



CITY OF POMONA SUCCESSOR AGENCY OVERSIGHT BOARD STAFF REPORT

June 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: **Adoption of 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**

OVERVIEW

Recommendation – That the Pomona Successor Agency Oversight Board consider the attached resolution (Attachment 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.

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, 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 21, 2018, the Successor Agency adopted a resolution approving the sale of the Property to Buyer for the purchase price of \$130,000.
- On May 17, 2018, the Oversight Board adopted a resolution directing the Successor Agency to sell the subject property (Photo/Map Attachment 2). This step was taken per the guidance of State Department of Finance (DOF) because the property was inadvertently omitted from the LRPMP.

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 Expressions Entertainment Inc. for the sale of Successor Agency property located at 1320 Jacqueline in Pomona, California (APN 8359-039-903) (the “Property”) for the price of \$130,000. 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 properties in a manner that maximizes value, and as expeditiously as practical. The subject properties’ 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. Recently, however, Successor Agency staff discovered that the subject parcel was inadvertently omitted from the LRPMP. Successor Agency staff sought guidance from the DOF, who responded that resolution should be presented to the Oversight Board to: 1) make it aware and create a record of the Successor Agency’s ownership of the property; and 2) obtain approval for the proposed manner of disposition of the property. The Oversight Board adopted the needed resolution at their May 17, 2018 meeting.

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.

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.

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