

Board Meeting of
March 18, 2015

Honorable Chair and Members
of the City of Torrance Oversight Board
City Hall
Torrance, California

SUBJECT: Adopt RESOLUTION approving the revised Long Range Property Management Plan

RECOMMENDATION

Recommendation that the Oversight Board to the City of Torrance as Successor Agency to the Former Redevelopment Agency of the City of Torrance adopt a **RESOLUTION** approving the revised Long Range Property Management Plan to be forwarded to the State Department of Finance as required by AB 1484.

BACKGROUND AND ANALYSIS

State Assembly Bill X1 26 (ABX1 26) requires successor agencies to dispose of real property assets owned by former redevelopment agencies as part of their dissolution process. Clarification on the disposal of assets was addressed in State Assembly Bill 1484 (AB 1484), which directed Successor Agencies to prepare a Long Range Property Management Plan (LRPMP) to be submitted to the Oversight Board and State Department of Finance within six months of receiving a Finding of Completion.

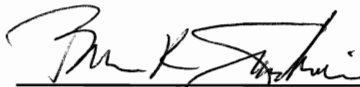
The Successor Agency to the former Redevelopment Agency of the City of Torrance (Successor Agency) reviewed and approved the LRPMP on July 16, 2013 and forwarded the plan to the Oversight Board for review. The Oversight Board reviewed and approved the LRPMP at its regularly scheduled meeting on July 17, 2013 before forwarding it to the California Department of Finance (DOF) for review and approval. Two previous amendments to the LRPMP were reviewed and approved via RESOLUTIONS by the Successor Agency and the Oversight Board. The first amendment was approved on May 6 and May 7, 2014 respectively. This amendment was undertaken at the request of the Department of Finance to change the dispositions of the properties located at 1956 Torrance Blvd. and 1312 Cabrillo Ave. from "Governmental Use" to "Retain for Future Development," as well as state the intent to enter into compensation agreements for the two properties prior to any property transfers (See Attachment E). The second amendment was also undertaken at the request of the Department of Finance to include purchase prices for the properties located at 1919 Torrance Blvd. and Torrance Blvd. and Bow Ave. Purchase prices had previously been left out of the LRPMP due to the circumstances in which the properties were acquired which resulted in either an unknown purchase price or a purchase price of \$0 (See Attachment E for further information). The second amendment was reviewed and approved via RESOLUTION by the Successor Agency and Oversight Board on July 8 and July 16, 2014 respectively.

Following the submittal of the second amendment of the LRPMP to the DOF, the staff representative from the DOF asked that the City of Torrance provide a "Capital Asset List" to ensure reconciliation between what was reported in the LRPMP and the Due Diligence Review. In addition to the reconciliation of the LRPMP with the "Capital Asset List," DOF staff requested a number of additional minor revisions and/or clarifications to the LRPMP (Attachment D). In the interest of documenting all changes required by the DOF, including previous amendments made via RESOLUTIONS, staff revised the narrative and property matrix of the original LRPMP and documented the changes in an "Errata sheet," which has been included as an attachment for review (Attachment C). Staff provided the draft changes to the DOF for review and received written confirmation that upon a preliminary review, the revisions should be sufficient for final approval of the LRPMP, should Your Honorable Body approve the revised document.

Staff recommends that the Oversight Board adopt a **RESOLUTION** approving the revised Long Range Property Management Plan. Upon approval and adoption of the **RESOLUTION**, it will be forwarded to the California Department of Finance for review before the final approval of the LRPMP.

Respectfully submitted,

CONCUR:


 Brian K. Sunshine
 Assistant to the City Manager


 Kenneth Flewellyn
 Assistant Finance Director

Brian Sunshine
 Assistant to the City Manager

By 
 for Carolyn Chun
 Senior Planning Associate

NOTED.


 LeRoy J. Jackson
 City Manager

Attachments:

- A) RESOLUTION
- B) Revised Long Range Property Management Plan (Limited Distribution)
- C) Errata Sheet
- D) Correspondence with California Department of Finance
- E) Oversight Board Item 7A –July 16, 2014

RESOLUTION NO. _____

**A RESOLUTION OF THE OVERSIGHT
BOARD OF THE SUCCESSOR AGENCY TO
THE FORMER REDEVELOPMENT AGENCY
OF THE CITY OF TORRANCE APPROVING
THE REVISED LONG RANGE PROPERTY
MANAGEMENT PLAN**

WHEREAS, the Oversight Board of the Successor Agency to former Redevelopment Agency of the City of Torrance (“Oversight Board”) has been established to direct the City of Torrance, in its capacity as “Successor Agency,” to take certain actions to wind down the affairs of the former Redevelopment Agency of the City of Torrance (“Agency”) in accordance with the requirements of Assembly Bill 26, also known as Chapter 5, Statutes 2011, First Extraordinary Session, which added Part 1.8 and 1.85 of Division 24 of the California Health and Safety Code (“ABx1 26”); and

WHEREAS, pursuant to Assembly Bill 1484 and California Health & Safety Code section 34191.5, each Successor Agency shall have completed a Long Range Property Management Plan (LRPMP) governing the disposition and use of the former Agency owned properties; and

WHEREAS, the Successor Agency and Oversight Board of the Successor Agency reviewed and approved the LRPMP on July 16 and July 17, 2013 respectively before forwarding the LRPMP to the State Department of Finance; and

WHEREAS, the Successor Agency and Oversight Board of the Successor Agency subsequently adopted RESOLUTIONS amending the LRPMP on May 6 and May 7, 2014, respectively to classify properties located at 1956 Torrance Boulevard and 1312 Cabrillo Avenue as “Retain for Future Development and state the intent to enter into Compensation Agreements for the aforementioned properties;” and

WHEREAS, The Successor Agency and Oversight Board of the Successor Agency adopted RESOLUTIONS amending the LRPMP for a second time on July 15 and July 16, 2014, respectively to include a purchase price for the properties located at 1919 Torrance Boulevard and Torrance and Bow; and

WHEREAS, in its final review of the LRPMP, the State Department of Finance has requested a number of additional revisions before the LRPMP can receive final approval; and

WHEREAS, in the interest of documenting all requested changes previously approved via resolution and any additional changes requested by the State Department of Finance over the course of their review, the narrative and informational matrix of the LRPMP have been revised to include all changes.

NOW, THEREFORE, the Oversight Board of the Successor Agency to the former Redevelopment Agency of the City of Torrance does hereby resolve as follows:

SECTION 1. The Oversight Board reviewed and allowed for public comment on the revised Long Range Property Management Plan at its meeting on March 18, 2015.

SECTION 2. The Oversight Board approved the revised Long Range Property Management Plan at its meeting on March 18, 2015.

SECTION 3. The Oversight Board directs that the revised Long Range Property Management Plan be forwarded to the California Department of Finance.

PASSED, APPROVED AND ADOPTED this 18th day of March 2015.

Steve Maguin, Chairperson,
Oversight Board of the Successor
Agency to the Former Redevelopment
Agency of the City of Torrance

ATTEST:

Secretary to the Oversight Board

Attachment B

Long Range Property Management Plan (Limited Distribution)

Successor Agency to the Former Redevelopment Agency of the City of Torrance

Long Range Property Management Plan

Errata Sheet

Location of Change	Change
Property No: 1, Column: Permissible Use (C8)	Changed to "Future Development" per DOF request.
Property No: 1, Column: Permissible Use Detail (D8)	Changed to "This Property will be retained for future development"
Property No: 1, Column: Value at Time of Purchase (F8)	Changed to \$210,859.18 to reflect the reconciliation with DDR. Previous value of \$225,000 was what City Council had approved for the purchase of the property. Revised value reflects actual amount spent to purchase property.
Property No: 1, Column: Current Zoning (P8)	Changed to "C2 – General Commercial District (DRP – Downtown Redevelopment Area) per DOF request.
Property No: 1, Column: Estimate of Income/Revenue (R8)	Corrected to "\$250/month" to reflect the termination of the license agreement referred to in other matrix fields and narrative.
Property No: 1, Column: Contractual Requirements for use of income/revenue (S8)	Removed contractual requirements for maintenance of parking lots per DOF request.
Property No: 2, Column: Permissible Use (C9)	Changed to "Future Development" per DOF request.
Property No: 2, Column: Permissible Use Detail (D9)	Changed to "This Property will be retained for future development"
Property No: 2, Column: Value at Time of Purchase (F9)	Changed to \$38,179.48 to reflect the reconciliation with DDR. Previous value of \$37,811 did not include additional cost related to purchase. Revised value reflects actual amount spent to purchase property.
Property No: 2, Column: Current Zoning (P9)	Changed to "C2 – General Commercial District (DRP – Downtown Redevelopment Area) per DOF request.
Property No: 2, Column: Estimate of Current Parcel Value (Q9)	Mathematical error corrected to \$94,166
Property No: 2, Column: Contractual Requirements for use of income/revenue (S9)	Removed contractual requirements for maintenance of parking lots per DOF request.

Property No: 2, Column: Advancement of Planning Objectives of the Successor Agency (V9)	Removed "governmental" from the first sentence. Sentence now reads "Retaining the site for use as a public parking lot..."
Property No: 3, Column: Current Zoning (P10)	Changed to "C1 – Retail Commercial District (DRP – Downtown Redevelopment Area) per DOF request.
Property No: 4, Column: Permissible Use (C11)	Changed to "Fulfill Enforceable Obligation" per DOF request.
Property No: 4, Column: Value at Time of Purchase (F11)	Changed to \$778,850 per request for purchase price by DOF. This price was given by the LA County Tax Assessor based on a valuation of the property near the time of purchase. No purchase price for the parcel is known as it is made up of leftover pieces of other parcels due to contamination.
Property No: 4, Column: Lot Size (O11)	Changed to 42,100 square feet based on LA County Tax Assessor records.
Property No: 4, Column: Current Zoning (P11)	Changed to "M2 – Heavy Manufacturing District per DOF request.
Property No: 4, Column: Estimate of Current Parcel Value (O11)	Changed to \$252,600 to reflect revised Lot Size
Property No: 4, Column: History of environmental contamination, studies, and/or remediation and designation as a brownfield site (T11)	Changed to "Site is monitored by the California Regional Water Quality Control Board."
Property No: 5, Column: Value at Time of Purchase (F12)	Changed to \$0 per request for purchase price by DOF. No purchase price was listed in original LRPMP because property was granted to the former Redevelopment Agency free of charge as part of an Implementation Agreement.
Property No: 5, Column: Lot Size (O12)	Changed to approximately 16,612 square feet.
Property No: 5, Column: Current Zoning (P12)	Changed to "M1 – Light Manufacturing District (IRP – Industrial Redevelopment Project Area) per DOF request.
Property No: 5, Column: Estimate of Current Parcel Value (O12)	Changed to \$332,240 to reflect revised Lot Size

Lang, Nina

To: Xu, Amy
Subject: RE: Draft of Revised Long Range Property Management Plan

From: Xu, Amy [<mailto:Amy.Xu@dof.ca.gov>]
Sent: Tuesday, February 10, 2015 11:18 AM
To: Lang, Nina
Cc: Green, Veronica
Subject: RE: Draft of Revised Long Range Property Management Plan

Good morning Nina,

I went over the draft revisions you provided and the only issue I noticed was the lot size for the property located on 1956 Torrance Blvd. The matrix states 6,180 square feet but the narrative states 6,100 square feet. Besides that, it seems like the Agency has made the agreed upon changes.

Per our phone conversation last time, you mentioned that the Agency plans to take the revision to the Oversight Board for approval around mid-March. If dates change, please let me know so Finance can anticipate the submission. Thank you for your patience through this process.

Best Regards,

Amy Xu
Analyst, Local Government Unit
Department of Finance
(916) 322-2985 ext. 3771

Lang, Nina

From: Xu, Amy [Amy.Xu@dof.ca.gov]
Sent: Wednesday, December 17, 2014 1:43 PM
To: Lang, Nina
Cc: Green, Veronica; Wu, Wendy
Subject: Torrance LRPMP Status Update

Good afternoon Nina,

I went over the draft revision you provided, based on my preliminary review, it looks like the issues from our prior correspondence has been addressed and changed on the matrix. Please note, the estimated income/revenue and contractual requirements for use of income/revenue must be fully completed per HSC section 34191.5 (c)(1)(E).

Before bringing the revised plan to the Oversight Board to be approved, would you mind providing a copy of everything (including any narratives, if applicable) for me to go over? There has been other revisions, and I understand it can be frustrating on your end to go back and forth so I want to make sure this will be the final one.

I am also still waiting for Wendy's clarification on the capital asset list. Thank you for your time.

Best Regards,

Amy Xu
Analyst, Local Government Unit
Department of Finance
(916) 322-2985 ext. 3771

Board Meeting of
July 16, 2014

Honorable Chair and Members
of the City of Torrance Oversight Board
City Hall
Torrance, California

SUBJECT: Adopt RESOLUTION amending the Long Range Property Management Plan

RECOMMENDATION

Recommendation that the Oversight Board to the City of Torrance as Successor Agency to the Former Redevelopment Agency of the City of Torrance adopt a **RESOLUTION** amending the Long Range Property Management Plan for the properties located at 1919 Torrance Boulevard and Torrance Boulevard and Bow Avenue.

BACKGROUND AND ANALYSIS

State Assembly Bill X1 26 (ABX1 26) requires successor agencies to dispose of real property assets owned by former redevelopment agencies as part of their dissolution process. Clarification on the disposal of assets was addressed in State Assembly Bill 1484 (AB 1484), which directed Successor Agencies to prepare a Long Range Property Management Plan (LRPMP) to be submitted to the Oversight Board and State Department of Finance within six months of receiving a Finding of Completion.

The Successor Agency to the former Redevelopment Agency of the City of Torrance (Successor Agency) reviewed and approved the LRPMP on July 16, 2013 and forwarded the plan to the Oversight Board for review. The Oversight Board reviewed and approved the LRPMP at its regularly scheduled meeting on July 17, 2013 before forwarding it to the California Department of Finance (DOF) for review and approval (Attachment C). A previous amendment to the LRPMP was reviewed and approved by the Successor Agency and the Oversight Board on May 6 and May 7, 2014 respectively. This amendment was undertaken at the request of the Department of Finance to change the dispositions of the properties located at 1956 Torrance Blvd. and 1312 Cabrillo Ave. from "Governmental Use" to "Retain for Future Development," as well as state the intent to enter into compensation agreements for the two properties prior to any property transfers (See Attachment D for further information).

Subsequently, a representative for the California Department of Finance (DOF) contacted staff following their receipt of the **RESOLUTIONS** amending the LRPMP and their final review of the LRPMP before approval. Upon reviewing the entirety of the Plan, DOF staff noted that the purchase prices for the properties located at 1919 Torrance Boulevard (7352-022-900) and Torrance Boulevard and Bow Avenue (7355-032-900) were left out of the

Plan. At this time, DOF staff is requesting another amendment be made to include a purchase price for these properties prior to final approval of the LRPMP.

In the preparation of the LRPMP, City staff conducted an exhaustive search of the files related to the properties owned by the Former Redevelopment Agency of the City of Torrance. All of the information discovered during this search was reported in the Plan and attached as supplemental information. The purchase prices for the aforementioned properties were excluded from the plan due to the circumstances in which they were acquired.

As previously mentioned in the LRPMP and previous staff reports, the property located at 1919 Torrance Boulevard (7352-022-900) was acquired in 1985 and consists of remnant parcels from the assembly of parcels for the American Honda Headquarters Campus due to soil contamination of the site. Due to this contamination, these parcels remained in the Agency's possession while the other parcels were transferred to American Honda, as provided for in the First Implementation Agreement to the Participation Agreement between Honda and the former Redevelopment Agency. The remaining parcels were scheduled to be transferred to Honda after the site had been remediated. Due to these circumstances, the purchase price for the remaining parcels could not be determined. Following the DOF's request, City staff contacted the Los Angeles County Assessor's Office to determine if there was any additional information that could assist in the determination of a purchase price for the property. While the Assessor's office was unable to find a purchase price for the parcels in 1985, it was able to find a valuation done in 1990 for a valuation date in 1989, only 4 years after the former Redevelopment Agency acquired the property. This valuation determined that the parcel was actually 42,100 square feet and that the property was valued at \$18.50 a square foot or \$778,850 (Attachment E). As such, the LRPMP shall be amended to reflect the revised purchase price of \$778,850 for the subject parcel located at 1919 Torrance Boulevard as an estimate for the value at the time of purchase, as well as the revised size of the parcels of 42,100 square feet.

The second property in question, located at Torrance Blvd. and Bow Ave. (7355-032-900), was deeded to the former Redevelopment Agency by Torrance Center I on January 16, 1989 and recorded on April 19, 1989 for the purposes of pedestrian access on the sidewalk. The purchase price for this property was left out of the plan as it was transferred through a grant deed for pedestrian access at no cost to the former Redevelopment Agency. At the former Redevelopment Agency meeting of June 21, 1988, this transfer occurred with the adoption of the Implementation Agreement to the Owner Participation Agreement between the former Redevelopment Agency of the City of Torrance and Torrance Center I (Gascon Mar LTD.) (Attachment F). The staff report from this meeting states that upon adoption, the Agency would own the portion of the land under the Torrance Bridge next to the Torrance Center I site. As such, the LRPMP shall be amended to reflect a revised purchase price of \$0 for the property located at Torrance Boulevard and Bow Avenue.

Upon approval and adoption of the **RESOLUTION** amending the LRPMP, it will be forwarded to the California Department of Finance for review before the final approval of the LRPMP. Staff recommends that the Oversight Board adopt the **RESOLUTION** amending

the Long Range Property Management Plan for the properties located at 1919 Torrance Boulevard (7352-022-900) and Torrance Boulevard and Bow Avenue (7355-032-900).

Respectfully submitted,

CONCUR:

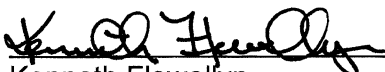
Brian Sunshine
Assistant to the City Manager



Brian K. Sunshine
Assistant to the City Manager *by mrg*

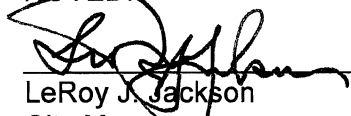
By 

Carolyn Chun
Senior Planning Associate



Kenneth Flewellyn
Assistant Finance Director

NOTED:



LeRoy J. Jackson
City Manager

Attachments:

- A) RESOLUTION
- B) Correspondence with California Department of Finance
- C) Oversight Board Item 7A – July 17, 2013
- D) Oversight Board Item 7B –May 7, 2014
- E) Correspondence from LA County Assessor's Office
- F) Former Redevelopment Agency Item 3A - June 21, 1988
- G) Site Maps

RESOLUTION NO. OB2014-___**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE TO AMEND THE LONG RANGE PROPERTY MANAGEMENT PLAN**

WHEREAS, the Oversight Board of the Successor Agency to former Redevelopment Agency of the City of Torrance ("Oversight Board") has been established to direct the City of Torrance, in its capacity as "Successor Agency," to take certain actions to wind down the affairs of the former Redevelopment Agency of the City of Torrance ("Agency") in accordance with the requirements of Assembly Bill 26, also known as Chapter 5, Statutes 2011, First Extraordinary Session, which added Part 1.8 and 1.85 of Division 24 of the California Health and Safety Code ("ABx1 26"); and

WHEREAS, pursuant to Assembly Bill 1484 and California Health & Safety Code section 34191.5, each Successor Agency shall have completed a Long Range Property Management Plan (LRPMP) governing the disposition and use of the former Agency owned properties; and

WHEREAS, the Successor Agency and Oversight Board of the Successor Agency reviewed and approved the LRPMP on July 16 and July 17, 2013 respectively before forwarding the LRPMP to the State Department of Finance; and

WHEREAS, The Successor Agency and Oversight Board of the Successor Agency amended the LRPMP on May 6 and May 7, 2014, respectively to classify properties located at 1956 Torrance Boulevard and 1312 Cabrillo Avenue as "Retain for Future Development;" and

WHEREAS, in its final review of the LRPMP, the State Department of Finance has requested that a purchase price be listed for the properties located at 1919 Torrance Boulevard and Torrance and Bow before the LRPMP can receive final approval; and

WHEREAS, the purchase prices for the aforementioned properties were originally omitted from the LRPMP based on the circumstances of their acquisition in which each property was subdivided from a larger parcel of land and did not provide for documentation of a "purchase price" for each property; and

WHEREAS, the property located at 1919 Torrance Boulevard is estimated to have been purchased for approximately \$778,850 at the time of acquisition based on a Los Angeles County valuation of the property that was assessed in 1989 which stated a valuation of \$18.50 per square foot for 42,100 SF of land; and

WHEREAS, the property located at Torrance and Bow is estimated to have been \$0 at the time of acquisition as it was deeded to the Redevelopment Agency of the City of Torrance for pedestrian access as part of the development of Torrance Center I.

NOW, THEREFORE, the Oversight Board of the Successor Agency to the former Redevelopment Agency of the City of Torrance does hereby resolve as follows:

SECTION 1. The Oversight Board reviewed and approved the Long Range Property Management Plan at its meeting on July 17, 2013.

SECTION 2. The Oversight Board amended the Long Range Property Management Plan at its meeting on May 7, 2014 to reflect the revised dispositions of 1956 Torrance Boulevard and 1312 Cabrillo Avenue for "Retain for Future Development" and stated the intent to enter into Compensation Agreements for the aforementioned properties.

SECTION 3. The property located at 1919 Torrance shall be revised to be 42,100 SF and include a purchase price of \$778,850 based on Los Angeles County's valuation near the time of purchase.

SECTION 4. The property located at Torrance and Bow will have a listed purchase price of \$0 as it was deeded to the City for pedestrian access as part of the development of Torrance Center I.

SECTION 4. The Oversight Board directs that the LRPMP be amended with the corrected purchase prices for the aforementioned properties and the corrected square footage for 1919 Torrance Boulevard.

PASSED, APPROVED AND ADOPTED this 16th day of July 2014.

ATTEST:

Steve Maguin, Chairperson,
Oversight Board of the Successor Agency
to the former Redevelopment Agency of
the City of Torrance

Secretary to the Oversight Board

Lang, Nina

From: Xu, Amy [Amy.Xu@dof.ca.gov]
Sent: Friday, May 09, 2014 2:51 PM
To: Lang, Nina
Cc: Green, Veronica
Subject: Torrance LRPMP #4 & 5

Follow Up Flag: Follow up
Flag Status: Flagged

Good afternoon Nina,

I was wrapping up the LRPMP review and noticed that the purchase value for properties 4 and 5 were not included in the plan. Can you please provide acquisition documents for these two properties? They are the Honda parcel on 1919 Torrance Boulevard and the strip of land near Torrance Boulevard and Bow Avenue. Thank you for your time and have a great weekend.

Best Regards,

Amy Xu
Analyst, Local Government Unit
Department of Finance
(916) 322-2985 ext. 3771

Board Meeting of
July 17, 2013

Honorable Chair and Members
of the City of Torrance Oversight Board
City Hall
Torrance, California

SUBJECT: Adopt RESOLUTION approving the Long Range Property Management Plan.

RECOMMENDATION

Recommendation that the Oversight Board to the City of Torrance as Successor Agency to the Former Redevelopment Agency of the City of Torrance adopt a **RESOLUTION** approving the Long Range Property Management Plan to be forwarded to the State Department of Finance as required by AB 1484.

BACKGROUND AND ANALYSIS

State Assembly Bill X1 26 (ABX1 26) requires successor agencies to dispose of real property assets owned by former redevelopment agencies as part of their dissolution process. Clarification on the disposal of assets was addressed in State Assembly Bill 1484 (AB 1484), which directed Successor Agencies to prepare a Long Range Property Management Plan (LRPMP) to be submitted to the Oversight Board and State Department of Finance within six months of receiving a Finding of Completion. The Successor Agency to the former Redevelopment Agency of the City of Torrance (Successor Agency) received its Finding of Completion on March 21, 2013, which sets a deadline for the submittal of an approved LRPMP in late September, 2013. A preliminary report on the LRPMP was brought before the Successor Agency for review on June 25, 2013 and reviewed by the Oversight Board on June 26, 2013. The Plan, included as Attachment B, represents the final Long Range Property Management Plan. The final LRPMP was reviewed and approved by the Successor Agency on July 16, 2013 and is now before the Oversight Board for final approval. Upon approval by the Oversight Board of the LRPMP, it will be submitted to the State Department of Finance, as required by AB 1484.

AB 1484 stipulates that the LRPMP must include an inventory and site history of each of the former Agency-owned properties as well as a plan for the future use or disposition of each site. AB 1484 allows for four permissible uses of the properties,

including: the retention of the property for governmental use, the retention of the property for future development, the use of the property to fulfill an enforceable obligation (either through sale of the property or revenue received from license agreements or rents), or the sale of the property. According to Health and Safety Code § 34180 (f), if a city wishes to retain any properties or other assets for future redevelopment activities, it must reach a compensation agreement with the other taxing entities to provide payments to them in proportion to their shares of the base property tax, as determined pursuant to Section 34188, for the value of the property retained; however, none of the properties owned by the former Redevelopment Agency fall into this classification.

The former Redevelopment Agency of the City of Torrance (former Agency) has ownership of five properties that will be included in the plan. The number of properties included in the plan has been further reduced from the number included in the preliminary report on the LRPMP shared with the Oversight Board on June 26, 2013. Through further research and study it was determined that one of the properties thought to have been owned by the former Agency actually belonged to the City of Torrance (the City). The property that was removed from the Plan is the Railroad right-of-way along Border Ave. The Stipulation for Entry of Judgment, which was produced as a result of a Quiet Title Action on the Lot in question, shows the City of Torrance as the owner.

Properties included in the LRPMP are:

1956 Torrance Blvd.

A 6,100 square foot parcel which was purchased to provide parking facilities for the Downtown Redevelopment Project Area. The site is currently encumbered by a License Agreement for ten (10) parking spaces, out of the 17 total spaces, which are tied to a Conditional Use Permit for the operation of a restaurant.

Staff recommends that the property be transferred to the City of Torrance under the Department of Finance's classification of "Governmental Use" as it serves as a public facility, is approved under the Redevelopment Plan for the former Downtown Redevelopment Project Area and is critical to the continued economic success of the Downtown businesses.

1312 Cabrillo Ave.

A 4,080 square foot parcel which was purchased to provide parking facilities for the Downtown Redevelopment Project Area. The site is currently encumbered by a License Agreement for the nonexclusive use of the ten (10) parking spaces onsite that were required as part of the approval of a Conditional Use Permit for the operation of a restaurant with beer and wine.

Staff recommends that the property be transferred to the City of Torrance under the Department of Finance's classification of "Governmental Use," because like 1956 Torrance Blvd, it serves as a public facility, is approved under the Redevelopment Plan for the former Downtown Redevelopment Project Area, and is critical to the continued economic success of the Downtown businesses.

1339 Post Ave.

A 2,400 square foot parcel which was purchased to expand the City-run senior citizen programs operating at the adjacent Bartlett Center. The site currently includes a building used by Community Focal Point on Aging, run by the City of Torrance Community Services Department.

Staff recommends that the property be transferred to the City of Torrance under the Department of Finance's classification of "Governmental Use", as the property houses a government run senior citizen program.

1919 Torrance Blvd.

A 36,200 square foot parcel that was acquired as part of the assembly of parcels for the creation of American Honda Headquarters in the Industrial Redevelopment Project Area. The site is landlocked on the Honda campus and remains under Agency ownership due to unresolved contamination issues. It is encumbered by an easement for the use of the site for pedestrian/auto access and landscaping.

Staff recommends that the property be transferred to American Honda at such time as the subsurface soil contamination issues can be resolved, as was agreed to under the Owner Participation Agreement. The Successor Agency to the former Redevelopment Agency of the City of Torrance will continue to work to resolve the contamination. This permissible use is classified as "Other" since the sale of the property has already been completed and the transfer remains contingent upon resolution of the contamination.

Torrance and Bow

The parcel was a former railroad right-of-way and was acquired to remove the blighted railroad ties and serve as a pedestrian walkway.

Staff recommends that the property be transferred to the City of Torrance under the Department of Finance's classification of "Governmental Use" so that it may continue to be used as a pedestrian walkway for the public.

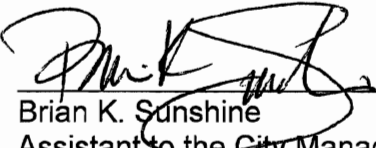
RECOMMENDATION

Staff recommends that the Oversight Board to the City of Torrance as Successor Agency to the Former Redevelopment Agency of the City of Torrance adopt a **RESOLUTION** approving the Long Range Property Management Plan. Once the Plan is approved by the Oversight Board, it will then be forwarded to the State Department of Finance, as required by AB 1484.

Respectfully submitted,

Brian Sunshine
Assistant to the City Manager

CONCUR:



Brian K. Sunshine
Assistant to the City Manager


By 

Carolyn Chun
Senior Planning Associate



Kenneth Flewellyn
Assistant Finance Director

NOTED:



LeRoy J. Jackson
City Manager

Attachments:

- A) RESOLUTION
- B) The Long Range Property Management Plan (Limited Distribution)

RESOLUTION NO. OB2013-_____**A RESOLUTION OF THE OVERSIGHT BOARD
OF THE SUCCESSOR AGENCY TO THE FORMER
REDEVELOPMENT AGENCY OF THE CITY OF
TORRANCE APPROVING THE LONG RANGE
PROPERTY MANAGEMENT PLAN**

WHEREAS, the Oversight Board of the Successor Agency to former Redevelopment Agency of the City of Torrance ("Oversight Board") has been established to direct the City of Torrance, in its capacity as "Successor Agency," to take certain actions to wind down the affairs of the former Redevelopment Agency of the City of Torrance ("Agency") in accordance with the requirements of Assembly Bill 26, also known as Chapter 5, Statutes 2011, First Extraordinary Session, which added Part 1.8 and 1.85 of Division 24 of the California Health and Safety Code ("ABx1 26"); and

WHEREAS, pursuant to Assembly Bill 1484 and California Health & Safety Code section 34191.5, each Successor Agency shall have completed a Long Range Property Management Plan (LRPMP) governing the disposition and use of the former Agency owned properties; and

WHEREAS, California Health and Safety Code Section 34191.5(b) states that the "successor agency shall prepare a long-range property management plan that addresses the disposition and use of the real properties of the former redevelopment agency. The report shall be submitted to the oversight board and the Department of Finance for approval no later than six months following the issuance to the successor agency of the finding of completion."; and

WHEREAS, the Successor Agency to the former Redevelopment Agency of the City of Torrance (Successor Agency) received its Finding of Completion on March 21, 2013, setting a deadline for the LRPMP in late September, 2013.

NOW, THEREFORE, the Oversight Board of the Successor Agency to the former Redevelopment Agency of the City of Torrance does hereby resolve as follows:

SECTION 1

The Oversight Board reviewed and allowed for public comment on the Long Range Property Management Plan at its meeting on July 17, 2013.

SECTION 2

The Oversight Board approved the Long Range Property Management Plan at its meeting on July 17, 2013.

SECTION 3

The Oversight Board directs that the Long Range Property Management Plan be forwarded to the California Department of Finance.

PASSED, APPROVED, AND ADOPTED this 17th day of July 2013.

ATTEST:

Steve Maguin, Chairperson,
Oversight Board of the Successor Agency
to the former Redevelopment Agency of
the City of Torrance

Secretary to the Oversight Board

Attachment B

The Long Range Property Management Plan

Board Meeting of
May 7, 2014

Honorable Chair and Members
of the City of Torrance Oversight Board
City Hall
Torrance, California

SUBJECT: Adopt RESOLUTION amending the Long Range Property Management Plan and stating the intent to enter into Compensation Agreements.

RECOMMENDATION

Recommendation that the Oversight Board to the City of Torrance as Successor Agency to the Former Redevelopment Agency of the City of Torrance adopt a **RESOLUTION** amending the Long Range Property Management Plan and stating the intent to enter into Compensation Agreements for the properties located at 1312 Cabrillo Avenue and 1956 Torrance Boulevard, to the extent required by law.

BACKGROUND AND ANALYSIS

State Assembly Bill X1 26 (ABX1 26) requires successor agencies to dispose of real property assets owned by former redevelopment agencies as part of their dissolution process. Clarification on the disposal of assets was addressed in State Assembly Bill 1484 (AB 1484), which directed Successor Agencies to prepare a Long Range Property Management Plan (LRPMP) to be submitted to the Oversight Board and State Department of Finance within six months of receiving a Finding of Completion. The Successor Agency to the former Redevelopment Agency of the City of Torrance (Successor Agency) reviewed and approved the LRPMP on July 16, 2013 and forwarded the plan to the Oversight Board for review. The Oversight Board reviewed and approved the LRPMP at its regularly scheduled meeting on July 17, 2013 before forwarding it to the California Department of Finance (DOF) for review and approval.

Representatives from the DOF contacted City staff in April, 2014 to provide an update on the review of Torrance's LRPMP. According to the DOF representative, the dispositions of two of the properties (1956 Torrance Blvd. and 1312 Cabrillo Ave.) need to be corrected before the LRPMP can be approved. Both properties were originally classified as "Governmental Use" in the approved LRPMP, as they were both purchased to provide parking facilities in the Downtown Redevelopment Project Area, are both tied to Conditional Use Permits to satisfy minimum parking requirements, and are both encumbered with License Agreements. California Health and Safety Code section 34181 (a) states that "...the Oversight Board may instead direct the Successor Agency to transfer ownership of those assets that were constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, and local agency administrative


buildings, to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such as asset.” The City of Torrance, along with many other jurisdictions facing the same issues, interpreted that the law’s intent was to include publically owned parking lots with the characteristics matching or similar to those of 1956 Torrance Blvd. and 1312 Cabrillo Ave. under the classification of “Governmental Use.” Further, California Health and Safety Code section 34181 (a) states uses “such as” for the description of governmental uses which many agencies believe is for example but not an exhaustive list. Unfortunately, the DOF has interpreted the law to mean that only those uses listed can be retained for government uses. The DOF has therefore rejected these classifications and required that these two properties be listed as “Retain for Future Development” before the LRPMP can be approved.

During the conversation with the DOF representative, staff was also informed that under the revised disposition of “Retain for Future Development,” the DOF would require a resolution stating the intent to enter into Compensation Agreements for the two aforementioned properties before any transfer of the properties can occur in order for the LRPMP to be approved. The attached **RESOLUTION** will serve to amend the LRPMP correcting the dispositions for the two aforementioned properties and state the intent to enter into compensation agreements for the properties, to the extent required by law. The LRPMP does not need to be resubmitted with the corrected dispositions for this amendment to be in effect.

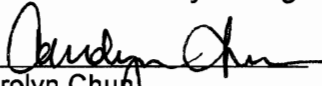
Upon approval and adoption of the **RESOLUTION**, it will be forwarded to the State Department of Finance for review.

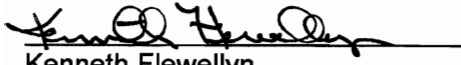
Respectfully submitted,

CONCUR:


 Brian K. Sunshine
 Assistant to the City Manager

Brian Sunshine
 Assistant to the City Manager

By 
 Carolyn Chun
 Senior Planning Associate


 Kenneth Flewellyn
 Assistant Finance Director

NOTED:


 LeRoy J. Jackson
 City Manager

Attachments:

- A) RESOLUTION
- B) Correspondence with California Department of Finance

RESOLUTION NO. OB2014-__**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE TO RECTIFY THE LONG RANGE PROPERTY MANAGEMENT PLAN AND STATE THE INTENT TO ENTER INTO COMPENSATION AGREEMENTS PRIOR TO ANY PROPERTY TRANSFERS BETWEEN THE SUCCESSOR AGENCY AND THE CITY OF TORRANCE**

WHEREAS, the Oversight Board of the Successor Agency to former Redevelopment Agency of the City of Torrance ("Oversight Board") has been established to direct the City of Torrance, in its capacity as "Successor Agency," to take certain actions to wind down the affairs of the former Redevelopment Agency of the City of Torrance ("Agency") in accordance with the requirements of Assembly Bill 26, also known as Chapter 5, Statutes 2011, First Extraordinary Session, which added Part 1.8 and 1.85 of Division 24 of the California Health and Safety Code ("ABx1 26"); and

WHEREAS, pursuant to Assembly Bill 1484 and California Health & Safety Code section 34191.5, each Successor Agency shall have completed a Long Range Property Management Plan (LRPMP) governing the disposition and use of the former Agency owned properties; and

WHEREAS, the Successor Agency and Oversight Board of the Successor Agency reviewed and approved the LRPMP on July 16 and July 17, 2013 respectively before forwarding the LRPMP to the State Department of Finance; and

WHEREAS, the State Department of Finance has found that the properties located at 1956 Torrance Boulevard and 1312 Cabrillo Avenue are not suitable for classification as "Governmental Use" and should be "Retain for Future Development;" and

WHEREAS, the Oversight Board must state the intent to enter into compensation agreements with the Taxing Entities for properties listed as "Retain for Future Development" prior to the transfer of properties, in order for the LRPMP to be approved by the State Department of Finance.

NOW, THEREFORE, the Oversight Board of the Successor Agency to the former Redevelopment Agency of the City of Torrance does hereby resolve as follows:

SECTION 1. The Oversight Board reviewed and approved the Long Range Property Management Plan at its meeting on July 17, 2013.

SECTION 2. The properties delineated in the LRPMP at 1956 Torrance Boulevard and 1312 Cabrillo Avenue shall be classified as "Retain for Future Development" and not as "Governmental Use."

SECTION 3. With respect to the properties described as 1956 Torrance Boulevard and 1312 Cabrillo Avenue in the LRPMP, the City will enter into compensation agreements with the affected taxing entities for the distribution of any net sale proceeds or rental income to the extent required by law.

SECTION 4. The Oversight Board directs that the LRPMP be ratified with the corrected dispositions for the aforementioned properties and that the intent to enter into compensation agreements to the extent require by law be affirmed.

PASSED, APPROVED AND ADOPTED this 7th day of May 2014.

ATTEST:

Steve Maguin, Chairperson,
Oversight Board of the Successor Agency
to the former Redevelopment Agency of
the City of Torrance

Secretary to the Oversight Board

Lang, Nina

From: Xu, Amy [Amy.Xu@dof.ca.gov]
Sent: Wednesday, April 09, 2014 11:40 AM
To: Lang, Nina
Cc: Green, Veronica
Subject: RE: City of Torrance Resolutions for LRPMP Approval

Hi Nina,

After reviewing the draft resolutions, yes the revisions and the stated intent to enter into a compensation agreement is acceptable for the permissible use of "retain for future development." Please submit the Oversight Board approved resolution to the Redevelopment Administration inbox when available.

Thank you for working with Finance in a timely manner. If you have any additional questions or concerns, please don't hesitate to contact me.

Best Regards,

Amy Xu
Analyst, Local Government Unit
Department of Finance
(916) 322-2985 ext. 3771

From: Lang, Nina [<mailto:NLang@TorranceCA.gov>]
Sent: Tuesday, April 08, 2014 9:45 AM
To: Xu, Amy
Cc: Chun, Carolyn; Sunshine, Brian
Subject: City of Torrance Resolutions for LRPMP Approval

Dear Amy,

I hope you are doing well. Attached please find the resolutions for the City of Torrance Successor Agency and Oversight Board rectifying the LRPMP and stating the intent to enter compensation agreements for the two properties we are revising the dispositions for. Please let me know if these are sufficient for the approval of the LRPMP or if there is anything else we will need to do or clarify. If these are sufficient, we are hoping to take them to the Successor Agency and Oversight Board at the first regularly scheduled meeting of the Oversight Board in May on May 7, 2014, with the Successor Agency meeting the night before on May 6, 2014.

Thank you for your time and consideration,
Nina

Nina Lang
Planning Assistant | City of Torrance | Community Development Dept.
3031 Torrance Boulevard | Torrance, CA 90503
310.618.5835 voice | 310.618.5829 fax
NLang@TorranceCA.gov | www.TorranceCA.Gov

Lang, Nina

From: Joseph Lamaestra [JLamaestra@assessor.lacounty.gov]
Sent: Friday, May 23, 2014 9:50 AM
To: Lang, Nina
Subject: 7352-022-900 & 901
Attachments: 7352-022-001-20070227.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Nina,

I was unable to find out any further information as per our conversation on Wednesday May 28, 2014. As I mentioned the properties in question went through various parcel/Assessor ID# changes throughout the years. The files I did located were when the ID#'s were 7354-020-026 and 027 which later became 908 & 909 and then 910 & 911 and eventually 7352-022-900 and 901.

The files did indicate ownership issues between Honda Corp. and The City of Torrance for these particular parcels. However, there was no information as to the sales price for the 1985 purchase by the City of Torrance. There was a valuation done in 1990 for a valuation date in 1989 in which \$280,000 was suggested for parcel 026 and \$370,000 for parcel 027, \$18.50 per square foot.

The \$18.50 per square foot may be of use to you as a guide? Keep in mind this valuation was made for a date four years after the city purchase. Not to mention the total square footage in question has changed over the years along with the parcel numbers (today parcel 900 is 42,100 sq. ft. in 1990 both parcels 026 and 027 were 35,200 sq. ft.). This is a common reason for said parcel changes; to allocate portions of land to other entities. In short the 1990 value of \$18.50 per square foot when applied to today's square footage of 42,100 would suggest a 1990 value of \$778,850. I hope this information is useful.

Regards,



**Valuing People
and Property**

Joseph W. Lamaestra
Major Real Property Appraiser
213-893-0726
jlamaestra@assessor.lacounty.gov
www.assessor.lacounty.gov

June 17, 1988

Redevelopment Meeting
June 21, 1988

Honorable Chairman and Members
of the Redevelopment Agency
City Hall
Torrance, California

Members of the Agency:

Subject: CONSIDERATION OF AN IMPLEMENTATION AGREEMENT TO
THE OWNER PARTICIPATION AGREEMENT BETWEEN THE
TORRANCE REDEVELOPMENT AGENCY AND TORRANCE
CENTER I (GASCON MAR LTD)

ABSTRACT

The Executive Director recommends that the Redevelopment Agency take the following actions:

- Approve the Implementation Agreement to the Owner Participation Agreement.
- Adopt a Resolution approving and authorizing the execution by the Redevelopment Agency of the City of Torrance of the Implementation Agreement between the Redevelopment Agency of the City of Torrance and Torrance Center I (Gascon Mar Ltd.)

BACKGROUND

On July 12, 1983, the Redevelopment Agency approved and adopted the Torrance Industrial Redevelopment Plan.

Subsequently, on December 23, 1986, the Redevelopment Agency agreed to enter into a Participation Agreement with Torrance Center I (Gascon Mar Ltd.). The purpose of the Participation Agreement was to provide financial assistance from the Redevelopment Agency in the development of the eleven acre site at the southwest corner of Torrance Boulevard and Western Avenue. The basis for the request was tied to the extraordinary costs of site clean-up and needed public improvements in this old, blighted industrial area.

In exchange, the Redevelopment Agency would realize several benefits from participating in Torrance Center I. The O.P.A. gives the Agency added control over the development; and, the project has been a significant asset in the achievement of the goals of the Redevelopment Project.

ANALYSIS

Due to the complexity of the project, it has become apparent that clarifications need to be made to the Participation Agreement in regard to the financial payment structure and methods of payments between the Redevelopment Agency and Torrance Center I (Gascon Mar Ltd.). The attached implementation agreement provided such clarification in the areas.

The original Participation Agreement allowed the Agency to repay Torrance Center I for up to 2 million dollars worth of eligible expenses such as site clean-up and public improvements. The project is near completion; and, it is anticipated the eligible expenses will be closer to \$1,240,000. Furthermore, with the adoption of this Implementation Agreement the agency will own the portion of land under the Torrance Bridge on the Torrance Center I site.

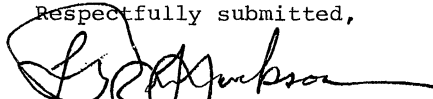
A more detailed breakdown of the payment schedule is included in the attached agreement.

RECOMMENDATION

The Executive Director recommends that the Redevelopment Agency of the City of Torrance take the following action:

- Approve the Implementation Agreement to the Owner Participation Agreement.
- Adopt a Resolution approving and authorizing the execution by the Redevelopment Agency of the City of Torrance of the Implementation Agreement between the Redevelopment Agency of the City of Torrance and Torrance Center I (Gascon Mar Ltd.)

Respectfully submitted,



Leroy J. Jackson
Executive Director

Prepared by:



Liz Rojas
Assistant to City Manager

Attachments:

1. Resolution
2. Implementation Agreement (Material available Monday)

RESOLUTION NO. RA88-11

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE APPROVING AND AUTHORIZING THE EXECUTION OF AN IMPLEMENTATION AGREEMENT TO THE PARTICIPATION AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE AND TORRANCE CENTER I

WHEREAS, the Redevelopment Agency of the City of Torrance (the "Agency") is carrying out the Redevelopment Plan (the "Redevelopment Plan") for the Industrial Redevelopment Project (the "Project"); and

WHEREAS, the Agency entered into a Participation Agreement (the "Participation Agreement") with Torrance Center I (the "Participant") dated May 26, 1987, which provides for the development of certain real property (the "site") located within the boundaries of the Project (the "Project Area"); and

WHEREAS, in light of current timing and financial conditions, the Participant and the Agency wish to make certain changes to the Participation Agreement;

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE does hereby resolve as follows:

- 1) That the Agency approve and authorize execution of Implementation Agreement to the Participation Agreement (the "Implementation Agreement") attached hereto as Exhibit A and incorporated herein and the Chairman of the Agency is hereby authorized and directed to execute the Implementation Agreement on behalf of the Agency, with such technical and clarifying minor changes as the Executive Director and Agency Counsel shall both approve.

Introduced, approved and adopted this 21st day of June, 1988.

/s/ Katy Geissert
Chairman

ATTEST:

/s/ LeRoy J. Jackson
Executive Director

/s/ Donald E. Wilson
Donald E. Wilson
Clerk of the Agency

APPROVED AS TO FORM:

STANLEY E. REMELMEYER
AGENCY COUNSEL

By William G. Quale
Assistant Agency Counsel

TORRANCE REDEVELOPMENT AGENCY RESOLUTION NO. RA88-11

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF TORRANCE)

I, Donald E. Wilson, Clerk of the City of Torrance Redevelopment Agency, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the Redevelopment Agency of the City of Torrance at a regular meeting of said Agency held on the 21st day of June, 1988 by the following roll call:

AYES: MEMBERS: Applegate, Hardison, Mock, Nakano,
Walker, Wirth and Geissert.

NOES: MEMBERS: None.

ABSENT: MEMBERS: None.

ABSTAIN: MEMBERS: None.

 /s/ Donald E. Wilson
Clerk of the Redevelopment Agency

June 21, 1988

AGENCY MEETING
June 21, 1988
 SUPPLEMENTARY MATERIAL
ITEM 3A

Honorable Chairwoman and Members
 of the Redevelopment Agency
 City Hall
 Torrance, California

Members of the Agency:

SUBJECT: Implementation Agreement

Attached for your consideration is the Implementation Agreement for Torrance Center I (Gascon Mar LTD). The purpose of the Agreement is to clarify the financial payment structure by the Redevelopment Agency and Torrance Center I for public improvements.

The following is a summary of the payment schedule:

	<u>Date</u>	<u>Amount</u>
1	Execution of Agreement	\$138,474
2	November 1, 1988	250,000
3	November 1, 1989	250,000
4	November 1, 1990	outstanding balance

In addition, the following offset cost will be credited to the Redevelopment debt.

	<u>Item</u>	<u>Date</u>	<u>Amount</u>
1	Street Improvement Bond	6/15/88	\$ 1,728
2	ITC Component of Western Avenue Undergrounding	6/15/88	50,000
3	Undergrounding Charge on Torrance Boulevard	11/87	31,024

The Executive Director apologizes for the tardiness of the document.

RECOMMENDATION

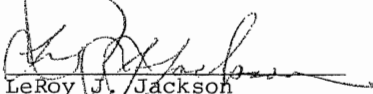
The Executive Director recommends:

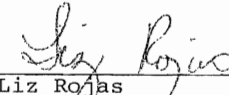
- . Approval of the Implementation Agreement to the Owner Participation Agreement.
- . Adoption of the Resolution attached to the original Agency item approving and authorizing the execution of the Implementation Agreement.

Respectfully submitted,

LeROY J. JACKSON
 EXECUTIVE DIRECTOR

CONCUR:


 LeRoy J. Jackson
 Executive Director

By 
 Liz Rojas
 Assistant to Executive Director

attachment: Implementation Agreement

SUPPLEMENTARY MATERIAL **3 A**

/.
June 21, 1988

AGENCY MEETING
June 21, 1988
 SUPPLEMENTARY MATERIAL
ITEM 3A

Honorable Chairwoman and Members
 of the Redevelopment Agency
 City Hall
 Torrance, California

Members of the Agency:

SUBJECT: Implementation Agreement

Attached for your consideration is the Implementation Agreement for Torrance Center I (Gascon Mar LTD). The purpose of the Agreement is to clarify the financial payment structure by the Redevelopment Agency and Torrance Center I for public improvements.

The following is a summary of the payment schedule:

<u>Date</u>	<u>Amount</u>
1 Execution of Agreement	\$138,474
2 November 1, 1988	250,000
3 November 1, 1989	250,000
4 November 1, 1990	outstanding balance

In addition, the following offset cost will be credited to the Redevelopment debt.

<u>Item</u>	<u>Date</u>	<u>Amount</u>
1 Street Improvement Bond	6/15/88	\$ 1,728
2 ITC Component of Western Avenue Undergrounding	6/15/88	50,000
3 Undergrounding Charge on Torrance Boulevard	11/87	31,024

The Executive Director apologizes for the tardiness of the document.

RECOMMENDATION

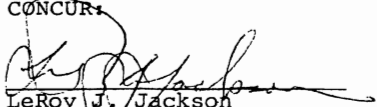
The Executive Director recommends:

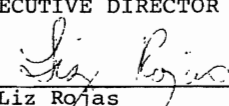
- . Approval of the Implementation Agreement to the Owner Participation Agreement.
- . Adoption of the Resolution attached to the original Agency item approving and authorizing the execution of the Implementation Agreement.

Respectfully submitted,

LeROY J. JACKSON
 EXECUTIVE DIRECTOR

CONCUR:


 LeRoy J. Jackson
 Executive Director

By 
 Liz Rojas
 Assistant to Executive Director

attachment: Implementation Agreement

SUPPLEMENTARY MATERIAL **3A**

2.

IMPLEMENTATION AGREEMENT FOR TORRANCE CENTER I

THIS IMPLEMENTATION AGREEMENT (the "Agreement") entered into at Torrance, California by and between the REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE (the "Agency") and TORRANCE CENTER I (the "Participant"), implements the Owner Participation Agreement (the "OPA") dated May 26, 1987 and the related Promissory Note (the "Original Note") executed by the Agency on June 21, 1987. The Agency and Participant mutually agree as follows:

Section 1. Definitions.

Capitalized terms not otherwise defined herein shall be defined as provided in the OPA and the Original Note. The Original Note, including all amendments thereto (whether before or after the date of this Agreement), and increases in the amount thereof (in any amount and at any time whatsoever), is hereinafter referred to as the "Note" and the parties hereto expressly agree that the obligations and limitations set forth herein shall apply to such Note.

Section 2. Purpose of this Agreement.

The purpose of this Agreement is to effectuate and implement the OPA and Note. In order to expedite the process of redevelopment under the OPA, the Agency and Participant are entering into this Agreement to provide for the use by the Agency of certain other funding sources and supplemental means of making payments on the Note or obtaining offsets or reductions in the principal balance of the Note.

Section 3. Note Balance.

The parties agree that the principal balance of the Note as of June 1, 1988 was \$745,434.68. Such amount is fifty percent (50%) of certain reimbursable expenses advanced by Participant and accounted for to the Agency all as provided in the OPA and Note. Such principal balance was reduced from \$1,045,434.68 by application of the \$300,000 paid to Participant on November 16, 1987. The parties anticipate that the principal balance of the note will be increased by approximately \$200,000 by December, 1988.

Section 4. Note Payments.

Agency agrees that Participant shall receive payments on the Note in cash as provided below or as an offset as provided in Section 7 hereof. Agency's obligation to make payments to Participant pursuant to this Section 4 is absolute and unconditional and the parties agree that such obligation is in lieu of the source of payment set forth in the OPA and the Note.

3.

Schedule of Note Payments

<u>Date</u>	<u>Amount</u>
Execution of this Agreement by Agency	\$ 138,474.00
November 1, 1988	250,000.00
November 1, 1989	250,000.00
November 1, 1990	Outstanding balance

Section 5. Discount for Advance Payment.

To the extent that any payment to the Participant of the amounts set forth in to Section 4, or any assumption or incurrence of Offset Costs (as defined in Section 7) pursuant to Section 7, is more rapid than anticipated under Section 4 or 7 as applicable, then Agency and Participant shall deduct from the principal balance of the Note an amount equal to the product of the payment and/or Offset multiplied by a discount factor of 10.5% per year, prorated by the number of days in advance of the anticipated payment date under the Note that such payment is made or benefit of an Offset is received. Participant agrees that the \$138,474.00 which it will receive upon execution of this Agreement is a prepayment of an obligation due and owing the Participant on November 1, 1988, and that upon payment to Participant the balance of the Note shall be reduced by this amount plus the applicable discount amount computed pursuant to this Section 5.

By way of illustration only, if under the terms of Section 4 hereof, \$200,000 would have been received on November 1, 1988, and an advance payment is made of \$200,000 on July 1, 1988, then the principal amount of the Note would be reduced as follows:

Principal:	\$200,000
Discount:	\$200,000 x .105 x 123/365 days: \$7,140.00
Total Note	
Reduction:	<u>\$207,140.00</u>

Section 6. Negative Covenant.

The Agency covenants that it will not further encumber the tax increment in the Project Area unless it makes provision for payment of the Agency's obligations set forth herein.

4.

Section 7. Offset Costs.

Agency agrees to assume on behalf of Participant certain expenses (hereinafter "Offset Costs") so as to relieve Participant of the burden of paying such amounts. Such costs may include, but not be limited to, City of Torrance ("City") fees, permit costs, taxes and other items which are the subject of agreement from time to time between the City and the Participant.

Upon certification to Participant that any Offset Cost amounts have been assumed, incurred or otherwise provided for without expense to Participant, the outstanding principal balance of the Note shall be reduced by 100% of such amounts unless the provisions of the next sentence apply. If an Offset Cost, if paid by the Participant, would constitute a Participant's Advance, fifty percent (50%) of which would be reimbursable to Participant by Agency, no portion of such cost shall be added to the principal of the Note and fifty percent (50%) of such cost shall be credited as a reduction of principal on the Note.

The amount of Offset Cost applied as a reduction to the Note shall reduce the Agency's obligations under the OPA and this Agreement.

Agency hereby certifies to Participant that the following amounts will be assumed, incurred or otherwise provided for without expense to Participant. The parties agree that fifty percent (50%) of such amounts shall be credited to reduce the Agency's obligations under the Agreement, the OPA and the Note as of the date indicated:

<u>Item</u>	<u>Date</u>	<u>Amount</u>
Street Improvement Bond Premium	June 15, 1988	\$ 1,728
ITC Component of Western Ave. undergrounding (estimated)	June 15, 1988	50,000

The parties hereto further agree that upon written request of the Participant additional Offset Costs may be agreed upon and that any additional Offset Costs shall be subject to the certification procedures outlined above.

Any Agency agreements respecting Agency payments to City for such amounts shall provide that City's right to receive payment from the Agency from any source whatsoever, including Available Funds, shall be subordinate to

5.

Participant's right to receive such amounts from Agency in payment of the Note.

Agency agrees to work diligently with Southern California Edison Company in order to arrange for release of the ITC deposit set forth below from escrow. Such amounts, if released, shall be released directly to the Participant and upon such release shall be credited as a reduction in the principal balance of the Note.

<u>Item</u>	<u>Release Date</u>	<u>Amount</u>
Undergrounding charge on Torrance Boulevard	Paid 11/87	\$ 31,024 (ITC)

Section 8. Dedication of Improvements.

Participant agrees to dedicate to the Agency the improvements described in attachment A hereto within 30 days of the effective date of this Agreement. In consideration of such dedication, Agency agrees to pay Participant the sum of \$40,000. The parties agree that this amount will be immediately added to the outstanding balance of the Note upon completion of the dedication.

Section 9. Effect of this Agreement.

This Agreement is supplemental to and shall implement the provisions of the OPA and the Note.

Section 10. Date of this Agreement.

The effective date of this Agreement shall be the date the Agreement has been signed by the Agency.

"Agency"

REDEVELOPMENT AGENCY OF
THE CITY OF TORRANCE

_____, 1988.

By: _____
Agency Chairman

APPROVED AS TO FORM:

Stanley E. Remelmeyer
Agency Counsel

By: _____
Executive Director/Secretary

6.

"Participant"

TORRANCE CENTER I, a California
general partnership

By: PHOENICIAN COMMERCIAL PROPERTIES,
INC., a California corporation

By _____
Christopher J. Chambers,
Vice President

By: GASCON MAR, LTD., a California
limited partnership

By: GASCON DEVELOPMENT, INC., a
California corporation, as
General Partner of Gascon
Mar, Ltd.

By _____
Neil D. Gascon,
President

By: MAR DEVELOPMENT CORPORATION, a
California corporation, as
General Partner of Gascon Mar, Ltd.

By _____
Allan W. Mackenzie,
President

June 17, 1988

Redevelopment Meeting
June 21, 1988

Honorable Chairman and Members
of the Redevelopment Agency
City Hall
Torrance, California

Members of the Agency:

Subject: CONSIDERATION OF AN IMPLEMENTATION AGREEMENT TO
THE OWNER PARTICIPATION AGREEMENT BETWEEN THE
TORRANCE REDEVELOPMENT AGENCY AND TORRANCE
CENTER I (GASCON MAR LTD)

ABSTRACT

The Executive Director recommends that the Redevelopment Agency take the following actions:

- Approve the Implementation Agreement to the Owner Participation Agreement.
- Adopt a Resolution approving and authorizing the execution by the Redevelopment Agency of the City of Torrance of the Implementation Agreement between the Redevelopment Agency of the City of Torrance and Torrance Center I (Gascon Mar Ltd.)

BACKGROUND

On July 12, 1983, the Redevelopment Agency approved and adopted the Torrance Industrial Redevelopment Plan.

Subsequently, on December 23, 1986, the Redevelopment Agency agreed to enter into a Participation Agreement with Torrance Center I (Gascon Mar Ltd.). The purpose of the Participation Agreement was to provide financial assistance from the Redevelopment Agency in the development of the eleven acre site at the southwest corner of Torrance Boulevard and Western Avenue. The basis for the request was tied to the extraordinary costs of site clean-up and needed public improvements in this old, blighted industrial area.

In exchange, the Redevelopment Agency would realize several benefits from participating in Torrance Center I. The O.P.A. gives the Agency added control over the development; and, the project has been a significant asset in the achievement of the goals of the Redevelopment Project.

ANALYSIS

Due to the complexity of the project, it has become apparent that clarifications need to be made to the Participation Agreement in regard to the financial payment structure and methods of payments between the Redevelopment Agency and Torrance Center I (Gascon Mar Ltd.). The attached implementation agreement provided such clarification in the areas.

The original Participation Agreement allowed the Agency to repay Torrance Center I for up to 2 million dollars worth of eligible expenses such as site clean-up and public improvements. The project is near completion; and, it is anticipated the eligible expenses will be closer to \$1,240,000. Furthermore, with the adoption of this Implementation Agreement the agency will own the portion of land under the Torrance Bridge on the Torrance Center I site.

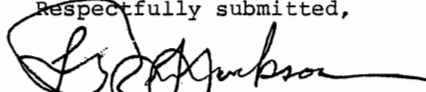
A more detailed breakdown of the payment schedule is included in the attached agreement.

RECOMMENDATION

The Executive Director recommends that the Redevelopment Agency of the City of Torrance take the following action:

- Approve the Implementation Agreement to the Owner Participation Agreement.
- Adopt a Resolution approving and authorizing the execution by the Redevelopment Agency of the City of Torrance of the Implementation Agreement between the Redevelopment Agency of the City of Torrance and Torrance Center I (Gascon Mar Ltd.)

Respectfully submitted,



Leroy W. Jackson
Executive Director

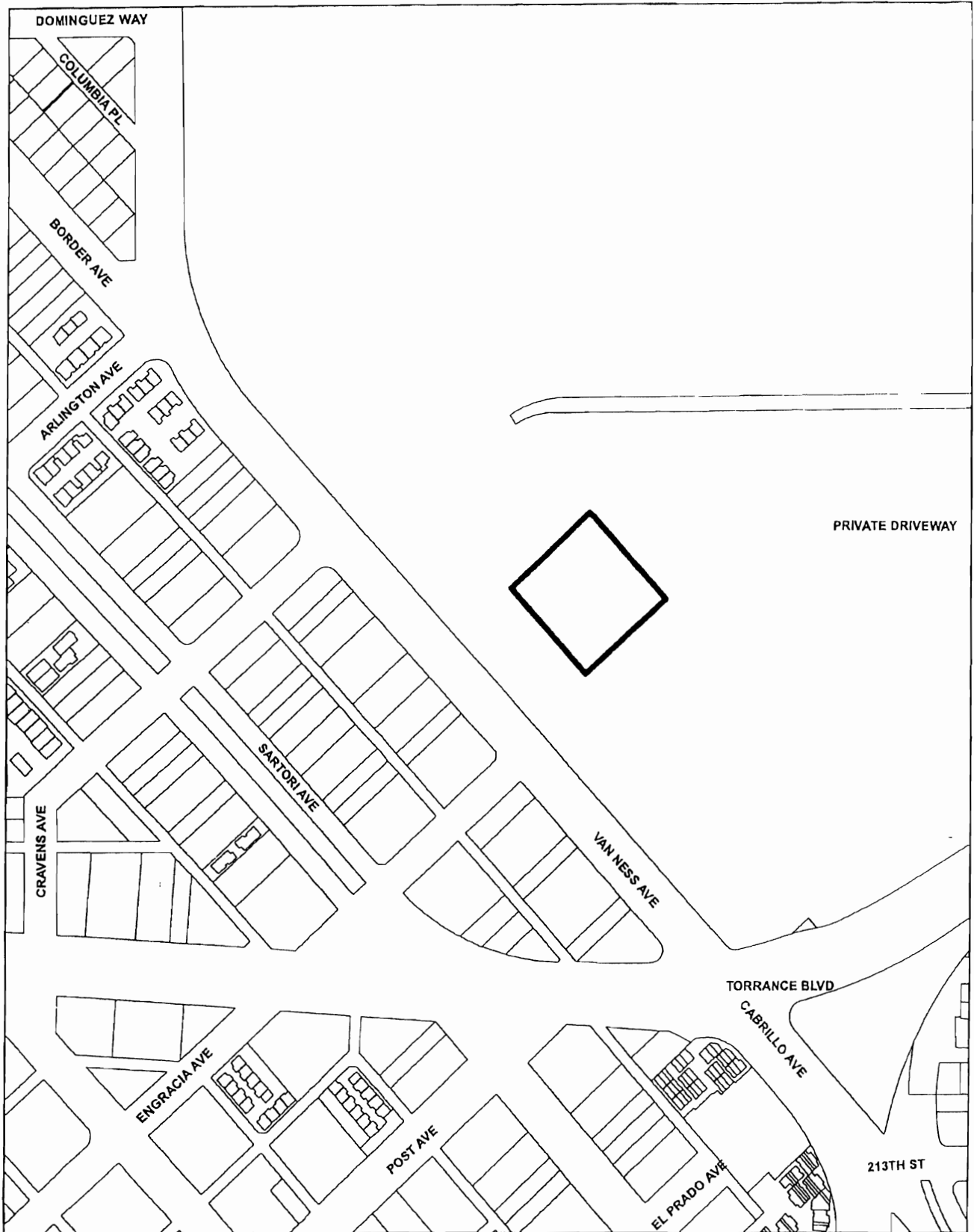
Prepared by:



Liz Rojas
Assistant to City Manager

Attachments:

1. Resolution
2. Implementation Agreement (Material available Monday)

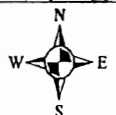


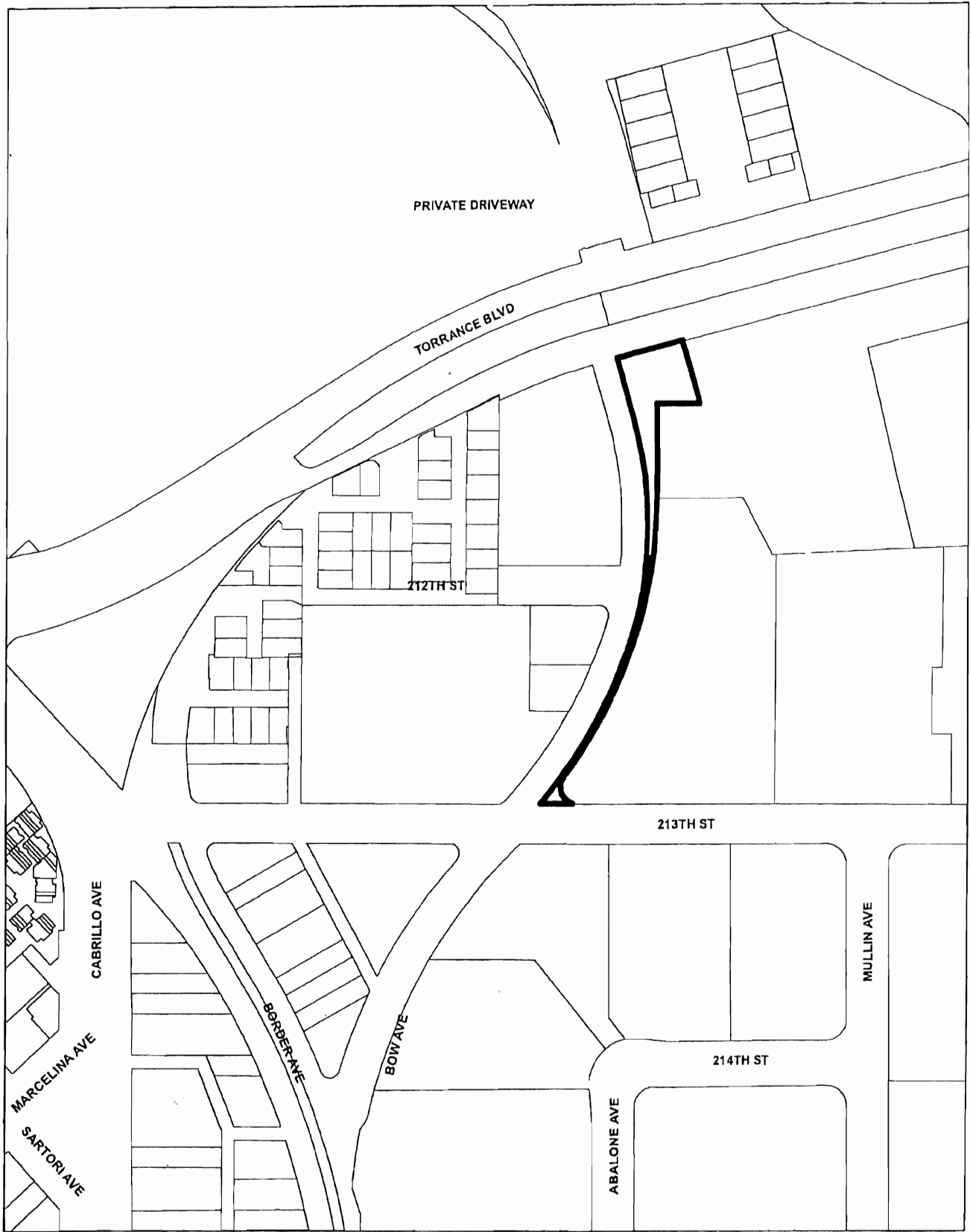
\\Ma\GIS\GIS\Inventory of Redevelopment Properties.mxd

Lines and photos are approximate, not to be used for establishing absolute or relative positions



7352-022-900





T:\MAGIS\011\Inventory of Redevelopment Properties.mxd

Lines and photos are approximate, not to be used for establishing absolute or relative positions



7355-032-900

