. 2), was purchased by the former RDA in 2002-2003 as part of an assemblage effort for future development opportunity. Based upon available records, it appears that the former RDA paid approximately \$404,000 for the properties during the hyper inflated real estate market of 2002-2003. The Property’s current fair market value was determined to be \$275,000 by a May 2017 appraisal report prepared by the firm of Lidgard & Associates. Approval of the sale is contingent upon approval by the Oversight Board

CONCLUSION

The Property needs to be sold pursuant the Dissolution Law, and the Property is listed as Site No. 14 on the approved LRPMP. Staff is recommending the Successor Agency accept the Buyer’s offer of \$275,500, which is \$500 more than the currently appraised fair market value, in accordance with State Law and the approved LRPMP.

Attachments

No. 1 Resolution Approving the Sale with Exhibit A – Agreement of Purchase & Sale and Joint Escrow Instructions
No. 2 Photo/Map