



CITY OF HUNTINGTON PARK

Successor Agency Agenda Report

April 3, 2018

Honorable Chair and Members of the Successor Agency Board
City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Dear Members of the Successor Agency Board of the Community Development Commission of the City of Huntington Park:

CONSIDERATION AND APPROVAL OF PURCHASE AND SALE AGREEMENT FOR PROPERTY LOCATED AT 5959-6161 ALAMEDA AVENUE, HUNTINGTON PARK, CA 90255 (“SOUTHLAND STEEL PROPERTY”)

IT IS RECOMMENDED THAT THE SUCCESSOR AGENCY BOARD:

1. Authorize Executive Director of the Successor Agency to negotiate and execute purchase and sale agreement related to the sale of the Southland Steel property

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

AB X126 and AB 1484, which outline the dissolution process for Redevelopment Agencies (RDAs), require Successor Agencies to prepare a Long Range Property Management Plan (LRPMP) outlining a strategy to dispose of real estate assets. The LRPMP must be submitted and approved by the Oversight Board and Department of Finance (DOF). At the time of dissolution, the former RDA (now a Successor Agency) owned the Southland Steel property.

On June 3, 2013, the Successor Agency completed its LRPMP recommending that this property be sold. The LRPMP was subsequently approved by the Oversight Board on June 12, 2013, and the DOF on August 29, 2013. The next step in the dissolution process is to dispose of all real estate assets according to the approved LRPMP.

At this time the Successor Agency is requesting authorization to negotiate and execute a purchase and sale agreement related to the sale of the Southland Steel property. The Agency identified an interested buyer for the property, with the assistance of a broker (Jones Lang LaSalle). Nick Alexander Imports (Buyer) a private entity, offered to purchase the land for \$3,200,000.

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Property History

The Community Development Commission of the City of Huntington Park (“CDC”) purchased the property located at 5959, 5969, 6161 & 6169 Alameda Street, known as the “Southland Steel Site in 2005 as a Brownfield site.

FISCAL IMPACT/FINANCING

The sale price of the property is \$3,200,000. All escrow related fees, including the broker commission fee of 3% will be paid from proceeds of the sale. The remaining proceeds will be used to pay outstanding Successor Agency obligations listed in the approved Recognized Obligation Payment Schedule (i.e. Environmental Cleanup Costs).

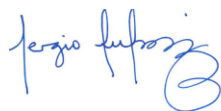
CONCLUSION

Upon approval by Successor Agency and Oversight Board, a Resolution and the Purchase and Sale Agreement will be submitted to the DOF for final approval.

Respectfully submitted,



RICARDO REYES
Executive Director



SERGIO INFANZON
Director of Community Development