

For Immediate Release

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STATE SELECTS DEVELOPER FOR STATE PROPERTY IN CHINO

Developer, State to share in profits of future development

(Sacramento)—The Department of General Services (DGS) today announced that Majestic Realty Company has been chosen to lease and develop 150 acres of state-owned property in Chino; guaranteeing the State a new revenue stream to support the General Fund for years to come.

DGS will now negotiate a long-term ground lease with Majestic Realty Company to develop the currently underutilized property which comprises a portion of the California Institution for Men, located at 14901 Central Avenue in San Bernardino County. A contract is expected to be in place later this year with construction anticipated to begin in 2012.

“This unique land lease will allow the State to generate much-needed revenue from underutilized property, while ensuring the State retains ownership for future use if necessary,” said DGS Acting-Director Scott Harvey. “It is a great opportunity for the community to benefit from new development while we help shore up the State budget.”

In 2009, the Legislature (Government Code Section 11011.2) and governor granted DGS authority to enter into long-term leases of property owned by the state that is of no immediate need to the state.

Majestic Realty Company, headquartered in the City of Industry, is a family-owned, privately held California corporation with 70 million square feet of real estate in its portfolio including ten million square feet of leased industrial space.

The Department of General Services acts as the business manager for the State of California. DGS helps state government better serve the public by providing services to state agencies including procurement and acquisition solutions, real estate management, leasing and design services, environmentally friendly transportation, and architectural oversight and funding for the construction of safe schools.

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