



REDEVELOPMENT AGENCY AGENDA REPORT



DEPARTMENT: Administration

MEETING DATE: March 20, 2007

PREPARED BY: Kevin O'Brien,
Redevelopment Division Manager

AGENDA LOCATION: MRA AR-1

TITLE: Authorization to Acquire Real Property Located at 204 West Pomona Avenue from Mee Industries Inc., for the Total Consideration of \$3,300,000.00, Resolution No. 2-2007.

OBJECTIVE: The Redevelopment Agency's goal is to acquire the real property owned by Mee Industries Incorporated ("the Owner") at 204 West Pomona Avenue. The property is currently improved with a one story, concrete block industrial structure.

BACKGROUND: On August 1, 2006, the Agency Board authorized an extension of the Agency's Exclusive Negotiating Agreement with Olson Urban Housing, LLC, and Samuelson & Fetter, LLC for the Station Square Study Area. This area is located within the Project Area generally located north of Duarte Road, east of Magnolia Avenue, south of Evergreen Avenue and west of Shamrock Avenue, and is intended to capitalize on the eastward expansion of the Gold Line. As currently envisioned, this development is comprised of approximately 80 acres, and consists of numerous ownership interests

As the development team and Agency staff move forward on this project, it has been determined that the project will be developed in three different phases, with the first phase being the 25 acres that immediately surround the existing Santa Fe Depot station, on the west side of Myrtle Avenue. One of the most centrally located parcels in this phase is owned by a light industrial facility located at 204 West Pomona Avenue. The site is improved with a 25,311 square foot structure and sits on a 45,740 square foot lot. Given the critical location of the site, Agency staff met with the Owner and outlined the concept for the Station Square project and explained that the Agency would be interested in commissioning an independent appraisal for the property. After receiving the appraisal, the Agency offered the Owner \$3,000,000 for the site, the amount consistent with the appraisal. Under State Law, the Agency is required to provide relocation assistance to businesses that are displaced as a result of Agency activities. In this case, the Owners of the site, Mee Industries, also operate a business on the property. In addition to the consideration for the land, the Owners have agreed to accept \$300,000 for relocation assistance. This sum will be used to physically move the business and make certain site improvements at the relocation facility they are in the process of purchasing.

ANALYSIS: Although the Notice of Preparation for the Environmental Impact Report was recently mailed, the Station Square project is still in a conceptual phase. While property acquisitions are generally planned to be the responsibility of the private development entity, the Agency has already acquired a few important parcels adjacent to the Santa Fe Depot. The

MRA AR-1

204 West Pomona Avenue property is closely located to the previously acquired Agency holdings, and would be part of the first phase of the project. A map identifying the 204 West Pomona Avenue property, as well as the existing Agency holdings is attached as Exhibit One.

OPTIONS: The Agency Board's options are as follows:

1. Adopt Resolution No. 2-2007, authorizing the purchase of 204 West Pomona Avenue, as outlined in the Staff Report.
2. Reject the purchase terms as outlined in the Staff Report and direct Staff to renegotiate specific terms.
3. Elect not to purchase the properties.

FISCAL IMPACT: Under the proposed terms that were offered by the Owner, the Agency would acquire title to both properties for the total consideration of \$3,300,000. The cost includes \$3,000,000 for the land and \$300,000 for relocation assistance.

RECOMMENDATION: Staff recommends that the Agency Board adopt Resolution No. 2-2007, and authorize the Executive Director to acquire 204 West Pomona Avenue.

AGENCY ACTION REQUIRED: If the Agency Board concurs, the appropriate action would be a motion to adopt Resolution No. 2-2007, authorizing the acquisition of real property located at 204 West Pomona Avenue from Mee Industries Inc., in the amount of \$3,300,000.00.



Exhibit One

- Legend**
- 204 W. Pomona
 - Agency Acquired Properties

RESOLUTION NO. 2-2007

RESOLUTION OF THE MONROVIA REDEVELOPMENT AGENCY OF THE CITY OF MONROVIA, CALIFORNIA AUTHORIZING THE MONROVIA REDEVELOPMENT AGENCY EXECUTIVE DIRECTOR TO ACQUIRE 204 WEST POMONA AVENUE FOR THE TOTAL PURCHASE PRICE OF \$3,300,000.00; AND TO EXECUTE THE PURCHASE AGREEMENT AND ENTER ESCROW.

THE REDEVELOPMENT AGENCY OF THE CITY OF MONROVIA DOES hereby resolve as follows:

WHEREAS, the Monrovia Redevelopment Agency (the "Agency") is engaged in activities to carry out and implement the Redevelopment Plan (the "Redevelopment Plan") for the Monrovia Redevelopment Project Area (the "Project Area"); and

WHEREAS, in order to carry out and implement such Redevelopment Plan, the Agency proposes to enter into that certain Purchase Agreement (the "Agreement") with Mee Industries Incorporated, to acquire certain property (the "Site"), at 204 West Pomona Avenue; and

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF MONROVIA DOES HEREBY FIND, DETERMINE, ORDER AND RESOLVE AS FOLLOWS:

SECTION 1. The Agency hereby finds and determines, based upon substantial evidence provided in the record before it, that the acquisition and development of the Site will eliminate physical and economic blight within the Project Area.

SECTION 2. The Agency hereby approves the purchase of 204 West Pomona Avenue for the total purchase price of \$3,300,000.00. Of this amount, \$3,000,000.00 is for the fee interest, and \$300,000.00 is for relocation assistance. The Executive Director is authorized and directed to execute the Agreement on behalf of the Agency. A copy of the Agreement when executed shall be placed on file in the office of the Agency Secretary. The Executive Director of the Agency is authorized and directed to implement the Agreement and execute all escrow documents and other documents necessary to carry out the Agreement. The Executive Director is also authorized and directed to complete all required tenant relocations, as required under California State law.

SECTION 3. The City Clerk shall certify to the adoption of this Resolution, and the same shall be effective March 20, 2007.

PASSED, APPROVED and ADOPTED this 20th day of March, 2007 by the following vote:

AYES:

NOES:

ABSTAIN:

EXCUSED:

BY:

Rob Hammond, Chairman
Monrovia Redevelopment Agency

ATTEST:

Linda B. Proctor, MMC, Agency Secretary
Monrovia Redevelopment Agency

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) §
CITY OF MONROVIA)

I, LINDA B. PROCTOR, MMC, City Clerk of the City of Monrovia, California, do hereby certify that the foregoing Resolution No. 2-2007 was introduced and adopted at a regular meeting provided by law of the Monrovia Redevelopment Agency held on the 20th day of March, 2007 by the following vote:

AYES:
NOES:
ABSTAIN:
EXCUSED:

ATTEST:

Linda B. Proctor, MMC, City Clerk
City of Monrovia