

LOS ANGELES AIR FORCE BASE

El Segundo | California

Innovative Strategies Transform Military Base

Faced with an aging facility and a surplus of land, the United States Air Force conceived a plan to utilize a first-of-a-kind land swap with Catellus to build its new Space and Missile Systems Center. The project required an act of Congress to permit the property exchange. Once approved, the Air Force and Catellus entered into the complex and innovative office build-to-suit project that took less than two years to complete.

Project Summary

- 545,000 square feet of office space (Space and Missile Systems Center)
- Department of Defense specifications included blast-resistant construction and advanced 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 entitled 905 single-family residential units and sold them to Centex Homes and William Lyon Homes



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- 1 Space and Missile Systems Center, United States Air Force
- 2 Residential Development



Project Highlights

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 in El Segundo

Residential Development

Catellus recouped its investment for the build-to-suit facility by entitling, remediating and then selling the three parcels of land to residential developers. The plan included 905 single family residential units:

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

Financing

Due to the lack of property ownership typically available for collateral, financing the \$145 million project costs required Catellus and its partners, Los Angeles-based Kearny Real Estate and Morgan Stanley Property Trust, to obtain \$90 million in an unsecured construction loan.

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 nearly 30 years of 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.

For more information, contact Catellus at 510.267.3400 or visit Catellus.com

