

# **Fred C. Nelles Facility Information Meeting**

## **October 1, 2009**

10:15 a.m. start

1. Jonathan Heim (Dept. of General Services) - opening comments and introductions
  - a. Dan Potash – consultant for Dept. of Corrections and Rehabilitation (CDCR)- is available to answer questions for the reentry facility mentioned in RFP.
  - b. Garrett Carter/Scott Kaplan- CBRE marketing Leggett & Platt site, sold separately but adjacent to Nelles site.
  - c. Norma Fong-Mori- CDCR, will conduct the site tour later in the morning. Ms. Fong-Mori distributed a separate sign-in sheet for touring the facility.
  
2. Site history
  - a. Facility opened in 1891
  - b. Closed in June 2004
  - c. Declared surplus and offered for sale between 2004-06
  - d. Dept. of Corrections requested the site be removed from list of sites for sale. Because they had a need for sites.
  - e. 2009 Dept. of Corrections decided not to use site, gave to Dept. of General Service to sell
  - f. RFP issued 8/17/09, due 11/20/09.
  
3. Q&A
  - a. All questions posed today will be answered and then posted on the DGS - Nelles website. Answer on website is final answer.
  
4. Jeff Collier (Director of Community Development, City of Whittier)
  - a. Introductions of City Staff (Stephen Helvey, City Manager; Ben Pongetti, Redevelopment Manager; Tomas Duran, Redevelopment Manager; Luis Escobedo, Associate Planner)
  
  - b. Background info
    - i. Whittier residents originally advocated for the Nelles site in the 1890s to create local jobs.
    - ii. In continuous use for 113 years
    - iii. City is looking for opportunity to have the site contribute to the local economy again.
  
  - c. Site information
    - i. Located in Whittier Boulevard Specific Plan “Workplace District area
    - ii. WBSP directs that a new specific plan will be required for development of the Nelles site.
  
  - d. City goals
    - i. Shifted from what’s listed in Request for Proposal (RFP), which was developed 4-5 years ago.

- ii. City recognizes it will be mixed use
    - 1. want to see revenues from uses on site to help fund the services, approx \$1 to \$2 million/year
  - iii. Wants uses compatible to other local uses
    - 1. Presbyterian Intercommunity Hospital
    - 2. Uptown - historic Central Business District
  - iv. Want to work as a partner with the State
    - 1. Recognize that there needs to be a balance point between City revenue goals and State's sale price goals
    - 2. Land use mix resulting in residual land value that will allow consummation of sale by the State
- e. Issues of Note with regard to reuse of site.
- i. Traffic- Whittier Blvd is State highway and is congested during peak commute hours
  - ii. Intersections- know we need improvements and Blvd may be needed to be widened
  - iii. On site infrastructure
    - 1. It's old and needs to be updated,
    - 2. Sewer lines and storm drains need to be increased in size and connected to Washington Boulevard - possibly pass through PIH and/or residential area
  - iv. SB 375
    - 1. New regulations that will impact this project
    - 2. Law requires the reduction in greenhouse gases via a reduction in vehicle miles traveled
    - 3. Regional Targets Advisory Committee (RTAC) Report has been issued with recommendations and best management practices that will likely be included in measures to be implemented under SB 375 – these recommendations will likely need to be incorporated into any project on the Nelles site.
      - a. Need to discuss how to incorporate those components and meet City and State goals
  - v. Inclusionary housing requirement
    - 1. 15% requirement for low and moderate income housing (likely that 40% of which will be very low-income under Health and Safety Code Section 33413)
  - vi. Historic
    - 1. Site is designated by the State as a historic resource,
    - 2. The City will be the lead agency for compliance with CEQA for any future development of the property. SHPO has requested the opportunity to review any such development plan so that he might advise the City and the developer as to the best means of preserving as many of the historical resources as may be prudent and feasible.
  - vii. Leggett and Platt
    - 1. adjacent parcels currently for sale and represented by CBRE
    - 2. represents opportunity for assemblage to create a larger site
  - viii. Access
    - 1. Conceptual entrances to site at intersections of Mar Vista and Whittier Blvd. and Elmer extension and Whittier Blvd.

2. Will require coordination with Caltrans. City will help facilitate those negotiations
3. New signal for access already approved at Pacific Place and Whittier Blvd.

5. Question and Answer session

- a. Please discuss how auto wrecking and mini storage sites may fit into a larger development plan.
  - i. Jeff Collier pointed out location on map adjacent to Nelles and Leggett and Platt sites.
  - ii. He mentioned additional Caltrans ROW at the front of the Nelles site and suggests State work with developers to get the land as part of Nelles.
  - iii. Mini storage may be willing to relocate to another location on the site.
- b. How much retail vs. housing (% for Commercial, Residential, and Retail)?
  - i. Enough to generate target revenue to City and high enough residual land value to State to consummate the sale
  - ii. City does not have defined share of uses at this point
- c. Escrow Closing requirements -
  - i. Will state hold to close until entitled?
    1. Yes
  - ii. EIR will be required? If so, how long should we estimate it will take to complete?
    1. Yes, an EIR will be required. The City will bring in consultant to expedite project entitlements, specific plan, and EIR.
    2. For a project of this size, developers should factor one year to get through EIR and specific plan process.
- d. Historic designations?
  - i. Please refer to the Historic Resource Assessment by Page & Turnbull dated November 15, 2005 on page three of the RFP for a complete report on the historical aspects of the site.
- e. Can buildings be moved?
  - i. It is possible. However, this should be included in the developer's proposal. The State Historic Preservation Office (SHPO) will discuss details with developer that submits the winning proposal.
- f. Is the Caltrans Right of Way (ROW) available?
  - i. DGS is working with Caltrans on this issue.
  - ii. Yes. It is available and likely deliverable with the Nelles site, but is a separate process.

- g. ROW between property and freeway, is that available?
  - i. This isn't known yet.
  - ii. Caltrans said maybe, but they need to analyze and figure out how to make it work with setbacks and other requirements.
- h. Is the site in City of Whittier?
  - i. Yes, Nelles is in Whittier, but adjacent to County Unincorporated area.
  - ii. The site is located within Los Nietos School District, not in Whittier City School District.
- i. Hazardous material reports?
  - i. Phase 1 is posted on website via embedded links.
  - ii. Entire site was steam heated and there is Transite pipe throughout the site.
- j. Railroad ROW adjacent to Nelles? Who owns it?
  - i. Owned by Southern Pacific except for the other portion which has already been purchased by Leggett and Platt
- k. Public easements on site?
  - i. Yes, for public utilities.
  - ii. It is suggested that developers obtain a preliminary title report.
- l. Is ALTA survey on website?
  - i. Yes. Look for hyperlink on website.
- m. Are there housing funds available for inclusionary housing?
  - i. Yes, WRA has set aside funds
- n. What is the breakdown of affordable units the City is going to require?
  - i. We have not specified anything however the City would like to see a spectrum of affordability.
  - ii. Under State law, 40% of the 15% affordable units is to be set aside for very low income units.
- o. With regard to the historic buildings, will the City be involved in their preservation?
  - i. The State (DGS) will not be negotiating with SHPO.
  - ii. May be an unknown until entitlement processing and CEQA process.
  - iii. State Historic Preservation Office wants to see the site's development proposal before it will make a determination.

- p. Do you have old maps showing the site's layout?
  - i. Yes, they are available on the DGS Nelles website for this sale.
- q. City desires revenue of 1-2 million annually – does this amount include property tax revenues?
  - i. No, the amount is in addition to property taxes. Revenue generated can be from revenues such as sales taxes, transient occupancy taxes, etc.
- r. Has the property been appraised?
  - i. Not recently.
- s. Has State determined their selection process under the RFP? Whittle down to top 5? Then interviews?
  - i. The State will weigh the proposals and select the buyer who, at the sole discretion of the State, offers the best opportunity to meet the State's objective of receiving the highest and most certain return within a reasonable time.