



# AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

**DATE:** November 7, 2017

**TO:** Mayor and City Council

**FROM:** Chris Freeland  
Executive Director

**SUBJECT: LONG RANGE PROPERTY MANAGEMENT PLAN (LRPMP) – PRESENTATION OF PROPOSED DEVELOPMENT BY SINGPOLI GROUP LLC ON THE AGENCY ASSETS APN NOS. 8735-002-906, 8735-002-909, 8735-002-910, AND ON A PORTION OF THE 84.27-ACRES OF SUCCESSOR AGENCY LICENSED AREA ON APN NO. 8735-002-018**

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## RECOMMENDATION:

It is recommended that the City Council, acting as the Successor Agency, to provide staff direction.

## BACKGROUND:

The Successor Agency (Agency) to the former West Covina Redevelopment Agency received a Finding of Completion (FOC) from the Department of Finance (DOF) on December 16, 2015. Shortly thereafter on December 18, 2015, the Agency also obtained DOF approval of the Long Range Property Management Plan (LRPMP). As a result, the Agency is proceeding with implementing the LRPMP, specifically the disposition of the six (6) assets listed for sale.

On October 17, 2016, the Agency received an unsolicited Letter of Intent (LOI) from Singpoli Group LLC (Singpoli) for the purchase of three of the Agency assets located at the BKK Landfill site (130-acres), and rights to the area on the top deck the Agency has under license (84.27-acres) (see Attachment No. 1 for referenced areas).

Singpoli, founded by Herman Hui, began as a construction company in Hong Kong in 1977. Over the years, Singpoli become a prominent construction company in Hong Kong. In 1991 Singpoli established itself in Southern California and quickly expanded into real estate investment. Today the company, led by Mr. Herman Hui's son Kin Hui, extends into several real estate disciplines, including architecture and design, development and real estate services, and management. Singpoli's portfolio includes office, retail, multi-family, hospitality, and mixed-use projects including: Colorado at Lake mixed-use project (Pasadena), DusitD2 Constance Pasadena Hotel (Pasadena), 2 North Lake Offices (Pasadena), and Landmark Tower condominiums (Milpitas).

Pursuant to conversations with Singpoli, they indicated their intent to develop the site into an outdoor recreational park. At the time Singpoli was partnering with Lan Kawi Fong Group (LKF) and Mr. Tom Mehrmann. Singpoli includes a variety of companies that focus on real estate development, real estate brokerage, financial services (insurance agency & mortgage brokerage), architecture, construction, restaurant management, and a media network. Mr. Mehrmann and LKF Group have experience working on park development, specifically having experience working on Ocean Park in Hong Kong. Ocean Park is a combination of a marine mammal park, oceanarium, and animal themed amusement park.

On December 6, 2016, the City Council, acting as the Successor Agency, approved a 90-day Exclusive Negotiating Agreement (ENA) with Singpoli for the purchase of the Agency assets at the BKK Landfill site, and rights to the area on the top deck the Agency has under license.

On March 20, 2017, Singpoli, LKF, and Mr. Mehrmann in a Closed Session City Council Meeting, made a presentation to the City Council concerning its interest in purchasing the property for possible development. City Council discussed the possible sale but requested more information. The Successor Agency approved a 90-day extension, which would have expired on June 4, 2017. Due to the time and resource commitment required to further conduct the due diligence of the proposed purchase, Singpoli requested an additional extension from 90-days to 180-days.

On May 16, 2017, the City Council, acting as the Successor Agency, approved an extension to the ENA with Singpoli. However, the ENA extension approved was through September 2017. On September 12, 2017, Singpoli made a presentation to the City Council in a Closed Session Meeting presenting a revision to their proposal with respect to acquisition of the property. At that time, Council did not extend the ENA and allowed the ENA with Singpoli to expire. Council requested that Singpoli make a presentation regarding their proposed development at a public City Council Meeting before additional discussions regarding sale of the site.

## **DISCUSSION:**

The development proposal includes a hotel, virtual reality park, horse training facility with event space and pavilion, horse barns and stalls, aerial adventure park (zipline), a solar and greenhouse program, and a K-9 training facility (Attachment No. 2). The attached site plan of the proposed development project is preliminary and is being submitted for consideration by the Successor Agency. The proposed development would feature a hotel with approximately 270 rooms and include 20,000 square feet of meeting space and banquet facilities on approximately 3-4 acres. Singpoli is proposing to build subterranean parking to maximize efficient use of the site's elevated surface area. In addition, the virtual reality (VR) park would encompass approximately 5-acres. The VR park would consist of large buildings similar to warehouse buildings that would-be shells on the exterior but designed to be aesthetically pleasing and the interiors would accommodate the VR experiences. Similar to the Disneyland's ride "Soarin' Around the World" or Universal Studios "Harry Potter and the Forbidden Journey".

The proposed development includes a horse training facility the size of Arcadia's Santa Anita Park on top of the Class III landfill, which would include an event space and pavilion in the infield area of the track. The track would be for training purposes only, no formal racing or betting would be conducted on the site. As Santa Anita Park hosts events in the infield for family-friendly carnivals

and cultural festivals, Singpoli is proposing to similarly take advantage of the infield space to enable a wide variety of events for the community to enjoy. To accommodate the Equestrian Center, the proposed development includes approximately 47 barns with 1,400 horse stalls and an employee village including 264 dormitories with a cafeteria and recreation center. The zipline and aerial park would include ziplines and rock climbing. In addition, Singpoli proposes the installation of a trail from Big League Dreams to Galster Wilderness Park Nature Center along the property line to Los Angeles County trail in the City of Walnut. Singpoli is proposing a K-9 facility on 2-acres of the site. The facility would provide the West Covina Police Department and other nearby departments with a local training facility for the K-9 team and provide a much-needed facility in the region.

While the Class I landfill is not part of the Agency property, Singpoli is considering opportunities for the site. Singpoli has included a solar greenhouse, a new concept of a solar farm with agriculture below. New solar technology allows solar panels to be translucent enough to allow sunlight through. As it is a common use for landfills to have solar farms, this new technology allows additional use of the site. The solar panels act as the roof to the greenhouse, allowing agriculture to grow in raised planters so as to not disturb the landfill cap. The solar panels also collect rainwater that can be used to water the plants/crops in the greenhouse. As the site is a former landfill, there would be measures taken to ensure the safety of the food grown on the site. Singpoli would partner with a proven solar energy developer for this component of the project.

Should the City Council, acting as the Successor Agency, decide to further pursue a development project with Singpoli, the Successor Agency and Singpoli would need to enter into a new ENA. The ENA would provide Singpoli and the Successor Agency time to negotiate the terms of the sale and a disposition/development agreement. If Singpoli wishes to include portions of the landfill site not owned by the Agency, it would have to negotiate separately with the owners of those properties. Singpoli as well as the City of West Covina and the Successor Agency would need to negotiate/renegotiate agreements already in place with regulatory agencies pertaining to the environmental regulations and conditions of the former landfill site (United States Environmental Protection Agency (EPA), California Department of Toxic Substances Control (DTSC) among others). In addition, any proposed development project would have to go through the proper procedures to obtain federal, state, regional, and local approvals including the City's entitlement process and the California Environmental Quality Act (CEQA) requirements.

The attached proposed development is preliminary and subject to change based on environmental factors associated with the site being a former landfill, mitigation measures required pursuant to the site's post closure plan, obtaining approval from the regulatory agencies, obtaining approval from the property owners, and City approval of the development project. The intent of the presentation by Singpoli is to obtain feedback from the City Council and the community.

### **COUNCIL GOALS & OBJECTIVES:**

This item supports the 2016-17 City Council Goal of *Optimize Development Land for the Brownfields (BKK) Land.*

**OPTIONS:**

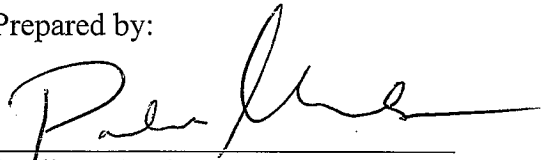
The Successor Agency has the following options:

1. Instruct staff to bring back an ENA for consideration at a future meeting; or
2. Provide alternative direction.

**FISCAL IMPACT:**

As the assets are still Successor Agency owned, any expenses associated with the disposition of the assets will be paid by the Recognized Obligation Payment Schedule (ROPS). As the properties will be sold under the LRPMP, pursuant to Redevelopment dissolution law, revenues from the sale will be shared among the various taxing entities. The City's share of sales proceeds is approximately 16 cents to the dollar. The appraised value of the land is \$6,380,000, which is less than the \$9.8 million in outstanding principal on the bonds. The fiscal impact to the City will vary if it is successful in obtaining ownership of the parcels.

Prepared by:



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Economic Development & Housing Manager

Additional Approvals:

Approved via Email  
Kimberly Hall Barlow  
City Attorney

**ATTACHMENTS:**

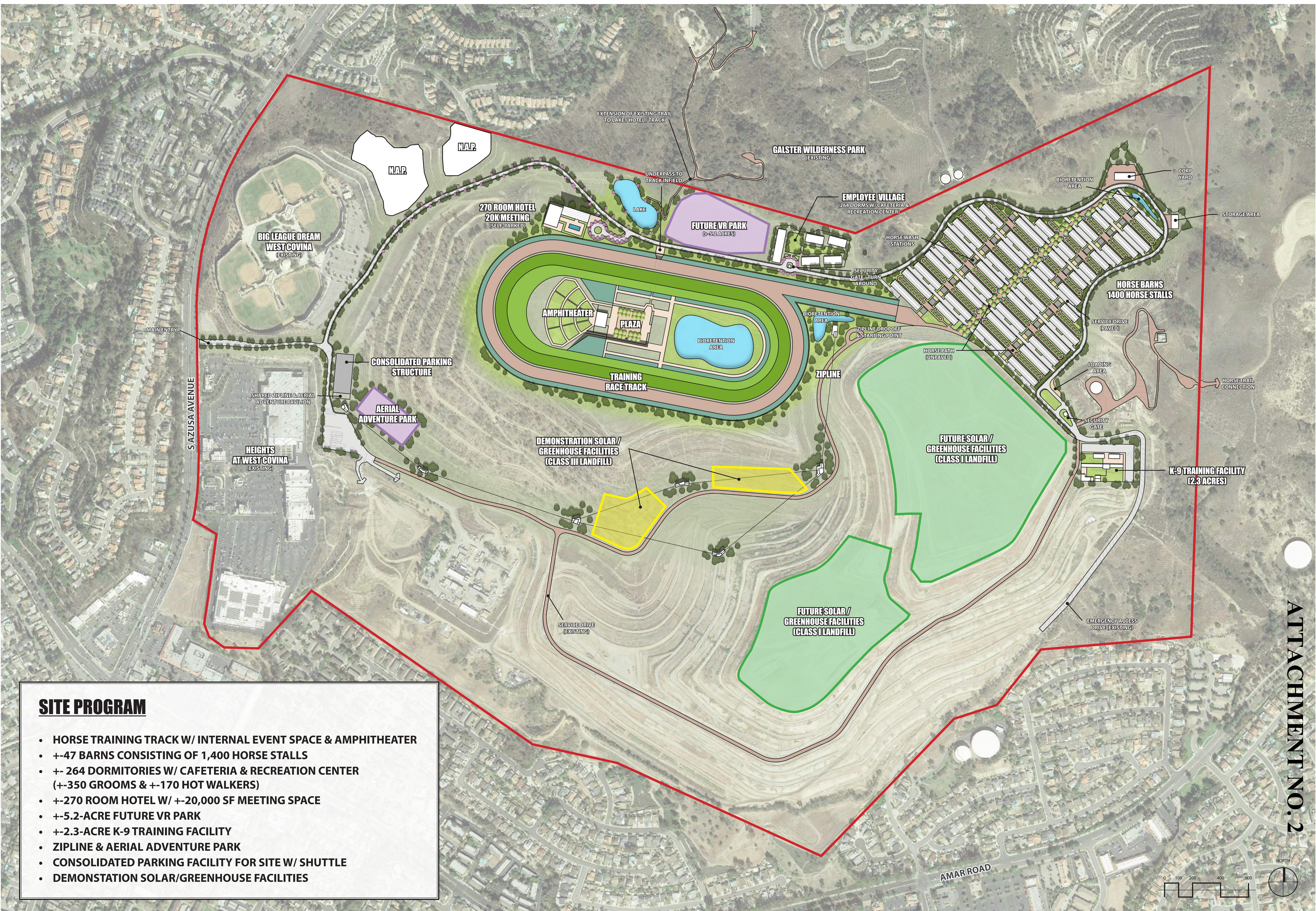
- Attachment No. 1 – Aerial of Agency “Development Opportunity Sites”
- Attachment No. 2 – Singpoli’s Site Program - Proposed Site Plan

# Development Opportunity Sites

Property: Open Space / Golf Course  
APN: 8735-002-906, 909, 910  
Site: 122.07 - Acres

Property: Licensed Area  
APN: 8735-002-018  
Site: 84.27 - Acres





**SITE PROGRAM**

- HORSE TRAINING TRACK W/ INTERNAL EVENT SPACE & AMPHITHEATER
- +-47 BARNs CONSISTING OF 1,400 HORSE STALLS
- +- 264 DORMITORIES W/ CAFETERIA & RECREATION CENTER (+-350 GROOMS & +-170 HOT WALKERS)
- +-270 ROOM HOTEL W/ +-20,000 SF MEETING SPACE
- +-5.2-ACRE FUTURE VR PARK
- +-2.3-ACRE K-9 TRAINING FACILITY
- ZIPLINE & AERIAL ADVENTURE PARK
- CONSOLIDATED PARKING FACILITY FOR SITE W/ SHUTTLE
- DEMONSTATION SOLAR/GREENHOUSE FACILITIES

