

RE | Solutions is currently under contract to purchase the former Chemoil refinery property in Signal Hill, CA.



The former Chemoil Refinery is located in Signal Hill, California, adjacent to the port city of Long Beach, and in close proximity to freeways. The property, which

covers almost eight acres, is attractively located and would have been redeveloped were it not for the environmental issues. Although refinery operations ceased in 1994, historical operations resulted in soil and groundwater contamination at the property. These conditions have hindered sale of the property to date.

The property was put up for sale shortly after completion of demolition and the installation of an interim remedial measure. Multiple offers were made on the property; however, none of the prospective purchasers were able to resolve the environmental issues and create a development plan that the City of Signal Hill would approve.

The property is zoned for industrial and commercial uses. Although there is some residential development in the vicinity of the property, the immediately surrounding area is primarily commercial, light manufacturing and distribution, with some civic and institutional uses. RES believes that small industrial / commercial flex-space buildings is likely the highest and best use for the property – a use that is entitled by right.

The investigation and cleanup of the property is regulated by the Los Angeles Regional Water Quality Control Board (RWQCB). RES will seek approval from the RWQCB for a cleanup that will support the planned use. As a bona fide prospective purchaser, RES has applied to enter the site into the California Land Reuse and Revitalization Act (CLRRA) program. RES intends to work with a local, Southern California-based developer as a Joint Venture (JV) partner to build out the project. During due diligence, RES will work with its JV partner to obtain City approval of a final development plan.

The acquisition is scheduled to close in Fall 2016. Following closing, RES will oversee the cleanup and obtain approvals necessary for redevelopment of the site. The cleanup is anticipated to take approximately 18 months; however, construction may begin on a portion of the property as soon as 6 months after closing. The project is scheduled to be completed in 30 months, with final sale of buildings at the end of 2018.

