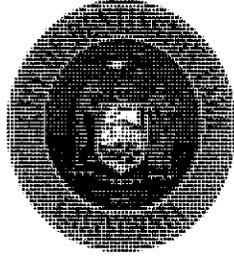


**SUCCESSOR AGENCY
TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE
CITY OF HUNTINGTON PARK**



**Regular Meeting Agenda
May 20, 2013**

5:30 p.m.

City Hall Council Chambers
6550 Miles Avenue
Huntington Park, CA 90255

CALL TO ORDER

ROLL CALL

PUBLIC APPEARANCES AND ORAL COMMUNICATIONS

This is the time and place for the general public to address the Successor Agency on matters within their jurisdiction. Items not included previously on the agenda may only be referred to staff for administrative action or scheduled on a subsequent agenda for discussion.

1. REGULAR AGENDA

1.1 Long Range Property Management Plan

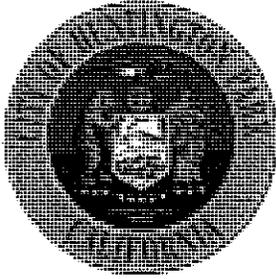
RECOMMENDATION OF ITEM UNDER CONSIDERATION:

1. Review the proposed draft of the Long Range Property Management Plan for disposition of properties owned by the Successor Agency to the Community Development Commission of the City of Huntington Park.

ADJOURNMENT

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the City Hall bulletin board not less than 72 hours prior to the meeting. Dated this 16th day of May, 2013.

By Rocio Martinez
Rocio Martinez, Acting Secretary



CITY OF HUNTINGTON PARK

Successor Agency Agenda Report

May 20, 2013

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

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

LONG RANGE PROPERTY MANAGEMENT PLAN

IT IS RECOMMENDED THAT THE SUCCESSOR AGENCY:

Review the proposed draft of the Long Range Property Management Plan for
disposition of properties owned by the Successor Agency.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

AB X1 26, which outlines the RDA dissolution process, require the
Redevelopment Agency of the City of Huntington Park to transfer all of its real
estate assets to the Successor Agency by February of 2012 (the RDA transferred
four properties to the Successor Agency). Subsequent AB 1484 legislation
further clarifies the dissolution process; and, requires the Successor Agency (the
"Agency") to submit a Long Range Property Management (LRPM) Plan to the
Oversight Board and Department of Finance (DOF) that outlines the proposed
plan to dispose the properties. This document serves as the Long Range
Property Management Plan for the Huntington Park Successor Agency.

The approved LRPM Plan will serve to determine if the properties should to be:

1. Retained for governmental use;
2. Retained for future development;
3. Retained to fulfill an enforceable obligation
4. Sale of the property

Prior to approval of a final LRPM Plan and subsequent disposition of real estate
assets the successor agency must comply with several requirements under AB
1484.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The guidelines under AB 1484 outline a 5-step process for the disposition of properties:

1. Due Diligence Reviews (“DDR’s”)
 - a. Completed – November 12, 2012 (Housing Funds) and January 8, 2013 (Non-Housing Funds)
2. Remit all cash assets to the County-Auditor Controller and taxing entities
 - a. Completed – No cash available to remit
3. DOF issues a Finding of Completion
 - a. Completed – issued on April 12, 2013
4. Develop and Approve LRPM Plan
 - a. Successor Agency Approval – June 3, 2013
 - b. Oversight Board Approval – June 11, 2013
5. Dispose of real estate assets in accordance with LRPM Plan

SUMMARY OF PROPOSED LRPM PLAN

There are four properties currently owned by the Successor Agency. They are non-contiguous parcels located in different areas of the City, with distinct physical characteristics and land uses: long-term land lease, parking lot, multi-family residential, and retail development sites. As a result, the Agency must develop a distinct disposition strategy for the sale of each property.

The Agency has obtained an appraisal for each property and engaged the services of a real estate broker services firm, Jones Lang LaSalle (“JLL”). JLL will assist the Agency in the implementation of the LRPM Plan by analyzing opportunities for the sale and development for each property, identifying potential buyer(s), and assisting in analyzing and negotiating offers. The attached LRPM Plan provides a detailed description of each property and disposition strategy as required by the DOF.

Provided below is a brief summary of each property and the recommended disposition strategy:

Heritage Plaza

The City owns the 7,400 square foot parcel of land located on Pacific Boulevard. There is a two-story brick retail/office building located on this parcel. The Redevelopment Agency provided the building owner, Bolo Corporation, a 75-year lease on the land for \$100 per year, which commenced in 1988.

Size: 0.17 Acres
Zoning: Central Business District/Residential (up to 70 du/ac)
Purchase Date: 5/3/1972
Purchase Price: unknown
Appraisal Value: \$ 17,000
Current Revenue: \$100 /year (Lease Agreement with Bolo Corporation)
Current Use: Commercial
Future Use: Commercial
Expected Sale Price: \$290,000 (value of land without existing lease encumbrance)

Disposition Strategy: There are 45 years remaining on the 75-year lease of the land. The present value of these payments equals \$17,000. The current lease holder will inherently value ability to purchase the lease more than any other interested party. This is because once the lease is acquired from the City, Bolo Corporation would be able to legally sell the land and building together. We expect that Bolo should be willing to pay a fee closer to the estimated market value of the land (\$290,000) - significantly more than the \$17,000 appraised value of the lease.

Therefore, staff recommends that the Oversight Board authorize the City to negotiate the sale of Heritage Plaza directly with Bolo Corporation for a pre-established amount (e.g., \$150,000+) If negotiations are not successful within a 90-120 day negotiating period, the property should be sold via an auction process.

Note: the sale of the property will have a covenant that restricts the property from being transferred or sold to the Bolo Corporation. This will prevent Bolo from circumventing the negotiation process.

Proceeds of the sale will be used to pay the arbitrage rebate liability due on the 2004A TABs.

Rugby Avenue Parking Lots

The property currently serves as a small public parking lot located behind Pacific Boulevard. The 0.49 acre asphalt parcel includes 41 surface parking spaces.

Size: 0.49 Acres
Zoning: Central Business District/Residential (up to 70 du/ac)
Purchase Date: 6/12/1982; 12/7/1981
Purchase Price: unknown
Appraisal Value: \$ 630,000
Current Revenue: \$0
Current Use: 41 public surface parking spaces

Future Use: Parking lots

Disposition Strategy: The Successor Agency wishes to continue utilizing the property as its current use - public parking. As such, it is requested that that title to this property be transferred to the City of Huntington Park.

Carmelita Site

Property is currently improved with 12 residential vacant units. The redevelopment agency entered into an Exclusive Negotiating Agreement (ENA) with a private developer to build owner-occupied residential dwelling units. The ENA expired on September 2011.

Size: 1.86 Acres
Zoning: High Density Residential (Max. units/ acre=17.424)
Purchase Date: 4/13/11
Purchase Price: \$2,400,000 Million
Appraisal Value: \$1,515,000
Current Revenue: \$0
Current Use: 12 vacant units and one vacant lot
Future Use: Commercial Development
Expected Sale Price: \$1,515,000

Disposition Strategy: Staff proposes that the property be sold through an auction/RFP process.

Proceeds of the sale must be utilized to pay bond obligations for the Neighborhood Preservation Redevelopment Project Area.

Southland Steel Site

The property is considered a Brownsfield site with soil and underground water contamination. The former redevelopment agency planned to develop the property with a commercial or automobile dealership project.

Size: 5.53 Acres
Zoning: Manufacturing Planned Development
Purchase Date: 3/22/05
Purchase Price: \$6,000,000
Appraisal Value: \$4,700,000 as manufacturing; 6,155,000 as commercial (both values assume property as "as if clean")
Current Revenue: \$7,768 /month (Alexander BMW lease)
Current Use: Vacant lot currently leased by Alexander BMW
Future Use: Commercial Development
Expected Sale Price: TBD

Disposition Strategy: The Successor Agency wishes to retain this property for future development. The Agency proposes to revitalize the property, as originally intended, with commercial/retail or an auto dealership project. This project has been contemplated since the acquisition of the property in 2005 and is included in the Redevelopment Agency's 2009-2014 Five-Year Implementation Plan. As such, it is requested that this property be transferred to the City of Huntington Park.

A final LRPM Plan will become effective upon the occurrence of a two-step approval process:

1. Approval by the Oversight Board; and
2. Approval by the DOF

CONCLUSION

Staff recommends that the Successor Agency review proposed draft of the LRMP Plan. The final plan will be presented at June 3rd Successor Agency meeting.

Respectfully submitted,

RENÉ BOBADILLA, P.E.
City Manager



JULIO MORALES
Finance Director

HUNTINGTON PARK SUCCESSOR AGENCY
DRAFT
LONG RANGE PROPERTY MANAGEMENT PLAN



May 20, 2013

DRAFT - LONG RANGE PROPERTY MANAGEMENT PLAN

Successor Agency to the Huntington Park Community Development Commission

INTRODUCTION

AB X1 26, which outlines the RDA dissolution process, require the Redevelopment Agency of the City of Huntington Park to transfer all of its real estate assets to the Successor Agency by February of 2012 (the RDA transferred four properties to the Successor Agency). Subsequent AB 1484 legislation further clarifies the dissolution process; and, requires the Successor Agency (the "Agency") to submit a Long Range Property Management Plan ("LRPM Plan") to the Oversight Board that outlines the proposed plan to dispose the properties. This document serves as the Long Range Property Management Plan for the Huntington Park Successor Agency.

The approved LRPM Plan will serve to determine if the properties should to be:

1. Retained for governmental use;
2. Retained for future development;
3. Retained to fulfill an enforceable obligation
4. Sale of the property

REQUIREMENTS FOR APPROVAL OF A LONG RANGE PROPERTY MANAGEMENT PLAN

Prior to approval of a final LRPM Plan and subsequent disposition of real estate assets the successor agency must comply with several requirements under AB 1484.

The guidelines under AB 1484 outline a 5-step process for the disposition of properties:

1. Due Diligence Reviews ("DDR's")
 - Completed – November 12, 2012 (Housing Funds) and January 8, 2013 (Non-Housing Funds)
2. Remit all cash assets to the County-Auditor Controller and taxing entities
 - Completed – No cash available to remit
3. DOF issues Finding of Completion
 - Completed – issued on April 12, 2013
4. Develop and Approve LRPM Plan
 - Successor Agency Approval – June 3, 2013
 - Oversight Board Approval – June 12, 2013

5. Dispose of real estate assets in accordance with LRPM Plan

SUMMARY OF PROPERTIES OWNED BY THE SUCCESSION AGENCY

There are four properties currently owned by the Successor Agency. They are non-contiguous parcels located in different areas of the City, with distinct physical characteristics and land uses: long-term land lease, parking lot, multi-family residential, and retail development sites. As a result, the Agency must develop a distinct disposition strategy for the sale of each property.

The Agency has obtained an appraisal for each property and engaged the services of a real estate broker services firm, Jones Lang LaSalle ("JLL"). JLL will assist the Agency in developing the LRPM Plan by recommending a specific disposition strategy, analyzing opportunities for the sale and development of each property, identifying potential buyer(s), and assisting in analyzing and negotiating offers.

Provided below is a brief summary of each property and the recommended disposition strategy:

1. **Heritage Plaza (6325 Pacific Boulevard)** – The property is a 7,405 square foot parcel of land, upon which a 3-story 13,500 square foot brick building is located. The former Redevelopment Agency provided the building owner, Bolo Corporation, a 75-year lease on the land for \$100 per year, which commenced in June 1, 1983.

The Successor Agency recommends the sale of the property. There are 45 years remaining on the term of the land lease; therefore, the appraised value for this property is \$17,000 – the discounted value of \$100 lease payments for 45 years, plus a terminal value. The market value for a similar-sized fee simple parcel of land along Pacific Blvd. would likely generate a much higher value (\$290,000).

Given the 45-year term remaining on the land lease, the current building owner, Bolo Corporation, is the only party expected to pay close to the "market value" for this parcel in order to own the land and building, fee simple. The Agency and JLL will negotiate with the building owner directly in order to sell the building for a pre-determined minimum value.

The proceeds of the sale of the land will be used to pay the arbitrage rebate liability on the 2004 Tax Allocation Bonds.

2. **Downtown Parking Lots (7116 Rugby Avenue)** – The property currently serves as a small public parking lot located behind Pacific Boulevard. The 21,428 square foot asphalt parcel includes 41 surface parking spaces.

The Successor Agency wishes to continue utilizing the property for public parking. As such, it is requested that title to this property be transferred to the City of Huntington Park.

3. **Carmelita Site (6100-6114 Carmelita Avenue, 6126 Bear Avenue, 3806-3828 61st Street)** - The 80,855 square foot property is currently improved with twelve residential single-family and multifamily residential units. Eleven out of the twelve families that resided at the units were permanently relocated. The former Redevelopment Agency planned to develop the property with a residential project.

The Successor Agency recommends the sale of this property. The appraised value for the property is \$2,420,000, which assumes that the property can be developed with 37 multi-family residential units, in accordance with the current zoning for the property.

JLL will solicit various proposals from potential buyers. After an initial review, JLL will recommend 3 firms to initiate more targeted discussions. JLL will negotiate with each firm and provide the recommended best use to the Agency.

The proceeds of the sale of the land will be used to pay outstanding principal on the Neighborhood Preservation Project loan – Item #5 of the Agency's approved ROPS.

4. **Southland Steel (5959-6169 S. Alameda)** - The 241,016 square foot property is considered a Brownsfield site with soil, soil vapor and ground water contamination. The property is currently leased to the adjacent Alexander BMW dealership that uses it for automobile inventory storage and employee parking. The former Redevelopment Agency's objective was to develop the property with a commercial/retail and/or automobile dealership project.

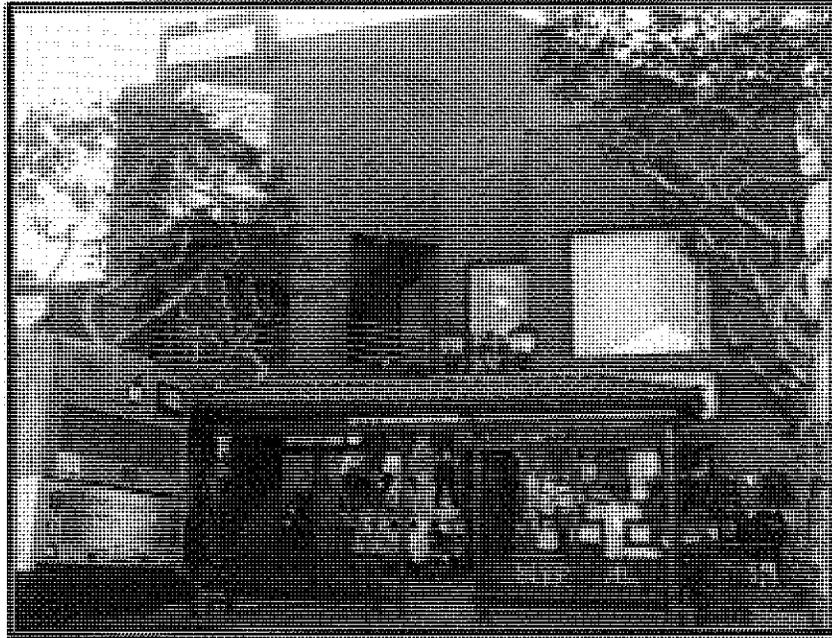
The Successor Agency wishes to retain this property for future development. The Agency proposes to revitalize the property, as originally intended, with commercial/retail or an auto dealership project. This project has been contemplated since the acquisition of the property in 2005 and is included in the Redevelopment Agency's 2009-2014 Five-Year Implementation Plan. As such, it is requested that this property be transferred to the City of Huntington Park.

The appraised value for the property is \$4,735,000, as an industrial warehouse and \$6,155,000 as a commercial/retail property. The property has identified environmental contamination; the appraisal assumes a "clean" site. The projected cost of soil clean-up is \$1,500,000. The Agency has performed environmental Phase 1 studies, soil sampling, and preliminary groundwater investigations but has not obtained a formal cost estimate. These estimates have not addressed the cost for ground water contamination.

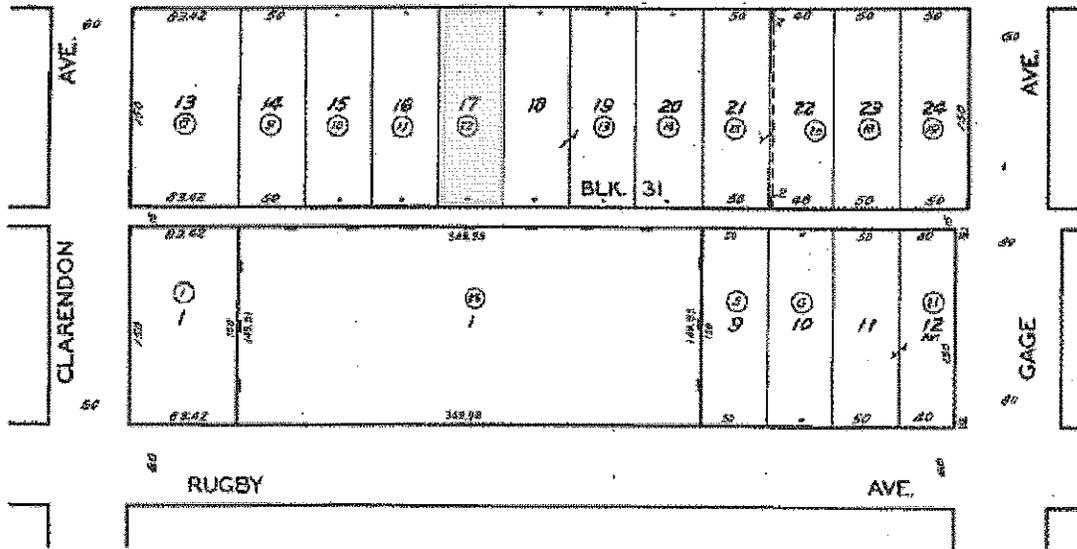
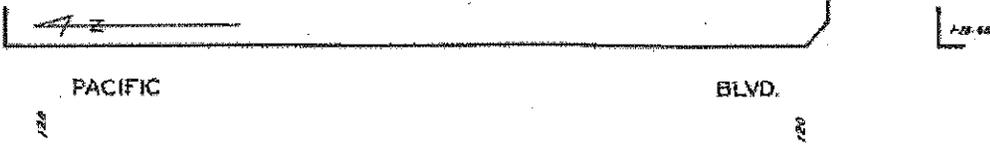
The City is in the process of changing the zoning for the area in which this parcel is located. This process will be completed by July 2013.

A description and disposition strategies for of each these properties is provided greater detail in the following sections.

Property #1 Heritage Plaza



6320 31
 SCALE 1" = 50'
 1996



Property #1 – Heritage Plaza

1. Date of acquisition and its value at that time and an estimated current value

The City purchased the parcel on May 3, 1972. The parcel was leased to Ventra, Inc. for a 75-year period (\$100 per year), as an as an unimproved parcel of land.

2. Purpose of which property was acquired

The parcel was acquired for the development of retail/commercial space on Pacific Boulevard.

3. Parcel data for each property, including address, lot size and current zoning

APN: 6320-031-022
Size: 0.17 Acres
Address: 6325 Pacific Boulevard
Lot Size: 7,500 sq ft.

Zoning: Downtown Huntington Specific Plan, District B, which is a Mixed Use commercial/residential zone district. Primary uses include commercial retail, and office uses on the ground floor, with multiple family residential or office uses on upper levels. Development standards include a minimum 5,000 square feet and maximum development density of 70 dwelling units per acre.

4. Estimate of current value of parcel including any appraisal information

The current appraised value for the parcel of land was \$17,000, as of February 28, 2013.

5. Estimate of any lease, rental, or other revenues generated by the property and a description of the contractual requirements for disposition of those revenues

The City signed a 75-year lease for \$100 per year in 1983. There are 45 years remaining on the lease, which is currently held by Bolo Corporation.

Bolo Corporation is the building owner, and legal entity that assumed the lease from Ventra, Inc., the original leasee.

6. History of environmental contamination or remediation efforts

There are no known environmental contamination issues.

7. Description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency

There is currently a 3-story building located on this land parcel. The Successor Agency has already achieved its development objective with this site.

8. A brief history of previous development proposals and activities, including the rental or lease of property.

The City granted a 75-year lease for \$100 per year in 1983 to Ventra, Inc., in order to provide an incentive for the developer to build on this empty parcel. The developer built a 3-story 13,476 square foot office building with retail on the first floor.

9. Identify the use or disposition strategy the property:

- a. Retention of the property for governmental use;
- b. Retention of the property for future development;
- c. Sale of the property;
- d. Use of the property to fulfill an enforceable obligation.

10. Outline your disposition Strategy for this property

There are 45 years remaining on the term of the land lease; therefore, the appraised value for this property is \$17,000 – the discounted value of \$100 lease payments for 45 years, plus a terminal value. The market value for a similar-sized fee simple parcel of land along Pacific Blvd. would likely generate a much higher value (\$290,000).

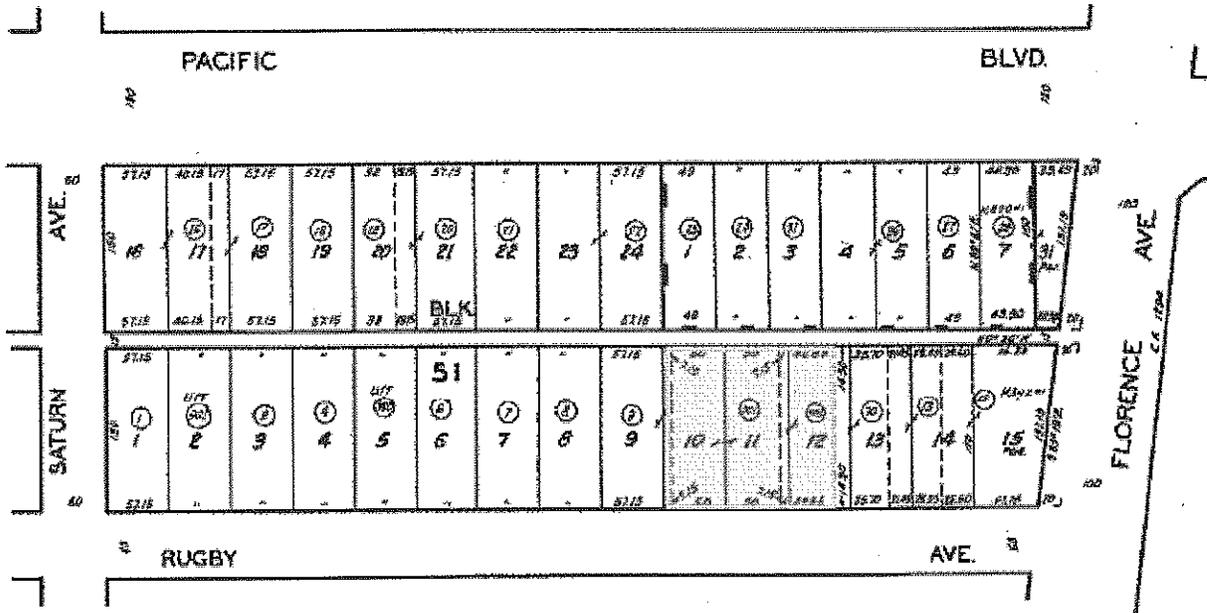
Given the 45-year term remaining on the land lease, the current building owner, Bolo Corporation, is the only party expected to pay close to the "market value" for this parcel in order to own the land and building, fee simple. The Agency and JLL will negotiate with the building owner directly in order to sell the building for a pre-determined minimum value. The City is prepared to pay the appraised value in the event that Bolo does not provide a minimum purchase price of \$150,000.

The proceeds of the sale of the land will be used to pay the arbitrage rebate liability on the 2004 Tax Allocation Bonds.

Property #2 – Downtown Parking Lots



322 23
 N.E. 1" = 50'
2004



HUNTINGTON PARK

M. B. 3-01

CODE
 589



ALL P&S series plans
 require a parking
 Agency, unless other

Property #2 – Downtown Parking Lots

1. Date of acquisition and its value at that time, and an estimated current value

The City conveyed the two adjacent parcels to the former Redevelopment Agency via Grant Deed Agreements dated December 7, 1981 and January 12, 1982. The parcels are currently improved with 41 surface parking spaces.

2. Purpose of which property was acquired

The parcel was purchased for public parking uses

3. Parcel data for each property, including address, lot size and current zoning

APNs: 6322-023-901 and 6322-023-904

Size: 21,428 square feet

Address: 7116 Rugby Avenue

Zoning: Downtown Huntington Specific Plan, District C, which is a Mixed Use commercial/residential zone district. Primary uses include multiple family residential, commercial retail, and office uses on the ground floor, with multiple family residential or office uses on upper levels. Development standards include a minimum 5,000 square feet and maximum development density of 70 dwelling units per acre.

4. Estimate of current value of parcel including any appraisal information

The appraised value for the property is \$ 630,000 as of March 4, 2013

5. Estimate of any lease, rental, or other revenues generated by the property and a description of the contractual requirements for disposition of those revenues

This parcel currently serves as free public parking for shoppers and merchants on Pacific Boulevard. Therefore, there are no lease or rental revenues generated by the parking lots.

6. History of environmental contamination or remediation efforts

There are no known environmental conditions.

7. Description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency

The City believes that this land parcel, located within the city's downtown area, presents an excellent opportunity for (affordable) housing development or other higher density mixed-use projects. The property is situated in proximity to public transit station bus stops and approximately one mile from the Blue Line light rail train station, which runs from downtown Los Angeles to Long Beach. In the event the property is developed the City will require that these public parking lots be maintained as part of any future mixed-use development projects

8. A brief history of previous development proposals and activities, including the rental or lease of property

This property was originally purchased to provide additional parking spaces for shoppers and vendors for the City's downtown.

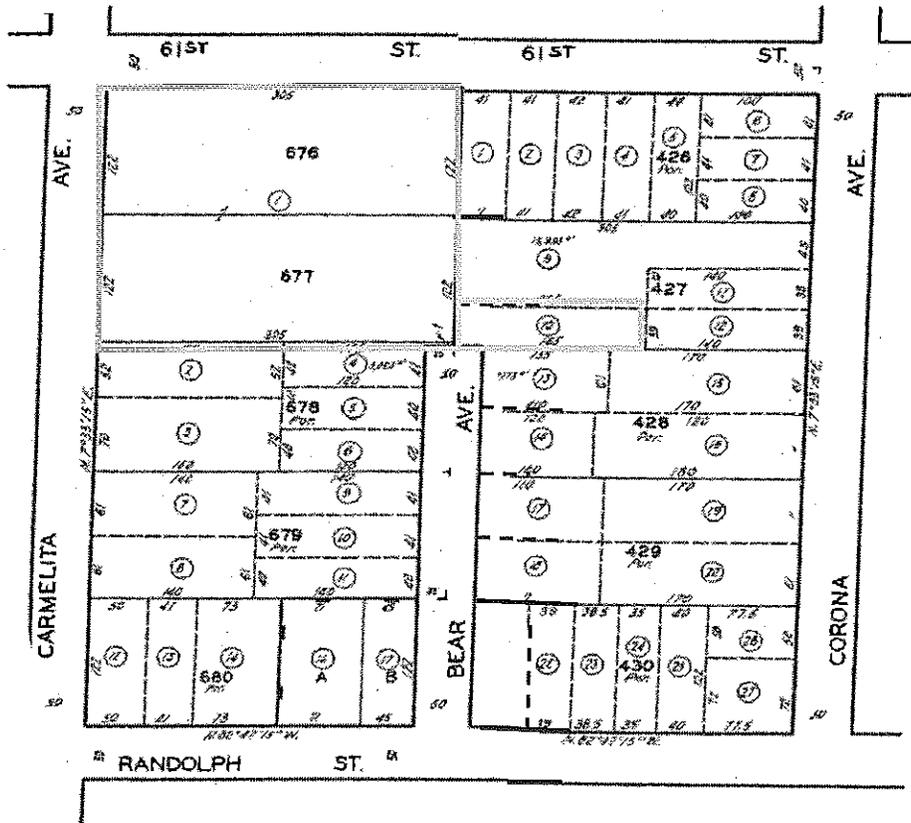
9. Identify the use or disposition strategy the property:

- e. Retention of the property for governmental use;
- f. Retention of the property for future development;
- g. Sale of the property;
- h. Use of the property to fulfill an enforceable obligation.

10. Outline your disposition Strategy for this property

The Successor Agency wishes to continue utilizing the property as its current use - public parking. As such, it is requested that that title to this property be transferred to the City of Huntington Park.

Property #3 – Carmelita



Property #3 – Carmelita

1. Date of acquisition and its value at that time, and an estimated current value

The former Redevelopment Agency purchased the property on April 13, 2011 for \$2,420,000.

2. Purpose of which property was acquired

The property was acquired for the development of a residential project

3. Parcel data for each property, including address, lot size and current zoning

APNs: 6318-028-900 and 6318-029-900

Address: 6100-6114 Carmelita Avenue, 6126 Bear Avenue, 3806-3828 61st Street

Size: 80,855 square feet (1.9 Acres)

Zoning: Property is located within the RH zone classification which permits single-family residential and low to high density multiple family residential development. Current Development Standards include one minimum lot size of 15,000 square feet, two minimum street frontages of 100 feet and three maximum building height of 45 feet. The maximum allowable development density is 20 units per acre or 1 unit per 2,178 square feet. The maximum lot coverage is 65%.

Parking requirements: two parking spaces per unit, plus one guest space for every three units

4. Estimate of current value of parcel including any appraisal information

The appraised value of the property is \$2,420,000 as of January 28, 2013

5. Estimate of any lease, rental, or other revenues generated by the property and a description of the contractual requirements for disposition of those revenues

The property is improved with twelve residential units and one large vacant/unimproved parcel. Eleven out of the twelve tenants were relocated. There are no lease or rental revenues generated by the property.

6. History of environmental contamination or remediation efforts

The property is partially developed with single and multi-family residential structures, comprising of 12 residential dwelling units. A portion of the property consists of unimproved/vacant land which was formerly developed and used as a plant nursery. The former Redevelopment Agency conducted the following environmental assessments:

- Phase I, October 19, 2009 – Identified the former nursery as a recognized environmental concern due to pesticides and herbicides used during the time that the nursery was in operation
- Phase II, October 21, 2010 - Soil samples collected from the property found chlorinated herbicides and pesticides. The environmental assessment concluded that concentrations of these chemicals fell below the State of California Human Health Screening levels for residential properties and therefore, no further investigations were necessary.

7. Description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency

The zoning of the property permits single-family residential and low to high density multiple family residential development. The City believes that this land parcel presents an excellent opportunity for (affordable) housing development or other higher density multiple-family residential projects. The property is located within a residential neighborhood in proximity to public transit bus stops.

8. A brief history of previous development proposals and activities, including the rental or lease of property

On September 20, 2010, the former Redevelopment Agency entered into an Exclusive Negotiating Agreement with a private developer (Gangi Development) to develop a residential project. The Agreement expired on September 20, 2011.

9. Identify the use or disposition strategy the property:

- a. Retention of the property for governmental use;

- b. Retention of the property for future development;
- c. Sale of the property;
- d. **Use of the property to fulfill an enforceable obligation.**

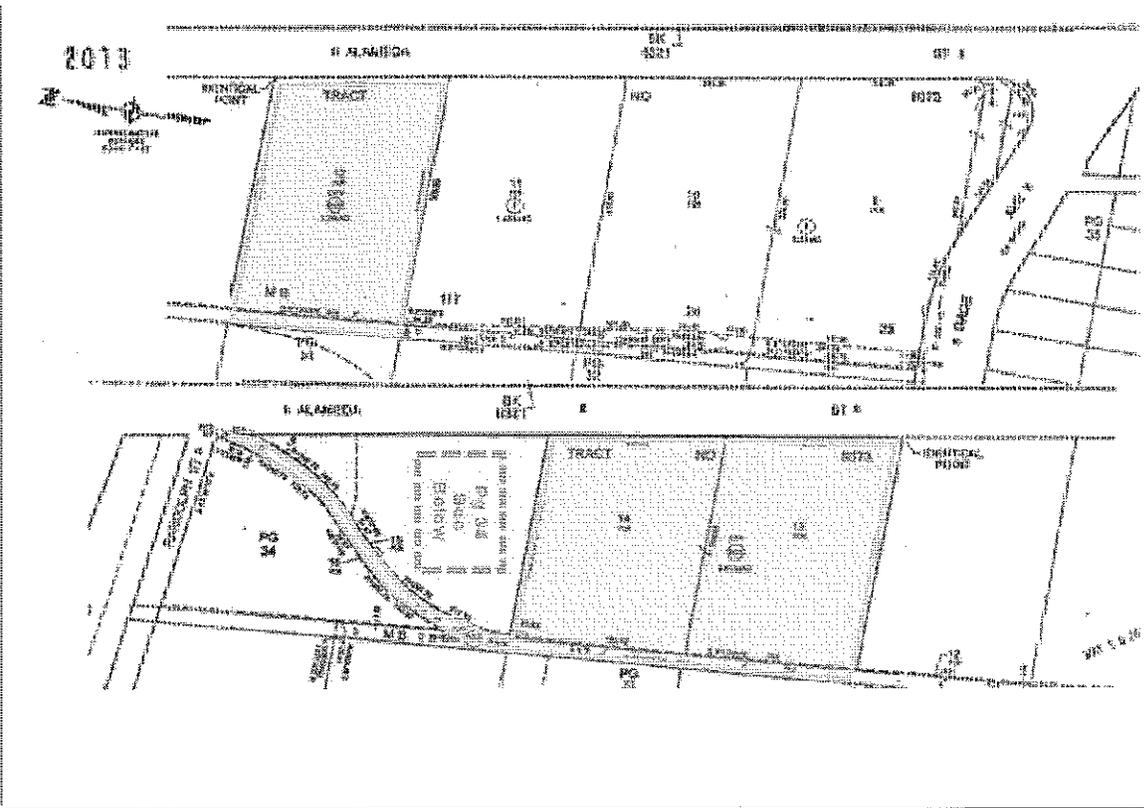
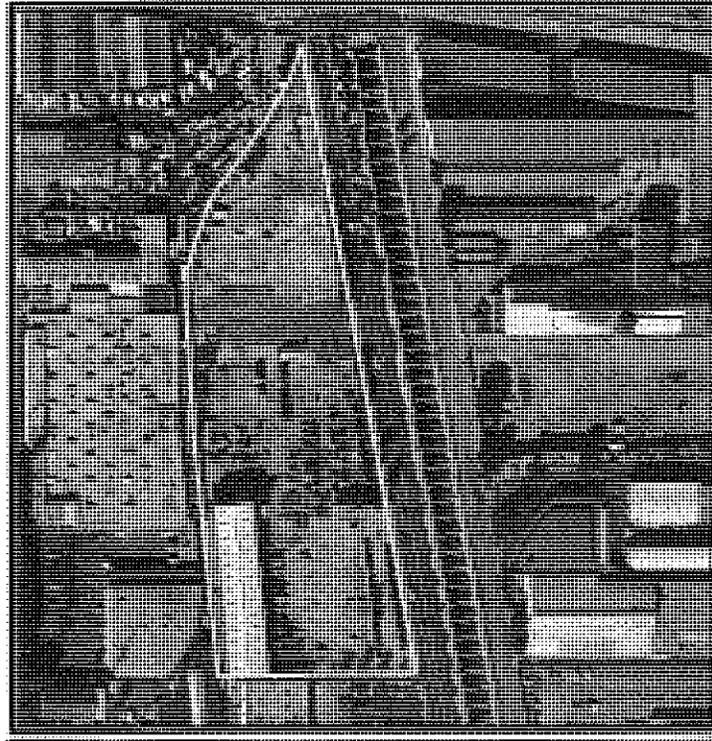
10. Outline your disposition Strategy for this property

The appraised value for the property is \$2,420,000, which assumes that the property can be developed with 37 multi-family residential units, in accordance with the current zoning for the property.

The Agency and JLL will solicit various proposals from potential buyers. After an initial review, JLL will recommend 3 firms to initiate more targeted discussions. JLL will negotiate with each firm and provide the recommended best use to the Agency.

The proceeds of the sale of the land will be used to pay outstanding principal on the Neighborhood Preservation Project loan – Item #5 of the Agency's approved ROPS.

Property #4 – Southland Steel



Property #4 – Southland Steel

1. Date of acquisition and its value at that time, and an estimated current value

The Redevelopment Agency purchased the property on March 22, 2005, from a private party for \$5,430,000.

2. Purpose of which property was acquired

The property was purchased to develop a commercial/retail center or an auto dealership. The Redevelopment Agency's goal was to develop a project that would revitalize the area, stimulate economic growth, create new jobs for the community and increase the City's tax base.

3. Parcel data for each property, including address, lot size and current zoning

APN: 6009-033-900, 901, 902
6009-034-900, 901

Address: 5959-6169 South Alameda Street

Size: 236,690 square feet (5.53 Acres)

Zoning: Manufacturing Planned Development, permitted uses include industrial, manufacturing, assembly, warehouse, business park, storage, and other similar uses. Certain permitted commercial uses are permitted.

The City is in the process of amending the zoning to restrict the use of the property to commercial and retail development. This process will be completed by July 2013

4. Estimate of current value of parcel including any appraisal information

The appraised value for the property is \$4,735,000, as an industrial warehouse (as of January 15, 2013); and \$6,155,000 as a commercial/retail property (as of March 18, 2013).

5. Estimate of any lease, rental, or other revenues generated by the property and a description of the contractual requirements for disposition of those revenues

The Redevelopment Agency has a \$7,768 month-to-month lease agreement with Nicolas Alexander, owner of an adjacent BMW and Mini Cooper Auto dealership.

6. History of environmental contamination or remediation efforts

The property is considered a Brownsfield site with soil and groundwater contamination. A history of property uses include:

- Early 1900's: Fertilizer manufacturing facility owned by American Agricultural Chemical Company
- 1947 – 1971: Warehouse and steel manufacturing facility owned by Rawlins and subsequently by Lufkin Foundry
- 1971- 2002 : Steel manufacturing facility owned Southland Steel Company
- 2002-2005: Leased for industrial and office uses and owned by Fallon Family Trust
- 2005- Present: Property was purchased by former Redevelopment Agency in 2005. A portion of the land is being leased to an adjacent auto dealership (Alexander BMW) for auto storage inventory and employee parking. Most of the buildings occupying the property (except for an automotive storage area and an office building on the south side of the property) were demolished in 2008.

The following Environmental Assessments have been performed at the site:

1. Phase I Assessment- Prior to the acquisition of the property, three Phase I Assessments were performed by Applied Environmental Technologies (July 2, 1999 and an update in September 10, 2001) and Assesco (October 1, 2004).
2. Soil samples were collected by All Phase in 2004
3. Soil Vapor Survey performed by All Phase in 2005
4. Removal of a 1,000-gallon underground storage tank (used for gasoline/waste oil) in 2007
5. Supplemental Site Investigations conducted by Pacific Edge in 2007, 2008 and All Phase in 2009

During the environmental investigation process, high levels of contaminants were detected in the soil, soil vapor and groundwater. A Site Characterization Report dated October 6, 2010, indicates that the contaminants of concern relate primarily to past use of the property as a steel manufacturing facility. Contaminants of concern found on the subject property include the following:

1. Soil
 - Volatile Organic Compounds (VOCs)
 - Semi-volatile Organic Compounds (SVOCs) and Polyaromatic hydrocarbons (PAHs)
 - Heavy metals
 - Polychlorinated biphenyls (PCBs)
 - Chlorinated pesticides
 - Total petroleum hydrocarbons
2. Soil Vapors
 - Volatile Organic Compounds
3. Ground Water
 - Volatile Organic Compounds
 - Heavy metals

On December 5, 2005 the Redevelopment Agency entered into a California Land Reuse and Revitalization Act (CLRRRA) Agreement with the Department of Toxic Substances Control (DTSC) to facilitate the environmental assessment, clean-up and re-use of the Southland Steel site. The CLRRRA Agreement allows the agency to receive immunity from environmental liability once remediation is complete.

The following documents must be prepared under the CLRRRA:

1. Site Characterization Report (SCR) – This report serves to provide a summary of all previous environmental investigations performed at the site. The SCR was completed and approved by DTSC on July 20, 2011.
2. Removal Action Plan – The Removal Action Plan serves to provide methods to remedy contamination issues in the soil, soil vapor and groundwater in a manner that is protective of human health and the environment.

The DTSC approved a Removal Action Plan for the shallow surface soil on May 10, 2012. The approved Plan describes the appropriate soil removal procedures for lead, arsenic, cadmium and Polyaromatic Hydrocarbons. The projected cost for soil

remediation is \$1,500,000. Upon completion of soil remediation, the property may be utilized for commercial/industrial uses, provided that DTSC reviews and approves improvement plans for future users.

The Successor Agency included the cost to implement the Soil Removal Action Work Plan as obligation number 15 in ROPS III. However, the Department of Finance denied this item as an obligation.

Note: Removal Action Plans for the soil vapor and groundwater contamination have not been completed. Further groundwater investigations may be necessary.

7. Description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency

The property is not suitable for a high density mixed-use residential/commercial project due zoning restrictions and environmental conditions.

8. A brief history of previous development proposals and activities, including the rental or lease of property

The City received two proposals to purchase and develop the property. One proposal included the development of commercial/retail project, and another proposal included the expansion of the adjacent Alexander BMW dealership.

9. Identify the use or disposition strategy the property:

- a. Retention of the property for governmental use;
- b. Retention of the property for future development;
- c. Sale of the property;
- d. Use of the property to fulfill an enforceable obligation.

10. Outline your disposition Strategy for this property

The Successor Agency wishes to retain this property for future development. The Agency proposes to revitalize the property, as originally intended, with commercial/retail uses or an auto dealership project. This project has been contemplated since the acquisition of the property in 2005 and is included in the Redevelopment Agency's 2009-2014 Five-Year Implementation Plan (see Attachment A). As such, it is requested that this property be transferred to the City of Huntington Park.

The appraised value for the property is \$4,735,000, as an industrial warehouse and \$6,155,000 as a commercial/retail property. The property has identified environmental contamination; the appraisal assumes a "clean" site. The projected cost of soil clean-up is \$1,500,000. The Agency has performed environmental Phase 1 studies, soil sampling, and preliminary groundwater investigations but has not obtained a formal cost estimate. These cost estimates have not addressed the cost to remediate ground water contamination.

The Agency proposes to issue Request for Proposal for a commercial development or an auto dealership development. The Agency will review the proposals and select developer that is experienced with a commercial/retail or an automobile dealership development project. Before development takes place the Agency will require that the selected developer implement the Removal Action Plan for the soil, which was prepared by the former Redevelopment Agency and approved by the DTSC on May 10, 2012. The goal is to revitalize and redevelop the area into a commercial retail center that will stimulate economic growth, create new jobs for the community and generate property and sales taxes that would be shared with taxing entities.

City of Huntington Park Successor Agency - Property Description

Property Name		Heritage Plaza	Rugby Avenue Parking Lots
1	Property Name		
2	Property Type	Commercial	Parking Lot - 41 spaces
3	Permissible Use	Commercial/Residential	Commercial/Residential
4	Acquisition Date	5/3/1972	6/12/1982
5	Value at Time of Purchase	Not available	Not Available
6	Estimated Current Value	\$17,000	\$630,000
7	Value Basis	Appraised	Appraised
8	Date of Estimated Current Value	2/28/2013	3/4/2013
9	Proposed Sale Value	TBD	\$630,000
10	Proposed Sale Date	To be determined	To be determined
11	Acquisition Purpose	Commercial	Public parking lots
12	Address	6325 Pacific Blvd	7116 Rugby Avenue
13	APN #	6320-031-022	6322-023-901 6322-023-904
14	Lot Size	7,500 sq ft/0.17 ac	21,428 sq. ft/0.49 ac
15	Current Zoning	Central Business District/ Residential	Central Business District/ Residential
16	Estimate of Income/Revenue	\$100/year	\$0