



## REDEVELOPMENT AGENCY AGENDA REPORT



**DEPARTMENT:** Administration

**MEETING DATE:** January 14, 2003

**PREPARED BY:** Kevin O'Brien, Sr Project Manager

**AGENDA LOCATION:** MRA-1

---

**TITLE:** Request for Authorization to Acquire Real Property Located at 101 West Huntington Drive

**OBJECTIVE:** The Redevelopment Agency's goal is to acquire the property owned by Equilon Enterprises LLC (Shell Oil Company) located at the southwest corner of Myrtle Avenue and Huntington Drive. A map of the site which is being considered for acquisition is attached to this report, marked as Exhibit 1.

**BACKGROUND:** Enhancing the Myrtle Avenue entrance to the City has been a longstanding goal of the Redevelopment Agency. The Monrovia Business Center, Mt Sierra College Campus and the Millennium Center are all important redevelopment projects that occupy three corners surrounding the Myrtle Avenue/Huntington Drive intersection. The Equilon/Shell (the "Seller") decision to sell the intersection's final corner (the "Site") prompted the Agency to consider assembling the former Shell station, the unopened medical clinic located at 1109 South Myrtle Avenue, and the Winston Tire site at 116 West Huntington Drive. The entire development site is approximately 42,000 square feet. To date, the Agency has acquired title to the medical clinic and is negotiating for the purchase of the Winston Tire site. A tentative agreement to acquire the Site has been reached, and is now presented to the Agency for consideration. The property will be used for a mixed-use project that may include high-tech office, bank office space, and/or loft style housing, which may include an affordable housing component.

The Agency's objective for South Myrtle Avenue has remained unchanged over the years. The desired objective is the revitalization of the South Myrtle Avenue corridor that leads to the heart of the community, Monrovia's historical Old Town.

**ANALYSIS:** As a first impression, the drive north on Myrtle Avenue from the 210 Freeway to Huntington Drive detracts from Monrovia's otherwise vibrant, yet, small town image. The hodge-podge of obsolete industrial, retail and office uses, presents a blighted impression that stigmatizes the entire community as rundown and blighted. Clearly, this negative image is contrary to the City's true identity. This poor image is reinforced on the southwest corner of Myrtle and Huntington, particularly since Shell Oil closed its service station.

The redevelopment concept for this area contains four basic elements: (1) Design an attractive entry statement for traffic exiting the 210 Freeway, (2) Construct a landscaped median with decorative lighting leading from the 210 Freeway to Huntington Drive and Old Town, (3)

# MRA-1

Redevelop the southwest corner of Myrtle and Huntington Drive consistent with the three other corners, and (4) Promote new development along this three-block corridor of South Myrtle Avenue

To determine the fair market value of the Site, the independent appraisal firm of Fred D Campagna & Associates was retained to conduct the property valuation. The appraisers are MAI qualified, which is the highest level of certification in the appraisal field. They have substantial experience in appraising similar real estate.

As of January 4, 2002, Fred D Campagna & Associates established a value of \$574,775.00 for the service station, improvements and equipment. Since the appraisal was prepared in January of 2002, some appreciation has accrued over the intervening months. Following extensive negotiations, the parties have agreed upon a purchase price of \$614,388.00, contingent on Agency Board approval. This is approximately 7% above the appraised value.

As the location of a former gasoline filling station, the question of responsibility for toxic cleanup was a major issue during property negotiations. The Seller has agreed to assume responsibility to remove all underground tanks, and remediate all toxic material that is encountered. During the remediation process, the Agency will have the right to test the site, and any additional material encountered must be removed to the complete satisfaction of the Agency. The Seller is also required to secure a "site clearance" letter from the Los Angeles County Department of Public Works, the body that will monitor the tank removal and site remediation.

**OPTIONS:** The Agency Board's options are as follows:

1. Authorize the purchase of 101 West Huntington Drive as outlined in the Staff report.
2. Reject the purchase terms as outlined in the Staff report and direct Staff to renegotiate specific items.
3. Elect not to purchase the property.

**FISCAL IMPACT:** Under the proposed agreement, the Agency would pay \$614,388.00 for 101 West Huntington Drive. In addition, the Agency would be responsible for the customary closing costs. All costs incurred by the purchase would be paid from the Agency's Housing Set-Aside Fund. Housing funds are available for this purchase.

**RECOMMENDATION:** This acquisition is the second step toward completing this important mixed-use project. Staff recommends that the Agency Board authorize the Executive Director to acquire 101 West Huntington Drive.

**AGENCY ACTION REQUIRED:** A motion to approve the purchase of 101 West Huntington Drive and authorize the Executive Director to execute the required documentation.

Respectfully,

  
Scott Ochoa  
Assistant Executive Director

**MRA-1**

