

# LONG RANGE PROPERTY MANAGEMENT PLAN



**SUCCESSOR AGENCY TO THE  
CITY OF LA PUENTE COMMUNITY  
DEVELOPMENT COMMISSION**

## **Introduction**

In June 2012, Governor Brown signed into law Assembly Bill 1484 (“AB 1484”), a budget trailer bill that makes substantial changes to the redevelopment agency dissolution process implemented by AB X1 26. One of the requirements of AB 1484 is for successor agencies to develop a long-range property management plan (“LRPMP”) that addresses the disposition and use of former redevelopment agency owned property. Under the provisions of AB 1484, once the Department of Finance (“DOF”) determines that a successor agency has complied with all statutory payment requirements, the DOF issues a finding of completion, which provides successor agencies with additional authority to carry out the wind down process, including the disposition of property.

On April 26, 2013, the Successor Agency of the Dissolved City of La Puente Community Development Commission (“Successor Agency”) received a finding of completion from the DOF. Pursuant to Section 34191.5(b) of the California Health & Safety Code, the Successor Agency is required to develop a LRPMP and obtain approval from the Oversight Board and then submit the plan to the DOF within six (6) months of receiving a finding of completion.

Health and Safety Code (“HSC”) Section 34191.5 sets forth specific information to be contained in the LRPMP. This document has been prepared to comply with HSC Section 34191.5 and identify the intentions of the former City of La Puente Community Development Commission (“Commission”) as it pertains to its real property asset.

## **Background**

On July 13, 2004, Ordinance 04-830 was adopted by the City of La Puente (“City”), establishing the Redevelopment Plan for the Commission which consisted of a single Redevelopment Project Area (“Project Area”). The Project Area consisted of approximately 400 parcels of land totaling 278 acres. The Project Area included five non-contiguous subareas located in the Old Downtown Area, commercial properties along Hacienda Boulevard and Glendora Avenue, and several other commercial centers on the western and eastern City limits. No amendments to the original Project Area were adopted.

As of June 29, 2011, the Commission held only one real property asset located at 1545 N. Hacienda Boulevard, La Puente, California (“Hacienda Parcel”). A locational map of this property is included as Attachment A. This parcel was transferred to the Successor Agency by operation of law, when the City took action to serve as the Successor Agency to the former La Puente Community Development Commission by Resolution No. 12-4989.

### **Summary of Property owned by the Successor Agency**

- ***HSC Section 34191.5 (c)(1)(A) - The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property***

The Commission acquired the Hacienda Parcel on December 30, 2005. The purchase price was \$1,695,000.00. At the time of acquisition, the parcel consisted of a vacant commercial shopping center of approximately 11,500 square feet. An estimate of the current market value of the Hacienda Parcel is discussed below under Section HSC Section 34191.5 (c)(1)(D).

- ***HSC Section 34191.5 (c)(1)(B) - The purpose for which the property was acquired.***

The Hacienda Parcel was acquired pursuant to the goals and objectives of the Redevelopment Plan for the specific purpose of facilitating an expansion of the existing Ed Butts Ford, Inc. (“Ford”) automobile dealership located adjacent to the site. At the time of the acquisition, the Commission was in negotiations with Ford to facilitate an expansion of the dealership in order to retain the dealership within the City.

Prior to the Commission’s acquisition of the Hacienda Parcel, it was developed with a vacant 10,000 square foot, one-story multiple-tenant commercial building and a vacant 1,500 square foot restaurant. Following the acquisition, the Commission awarded a contract for the demolition of the structures located on the property, expending \$51,000.00 on the demolition.

- ***HSC 34191.5 (c)(1)(C) - Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

As previously discussed, the Commission possesses a single property. The Hacienda Parcel has an Assessor’s Parcel Number (APN) of 8471-020-900 with a site address of 1545 N. Hacienda Boulevard, La Puente, California.

The current zoning for the property is General Commercial (C-2) which provides for commercial needs of residents and other commercial businesses to promote economic development and business activities that benefit the City. The C-2 Zone allows for a variety of service and retail uses. The General Plan land use designation is General Commercial (GC). The parcel size is 45,346 square feet and is currently a vacant lot. Photographs depicting the current condition of the site are included as Attachment B. Provided on the following page is summary information for the Hacienda Parcel.

Hacienda Parcel Summary

Address: 1545 N. Hacienda Boulevard, La Puente, CA 91744  
APN: 8471-020-900  
Tax Rate Area: 13635  
Land Area: 45,346 SF  
Building Area: None  
Zoning: General Commercial (C-2)  
General Plan: General Commercial (GC)  
Census Tract #: 4075.01

- ***HSC 34191.5 (c)(1)(D) - An estimate of the current value of the parcel including, if available, any appraisal information.***

An appraisal has been prepared for the subject property by BTI Appraisal. The appraisal report, dated July 23, 2013, establishes a fee simple market value for the property of \$1,270,000.00. The opinion of value was based on the highest and best use of vacant land for future development. The appraisal report did not consider the current geotechnical condition of the soil or the presence of soil contaminants which may or may not exist on the property.

- ***HSC 34191.5 (c)(1)(E) - An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

As previously discussed, following the purchase of the Hacienda Parcel by the Commission, the then existing commercial buildings were demolished, on or about June 1, 2006. The property has since been secured with a temporary fence. No revenues are currently being generated from the property. The property was acquired using tax increment funds and there is no debt on the property nor is the asset been reported as an Enforceable Obligation.

- ***HSC Section 34191.5 (c)(1)(F) - The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation.***

In March 2005, prior to the demolition of the commercial center and restaurant, the Commission retained the services of P & D Consultants for a Phase I Environmental Site Assessment (“ESA”) for the Hacienda Parcel. At the time of the Phase I ESA the buildings were vacant.

The Phase I ESA identified the following areas of concern:

- Markings on the parking blocks in the parking lot in front of the tenant space for 1533 Hacienda Boulevard indicated “Cleaners Parking”. Through the Phase II ESA (discussed below), it was later determined that Liberty Cleaners previously operated on the Hacienda Parcel, but did not engage in any on-site dry cleaning.
- A separate dry cleaner (Sunburst Cleaners) was formerly located in a commercial building bordering the northwest portion of the Hacienda Parcel, along Francisquito Avenue. At the time of the Phase I ESA, the Sunburst Cleaners site appeared on the Spill, Leaks and Investigation Cleanup (“SLIC”) database of cleanup sites under the Los Angeles Region of the Regional Water Quality Control Board. A vapor extraction system was in place (but not operating on the day of the Phase I site inspection) for the removal of perchloroethylene (“PCE”). The enclosure for the vapor extraction system extended onto the Hacienda Parcel. Also, two access hatches for underground piping associated with the treatment system were identified to be located within the borders of the Hacienda Parcel. It was further noted that two well covers, presumably for the vapor extraction system associated with the Sunburst Cleaners were noted on the Sunburst Cleaners site. It is not known if a physical land survey of the Hacienda Parcel was completed to verify the physical location of the enclosure for the vapor extraction system or for the two access hatches relative to the boundaries of the Hacienda Parcel.
- Groundwater beneath the Hacienda Parcel was impacted by releases at the Sunburst Cleaners site.
- Asbestos was detected in a sample of brown vinyl floor tile and the associated mastic from one of the tenant spaces.

Based on the potential environmental concerns associated with both Sunburst and Liberty Cleaners, P & D Consultants recommended that a Phase II ESA be conducted for the Hacienda Parcel. On May 24 2005, the Phase II ESA was completed. Based on the Phase II ESA, no evidence was found that Liberty Cleaners (located on the Hacienda Parcel) actually performed on-site dry cleaning. As part of the Phase II ESA, soil samples were collected at various depths and analyzed for volatile organic compounds (“VOCs”). No detectable concentrations of PCE or other VOCs were identified in the samples that were collected. As a result, no environmental concerns related to the former Liberty Cleaners were identified and further environmental assessment of the former Liberty Cleaners was not warranted at that time.

In December 2007, the RWQCB issued a Conditional No Further Action Determination, with certain conditions, pertaining to soils at the former Sunburst Cleaners located at 15432 Francisquito Avenue, La Puente. The RWQCB’s letter required that the groundwater monitoring continue until the chemicals of concern are remediated below the required cleanup level, and

also required periodic vapor monitoring. This information is mentioned because the groundwater at the Hacienda Parcel was impacted as a result of the releases at the Sunburst Cleaners site, and monitoring wells and the vapor extraction system may have been located on the Hacienda Parcel.

Given the potential environmental issues on the Hacienda Parcel, prior to its sale and/or development, the City will require the potential buyer to conduct a thorough environmental analysis of the property.

- ***HSC Section 34191.5 (c)(1)(G) - A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

As previously discussed in this LRPMP, the Hacienda Parcel is a vacant unimproved 45,346 square foot site (1.04 acres) located adjacent to the Ford dealership on Hacienda Boulevard. The site is located in the General Commercial land use category of the City's General Plan and lies within the Hacienda/Glendora Commercial Corridor ("HGCC"). The HGCC has developed into the City's primary commercial corridor providing a broad range of retail uses, specialty shops, personal services and restaurants. The quality of life for the City's residents largely depends on the economic vitality of the HGCC as more than 85% of the City's sales tax revenues is generated from this area. The General Plan has identified a conceptual plan for the HGCC encompassing design strategies to promote lively commercial activity that creates a sense of presence while traveling this corridor within the City.

A single bus route (Line 185) operated by Foothill Transit runs in a north/south direction along Hacienda Boulevard between the City of Azusa and City of Industry/Hacienda Heights. A transit center is not located within close proximity to the Hacienda Parcel, nor are there any large employment centers in the immediate vicinity. With the City's focus on commercial activity along the HGCC, the incorporation of a housing component as part of a transit-oriented development would be counter to the goals and objectives of the City. In addition, due to limited size of the property, the Hacienda Parcel is not conducive to transit-oriented development.

- ***HSC Section 34191.5 (c)(1)(H) - A brief history of previous development proposals and activity, including the rental or lease of property.***

As previously discussed under HSC Section 34191.5 (c)(1)(B), when the Commission acquired the property in 2005, the site was improved with two structures. Following the acquisition of the property, the buildings were razed.

On April 25, 2006, the Commission approved a Lease and Development Agreement ("LDA") with Ford to expand the existing automobile dealership adjacent to the Hacienda Parcel. The terms of the LDA provided for the Commission to lease the Hacienda Parcel to Ford for a period of 15 years with Ford having the option of purchasing the property at the end of the tenth year of

the lease. The existing buildings on the property were to be removed by the Commission and then construct on-site improvements for additional automobile display and inventory. The LDA also included the Commission contributing toward the design and construction of a freestanding electronic reader board sign. The LDA with Ford was never fully executed as a result of indemnification issues pertaining to the environmental conditions on the Hacienda Parcel.

### **Use or Disposition of Property**

According to HSC Section 34191.5, successor agencies must address the use or disposition of all former redevelopment agency owned properties in the Community Redevelopment Trust Fund. HSC Section 34191.5 allows for four (4) permissible uses/classifications including:

- Retention for governmental use
- Retention for future development
- Sale of the property
- Used to fulfill an enforceable obligation.

For the purpose of this LRPMP the Successor Agency intends to sell the Hacienda Parcel with the proceeds distributed to affected taxing entities.

### **Long Range Objective**

The La Puente LRPMP has identified that the Successor Agency has a single real property asset. As previously discussed in this document, the Hacienda Parcel is a 45,346 square foot vacant property located adjacent to Ford and is within the HGCC. The Successor Agency plans to sell this asset at its highest and best use, maximizing its value, in furtherance of the economic goals and priorities of the HGCC as provided for in the City's General Plan.

Appendix A – DOF LRPMP Worksheet

# ATTACHMENT A

## Hacienda Parcel

1545 N. Hacienda Blvd.

APN: 8417-020-900



# ATTACHMENT B

## Hacienda Parcel



Successor Agency: LA PUENTE  
 County: LOS ANGELES

**LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY INVENTORY DATA**

No.	Property Type	HSC 34191.5 (c)(2)		HSC 34191.5 (c)(1)(A)			Value Basis
		Permissible Use	Permissible Use Detail	Acquisition Date	Value at Time of Purchase	Estimated Current Value	
1	COMMERCIAL	SALE OF PROPERTY	COMMERCIAL	DEC. 2005	1,695,000.00	1,270,000.00	APPRAIS
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