



Los Angeles Air Force Base, El Segundo, California

First-of-a-Kind Land Swap for a Military Redevelopment

Project Overview

When faced with aging facilities and a surplus of land, the United States Air Force conceived a plan to utilize a first-of-a-kind land swap with Catellus for its new build-to-suit Space and Missile Systems Center. The project required an act of Congress to permit the property exchange. Once approved, the Air Force hired Catellus for the complex and innovative office build-to-suit project.

Project Summary

- 545,000 square feet of office space (Space and Missile Systems Center)
- Headquarters for the space operations
- Blast-resistant construction
- Open interior spaces for future configuration changes
- Seismic stability measures
- Construction began in 2004, and the Air Force Space and Missile Systems Center moved in January 2006 - six months ahead of schedule

Catellus was committed to finance and build the 545,000-square-foot office space, at a cost of \$145 million, before it ever received possession of the majority of the property in the land swap – a risky proposition for any company.

About Catellus

Catellus is a master developer focused on creating some of the most innovative and sustainable mixed-use developments in the nation.

Catellus has 25 years experience transforming former brownfields, military land and airports into developments that include retail, commercial, residential and other public uses. Catellus delivers on all aspects of a project, including site planning, entitlements, public financing and sustainable design.

As a ProLogis company, Catellus is uniquely positioned to deliver on the nation's increasing demand for well-planned, mixed-use developments.



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Los Angeles Air Force Base

El Segundo, California

continued from front

Land Swap

The original military base covered nearly 113 acres, spread out over four parcels of land, one mile south of Los Angeles International Airport. The Air Force consolidated its operations to 52 acres of land, making the remaining 61 acres available for development. The three parcels of land that were developed included:

- 13 acres in Hawthorne
- 3.7 acres in Sun Valley
- 42 acres directly abutting the military base

Residential Development

Catellus recouped its investment for the build-to-suit facility by selling the three parcels of land to residential developers. The plan included 905 single-family residential units housing 2,000 people divided as follows:

- 13 acres with 280 for-sale units to Centex Homes
- 39 acres with 625 for-sale units to Lyon Homes

Financing

Financing the \$145 million project costs required some very creative thinking. Catellus and its partners, Los Angeles-based Kearny Real Estate and Morgan Stanley Property Trust, obtained \$90 million in an unsecured construction loan, despite the lack of property ownership typically required for collateral.

Aerial view of the Los Angeles Air Force Base build-to-suit facility and residential development

