

Torrance, California
October 28, 1967

MINUTES OF A SPECIAL MEETING
OF THE TORRANCE CITY COUNCIL

1. CALL TO ORDER:

A special meeting of the Torrance City Council was held at 9:00 a.m., on Saturday, October 28, 1967, pursuant to notice required by law and signed by a majority of the members (Beasley, Sciarrotta, Talbert and Isen). It was a combined notice for a special meeting of the City Council and of the Redevelopment Agency of the City of Torrance for the purposes set forth on the agenda. A waiver of the 24-hour written notice was signed by all members of the City Council and of the Redevelopment Agency.

2. ROLL CALL:

Those responding to roll call by Deputy City Clerk Moss were: Councilmen: Beasley, Lyman, Miller, Sciarrotta, Talbert, Vico, and Mayor Isen. Absent: None. City Manager Ferraro, City Attorney Remelmeyer and City Treasurer Rupert were also present.

Since this is a special meeting, called for a special purpose, Mayor Isen announced the Flag Salute and Invocation would be waived.

There was a typed agenda of items to be considered at the special meeting also called for the Redevelopment Agency and it was agreed those items are also the ones to be considered at the meeting of the Council at this time. City Manager Ferraro enumerated them as:

A. Alternate methods of financing the Meadow Park Redevelopment Project without Federal assistance;

B. Legal position of the City and the Redevelopment Agency as a result of the action of the City Council at the meeting of October 24, 1967 directing that the two initiative petitions be placed on the ballot.

C. Any other matters relative to Items 1 and 2 above.

First to speak was Councilman Sciarrotta who reported on the discussions and deliberations at the meeting of the Council Finance Committee to which this matter was referred by the Council on October 24, 1967. The meeting was held Thursday morning (October 26, 1967) at 8 a.m. and the matters discussed were: the financial condition of the City of Torrance with relationship to what can be done for the property owners who are in escrow. There is in escrow property amounting to about \$660,000 and another \$160,000 affected which totals over \$800,000 needed to take care of pending transactions. The Finance Director informed the Committee if the money which has been allocated to Capital Improvement Programs amounting to about \$850,000 the City could "get over the immediate hump", on the pending escrows. There would then be a question, if the measure should prove successful, as to an alternate financing method. The Finance Director informed the Committee this would take a 55¢ override for \$100 and Mr. Sciarrotta said perhaps this should be placed on the same election ballot. The override would be necessary for a period of three years.

The Committee felt the exact position should be determined and as a result the City Manager, Finance Director and City Attorney went to San Francisco. Each councilman has been furnished with a copy of a letter stating the results of the conference in San Francisco. The \$358,000 check which had been expected to come to Torrance this week has not arrived and has been held up by the Federal government.

Councilman Miller asked City Manager Ferraro what the results would be of transferring the Capital Improvement fund toward this project and the answer was that there would be indefinite delay as to many capital projects, including specifically acquisition of the South Torrance Park and the Victoria Knolls Park which have been in process since about 1960. Mr. Ferraro said there is approximately \$400,000 in that fund. Also affected would be other capital improvement projects for which contracts have not yet gone out to bid. The total amount of capital improvement money available, he said would be about \$500,000. In effect, all other parts of the City functions would be drained and channeled to the Redevelopment area. Also to be considered is the additional cost of any of these projects because of delay - inflation, etc. would add at least 5% to the costs. Even so, the funds would not be adequate and other sources would have to be used.

There has been a thought that these could be secured by acquisition of the property, but Mr. Ferraro said the City has already put \$500,000 of its resources into the project in the acquisition of hardship property cases. Those funds came from certain reserves of the City and are secured by acquisition of the property. The theory was that those properties would be repurchased through Government funds which would come to the Agency, as a contribution toward the City's one-third share. Torrance is the only City which has put up funds in this large amount toward satisfying the requirement of hardship cases prior to approval or disapproval of the Federal Government of the project. Mr. Ferraro said he could tell what money is available, but could only conjecture as to what delays would result. The two that he has mentioned are symbolic of what would necessarily have to be delayed.

Mayor Isen expanded the explanation of the City's having advanced the large sum, due to the perils of lawsuits because of the blighted property near the Airport; and the people in the affected Meadow Park area wanted this project, rather than having their properties zoned industrially. This project was started over two years ago with all the public hearings required by law; the Agency was established and there were no protests from the public or citizens of Torrance.

He continued, that seven or eight months ago some group in good faith whether rightly or wrongly, with the backing of outsiders, exercising their complete legal rights circulated a petition directing the abolition of the Agency. A second petition with respect to the Housing Act, creates no problem because if it were abandoned, Torrance would lose home rule and the State Housing Act would step in and control its activities.

Sufficient signatures were obtained and until the matter is ruled on by a competent court, and a majority of the Council felt the proposition must be placed on the ballot. As a result, Mayor Isen said the City is in a state of crisis; secondly, the good faith demonstrated by the City with DUD (District Housing and Urban Development) has been rejected by a complete lack of faith by them and the City has been placed in an untenable position. The funds which Torrance has obligated itself to pay for the project have been withheld, although DUD was not taken by surprise; they were apprised of these petitions and their possibilities in the Second Report and Application. The Congressmen and Senators from this area must be informed of the situation so they will order DUD to restore the funds to meet the legal commitments.

Secondly, Mayor Isen said the City must show good faith in continuing its dealings with the landowners in the affected area, regardless of any so-called "escape clauses" in the escrows. These are moral and ethical commitments which must be upheld to protect the owners who have entered into other plans and commitments, including physical hardships and illness. In these cases, the City must follow through regardless of the source from which the funds to do so must be taken. All of the citizens of the community will be subjected to hardship to some degree.

As a result of this situation, it is a horrible possibility that this City may not only stand still for the next several years, but will either have to vote an override to take care of over \$6 million in taxes, in lieu of Federal funds, or go bankrupt. If the people of such an outstanding City are properly informed, he feels sure that this will not happen.

Councilman Beasley repeated that it would take a 55¢ per \$100 of valuation, for three years, to meet the obligation. Every citizen will have to live with the situation which has been created. Even with the override, money will have to be borrowed.

Councilman Miller concurred in what both Mr. Beasley and Mayor Isen had said. He proposed a motion, in effect, that until such time as this money is restored to the City if and when the matter is defeated at the polls, capital improvement money be transferred. Mr. Ferraro said the capital improvement money is not sufficient and there was some discussion as to the wording of a suitable motion. There are 17 parcels in escrow; for \$601,000 and six escrows ready to go, totalling \$164,000 and it was stated the amount necessary right now is \$762,000 whereas the capital improvement fund totals \$500,000.

The motion suggested by Mayor Isen would be, as a matter of policy, that the obligations be met, to the amount of \$762,000 now incurred regardless of where the money is to come from - the source to be determined later. Councilman Beasley pointed out the many areas which would have to be cut in order to raise this amount of money, including personnel in Police and Fire and other departments.

Mayor Isen restated his suggestion in the preceding paragraph in the form of a motion. (Later it was seconded by Councilman Sciarrotta).

Councilman Talbert quoted the last paragraph of the letter regarding the results of the San Francisco conference and asked for "the full results" which it stated would be available at this session. Mr. Ferraro stated Mr. Mitchell, the Regional Administrator in San Francisco indicated that they would not reallocate the funds to any other project, but would hold them in abeyance pending the results of this election. Mayor Isen supplemented his statement by saying that unless proposition B is overwhelmingly defeated at the polls, there would be no money coming, but if it is defeated the Project would be back in business, although delayed. The money is not going to be diverted at this time to any other projects.

Councilman Sciarrotta at this time seconded Mayor Isen's motion and Mayor Isen restated it as being: That \$762,000 be used, as a matter of policy, for those items in escrow and those ready to go and that the sources of the cash necessary be resolved at a later date. Incidentally, it was stated that the Yamiguchi property is not included as one of those items.

Because he was not present at the October 24th meeting, Councilman Vico stated he would like to make a statement. He asked why "we are in the predicament we are in". He complained that all of the facts were not obtained, but stated it was necessary to carry through with the commitment which has been made and let the people sue the City as far as the petitions are concerned and the 8,000 signatures they contain. He said it looks like someone is trying to use this matter as a political football. He believes the people who have put up their property must be paid. If the City is bankrupted, the fault, he said will lay at the feet of the councilmen. He felt that the Council should not have acted in favor of putting this on the ballot; he felt it was done because the Council Chambers were full of citizens, and stated he has always been against the use of Federal funds. Now that the die is cast, he said the councilmen are trying to find a way not to go through with the deal.

Councilman Vico continued that he would be glad to take his chances on refusing to put the matter on the ballot; other cities have put these projects through successfully and he too stressed the great increase in taxes which will not please the citizens at all. He proposed going through with the original deal and letting the people take the matter to court if they wish. Councilman Beasley agreed.

Councilman Miller asked Councilman Vico what his position is as to the 15% of the voters - the law has been complied with in these petitions having been circulated and receiving the required percentage of signatures. Councilman Vico said they are not right.

There is no way to avoid putting it on the ballot when these requirements have been met, Mr. Miller said and to do so would be to destroy something which is larger than this issue. He does not favor having 15% of the people speak for the others, but that is the law, and it must be complied with. Mr. Beasley said the people who signed were not correctly informed of the issues involved.

The statements made by Mr. Miller were elaborated on by Mr. Sciarrotta and expressed his belief in the right of initiative, referendum and recall, as sacred weapons of the people. No law can be made retroactive, however, and the contracts have been signed and are bona fide contracts and have been for over two years. The cost of the election will be a complete waste in his opinion. This initiative petition came too late. His statements here made are the basis of his voting as he did.

Mayor Isen was under the impression that Mr. Sciarrotta had voted to deny the right of referendum at the October 24th meeting.

The analysis of the situation outlined by Councilman Lyman was to the effect that the people are entitled to the right of petition, but it should have no effect on the progress of the present program entered into by the Council and the Redevelopment Agency as a binding contract. The contract is still in effect and the Federal Government should complete their part of the bargain. The difficulty is that the Federal Government has reneged and left Torrance caught between the people's right to petition and the financial crisis which it has created. The overall situation must be considered and that is what is best for the City in the present financial position. He does not think anything has to be done at this particular minute - more time is needed to consider the various propositions - then the whole matter should be reconsidered in the light of all available facts. An unpleasant situation faces the City no matter which way it looks. He proposed the matter be gone into completely at next Tuesday's Council meeting.

Councilman Vico recalled that this project has been in being for 27 months and suddenly, instigated by someone, this petition appears. He too believes a decision must be made next Tuesday night, but asked if every question which comes up is going to be subjected to this sort of thing. He believed the people should have weighed more carefully the possible consequences. He did not favor the project, but now that it is in process, he felt it should be carried through; there is no choice. But, he repeated, the people should take it to court; the petition should not be granted.

Councilman Talbert asked Mr. Remelmeyer what the time element would be if the matter were taken to court and Mr. Remelmeyer said the Court would probably act almost immediately because of the time period set in the Election Code which requires a special election between sixty and seventy-five days following presentation of the Clerk's Certificate of Sufficiency - which in this case was October 24th. He estimated the process would take about a week.

The Court, Mayor Isen believed, would say it must go to ballot, but he pointed out an important pitfall - there is a very real danger that the people would consider that as endorsement of the issue itself. Another important factor is that the Redevelopment Agency is a creature of the State of California, appointed by the State of California, and such a referendum would be comparable to an attempt in the City of Torrance to recall Governor Reagan. Mr. Remelmeyer agreed that it is a matter of State law. Also, the Government, acting through DUD (or DHUD ?) has the right to appoint a receiver in case the Agency cannot function, and it might do so. He hoped Torrance would not find it necessary to ask Uncle Sam to bail us out.

Mayor Isen asked for any comments from the audience and Mr. L. J. Beauchamp, 3819 West Artesia Boulevard, asked if the council had put the City into a mess where it could actually be taken over by the Federal Government. Mayor Isen asked that he and whoever else wished to speak not engage in debate and recriminations. Some remark was made by Mr. Beauchamp to the speaker who next appeared as he came near the front of the room and he was reprimanded by Councilman Lyman. Mayor Isen determined from the City Attorney that the Council has the right to make the rules concerning the conduct of the meeting; it has the power to remove one who may violate those rules and it has the power to declare him in contempt. Mayor Isen cautioned the audience that that power would be exercised if it becomes necessary, but he hoped everyone would conduct themselves in a genteel manner.

Mr. George Lewison, 428 Via Los Miradores, agreed that the Council has done what it is required to do in recognizing the validity of the petitions and the signatures. When the Council members meet as the Redevelopment Agency, however, Mr. Remelmeyer's interpretation as set forth in his opinion, is that this would require that Agency to take positive action and request a writ of prohibition from placing this measure on the ballot. He asked that the Agency when it meets as such consider this matter which is pertinent to the issue.

Mrs. Norman Dean of 23825 Ward Street, said she is one of the people whose property is in escrow. She had assumed her property was being purchased and hired a contractor who has prepared house plans for another home. She is obligated to pay for the plans and to pay the contractor and asked where she stands and what she should do. A bank still holds the mortgage on her present property and both the bank and the contractor are going to start pressing for payment. She understands the motion as made, but it has not yet been voted on. Mayor Isen and Councilman Miller reassured her of the favorable effect of its passage. The timing is not definite, but the intent is favorable.

Steven Allen, 4307 Newton Street, said he is unalterably opposed to this form of project, but recognizes the responsibility to protect the interests of other citizens. He believes much of the injury which now exists is due to the action of the City Council rather than the petitions and he was referring to the Council's having entered into the concept of urban renewal. He sympathized with the position of Mrs. Dean who had just presented her problem to the Council. He feels that the City has contributed somewhat to blight in the area because of the condition of the property it owns there. If the matter goes to election and the people clearly indicate they do not want forced urban renewal in Torrance and want to dissolve the Agency, the Council has the obligation to see that the will of the people is put into effect. This would be "opening a contract" and may involve damages which in the final analysis would be the responsibility of the people because they put the councilmen in their positions. Any such damages would have to be paid - rightly. He expressed complete confidence in the courts to establish law and equity. The law has been complied with; the proper number of signatures have been obtained; there has been no misrepresentation of the effect of the petitions to the signers and there has been no outside agency behind this effort.

Vera Oreskovich, 23805 Ward Street, asked how one hundred and forty-four little homeowners could prevail against all these petitioners.

Kenny Uyeda, a citizen of Torrance, said we live in an age where the right of petition and protest has been used quite rampantly. He feels strongly, and hopes he represents many of the citizens and taxpayers who are all concerned about how to support such a gigantic project financially; probably only by taxation. He feels also that the right of petition should be recognized, but with this strong commitment to the contract the petition has been late. If the City is to consider this petition, Mr. Uyeda thought it should be done through the courts rather than left to the electorate. Petitions and demonstrations are causing many problems in the United States.

Mayor Isen repeated the motion - that the City, as a matter of policy, and from funds to be determined at a later date, honor and see that the \$601,000 of properties in escrow and \$164,000 ready to go to escrow as committed, be approved.

Mr. Beasley asked and was assured that the hardship cases are included in the motion.

Roll call was unanimously favorable to the motion.

Mrs. Dean said her escrow is supposed to close November 11th and Mayor Isen thought her problems would be solved by the passage of this motion.

Mr. Frank Howe of 23805 Madison, said he owns property at this address, said he feels better because his property is in escrow, but he mentioned other people who are not and asked what their status is. Mayor Isen said they have no status until this matter is disposed of or the Federal Government starts the money coming. No matter what the outcome of the vote, the City must remain solvent. In other words, if the people want to get rid of the Redevelopment Agency, there will have to be the increase in taxes to take up the \$6½ million gap. There is no other source. Mr. Howe's problem in time will be solved. If this turns out to be not a project of the Agency, it will have to be a project of the City and funds will have to be found somewhere. If the people don't want to accept the \$6½ million from the Government they will have to pay it through taxes.

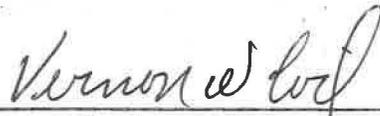
Mr. Howe stated he is a Street Department employee and he mentioned the over-the-board increase as of January 1st, 1968. He stated "I'd rather this wasn't messed with".

City Manager Ferraro referred to what has been indicated as the legislative desire of the Council to honor the commitments and the escrows signed and intended to be signed. He asked if the Council would freeze some money toward that end - not knowing what the total is going to be. Mayor Isen asked that that phase not be considered at this time. Mr. Ferraro started to mention specific sources which he wished to have temporarily frozen, but Mayor Isen asked him to prepare such a request in writing for Tuesday's Council meeting. This request is out of order at this special meeting.

Councilman Sciarrotta moved, as a matter of policy, that the Council place an override of 55¢ on \$100 on the same ballot in order to take care of this emergency in the event that the petition carries with the people of Torrance. Councilman Beasley seconded. Councilman Sciarrotta then changed the motion to read "up to 55¢" and Councilman Beasley consented. Roll call vote was unanimously favorable.

Mayor Isen commented that if the additional 55¢ does not stifle industry, nothing will, and in answer to a question by Councilman Miller as to the net effect on a \$25,000 home, it was estimated to be about \$35 per year for three years.

Councilman Miller moved adjourn the Council meeting and Councilman Lyman seconded. There was no objection. The time was 10:15.



Vernon W. Coil, Clerk of the
City of Torrance, California

APPROVED:



Mayor of the City of Torrance