

Honorable Chair and Members
of the Finance and Governmental Operations Committee
City Hall
Torrance, California

Members of the Finance and Governmental Operations Committee:

SUBJECT: City Manager – Accept/File Update on City-Owned Property Portfolio and Discuss Options for Land Use Study. Expenditure: None

RECOMMENDATION

Recommendation of the City Manager that the Finance and Governmental Operations Committee accept and file an update on the City-Owned Property Portfolio and provide direction on a potential land use study.

BACKGROUND

On January 17, 2023, Councilmember Kaji received concurrence from Council to direct staff to prepare an agenda item for the Finance and Governmental Operations Committee to review the City-owned property portfolio and provide options for a potential land use study that could assess certain parcels for improved program delivery and/or revenue generation.

ANALYSIS

The City Manager's Office – Land Management team is responsible for oversight of the City's real property portfolio. The City owns approximately 239 parcels that includes the Civic Center campus, Torrance Airport, local libraries and parks, city facilities, public infrastructure, dedicated rights-of-way, etc. On certain properties, the City Council has previously approved full or partial disposition of property to allow for establishment of ground leases for purposes of redevelopment or accommodate additional programming and/or services. Of the 55 Ground leases, the majority are concentrated on the Torrance Airport, which is comprised of two parcels. Staff notes that if the Finance and Governmental Operations Committee decides to direct staff to pursue a land use study, a subsequent item will be prepared to obtain approval from the City Council.

Ground Leases

Torrance Airport – Zamperini Field is the City's largest asset in terms of land area, in which the City Council approved a subdivision map for leasing purposes at the airport, to allow new ground lease opportunities to redevelop the operational and surrounding area of the airport. These ground leases range from aeronautical-related uses, commercial shopping centers, automotive dealerships, light manufacturing, recreational facilities, and professional/medical office use.

The City also maintains ground leases in several other locations including the Civic Center, Downtown Torrance, local parks and vacant lots. The Civic Center, Sea-Aire Golf Course, Sur la Brea Park and Victor Park currently hold ground leases for telecommunication facilities. The Friends of Torrance Theatre Company leases a commercial building owned by the City located at 1316 Cabrillo Avenue. KinderCare, a pre-school operator, leases a community building located at Greenwood Park. The City also maintains ground leases for temporary construction staging to support local projects that includes the southwest corner of PCH/Hawthorne, the northeast corner of 182nd/Crenshaw, the northeast corner of 223rd/Abalone and two parcels at the Torrance

Regional Transit Center. Due to prior neighbor concerns the Ocean Sump (Talisman/Merrill) is no longer rented to external agencies or non-City related construction projects.

As previously mentioned, the City also owns property to support public infrastructure, which includes water storage/operations, dedicated right-of-ways, sumps, drainage channels, and transportation. Staff notes that these particular properties will most likely need to be maintained as they continue to be necessary to support the City's local infrastructure network.

The Land Management Team has prepared an updated roster of the City's real property portfolio (Attachment A). In terms of a potential land use study, staff is requesting direction from the Finance and Governmental Operations Committee on the scope of work and which parcels, whether it is a selected or comprehensive, should be included for the land use study. Within the updated roster, several properties have been identified as 'potential candidates' for the land use study, as their viability for disposition could afford an opportunity to redevelop and provide additional services and/or revenue to the City.

Civic Center Master Plan

On November 15, 2022, the City Council appropriated \$180,000 from Land Management Signing Fee revenues to support a number of initiatives (Attachment C). The Civic Center Master Plan Visioning Project is one of these initiatives currently in the RFP process with a project kick-off date forecasted for summer 2023. The purpose of the Civic Center Master Plan is to complete a community-driven land use study that will more efficiently utilize the land and real estate potential of the site by exploring a consolidated City operating footprint, façade modernizations and incorporating structured parking, where appropriate, to allow for development of relocated public facilities and integrating private development to generate new revenue through long-term ground leases, Sales, Property, Transient Occupancy and Utility User taxes. At this time, staff has received proposals from 8 candidates with a cost range of \$150,000 to \$500,000 to complete the study. Furthermore, since the Civic Center is already undergoing its own study, staff recommends continuing the City Council's prior direction and should the City Council approve award of to a responsive RFP vendor, the Finance and Governmental Operations Committee may play an integral part in reviewing the community engagement and economic/parking analysis that are completed for this effort.

Facility Assessment Study

General Services Department is currently completing a Facility Condition Assessment and Index Study on 22 structures within the civic center campuses, totaling approximately over 518,000 square feet and was also funded (\$225,000) by the November 15th, 2022 City Council appropriation of Land Management signing fees. The inventory includes municipal government offices, fire stations, the Police department, cultural art amenities, etc. The purpose of the facility assessment is to provide comprehensive documentation and analysis of the City's existing built facilities. The analysis will be utilized for prioritizing capital improvements and maintenance requirements, as well assisting with allocating operating budgets and informing the establishment of on-going maintenance and replacement schedules.

Staff anticipates going to City Council on May 23rd recommending to award a consulting services agreement with work to be completed within 120 days of notice to proceed.

Funding

As previously mentioned, a total of \$405,000 is currently appropriated for the two land use and facilities concepts currently underway with the Civic Center Master Plan and the Facilities Assessment. The entirety of the 2022 Land Management Signing Fee revenues have been appropriated or absorbed into the General Fund. Due to the variety and expanse of City Owned parcels, staff recommends the Finance and Governmental Operations Committee discuss whether a more specific concentration of City assets should be candidates for scoping a dedicated

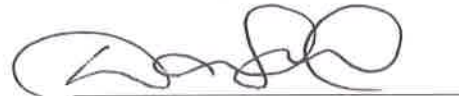
land use study or whether any of the staff identified parcels would be the Committee's preferred recommendation to the City Council to advance. The Committee may also wish to discuss whether it would be beneficial to set aside portions of future Land Management signing fee revenues within a Land Management fund in order to facilitate future planning and redevelopment efforts or preserve the present General Fund and specific appropriations approach should be maintained. Staff notes that there is currently no budget available to fund the study at this time. Staff will work with Finance to determine availability of funds within the next fiscal year budget planning processes if so directed by the City Council.

Staff recommends that the Finance and Governmental Operations Committee provide direction regarding a potential land use study for the City-Owned Real Property Portfolio. Three potential options include:

- Option 1: Complete a Land Use Study incorporating all City-Owned properties (comprehensive); or
- Option 2: Complete a Land Use Study for a specific concentration of City Assets or properties identified as 'potential candidates' for redevelopment; or
- Option 3: Await for the completion of the Civic Center Master Plan and Facility Assessment to determine viability for additional land use study for a to-be-determine list of properties; or
- Option 4: Accept/File, no land use study.

If it is the Finance and Governmental Operations Committee's direction to proceed with a land use study, staff will forward the Committee's recommendation to the Council for consideration. If approved by the Council, staff will develop a scope of work and develop an RFP subject to Council's direction and will work with the Finance Department to identify sources of funding through other program modifications or reductions.

Respectfully Submitted,



Danny E. Santana
Assistant City Manager



Carlos Huizar
Management Associate

CONCUR:



Aram Chaparyan
City Manager

- Attachments:
- A) City-Owned Property Portfolio List
 - B) Potential Candidate Sites List
 - C) November 15, 2022 City Council Agenda Item 9F
 - D) Ground Lease Matrix (Limited Distribution)