



**Kosmont Companies**  
Real Estate and Economic Advisory

**Kosmont Realty Corporation**  
Funding Solutions for Public-Private Deals



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An aerial night view of a city, likely Kosmos, with a dense grid of lights. In the foreground, the dark silhouette of a large building with a prominent central tower is visible. The sky is a deep blue.

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# Kosmont Companies A Firm Overview

April 13<sup>th</sup>, 2011

**Ryan Aubry, Senior Vice President, Kosmont Companies**

- **Career Background**
- **Kosmont Companies Overview**
- **Case Studies: Public-Private Deals**



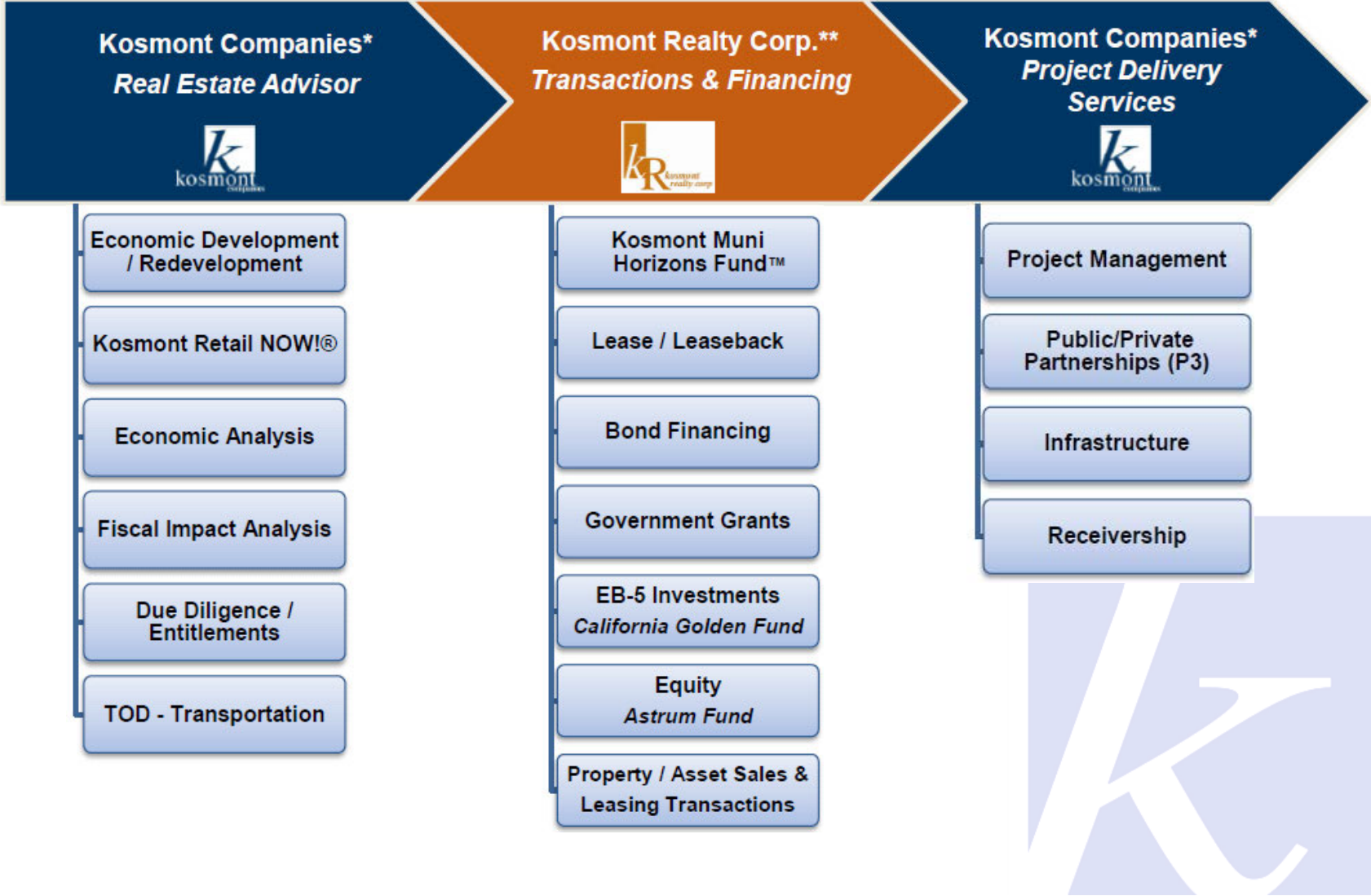
# Career Background



# Kosmont Companies Overview



# Kosmont Services Overview



\*Certified MBE \*\*SEC & MSRB Municipal Advisor - CA Licensed Real Estate Broker

# Kosmont Companies

Kosmont Companies is a **nationally-recognized real estate and economics advisory firm** specializing in public + private transactions for over 25 years.

We provide a full range of **real estate and economic advisory, brokerage, project finance, investment, and planning services** for both the public and private sectors. Our services focus on the following areas:

- **Public + Private Transactions**
- **Sustainable Economic Development**
- **Redevelopment**
- **Equity and Debt**
- **Government Money Sources**





# Typical Clients

Kosmont Companies provides services to both **public and private sector clients**. Our typical clients include:

## Public Sector

- Cities
- Counties
- Redevelopment Agencies
- Regional Planning Agencies
- Transit Agencies
- Business Improvement Districts
- Economic Development Agencies

## Private Sector

- Developers
- REIT's
- Corporate Firms
- Financial Institutions
- Retailers

## Non-Profit/Others

- Educational Institutions
- Cultural Institutions
- Research Institutes
- Chambers of Commerce

## Sample of Current Kosmont Projects :

- **Public-Private Transactions:** Norco; South Gate
- **Economic Incentives Negotiations:** Various Private Clients
- **Economic Development Strategies:** Stanton; Norco
- **Public Financing Programs:** Various Cities and Private Clients
- **Transit Oriented Development:** City of Placentia
- **Urban-Infill:** South Gate
- **Retail Attraction and Development Strategies:** Murrieta;  
Norco



## **Kosmont's focus on services relevant to today's economic AND political climate:**

### **Public-Private Partnerships**

- Recent economic downturn has made it challenging for many private sector projects to get financed without public equity, debt or project assistance
- Kosmont is committed to bringing public, private, and non-profit organizations together in meaningful real estate transactions that help move real estate projects forward and serve the long-term needs of communities.

### **Government Money Sources**

- Kosmont Companies is assisting a variety of California communities, in utilizing American Reinvestment and Recovery Act (ARRA) funds and programs.
- Kosmont is also assisting private developers to move their projects forward by acquiring financing through ARRA as well as other programs such as the EB-5 investor visa program

# Case Studies: Public-Private Deals



# Case Study

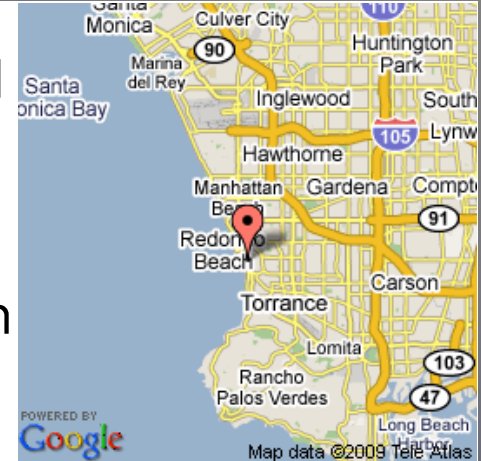
## City of Redondo Beach

**Shade Hotel**, 54-room boutique hotel on the waterfront, positioned to revitalize the Harbor Area



# City of Redondo Beach

- **Redondo Beach** is a prominent **beach city** located in the South Bay region of the greater Los Angeles area
- City's waterfront has faced a **stiff competition** from successful adjoining and regions beach cities of **Manhattan Beach, Hermosa Beach, Santa Monica**
- Redondo Beach has been trying to **resuscitate the area's popularity** through a **series of economic development efforts** beginning with pier reconstruction in 1995
- City released **RFP for several redevelopment opportunity sites in the Harbor and Pier Area (Harbor Enterprise Area)**
- One of the sites, received nine development proposals – including midrange and luxury hotels



# Redondo Beach-Shade Hotel

**City's Goal** - a vital use that complements city's economic development strategy

**City Selected** – Shade Hotel operated by Zislis Boutique Hotels, LLC, a full service four star luxury boutique hotel

- City of Redondo Beach entered into a 55-yr ground lease with Zislis Boutique Hotels for development of 52-room Shade Hotel which includes a restaurant and roof-top pool

**Outcome:** Shade Hotel, is positioned to enhance the Redondo Beach waterfront, attract more tourists and act as a catalyst for future upscale development in the area



# Case Study City of Norco

**Silverlakes Equestrian Sports Park**, a multi-use 122-acre public recreational facility with a private operator





City of Norco is a small **equestrian and recreation oriented community**, with a population of 26,000 located in western Riverside County



- City of Norco desired an **equestrian and recreation oriented development** to promote the brand of 'Horsetown USA'
- Redevelopment Agency bought approximately **122 acres of Silverlakes site** (deed restricted to public park and recreational uses) for **approximately \$5 million**
- Agency/City **could not capitalize the land investment** into a public park on its own
- Kosmont initiated an extensive RFP process on behalf of the City for the Site

# Norco - Silverlakes

**Norco needed** - an experienced/well financed partner to deliver quality recreational facility and a **partnership structure** that would ensure constituents access to the facility.

**Norco selected** - Belstarr, an **experienced operator** of equestrian, soccer, and recreational facilities that will lease the land from the City, **plan, construct, operate and manage the facility, provide public programs and pay off financing**

Agency/City will provide **financing for public improvements** and **own a world class facility at the end** of the ground lease

**Outcome: Silverlakes Equestrian Sports Park**, a multi-use 122-acre public recreational facility with:

- 28 sports fields, both natural and synthetic
- 135,000 sq. ft. multi purpose building for sports and entertainment events
- a **regional economic magnet** which induces other private developments- hotels, retail etc.



# Case Study

# City of South Gate

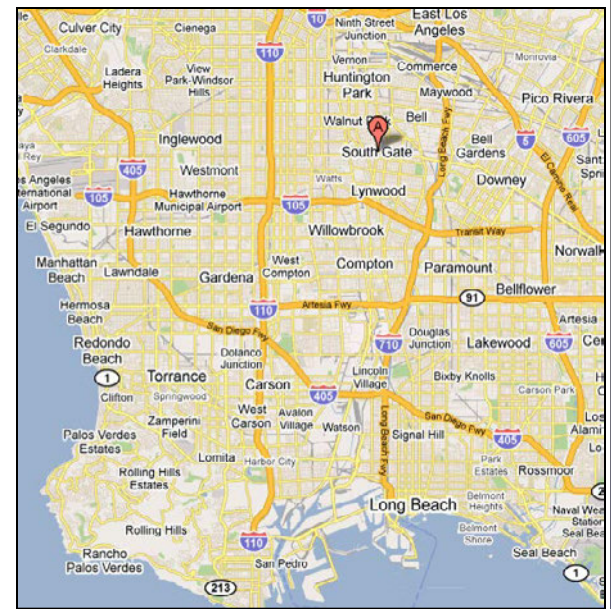
**Gateway Shopping Center with dining, retail and entertainment uses**



# City of South Gate

**South Gate** is a part of the **Gateway Cities region** of southeastern Los Angeles County.

- City of South Gate desires a **state of the art entertainment center to support a Target anchored retail power center**
- City bought a **30 acre underutilized property** and sold it to a developer in a back to back transaction
- **Market conditions and limited credit** prohibited original developer from going forward with the retail project
- **Current development environment** will only support big box power center
- Private sector **not willing to finance movie theaters and restaurants**



# South Gate – Gateway Center

- **City to develop/own dining, retail & entertainment (DR & E) center**
  - **Long term ground leases to induce specialty users**
  - City will control **entitlements and certain development capital**
  - **City is pursuing various financing options including:**
    - Recovery Zone Bonds (RZBs):**
      - RZEDB- Economic development (public activity) bonds for development of public amenities
      - RZFB- Facility bonds (private activity) for development of restaurants

**Outcome: Gateway Shopping Center with over 400K SF of retail space which is not limited to big box and standard in-line or pad retailers**

- Create **jobs and a long-term source of revenue** for the City
- Generate **community image—sense of place** for City and residents

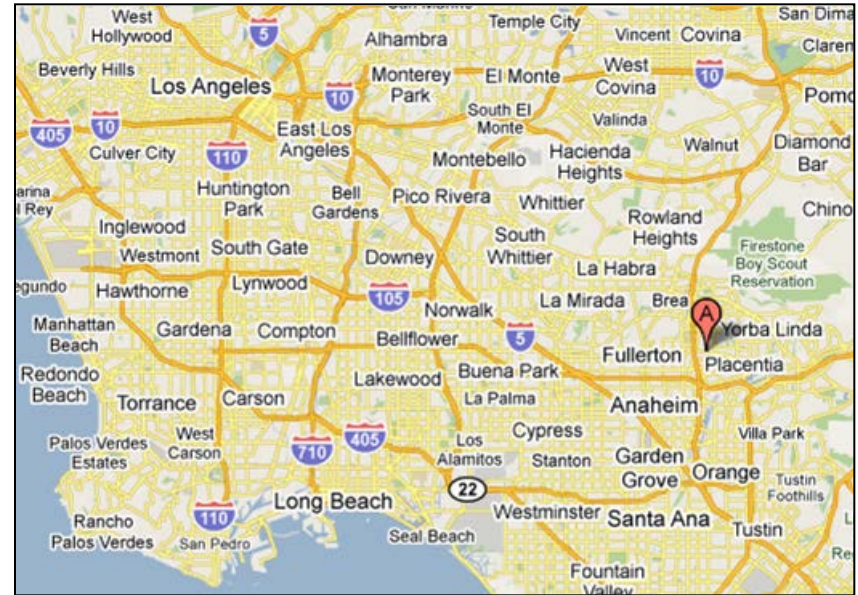
# Case Study City of Placentia

## Parking Structure/Transit- Oriented Development



# City of Placentia

- **Placentia** is located in northern Orange County
- City **owns properties** adjacent to future metro link station
- **Limited financial resources** prohibits City to proceed with development of properties
- Development of the metro link station required **City to provide parking spaces for metro link riders**
- **City needed: to minimize cost** of construction, **transfer risk** of cost escalation (GMP) and complete project in an **accelerated timeframe** (no or limited bidding process)



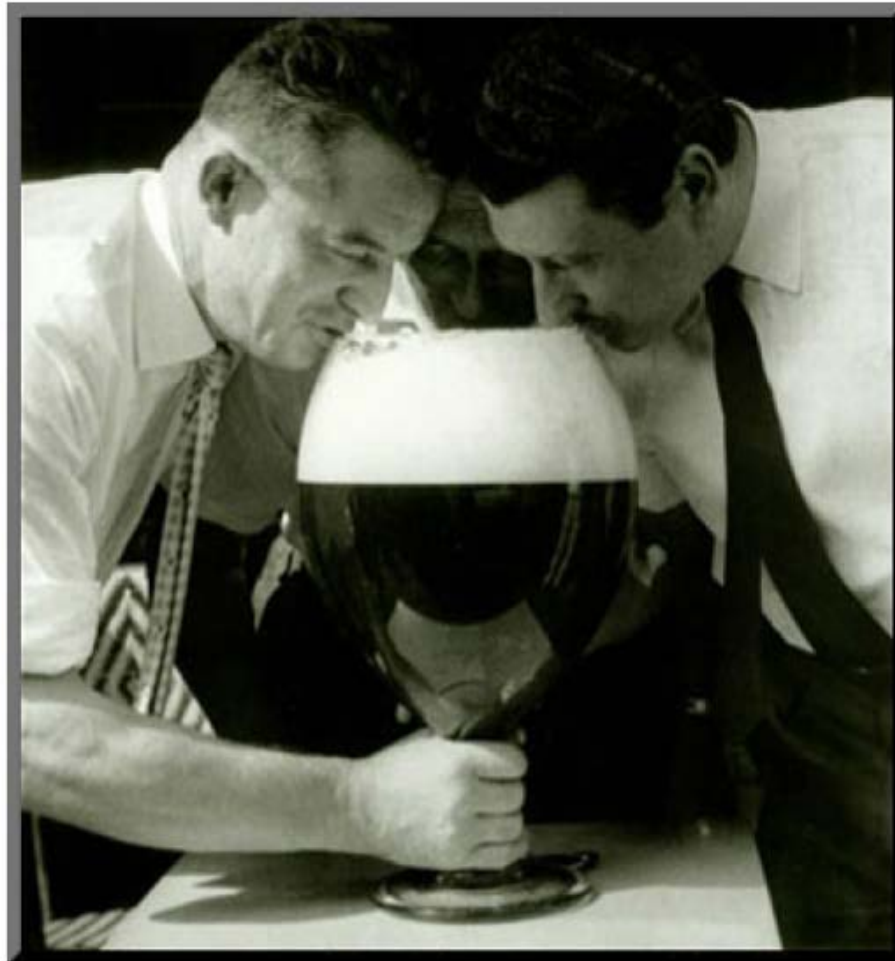
**City chose:** **Public private deal structure** with a third party developer (RFQ process)

- Development of the **parking structure** will likely be financed through the use of **Lease-leaseback structure or lease revenue bonds**
- **Revenues** from parking structure will be used to **underwrite the bonds**
- **Other City Assets (parks, etc.) may be pledged** as security to help reduce credit risk

**Outcome:** **Transit Oriented Development (TOD)** of parking structure adjacent to the future Metrolink station – which will play a critical role in the **revitalization of downtown Placentia**



*The End*



An aerial night view of a city, likely Kosmos, with a large building silhouette in the foreground. The city lights are visible in the background, and the sky is dark blue.

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