

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.

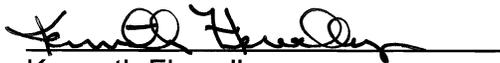
Respectfully submitted,

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
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