

**City of Pomona
Successor Agency Oversight Board
Special Meeting Minutes**

**April 26, 2018
10:00 a.m.**

**City Council Chambers
Pomona City Hall
505 S. Garey Avenue
Pomona, California**

Board Members present:

Tim Sandoval, Chair
Carrie Sutkin, Vice Chair
Leslie Barnes, Board Member
Mike Gregoryk, Board Member
Debra Martin, Board Member
Jane Rich, Board Member

Board Members Absent:

Bruce Saito, Board Member

Staff Members Present:

Kirk Pelser, Deputy Executive Director
Onyx Jones, Finance Director
Chris Cardinale, Successor Agency Legal Counsel
Theresa Highsmith, Oversight Board Legal Counsel
Eva Buice, City Clerk

CALL TO ORDER

Chair Sandoval called the meeting to order at 10:00 a.m.

ROLL CALL

Eva Buice, City Clerk, called the roll.

PLEDGE OF ALLEGIANCE

Chair Sandoval led the Pledge of Allegiance.

PUBLIC COMMENT

There was none.

CONSENT AGENDA

1. Approve the Regular Meeting minutes of the Pomona Successor Agency Oversight Board of March 5, 2018.

Motion by Member Martin, seconded by Member Rich, duly carried by unanimous vote of the members present (6-0-1-0) (Member Saito being absent), the Oversight Board approved the Special Meeting minutes of the Pomona Successor Agency Oversight Board of March 5, 2018.

NEW BUSINESS

2. Adopt a Resolution Approving the a Purchase and Sale Agreement with John Peña Irrevocable Family Trust 82-6632724 for the sale of Successor Agency Property known as Mission Promenade – 101 West Mission Boulevard in Pomona, California (APN's 8341-008-912, 913914, 915, 916 & 917).

Kirk Pelser, Deputy Executive Director, provided a report on the Purchase and Sale Agreement with John Peña in the amount of \$5,750,000. Mr. Pelser informed the Oversight Board that the Property was acquired with bond proceeds of the former Redevelopment Agency. Mr. Pelser indicated that the stated property had prior offers that did not come to fruition. The two most recent offers are from Mr. Peña in the amount of \$5,750,000, and from Neil Harrington, TNH, Real Estate Developer, Huntington Beach, in the amount of \$6,000,000. Ultimately, the Successor Agency directed staff to prepare a Sale Agreement with Mr. Peña.

The following individuals addressed the Oversight Board and spoke in favor of the sale to the John Peña Irrevocable Family Trust:

Jorge Grajeda, Real Estate Broker
Larry Egan, Downtown Pomona Owners Association Executive Director
Adriana Robledo, Pomona City Council Member, District 2
Ismael Arias, Pomona Planning Commissioner
Carolyn Hemming, Pomona Planning Commissioner
Danny Holznecht, Pomona Realtor
Gerry Najarro, Realtor
Ginna E. Escobar, Pomona City Council Member, District 5
Robert Torres, Pomona City Council Member, District 6
Victor Caceres, Pomona Resident
Jon Peña, Buyer

Mr. Neil Harrington, TNH, Real Estate Developer, Huntington Beach, addressed the Oversight Board and inquired as to the process for selecting Mr. Peña as the appropriate bidder since Mr. Harrington's submitted a bid that was higher than Mr. Peña's.

Board Member Gregoryk commented on the overwhelming support for Mr. Pena from the public and from public officials alike, and underscored the importance of having a developer who knows the community and has a successful track-record in developing other sites within the community.

Vice Chair Sutkin inquired as to a current appraisal for the property. Mr. Pelser responded that any appraisal would likely be based on the Net Operating Income which would not translate to a higher value of the property because the current Net operating Income is lower than it was when last appraised. Discussion continued with Chris Cardinale, Successor Agency Legal Counsel and Theresa Highsmith, Oversight Board Legal Counsel, who responded to Vice Chair Sutkin's concerns. During discussion, the Oversight Board (Sutkin) asked if proceeds from the sale from the property would be used for the repayment of bonds, and further discussion ensued regarding the outstanding principal and interest on the remaining bonds.

Board Member Martin also voiced her concern regarding the lack of a current appraisal and stressed that the tax increment dollars from various other developments such as Phillips Ranch, Martin Meadows and eleven others, were not properly negotiated in order for the City to receive tax increment revenue, and that issue should also be addressed.

Board Member Barnes commented that the stated property had fallen in and out of escrow several times and that it is important to note that Mr. Peña's offer includes the waiver of contingencies, which is an important factor in considering bids. Board Member Barnes also requested a cleaner process for sending out *Request for Bids* and for the bidding process overall in the future.

After discussion, on Motion of Board Member Martin, seconded by Chair Sandoval, duly carried by the following vote, the Oversight Board Adopted Resolution No. OB-03, A Resolution of the Oversight Board for the Successor Agency to the Former Redevelopment Agency of the City of Pomona approving the sale of Successor Agency Property known as Mission Promenade – 101 West Mission Boulevard in Pomona, California (APN's 8341-008-912, 913914, 915, 916 & 917):

AYES: ***Board Members Barnes, Gregoryk, Martin, Rich, Vice Chair Sutkin and Chair Sandoval***
NOES: ***None***
ABSENT: ***Board Member Saito***
ABSTAIN: ***None***

3. Adoption of a Resolution Approving the Sale of Property at 192 E. Center Street and 353 N. Gibbs Street in Pomona, California (APN's 8336-026-904 & 905) to Triad Ventures, Inc., for the Purchase Price of \$312,000.

Kirk Pelser, Deputy Executive Director, presented an overview of the stated property and informed the Oversight Board that the sale of property in the amount of \$312,000 is based on a current appraisal.

On Motion of Board Member Gregoryk, seconded by Member Barnes, duly carried by the following vote, the Oversight Board Adopted Resolution No. OB-04, A Resolution of the Oversight Board for the Successor Agency to the Former Redevelopment Agency of the City of Pomona approving the sale of property at 192 E. Center Street and 353 N. Gibbs Street in Pomona, California (APN's 8336-026-904 & 905) to Triad Ventures, Inc., for the Purchase Price of \$312,000.

AYES: *Board Members Barnes, Gregoryk, Martin, Rich, Vice Chair Sutkin and Chair Sandoval*

NOES: *None*

ABSENT: *Board Member Saito*

ABSTAIN: *None*

STAFF COMMUNICATION

Onyx Jones, Finance Director, presented an update regarding the current outstanding bonds held by the Successor Agency, and indicated that the Successor Agency is looking to refinance the bonds at a lower interest rate. The process requires that the County's Deferral Loan be subordinate to the bonds. Currently the County views the Loan as an Enforceable Obligation, however, the Successor Agency understands the Loan to be a Pass-Through Payment. The Successor Agency has requested that the County review the terms of the Loan Agreement and respond in writing as to their understanding of the terms and clarify what is to be expected going forward.

Ms. Jones provided the following additional information. Since 1988, The Deferral Loan has grown to \$214,000,000 due to the principal balance of \$60,000,000 and interest accruing at 7%. The Successor Agency is considering a one-time payoff to the County, which has been reviewed by the Department of Finance (DOF), who has verbally agreed, in concept, to the transaction but has yet to provide a written opinion. In addition, the Successor Agency has also requested the County to respond in writing if they are willing to a) subordinate the Loan; b) recognize the Loan as a Pass-Through rather than an Enforceable Obligation; and c) provide evidence for the current pass through rate of 49%. Without a foreseeable remedy, the Loan, principal and interest can potentially grow to \$508,000,000 with no end date in sight. Ms. Jones informed the Oversight Board that the County is currently working on a formal response regarding the matter.

Discussion ensued relative to property tax revenue and Ms. Jones answered questions posed by the Oversight Board.

ADJOURNMENT

The Oversight Board adjourned at 11:15 a.m.

The next Regular Pomona Successor Agency Oversight Board Meeting is scheduled to be held on Thursday, May 17, 2018 at 10:00 a.m.



Eva Buice, City Clerk
City of Pomona
Secretary to the Oversight Board
for the Successor Agency to the
Pomona Redevelopment Agency

ATTEST:



Tim Sandoval
Chair

