

RESOLUTION NO. 2020- 37

RESOLUTION OF THE SAN BERNARDINO COUNTYWIDE OVERSIGHT BOARD APPROVING AN AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS BETWEEN THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN BERNARDINO AND MARK DEVELOPMENT, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY FOR UNIMPROVED REAL PROPERTY LOCATED ON THE NORTH BY HIGHLAND AVENUE, BETWEEN ARDEN AVENUE AND GUTHRIE AVENUE, AND ON THE SOUTH BY 20TH STREET, BETWEEN ARDEN AVENUE AND GUTHRIE AVENUE IN THE CITY OF SAN BERNARDINO, AND MORE PARTICULARLY IDENTIFIED AS ASSESSOR'S PARCEL NUMBERS 1191-021-01-0000, 1191-021-11-0000 TO 1191-021-69-0000, 1191-041-17-0000 TO 1191-041-22-0000, AND 1191-041-25-0000 TO 1191-041-32-0000 FOR THE PURCHASE PRICE OF \$4,500,000

On Monday, July 13, 2020, on motion of San Bernardino Countywide Oversight Board Member DeNava, duly seconded by San Bernardino Countywide Oversight Board Member Miller and carried, the following resolution is adopted by the San Bernardino Countywide Oversight Board, State of California.

WHEREAS, the Successor Agency to the Redevelopment Agency of the City of San Bernardino (Successor Agency) must dispose of assets and properties of the former redevelopment agency as directed by the San Bernardino Countywide Oversight Board (CWOB) pursuant to California Health and Safety Code (HSC) Section 34177(e); and

WHEREAS, the San Bernardino Countywide Oversight Board must direct the Successor Agency to dispose of all assets and properties of the former redevelopment agency pursuant to HSC Section 34181(a); and

WHEREAS, the Successor Agency is not permitted to dispose of any real property assets of the former redevelopment agency, except governmental use assets, until the Department of Finance (DOF) approves the Successor Agency's Long-Range Property Management Plan (LRPMP) pursuant to HSC Section 34191.3; and

WHEREAS, on December 28, 2015, the Successor Agency's Oversight Board adopted Resolution No. SBOB/2015-09, approving the Successor Agency's LRPMP; and

WHEREAS, on December 31, 2015, DOF issued a Determination Letter approving the Successor Agency's LRPMP and notified the Successor Agency that pursuant to HSC Section 34191.3, the approved LRPMP shall govern, and supersede all other provisions relating to the disposition and use of all the real property assets of the former Redevelopment Agency; and

WHEREAS, certain properties (APNs 1191-021-01-0000, 1191-021-11-0000 to 1191-021-69-0000, 1191-041-17-0000 to 1191-041-22-0000, and 1191-041-25-0000 to 1191-041-32-0000) were not included within the LRPMP due to lengthy negotiating with DOF as to whether or not the properties were housing assets and should be included within the Housing Asset Transfer list or assets of the Successor Agency and should be included within the LRPMP; and

WHEREAS, in 2016, after the LRPMP was approved by DOF, DOF made their final determination that the properties were not housing assets and should have been included within the approved LRPMP; and

WHEREAS, consistent with the applicable provisions of HSC Section 34177(e), properties not included within an approved LRPMP must be sold; and

WHEREAS, the Successor Agency desires to sell real property to Mark Development, LLC, a California limited liability company (Purchaser) located on the north by Highland Avenue, between Arden Avenue and Guthrie Avenue, and on the south by 20th Street, between Arden Avenue and Guthrie Avenue, San Bernardino, California and consisting of 74 separate parcels containing approximately 17.43 acres and identified as Assessor's Parcel Numbers 1191-021-01-0000, 1191-021-11-0000 to 1191-021-69-0000, 1191-041-17-0000 to 1191-041-22-0000, and 1191-041-25-0000 to 1191-041-32-0000 (the Property); and

WHEREAS, on May 1, 2017, the City entered into an Exclusive Right to Negotiate with the Purchaser; and

WHEREAS, in March 2019, the Successor Agency engaged CBRE Valuation & Advisory Services ("CBRE") to appraise the Property and on June 7, 2019, CBRE submitted its appraisal with a Fair Market Value (FMV) of \$4,950,000; and

WHEREAS, in June 2019, Purchaser engaged Mission Property Advisors, Inc. ("MPA") to appraise the Property and on July 17, 2019, MPA submitted its appraisal with an FMV of \$3,535,000; and

WHEREAS, Successor Agency and Purchaser agree that the FMV lies somewhere between the two Property appraisals; and

WHEREAS, as a part of the sale negotiations, Purchaser has agreed to purchase the Property for FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS (\$4,500,000), and if escrow does not close by March 31, 2021, Purchaser has agreed to pay FOUR MILLION SEVEN HUNDRED THOUSAND DOLLARS (\$4,700,000) (known as the "2021A-Purchase Price" and the "2021B-Purchase Price," respectively) and

WHEREAS, the 2021A-Purchase Price exceeds Purchaser's appraised value (as provided by MPA) of \$3,535,000, by \$965,000 (or approximately 27.3%) and since the 2021A-Purchase Price is less than the Successor Agency's appraised value (as provided by CBRE) of \$4,950,000 by \$450,000 (or approximately 9.1%), the Successor Agency has concluded that the 2021A-Purchase Price for the Property is fair and reasonable; and

WHEREAS, the 2021B-Purchase Price exceeds Purchaser's appraised value (as provided by MPA) of \$3,535,000, by \$1,165,000 (or approximately 33%) and since the 2021B-Purchase Price is less than the Successor Agency's appraised value (as provided by CBRE) of \$4,950,000 by \$250,000 (or approximately 5%), the Successor Agency also has concluded that the 2021B-Purchase Price for the Property is fair and reasonable; and

WHEREAS, the sale of the Property by the Successor Agency to Purchaser is intended to be made in accordance with the terms of a Purchase and Sale Agreement and Joint Escrow Instructions (PSA), which was approved by the Successor Agency on May 20, 2020, a copy of which is attached hereto as Exhibit A; and

WHEREAS, subject to the approvals of the CWOB and DOF, the Successor Agency intends to distribute the net land sale proceeds to the San Bernardino County Auditor-Controller/Treasurer/Tax Collector for distribution to the taxing entities, less the costs of sale attributable to the Successor Agency that are described within the Agreement; and

WHEREAS, pursuant to HSC Section 34181(f), all actions taken pursuant to HSC Section 34181(a), shall be approved by resolution of the Oversight Board at a public meeting after at least 10 days' notice to the public of the specific proposed actions; and

WHEREAS, public notice was published in a newspaper of general circulation on June 24, and July 1, 2020 and the CWOB agenda was additionally posted for public review consistent with the provisions of HSC Section 34181(f) on July 09, 2020; and

WHEREAS, the CWOB has determined that the approval of the sale and disposition of the Property and execution of the PSA is consistent with the provisions of HSC Section 34191.3(a), and is consistent with the obligation of the Successor Agency to wind down the affairs of the former redevelopment agency in accordance with HSC Section 34177(h).

NOW, THEREFORE, the San Bernardino Countywide Oversight Board hereby resolves, determines and orders as follows:

Section 1. The foregoing recitals are true and correct.

Section 2. The sale by the Successor Agency to the Redevelopment Agency of the City of San Bernardino of real property identified as Assessor's Parcel Numbers 1191-021-01-0000, 1191-021-11-0000 to 1191-021-69-0000, 1191-041-17-0000 to 1191-022-0000, and 1191-041-25-0000 to 1191-041-32-0000 located on the north by Highland Avenue, between Arden Avenue and Guthrie Avenue, and on the south by 20th Street, between Arden Avenue and Guthrie Avenue, San Bernardino, California, in accordance with that certain executed Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions between the Successor Agency and Mark Development, LLC, a California limited liability company, for a purchase price of \$4,500,000, is hereby approved.

Section 3. This resolution supersedes and replaces Resolution No. 2020-33 adopted on June 11, 2020, which resolution is hereby repealed.

Section 4. This resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED by the San Bernardino Countywide Oversight Board, State of California, by the following vote:

AYES: OVERSIGHT BOARD MEMBER: Richard DeNava, Kenneth Miller, Cindy Saks, Acquanetta Warren, David Wert

NOES: OVERSIGHT BOARD MEMBER: None

ABSENT: OVERSIGHT BOARD MEMBER: Lawrence Strong

ABSTAIN: OVERSIGHT BOARD MEMBER: Mario Vasquez

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STATE OF CALIFORNIA)
)
COUNTY OF SAN BERNARDINO) ss.

I, **LYNNA MONELL**, Secretary to the San Bernardino Countywide Oversight Board, State of California, hereby certify the foregoing to be a full, true and correct copy of the record of the action taken by the Countywide Oversight Board, by vote of the members present, as the same appears in the Official Minutes of said Board at its meeting of July 13, 2020.

LYNNA MONELL
Secretary to the San Bernardino Countywide
Oversight Board

By _____

