

RESOLUTION NO. OB 14-07

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE SOUTH EL MONTE IMPROVEMENT DISTRICT APPROVING THE REVISED LONG-RANGE PROPERTY MANAGEMENT PLAN PREPARED BY THE SUCCESSOR AGENCY PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.5, DETERMINING THAT APPROVAL OF THE LONG-RANGE PROPERTY MANAGEMENT PLAN IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH

RECITALS:

A. Pursuant to Health and Safety Code Section 34175(b) and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.* (53 Cal.4th 231(2011)), on February 1, 2012, all assets, properties, contracts, leases, books and records, buildings, and equipment of the former South El Monte Improvement District (the "Agency") transferred to the control of the Successor Agency to the Agency (the "Successor Agency") by operation of law.

B. Pursuant to Health and Safety Code Section 34191.5(b), the Successor Agency must prepare a long-range property management plan which addresses the disposition and use of the real properties of the former Agency, and which must be submitted to the Oversight Board of the Successor Agency (the "Oversight Board") and the Department of Finance (the "DOF") for approval no later than six months following the issuance by DOF to the Successor Agency of a finding of completion pursuant to Health and Safety Code Section 34179.7.

C. Pursuant to Health and Safety Code Section 34179.7, DOF issued a finding of completion to the Successor Agency on May 24, 2013.

D. The Successor Agency has prepared and submitted to the Oversight Board the long-range property management plan attached hereto as Exhibit A (the "LRPMP"), which LRPMP addresses the disposition and use of the real properties of the former Agency and includes the information required pursuant to Health and Safety Code Section 34191.5(c).

E. Pursuant to Health and Safety Code Section 34180(j), at the same time the Successor Agency submitted the LRPMP to the Oversight Board, the Successor Agency submitted the LRPMP to the County Administrative Officer, the County Auditor-Controller, and DOF.

F. Pursuant to Health and Safety Code Section 34181(f), the public was provided with at least ten days' notice of the date of the meeting at which the Oversight Board proposes to consider approval of the LRPMP.

NOW, THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE SOUTH EL MONTE IMPROVEMENT DISTRICT HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. This Resolution is adopted pursuant to Health and Safety Code Section 34191.5.

Section 3. The Oversight Board hereby approves the revised LRPMP as presented by the Successor Agency and attached hereto as Exhibit A.

Section 4. The staff of the Successor Agency is hereby directed to transmit to DOF this Resolution together with written notice and information regarding the action taken by this Resolution. Such notice to DOF shall be provided by electronic means and in a manner of DOF's choosing.

Section 5. The staff and the Board of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution and any such actions previously taken are hereby ratified.

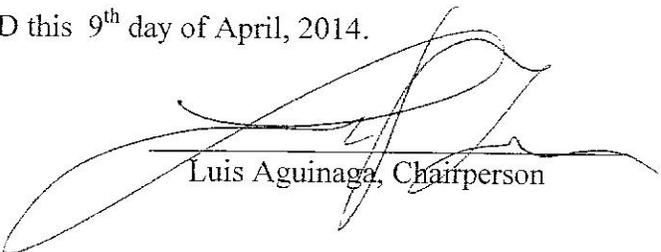
Section 6. This Resolution has been reviewed with respect to the applicability of the California Environmental Quality Act (Public Resources Code Section 21000 *et seq.*) ("CEQA"). Pursuant to the State CEQA Guidelines (14 Cal Code Regs 15000 *et seq.*) (the "Guidelines"), the Oversight Board has determined that the approval of the LRPMP is not a project pursuant to CEQA and is exempt therefrom because it is an organizational or administrative activity of government that will not result in direct or indirect physical changes in the environment (Guidelines Section 15378(b)(5)). Further, it can be seen with certainty that there is no possibility that approval of the Revised LRPMP may have a significant effect on the environment, and thus the action is exempt from CEQA (Guidelines Section 15061(b)(3)). Staff of the Successor Agency is hereby directed to prepare and post a notice of exemption pursuant to Guidelines Section 15062.

PASSED, APPROVED AND ADOPTED this 9th day of April, 2014.

ATTEST:



Rose Juarez, Secretary



Luis Aguinaga, Chairperson

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF SOUTH EL MONTE)

I, Rose Juarez, Secretary to the Oversight Board to the Successor Agency to the South El Monte Improvement District, do hereby certify that the foregoing Resolution, being Resolution No. OB 14-07 was duly passed and approved by the Oversight Board to the Successor Agency to the South El Monte Improvement District at an adjourned regular meeting of said Board held on the 9th day of April, 2014, and that said Resolution was adopted by the following vote:

AYES: Herrera, Munoz, Wallach, (Chairperson) Aguinaga
NOES: None
ABSENT: Digiulio, Gamez, Pacheco
ABSTAIN: None



Rose Juarez, Secretary

EXHIBIT A

Long-Range Property Management Plan

Prepared
July 12, 2013

LONG-RANGE PROPERTY MANAGEMENT PLAN
FOR
1127 SANTA ANITA AVENUE & 1112 MERCED AVENUE
SOUTH EL MONTE, CA 91733

Prepared For:

Successor Agency to the
South El Monte Improvement District
1415 Santa Anita Avenue
South El Monte, CA 91733

Amended
March 9, 2014

Pursuant to AB 1484 Section 34191.5

		1127 Santa Anita Avenue	1112 Merced Avenue
H&S Sec. 34191.5 (c) (1)(A-H)	Proposed Disposition of Property	Sell the Property	Sell the Property
A	Date of Acquisition	7/25/2005	5/14/2007
	Value of Property at Acquisition	\$1,545,328	\$610,933
	Estimate of Current Value	\$26.00/SF	\$26.00/SF
B	Purpose Acquired	Development Opportunity	Site Assembly
C	Assessor Parcel Number	8116-006-900	8116-006-901
	Lot Size (Acres)	0.81	0.16
	Building Square Footage	5,458 SF	1,416 SF
	Zone	CR (Commercial/Residential)	CR (Commercial/Residential)
	General Plan	Commercial Residential	Commercial Residential
D	Estimate of Current Value of Parcel	\$26.00/SF	\$26.00/SF
	Appraisal Information Available	Yes - R.P. Laurain & Associates Appraisal dated 7/30/13	Yes - R.P. Laurain & Associates Appraisal dated 7/30/13
E	Estimate of Revenues Generated by Property	None	None
	Contractual Requirements for Disposition of Funds	None	None
F	Environmental History	None	Phase I - Clear, Asbestos & Lead Survey
G	Potential for Transit-Oriented Development	Yes	Yes
H	History of Previous Development Proposals	Initially considered for relocation opportunity for an existing business. Currently considered for mixed-use project	Initially considered for parking for adjacent use. Currently considered for mixed-use project.

PROPERTY MANAGEMENT PLAN

1127 Santa Anita Avenue
1112 Merced Avenue
South El Monte, CA 91733
APN 8116-006-900
APN 8116-006-901

Property Management Plan Team

CITY

Anthony Ybarra
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1415 Santa Anita Avenue
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3353 Linden Avenue, Suite 200
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(562) 426-0477

ENVIRONMENTAL CONSULTANTS

AEI Consultants
2447 Pacific Coast Highway, Suite 101
Hermosa Beach, CA 90245
(310) 798-4255

(1) Include an inventory of all properties in the trust. The inventory shall consist of all of the following information:

(A) The date of the acquisition of the property and the value of the property at that time and an estimate of the current market value of the property:

1127 Santa Anita Avenue

- o Date of acquisition (APN 8116-006-900): 7/25/2005
- o Acquisition Cost: \$1,545,328.00
- o Current estimated value of the property: \$26.00/SF
- o See R.P. Laurain & Associates Appraisal Summary dated July 30, 2013 (Exhibit 1).

1112 Merced Avenue

- o Date of acquisition (APN 8116-006-901): 5/14/2007
- o Acquisition Cost: \$310,933
- o Current estimated value of the property: \$26.00/SF
- o See R.P. Laurain & Associates Appraisal Summary dated July 30, 2013 for current value and R.P. Laurain & Associates Appraisal Summary dated January 20, 2006 for value at time of purchase. (Exhibit 1).

(B) The purpose for which the property was acquired:

- The property located at 1127 Santa Anita was originally purchased as an opportunity to control the redevelopment of a visible property on one of the city's primary arterials.
- Subsequent to ownership by the Community Development Commission of the South El Monte Improvement District, a relocation opportunity for one of the City's prominent commercial uses was considered. The property was purchased pursuant to the provisions in Resolution No. 07-19 (Exhibit 2).
- The acquisition of the 1112 Merced Avenue came about as a result of the relocation opportunity mentioned above. In order to accommodate the proposed relocation of a restaurant/entertainment use, parking would have been provided on the subject property.
- In February of 2012, a Zone Text Amendment was considered and approved by the City of South El Monte City Council allowing the creation of a "Commercial-Residential" (C-R) zone that would conform with the City's General Plan Mixed Use designation.
- In June of 2012, the City of South El Monte City Council considered and approved a General Plan Amendment and Zone Change rezoning the subject site from (C-M) "Commercial/Manufacturing" to (C-R) "Commercial Residential".
- Plans for the site were primarily driven by the following factors:
 - Removal of blight – the combined site which is improved with a 5,458 SF former bank (single use) building and a 1,416 SF single-family dwelling is visible from one of the city's main arterials. In its present state, the site presents visual and economic blight as it is currently underutilized.

- Needed housing – A potential mixed use project would be consistent with the General Plan’s goals of providing a variety of housing densities.
- Housing Goals - The creation of the proposed housing units would help in meeting the goals set by the City’s Housing Element and the Regional Housing Need Allocation (RHNA) requirement assigned to the City of South El Monte. The proposed development would be consistent with City’s General Plan’s policies of encouraging housing at a range of densities and by encouraging opportunities for various commercial developments.
- Transit Oriented Development (TOD) Opportunity – The proposed development is critical for the attraction of a Metro Gold Line Corridor/Santa Anita Avenue Station (see attached Exhibit 3). The development is consistent with the conceptual plans for the new station.
- Job Creation – Both the proposed housing development and the potential Metro Gold Line Station would create construction and development related jobs on the short term and permanent commercial jobs for the long term.
- Taxes - The proposed development would return the subject properties to the tax rolls with a significant tax increment due potential commercial and/or residential development.

(C) Parcel Data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community or general plan.

- 1127 Santa Anita Avenue & 1112 Merced Avenue (Exhibit 4)
- APN 8116-006-900 (35,580 SF)
- APN 8116-006-901 (7,130 SF)
- Total combined unimproved lot size is .98 acres (42,710 SF)
- Former Zoning: C-M “Commercial/Manufacturing”, Current Zoning: C-R “Commercial Residential”

(D) An estimate of the current value of the parcel including, if available, appraisal information.

- The combined properties’ current estimated value pursuant to R.P. Laurain & Associates Appraisal Summary dated July 30, 2013 (Exhibit 1) is \$1,110,000.

(E) An estimate of any lease, rental or other revenues generated by the property and description of the contractual requirements for the disposition of those funds.

- There are no revenues generated by the property.

(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.

- A Phase I Environmental Site Assessment was prepared for the City of South El Monte, for 1112 Merced Avenue, in May of 2007 by AEI Consultants. Pursuant to the report, there was no evidence of recognized environmental conditions in connection with the

property. There is no recommendation for further investigations (see attached Executive Summary, Exhibit 5). The site is not designated as a brownfield site.

- A NESHAP Asbestos Survey and Lead Paint Screen was prepared for the City of South El Monte, for 1112 Merced Avenue, in July of 2011 by AEI Consultants. Asbestos and lead-containing materials were identified and abatement by a registered abatement contractor is recommended at time of demolition (see attached Executive Summary, Exhibit 5).
- After a diligent search of City records, no records of environmental studies were located for the property located at 1127 Santa Anita Avenue.

(G) A description of the property's potential for Transit-Oriented Development (TOD) and the advancement of the planning objectives of the successor agency.

- The property has great potential as a TOD. It is along a major city corridor, which has an existing public transportation system. It is also adjacent to State Route 60 (Pomona Freeway). There is presently a plan to extend the Metro Gold Line Corridor through State Route 60 and place a station at Santa Anita Avenue (see attached Exhibit 3). The proposed station would provide pedestrian links to high-density housing, which would be a 5-10 minute walk from the subject site. The subject site is also within close walking proximity to the civic center, which consists of the City Hall, Senior Center, Library, Recreation Center/Park, and Pool. The Civic Center provides a number of activities and amenities for residents of all ages.

- The potential development of the subject property with a mix of commercial and residential uses is consistent with the Zone Change and General Plan amendment from Commercial/Manufacturing to Commercial Residential. The proposed development would accomplish the successor agency's goal of abating blighted properties along one of the city's main arterials.
- The development of the subject property would successfully return it to the taxing rolls as a productive property both in terms of property taxes generated from the improvements and any sales tax generated by its uses.

(H) A brief history of the previous development proposals and activity, including rental or lease of the property.

- The site was assembled with the prospect of relocating a popular restaurant/entertainment establishment. The subject site would have been ideal for the use because of its location on a main arterial and its proximity to the 60 Freeway, however, negotiations have broken down. Given the TOD potential for this site, the City is currently contemplating developing the site with a mixed-use residential development.
- There is no history of rental or lease of the site.

(2) Address the disposition of all the properties in the trust. Permissible uses include the retention of the property for governmental use pursuant to (a) of Section 34181, the retention or use of the property for future development, the sale of the property, or the use of the property to fulfill an enforceable obligation. The plan shall separately identify and list properties in the trust dedicated to governmental use, purpose and

properties retained for the purpose of an enforceable obligation, with respect to use of all other properties.

- (A) If the plan directs the use or liquidation of the property of a project identified in an approved redevelopment plan, the property shall transfer to the city, county, or city and county.
- (B) If the plan directs the liquidation of the property or the use of the 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 subparagraph (A), the proceeds from the sale shall be distributed as property tax to the taxing entities.
- (C) Property shall not be transferred to a successor agency, city, county, or city and county, unless the long-range property management plan has been approved by the oversight board and the Department of Finance.

Disposition Plan

The plan for the City is to retain this asset for a potential TOD mixed-use residential development. Should the City retain this asset, the Successor Agency would prepare a Request for Proposals (RFP) for the development of the site as a mixed-use development, qualifying it as a TOD. Development of the subject property as a TOD would further strengthen the argument for the Metro Gold Line Santa Anita Station.

Intended Use of Sale Proceeds

Once the property has been sold, the proceeds from the sale shall be distributed to the taxing entities as outline by the dissolution of the Redevelopment in the State.

Prepared
July 12, 2013

DRAFT LONG-RANGE PROPERTY MANAGEMENT PLAN
FOR
1832 DURFEE AVENUE
SOUTH EL MONTE, CA 91733

Prepared For:

Successor Agency to the
South El Monte Improvement District
1415 Santa Anita Avenue
South El Monte, CA 91733

Amended
March 9, 2014

PROPERTY MANAGEMENT PLAN

Pursuant to AB 1484 Section 34191.5

H&S Sec. 34191.5 (c) (1)(A-H)	Proposed Disposition of Property	1832 Durfee Avenue	
	Sell the Property		
A	Date of Acquisition	1812-1820 Durfee Ave -	11/12/08
		1824 Durfee Ave -	10/19/06
		1832 Durfee Ave -	09/01/06
		11307-11339 Thienes Ave -	08/24/06
	Value of Property at Acquisition	1812-1820 Durfee Ave -	\$2,565,235.00
	1824 Durfee Ave -	\$631,476.00	
	1832 Durfee Ave -	\$964,000.00	
	11307-11339 Thienes Ave -	\$2,344,672.00	
	Total	\$6,505,383.00	
	Estimate of Current Value	\$5,250,000.00	
B	Purpose Acquired	Development Opportunity	
	Assessor Parcel Number	8113-012-911	
C	Lot Size (Acres)	3.69 Acres	
	Building Square Footage	45,398	
	Zone	C (Commercial)	
	General Plan	Commercial	

D	Estimate of Current Value of Parcel	\$5,250,000.00		
	Appraisal Information Available	Yes		
E	Estimate of Revenues Generated by Property	PENDING		
	Contractual Requirements for Disposition of Funds	None		
	Environmental History	Yes		
G	Potential for Transit-Oriented Development	No		
H	History of Previous Development Proposals	None		

PROPERTY MANAGEMENT PLAN

1832 Durfee Avenue
South El Monte, CA 91733
APN 8113-012-911

Property Management Plan Team

CITY

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APPRAISER

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3353 Linden Avenue, Suite 200
Long Beach, CA 90807
(562) 426-0477

Joseph J. Blake & Associates, Inc.
5933 W. Century Boulevard, Suite 1230
Los Angeles, CA 90045
(310) 216-2130

ENVIRONMENTAL CONSULTANTS

PIC Environmental Services
3628 Lynoak Drive, Suite 100
Claremont, CA 91711
(909) 447-6488

EMG
11011 McCormick Road
Hunt Valley, Maryland 21031
(800) 733-0660

Rincon Consultants, Inc.
790 East Santa Clara Street
Ventura, CA 93001
(805) 641-1000

(1) Include an inventory of all properties in the trust. The inventory shall consist of all of the following information:

(A) The date of the acquisition of the property and the value of the property at that time and an estimate of the current market value of the property:

1832 Durfee Avenue, currently APN 8113-012-911, consists of 11 formerly separate properties with the following APN's (Exhibit 1):

1. 8113-012-900, 8113-012-031
2. 8113-012-901, 8113-012-032
3. 8113-012-902, 8113-012-007
4. 8113-012-903, 8113-012-008
5. 8113-012-904, 8113-012-009
6. 8113-012-905, 8113-012-010
7. 8113-012-906, 8113-012-011
8. 8113-012-907, 8113-012-012
9. 8113-012-908, 8113-012-016
10. 8113-012-909, 8113-012-030
11. 8113-012-910, 8113-012-033

1812-1820 Durfee Avenue

- o Date of acquisition: 11/12/08
- o Value of property at the time of purchase: \$2,565,235.00
- o Current estimated value of the property: \$32.66/SF (Joseph J. Blake & Associates, Inc. 9/13/13 Appraisal Report)

11307-11339 Thienes Avenue

- o Date of acquisition: 08/24/06
- o Acquisition cost: \$2,344,672.00
(R.P. Laurain & Associates 3/6/06 Appraisal Report)
- o Current estimated value of the property: \$32.66/SF (Joseph J. Blake & Associates, Inc. 9/13/13 Appraisal Report)

1824 Durfee Avenue

- o Date of acquisition: 10/19/06
- o Acquisition cost: \$631,476.00
(R.P. Laurain & Associates 7/22/05 Appraisal Report)
- o Current estimated value of the property: \$32.66/SF (Joseph J. Blake & Associates, Inc. 9/13/13 Appraisal Report)

1832 Durfee Avenue

- o Date of acquisition: 09/01/06
- o Acquisition cost: \$964,000.00
(R.P. Laurain & Associates 3/2/05 Appraisal Report)
- o Current estimated value of the property: \$32.66/SF (Joseph J. Blake & Associates, Inc. 9/13/13 Appraisal Report)

Assembled Property

- o Date of acquisition (APN 8113-012-911): Varies
- o Acquisition cost: \$6,505,383.00
(see Exhibit 2)
- o Current estimated value of the property: \$5,250,000.00

(see Exhibit 3)

(B)

(C) The purpose for which the property was acquired:

- The property was purchased and assembled for the purpose of developing a Neighborhood Commercial Center composed of a grocery store, restaurants, and retail stores.
- Pursuant to the Disposition and Development Agreement (DDA) dated September 27, 2007, between the Community Development Commission of the South El Monte Improvement District and Primestor South El Monte, LLC, (Developer) the above mentioned properties were acquired and assembled for the development of a Neighborhood Commercial Center.
- Upon completion of development, Developer entered into a ground lease as provided for in the DDA and subsequent amendments.

(D) Parcel Data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community or general plan.

- 8113-012-900, 8113-012-031 (16,500 SF)
- 8113-012-901, 8113-012-032 (16,500 SF)
- 8113-012-902, 8113-012-007 (12,000 SF)
- 8113-012-903, 8113-012-008 (6,000 SF)
- 8113-012-904, 8113-012-009 (6,000 SF)
- 8113-012-905, 8113-012-010 (17,870 SF)
- 8113-012-906, 8113-012-011 (20,100 SF)
- 8113-012-907, 8113-012-012 (20,100 SF)
- 8113-012-908, 8113-012-016 (11,166 SF)
- 8113-012-909, 8113-012-030 (11,000 SF)
- 8113-012-910, 8113-012-033 (22,000 SF)

- Total combined lot size (APN 8113-012-911) is 3.65 acres (159,036 SF)
- Former Zoning: C “Commercial”, Current Zoning: C “Commercial”

(E) An estimate of the current value of the parcel including, if available, appraisal information.

- The current estimated value is \$5,250,000.00 (Exhibit 3).

(F) An estimate of any lease, rental or other revenues generated by the property and description of the contractual requirements for the disposition of those funds.

- Pursuant to the Ground Lease (Exhibit 4) provided for in the DDA dated September 27, 2007 and subsequent Amendments, the Successor Agency collects \$4,166 in monthly rent.

(G) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.

- The following is a brief history of environmental assessments (see attached Executive Summaries Exhibit 5) performed while assembling the property:
 - 1832 & 1858 Durfee Avenue (APN 8113-012-910)
 - Phase II Environmental Site Investigation Report dated September 12, 2005 prepared by PIC Environmental Services
 - The results of the Phase II Investigation indicated that no significant impairments

(Recognized Environmental Conditions) exist at the property.

- 1824 Durfee Avenue (APN 8113-012-909)
 - Phase I Environmental Site Assessment Report dated June 29 prepared by EMG
 - The Phase I Investigation revealed no evidence of recognized environmental conditions or historical recognized environmental conditions in connection with the property. No further action or investigation was recommended.
- 11307, 11323, 11329, 11335, 11339 Thienes Avenue (APN 8113-012-902, 903, 904, 905, 906, 907, & 908)
 - Phase I Environmental Site Assessment Report dated June 29, 2006 prepared by EMG
 - The results of the Phase I Investigation indicated that based on the historical use of the Project as a truck repair business contributed to widespread oil staining and spillage directly onto the soil and a potential Underground Storage Tank. Further investigation was warranted.
 - Phase II Environmental Site Assessment Report dated July 31, 2006 prepared by EMG
 - The assessment was performed to determine the presence of contamination potentially resulting from the historic use of the property.
 - Based on the results of the analyses of the soil, no evidence of a significant release of VOC's or metals were identified; however, a few soil samples exhibited elevated levels of arsenic.

The report recommended the removal of near surface oil stained soils from the property.

- Investigation and Remedial Excavation Report dated March 19, 2009 prepared by Rincon Consultants, Inc.
 - This report summarized the assessment, excavation, and disposal of TPH impacted soil in the vicinity of former asbestos pipe trench in the middle south portion of the property.

- 1812-1822 ½ Durfee Avenue (APN 8113-012-900 & 901)
 - Phase I Environmental Site Assessment Report dated October 3, 2006 prepared by EMG
 - The assessment identified Asbestos-Containing Materials, Lead-Based Paint and Mold. Remediation was recommended.
- The site is not designated as a brownfield site.

(H) A description of the property's potential for Transit-Oriented Development (TOD) and the advancement of the planning objectives of the successor agency.

- The property does not meet the requirements for a TOD.
- The development of the subject property as a retail/commercial center is consistent with the City's Zoning Ordinance and General Plan.

(I) A brief history of the previous development proposals and activity, including rental or lease of the property.

- The property was purchased and assembled for the purpose of developing a Neighborhood Commercial Center composed of a grocery store, restaurants, and retail stores.
- There is no history of rental or lease of the site prior to its development.

(2) Address the disposition of all the properties in the trust. Permissible uses include the retention of the property for governmental use pursuant to (a) of Section 34181, the retention or use of the property for future development, the sale of the property, or the use of the property to fulfill an enforceable obligation. The plan shall separately identify and list properties in the trust dedicated to governmental use, purpose and properties retained for the purpose of an enforceable obligation, with respect to use of all other properties.

(A) If the plan directs the use or liquidation of the property of a project identified in an approved redevelopment plan, the property shall transfer to the city, county, or city and county.

(B) If the plan directs the liquidation of the property or the use of the 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 subparagraph (A), the proceeds from the sale shall be distributed as property tax to the taxing entities.

(C) Property shall not be transferred to a successor agency, city, county, or city and county, unless the long-range property management plan has been approved by the oversight board and the Department of Finance.

Disposition Plan

While the appraisal of the property indicates a land value of \$5.25 million, the appraisal has not taken into consideration the revenue from the ground lease on the property. Currently, under the terms of the ground lease the rental value derived from the property is approximately \$50,000.00 annually. Given the low rental income on the property, it is only economically feasible to sell the property to Primestor, the owner of the tenant improvements. Further, Primestor and the Agency have been in negotiations for the sale of the property. As a result of the economics facing the project and the negotiations with Primestor, the Agency intends to dispose of the property through a Purchase and Sale Agreement with Primestor South El Monte LLC. A Purchase and Sale Agreement has not been draft by the City.

Intended Use of Sale Proceeds

Once the property has been sold, the proceeds from the sale shall be distributed to the taxing entities as outline by the dissolution of the Redevelopment in the State.

Prepared
July 12, 2013

LONG-RANGE PROPERTY MANAGEMENT PLAN

FOR

1459 SANTA ANITA AVENUE
SOUTH EL MONTE, CA 91733

Prepared For:

**Successor Agency to the
South El Monte Improvement District**
1415 Santa Anita Avenue
South El Monte, CA 91733

Amended

March 9, 2014

PROPERTY MANAGEMENT PLAN

Pursuant to AB 1484 Section 34191.5

Overview

		1459 Santa Anita Avenue		
H&S Sec. 34191.5 (c) (1)(A-H)	Proposed Disposition of Property	Retain Property for Governmental Use		
A	Date of Acquisition	9/19/2008		
	Value of Property at Acquisition	\$2,135,751		
	Estimate of Current Value	\$1,208,840		
B	Purpose Acquired	Governmental Use		
C	Assessor Parcel Number	8116-022-909		
	Lot Size (Acres)	1.09		
	Building Square Footage	11,292 SF		
	Zone	C-M		
	General Plan	Commercial Manufacturing		
D	Estimate of Current Value of Parcel	\$1,208,840 or (25.46 sq. ft.)		
	Appraisal Information Available	Yes		
E	Estimate of Revenues Generated by Property	None		
	Contractual Requirements for Disposition of Funds	Seller provided 20-year \$1,850,000 loan		
F	Environmental History	Phase I - Clear		
G	Potential for Transit-Oriented Development	No		
H	History of Previous Development Proposals	None		

PROPERTY MANAGEMENT PLAN

1459 Santa Anita Avenue
South El Monte, CA 91733
APN 8116-022-909

Property Management Plan Team

CITY

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ENVIRONMENTAL CONSULTANTS

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(1) Include an inventory of all properties in the trust. The inventory shall consist of all of the following information:

(A) The date of the acquisition of the property and the value of the property at that time and an estimate of the current market value of the property:

1459 Santa Anita Avenue

- o Date of acquisition: 9/19/08
- o Acquisition cost: \$2,155,751.00 (see R.P. Laurain & Associates, Inc Appraisal Report Dated May 9, 2009 – Exhibit 1)
- o Current estimated value of the property: \$1,203,840.00 (see attached Comps - Exhibit 1)

(B) The purpose for which the property was acquired:

The property was purchased for the purpose of meeting the community's increasing demand for recreational and community activities that can no longer be met with the existing Community Center located at 1530 Central Avenue. In pursuit of its goal of developing the subject site with a youth activity and community center, the City has aggressively pursued grants and other funding sources (see Exhibit 2).

The subject property is adjacent the South El Monte Civic Center, making it an ideal location for a Community Center. With frontage on one of the city's main arterials, access to public parking, proximity to other city departments and services, the location of the subject property provides an opportunity for the City to provide recreation facilities, community meeting and programming facilities for its residents.

In addition to the opportunity to provide necessary services, the City would also benefit from the removal of blight. The previous use consisted of an animal feed and supply warehouse in an 11,292 square foot dilapidated metal structure. The former legal non-conforming use would be replaced with a state-of-the-art Community Center that would be consistent with and further the goals and objectives of the Redevelopment Plan, the city's zoning, and General Plan.

The Community Development Commission of the South El Monte Improvement District entered into a 20-year \$1,850,000.00 loan agreement with the seller of the subject property to partially finance the \$2,155,751.00 acquisition of the subject property (Exhibit 3).

(C) Parcel Data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community or general plan.

- 1459 Santa Anita Avenue (Exhibit 4)
- APN 8116-022-909 (47,560 SF)
- Improvements: 11,292 SF metal warehouse building constructed in 1930 (see Exhibit 4).
- Former Zoning: C-M "Commercial/Manufacturing", Current Zoning: C-M "Commercial/Manufacturing"

(D) An estimate of the current value of the parcel including, if available, appraisal information.

- The current estimated land value is \$1,203,840.00 based on recent Comparisons. (Exhibit 1).

(E) An estimate of any lease, rental or other revenues generated by the property and description of the contractual requirements for the disposition of those funds.

- There are no revenues generated by the property.

(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.

- A Phase I Environmental Site Assessment (see Exhibit 5) was prepared for the City of South El Monte, for the subject property, in August of 2008 by AEI Consultants. Pursuant to the report, there was no evidence of recognized environmental conditions in connection with the property, with the exception of a gasoline underground storage tank (UST) that was removed in the late 1960's and whose location could not be determined.

(G) A description of the property's potential for Transit-Oriented Development (TOD) and the advancement of the planning objectives of the successor agency.

- Although the proposed Community Center does not meet the definition of a transit-oriented development because it does not include a housing component, it does support the development of high density housing by providing needed recreational activities.

- The proposed development would also reduce the amount of required parking by sharing the existing civic center parking lot.
- Additionally, the proposed community center would be along a major city corridor, which has an existing public transportation system. It is also adjacent to State Route 60 (Pomona Freeway). There is presently a plan to extend the Metro Gold Line Corridor through State Route 60 and place a station at Santa Anita Avenue (see attached Exhibit 6). The proposed station would provide pedestrian links to proposed neighboring high-density housing. Both the proposed high-density housing development and the proposed station would be a 5-10 minute walk from the subject site.
 - The proposed development would accomplish the successor agency's goal of abating blighted properties along one of the city's main arterials.

(H) A brief history of the previous development proposals and activity, including rental or lease of the property.

- The subject property was acquired with the goal of expanding the civic center to meet the community's needs. As such, no other proposals have been solicited or considered.
- There is no history of rental or lease of the site.

(2) Address the disposition of all the properties in the trust. Permissible uses include the retention of the property for governmental use pursuant to (a) of Section 34181, the retention or use of the property for future development, the sale of the property, or the use of the property to fulfill an enforceable obligation. The plan shall separately identify and list properties in the trust dedicated to governmental use, purpose and properties retained for the purpose of an enforceable obligation, with respect to use of all other properties.

- (A) If the plan directs the use or liquidation of the property of a project identified in an approved redevelopment plan, the property shall transfer to the city, county, or city and county.

- (B) If the plan directs the liquidation of the property or the use of the 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 subparagraph (A), the proceeds from the sale shall be distributed as property tax to the taxing entities.

- (C) Property shall not be transferred to a successor agency, city, county, or city and county, unless the long-range property management plan has been approved by the oversight board and the Department of Finance.

Disposition Plan

The plan for the City is to retain this asset for governmental use as a youth recreational and community center. The adjacency of the subject property to the City's civic center presents an excellent opportunity for the City to expand its services to meet the needs of its residents. The City has been actively identifying and securing grant funding for the Site's development as a youth recreational and community center (see Exhibit 2).

The Civic Center provides a number of activities and amenities for residents of all ages. The proposed development of the subject site as a Community Center would allow the City to meet the rising demand for recreational space along with community meeting and programming facilities. The proposed Community Center would also house the city's renowned boxing program that sent a boxer to the 2012 Olympics.

Although not exactly a TOD, the proposed use would be a nexus to the reduction of vehicle usage and would encourage public transportation usage. The location of the proposed community center would place it within a 10-minute walk from a proposed high density housing development and the proposed Metro Gold Line Corridor Santa Anita Station.

Intended Use of Sale Proceeds

Since the City has no intension of selling the property, there are no proceeds to distribute to the taxing entities as outline by the dissolution of the Redevelopment in the State. The Property was purchase to control and maintain for future City Municipal development for a citywide recreational facility.