



Economic Development

Major Projects Update

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Economic Development: Priority for Montebello

Cities and communities impacted by the “slow recovery” recession and the elimination of Redevelopment in California.

- Economic Development is better solution than raising taxes:
 - *Cities help themselves by helping the private sector invest locally to create jobs and taxes*
 - *Local Economic Development typically comes from Real Estate Projects and Business Expansion*

Montebello is assertively focusing on key Economic Development projects and securing post-Redevelopment dissolution opportunities through the required Property Management Plan (due in late 2013)

Priority Projects

Following Post-Redevelopment termination and recession, three major Economic Development projects back on track:

- 1. Montebello Hills** – Master-planned community
- 2. Monterey Park Market Place** – Retail project on north side of 60 Freeway in City of Monterey Park
- 3. Costco** – Retailer located on former Montebello RDA owned land (now controlled by Successor Agency)

Projects Overview

City of Montebello
Boundary

Monterey Park
Market Place



Montebello Hills

Montebello Hills – Overview

Project Status

- 488 acre Master Planned Community proposed for entitlement and development by Cook Hill Properties
- Original Montebello Hills Specific Plan Draft EIR (2009) examined in detail five project alternatives
- Three **additional** project alternatives to be evaluated as part of project EIR and considered for approval by City Council
- Draft conceptual site layouts for retail component coordinated by Kosmont

Objectives

- Continue progress by updating project including evaluation of alternatives under CEQA
- Finish processing final EIR and Development Agreement for public review/comment & City Council consideration by end of 2013

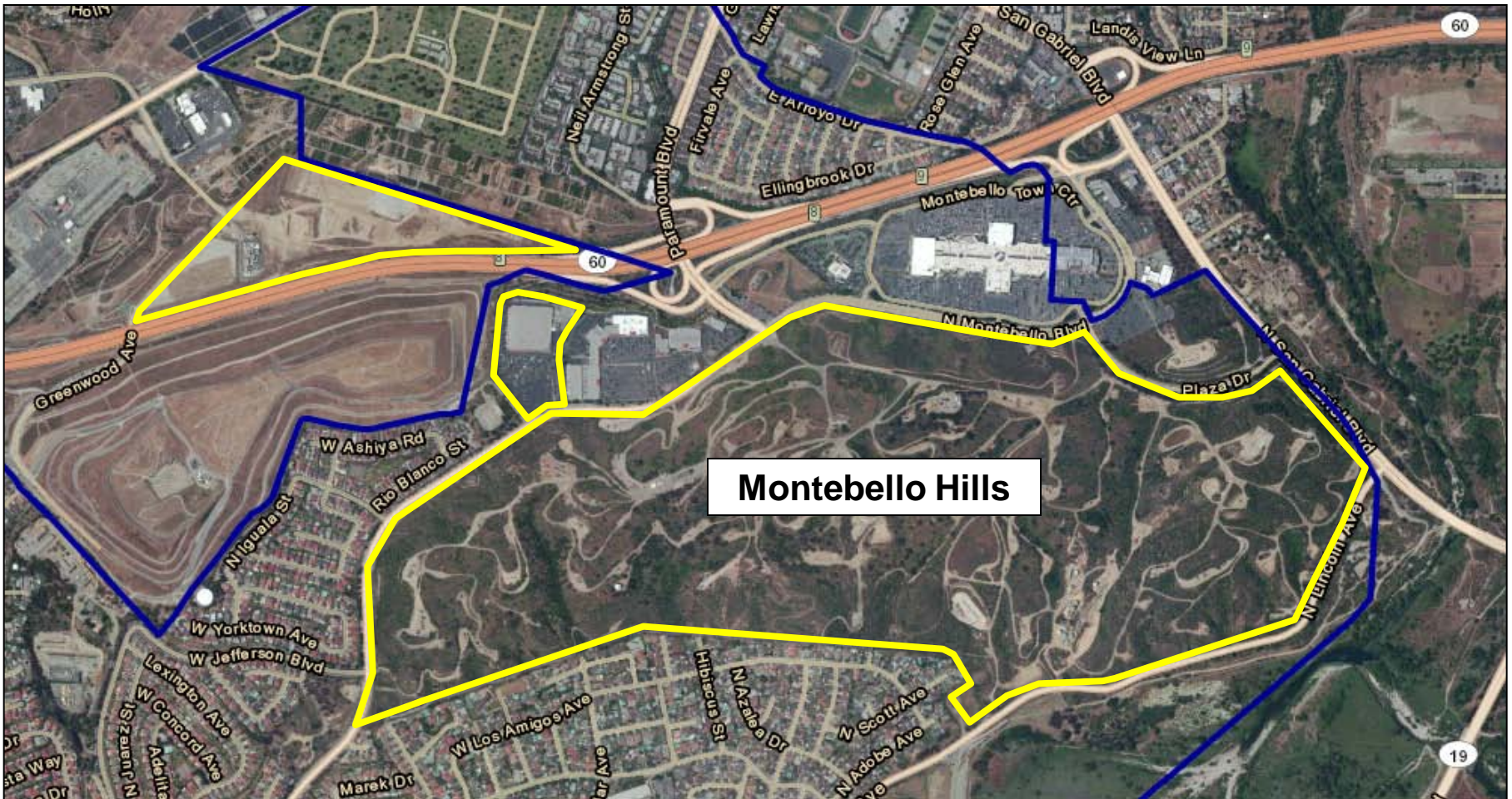
Montebello Hills – Project Summary

Current Montebello Hills Specific Plan (MHSP) Application

- Proposes 1200 homes (mix of single family detached & attached homes)
- Total 488-acre Master planned community
 - 174-acres of development footprint (~36% of land developed)
 - 314-acres of open space (~64% preserved as open space)
 - 260-acre Federally protected Habitat Reserve
 - 5.5-acre public park
 - 13.5-acres of dedicated accessible trails and greenbelts

Montebello Hills – Location Overview

City of Montebello
Boundary



Montebello Hills – History

1990 – 1995: Original Owner Proposed Project

- Chevron Land presents 1st development plan (88% land developed)
- City forms Citizens Advisory Committee (CAC)
- City sponsored development plan finalized (64% of land developed)

1995 – 2005: PXP / Cook Hill

- PXP predecessor acquires project site; Cook Hill affiliated developer
- Federal & State Resource Agencies identify site constraints / required land preservation
- Community Outreach conducted to confirm CAC recommendations

2005 – 2007: Project Revised & Application Complete

- Cook Hill & City Staff collaborate on new Specific Plan development proposal for submittal
- Proposed development plans reviewed with community stakeholders
- City deems MHSP Application complete Dec 2007 (including Zone Change & General Plan Amendment)

Montebello Hills – History

2008 – 2010: Draft Environmental Impact Report (DEIR)

- City prepares and circulates MHSP DEIR for public comments
- Community information meetings and City Council / Planning Commission Study Sessions on DEIR

2010 – 2012: Recent Activity

- Open Space Habitat Reserve achieves criteria from U.S. Fish & Wildlife Service
- Loss of Redevelopment February 1, 2011 – MHSP no longer in RDA project area

Montebello Hills – Current Status

2012/13: DEIR Process continues with changes

- Additional Alternatives 6, 7 and 8 for DEIR
- Alternatives 7 and 8 include retail component

Next Steps:

- Analyze draft additional Alternatives in context of existing DEIR
- Re-circulate portions of DEIR with additional Alternative analysis and other updates, and receive public comments
- Develop responses to public comments and prepare Final Environmental Impact Report (FEIR)
- Concurrently complete Development Agreement between City and Cook Hill
- Ultimately, schedule Planning Commission and City Council Public Hearings by 4Q 2013

Montebello Hills – Added Project Alternatives

	Alternative 6	Alternative 7	Alternative 8
Retail Component	<ul style="list-style-type: none"> No retail 	<ul style="list-style-type: none"> 87,000 SF neighborhood retail Potential Tenant Mix: Grocery anchor, Drug Store anchor and various restaurant, retail and service uses 	<ul style="list-style-type: none"> 87,000 SF neighborhood retail Potential Tenant Mix: Grocery anchor, Drug Store anchor and various restaurant, retail and service uses
# of Homes	<ul style="list-style-type: none"> 1,200 homes 	<ul style="list-style-type: none"> 1,200 homes 	<ul style="list-style-type: none"> 1,072 homes
Composition	<ul style="list-style-type: none"> 49% Single-Family Detached (~588) 51% Single-Family Attached (~612) 	<ul style="list-style-type: none"> 51% Single-Family Detached (~612) 49% Single-Family Attached (~588) 	<ul style="list-style-type: none"> 51.5% Single-Family Detached (~552) 48.5% Single-Family Attached (~520)

Montebello Hills – Site Plan

Conceptual Site Plan with Retail Alternative



Montebello Hills – Fiscal Impact Snapshot

Project Gross Fiscal Impacts (Cook Hill estimates)*

Based on 1,072 to 1,200 homes with approx. ratio of 50/50 detached & attached and potential 87,000 sq. ft. of neighborhood retail.

Snapshot of Project at Full Build Out:

- \$22 million+ in permit and inspection fees
- \$1.5 million in Park Impact Fees
- \$7.5 million in school fees to Montebello Unified School District
- \$6-7 million in new property taxes per year (12.9% or ~\$903,000 accrues to General Fund; 19.8% to City PERS Retirement Fund)
- Approx. \$2.5 million in General Fund Revenues per year*
- 5,000 to 6,500 primarily new construction jobs
- Sales tax revenue and permanent jobs from retail TBD

* Projected gross revenues before expenditures for services; data to be evaluated by City's 3rd party financial consultant
Source: Cook Hill Properties; Fiscal Impact Report by Stanley Hoffman Associates (8/20/12, updated 1/3/13)

Montebello Hills – Next Steps

1. Update project including three proposed alternatives for further evaluation under CEQA (City directs CEQA efforts)
2. Engage consulting team to complete EIR alternative analyses. Primary areas of evaluation:
 - *Aesthetics*
 - *Air Quality*
 - *Biology*
 - *Hazards & Hazardous Materials*
 - *Hydrology & Water Quality*
 - *Recreation*
 - *Transportation*
 - *Utilities & Services*
 - *Greenhouse Gas Emission*
 - *Cumulative Impact Analysis*
3. Negotiate terms of Development Agreement
4. Address public comments as received during CEQA process
5. Process CEQA document for public review & comment; City Council consideration by 4th Quarter 2013

Montebello Hills – Timeline

2008-2010

Draft EIR
Preparation
and
Circulation

2013

Final EIR
Prepared &
Development
Agreement to
City Council
(4th Quarter)

2017-2022

Future
Project
Phases

2011-2012

On Going
Community
Outreach
and Project
Alternatives
Evaluation

2014-2016

Grading,
Infrastructure
and Initial
Project Phase

Monterey Park Market Place

Monterey Park Market Place – Overview

Project Status

- Original Project EIR certified in 2001, went through various developers
- Sales Tax Sharing Agreement between Monterey Park (City and RDA) and Montebello (City and RDA) approved in 2001
 - Allows access easements through Montebello to the Project
 - Identifies retailers not to relocate from Montebello into the Project
 - Creates sales tax sharing arrangement to the benefit of Montebello to mitigate retail leakage (18% of project sales tax revenues)
- Supplemental EIR in 2012 – City of Montebello submitted letters of concern to Monterey Park regarding urban decay & potential retail impacts to Montebello
- December 2012 – Revised 500,000 sq. ft. retail center (~51 acres) proposed by M&M Realty approved by Monterey Park City Council
- Executed modified Agreement will resolve potential impacts

Objective

- Amend Sales Tax Sharing Agreement with City of Monterey Park to primarily address post-RDA era and update restricted retailers

Monterey Park Market Place – Location Overview

City of Montebello
Boundary



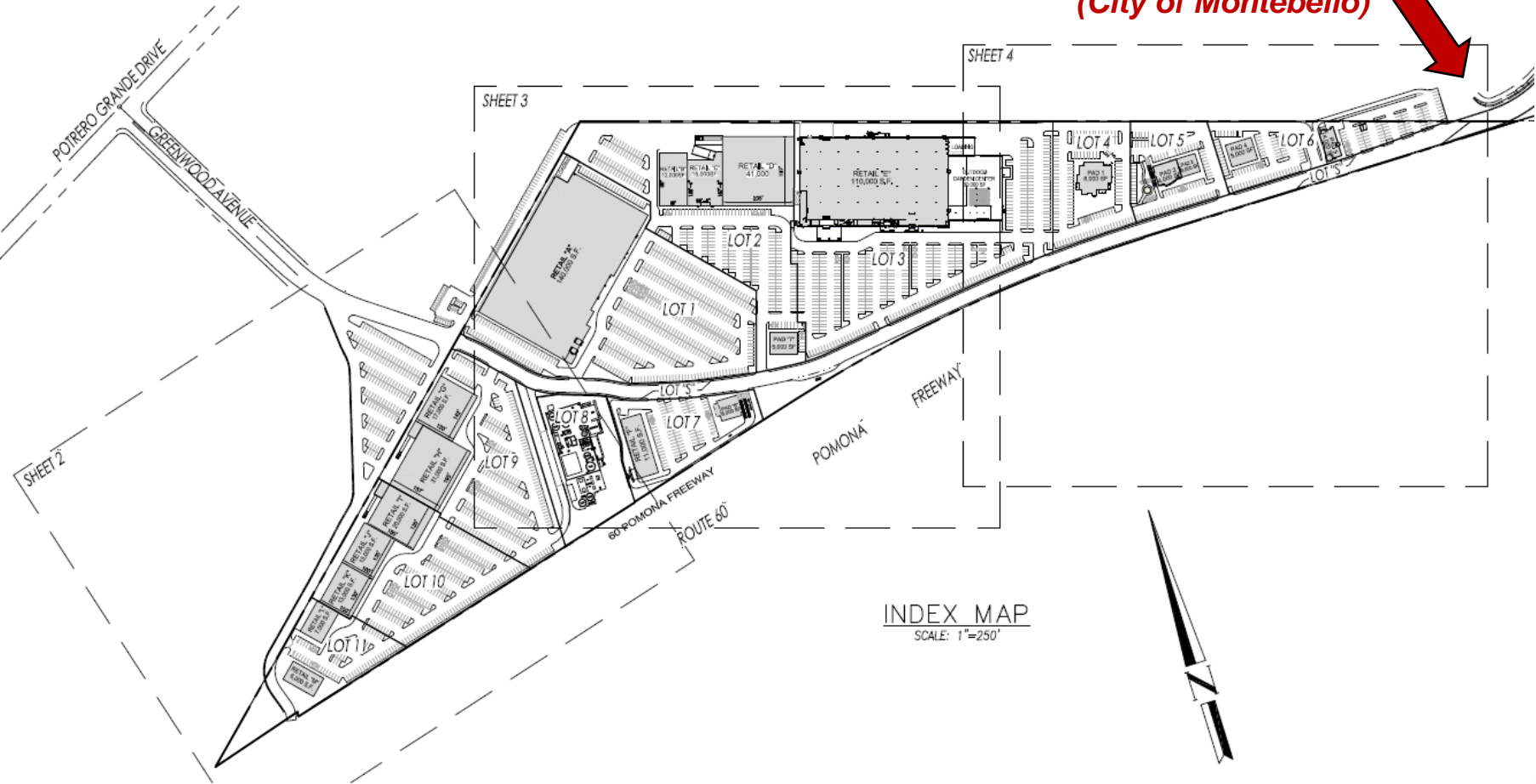
Monterey Park
Market Place



Monterey Park Market Place – Site Plan

Conceptual Site Plan

*Main Point of Access
from 60 Freeway
(City of Montebello)*



INDEX MAP
SCALE: 1"=250'

Monterey Park Market Place – Fiscal Impact

Based on 500,000 sq. ft. retail center with proposed general merchandise and home improvement anchor tenants.

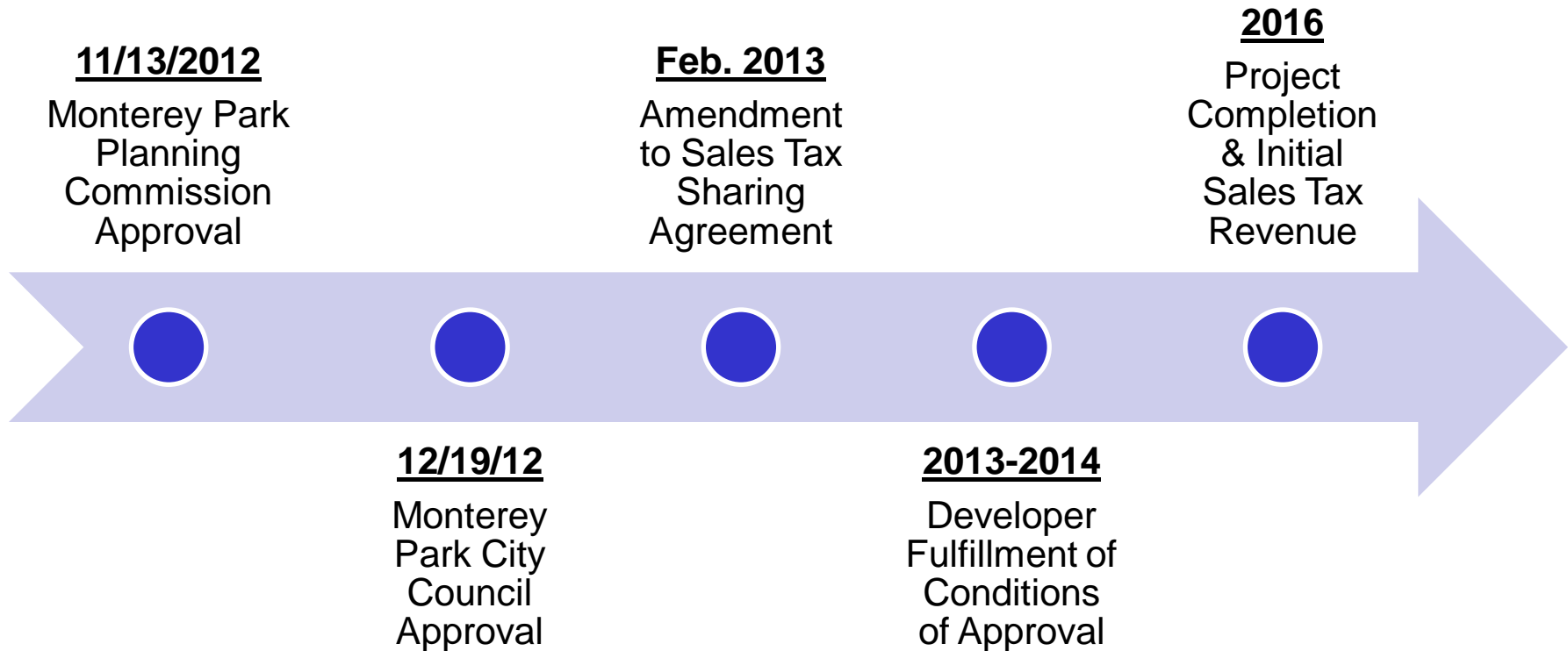
Fiscal Impacts are projected as follows:

- Initially \$234,000 per year to Montebello pursuant to sales tax sharing agreement (18% of projected \$1.3 million in annual sales tax revenue)
- Revenues to start upon project completion anticipated in 2016
- Potential job opportunities (600 temporary construction jobs and 660 permanent retail jobs)

Monterey Park Market Place – Next Steps

1. Meeting with City of Monterey Park to review proposed update/amendment to Sales Tax Sharing Agreement
2. Update list of retailers not to relocate to the Market Place project (modified exhibit to Agreement)
3. Finalize Amended Sales Tax Sharing Agreement in 1st Quarter 2013
4. M&M Project must satisfy Conditions of Approval (EPA, Caltrans, Cal. Public Utility Commission, Edison) prior to breaking ground
5. M&M Project completion projected for 2016

Monterey Park Market Place – Timeline



Costco

Project Status

- Former Montebello RDA property, now Successor Agency, owns land which is leased by Costco (~17 acres)
- Costco recently renewed lease for 5 years (April 2018)
- Costco desires the addition of a gas station
- Costco has option to purchase land from Montebello
- Costco warehouse store sales benefit from a Costco gas station
- Costco is in the process of analyzing feasibility of five gas station alternatives that Kosmont and City team coordinated

Objective

- Work with Costco on feasible gas station solution and retain Costco as key economic development generator for the City (sales in excess of \$100 million per year)

Costco – Location Overview

City of Montebello
Boundary



Costco – Next Steps

1. Costco land owned by City's Successor Agency (SA) part of required State Long-Term Property Management Plan (PMP) per ABx1 26 / 1484
2. City as SA will need to develop PMP, which requires approval by the Oversight Board, within 6 months of Finding of Completion from DOF (April 2013) and generally consists of:
 - Inventory of properties including acquisition value & current value
 - Estimate of lease, rental, and other revenues from properties
 - Identification of the purpose for which each property was acquired
 - History of environmental contamination (if any) & remediation
 - History of previous development proposals and activity, including the rental or lease of property
 - Description of the SA's plans for use and/or disposition of properties
3. City to coordinate with Costco in response to preferred gas station layout 1st Quarter 2013

Costco – Timeline

Sept. 2012

Costco gave Notice of 5-year Lease Renewal to April 2018

Feb. 2013

Expected Costco Response

2014-15 (est.)

Potential New Gas Facility Completion & Operation

Nov. 2012

Evaluation of Gas Layout Options

By Oct. 2013

Property Management Plan

Moving Priority Economic Development Projects Forward in 2013 – Key Steps

- **Montebello Hills** - Complete EIR and Development Agreement and set for public comment and City Council consideration
- **Monterey Park Market Place** - Finalize Amended Sales Tax Sharing Agreement with City of Monterey Park
- **Costco** - Implement PMP including Costco property and collaborate with Costco on gas layout preference/feasibility to reposition as long term City asset