

CITIES REPORT
November/December 2023

AZUSA

IDS Real Estate Group has obtained \$84 million for Azusa Industrial Center, a three-building campus in Azusa, Calif. PGIM Real Estate provided the four-year, floating-rate loan through its debt fund that focuses on transitional bridge lending.

Working on behalf of the borrower, JLL arranged the post-close acquisition financing; IDS had purchased the property in July for \$126 million.

Completed between 1986 and 1987, Azusa Industrial Center comprises 432,500 square feet across its three buildings that feature clear heights ranging from 24 to 30 feet. The industrial campus has a total of 73 dock doors, seven grade-level doors and truck courts ranging from 130 to 160 feet. The property is currently 100 percent leased by four tenants.

BALDWIN PARK

Cress Capital, together with Brasa Capital Management, has purchased a three-building industrial property totaling 122,904 square feet in Baldwin Park, Calif., within Los Angeles' submarket of San Gabriel Valley. Shea Properties sold the asset for \$15 million.

Colliers negotiated on behalf of the seller, while JLL assisted the buyer in securing acquisition financing—a \$7.5 million loan originated by River City Bank, the same source shows.

Located at 315, 345 and 365 Cloverleaf Drive, the one-story buildings include ESFR sprinkler systems, 22-foot clear heights, sky lights, loading doors, dock levelers and bumpers, trailer parking spaces and 191 vehicle parking spots, according to the same data provider. Additionally, all buildings also feature a two-level office component.

A total of 14 tenants are present at the property, fully occupying the asset. The roster includes Goodman Distribution and Home Depot, which have long-term lease agreements in place.

The 7-acre asset is close to interstates 605 and 10, allowing easy access to the Greater Los Angeles area. It is also 16 miles from downtown Los Angeles, within 31 miles from Port of Los Angeles and 38 miles from John Wayne Airport.

CHINO HILLS

Cynthia Moran was selected by the Chino Hills City Council Mayor for 2024..

This will be her third term as mayor, having been elected to the council in 2012. The position is rotated in Chino Hills every year. The first of her top three goals is to come up with a financial solution to the city's lighting and landscape districts that are being subsidized by the city's general fund.

Her third goal is to ensure the city's aging infrastructure and public amenities are addressed in a timely manner to maintain the quality of life residents expect in Chino Hills. "We're 32 years old and some of our original parks and amenities are aging," she said.

She looks forward to doing something different for the State of the City address to keep it fresh so residents can engage with the city.

Ms. Moran said "celebrating people" and reaching out to new businesses has always been important to her.

Ms. Moran, 57, is a substitute teacher in the Chino Valley Unified School District, where she gets to hear input from youth in Chino Hills. "It keeps me relevant and it's nice to get in the trenches," she said.

The new mayor is an advocate for uplifting and empowering women of all ages to be the best they can be and has been a featured speaker at events where she motivates others.

DIAMOND BAR

At its regular meeting of Dec. 5, 2023, the Diamond Bar City Council held its annual reorganization appointing Stan Liu to serve as mayor and selecting Chia Yu Teng to fill the role of mayor pro tem. This will be their first term serving as mayor and mayor pro tem, respectively.

Liu was elected to the City Council in 2020 and previously served on the City's Parks and Recreation Commission. He holds a Masters in Business Administration from California State University, Los Angeles and is an entrepreneur in the digital and sustainability sectors. Currently he is co-founder and CEO of ZTAG, a wearable device company that combines technology with social and physical activity.

Teng was elected to the City Council in 2022. He has a doctorate in chemistry from Cornell University as well as a Doctor of Medicine from the University of Miami. He has practiced medicine for more than 30 years, and has a clinic in neighboring City of Industry. In 2004, Teng co-founded Central Health Plan of California, a Diamond Bar-based healthcare organization serving older adults throughout Southern California.

Also as part of its annual reorganization, the outgoing mayor, Andrew Chou, was recognized and thanked for his service as mayor over the past year. Chou was first elected to the City Council in 2018 and was re-elected in 2022.

Every December, the City Council select one of its members to serve as mayor and another to serve as mayor pro tem for a one-year term. The mayor presides at city council meetings, serves as the Council lead representative at community events, and performs other ceremonial duties. The mayor pro tem fulfills this capacity in the mayor's absence.

EL MONTE

The owners of a 7-acre Amazon-leased property with outdoor storage space and a 27,350-square-foot industrial building in El Monte secured \$20 million in refinancing. Records show Standard Insurance Company provided the loan to an entity that shares an address with FB Logistics & Storage.

The site is at 4350 Temple City Boulevard, across the street from one of Amazon's distribution facilities in El Monte, Calif. L.A.-based Bandon Capital Advisors arranged and announced the financing Thursday but

did not disclose the name of the borrower, the lender or the tenant, other than to describe it as a Fortune 500 company.

The refinancing highlights the growing popularity of industrial outdoor storage (IOS) assets, particularly in strong industrial markets like L.A., and also underscores the relevance of life companies in the tight lending environment, according to Bryan Kenny, co-founder and president at Bandon Capital.

Los Angeles has the second-largest industrial real estate transaction volume in the nation, behind only the Inland Empire to the east, accounting for \$3.55 billion in deals in the first 10 months of the year, according to CommercialEdge's most recent market report. L.A. County is also the second-most-expensive property for buyers, with assets selling for \$314 per square foot.

GLENDORA

The City of Glendora's Finance Division will be closing the front counter to the public for the week of December 25-29, 2023, due to system upgrades that will help us better serve the community. In-person payments for water bills, development permits, and passports will be temporarily unavailable during this time. Water Bill Payments can still be made online, via the drop off at City Hall, or via the automated phone payment system - Visit cityofglendora.org/waterbilling for more info.

Finance Division front counter services are anticipated to resume regular work hours beginning Wednesday, January 3rd, 2024.

For additional assistance, contact the Finance Division:

Email: FinanceOutside@CityOfGlendora.org

City Hall General Line: (626) 914-8200

IRWINDALE

Rexford Industrial Realty has tapped into two deals worth \$245 million that include the purchase of a nearly 1 million-square-foot brewery in Irwindale and a loan to a national beer maker.

The Los Angeles-based real estate investment trust paid \$120 million for a 993,000-square-foot industrial facility at 15801 West First Street leased by City Brewing. The seller was Pabst Brewing, based in San Antonio, Texas.

Rexford also issued a \$125 million loan to Pabst, secured by a 150-acre industrial development site next door. The five-year, fixed-rate loan has an interest rate of 8 percent and includes a right-of-first-offer for Rexford to buy the San Gabriel Valley property.

The 75-acre property leased by City Brewing is the site of Irwindale Brew Yard, which Pabst bought in November 2020 for \$150 million.

The famous brewery along the 210 Freeway, which once spanned 227 acres, was built by Miller Brewing in 1980 to replace the Irwindale Raceway, which ran drag races until 1973.

The combined \$245 million investments were funded by proceeds from Rexford's cash settlements and available cash, and are projected to rake in 6.8 percent in returns before interest payments.

LA VERNE

Investment management firm and landlord Edens secured full occupancy for Foothills Plaza, a 64,522-square-foot property at 1335-1397 Foothill Boulevard in La Verne that is anchored by Sprouts Farmers Market. Irvine-based consulting firm Axiom Retail Advisors arranged the leases from Daiso, Water Wings, Hotworx Yoga and Prizm Dental for Edens, but did not disclose the lease terms.

Edens purchased Foothills Plaza, along with two other grocery-anchored retail complexes, in December of last year from previous owners Combined Properties. Edens spent \$136.8 million on the more than 400,000-square-foot Los Angeles County portfolio.

ONTARIO

Stater Bros. Markets is opening a 47,491-square-foot store in Ontario, California. The new store, located at 930 N. Haven Ave., will feature full-service meat, seafood, service deli and bakery departments and will offer fresh sushi prepared by trained sushi chefs.

The store will also feature prepared foods such as pollo asado, a burrito bar, sandwich wraps, Korean fried chicken wings and a variety of heat-and-eat dishes, the company said. The grocer also noted that the new store will sell an assortment of pastries, fruit-filled conchas, chocolate-strawberry croissants, tres leche coconut parfait and guava and cheese strudels.

The store will serve as the anchor tenant for The Collection neighborhood center, which is being developed by Lewis Retail Centers, the company said.

POMONA

Positive Investments has acquired a 138-unit apartment complex in Pomona, Calif., property records show.

The firm purchased Terramonte at Foothill, at 150 West Foothill Boulevard, for \$35.5 million, or just over \$257,000 per unit, from a private seller. Institutional Property Advisors (IPA), a division of Marcus & Millichap (MMI), brokered the sale.

Constructed in 1963 on 9 acres, the property is a 35-building, garden-style complex with a mix of units ranging from studios to three bedrooms. It's also surrounded by universities: University of La Verne, Western University of Health Sciences, The Claremont Colleges and California Polytechnic State University, Pomona.

Also, CapRock Partners has hired Stream Realty Partners as exclusive leasing agent for its West Valley Logistics Center, a 269,780-square-foot Class A industrial development in Pomona. The property is currently under construction and is expected to come online in 2024's third quarter. Douglas Franz Architects is the designer, while the general contractor in charge is Fulcrum Construction.

CapRock purchased the development site in December 2020, through its \$250 million Industrial Value-Add Fund III. One year later, the company also landed a \$50 million construction loan, originated by JPMorgan Chase.

Stream Realty Partners Executive Vice Presidents Wes Hunnicutt and Matt Moore, together with Associate Mike Torres, will be in charge of marketing West Valley Logistics Center for lease.

West Valley Logistics Center is taking shape at 4200 W. Valley Blvd. It is a speculative project designed to gain LEED certification, planned to include 40-foot clear heights, 28 dock-high doors, a two-story office component totaling 10,000 square feet, secure dual access with drive around capabilities, 130 vehicle parking spots and 45 trailer parking spots.

The 12.5-acre industrial development is close to the Interstate 10 and State Route 57 interchange, 17 miles from Ontario International Airport, 28 miles from downtown Los Angeles, 44 miles from Port of Los Angeles and within 47 miles of Port of Long Beach.

RANCHO CUCAMONGA

Progressive Real Estate Partners has brokered the sale of a 21,918-square-foot retail property located at 10582 Foothill Blvd. in Rancho Cucamonga. A Michigan-based private investor sold the asset to a San Gabriel Valley-based private investor for \$7.4 million in an all-cash transaction.

Part of the 645,000-square-foot Terra Vista Town Center, the nine-tenant retail building was fully occupied at the time of sale. Current tenants include multiple beauty service providers, a jeweler, an escape room and a children's indoor playground. All leases are triple net with staggered lease expirations, embedded annual rent increases and below-market rents.

SAN DIMAS

JLL Capital Markets has secured \$32.9 million in financing for 300 East Arrow Highway, a single-tenant property in San Dimas.

Western Pacific Storage Solutions, a leader in the engineering and manufacturing of industrial storage solutions, shelving systems and material handling, occupies the 165,070-square-foot facility. The company has occupied the space for its manufacturing operations since 2001.

Built in 1972 and expanded in 1989, 300 East Arrow Highway features 15 dock-high doors and one ground-level door, a 130-foot secured truck court and multiple points of ingress/egress. Additionally, the property offers ample parking, 4000A/480V power and 21,000 square feet of two-story office space.

WEST COVINA

The City Council of West Covina approved new and revised fees and charges for services provided by the city – including development services, public safety, community services, and administration – in hopes of improving the city's revenue.

The new rates will create more equity between taxpayers and fee-payers would be gained, additionally, the city's financial picture will improve, officials said.

By updating the fee schedule, it is estimated that the city could have a possible increase in revenues of about \$1.4 million, according to a staff report.

The last comprehensive citywide fee update was done in December 2017, and council members unanimously approved updating the fees to reflect the current costs of providing services.

During the public hearing, residents commented on their concerns that the increase in fees would become the responsibility of the residents to pay and bring the city this revenue.

State and local governments use charges and fees to help fund programs and offset the cost of providing various services, according to the staff report.

Fees should be reviewed and updated periodically based on factors such as inflation, increased cost of doing business, adequacy of cost recovery, use of services and the competitiveness of current rates, according to the Government Finance Officers Association (GFOA).

In a December 2020 State Audit, West Covina was found to not have adjusted the fees it charges for services so that they align with the full cost to the city of those services, resulting in the city's reliance on its general fund revenue to subsidize those services, according to the staff report.

To ensure that the fees the city charges for services align with its costs, the State Audit recommended that the city use a phased approach that steadily increased its fees each fiscal year until it fully recovers the costs of the services it provides, and the city reassess the full costs of its services at least every three years.

In November 2021, the City Council awarded an agreement to Revenue & Cost Specialists, LLC for a comprehensive municipal fee study. The study kicked off in January 2022, followed by a series of focused meetings going into the details of every user fee. All the data was reviewed multiple times to ensure confidence by city staff.

The draft and final reports were reviewed by West Covina administration from June 2022 through March of this year.

This fee study addresses all departments providing development services, public works, public safety, community services and administration. The City held community workshops on Aug. 28 and Sept. 6. In addition to the workshops, individual meetings were scheduled with interested council members and the consultant.

The changes recommended in the study came before the city council for approval at its Tuesday, Dec. 5, meeting.

Since the recommendations and suggestions made in the study were adopted, the City of West Covina would increase cost recovery by about \$1.4 million on an annual basis, according to the staff report. Development services and public safety could achieve the greatest cost recovery from new revenues.

The finance director went on to explain the process of how each fee was looked at and the hours allocated per service, which were evaluated and taken through an in-depth review by the department and the consultant.

The West Covina City Council voted 5-0 to establish and adopt the new and revised fees and charges for services provided by the city. The fees will go into effect in February 2024.