



## **PRESS RELEASE**

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**FOR IMMEDIATE RELEASE**

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### **Equity Partner Backs Out of Pioneer Square Project, Citing Market Volatility and Increasing Interest Rates**

On December 7, 2022, Pioneer Square LLC notified the City of San Dimas the loss of its equity partner, resulting in the suspension of the Pioneer Square (PSQ) development project. Without the financial backing of the equity partner, developer Pioneer Square LLC cannot close on the purchase of the property by the end-of-year deadline.

PSQ was set to be an innovative and transformative development project to enhance economic opportunities for downtown San Dimas. The proposed project included a boutique hotel, food hall, and mixed-use development for new businesses and homes.

On October 25, 2022, City Council members voted unanimously to approve a Disposition and Development Agreement and Covenant Agreement with Pioneer Square, LLC for the sale and development of a mixed-use project at properties located at 344 West Bonita Avenue in San Dimas.

"City staff has been very flexible and worked hard to make the PSQ project a reality," said Michael Dieden. "We were proud to see the Council unanimously approved the project. Unfortunately, market forces and rising interest rates impacted our main equity partner. As a result, we will not be able to deliver this project in the manner we hoped."

"City staff worked tirelessly and found approaches to overcome various obstacles to make this project a reality. We are disappointed that this project was impacted by the changing economic market causing Pioneer Square LLC to not meet its commitment to the City. Our community was excited to see this first-of-its-kind development, and its loss is felt by many who were counting the days until this deal was done," said City Manager Chris Constantin.

The City will continue to work towards bringing high-quality amenities to the City which fit the needs of San Dimas residents, businesses, and visitors. City staff will begin working to review future potential uses of the property to enhance economic opportunities within downtown San Dimas.

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