

OVERSIGHT BOARD OF THE SUCCESSOR
AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF PALMDALE

RESOLUTION NO. OB 2016-017

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE AUTHORIZING THE EXECUTIVE DIRECTOR OF THE SUCCESSOR AGENCY TO ENTER INTO THE NEW REPAYMENT TERMS OF AN EXISTING LOAN TO HIS & J INVESTMENTS, LLC, AND RELATED ACTIONS.

WHEREAS, Assembly Bill 26X, as amended by AB 1484, SB 107, and other statutes, together, being referenced below as the “Dissolution Act” dissolved redevelopment agencies and required successor agencies to wind down redevelopment agencies’ affairs; and

WHEREAS, pursuant to the Dissolution Act, the Successor Agency to the Community Redevelopment Agency of the City of Palmdale (“Successor Agency”) is vested with all authority, rights, powers, duties, and obligations previously vested with the former Community Redevelopment Agency of the City of Palmdale (“Redevelopment Agency”) under the Community Redevelopment Law; and

WHEREAS, the Redevelopment Agency entered into a Disposition and Development Agreement dated February 12, 2003, which was subsequently assigned to HIS & J Investments, LLC (“Developer”); and

WHEREAS, the DDA provided for the sale by the Redevelopment Agency to Developer of certain real property located in the Antelope Valley Auto Center (“Property”) for use as a retail dealership for motorcycles, watercraft and accessories, a service center, and ancillary uses (“Business”); and

WHEREAS, pursuant to the DDA, the Redevelopment Agency made a purchase money loan to Developer in the original principal amount of \$540,000 (“Loan”), which is evidenced by a Promissory Note from Developer to the Redevelopment Agency dated July 20, 2005 (“Promissory Note”) and is secured by a Deed of Trust, Security Agreement and Fixture Filing (With Assignment of Rents) dated as of July 20, 2005 and recorded in the Official Records of Los Angeles County (“Deed of Trust”); and

WHEREAS, Developer proposes to sell the Property and, to facilitate the sale, has requested the Successor Agency to revise the terms of repayment of amounts that remain owing under the Promissory Note and to provide for subordination of the Deed of Trust to the deed of trust securing the financing for the sale; and

WHEREAS, the purchaser of the Property has agreed to pay all accrued interest on the Loan at the close of the sale; and

WHEREAS, the proposed sale of the Property and the continuation of the Business, and the payment of accrued interest, would be in the best interests of the taxing entities; and

WHEREAS, Health and Safety Code section 34181(e) authorizes the Oversight Board of the Successor Agency to the Community Redevelopment Agency of the City of Palmdale ("Oversight Board") to approve the amendment of agreements between the Redevelopment Agency and private parties if it determines that amendment would be in the best interests of the taxing entities; and

WHEREAS, the Oversight Board desires to authorize the Executive Director of the Successor Agency to enter into the new repayment terms for the Loan; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, BE IT HEREBY RESOLVED, BY THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE, AS FOLLOWS:

SECTION 1. The foregoing recitals are true and correct and are a substantive part of this Resolution.

SECTION 2. The Oversight Board has received and heard all oral and written objections to the Successor Agency's proposed new repayment terms of the Loan, and to other matters pertaining to this transaction and all such oral and written objections are hereby overruled.

SECTION 3. The Oversight Board hereby authorizes the Executive Director of the Successor Agency or designee to, (i) enter into an Assumption Agreement and Amendment of Promissory Note and a Subordination Agreement, in substantially the form presented to the Oversight Board, and (ii) execute such instruments and take such actions as are necessary and appropriate to carry out the intent of this Resolution, subject to the approval of the Executive Director and Successor Agency legal counsel.

SECTION 4. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, then such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

SECTION 5. This Resolution shall take effect upon the date of its adoption.

SECTION 6. The Secretary shall certify as to the adoption of this Resolution.

PASSED, APPROVED and ADOPTED this 1st day of December, 2016 by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

James Purtee, Chair

ATTEST:

Rebecca J. Smith, Secretary