



CITY OF POMONA SUCCESSOR AGENCY STAFF REPORT

May 21, 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: **Adopt a Resolution Approving the Sale of Property at 1320 Jacqueline Drive in Pomona, California (APN 8359-039-903) to Expressions Entertainment Inc., for the Purchase Price of \$130,000 – Council District 1**

OVERVIEW

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

- 1) Approving an Agreement of Purchase & Sale and Joint Escrow Instructions (the “PSA”) with Expressions Entertainment, Inc. (the “Buyer”) for the sale of Successor Agency properties located at 1320 Jacqueline Drive in Pomona, California (APN 8359-039-903) (the “Property”) for the price of \$130,000.
- 2) Contingent upon the Pomona Oversight Board’s (“Oversight Board”) approval of the proposed sale of the property, authorizing the City Manager to execute the PSA, in substantially the form submitted, and all related documents reasonably necessary to complete the sale transaction.

Fiscal Impact – The Successor Agency will receive sale proceeds of \$130,000, less customary closing costs. Dissolution Law requires that all proceeds from the sale of property, to the extent such proceeds are not contractually or legally restricted (e.g 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 preliminarily accepted the \$130,000 offer from the Buyer, and directed staff to prepare sale documentation for consideration and 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 Property 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 concerns merely the disposition of property, and any entitlements, change in use, or similar alternation to the Property will be subject to future discretionary action by the Pomona City Council and/or Planning Commission.

EXECUTIVE SUMMARY

The Successor Agency will consider a Resolution (Attachment No. 1) approving an Agreement of Purchase & Sale and Joint Escrow Instructions (the “PSA”) with Expressions Entertainment Inc. for the sale of Successor Agency property located at 1320 Jacqueline Drive in Pomona, California (APN 8359-039-903) (the “Property”) for the price of \$160,000. This particular parcel (Photo/Map, Attachment No.2) was inadvertently omitted at the time of preparation and State DOF approval of the Successor Agency’s Long Range Property Management Plan (“LRPMP”). Based upon subsequent DOF guidance, on May 17, 2018, the Successor Agency Oversight Board adopted a resolution directing the Successor Agency to sell the subject property in a manner consistent with the other parcels listed on the 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 Property’s fair market value was determined to be \$135,000 by a January 2017 appraisal report prepared by the firm of Boznanski & Company.

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 8,173 square feet, was purchased by the former RDA in 2004 as part of an assemblage effort for future development opportunity. Based upon available records, it appears that the former RDA paid approximately \$56,000 for the property. The Property’s current fair market value was determined to be \$135,000 by a January 2017 appraisal report prepared by the firm of Boznanski & Company. Although the recommended offer of \$130,000 is slightly less than the \$135,000 appraisal value, this sale is not subject to any sales commission, making the impact De Minimis. Approval of the sale is contingent upon approval by the Oversight Board.

CONCLUSION

The Property needs to be sold pursuant the Dissolution Law. This particular parcel was inadvertently omitted at the time of preparation and State DOF approval of the Successor Agency's Long Range Property Management Plan ("LRPMP"). Based upon subsequent DOF guidance, on May 17, 2018, the Successor Agency Oversight Board adopted a resolution directing the Successor Agency to sell the subject property in a manner consistent with the other parcels listed on the 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. Staff is recommending the Successor Agency accept the Buyer's offer of \$130,000.

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