LONG-RANGE PROPERTY MANAGEMENT PLAN

City of Cerritos Successor Agency

November 2015

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SECTION 1.0

Introduction

CITY OF CERRITOS
LONG RANGE PROPERTY MANAGEMENT PLAN

Background and Purpose

In accordance with California Health and Safety Code Section 34191.5, this document is the Long Range Property Management Plan (LRPMP) for the Successor Agency to the former Cerritos Redevelopment Agency.

California Health and Safety Code Section 34191.5, added by Assembly Bill 1484 (AB 1484), amended the dissolution process for all California redevelopment agencies requiring each successor agency to prepare a LRPMP that addresses the disposition of the real properties owned by the former redevelopment agency. The LRPMP is required to be presented for consideration to the Oversight Board of the Successor Agency that was established pursuant to the redevelopment dissolution Assembly Bill 1x26 statutes. Upon approval by the Oversight Board to the Successor Agency, the LRPMP is then to be submitted to the California Department of Finance (DOF) for review and approval.

The LRPMP will become effective upon the occurrence of all the following: (1) approval of the LRPMP by the Oversight Board; (2) approval of the LRPMP by the DOF; and (3) issuance of a Finding of Completion by DOF to the Successor Agency. Once a Finding of Completion has been issued by the DOF, successor agencies are permitted to proceed with the disposition of its properties, in accordance with the approved disposition plan outlined in the LRPMP.

Legal Requirements

According to AB 1484 statutes, the LRPMP is required to include the following components:

1. An inventory of all properties owned by the former Agency. The inventory shall include the following information:
    a. The date of acquisition, value of property at time of acquisition, and an estimate of the current value of the property;
    b. A description of the purpose for which the property was acquired;
    c. Parcel data including address, lot size and current zoning;
    d. An estimate of the current value of the property (including any appraisal information if available);
    e. An estimate of any lease, rental or other revenue generated by the property along with a description of the contract terms;
    f. A history of any environmental contamination, related environmental studies, and history of any remedial actions taken;

g. A description of the property's potential for transit-oriented development and the advancement of planning objectives of the Successor Agency; and
h. A description of previous development proposals, including rental or lease property.

2. Identification of the use or disposition plan of all former Agency-owned properties.
3. For properties dedicated to governmental use purposes or property retained for purposes fulfilling an enforceable obligation, all the following shall apply:
    a. If the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, the property shall be transferred to the city, county, or city and county.
    b. If the plan directs the liquidation of the property or the use of revenues generated from the property, such as lease or parking revenues, for any purpose other than to fulfill an enforceable obligation or other than that specified in subsection 3(a) above, the proceeds from the sale shall be distributed as property tax to the taxing agency.
    c. Property shall not be transferred to a successor agency, city, county, or city and county, unless the LRPMP has been approved by the Oversight Board and the DOF.

Agency-Owned Property Summary

The Agency retains an ownership interest in a total of thirty-three (33) parcels throughout the City of Cerritos. The thirty-three parcels are all located in the former Los Coyotes and Los Cerritos Redevelopment Areas. For the purpose of the LRPMP, the thirty-three (33) parcels have been categorized into eight (8) properties based on parcel location. The eight (8) properties presented in the LRPMP are as following:

- Public Parking Lot – 18808 Gridley Road
- Cerritos Center for the Performing Arts/Community Center/City Administrative Offices
- Former Regional Occupational Program (ROP) Building
- Jaguar/Land Rover Dealership
- Kia Dealership
- Lincoln Station Shopping Center
- Cerritos Towne Center
- B&B Stables/Therapeutic Riding Program

The categorization of the thirty-three (33) parcels into eight (8) properties was to provide an overall community perspective of the each parcel's location within the City of Cerritos. Many of the parcels retained by the Agency act as individual components to a larger, comprehensive developed area, such as a mixed-use commercial, retail, or office area. To provide a complete overview of how these individual parcels have been integrated into the fabric of the Cerritos community, the LRPMP will describe property information and history for all parcels in the context of eight (8) properties. The following table includes a brief summary of basic parcel information, as well as a disposition action plan for the thirty-three (33) parcels.

AGENCY-OWNED PROPERTY SUMMARY

Map Reference #	Description	Address	APN	Disposition Action Plan
G1	**Public Parking Lot**	18808 Gridley Road	7039-020-900	Retain for governmental/public use
G2	**Cerritos Center for the Performing Arts/Community Center/City Administrative Offices**	12700 Center Court Drive	7030-011-910	Retain for governmental/public use

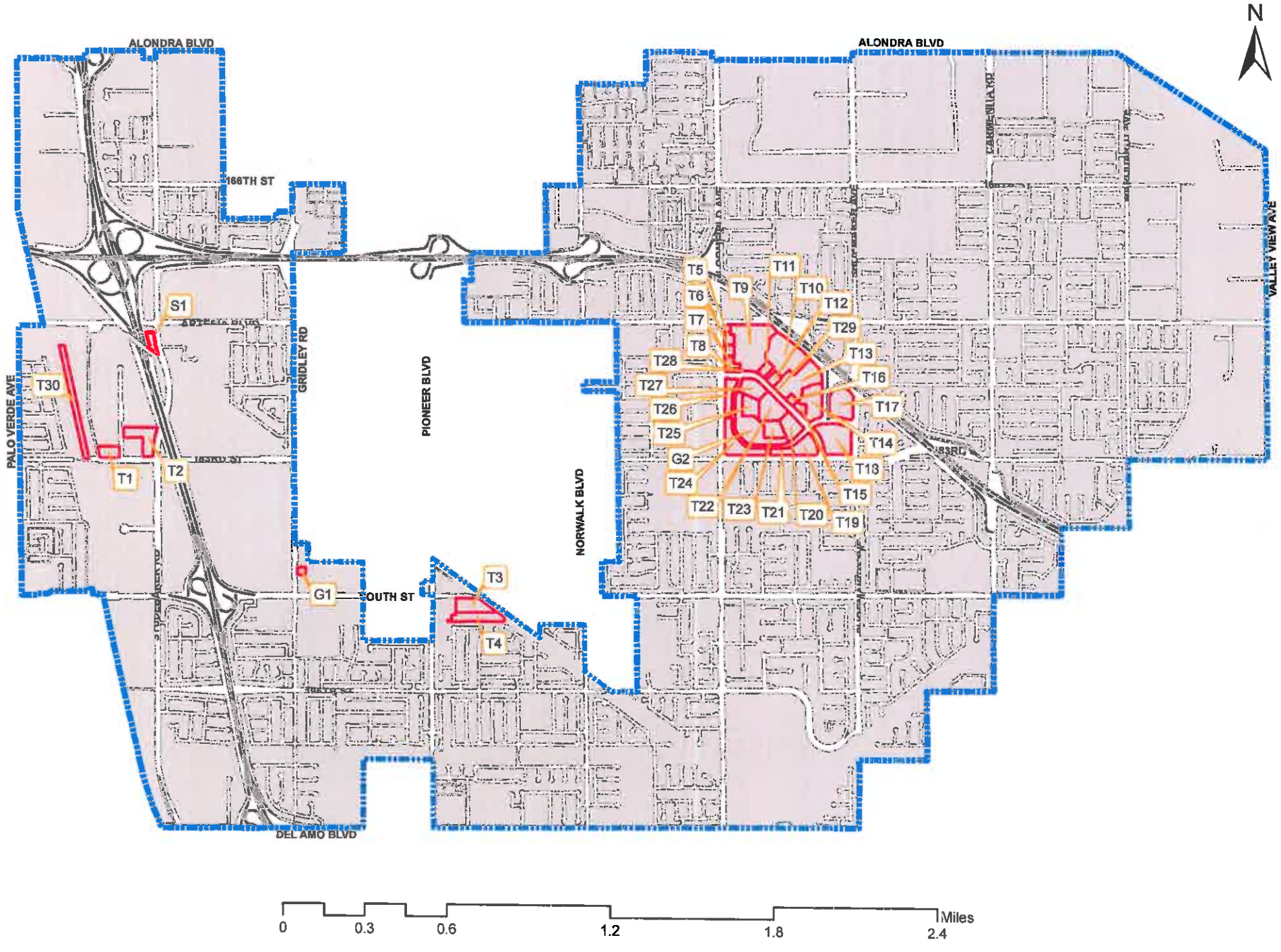
Map Reference #	Description	Address	APN	Disposition Action Plan
S1	**Former Regional Occupational Program (ROP) Building**	17423 Studebaker Road	7034-016-910	Retention of the property to sell for future development

Map Reference #	Description	Address	APN	Disposition Action Plan
T1	**Jaguar/Land Rover Dealership**	10861 183rd Street	7034-019-909	Transfer the property to the City of Cerritos for monetary consideration
T2	**Kia Dealership**	18201 Studebaker Road	7034-017-910	Transfer the property to the City of Cerritos for monetary consideration
T3-T4	**Lincoln Station Shopping Center**	11900 South Street	7054-024-060 (T3)	Transfer the property to the City of Cerritos for monetary consideration
			7054-024-061 (T4)	Transfer the property to the City of Cerritos for monetary consideration
T5-T29	**Cerritos Towne Center**	17500 Bloomfield Avenue	7030-001-020 (T5)	Transfer the property to the City of Cerritos for monetary consideration
		17550 Bloomfield Avenue	7030-001-021 (T6)	Transfer the property to the City of Cerritos for monetary consideration

Map Reference #	Description	Address	APN	Disposition Action Plan
T5-T29	**Cerritos Towne Center**	12601 Towne Center Drive	7030-001-037 (T7)	Transfer the property to the City of Cerritos for monetary consideration
		12603 Towne Center Drive	7030-001-038 (T8)	Transfer the property to the City of Cerritos for monetary consideration
		12701 Towne Center Drive	7030-001-024 (T9)	Transfer the property to the City of Cerritos for monetary consideration
		12731-12771 Towne Center Drive	7030-001-027 (T10)	Transfer the property to the City of Cerritos for monetary consideration
		12721 Towne Center Drive	7030-001-025 (T11)	Transfer the property to the City of Cerritos for monetary consideration
		12727 Towne Center Drive	7030-001-026 (T12)	Transfer the property to the City of Cerritos for monetary consideration
		12821 Towne Center Drive	7030-001-033 (T13)	Transfer the property to the City of Cerritos for monetary consideration
		12831-12865 Towne Center Drive	7030-001-040 (T14)	Transfer the property to the City of Cerritos for monetary consideration
		12875 Towne Center Drive	7030-001-041 (T75)	Transfer the property to the City of Cerritos for monetary consideration
		12801 Towne Center Drive	7030-001-029 (T16)	Transfer the property to the City of Cerritos for monetary consideration
		12989 Park Plaza Drive	7030-001-042 (T17)	Transfer the property to the City of Cerritos for monetary consideration
		12900-12911 Park Plaza Drive	7030-011-011 (T18)	Transfer the property to the City of Cerritos for monetary consideration

Map Reference #	Description	Address	APN	Disposition Action Plan
T5-T29	**Cerritos Towne Center**	12898 Towne Center Drive	7030-011-008 (T19)	Transfer the property to the City of Cerritos for monetary consideration
		12800 Center Court Drive	7030-011-915 (T20)	Transfer the property to the City of Cerritos for monetary consideration
		N/A	7030-011-010 (T21)	Transfer the property to the City of Cerritos for monetary consideration
		12725 Center Court Drive	7030-011-006 (T22)	Transfer the property to the City of Cerritos for monetary consideration
		12750 Center Court Drive	7030-011-004 (T23)	Transfer the property to the City of Cerritos for monetary consideration
		12610 Park Plaza Drive	7030-011-005 (T24)	Transfer the property to the City of Cerritos for monetary consideration
		17785 Center Court Drive	7030-011-007 (T25)	Transfer the property to the City of Cerritos for monetary consideration
		17871 Park Plaza Drive	7030-011-009 (T26)	Transfer the property to the City of Cerritos for monetary consideration
		17777 Center Court Drive	7030-011-012 (T27)	Transfer the property to the City of Cerritos for monetary consideration
		N/A	7030-001-030 (T28)	Transfer the property to the City of Cerritos for monetary consideration
		N/A	7030-001-031 (T29)	Transfer the property to the City of Cerritos for monetary consideration
T30	**B&B Stables/ Therapeutic Riding Program**	N/A	7034-018-901	Transfer the property to the City of Cerritos for monetary consideration

Cerritos Successor Agency - Long Range Property Management Plan
Vicinity Map of Agency-Owned Properties



Cerritos Successor Agency - Long Range Property Management Plan
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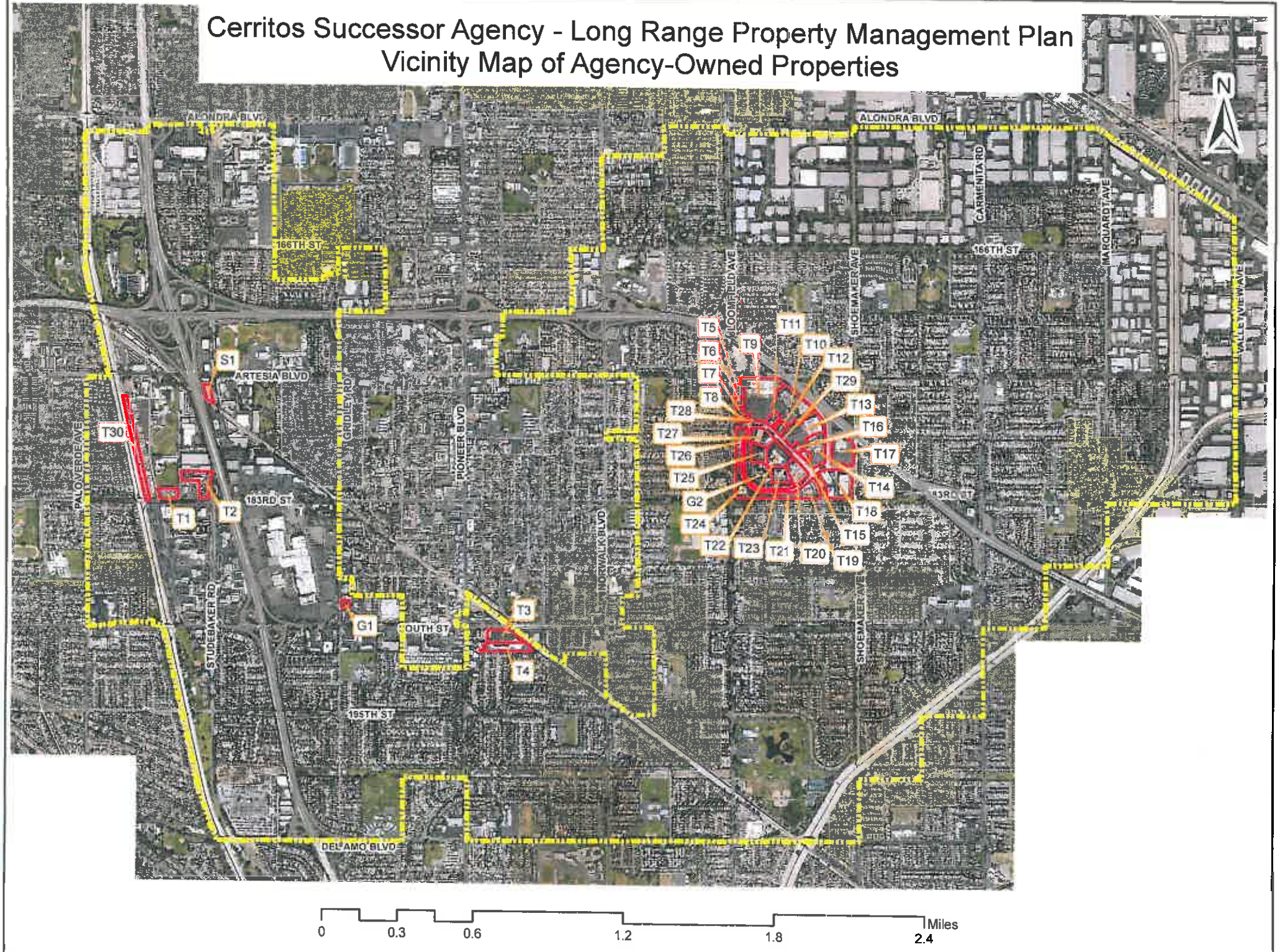
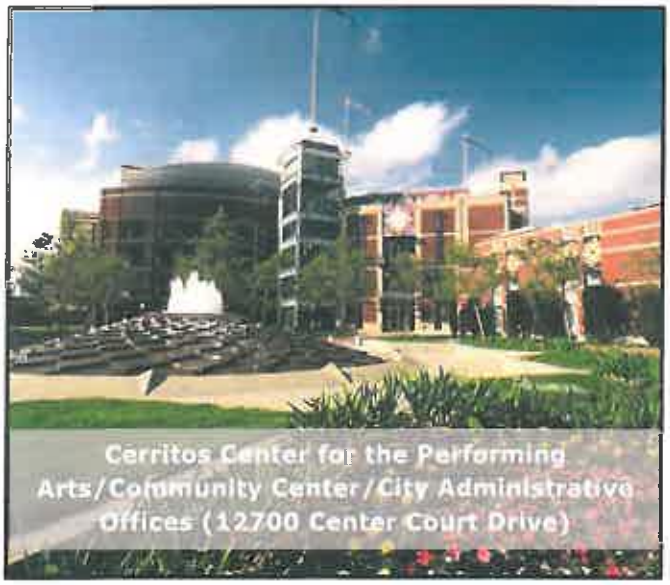


SECTION 2.0

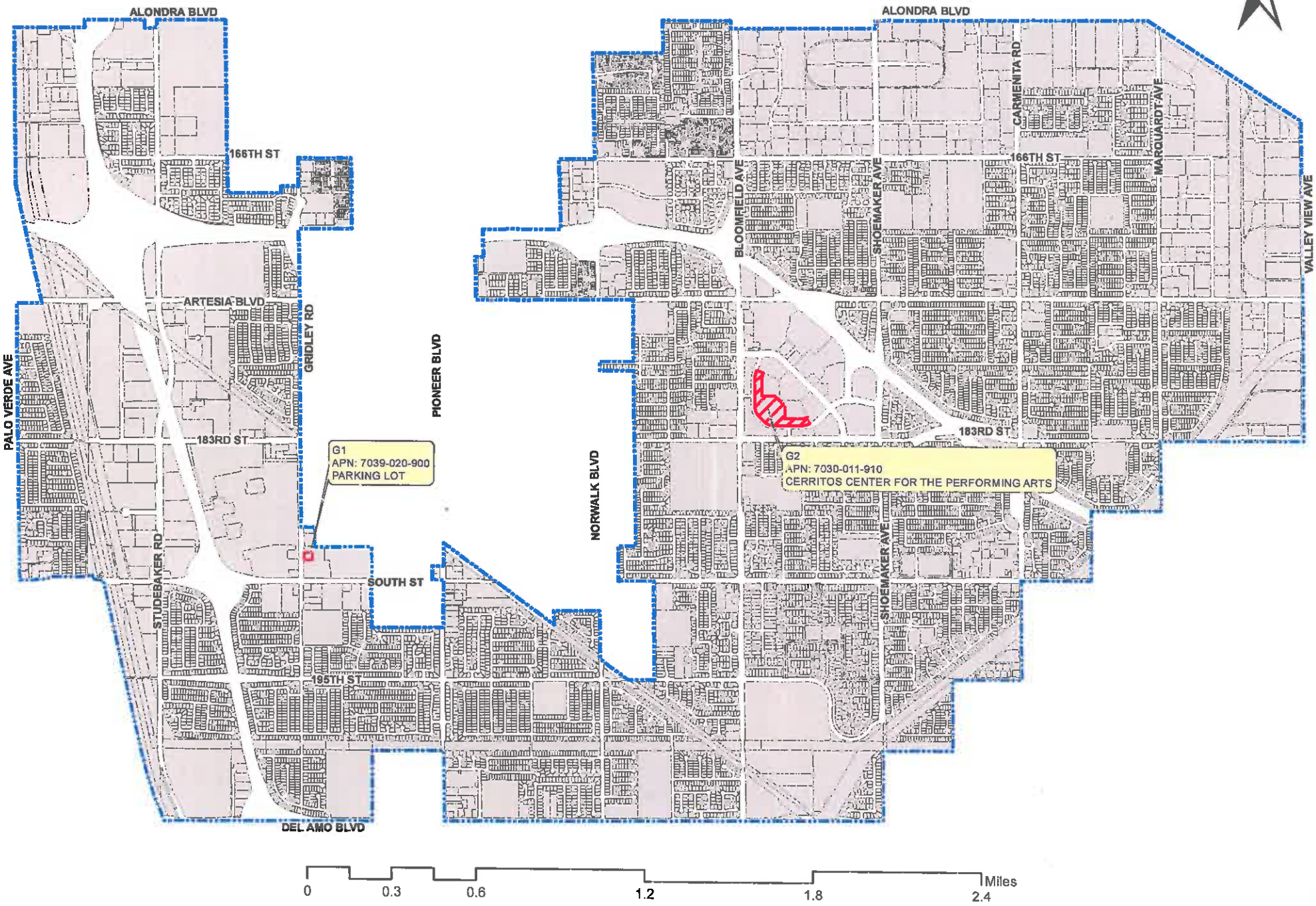
Properties To Be Retained By The City Of Cerritos For Governmental and Public Use



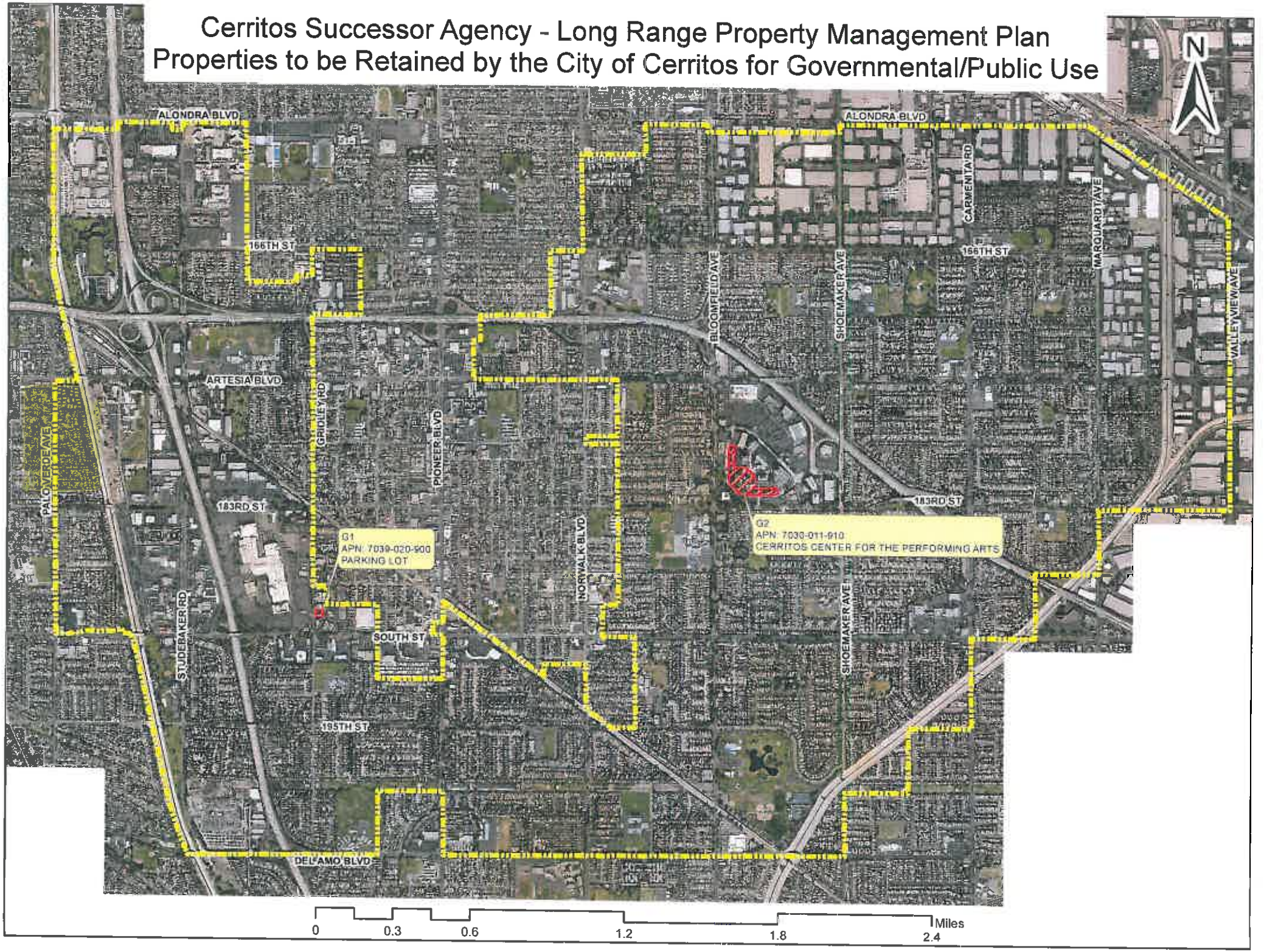
Cerritos Center for the Performing Arts/Community Center/City Administrative Offices (12700 Center Court Drive)

Public Parking Lot (18808 Gridley Road)

Cerritos Successor Agency - Long Range Property Management Plan
Properties to be Retained by the City of Cerritos for Governmental/Public Use



Cerritos Successor Agency - Long Range Property Management Plan
Properties to be Retained by the City of Cerritos for Governmental/Public Use



CITY OF CERRITOS SUCCESSOR AGENCY
LONG RANGE PROPERTY MANAGEMENT PLAN
PUBLIC PARKING LOT - 18808 GRIDLEY ROAD

Map #: G1

Aerial and Property Images

Background Information	
• Map Reference	G1
• Address	18808 Gridley Road
• Assessor Parcel Number(s)	7039-020-900
• Current Zoning and Zone Description	CR, Regional Commercial
• Land Use	Regional Commercial
• Redevelopment Project Area	Los Cerritos
• Current Use	Public Parking Lot
• Original Appraised Value at Purchase	Information not available
• Purchase Price	Approximately $950,000
• Primary/Supplemental Funding Sources	Cash advance from the City

Parcel Information	
• Land Description	
Lot Size	23,522 sq. ft. (0.54 acres)
Topography	Level
• Building Description	
No. of Buildings	None
Building Area	N/A
Improvement Date	N/A
Vehicle Parking	On-site

City of Cerritos Successor Agency Plan
Long Range Property Management Plan
Address: 18808 Gridley Road
APN: 7039-020-900

Property History
This property was acquired by the City of Cerritos in December 2000. The City of Cerritos then transferred title of the property to the Cerritos Redevelopment Agency. Prior to acquisition, the site was developed as an ARCO service station, with underground fuel storage tanks. As part of the acquisition process, the Cerritos Redevelopment Agency requested that the service station obtain a Closure Permit from the Los Angeles Regional Water Quality Board (LARWQB), allowing ARCO to cease and vacate the existing service station operation, with the understanding that the site is contaminated, as a result of the leaching of contaminants into the soil and water table. After consideration, the LARWQB issued the Closure Permit, with the condition that the subject property only be used for parking or landscape purposes, in order to prevent the disbursement of contaminants caused by vertical penetration associated with building development or improvements. Today, the parcel is currently developed as a public parking lot. The parking lot contains approximately fifty (50) on-site parking spaces, and provides free parking to the public. The parking lot does not generate any revenue, and was specifically developed as a surface parking lot, in accordance with LARWQB's requirements.

Agency Revenue	
• Is Agency receiving lease or rental income for the private use of the property?	Yes ☐ No ☒
• If Yes, indicate amount of Agency's annual rent/lease income.	$0.00
If Yes, describe essential contract provisions (i.e., renter/lessee, term, rent calculations, restrictions/obligations, etc.): There is no existing lease for the subject parcel, and therefore no contract nor contract provisions for the parking lot exist. As mentioned previously, the parking lot serves the public by providing free on-site surface parking, and does not generate any revenue.	

Environmental	
• Have any environmental tests or assessments been performed on the property?	Yes ☒ No ☐
• If Yes, describe the work performed and dates (i.e., Phase 1, Phase 2, borings, etc.).	Upon acquisition in 2000, the Cerritos Redevelopment Agency conducted several environmental assessments of the subject property, as it was home to a former service station with fuel tanks located below grade. As such, a Phase I and Phase II report were prepared for the Agency by Erler & Kalinowski, Inc., an engineering and scientist consulting firm. Per the Phase I and Phase II report, the property contains contaminates and

	chemicals in the soil and the groundwater, including benzene and MTBE.
• If Yes, describe the current environmental condition of the site.	Per the requirements of the LARWQB, the site was developed as a public parking lot upon the demolition of the former ARCO service station. Contaminates still exist within the soil at the subject property.
• Has the property been designated as a "Brownfield" site?	Yes ☐ No ☒
• If No, would the property qualify for such a Brownfield designation?	Yes ☐ No ☒ Unknown ☐
• Describe any remediation work performed on the property.	Upon acquisition, groundwater remediation work was performed at the subject property, in order to adequately prepare the property for parking lot improvements.

Previous Development Proposals	
• Describe any previously proposed or solicited development plans for the property, including any short-term and/or long-term lease/rental arrangements.	There are no existing or previously proposed development proposals or plans for the subject property. The subject property was developed in accordance with the Cerritos General Plan and the Redevelopment Plan, to serve as a free on-site surface parking facility. Any proposals or development plans for the subject site would be denied by the City of Cerritos, as the property is required, by the LARWQB, to be a parking lot or landscaped area.

Estimate of Current Property Value
Not applicable.

Transit-Oriented Development and Advancement of Planning Objectives
• **Describe the property's potential for transit-oriented development:** The subject property is not suitable, nor available for, reuse as a stand-alone transit-oriented development. The subject property is currently developed as a public parking lot adjacent to a commercial shopping center, zoned Regional Commercial (CR), and the development of a mixed-use transit-oriented development would not be supported at the subject property. As such, with the existing site conditions and constraints, the potential for transit oriented development does not exist. Additionally, the location of the public parking lot adjacent to a shopping center, small parcel size, and configuration of surrounding improvements that are 100% built-out, means that the possibility for a transit-oriented development is not supported.

City of Cerritos Successor Agency Plan
Long Range Property Management Plan
Address: 18808 Gridley Road
APN: 7039-020-900

- **Describe the reuse potential of the property in terms of advancing the Successor Agency's planning objectives:**

  Given the size constraints, the use restrictions, and the property location adjacent to an existing built-out commercial center, the development of buildings or other planning infrastructure improvements would not be supported or feasible on the subject property. In addition, as previously mentioned, the subject property is restricted to only parking or landscape uses, as required by the LARWQB, in light of the soil conditions located below the public parking lot. It is for these reasons that the Successor Agency does not foresee any future development of the site, other than the existing public parking lot use.

Recommendation for Disposition	
Recommended action:	**Retain for governmental/public use**

- **Reasons for recommendation:**

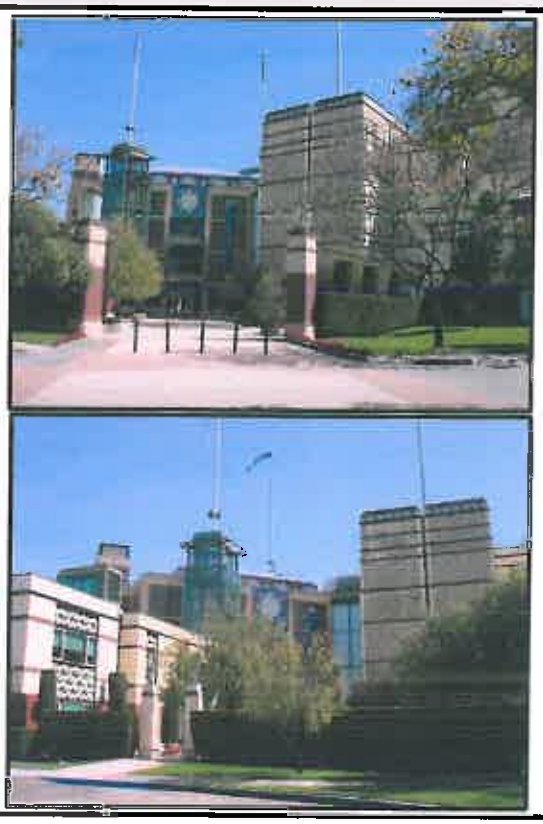
  California Health and Safety Code Section 34181(a)(1) directs a Successor Agency to transfer ownership of assets that were constructed and used for a governmental public purpose, including parking facilities and lots dedicated solely to public parking, to the appropriate public jurisdiction, pursuant to any existing agreements relating to the construction or use of such an asset. The subject property is a public use property, and serves to provide free public parking and does not generate any revenue. In addition, the subject property was specifically developed as a surface parking lot to satisfy the LARWQB's requirements that restrict the use of the parcel to parking or landscaping, and no alternative uses could be permitted.

  Given that the parking lot provides free public parking to the community, and also that the property does not generate revenue for the City, the City requests that this property be retained in its existing state for governmental and public use as a public parking facility. It is appropriate that the property be retained by the City of Cerritos given that it meets the statutory requirements prescribed in Section 34181 of the California Health and Safety Code, and has no value on its own for any other use than what is currently occupying the property.

CITY OF CERRITOS SUCCESSOR AGENCY
LONG RANGE PROPERTY MANAGEMENT PLAN
CERRITOS CENTER FOR THE PERFORMING ARTS

Map #: G2

Aerial and Property Images



Background Information

• Map Reference	G2
• Address	12700 Center Court Drive
• Assessor Parcel Number(s)	7030-011-910
• Current Zoning and Zone Description	ADP-2, Area Development Plan Two
• Land Use	Regional Commercial
• Redevelopment Project Area	Los Coyotes
• Current Use	Cerritos Center for the Performing Arts/Community Center/City Administrative Offices
• Original Appraised Value at Purchase	Information not available
• Purchase Price	N/A (This property was purchased as part of the City's acquisition of numerous parcels to develop the ADP-2, mixed-use Towne Center development. The purchase price is inclusive of all Towne Center parcels.)
• Primary/Supplemental Funding Sources	Cash advance from the City

Parcel Information

• Land Description	
Lot Size	378,987 sq. ft. (8.7 acres)
Topography	Level
• Building Description	
No. of Buildings	One (1) freestanding building
Building Area	134,425 sq. ft.

City of Cerritos Successor Agency Plan
Long Range Property Management Plan
Address: 12700 Center Court Drive
APN: 7030-011-910

Construction Type	Steel
Year Built	1994
Improvement Date	On-going
Vehicle Parking	On-site & on adjacent Cerritos Towne Center parcels

Property History

As mentioned, this property was acquired by the City of Cerritos as part of the City's acquisition of several parcels to develop the mixed-use Towne Center development. The City of Cerritos then transferred title of the subject property, and all other Towne Center parcels, to the Cerritos Redevelopment Agency.

Prior to acquisition, the property was vacant, with dairy related structures and improvements. This property was acquired and assembled with numerous surrounding parcels to form a larger master-planned development totaling 98 acres, within the Los Coyotes Redevelopment Project Area. Today, this property is part of the Cerritos Towne Center mixed-use development, comprised of privately-owned commercial retail and office uses, restaurants, a hotel, parking structure facilities, and fully developed public rights-of-way (ROW) including landscape, pedestrian plazas and sidewalks. The Cerritos Towne Center was developed to complement the goals and policies of the Cerritos General Plan and the Redevelopment Plan to provide mixed-use development for residents, businesses, and patrons of the City of Cerritos. Today, this property is home to the Cerritos Center for the Performing Arts, a community performing arts center and community center that hosts approximately 71 theater performances and 67 community events annually, serving as a key cultural center for the community. In addition, the facility serves as a regional convention, business, and meeting center for community organizations, clubs, and businesses. The facility is wholly staffed, operated, and maintained by the City of Cerritos, and houses City employees for administrative purposes.

Agency Revenue

• Is Agency receiving lease or rental income for the private use of the property?	Yes ☐ No ☒
• If Yes, indicate amount of Agency's annual rent/lease income.	$ 0.00

If Yes, describe essential contract provisions (i.e., renter/lessee, term, rent calculations, restrictions/obligations, etc.):

There is no existing lease for the use of the Cerritos Center for the Performing Arts, and therefore no contract or contract provisions for the facility. As mentioned previously, the facility is wholly staffed, operated, and maintained by the City of Cerritos. All maintenance, improvements, and staffing of the facility is paid for using Cerritos General Fund monies.

Environmental

• Have any environmental tests or assessments been performed on the property?	Yes ☒ No ☐

City of Cerritos Successor Agency Plan
Long Range Property Management Plan
Address: 12700 Center Court Drive
APN: 7030-011-910

• If Yes, describe the work performed and dates (i.e., Phase 1, Phase 2, borings, etc.).	Given that the subject property was formerly farming/diary land, soil contamination from cattle waste and debris from farming activities were found within the area. The required remediation, which, in some instances included the removal of contaminated soil and debris was performed, prior to the development of the Cerritos Towne Center, in order to support development. In addition, pursuant to California Environmental Quality Act (CEQA) guidelines, environmental assessments were completed for this property, prior to the development of the Cerritos Towne Center.
• If Yes, describe the current environmental condition of the site.	There are currently no outstanding environmental conditions located at the property.
• Has the property been designated as a "Brownfield" site?	Yes ☐ No ☒
• If No, would the property qualify for such a Brownfield designation?	Yes ☐ No ☒ Unknown ☐
• Describe any remediation work performed on the property.	Soil remediation

Previous Development Proposals	
• Describe any previously proposed or solicited development plans for the property, including any short-term and/or long-term lease/rental arrangements.	There are no existing or previously proposed development proposals or plans for the subject property. The subject property was developed in accordance with the Cerritos General Plan, the Redevelopment Plan, and the Specific Plan, as a performing arts center/community center/City administrative offices, as originally planned and intended.

Estimate of Current Property Value
An estimate of current property value for the subject property was not obtained nor is it readily available by way of the Los Angeles County Tax Assessor, as it is a City-owned and operated public facility. Please note that operational expenditures far exceed revenue generated by the facility, as the Cerritos Center for the Performing Arts operates at a budget deficit with no revenue for the City. Based on the facility's operating budget, the facility is operating at an average **deficit of $2.2 million** each year, which is subsidized by general fund monies.

City of Cerritos Successor Agency Plan
Long Range Property Management Plan
Address: 12700 Center Court Drive
APN: 7030-011-910

Transit-Oriented Development and Advancement of Planning Objectives
• **Describe the property's potential for transit-oriented development:** The subject property is part of a significantly larger mixed-use development and is currently fully developed as a performing arts center/community center/City administrative offices. Accordingly, the subject property is neither suitable, nor available for, reuse as a stand-alone transit oriented development. • **Describe the reuse potential of the property in terms of advancing the Successor Agency's planning objectives:** The subject property is part of a significantly larger mixed-use development and is currently fully developed as a community performing arts center/community center/City administrative offices, hosting approximately 71 theater performances and 67 community events each year. In addition, the City subsidizes (with general fund monies) an average of **$510,148** in community facility rental fees for various community groups each year including the ABC Unified School District, the Cerritos Chamber of Commerce, Friends of Arts Education, and Resident Clubs. This facility is used for governmental and recreational purposes, providing a performing arts theater for the Cerritos community, community rooms and catering for community functions, and administrative offices for City staff. The City does not foresee any future development of the site, other than the existing use. Please note that this property is 100% built-out and cannot be developed any further.

Recommendation for Disposition	
Recommended action:	**Retain for governmental/public use**
• **Reasons for recommendation:** California Health and Safety Code Section 34181(a) directs a Successor Agency to transfer ownership of assets that were constructed and used for a governmental public purpose to the appropriate public jurisdiction, pursuant to any existing agreements relating to the construction or use of such an asset. The subject property is a governmental public use property, retained, operated, maintained, and staffed by the City for public recreational purposes, and used to accommodate public group meetings and events. As mentioned previously, the facility is wholly staffed by City of Cerritos employees (14 full-time positions, 175 part-time positions), with the operational City offices located within the facility, in eight different areas. City of Cerritos employees are the only staff operating at the facility, as there are no offices or employees of private entities at the facility. These City positions are an extension of City Hall staff and are fully funded by the City's general fund, and included in the annual combined financial program of the City. In addition, any repairs or improvements made to the facility, or the subject property, are conducted by City employees and paid for by general fund monies. This facility is a part of the City's Civic Center, located directly across from City Hall, the Cerritos Library, and the Cerritos Sheriff's Station. In addition, the City subsidizes an average of $510,148 in community facility rental fees for various community organizations and groups, which is paid for using general fund monies. Various public and City community organizations utilize the facility at no cost, and these functions are facilitated and operated by City staff. Additionally, on average approximately 48% of the facility's events are public, not-for-profit events, such as public meetings and	

conferences.

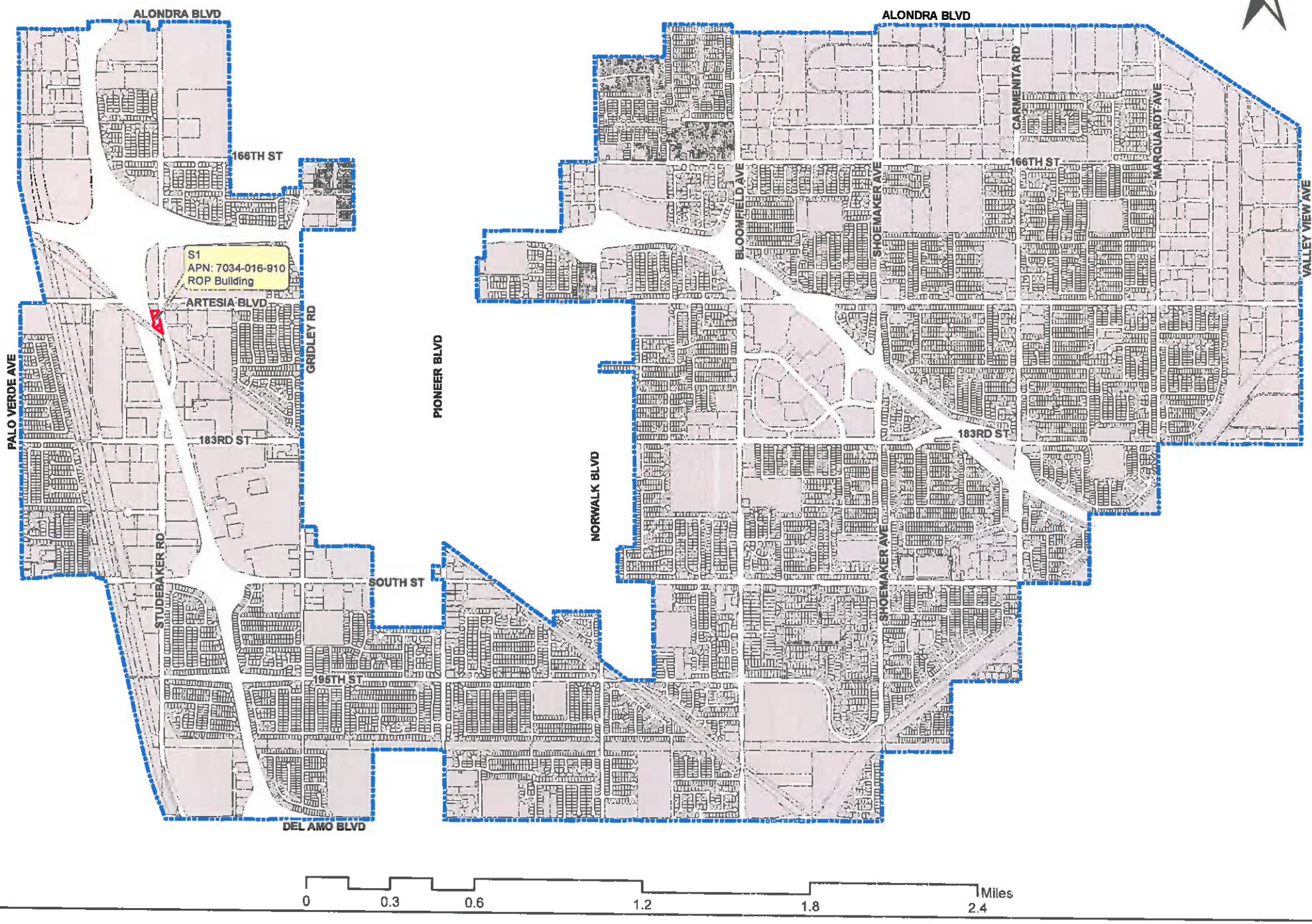
The facility was constructed and is used for a governmental purpose, specifically providing recreational and public meeting opportunities to the Cerritos community, and is staffed, maintained, operated, and paid for by the City using City general fund monies. The City requests that this property be retained in its existing state for governmental and recreational use as a community performing arts theater/community center. It is appropriate that the property be retained by the City of Cerritos given that it meets the statutory requirements prescribed in Section 34181 of the California Health and Safety Code, and has little to no value on its own for any other use than what is currently occupying the property.

SECTION 3.0

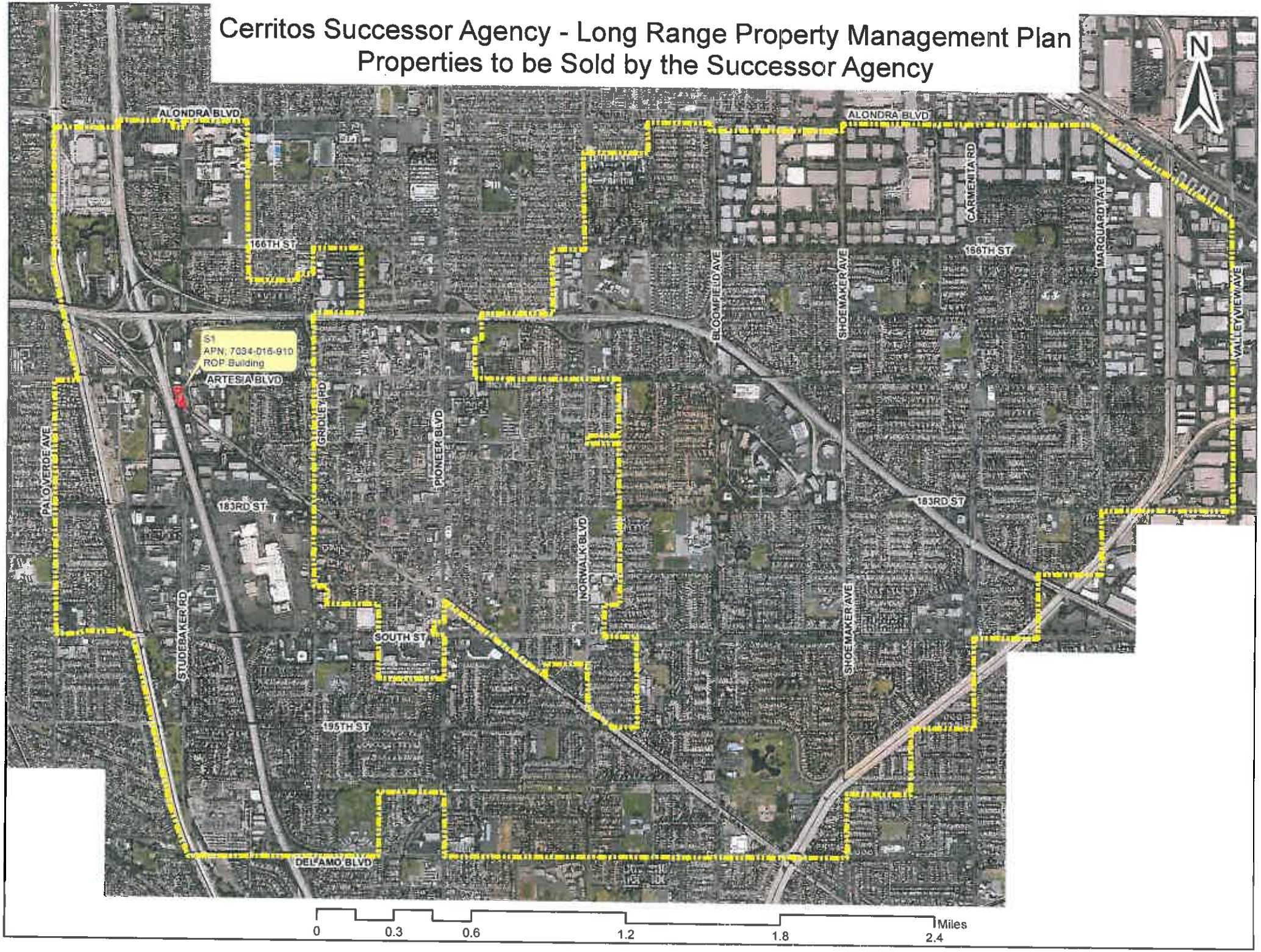
Properties To Be Sold By The Successor Agency

Former Regional Occupational Program (ROP) Building
(17423 Studebaker Road)

Cerritos Successor Agency - Long Range Property Management Plan
Properties to be Sold by the Successor Agency



Cerritos Successor Agency - Long Range Property Management Plan
Properties to be Sold by the Successor Agency



CITY OF CERRITOS SUCCESSOR AGENCY
LONG RANGE PROPERTY MANAGEMENT PLAN
FORMER ROP BUILDING

Map #: S1

Aerial and Property Images

Background Information	
• Map Reference	S1
• Address	17423 Studebaker Road
• Assessor Parcel Number(s)	7034-016-910
• Current Zoning and Zone Description	ADP-15, Area Development Plan Fifteen
• Land Use	Hotel/Regional Commercial
• Redevelopment Project Area	Los Cerritos
• Current Use	Vacant Lot
• Original Appraised Value	Information not available
• Purchase Price	Approximately $1,200,000
• Primary/Supplemental Funding Sources	Cash advance from the City

Parcel Information	
• Land Description	
Lot Size	47,341 sq. ft. (1.09 acres)
Topography	Level
• Building Description	
No. of Buildings	Vacant Lot
Building Area	N/A
Construction Type	N/A
Year Built	N/A
Improvement Date	N/A
Vehicle Parking	On-site

City of Cerritos Successor Agency Plan
Long Range Property Management Plan
Address: 17423 Studebaker Road
APN: 7034-016-910

Property History
The subject property was acquired by the City of Cerritos in 2004-2005. The City of Cerritos then transferred title of the property to the Cerritos Redevelopment Agency. Upon acquisition, the subject property was comprised of four (4) parcels. Three (3) of the parcels were vacant and one (1) parcel was developed with a 10,551 square foot, one-story industrial building, which had been used by the ABC Unified School District to house the South East Regional Occupational Program (ROP) automotive teaching facility. The four (4) parcels were acquired in an effort to address the visual blighted conditions of the vacant parcels and the abandoned building, and to accumulate a large enough site for the future development of a higher and better use in accordance with the goals and objectives of the Los Cerritos Redevelopment Plan. As such, in 2006, limited site work was completed, including the demolition of the former ROP building and removal of all trash and debris, as a result of the blighted, vacant conditions. Subsequently, the City recorded a new parcel map, combining all four (4) parcels into one (1) parcel. Today, the property remains vacant and is used for temporary storage of City vehicles and maintenance equipment. There are no existing ground leases or development agreements executed for the subject property. The Agency owns the land, and no buildings or structures exist on the vacant land. In 2008, a Development Code Amendment was adopted by the Cerritos City Council, changing the zoning of the property from Open Space (OS) to Area Development Plan Fifteen (ADP-15). The Development Code Amendment was adopted to address the unique conditions of the subject site and to promote the development of a hotel on the property, as the parcels were acquired for these purposes. In accordance with the Cerritos General Plan and the Redevelopment Plan, the new zoning (ADP-15) would allow for the development of the site into a hotel use, thereby eliminating blight, increasing employment and economic opportunities, and promoting compatible development within this area of the City.

Agency Revenue	
• Is Agency receiving lease or rental income for the private use of the property?	Yes ☐ No ☒
• If Yes, indicate amount of Agency's annual rent/lease income.	$0.00
If Yes, describe essential contract provisions (i.e., renter/lessee, term, rent calculations, restrictions/obligations, etc.): There is no existing lease for the subject parcel, and therefore no contract nor contract provisions for the parcel exist. As mentioned previously, the vacant parcel serves as a temporary storage facility for the City, and does not generate any revenue.	

Environmental	
• Have any environmental tests or assessments been performed on the property?	Yes ☒ No ☐

• If Yes, describe the work performed and dates (i.e., Phase 1, Phase 2, borings, etc.).	Given that the subject property was formerly occupied by a one-story industrial building, environmental assessments were completed prior to the acquisition of the property, including a Phase 1 report.
• If Yes, describe the current environmental condition of the site.	There are currently no outstanding environmental conditions located at the property.
• Has the property been designated as a "Brownfield" site?	Yes ☐ No ☒
• If No, would the property qualify for such a Brownfield designation?	Yes ☐ No ☒ Unknown ☐
• Describe any remediation work performed on the property.	There has been no remediation work performed on the property.

Previous Development Proposals	
• Describe any previously proposed or solicited development plans for the property, including any short-term and/or long-term lease/rental arrangements.	There are no existing development proposals or plans for the subject property. In 2008, the City received a development proposal by The Oliver Hotel Group LLC to construct a five (5) story, 106-room hotel, as the zoning of the site only allows for hotel uses to be developed on the subject property. Due to the economic climate conditions and the recession during this time period, the developer withdrew his proposed hotel development, until financial support could be obtained. From 2008 to present, staff has received other inquiries relative to the development of a hotel on the subject property, however, to date, there are no contracts or leases for the subject property, nor are there any current development proposals for the property.

Estimate of Current Property Value
An estimate of current property value for the subject property was not obtained nor is it readily available by way of the Los Angeles County Tax Assessor. Prior to the liquidation of the subject parcel, the City would obtain an appraisal to determine the approximate sales price and property value of the subject parcel.

City of Cerritos Successor Agency Plan
Long Range Property Management Plan
Address: 17423 Studebaker Road
APN: 7034-016-910

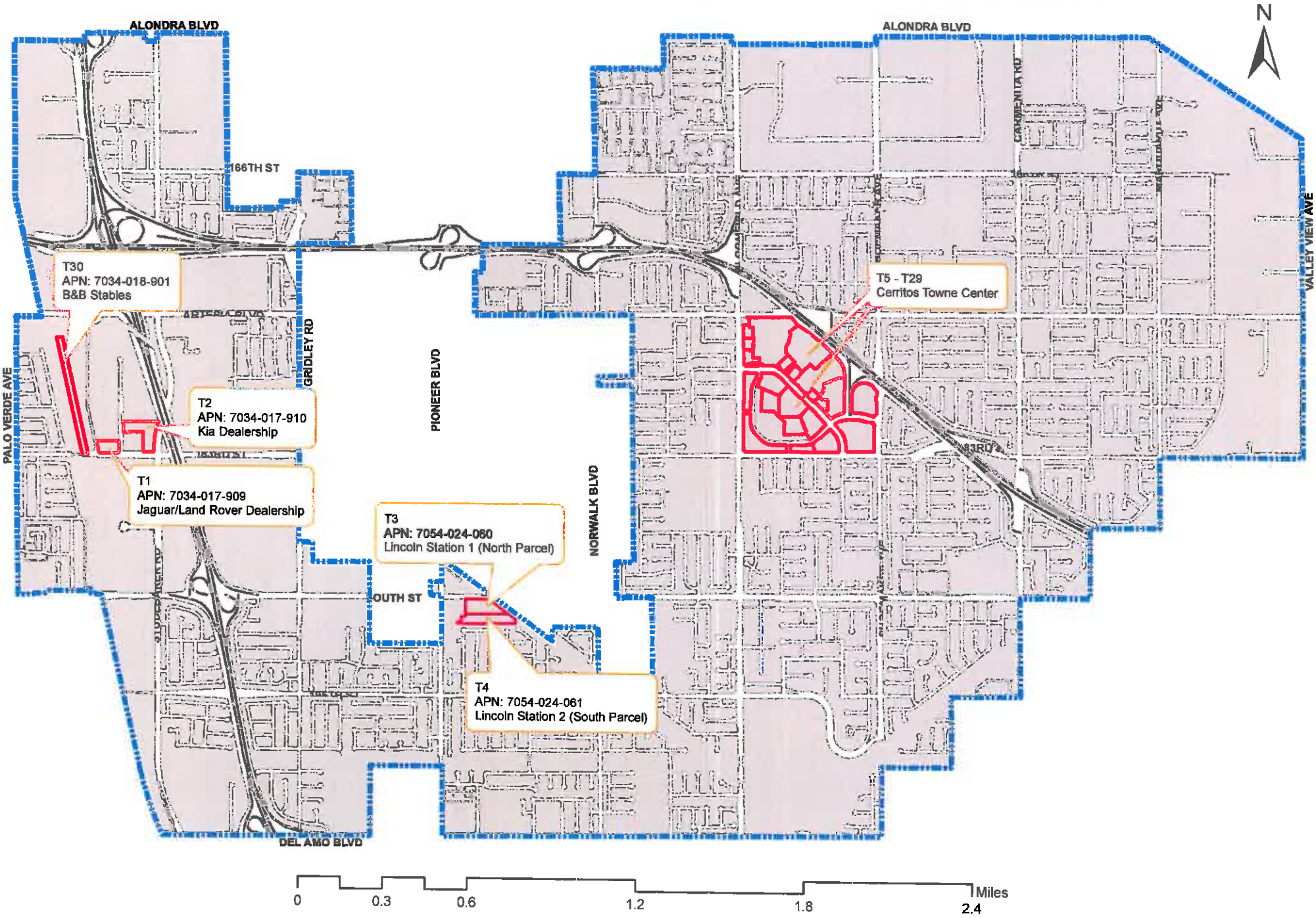
Transit-Oriented Development and Advancement of Planning Objectives
• **Describe the property's potential for transit-oriented development:** The subject property is currently zoned Area Development Plan Fifteen (ADP-15) and uses permitted under the current zoning are limited to hotel uses, or accessory uses directly supportive of a hotel use. Should the property be re-zoned, the potential for transit oriented development would be supported at the subject property. The existing subject parcel is located directly east of the San Gabriel River (I-605) Freeway, west of Studebaker Road, a major arterial street, and directly north of the Los Angeles County Metropolitan Transportation Authority (MTA) abandoned railroad right-of-way. This right-of-way easement has been abandoned for several years and may serve as an ideal location for a new transportation hub, connecting multiple forms of transportation. The location of the subject property, along Studebaker Road also provides connectivity to the City's major regional shopping centers, the Cerritos Auto Square, and the Cerritos regional community college, which serves the entire Southern California region. Major transportation services, including Metro, Long Beach Transit, Norwalk Transit, and Cerritos on Wheels, are accessible by way of Studebaker Road, surrounding the subject property. It is for these reasons that the potential of transit-oriented development may be feasible. • **Describe the reuse potential of the property in terms of advancing the Successor Agency's planning objectives:** The Successor Agency's planning objectives for the subject property are limited to hotel development. The location of the subject property, on the west side of the City of Cerritos, has a need for and would support hotel uses, given that several regional shopping centers, other industrial and commercial uses, and the Cerritos community college surround the subject property. While the City of Cerritos currently has an existing hotel on the east side of the City, a hotel on the subject property would also be supported by transients utilizing the I-605 and 91 freeways to travel through Southern California. As mentioned previously, the subject property is currently zoned Area Development Plan Fifteen (ADP-15) and uses permitted under the current zoning are limited to hotel uses, or accessory uses directly supportive of a hotel use. Given that the subject property is currently vacant and zoned for hotel uses, and for the abovementioned reasons, the reuse potential of the subject property is currently limited to that use.

Recommendation for Disposition	
Recommended action:	**Retention of the Property to Sell for Future Development**
• **Reasons for recommendation:** The Successor Agency intends to retain the property in order to sell the property for future development, in an effort to facilitate the development of the subject property for a permitted hotel use. The sale of the parcel for the development of a hotel use, is supported by the Cerritos General Plan and the Cerritos Municipal Code's Area Development Plan Fifteen (ADP-15) provisions. Revenue generated from the sale of the property shall be distributed as property tax to the taxing entities, in accordance with California Health and Safety Code Section 34191.5.	

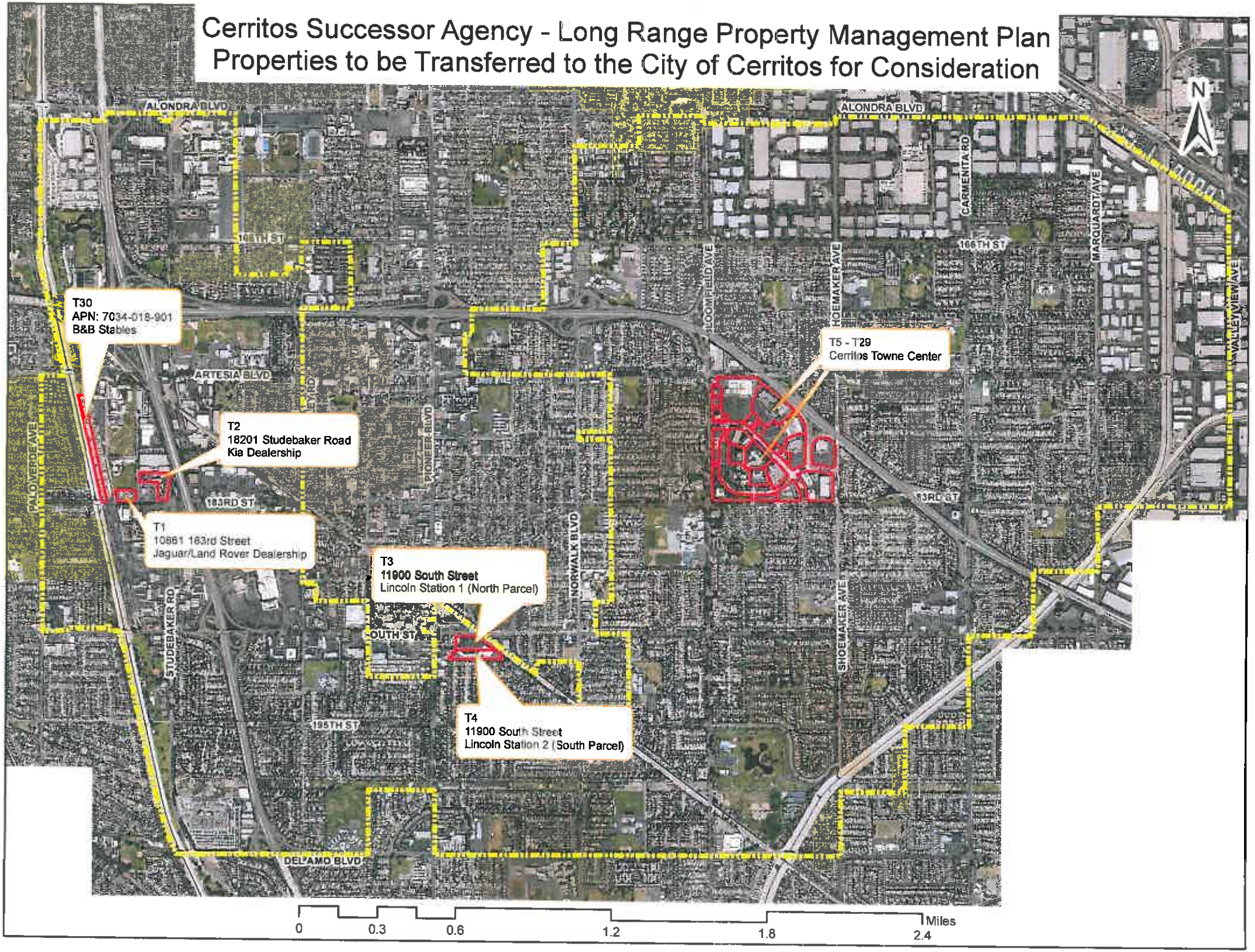
SECTION 4.0

Properties To Be Transferred To The City Of Cerritos For Monetary Consideration

Cerritos Successor Agency - Long Range Property Management Plan
Properties to be Transferred to the City of Cerritos for Consideration



Cerritos Successor Agency - Long Range Property Management Plan
Properties to be Transferred to the City of Cerritos for Consideration



CITY OF CERRITOS SUCCESSOR AGENCY
LONG RANGE PROPERTY MANAGEMENT PLAN
JAGUAR/LAND ROVER DEALERSHIP

Map #: T1

Aerial and Property Images

Background Information

• Map Reference	T1
• Address	10861 183rd Street
• Assessor Parcel Number(s)	7034-017-909
• Current Zoning and Zone Description	ADP-5, Area Development Plan Five
• Land Use	Regional Commercial/ADP-5
• Redevelopment Project Area	Los Cerritos
• Current Use	Auto Square Car Dealership
• Original Appraised Value	Information not available
• Purchase Price	Approximately $1,750,000
• Primary/Supplemental Funding Sources	Cash advance from the City

Parcel Information

• Land Description	
Lot Size	70,223 sq. ft. (1.61 acres)
Topography	Level
• Building Description	
No. of Buildings	One (1) privately-owned, free-standing building located on an Agency-owned parcel
Building Area	40,760 sq. ft.
Year Built	2007
Improvement Date	N/A
Vehicle Parking	On-site

City of Cerritos Successor Agency Plan
Long Range Property Management Plan
Address: 10861 183rd Street
APN: 7034-017-909

Property History
This property was acquired by the City of Cerritos in 2005. The City then transferred title of the property to the Cerritos Redevelopment Agency, but the City of Cerritos retained 75% interest in the ground lease revenue, and management and control of the ground lease. The property was acquired as part of a property exchange with Valley Christian Schools, a private school operator located in the City of Cerritos. Under the property exchange, the City exchanged an existing property located directly adjacent to the school, in order to facilitate building, parking, and campus improvements. The City, in exchange, acquired the subject property in an effort to facilitate the development of an automobile dealership. Upon acquisition, the subject property was an undeveloped vacant land, used by the school for physical education activities, which was incompatible with the adjacent and surrounding automobile dealership uses, which existed in the Area Development Plan Five (ADP-5) zone. In 2005, the Cerritos Redevelopment Agency and Townsend Automotive Group, LLC (developer) executed a Development Agreement setting forth the rights, control, and obligations of each entity. The vacant land would be ground leased to the developer to construct, own, maintain, and operate the building and improvements on the vacant land. In accordance with the Development Agreement, the Agency assigned control of the ground lease to the City, and the developer, as the ground lessee was and is solely responsible for the construction, maintenance, and operation of the building and improvements on the subject parcel. The building and improvements are owned by the developer/ground lessee. The ground lease is for a term of forty (40) years and will expire in 2045, subject to extension of an additional ten (10) years at the ground lessee's election. The developer/ground lessee is solely responsible for the ownership, operation, and maintenance of the building and related improvements, in addition to being solely responsible for soliciting prospective automobile dealers to occupy the building. The City and Agency's interest in the subject property is the reversionary interest at the termination of the ground lease in 2045, and the respective interests in the ground lease revenue. Today, this property is a part of the Cerritos Auto Square, a master-planned, sales tax generating, vehicle sales center. The property is fully developed and complements the goals and policies of the Cerritos General Plan, the Redevelopment Plan, and the Specific Plan to develop coordinating uses, and to eliminate the potential for physical blight.

Agency Revenue	
• Is Agency receiving lease or rental income for the private use of the property?	Yes ☒ No ☐
• If Yes, indicate amount of Agency's annual rent/lease income.	$48,500.00

If Yes, describe essential contract provisions (i.e., renter/lessee, term, rent calculations, restrictions/obligations, etc.):

On December 15, 2005, the Cerritos Redevelopment Agency (ground lessor) entered into a ground lease agreement with Townsend Automotive Group, LLC (ground lessee) for a term of twenty-five (25) years for use as a Jaguar/Land Rover automobile dealership. Per the ground

lease agreement, Townsend Automotive Group was given the option to extend the ground lease fifteen (15) years, with an additional option for a ten (10) year extension after the fifteen year (15) extension. Subsequent to the execution of the ground lease, on October 26, 2006, Townsend Automotive Group and the Cerritos Redevelopment Agency executed a First Amendment to Ground Lease, exercising its right to extend an additional fifteen (15) years. As such, the existing lease will expire in 2045, with an option for a ten (10) year extension at this time.

In accordance with the Development Agreement, 25% of the initial base ground lease revenues are received by the Agency. The Agency's 25% portion of the ground lease revenue does not include any increases in base rent, nor does it include any portion of participation rent paid under each property's lease agreement. In summary, per the terms of the Development Agreement and the lease agreement documents, the ground lease rent obligations of the ground lessee to the former Cerritos Redevelopment Agency amount to $4,041.67 per month.

Environmental	
• Have any environmental tests or assessments been performed on the property?	Yes ☒ No ☐
• If Yes, describe the work performed and dates (i.e., Phase 1, Phase 2, borings, etc.).	Prior to the land exchange, a Mitigated Negative Declaration was prepared in accordance with the California Environmental Quality Act (CEQA), for the proposed development of an automobile dealership, including an auto service and car wash area. As mentioned previously, the site was vacant and did not contain any structures. Per the assessment, no mitigation or remediation work was needed prior to the development of the subject area. This is directly attributed to the vacant land conditions of the property prior to purchase.
• If Yes, describe the current environmental condition of the site.	There are currently no outstanding environmental conditions located at the property.
• Has the property been designated as a "Brownfield" site?	Yes ☐ No ☒
• If No, would the property qualify for such a Brownfield designation?	Yes ☐ No ☒ Unknown ☐
• Describe any remediation work performed on the property.	There has been no remediation work performed on the property.

Previous Development Proposals	
• Describe any previously proposed or solicited development plans for the property, including any short-term	There are no existing or previously proposed development proposals or plans for the subject property. The subject property was developed in

and/or long-term lease/rental arrangements.	accordance with the Cerritos General Plan, the Redevelopment Plan, and the Specific Plan to expand the Cerritos Auto Square and develop a site for an additional sales tax generating use. The existing lease is a long-term ground lease, potentially expiring in 2055, and no leases or rental arrangements, other than the existing ground lease, have been solicited or received by the former Cerritos Redevelopment Agency or the City of Cerritos.

Estimate of Current Property Value

In 2012, the Successor Agency to the former Cerritos Redevelopment Agency solicited the assistance of a real estate consulting company, Allan D. Kotin & Associates, to obtain an estimate of the value of the Cerritos Redevelopment Agency's minority interest in ground lease payments under the City's numerous ground leases. The estimate was prepared to determine the present market value of the Agency's ground lease revenue generated by the lease agreement, and also the present value of the reversionary interests at the term of the ground lease expiration in 2045, as referenced and affirmed in Schedule 3 of the Cerritos Redevelopment Agency Asset Transfer Review Report (State Controller's Report), and additional supplemental information contained herein. Although the Agency's interest was a non-controlling, minority interest, no minority interest discount was applied on the assumption that the transfer would unify all ownership rights in the City. A lower value would result in an assumed private transfer with a minority interest discount.

In regards to the subject property, the estimated current value is **$1,235,706**. This value is a combination of the Agency's share in base ground lease revenue (25%) totaling **$900,000**, and the Agency's reversionary interest in the subject property upon the expiration of the ground lease in 2055, totaling **$335,706**.

Transit-Oriented Development and Advancement of Planning Objectives

- **Describe the property's potential for transit-oriented development:**

The subject property is part of the Cerritos Auto Square, a fully developed, regional auto center. The subject property is fully developed as a Jaguar/Land Rover Dealership and therefore is neither suitable, nor available for, reuse as a stand-alone transit oriented development. Access to the site is provided off of 183rd Street, a secondary arterial street, and also from Crusader Avenue and Dumont Avenue, small interior streets. In addition, due to the high volume of vehicle traffic in the Cerritos Auto Square, directly attributed to the use, a transit oriented development would not be supported within ADP-5, nor the subject property.

- **Describe the reuse potential of the property in terms of advancing the Successor Agency's planning objectives:**

The City does not foresee and will not solicit any future reuse or development of the subject property. The subject property is 100% built-out with the Jaguar/Land Rover dealership and cannot be developed any further. Due to the long-standing ground lease with the existing ground lessee, and in light of the economic success of the business located on the subject property, the Successor Agency's planning objectives are currently being met.

City of Cerritos Successor Agency Plan
Long Range Property Management Plan
Address: 10861 183rd Street
APN: 7034-017-909

Recommendation for Disposition	
Recommended action:	**Transfer the Property to the City of Cerritos for Monetary Consideration**

- **Reasons for recommendation:**
  The Successor Agency intends to sell its 25% ground lease revenue interest and its 2045 reversionary interest, and transfer the property to the City of Cerritos for monetary consideration, in an effort to maintain the property in its current state as an automobile dealership and to provide long-term ground rent and sales tax revenue to the City that will be used to finance core City services for the residents of Cerritos. As mentioned previously, the current ground lessee owns, operates, and maintains the building and improvements located on the property, and is solely responsible for the occupancy of and receives the rents from the building. The Agency's interest in the property is solely its 25% of initial base ground lease revenue and a reversionary interest in 2045.

  Maintaining existing ground rent and sales tax revenue derived from auto dealers in Cerritos is extremely important because the City is a no/low property tax City, and therefore privately-owned property is not assessed a separate property tax, other than the property tax assessed by Los Angeles County. As a result, the City of Cerritos only receives approximately $0.06 per dollar in property tax revenue from the County of Los Angeles, which amounts to less than one third of what others cities receive per dollar (approximately $0.22 per dollar). This amount is significantly less compared to other cities that charge businesses property tax and receive revenue from said businesses.

  Additionally, the revenues generated, as a result of the existing ground lease for the subject property and from the sales tax generated from vehicle sales, assist the City in providing public services and facilities for residents and businesses, including public police and fire services, recreational programs, public infrastructure, and City-wide programs and services.

  In addition to the generation of sales tax, the Cerritos Auto Square is comprised of a total of 22+ dealerships, employing approximately 3,200 individuals, serving as a major employment base for the City. Additionally, the Cerritos Auto Square Dealer's Association has partnered with the local community college, Cerritos College, to facilitate the education and development of individuals interested in working at the Cerritos Auto Square, including the Jaguar/Land Rover dealership located on the subject property. The partnership has led to job placement of auto dealer employees. Maintaining the subject property as it is currently leased, as an automobile dealership, will assist in job creation and retention in Cerritos, will assist in generating revenue to provide public services to the community, and will continue partnerships between the City, local businesses, and the local community college.

  Transfer of the Agency's interest to the City will also result in unification of the City's control of the ground leases and their administration with 100% of the economic interest of the ground lessor under the ground leases. Only the transfer to the City will result in alignment of all economic and control interests under the ground lease, and the transfer to the City is therefore the highest and best valuation and use of that interest. Also, only a transfer to the City will ensure that the social and community goals will remain in local control for the indefinite future.

  It is for these reasons that the Successor Agency will sell its ground lease interest and transfer the subject property to the City of Cerritos for monetary consideration, for its current value in the amount of **$1,235,706**, in accordance with California Health and Safety Code Section 34191.5.

CITY OF CERRITOS SUCCESSOR AGENCY
LONG RANGE PROPERTY MANAGEMENT PLAN
KIA DEALERSHIP

Map #: T2

Aerial and Property Images

Background Information

• Map Reference	T2
• Address	18201 Studebaker Road
• Assessor Parcel Number(s)	7034-017-910
• Current Zoning and Zone Description	ADP-5, Area Development Plan Five
• Land Use	Regional Commercial
• Redevelopment Project Area	Los Cerritos
• Current Use	Auto Square Car Dealership
• Original Appraised Value	$10,000,000
• Purchase Price	Approximately $7,000,000
• Primary/Supplemental Funding Sources	Cash advance from the City

Parcel Information

• Land Description	
Lot Size	200,341 sq. ft. (4.6 acres)
Topography	Level
• Building Description	
No. of Buildings	One (1) free-standing building
Building Area	59,113 sq. ft.
Year Built	1990
Improvement Date	2010
Vehicle Parking	On-site

City of Cerritos Successor Agency Plan
Long Range Property Management Plan
Address: 18201 Studebaker Road
APN: 7034-017-910

Property History
This property was acquired by the City of Cerritos in 2010, for approximately $7 million, paid for using City of Cerritos general fund monies. The City of Cerritos then conveyed title of the property to the Cerritos Redevelopment Agency. Prior to acquisition, the property contained a vacant two-story automobile dealership and auto body repair shop. The property was acquired during the recession to eliminate the existing blighted conditions of the vacant automobile dealership, and was reconditioned in 2010 with site improvements paid for using general fund monies. The subject property is located within the Cerritos Auto Square and is currently within the Area Development Plan Five zone, a specific plan established, by way of the Cerritos General Plan, to provide a long-range and on-going source of economic strength to the community in terms of employment and tax revenue for community services. Today, this property and all related improvements is leased and maintained by Lou Sobh Cerritos Saturn, Incorporated, dba Kia of Cerritos.

Agency Revenue	
• Is Agency receiving lease or rental income for the private use of the property?	Yes ☒ No ☐
• If Yes, indicate amount of Agency's annual rent/lease income.	$507,150.00
If Yes, describe essential contract provisions (i.e., renter/lessee, term, rent calculations, restrictions/obligations, etc.): On June 4, 2010, the Cerritos Redevelopment Agency (lessor) entered into a ground lease agreement with Lou Sobh Cerritos Saturn, Incorporated, dba Kia of Cerritos (lessee) for a term of fifteen (15) years for use as a Kia automobile dealership. Per the terms of the Ground Lease Agreement, the lease obligations of the tenant amount to $42,262.50 per month, equaling 100% of the total ground lease obligation.	

Environmental	
• Have any environmental tests or assessments been performed on the property?	Yes ☒ No ☐
• If Yes, describe the work performed and dates (i.e., Phase 1, Phase 2, borings, etc.).	Prior to the acquisition, the City conducted its due diligence and a Mitigated Negative Declaration was prepared in accordance with the California Environmental Quality Act (CEQA), for the proposed redevelopment of an automobile dealership, including an auto service area. Per the assessment, no mitigation or remediation work was needed prior to the development of the subject area.
• If Yes, describe the current	There are currently no outstanding environmental

environmental condition of the site.	conditions located at the property.
• Has the property been designated as a "Brownfield" site?	Yes ☐ No ☒
• If No, would the property qualify for such a Brownfield designation?	Yes ☐ No ☒ Unknown ☐
• Describe any remediation work performed on the property.	There has been no remediation work performed on the property.

Previous Development Proposals	
• Describe any previously proposed or solicited development plans for the property, including any short-term and/or long-term lease/rental arrangements.	There are no existing or previously proposed development proposals or plans for the subject property. The subject property was developed in accordance with the Cerritos General Plan, the Redevelopment Plan, and the Specific Plan to expand the Cerritos Auto Square and develop a site for an additional sales tax generating use. The existing lease is a long-term lease, potentially expiring in 2025, and no leases or rental arrangements, other than the existing lease, have been solicited or received by the former Cerritos Redevelopment Agency or the City of Cerritos.

Estimate of Current Property Value

In 2012, the Successor Agency to the former Cerritos Redevelopment Agency solicited the assistance of a real estate consulting company, Allan D. Kotin & Associates, to obtain an estimate of the value of the Cerritos Redevelopment Agency's interest in ground lease payments under the City's numerous ground leases. The estimate was prepared to determine the present market value that a private party would be expected to pay to acquire the Agency's ground lease revenue generated by the ground lease agreement, and also the present value of the reversionary interests of the subject property, as referenced and affirmed in Schedule 3 of the Cerritos Redevelopment Agency Asset Transfer Review Report (State Controller's Report), and additional supplemental information contained herein.

In regards to the subject property, the estimated current value is **$8,661,820**. This value is a combination of the Agency's share in base ground lease revenue (100%) totaling **$5,240,000**, and the Agency's reversionary interest in the subject property upon the expiration of the ground lease, totaling **$3,421,820**.

Transit-Oriented Development and Advancement of Planning Objectives

- **Describe the property's potential for transit-oriented development:**

The subject property is part of the Cerritos Auto Square, a fully developed, regional auto center. The subject property is fully developed as a Kia Dealership and therefore is neither

suitable, nor available for, reuse as a stand-alone transit oriented development. Access to the site is provided off of 183rd Street, a secondary arterial street, and also from Studebaker Road, a major arterial street. In addition, due to the high volume of vehicle traffic in the Cerritos Auto Square, directly attributed to the use, a transit oriented development would not be supported within Specific Plan ADP-5, nor the subject property.

- **Describe the reuse potential of the property in terms of advancing the Successor Agency's planning objectives:**

The Successor Agency does not foresee and will not solicit any future reuse or development of the subject property. The subject property is 100% built-out with the Kia dealership and cannot be developed any further. In addition, the subject property is a part of the Cerritos Auto Square. Per the City's Economic Development Strategic Plan, auto dealers comprise the largest retail sector in Cerritos, representing approximately half of the City's retail sales total. Due to the long-standing lease with the existing tenant, and in light of the economic success of the business located on the subject property, the Successor Agency's planning objectives are currently being met.

Recommendation for Disposition	
Recommended action:	**Transfer the Property to the City of Cerritos for Monetary Consideration**

- **Reasons for recommendation:**

The Successor Agency intends to sell its ground lease revenue interest and its reversionary interest, and transfer the property to the City of Cerritos for monetary consideration, in an effort to maintain the property in its current state as an automobile dealership and to provide long-term ground rent and sales tax revenue to the City that will be used to finance core City services for the residents of Cerritos. Maintaining existing ground rent and sales tax revenue derived from auto dealers in Cerritos is extremely important because the City is a no/low property tax City, and therefore privately-owned property is not assessed a separate property tax, other than the property tax assessed by Los Angeles County. As a result, the City of Cerritos only receives approximately $0.06 per dollar in property tax revenue from the County of Los Angeles, which amounts to less than one third of what others cities receive per dollar (approximately $0.22 per dollar). This amount is significantly less compared to other cities that charge businesses property tax and receive revenue from said businesses.

Additionally, the revenues generated, as a result of the existing ground lease for the subject property and from the sales tax generated from vehicle sales, assist the City in providing public services and facilities for residents and businesses, including public police and fire services, recreational programs, public infrastructure, and City-wide programs and services.

The Cerritos Auto Square is comprised of a total of 22+ dealerships, employing approximately 3,200 individuals, serving as a major employment base for the City. Additionally, the Cerritos Auto Square Dealer's Association has partnered with the local community college, Cerritos College, to facilitate the education and development of individuals interested in working at the Cerritos Auto Square, including the Jaguar/Land Rover dealership located on the subject property. The partnership has led to job placement of auto dealer employees. Maintaining the subject property, under City control, as it is currently leased and thereafter, as an automobile dealership, will assist in job retention in Cerritos, will assist in generating revenue to provide

public services to the community, and will continue partnerships between the City/Successor Agency, local businesses, and the local community college.

It is for these reasons that the Successor Agency will sell its ground lease interest and transfer the subject property to the City of Cerritos for monetary consideration, for its current value in the amount of **$8,661,820**, in accordance with California Health and Safety Code Section 34191.5.

CITY OF CERRITOS SUCCESSOR AGENCY
LONG RANGE PROPERTY MANAGEMENT PLAN
LINCOLN STATION SHOPPING CENTER

Map #: T3-T4

Aerial and Property Images

Parcel 1 (T3): APN#7054-024-060

Parcel 2 (T4): APN#7054-024-061

Background Information

• Map Reference	T3-T4
• Address	11900 South Street
• Assessor Parcel Number(s)	7054-024-060 (T3), 7054-024-061 (T4)
• Current Zoning and Zone Description	CC, Community Commercial
• Land Use	Community Commercial
• Redevelopment Project Area	Los Coyotes
• Current Use	Retail Commercial Center
• Original Appraised Value	Information not available
• Purchase Price	Approximately $1,600,000
• Primary/Supplemental Funding Sources	Cash advance from the City

Parcel Information

• Land Description	
Lot Size	Parcel 1 (T3): 171,267 sq. ft. (3.93 acres) Parcel 2 (T4): 180,839 sq. ft. (4.15 acres) **Total: 352,106 sq. ft.(8.08 acres)**
• Building Description	
No. of Buildings	Three (3) privately-owned, free-standing buildings located on two Agency-owned subject parcels
Building Area	29,384 sq. ft.
Construction Type	Brick
Year Built	1989
Improvement Date	N/A
Vehicle Parking	On-site

City of Cerritos Successor Agency Plan
Long Range Property Management Plan
Address: 11900 South Street
APN: 7054-024-060, 7054-024-061

Property History

Both subject properties were acquired by the City of Cerritos in 1979. The City of Cerritos then transferred title of the properties to the Cerritos Redevelopment Agency, but the City of Cerritos retained 75% interest in the ground lease revenue and control of the management and administration of the ground lease.

Prior to the acquisition, the properties were occupied by the former S & J Chevrolet automobile dealership, and measured approximately ±8.5 acres. Upon acquisition, the former S & J Chevrolet dealership was relocated to the Cerritos Auto Square and the City demolished the former dealership buildings and cleared the site. These properties were acquired in an effort to consolidate and upgrade the site, create new employment opportunities during and after construction, and to establish future economic benefits to the community through the expansion of the local sales tax base in Cerritos, in accordance with Redevelopment Law.

In 1987, the City of Cerritos, the Cerritos Redevelopment Agency, and Lincoln Property Company (developer) executed a Development Agreement setting forth the rights, control, and obligations of each entity. The City and Agency agreed to ground lease the vacant land to the developer to construct, own, maintain, and operate the buildings and improvements on the vacant land. In accordance with the Development Agreement, the City maintains control of the ground lease and the design of development improvements that comprise the subject properties, and the developer, as the ground lessee, was and is solely responsible for the construction, maintenance, and operation of all of the buildings and improvements on the parcels. The buildings and improvements were constructed in 1989 and all buildings and improvements are owned by the developer/ground lessee, and its successors. The ground lease is for a term of ninety-nine years and will expire in 2087. The developer/ground lessee is solely responsible for the ownership, operation, and maintenance of the buildings and related improvements, in addition to being solely responsible for soliciting and obtaining businesses and tenants to occupy said buildings. The City and Agency's interest in the subject properties is the reversionary interest at the termination of the ground lease in 2087, and their respective interests in the ground lease revenue.

Today, these properties are occupied by the Lincoln Station mixed-use development. In total, the two properties contain three (3) privately-owned, free–standing buildings, occupied by large retailers, office uses, and restaurant uses. The developer/ground lessee sold its ground lease interest and the successor ground lessee, MGP IX Lincoln Station currently owns, operates, and maintains all three (3) buildings and improvements, and is responsible for soliciting businesses and tenants to occupy the buildings.

Agency Revenue

• Is Agency receiving lease or rental income for the private use of the property?	Yes ☒ No ☐
• If Yes, indicate amount of Agency's annual rent/lease income.	$90,707.00

If Yes, describe essential contract provisions (i.e., renter/lessee, term, rent calculations, restrictions/obligations, etc.):

City of Cerritos Successor Agency Plan
Long Range Property Management Plan
Address: 11900 South Street
APN: 7054-024-060, 7054-024-061

As mentioned previously, prior to the development of the Lincoln Station commercial center, a Development Agreement, dated September 18, 1987 was executed between the City of Cerritos, the Cerritos Redevelopment Agency, and Lincoln Property Company (developer) setting forth the rights and obligations of the City, Agency, and the developer as it relates to the development of the commercial retail center. In January 1989, the former Cerritos Redevelopment Agency (ground lessor) entered into a ground lease agreement for a term of ninety-nine years, set to expire in 2087. Subsequently, a First Amendment to Ground Lease and a Second Amendment to Ground Lease were executed by the parties to, among other things, transfer the ground lessee interest to the current ground lessee, MGP IX Lincoln Station, LLC.

In accordance with the Development Agreement, 25% of the initial base ground lease revenues are received by the Agency. The Agency's 25% portion of the ground lease revenue does not include any increases in base rent, nor does it include any portion of participation rent paid under each property's lease agreement. In summary, per the terms of the Development Agreement and the lease agreement documents, the ground lease rent obligations of the ground lessee (MGP IX Lincoln Station) to the former Cerritos Redevelopment Agency amount to $7,558.92 per month.

Environmental	
• Have any environmental tests or assessments been performed on the property?	Yes ☒ No ☐
• If Yes, describe the work performed and dates (i.e., Phase 1, Phase 2, borings, etc.).	Given that the subject properties were formerly occupied by an auto dealership, environmental assessments in accordance with the California Environmental Quality Act (CEQA) were completed prior to the development of the Lincoln Station commercial center. An initial study, and Negative Declaration were prepared, with mitigation measures, and therefore it was determined that the development of the commercial center would not have a significant impact on the environment.
• If Yes, describe the current environmental condition of the site.	Contamination of soil and groundwater under the commercial center, located on the subject properties, was discovered and a plan for remediation of the soil and groundwater is ongoing. The City of Cerritos and MGP IX Lincoln Station reached an agreement for the shared cost of remediation of soil and groundwater at the subject properties. Per the agreement, remediation will be paid for partially by ground rents received by the City from the properties over the next several years. The agreement provides for the respective responsibilities for the cost of remediation of properties between the parties, and provides that the ground lessee, MGP IX Lincoln Station, is

	responsible to perform all of the remediation work.
• Has the property been designated as a "Brownfield" site?	Yes ☐ No ☒
• If No, would the property qualify for such a Brownfield designation?	Yes ☐ No ☒ Unknown ☐
• Describe any remediation work performed on the property.	As mentioned, remediation work for soil and groundwater contamination is underway and is in the planning phase by the ground lessee, MGP IX Lincoln Station.

Previous Development Proposals	
• Describe any previously proposed or solicited development plans for the property, including any short-term and/or long-term lease/rental arrangements.	There are no existing or previously proposed development proposals or plans for the subject properties. The subject properties were developed in accordance with the Cerritos General Plan and the Redevelopment Plan, as a mixed-use commercial development, as originally planned and intended. The existing lease is a long-term ground lease, expiring in 2087, and no lease or rental arrangements, other than the existing ground lease, have been solicited or received by the former Cerritos Redevelopment Agency, nor the City of Cerritos.

Estimate of Current Property Value

In 2012, the Successor Agency to the former Cerritos Redevelopment Agency solicited the assistance of a real estate consulting company, Allan D. Kotin & Associates, to obtain an estimate of the value of the Cerritos Redevelopment Agency's minority, non-controlling interest in ground lease payments under the City's numerous ground leases. The estimate was prepared to determine the present market value of the Agency's ground lease revenue generated by the ground lease agreement, and also the present value of the Agency's reversionary interests at the term of the ground lease expiration in 2087, as referenced and affirmed in Schedule 3 of the Cerritos Redevelopment Agency Asset Transfer Review Report (State Controller's Report), and additional supplemental information contained herein. There was no minority discount applied to the Agency's ground rent interest on the assumption that the City would acquire that interest and unify management and control of the ground lease and all economic interests of the ground lessor. Without such unification, the minority interest of the Agency would be discounted for that factor.

In regards to the subject properties, the ground lease is inclusive of two (2) subject parcels, each of which make up the Lincoln Station commercial center. The estimated current value for both parcels/properties is **$2,464,087**. This value is a combination of the Agency's share in base ground lease revenue (25%) totaling **$1,860,000**, and the Agency's reversionary interest in the subject property upon the expiration of the ground lease in 2087, totaling **$604,087.**

City of Cerritos Successor Agency Plan
Long Range Property Management Plan
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Transit-Oriented Development and Advancement of Planning Objectives
• **Describe the property's potential for transit-oriented development:** As mentioned previously, the subject properties are part of a mixed-use commercial center, occupied by large retailers, office uses, and restaurant uses located in privately-owned buildings. The Lincoln Station commercial center has a long-standing ground lease, for a term of ninety-nine years, and therefore use of the properties for any other purposes other than a commercial center would not be feasible. Additionally, the subject properties are not suitable, nor available for, reuse as a stand-alone transit-oriented development. If at the expiration of the ground lease in 2087, the City would like to seek the opportunity for transit-oriented development in and around the subject properties, the location may be suitable for said development. The subject properties are located directly adjacent to a right-of-way easement directly owned and maintained by the Los Angeles County Metropolitan Transportation Authority ("MTA"). The property originally served as the former Pacific Electric right-of-way, which provided rail service throughout Southern California. This right-of-way easement has since been abandoned and may serve as an ideal location for a new transportation hub, connecting multiple forms of transportation. The location of the subject properties, on the border of the City of Artesia/City of Cerritos, along South Street, a major arterial street, also provides connectivity to the City's major regional shopping centers located on the corner of South Street and Gridley Road in the City of Cerritos. It is for these reasons that the potential of transit-oriented development may be feasible, upon the expiration of the existing lease in 2087. • **Describe the reuse potential of the property in terms of advancing the Successor Agency's planning objectives:** The subject properties are comprised of an existing commercial center and are currently fully developed with privately-owned retail and office buildings. Further, in light of the long-standing ground lease with the existing ground lessee, the Successor Agency does not foresee any future development of the site, other than the existing uses. Please note that these properties are 100% built-out and cannot be developed any further.

Recommendation for Disposition	
Recommended action:	**Transfer the Property to the City of Cerritos for Monetary Consideration**
• **Reasons for recommendation:** The Successor Agency intends to sell its 25% ground lease revenue interest and its 2087 reversionary interest, and transfer the properties to the City of Cerritos for monetary consideration, in an effort to maintain the properties in their current state as a thriving retail and office commercial center, and to provide long-term ground rent and sales tax revenue to the City that will be used to finance core City services for the residents of Cerritos. As mentioned previously, the current ground lessee owns, operates, and maintains the buildings and improvements located on the properties, and is solely responsible for the occupancy of and receives the rents from the buildings. The Agency's interest in the properties is solely its 25% of initial base ground lease revenue and a reversionary interest in 2087. As previously mentioned, there is an existing agreement between the City of Cerritos and the	

current ground lessee, MGP IX Lincoln Station, for the cost of soil and groundwater remediation at the subject properties. The remediation work will be partially paid for by ground lease rent payment obligations to the City by the ground lessee.

The existing ground lease rent and sales tax revenue derived from the businesses located on the subject properties will continue to be extremely important because the City is a no/low property tax City, and therefore privately-owned property is not assessed a separate property tax, other than the property tax assessed by Los Angeles County. As a result, the City of Cerritos only receives approximately $0.06 per dollar in property tax revenue from the County of Los Angeles, which amounts to less than one third of what others cities receive per dollar (approximately $0.22 per dollar). This amount is significantly less compared to other cities that charge businesses property tax and receive revenue from said businesses.

Additionally, the revenues generated by the City and former Cerritos Redevelopment Agency, as a result of the existing ground lease for the subject properties and from the sales tax generated from business sales, assist the City in providing public services and facilities for residents and businesses, including public police and fire services, recreational programs, public infrastructure, and City-wide programs and services.

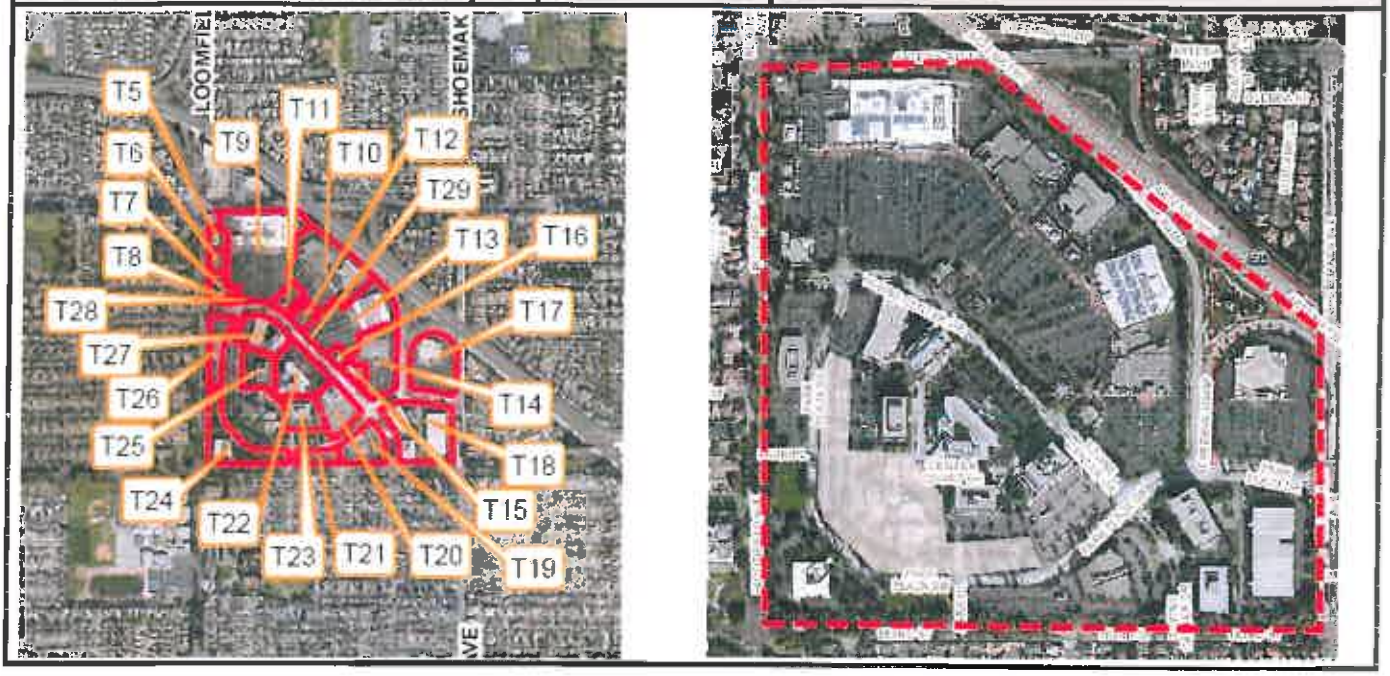
Transfer of the Agency's interest to the City will also result in unification of the City's control of the ground leases and their administration with 100% of the economic interest of the ground lessor under the ground leases. Only the transfer to the City will result in alignment of all economic and control interests under the ground lease, and the transfer to the City is therefore the highest and best valuation and use of that interest. Also, only a transfer to the City will ensure that the social and community goals will remain in local control for the indefinite future.

It is for these reasons that the Successor Agency will sell its ground lease interest and transfer the subject properties to the City of Cerritos for monetary consideration, for its current value in the amount of **$2,464,087**, in accordance with California Health and Safety Code Section 34191.5.

CITY OF CERRITOS SUCCESSOR AGENCY
LONG RANGE PROPERTY MANAGEMENT PLAN
CERRITOS TOWNE CENTER

Map #: T5-T29

Cerritos Towne Center Vicinity Map and Aerial Map



Background Information (Map Reference, Address, Assessor Parcel Number, Current Use)

Map Reference Number	Address	Assessor Parcel Number	Current Use
T5	17500 Bloomfield Avenue	7030-001-020	Retail
T6	17550 Bloomfield Avenue	7030-001-021	Retail
T7	12601 Towne Center Drive	7030-001-037	Retail
T8	12603 Towne Center Drive	7030-001-038	Retail
T9	12701 Towne Center Drive	7030-001-024	Retail
T10	12731-12771 Towne Center Drive	7030-001-027	Retail
T11	12721 Towne Center Drive	7030-001-025	Retail
T12	12727 Towne Center Drive	7030-001-026	Retail
T13	12821 Towne Center Drive	7030-001-033	Retail
T14	12831-12865 Towne Center Drive	7030-001-040	Retail
T15	12875 Towne Center Drive	7030-001-041	Retail
T16	12801 Towne Center Drive	7030-001-029	Retail
T17	12989 Park Plaza Drive	7030-001-042	Retail
T18	12900-12911 Park Plaza Drive	7030-011-011	Office
T19	12898 Towne Center Drive	7030-011-008	Office
T20	12800 Center Court Drive	7030-011-915	Office
T21	N/A	7030-011-010	Public Parking
T22	12725 Center Court Drive	7030-011-006	Hotel
T23	12750 Center Court Drive	7030-011-004	Office
T24	12610 Park Plaza Drive	7030-011-005	Office
T25	17785 Center Court Drive	7030-011-007	Office
T26	17871 Park Plaza Drive	7030-011-009	Office
T27	17777 Center Court Drive	7030-011-012	Office
T28	N/A	7030-001-030	Towne Center Sign
T29	N/A	7030-001-031	Towne Center Sign

City of Cerritos Successor Agency Plan
Long Range Property Management Plan
Cerritos Towne Center
Map Reference #T5-T29

Zoning/Land Use Information (All Parcels)	
• Current Zoning and Zone Description	ADP-2, Area Development Plan Two
• Land Use	Regional Commercial
• Redevelopment Project Area	Los Coyotes

Property History – Cerritos Towne Center

All of the properties located within the Cerritos Towne Center were acquired by the City of Cerritos. The City of Cerritos then transferred title of the properties to the Cerritos Redevelopment Agency, but the City of Cerritos retained 75% interest in the ground lease revenue.

Prior to acquisition, the properties were vacant, with dairy related structures and improvements. The properties were acquired and assembled to form a larger master planned development, within the Los Coyotes Redevelopment Project Area. Upon acquisition and prior to development, the City of Cerritos, the Cerritos Redevelopment Agency, and the developers for each property executed Development Agreements setting forth the rights, control, and obligations of each entity. The City and Agency agreed to ground lease the vacant parcels to each developer to construct, own, maintain, and operate the buildings and improvements on the Agency-owned vacant land. In accordance with the Development Agreements, the City maintained control of the ground leases and the design of development improvements that comprise the Cerritos Towne Center. The developers of each parcel, as the ground lessees, were and are solely responsible for the construction, maintenance, and operation of the buildings and improvements on the parcels. The buildings and improvements are owned by the developer/ground lessee, and its successors. Given that the Towne Center was developed in several phases, and due to the fact that there were numerous developers, there were several Development Agreements executed for the entire Towne Center development. Each developer/ground lessee is solely responsible for the ownership, operation, and maintenance of its buildings and related improvements, in addition to being solely responsible for soliciting and obtaining businesses and tenants to occupy each building. The City and Agency's interest in each of the subject properties is the reversionary interest at the termination of each of the ground leases, and their respective interests in the ground lease revenues.

Today, the Cerritos Towne Center is a mixed-use development, comprised of commercial retail and office uses, restaurants, a performing arts center, a hotel, parking structure facilities, and fully developed public rights-of-way (ROW) including landscape, pedestrian plazas and sidewalks. The Cerritos Towne Center was developed to complement the goals and policies of the Cerritos General Plan and the Redevelopment Plan to provide mixed-use development for residents, businesses, and patrons of the City of Cerritos.

Parcel Information

The following table provides a summary of parcel information, including land and building information for each property, and is organized by Assessor Parcel Number. The topography of the Cerritos Towne Center is level, and vehicle parking for all parcels is located on-site and on adjacent Cerritos Towne Center parcels. Please note that while information is provided for the number of buildings, building area, and year built for each subject parcel, the City of Cerritos and the former-Agency did not build or develop these buildings, and currently do not own, operate, maintain, or solicit tenants for the buildings located on the subject parcels. The ownership, operation, and maintenance of the buildings, and solicitation of tenants for the buildings, are the sole responsibility of the current lessees.

City of Cerritos Successor Agency Plan
Long Range Property Management Plan
Cerritos Towne Center
Map Reference #T5-T29

Assessor Parcel Number	Lot Size	No. of Buildings	Building Area	Year Built
7030-001-020	42,749 sq. ft. (0.98 acres)	One (1) free-standing building	8,144 sq. ft.	1994
7030-001-021	39,309 sq. ft. (0.90 acres)	One (1) free-standing building	10,264 sq. ft.	1994
7030-001-037	58,053 sq. ft. (1.33 acres)	Parcel is comprised of one (1) free-standing building, of which portions of the building are located on an adjacent property	15,427 sq. ft.	1995
7030-001-038	10,219 sq. ft. (0.23 acres)	Parcel is comprised of one (1) free-standing building, of which portions of the building are located on an adjacent property	3,000 sq. ft.	1995
7030-001-024	600,649 sq. ft. (13.79 acres)	One (1) free-standing building	149,078 sq. ft.	1994
7030-001-027	450,446 sq. ft. (10.34 acres)	Four (4) free-standing buildings	148,126 sq. ft.	1994
7030-001-025	50,558 sq. ft. (1.16 acres)	One (1) free-standing building	7,232 sq. ft.	1996
7030-001-026	45,541 sq. ft. (1.05 acres)	One (1) free-standing building	6,414 sq. ft.	1994
7030-001-033	372,210 sq. ft. (8.54 acres)	One (1) free-standing building	85,512 sq. ft.	1994
7030-001-040	245,440 sq. ft. (5.63 acres)	One (1) free-standing building	73,638 sq. ft.	1995
7030-001-041	38,667 sq. ft. (0.89 acres)	One (1) free-standing building	8,343 sq. ft.	1999
7030-001-029	30,241 sq. ft. (0.69 acres)	One (1) free-standing building	6,679 sq. ft.	1994
7030-001-042	249,084 sq. ft. (5.72 acres)	One (1) free-standing building	48,430 sq. ft.	1995
7030-011-011	341,906 sq. ft. (7.85 acres)	Three (3) free-standing buildings	688,638 sq. ft.	1999

City of Cerritos Successor Agency Plan
Long Range Property Management Plan
Cerritos Towne Center
Map Reference #T5-T29

Assessor Parcel Number	Lot Size	No. of Buildings	Building Area	Year Built
7030-011-008	143,356 sq. ft. (3.29 acres)	One (1) free-standing building	82,228 sq. ft.	1993
7030-011-915	151,458 sq. ft. (3.48 acres)	One (1) free-standing building	107,734 sq. ft.	2008
7030-011-010	58,418 sq. ft. (1.34 acres)	N/A	N/A	1998
7030-011-006	216,404 sq. ft. (4.97 acres)	One (1) free-standing building	151,034 sq. ft.	1989
7030-011-004	126,102 sq. ft. (2.89 acres)	One (1) free-standing building	144,470 sq. ft.	1988
7030-011-005	228,706 sq. ft. (5.25 acres)	One (1) free-standing building	50,087 sq. ft.	1989
7030-011-007	125,498 sq. ft. (2.88 acres)	One (1) free-standing building	144,470 sq. ft.	1990
7030-011-009	111,340 sq. ft. (2.56 acres)	One (1) free-standing building	50,761 sq. ft.	1999
7030-011-012	152,535 sq. ft. (3.5 acres)	Parcel comprised of one (1) free-standing building and one (1) parking structure	355,153 sq. ft.	2002
7030-001-030	156 sq. ft.	None	N/A	N/A
7030-001-031	139 sq. ft.	None	N/A	N/A

Purchase Information

All of the subject parcels within the Cerritos Towne Center were acquired and assembled for an estimated $37,545,240 in City monies, as a cash advance, to form a larger, mixed use development. The Successor Agency does not maintain records regarding the appraised value at the time of purchase, and therefore original appraisal value information is not available.

Use/Occupancy Information

As previously mentioned, the City of Cerritos and the Agency does not own, operate, or maintain any of the buildings or related development improvements within the Cerritos Towne Center, as

described above. Ownership, operation, and maintenance of the buildings are the sole responsibility of the ground lessees of each parcel. In addition, current ground lessees are responsible for the solicitation of businesses and tenants to occupy the buildings. Currently, most of the tenants within the office component of the Cerritos Towne Center have operated and maintained their businesses in the City of Cerritos, at their current Cerritos Towne Center location, since the properties were built in the 1980s and 1990s and are long-time businesses within the City of Cerritos.

Agency Revenue

Agency revenue from the Cerritos Towne Center is solely from the ground leases and not from any other source. As previously mentioned, a Development Agreement was executed between the City of Cerritos, the Cerritos Redevelopment Agency, and the respective developer for each of the Towne Center properties. In accordance with each Development Agreement, 25% of the initial base ground lease revenues, received for the subject properties, are received by the Agency. The Agency's 25% portion of the ground lease revenue does not include any increases in base rent, nor does it include any portion of participation rent paid under each property's lease agreement. This restricted, non-controlling ground lease for each property remains the only interest of the Agency. A summary of the ground lease terms and ground lease revenue for each of the Cerritos Towne Center properties is provided below:

Assessor Parcel Number	Lease Expiration Date	Annual Lease Revenue
7030-001-020	November 2083	$443,778.00
7030-001-021	November 2083	
7030-001-037	November 2083	
7030-001-038	November 2083	
7030-001-024	November 2083	
7030-001-027	November 2083	
7030-001-025	November 2083	
7030-001-026	November 2083	
7030-001-033	November 2083	
7030-001-029	November 2083	
7030-001-040	November 2083	$71,473.00
7030-001-041	November 2083	
7030-001-042	November 2050	$41,792.00

City of Cerritos Successor Agency Plan
Long Range Property Management Plan
Cerritos Towne Center
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Assessor Parcel Number	Lease Expiration Date	Annual Lease Revenue
7030-011-011	November 19, 2032 (+ one option to extend to March 2087)	$131,827.00
7030-011-008	March 2087	$33,262.00
7030-011-915	March 2027 (+ one 60-year option to extend)	$54,000.00
7030-011-010	N/A	$0.00
7030-011-006	March 2087	$25,000.00
7030-011-004	March 2087	$58,710.00
7030-011-005	March 2087	$20.708.00
7030-011-007	March 2087	$60,311.00
7030-011-009	March 2027 (+ one 60-year option to extend)	$20,151.00
7030-011-012	March 2027 (+ one 60-year option to extend)	$61,065.00
7030-001-030	N/A	$0.00
7030-001-031	N/A	$0.00

Environmental	
• Have any environmental tests or assessments been performed on the properties?	Yes ☒ No ☐
• If Yes, describe the work performed and dates (i.e., Phase 1, Phase 2, borings, etc.).	Given that the subject properties were formerly farming land, soil contamination from cattle waste and debris from farming activities were found within the area. The required remediation, which, in some instances included the removal of contaminated soil and debris was performed, prior to the development of the Cerritos Towne Center, in order to support development. In addition, pursuant to California Environmental Quality Act

City of Cerritos Successor Agency Plan
Long Range Property Management Plan
Cerritos Towne Center
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	(CEQA) guidelines, environmental assessments were completed for each of the properties, prior to the development of the Cerritos Towne Center.
• If Yes, describe the current environmental condition of the site.	There are currently no outstanding environmental conditions located at the Cerritos Towne Center, on any of the properties.
• Has the property been designated as a "Brownfield" site?	Yes ☐ No ☒
• If No, would the property qualify for such a Brownfield designation?	Yes ☐ No ☒ Unknown ☐
• Describe any remediation work performed on the property.	Soil remediation

Previous Development Proposals	
• Describe any previously proposed or solicited development plans for the property, including any short-term and/or long-term lease/rental arrangements.	There are no existing or previously proposed development proposals or plans for the subject properties. The subject properties were developed in accordance with the Cerritos General Plan, the Redevelopment Plan, and the Specific Plan, as a mixed-use regional commercial/office/retail development, as originally planned and intended. The existing ground leases are long-term leases, some expiring in 2087, and no lease or rental arrangements, other than the existing ground leases, have been solicited or received by the former Cerritos Redevelopment Agency or the City of Cerritos.

Estimate of Current Property Value

In 2012, the Successor Agency to the former Cerritos Redevelopment Agency solicited the assistance of a real estate consulting company, Allan D. Kotin & Associates, to obtain an estimate of the value of the Cerritos Redevelopment Agency's minority interest in ground lease payments under the City's numerous ground leases. The estimate was prepared to determine the present market value of the Agency's ground lease revenue generated by the ground lease agreements, and also the present value of the Agency's reversionary interests at the term of each ground lease expiration, as referenced and affirmed in Schedule 3 of the Cerritos Redevelopment Agency Asset Transfer Review Report (State Controller's Report), and additional supplemental information contained herein. Although the Agency's interest was a non-controlling, minority interest, no minority interest discount was applied on the assumption that the transfer would unify all ownership rights in the City. A lower value would result in an assumed private transfer with a minority interest discount. Based on the table provided on the following page, the estimated current property value of all properties contained within the Cerritos Towne Center is **$27,370,685.**

City of Cerritos Successor Agency Plan
Long Range Property Management Plan
Cerritos Towne Center
Map Reference #T5-T29

Assessor Parcel Number	Agency's Share in Ground Lease Revenue (25%)	Aggregate Value of Reversionary Interests
7030-001-020	$9,040,000	$6,600,685
7030-001-021		
7030-001-037		
7030-001-038		
7030-001-024		
7030-001-027		
7030-001-025		
7030-001-026		
7030-001-033		
7030-001-029		
7030-001-040	$1,460,000	
7030-001-041		
7030-001-042	$750,000	
7030-011-011	$2,700,000	
7030-011-008	$680,000	
7030-011-915	$1,110,000	
7030-011-010	N/A	
7030-011-006	$510,000	
7030-011-004	$1,200,000	
7030-011-005	$420,000	
7030-011-007	$1,240,000	
7030-011-009	$410,000	
7030-011-012	$1,250,000	
7030-001-030	N/A	

City of Cerritos Successor Agency Plan
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7030-001-031	N/A	
Total:	**$20,770,000**	**$6,600,685**
Total Estimated Current Property Value for all Properties	**$27,370,685**	

Transit-Oriented Development and Advancement of Planning Objectives

- **Describe the property's potential for transit-oriented development:**

  Each of the subject properties is part of a significantly larger mixed-use development and are currently privately-owned, fully developed buildings occupied by high-profile, well-known businesses. Accordingly, the subject properties are not suitable, nor available for, reuse as a stand-alone transit-oriented development.

- **Describe the reuse potential of the property in terms of advancing the Successor Agency's planning objectives:**

  The subject properties are part of a significantly larger mixed-use development and are currently privately-owned, fully developed. Further, in light of the long-standing ground leases with the existing ground lessees, and due to the economic vitality of office and retail uses within the Cerritos Towne Center, the Successor Agency does not foresee any future development of the properties, other than the existing uses. Please note that these properties are 100% built-out and cannot be developed any further.

Recommendation for Disposition	
Recommended action:	**Transfer the Properties to the City of Cerritos for Monetary Consideration**

- **Reasons for recommendation:**

  The Successor Agency intends to sell its 25% ground lease revenue interest and its reversionary interest at expiration of the current ground leases, and transfer the properties to the City of Cerritos for monetary consideration, in an effort to maintain the properties in their current state as commercial, office, retail, and restaurant uses and to provide long-term ground rent revenue to the City that will be used to finance core City services for the residents of Cerritos. As mentioned previously, each ground lessee owns, operates, and maintains the buildings and improvements located on the properties, and is solely responsible for the occupancy of and receives rents from the buildings. The Agency's interest in the properties is solely its 25% minority, non-controlling interest in ground lease revenue and a reversionary interest at the expiration of the current ground leases.

  Maintaining existing ground lease rent revenue is extremely important to the City of Cerritos because the City is a no/low property tax City, and therefore privately-owned property is not assessed a separate property tax, other than the property tax assessed by Los Angeles County. As a result, the City of Cerritos only receives approximately $0.06 per dollar in property tax revenue from the County of Los Angeles, which amounts to less than one third of what others

cities receive per dollar (approximately $0.22 per dollar). This amount is significantly less compared to other cities that charge businesses property tax and receive revenue from said businesses.

Additionally, the revenues generated by the City and former Cerritos Redevelopment Agency, as a result of the existing ground leases for the properties located within the Cerritos Towne Center, assist the City in providing public services and facilities for residents and businesses, including public police and fire services, recreational programs, public infrastructure, and City-wide programs and services.

In addition, the Cerritos Towne Center currently employs approximately 6,000 individuals, serving as a major economic employment base for the City of Cerritos. Per the City's Economic Development Strategic Plan (2007), which was prepared by Applied Development Economics, the Cerritos Towne Center has demonstrated that the economy supports office/retail uses in the community, and maintaining said uses within the Cerritos Towne Center is vital for the Cerritos economy and employment base.

Transfer of the Agency's interest to the City will also result in unification of the City's control of the ground leases and their administration with 100% of the economic interest of the ground lessor under the ground leases. Only the transfer to the City will result in alignment of all economic and control interests under the ground lease, and the transfer to the City is therefore the highest and best valuation and use of that interest. Also, only a transfer to the City will ensure that the social and community goals will remain in local control for the indefinite future.

It is for these reasons that the Successor Agency will sell its ground lease interest and transfer the subject properties, located within the Cerritos Towne Center, to the City of Cerritos for monetary consideration, for its current value in the amount of **$27,370,685**, in accordance with California Health and Safety Code Section 34191.5.

CITY OF CERRITOS SUCCESSOR AGENCY
LONG RANGE PROPERTY MANAGEMENT PLAN
B&B STABLES/THERAPEUTIC RIDING PROGRAM

Map #: T30

Aerial and Property Images

Background Information

• Map Reference	T30
• Address	N/A
• Assessor Parcel Number(s)	7034-018-901
• Current Zoning and Zone Description	OS, Open Space
• Land Use	Utility and Flood Control
• Redevelopment Project Area	Los Cerritos
• Current Use	Therapeutic Riding Programs for Persons with Disabilities
• Original Appraised Value at Purchase	Information not available
• Purchase Price	Information not available
• Primary/Supplemental Funding Sources	Cash advance from the City

Parcel Information

• Land Description	
Lot Size	229,286 sq. ft. (5.26 acres)
Topography	Level
• Building Description	
No. of Buildings/Structures	One (1) – Open Air Arena for the Therapeutic Riding Program
Building Area	N/A
Improvement Date	November 2007 – The City funded the construction of an open air arena for the Ride Your Horse Therapeutic Riding Program ($44,000 – general fund monies)

City of Cerritos Successor Agency Plan
Long Range Property Management Plan
APN: 7034-018-901

Property History
This property was acquired by the City of Cerritos in September 1977. The property is land locked with no direct access to a street. Access for this property is only through the adjacent Southern California Edison (SCE) easement. The City of Cerritos then conveyed title of the property to the Cerritos Redevelopment Agency. Prior to acquisition, the land locked property was vacant, with dairy related structures and improvements. This property was acquired by the City in an effort to secure property for recreational purposes for the community. Directly adjacent to the property, to the east, was an existing horse stable/equestrian riding facility, operating on a leased Southern California Edison easement. This facility was established prior to the City's incorporation in 1956. The Cerritos Redevelopment Agency worked with the lessee of the adjacent property, by way of a lease agreement, to expand their existing facilities onto the subject property, in an effort to provide additional recreational services to the community. Today, this property is leased and operated by B&B Stables, and serves as a horse riding and stable facility. The facility currently provides recreational and non-profit 501(c) therapeutic riding programs for individuals with developmental and physical challenges, including children and wounded U.S. military veterans. The therapeutic riding program is available to individuals, 3 years of age or older, with disabilities such as ADD, ADHD, autism, cerebral palsy, Down Syndrome, and also for wounded U.S. military veterans. The subject property provides for a venue that supports physical, cognitive, social, and behavioral learning opportunities while encouraging self-growth.

Agency Revenue	
• Is Agency receiving lease or rental income for the private use of the property?	Yes ☒ No ☐
• If Yes, indicate amount of Agency's annual rent/lease income.	$17,095.56

If Yes, describe essential contract provisions (i.e., renter/lessee, term, rent calculations, restrictions/obligations, etc.):

In December 1992, the Agency entered into a lease agreement with B&B Stables (tenant) for the use of the Agency-owned property for a five (5) year period, in order to provide additional recreation programs to the community. Since the initial lease agreement was executed in 1992, the Agency subsequently granted and executed three (3) lease amendments, with the third amendment expiring in December 2012. During the third lease amendment period, in 2007, the City funded the construction of an open air arena for the Ride Your Horse Therapeutic Riding Program, in the amount of $44,000 in general fund monies. The lease revenue generated from the lease with the tenant served to reimburse the City for its contribution towards the costs associated with the construction of the Therapeutic Riding Program arena and related site improvements needed to accommodate the arena, and thereafter for maintenance and capital replacement costs. Please note that per the lease agreement, this property shall only be used for equestrian purposes associated with the operation of the lessee's business. In addition, in accordance with the Cerritos General Plan, the parcel is restricted to Open Space (OS) uses, which includes parks, recreational facilities, public schools, etc.

As noted, the third lease amendment expired in 2012 during redevelopment dissolution, and has converted to a month to month tenancy by operation of law. Upon retention of the subject property by the City of Cerritos, it is the City's intention to enter into a new ground lease with B&B Stables, to secure the property for recreational purposes, and to maintain the non-profit therapeutic riding programs for individuals with disabilities and wounded U.S military veterans.

Environmental	
• Have any environmental tests or assessments been performed on the property?	Yes ☐ No ☒
• If Yes, describe the work performed and dates (i.e., Phase 1, Phase 2, borings, etc.).	N/A
• If Yes, describe the current environmental condition of the site.	N/A
• Has the property been designated as a "Brownfield" site?	Yes ☐ No ☒
• If No, would the property qualify for such a Brownfield designation?	Yes ☐ No ☒ Unknown ☐
• Describe any remediation work performed on the property.	N/A

Previous Development Proposals	
• Describe any previously proposed or solicited development plans for the property, including any short-term and/or long-term lease/rental arrangements.	There are no existing or previously proposed development proposals or plans for the subject property. The subject property's unique size, isolated location, and lack of direct access to major arterial streets, makes it difficult for the subject property to be developed into any other use, other than the existing recreational facility. In addition, due to the fact that the property was acquired for recreation purposes by way of making it a part of the adjacent equestrian recreational facility for persons with disabilities, development proposals or ground lease arrangements with other entities have not been solicited or received by the City. In addition, per the existing ground lease the property may only be used for its current equestrian use.

Estimate of Current Property Value

According to TitleProfile.com, a real estate on-line database of property assessment and title information, the subject property was recently assessed by the Los Angeles County Tax Assessor's Office in 2011, with an assessed value of $2,172.00.

City of Cerritos Successor Agency Plan
Long Range Property Management Plan
APN: 7034-018-901

Transit-Oriented Development and Advancement of Planning Objectives
• **Describe the property's potential for transit-oriented development:** The subject property is not suitable, nor available for, reuse as a stand-alone transit-oriented development. The subject property is zoned Open Space (OS), and therefore does not permit the development of a mixed-use, commercial development, but rather supports public recreational uses. As such, under the current zoning restrictions, the potential for transit oriented development does not exist. Additionally, the isolated location, unique property configuration, and lack of direct access to major arterial streets do not support the necessity for a transit-oriented development. The subject property is located directly adjacent to the San Gabriel River Trail, and access to a major transportation center or transit services (Metro, OCTA, other jurisdictions), are not available adjacent to the property. • **Describe the reuse potential of the property in terms of advancing the Successor Agency's planning objectives:** Given the size constraints, unique property configuration, and the isolated location of the subject property, the development of buildings or other planning infrastructure would not be supported or feasible on the subject property. Access to the subject property is only provided by way of the adjacent SCE property, leased by B&B Stables, and the property is not accessible by any arterial or secondary streets, and therefore is landlocked. In addition, in light of the long-standing lease with the existing tenant, and due to the fact that the property is currently providing recreational and educational opportunities for the community, the Agency does not foresee any future development of the site, other than the existing equestrian use.

Recommendation for Disposition	
Recommended action:	**Transfer the Property to the City of Cerritos for Monetary Consideration**
• **Reasons for recommendation:** The Successor Agency intends to sell its interest and transfer the property to the City of Cerritos for monetary consideration, in an effort to maintain the property in its current state as an equestrian facility which provides therapeutic riding programs for individuals with disabilities and wounded U.S. military veterans. The subject property was secured for recreational purposes for the community and is a land locked facility, with access only by way of the adjacent SCE utility easement. In addition, by transferring the property to the City of Cerritos for retention as its existing use, the City can enter into another lease with the existing lessee, B&B Stables, to assist the tenant in sustaining its current operation of the therapeutic riding program. It is for these reasons that the Successor Agency will sell its interest and transfer the subject property to the City of Cerritos for monetary consideration for its current assessed value of **$2,172.00**, in accordance California Health and Safety Code Section 34191.5.	

SECTION 5.0

Supporting Documents

Supporting Documents

I. Table: Schedule 3 of the Cerritos Redevelopment Agency Asset Transfer Review Report 65

II. Tables: Present Market Value Estimate of Agency's Ground Lease Revenue..... 66

III. Table: Present Value of Reversionary Interests at Term of Ground Lease Expiration 83

I. Table: Schedule 3 of the Cerritos Redevelopment Agency Asset Transfer Review Report

Schedule 3—
List of Future Ground Rents Sold to the City by the RDA

Valuation of Share of Base (Minimum) Ground Rents Allocated to the RDA

	Base Rent Available for RDA Share	Share to RDA
2012	$ 5,135,130	$ 1,651,282
2013	5,135,130	1,651,282
2014	5,135,130	1,651,282
2015	5,152,280	1,668,432
2016	5,164,530	1,680,682
2017	5,164,530	1,680,682
2018	5,164,530	1,680,682
2019	5,164,530	1,680,682
2020	5,182,708	1,698,861
2021	5,195,693	1,711,845
2022	5,195,693	1,711,845
2023	5,195,693	1,711,845
2024	5,195,693	1,711,845
2025	4,874,531	1,390,684
2026	4,645,130	1,161,282
2027	4,645,130	1,161,282
2028	4,645,130	1,161,282
2029	4,645,130	1,161,282
2030	4,645,130	1,161,282
↓	↓	↓
2087	2,222,963	555,741
2012-Expiration	$ 339,416,700	90,122,161
Present Value of RDA Share–5.0%		$ 28,770,000

II. Tables: Present Market Value Estimate of Agency's Ground Lease Revenue

Valuation of Share of Base (Minimum) Ground Rents Allocated to Cerritos RDA

	Base Rent Available for RDA Share	Share to RDA
2012	$5,135,130	$1,651,282
2013	$5,135,130	$1,651,282
2014	$5,135,130	$1,651,282
2015	$5,152,280	$1,668,432
2016	$5,164,530	$1,680,682
2017	$5,164,530	$1,680,682
2018	$5,164,530	$1,680,682
2019	$5,164,530	$1,680,682
2020	$5,182,708	$1,698,861
2021	$5,195,693	$1,711,845
2022	$5,195,693	$1,711,845
2023	$5,195,693	$1,711,845
2024	$5,195,693	$1,711,845
2025	$4,874,531	$1,390,684
2026	$4,645,130	$1,161,282
2027	$4,645,130	$1,161,282
2028	$4,645,130	$1,161,282
2029	$4,645,130	$1,161,282
2030	$4,645,130	$1,161,282
2087	$2,222,963	$555,741
2012-Expiration	$339,416,700	$90,122,161
Present Value of RDA Share 5.0%		**$28,770,000**

Per Leasehold Contribution to Valuation of RDA Share of Ground Rents

	Present Value	% of Total
Systemhouse, Bldg 1	$1,200,000	4.2%
ADP, Bldg 3	$420,000	1.5%
AIS, Bldg 4	$1,240,000	4.3%
Delta Dental, Bldg 5	$680,000	2.4%
Park Place, Bldg 6	$410,000	1.4%
Memorex	$1,250,000	4.3%
5-Story Bldg	$1,110,000	3.9%
AT&T/Cingular	$2,700,000	9.4%
Walmart	$9,040,000	31.4%
Office Max, Trader Joe's	$1,460,000	5.1%
Best Buy	$750,000	2.6%
Sheraton Hotel	$510,000	1.8%
Lincoln Station	$1,860,000	6.5%
Jaguar/Land Rover	$900,000	3.1%
Lamar / Kia	$5,240,000	18.2%
Total Present Value @ 5.0%	**$28,770,000**	100.0%

Systemhouse, Bldg 1 - 7030-011-004
12750 Center Court Drive

Expiration	2087

	Base Rent Available for RDA Share /1	Share to RDA @ 25% /2
2012	$234,840	$58,710
2013	$234,840	$58,710
2014	$234,840	$58,710
2015	$234,840	$58,710
2016	$234,840	$58,710
2017	$234,840	$58,710
2018	$234,840	$58,710
2019	$234,840	$58,710
2020	$234,840	$58,710
2021	$234,840	$58,710
2022	$234,840	$58,710
2023	$234,840	$58,710
2024	$234,840	$58,710
2025	$234,840	$58,710
2026	$234,840	$58,710
2027	$234,840	$58,710
2028	$234,840	$58,710
2029	$234,840	$58,710
2030	$234,840	$58,710
2087	$234,840	$58,710
2012-Expiration	**$17,847,840**	**$4,461,960**
PV @ 5.0%		**$1,200,000**

/1 Initial Base Rent, per lease.

/2 Per Cooperation Agreement between City and Agency.

ADP, Bldg 3 - 7030-011-005
12610 Park Plaza Drive

Expiration	*2087*

	Base Rent Available for RDA Share /1	Share to RDA @ 25% /2
2012	$82,832	$20,708
2013	$82,832	$20,708
2014	$82,832	$20,708
2015	$82,832	$20,708
2016	$82,832	$20,708
2017	$82,832	$20,708
2018	$82,832	$20,708
2019	$82,832	$20,708
2020	$82,832	$20,708
2021	$82,832	$20,708
2022	$82,832	$20,708
2023	$82,832	$20,708
2024	$82,832	$20,708
2025	$82,832	$20,708
2026	$82,832	$20,708
2027	$82,832	$20,708
2028	$82,832	$20,708
2029	$82,832	$20,708
2030	$82,832	$20,708
2087	$82,832	$20,708
2012-Expiration	**$6,295,232**	**$1,573,808**
PV @ 5.0%		**$420,000**

/1 Initial Base Rent, per lease.

/2 Per Cooperation Agreement between City and Agency.

AIS, Bldg 4 - 7030-011-007
17785 Center Court Drive

Expiration	*2087*

	Base Rent Available for RDA Share /1	Share to RDA @ 25% /2
2012	$241,243	$60,311
2013	$241,243	$60,311
2014	$241,243	$60,311
2015	$241,243	$60,311
2016	$241,243	$60,311
2017	$241,243	$60,311
2018	$241,243	$60,311
2019	$241,243	$60,311
2020	$241,243	$60,311
2021	$241,243	$60,311
2022	$241,243	$60,311
2023	$241,243	$60,311
2024	$241,243	$60,311
2025	$241,243	$60,311
2026	$241,243	$60,311
2027	$241,243	$60,311
2028	$241,243	$60,311
2029	$241,243	$60,311
2030	$241,243	$60,311
2087	$241,243	$60,311
2012-Expiration	$18,334,483	$4,583,621
PV @ 5.0%		**$1,240,000**

/1 Initial Base Rent, per lease.

/2 Per Cooperation Agreement between City and Agency.

Delta Dental, Bldg 5 - 7030-011-008
12898 Center Court Drive

Expiration	*2087*

	Base Rent Available for RDA Share /1	Share to RDA @ 25% /2
2012	$133,050	$33,262
2013	$133,050	$33,262
2014	$133,050	$33,262
2015	$133,050	$33,262
2016	$133,050	$33,262
2017	$133,050	$33,262
2018	$133,050	$33,262
2019	$133,050	$33,262
2020	$133,050	$33,262
2021	$133,050	$33,262
2022	$133,050	$33,262
2023	$133,050	$33,262
2024	$133,050	$33,262
2025	$133,050	$33,262
2026	$133,050	$33,262
2027	$133,050	$33,262
2028	$133,050	$33,262
2029	$133,050	$33,262
2030	$133,050	$33,262
2087	$133,050	$33,262
2012-Expiration	$10,111,770	$2,527,942
PV @ 5.0%		**$680,000**

/1 Initial Base Rent, per lease.

/2 Per Cooperation Agreement between City and Agency.

Park Place, Bldg 6 - 7030-011-009
17871 Park Plaza Drive

Expiration	*2087*

	Base Rent Available for RDA Share /1	Share to RDA @ 25% /2
2012	$80,603	$20,151
2013	$80,603	$20,151
2014	$80,603	$20,151
2015	$80,603	$20,151
2016	$80,603	$20,151
2017	$80,603	$20,151
2018	$80,603	$20,151
2019	$80,603	$20,151
2020	$80,603	$20,151
2021	$80,603	$20,151
2022	$80,603	$20,151
2023	$80,603	$20,151
2024	$80,603	$20,151
2025	$80,603	$20,151
2026	$80,603	$20,151
2027	$80,603	$20,151
2028	$80,603	$20,151
2029	$80,603	$20,151
2030	$80,603	$20,151
2087	$80,603	$20,151
2012-Expiration	**$6,125,843**	**$1,531,461**
PV @ 5.0%		**$410,000**

/1 Initial Base Rent, per lease.

/2 Per Cooperation Agreement between City and Agency.

Memorex - 7030-011-012
17777 Center Court Drive

Expiration	*2087*

	Base Rent Available for RDA Share /1	Share to RDA @ 25% /2
2012	$244,261	$61,065
2013	$244,261	$61,065
2014	$244,261	$61,065
2015	$244,261	$61,065
2016	$244,261	$61,065
2017	$244,261	$61,065
2018	$244,261	$61,065
2019	$244,261	$61,065
2020	$244,261	$61,065
2021	$244,261	$61,065
2022	$244,261	$61,065
2023	$244,261	$61,065
2024	$244,261	$61,065
2025	$244,261	$61,065
2026	$244,261	$61,065
2027	$244,261	$61,065
2028	$244,261	$61,065
2029	$244,261	$61,065
2030	$244,261	$61,065
2087	$244,261	$61,065
2012-Expiration	$18,563,821	$4,640,955
PV @ 5.0%		**$1,250,000**

/1 Initial Base Rent, per lease.

/2 Per Cooperation Agreement between City and Agency.

5-Story Bldg - 7030-011-915
12800 Center Court Drive

Expiration	*2087*

	Base Rent Available for RDA Share /1	Share to RDA @ 25% /2
2012	$216,000	$54,000
2013	$216,000	$54,000
2014	$216,000	$54,000
2015	$216,000	$54,000
2016	$216,000	$54,000
2017	$216,000	$54,000
2018	$216,000	$54,000
2019	$216,000	$54,000
2020	$216,000	$54,000
2021	$216,000	$54,000
2022	$216,000	$54,000
2023	$216,000	$54,000
2024	$216,000	$54,000
2025	$216,000	$54,000
2026	$216,000	$54,000
2027	$216,000	$54,000
2028	$216,000	$54,000
2029	$216,000	$54,000
2030	$216,000	$54,000
2087	$216,000	$54,000
2012-Expiration	$16,416,000	$4,104,000
PV @ 5.0%		**$1,110,000**

/1 Initial Base Rent, per lease.

/2 Per Cooperation Agreement between City and Agency.

AT&T/Cingular - 7030-011-011
12900 Park Plaza Drive, 12911 183rd St

Expiration	*2087*

	Base Rent Available for RDA Share /1	Share to RDA @ 25% /2
2012	$527,307	$131,827
2013	$527,307	$131,827
2014	$527,307	$131,827
2015	$527,307	$131,827
2016	$527,307	$131,827
2017	$527,307	$131,827
2018	$527,307	$131,827
2019	$527,307	$131,827
2020	$527,307	$131,827
2021	$527,307	$131,827
2022	$527,307	$131,827
2023	$527,307	$131,827
2024	$527,307	$131,827
2025	$527,307	$131,827
2026	$527,307	$131,827
2027	$527,307	$131,827
2028	$527,307	$131,827
2029	$527,307	$131,827
2030	$527,307	$131,827
2087	$527,307	$131,827
2012-Expiration	$40,075,332	$10,018,833
PV @ 5.0%		**$2,700,000**

/1 Initial Base Rent, per lease.

/2 Per Cooperation Agreement between City and Agency.

Vestar Phase 1 - 7030-001- [all but 040, 041, 042]
Walmart

Expiration	*2093*

	Base Rent Available for RDA Share /1	Share to RDA @ 25% /2
2012	$1,775,110	$443,778
2013	$1,775,110	$443,778
2014	$1,775,110	$443,778
2015	$1,775,110	$443,778
2016	$1,775,110	$443,778
2017	$1,775,110	$443,778
2018	$1,775,110	$443,778
2019	$1,775,110	$443,778
2020	$1,775,110	$443,778
2021	$1,775,110	$443,778
2022	$1,775,110	$443,778
2023	$1,775,110	$443,778
2024	$1,775,110	$443,778
2025	$1,775,110	$443,778
2026	$1,775,110	$443,778
2027	$1,775,110	$443,778
2028	$1,775,110	$443,778
2029	$1,775,110	$443,778
2030	$1,775,110	$443,778
2087	$0	$0
2012-Expiration	$127,807,920	$31,951,980
PV @ 5.0%		**$9,040,000**

/1 Initial Base Rent, per lease.

/2 Per Cooperation Agreement between City and Agency.

Vestar Phase 2 - 7030-001-040, 041
Office Max, Trader Joe's

Expiration	*2083*

	Base Rent Available for RDA Share /1	Share to RDA @ 25% /2
2012	$285,891	$71,473
2013	$285,891	$71,473
2014	$285,891	$71,473
2015	$285,891	$71,473
2016	$285,891	$71,473
2017	$285,891	$71,473
2018	$285,891	$71,473
2019	$285,891	$71,473
2020	$285,891	$71,473
2021	$285,891	$71,473
2022	$285,891	$71,473
2023	$285,891	$71,473
2024	$285,891	$71,473
2025	$285,891	$71,473
2026	$285,891	$71,473
2027	$285,891	$71,473
2028	$285,891	$71,473
2029	$285,891	$71,473
2030	$285,891	$71,473
2087	$0	$0
2012-Expiration	$20,584,152	$5,146,038
PV @ 5.0%		**$1,460,000**

/1 Initial Base Rent, per lease.

/2 Per Cooperation Agreement between City and Agency.

Vestar Phase 3 - 7030-001-042
Best Buy

Expiration	*2050*

	Base Rent Available for RDA Share /1	Share to RDA @ 25% /2
2012	$167,166	$41,792
2013	$167,166	$41,792
2014	$167,166	$41,792
2015	$167,166	$41,792
2016	$167,166	$41,792
2017	$167,166	$41,792
2018	$167,166	$41,792
2019	$167,166	$41,792
2020	$167,166	$41,792
2021	$167,166	$41,792
2022	$167,166	$41,792
2023	$167,166	$41,792
2024	$167,166	$41,792
2025	$167,166	$41,792
2026	$167,166	$41,792
2027	$167,166	$41,792
2028	$167,166	$41,792
2029	$167,166	$41,792
2030	$167,166	$41,792
2087	$0	$0
2012-Expiration	$6,519,474	$1,629,869
PV @ 5.0%		$750,000

/1 Initial Base Rent, per lease.

/2 Per Cooperation Agreement between City and Agency.

Lincoln Station - 7054-024-060, 061
11900 South Street

Expiration	*2087*

	Base Rent Available for RDA Share /1	Share to RDA @ 25% /2
2012	$362,827	$90,707
2013	$362,827	$90,707
2014	$362,827	$90,707
2015	$362,827	$90,707
2016	$362,827	$90,707
2017	$362,827	$90,707
2018	$362,827	$90,707
2019	$362,827	$90,707
2020	$362,827	$90,707
2021	$362,827	$90,707
2022	$362,827	$90,707
2023	$362,827	$90,707
2024	$362,827	$90,707
2025	$362,827	$90,707
2026	$362,827	$90,707
2027	$362,827	$90,707
2028	$362,827	$90,707
2029	$362,827	$90,707
2030	$362,827	$90,707
2087	$362,827	$90,707
2012-Expiration	$27,574,852	$6,893,713
PV @ 5.0%		**$1,860,000**

/1 Initial Base Rent, per lease.

/2 Per Cooperation Agreement between City and Agency.

Sheraton Hotel - 7030-011-008
12725 Center Court Dr.

Expiration	*2087*

	Base Rent Available for RDA Share /1	Share to RDA @ 25% /2
2012	$100,000	$25,000
2013	$100,000	$25,000
2014	$100,000	$25,000
2015	$100,000	$25,000
2016	$100,000	$25,000
2017	$100,000	$25,000
2018	$100,000	$25,000
2019	$100,000	$25,000
2020	$100,000	$25,000
2021	$100,000	$25,000
2022	$100,000	$25,000
2023	$100,000	$25,000
2024	$100,000	$25,000
2025	$100,000	$25,000
2026	$100,000	$25,000
2027	$100,000	$25,000
2028	$100,000	$25,000
2029	$100,000	$25,000
2030	$100,000	$25,000
2087	$100,000	$25,000
2012-Expiration	$7,600,000	$1,900,000
PV @ 5.0%		**$510,000**

/1 Initial Base Rent, per lease.

/2 Per Cooperation Agreement between City and Agency.

Jaguar/Land Rover - 7034-017-909
10861 183rd Street

Expiration	*2055*

	Base Rent Available for RDA Share /1	Share to RDA @ 25% /2
2012	$194,000	$48,500
2013	$194,000	$48,500
2014	$194,000	$48,500
2015	$194,000	$48,500
2016	$194,000	$48,500
2017	$194,000	$48,500
2018	$194,000	$48,500
2019	$194,000	$48,500
2020	$194,000	$48,500
2021	$194,000	$48,500
2022	$194,000	$48,500
2023	$194,000	$48,500
2024	$194,000	$48,500
2025	$194,000	$48,500
2026	$194,000	$48,500
2027	$194,000	$48,500
2028	$194,000	$48,500
2029	$194,000	$48,500
2030	$194,000	$48,500
2087	$0	$0
2012-Expiration	$8,536,000	$2,134,000
PV @ 5.0%		**$900,000**

/1 Initial Base Rent, per lease.

/2 Per Cooperation Agreement between City and Agency.

Lamar / Kia - ?? APN
NWC Studebaker and 183rd Street

Expiration	*5/2025*
Next Min Rent Adj Year, Freq	*5*

	Base Rent Available for RDA Share /1	Share to RDA @ 100% /2
2012	$490,000	$490,000
2013	$490,000	$490,000
2014	$490,000	$490,000
2015	$507,150	$507,150
2016	$519,400	$519,400
2017	$519,400	$519,400
2018	$519,400	$519,400
2019	$519,400	$519,400
2020	$537,578	$537,578
2021	$550,563	$550,563
2022	$550,563	$550,563
2023	$550,563	$550,563
2024	$550,563	$550,563
2025	$229,401	$229,401
2026	$0	$0
2027	$0	$0
2028	$0	$0
2029	$0	$0
2030	$0	$0
2087	$0	$0
2012-Expiration	$7,023,982	$7,023,982
PV @ 5.0%		**$5,240,000**

/1 increases per terms of the lease and available for RDA share.
/2 Per Cooperation Agreement between City and Agency.

III. Table: Present Value of Reversionary Interests at Term of Ground Lease Expiration

Summary Results

Using the assumptions set forth below, ADK&A would estimate that the aggregate value of the reversionary interests in the four leaseholds analyzed is approximately $11,000,000. The derivation of this estimate is provided in the following text table:

Illustrative Estimate of Reversionary Interest Valuation

Time Rate Assumptions

City Present Value Discount	8.0%	Based on interest rate currently charged on loan to RDA
Property Appreciation Rate	3.5%	Aggressive assumption about future growth

Lease and Value Assumptions: **Resulting Values:**

Property Name	Acres	Expiration	Remaining Term	Current Value psf	Total Current Land Value	Land Value at Expiration	Present Value of Reversion
Towne Center (all)	89.230	2088	77	$45.00	$174,908,646	$2,472,966,379	$6,600,685
Lincoln Station	8.166	2088	77	$45.00	$16,007,425	$226,322,853	$604,087
Jaguar / Land Rover	2.001	2060	49	$31.00	$2,701,764	$14,578,839	$335,706
Lamar / Kia	4.698	2025	14	$31.00	$6,209,045	$10,050,547	$3,421,820
TOTALS					$199,826,870	$2,723,918,618	$10,962,298
Rounded Value							$11,000,000

OVERSIGHT BOARD

RESOLUTION NO. OB 2015-04

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE CERRITOS REDEVELOPMENT AGENCY APPROVING A LONG RANGE PROPERTY MANAGEMENT PLAN PREPARED BY THE SUCCESSOR AGENCY, PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34191.5.

WHEREAS, the former Cerritos Redevelopment Agency ("Agency") was duly established and created as a redevelopment agency pursuant to the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.*; and

WHEREAS, Assembly Bill 1x 26 ("AB 26") was signed by the Governor of California on June 28, 2011, making certain changes to California Community Redevelopment Law and to the California Health and Safety Code, including the addition of Part 1.8 and Part 1.85 to Division 24 of the Health and Safety Code; and

WHEREAS, pursuant to AB 26, as modified by the California Supreme Court on December 29, 2011, by its decision in *California Redevelopment Association v Matosantos,* all California redevelopment agencies, including the Cerritos Redevelopment Agency, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing, and enforcing the enforceable obligations of the former Agency and expeditiously winding down the business and fiscal affairs of the former Agency; and

WHEREAS, on February 1, 2012 the Cerritos Redevelopment Agency was dissolved and as a separate legal entity, the Cerritos City Council elected for the City to serve as the Successor Agency to the former Cerritos Redevelopment Agency ("Successor Agency"); and

WHEREAS, Assembly Bill 1484 ("AB 1484") was signed by the Governor of California on June 27, 2012, imposing additional statutory provisions relating to the activities and obligations of successor agencies; and

WHEREAS, the Oversight Board of the Successor Agency to the Cerritos Redevelopment Agency ("Oversight Board") has been established in accordance with the requirements of Assembly Bill 26 and the California Health and Safety Code Section 34179; and

WHEREAS, in accordance with AB 1484, and pursuant to California Health and Safety Code Section 34171.5, the Successor Agency is required to prepare a Long Range Property Management Plan ("LRPMP") that addresses the disposition and use of certain real properties of the former Cerritos Redevelopment Agency; and

WHEREAS, in accordance with Section 34191.3 of the California Health and Safety Code, a LRPMP shall be submitted to and approved by the California Department of Finance ("DOF") no later than January 1, 2016; and

WHEREAS, California Health and Safety Code Section 34191.5(c) requires that the LRPMP address the use or disposition of all properties and include an inventory of all properties consisting of specific information related to each property, including but not limited to, the date of and purpose for acquisition, value of property, applicable zoning, any property revenues and contractual requirements for disposition of same, history of environmental issues and any related studies or remediation efforts, potential for transit-

oriented development and advancement of planning objectives, and history of previous development proposals and activity; and

WHEREAS, Successor Agency staff has prepared a LRPMP for consideration by the Successor Agency and is inclusive of thirty-three (33) parcels comprising eight (8) properties; and

WHEREAS, the Successor Agency conducted a special meeting on November 16, 2015 to review and consider the LRPMP; and

WHEREAS, the Oversight Board conducted a special meeting on November 17, 2015 to review and consider the LRPMP.

NOW, THEREFORE, BE IT RESOLVED, by the Oversight Board as follows:

SECTION 1. The Oversight Board hereby determines that the foregoing recitals are true and correct and are incorporated herein.

SECTION 2. The Oversight Board hereby approves the LRPMP as presented by staff and attached hereto as Exhibit A.

SECTION 3. The Oversight Board hereby authorizes and directs the Executive Director, or designee, of the Successor Agency to submit the LRPMP, as approved by the Oversight Board, to the California Department of Finance and also transmit a copy of this resolution to the California Department of Finance on behalf of the Oversight Board, in accordance with California Health and Safety Code Section 34179(h).

SECTION 4. The Secretary shall certify to the adoption of this resolution.

PASSED AND ADOPTED by the Oversight Board at a special meeting held on the 17th day of November 2015.

Jim Edwards
CHAIR, OVERSIGHT BOARD

ATTEST:

SECRETARY, OVERSIGHT BOARD

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF CERRITOS)

I, Vida Barone, Secretary of the Oversight Board, DO HEREBY CERTIFY that the foregoing Oversight Board Resolution No. OB 2015-04 was duly adopted by the Oversight Board at a regular meeting of said Oversight Board held on the 17th day of November, 2015 and that it was so adopted as follows:

AYES: BOARDMEMBERS: Edwards, El Fattal, Matsumoto, Mochizuki, Rabbitt

NOES: BOARDMEMBERS: None

ABSENT: BOARDMEMBERS: Lingad (excused), Nguyen (excused)

ABSTAINING: BOARDMEMBERS: None

Dated: November 17, 2015

Vida Barone
Secretary to the Oversight Board

CITY OF CERRITOS
SUCCESSOR AGENCY TO THE
CERRITOS REDEVELOPMENT AGENCY

RESOLUTION NO. CSA 2015-2

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE CERRITOS REDEVELOPMENT AGENCY APPROVING A LONG RANGE PROPERTY MANAGEMENT PLAN PREPARED BY THE SUCCESSOR AGENCY, PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34191.5.

WHEREAS, the former Cerritos Redevelopment Agency ("Agency") was duly established and created as a redevelopment agency pursuant to the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.*; and

WHEREAS, Assembly Bill 1x 26 ("AB 26") was signed by the Governor of California on June 28, 2011, making certain changes to California Community Redevelopment Law and to the California Health and Safety Code, including the addition of Part 1.8 and Part 1.85 to Division 24 of the Health and Safety Code; and

WHEREAS, pursuant to AB 26, as modified by the California Supreme Court on December 29, 2011, by its decision in *California Redevelopment Association v Matosantos,* all California redevelopment agencies, including the Cerritos Redevelopment Agency, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing, and enforcing the enforceable obligations of the former Agency and expeditiously winding down the business and fiscal affairs of the former Agency; and

WHEREAS, on February 1, 2012 the Cerritos Redevelopment Agency was dissolved and as a separate legal entity, the Cerritos City Council elected for the City to serve as the Successor Agency to the former Cerritos Redevelopment Agency ("Successor Agency"); and

WHEREAS, Assembly Bill 1484 ("AB 1484") was signed by the Governor of California on June 27, 2012, imposing additional statutory provisions relating to the activities and obligations of successor agencies; and

WHEREAS, in accordance with AB 1484, and pursuant to California Health and Safety Code Section 34171.5, the Successor Agency is required to prepare a Long Range Property Management Plan ("LRPMP") that addresses the disposition and use of certain real properties of the former Cerritos Redevelopment Agency; and

WHEREAS, in accordance with Section 34191.3 of the California Health and Safety Code, a LRPMP shall be submitted to and approved by the California Department of Finance ("DOF") no later than January 1, 2016; and

WHEREAS, California Health and Safety Code Section 34191.5(c) requires that the LRPMP address the use or disposition of all properties and include an inventory of all properties consisting of specific information related to each property, including but not limited to, the date of and purpose for acquisition, value of property, applicable zoning, any property revenues and contractual requirements for disposition of same, history of environmental issues and any related studies or remediation efforts, potential for transit-

oriented development and advancement of planning objectives, and history of previous development proposals and activity; and

WHEREAS, Successor Agency staff has prepared a LRPMP for consideration by the Successor Agency and is inclusive of thirty-three (33) parcels comprising eight (8) properties; and

WHEREAS, the Successor Agency conducted a special meeting on November 16, 2015 to review and consider the LRPMP.

NOW, THEREFORE, THE SUCCESOR AGENCY TO THE FORMER CERRITOS REDEVELOPMENT AGENCY DOES FIND, DETERMINE, AND DECLARE AS FOLLOWS:

SECTION 1. The Successor Agency hereby determines that the foregoing recitals are true and correct.

SECTION 2. The Successor Agency hereby approves the LRPMP as presented by staff and attached hereto as Exhibit A.

SECTION 3. This resolution shall take effect immediately.

SECTION 4. The City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED, and ADOPTED this 16th day of November, 2015.

Carol K. Chen, Chair

ATTEST:

Art Gallucci, Successor Agency
Executive Director

Vida Barone, Agency Secretary

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF CERRITOS)

I, Vida Barone, City Clerk of the City of Cerritos, and I, Art Gallucci, Secretary to the Successor Agency to the Redevelopment Agency, DO HEREBY CERTIFY that the foregoing Resolution No. CSA 2015-2, was duly adopted by the City Council/Successor Agency at a Regular Meeting held on the 16th Day of November, 2015, and that it was so adopted as follows:

AYES:	COUNCIL/AGENCY– Edwards, Pulido, Solanki, Ray, Chen
NOES:	COUNCIL/AGENCY– None
ABSENT:	COUNCIL/AGENCY– None
ABSTAIN:	COUNCIL/AGENCY– None

DATED: November 16, 2015

Vida Barone City Clerk

Art Gallucci, Successor Agency Secretary