

City shelves bistro buy – for now

**Pinole officials set deadlines for Pear Street eatery's sale
to other buyer as critics urge city to foreclose**

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By Tom Lochner

PINOLE — Pinole will not buy the Pear Street Bistro — at least for now — the City Council decided in closed session this week.

Owner Gary Wong informed the council he is negotiating a sale of the bistro building to an undisclosed third-party buyer, City Attorney Ben Reyes said. The building includes four apartments above the bistro.

Sitting as the Pinole Redevelopment Agency board, the council gave Wong until July 24 to open escrow and Aug. 21 to close escrow for the sale. If Wong misses either of the deadlines, the city staff is directed to begin foreclosure proceedings, according to a written statement from the council distributed after Tuesday night's closed session.

"This does not preclude the Agency from considering the purchase of 2395 San Pablo Avenue (the bistro building's street address) at a later date," the statement concludes.

Several spectators applauded the decision; others complained it was too tentative.

"I just felt a load off my shoulders," said resident Edella Parada.

Resident Doris Smith Dill, on the other hand, said the council statement was "more double-talk."

"You say you're not going to buy (the building) and yet you say it does not preclude the purchase at a later date," Dill said. "That's not being definite."

Resident David Ruport said the council's action "leaves a wide-open door in a decision that's been going on forever."

Wong owes the city more than \$450,000 in redevelopment loans and interest; he stopped making loan payments 20 months ago.

The city has a first lien on the property; the previous owner holds a second mortgage that was about \$612,000 in late 2001, when Wong bought the property. An appraisal commissioned by Wong's company, Guistomangia Inc., also shows delinquent property taxes of about \$16,000 as of mid-May.

Wong, through his accountant, had offered the Pear Street Bistro property to the city for \$3 million in January.

On April 24, pursuant to a city-commissioned appraisal, the council OK'd buying the property for \$1.55 million, pending Wong's appraisal. The \$1.55 million does not include the value of the restaurant equipment, which the Redevelopment Agency was not interested in buying, Reyes said. But the agency would have taken a security interest in the equipment if it leased the restaurant back to Wong as provided in the April 24 agreement, he said.

Wong's appraisal, made public Tuesday, puts the building's "as-is" market value at \$2.01 million, including \$1.6 million for the real estate and about \$408,000 for the restaurant equipment. Wong's appraisal factors in monthly rents of \$725, \$750, \$800 and \$850 for the four apartments.

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Wong's \$1.6 million appraisal for the real estate exceeds the city's \$1.55 million appraisal by about 3.2 percent, less than the 5 percent that would have triggered a clause in the April 24 agreement calling for renewed negotiations over price. If the two parties could not agree on a new price, the city could foreclose under the agreement.

Residents critical of the council's patience with Wong say the city could have foreclosed long ago with or without Wong's consent.

Wong did not return a call Wednesday seeking comment.

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