

**RESOLUTION NO. 2014-22**

**A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE HAWTHORNE REDEVELOPMENT AGENCY APPROVING THE REVISED LONG-RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.5**

WHEREAS, the Oversight Board of the Successor Agency to the Hawthorne Community Redevelopment Agency ("Oversight Board") has been established to direct the Successor Agency to the Hawthorne Community Redevelopment Agency ("Successor Agency") to take certain actions to wind down the affairs of the Hawthorne Community Redevelopment Agency ("former redevelopment agency") in accordance with the Dissolution Act (enacted by Assembly Bills 26x (Statutes of 2011, First Extraordinary Session) and 1484 (Statutes of 2012), as codified in the California Health and Safety Code); and

WHEREAS, among the duties of successor agencies under the Dissolution Act is the preparation of a Long-Range Property Management Plan ("LRPMP") that addresses the disposition and use of the real properties of the former redevelopment agency for consideration by a local oversight board and California Department of Finance ("DOF") for purposes of administering the wind-down of financial obligations of the former redevelopment agency; and

WHEREAS, the LRPMP shall be submitted to the Oversight Board and DOF within six months after receiving a Finding of Completion from DOF; and

WHEREAS, the Successor Agency received their Finding of Completion on April 26, 2013, making October 26, 2013 the six-month deadline to file the LRPMP; and

WHEREAS, on September 26, 2013, the Oversight Board adopted Resolution No. 2013-13 approving the Successor Agency's LRPMP and the Successor Agency subsequently submitted the LRPMP to DOF for its review; and

WHEREAS, DOF did not approve of transferring the former redevelopment agency's sole property to the City as a government use property and thus did not approve the Successor Agency's LRPMP; and

WHEREAS, the Successor Agency has subsequently revised the LRPMP to propose that the property owned by the former redevelopment agency is sold to the City; and

WHEREAS, Exhibit "A" to this resolution sets forth the Successor Agency's proposed revised LRPMP establishing an inventory of all properties in the Community Redevelopment Property Trust Fund ("Trust"), which was established to serve as the repository of the former redevelopment agency's real properties, as required by Health and Safety Code Section 34191.5; and

WHEREAS, the Oversight Board desires to approve the revised Long-Range Property Management Plan and transmit it to DOF as required.

NOW, THEREFORE, THE OVERSIGHT BOARD TO THE HAWTHORNE SUCCESSOR AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

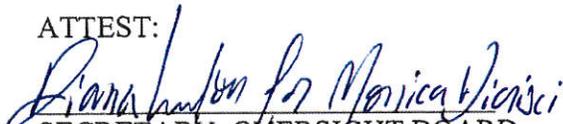
Section 1. The Recitals set forth above are true and correct and incorporated herein by reference.

Section 2. The Oversight Board hereby approves and adopts the revised Long-Range Property Management Plan, in substantially the form attached hereto as Exhibit A, as required by Health and Safety Code Section 34191.5.

Section 3. The City Manager or his/her designee is hereby authorized and directed to transmit a copy of the revised Long-Range Property Management Plan to the DOF.

PASSED AND ADOPTED by the Oversight Board at a meeting held on the 29th day of September, 2014.

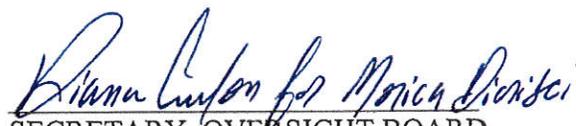
  
CHAIR, OVERSIGHT BOARD

ATTEST:  
  
SECRETARY, OVERSIGHT BOARD

STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES  
CITY OF HAWTHORNE

I, Monica Dicrisci, Secretary to the Oversight Board, hereby certify that the foregoing resolution was duly adopted at a meeting of the Oversight Board, held on the 29th day of September, 20154.

AYES: Board Members: Higdon, Talleda, Vogel, McElroy, Chairman McClain.  
NOES: None.  
ABSENT: Kosmont.

  
SECRETARY, OVERSIGHT BOARD

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# LONG-RANGE PROPERTY MANAGEMENT PLAN

Successor Agency to the  
Hawthorne Community  
Redevelopment Agency



**September 9, 2014**

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Successor Agency to the Hawthorne Community Redevelopment Agency  
Long-Range Property Management Plan

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## INTRODUCTION

Assembly Bill ("AB") 1484, enacted in June 2012, requires all successor agencies to former redevelopment agencies that owned property as of the time of redevelopment dissolution in 2011 to prepare a Long-Range Property Management Plan ("PMP"). The PMP governs the disposition and use of property held by the former redevelopment agency pursuant to legal requirements, as detailed in the "Statement of Legal Requirements" section on the next page.

This document is the revised PMP for the Successor Agency to the Hawthorne Community Redevelopment Agency ("Successor Agency"). The Successor Agency's original PMP was approved by the Oversight Board on September 26, 2013 and subsequently submitted to the State Department of Finance (DOF). However, the DOF did not approve of transferring the former Hawthorne Community Redevelopment Agency's ("former Redevelopment Agency") sole property to the City as a Government Use Property due to the property's commercial land use. Once this revised PMP is approved by the Hawthorne Oversight Board of the Successor Agency ("Oversight Board"), it will be transmitted to the DOF for final approval.

## EXECUTIVE SUMMARY

The former Redevelopment Agency was the owner of record on the title for one (1) property in the City of Hawthorne ("City"). This property is located at 12601 Hawthorne Boulevard. This PMP designates this property to be sold by the Successor Agency to the City, with the proceeds of the sale to be distributed by the Los Angeles County Auditor-Controller in accordance with AB 1484 and AB x1 26 (together, the "Dissolution Act").

## STATEMENT OF LEGAL REQUIREMENTS

Pursuant to Health and Safety Code section 34191.5 (part of AB 1484), each successor agency that holds property from a former redevelopment agency is required to submit a PMP to the DOF within six months after receiving a Finding of Completion (FOC) from the DOF. The DOF issues the FOC after the Successor Agency submits a FOC request and can demonstrate that both the Housing and Non-Housing Due Diligence Reviews (DDR) have been completed and all identified unencumbered funds of the former Redevelopment Agency have been returned to the county auditor controller for redistribution to the affected taxing entities. The Successor Agency received their FOC on April 26, 2013 (see Attachment 1). Prior to the submittal of the PMP to the DOF, the successor agency's oversight board must approve the PMP.

In general, the PMP addresses the disposition and use of the real properties of the former redevelopment agency. AB 1484 requires that the PMP include all of the following components:

1. Inventory of all properties in the Community Redevelopment Property Trust Fund ("Trust Fund"), established to serve as the repository of the former redevelopment agency's real properties. This inventory shall consist of all of the following information:
  - a. **Date of acquisition** of the property and the value of the property at that time, and an estimate of the current value of the property.



Successor Agency to the Hawthorne Community Redevelopment Agency  
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- b. **Purpose** for which the property was acquired.
  - c. **Parcel data**, including address, lot size, and current zoning in the former redevelopment agency redevelopment plan or specific, community, or general plan.
  - d. **Estimate of the current value** of the parcel including, if available, any appraisal information.
  - e. **Estimate of any lease, rental, or any other revenues** generated by the property, and a description of the contractual requirements for the disposition of those funds.
  - f. **History of environmental contamination**, including designation as a brownfield site, and related environmental studies, and history of any remediation efforts.
  - g. Description of the **property's potential for transit-oriented development and the advancement of the planning objectives** of the successor agency.
  - h. Brief history of **previous development proposals** and activity, including the rental or lease of property.
2. Address the use or disposition of all the properties in the Trust Fund. Permissible uses include:
- a. **Retention for governmental use** pursuant to subdivision (a) of Section 34181;
  - b. **Retention for future development;**
  - c. **Sale** of the property; or
  - d. **Use of property to fulfill an enforceable obligation.**
3. Separately identify and list properties in the Trust Fund dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation. With respect to the use or disposition of all other properties, all the following shall apply:
- a. If the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, the property shall transfer to the city, county, or city and county.
  - b. If the plan directs the liquidation of the property or the use of revenues generated from the property, such as lease or parking revenues, for any purpose other than to fulfill an enforceable obligation or other than that specified in subsection 3(a) above, **the proceeds from the sale shall be distributed as property tax to the taxing entities.**

Property shall not be transferred to a successor agency, city, county, or city and county, unless the PMP has been approved by the oversight board and the DOF.



**PROPERTIES TO BE SOLD BY SUCCESSOR AGENCY**

The sole Agency-owned property is proposed to be for sale. A description of the property, including the information required by Health and Safety Code Section 34191.5(c), an aerial map, and a photograph of the property, is presented in this section. The information required by Health and Safety Code Section 34191.5(c) is also provided in Attachment 2.

**12601 HAWTHORNE BLVD (PROPERTY 1)**

**APN:** 4041-014-914  
**Lot Size:** 15,501 sq. ft.<sup>1</sup>  
**DOF Form (Attachment 2) Property No.:** 1

**Acquisition Date:** November 2, 2009  
**Value at Time of Purchase:** \$1,695,000  
**Property Type (DOF Category)** Commercial  
**Permissible Use (City Proposed)** Sale of Property  
**Current Zoning:** C3 – General Commercial

**Estimated Current Value:** \$399,955  
 Based on RSG’s comparable sales analysis. The results of the analysis are shown below.

**Comparable Sales Analysis and Estimated Value: 12601 Hawthorne Blvd.**  
 Commercial/Industrial Land, 10,000 - 20,000 SF

Address	City	Property Type	<sup>1</sup> Sale Date	SqFt	Price	Price/SqFt
1 16403-16407 S Normandie Ave	Gardena	Commercial Land	7/10/2014	12,584	\$ 390,000	\$ 30.99
2 134 Eucalyptus Dr	El Segundo	Industrial Land	11/28/2012	17,271	\$ 525,000	\$ 30.40
3 9155 S Western Ave	Los Angeles	Commercial Land	12/16/2013	10,846	\$ 230,000	\$ 21.21
4 767 W Gardena Blvd	Gardena	Commercial Land	12/5/2013	10,454	\$ 170,000	\$ 16.26
Subject Property: 12601 Hawthorne Blvd.		Condemned Retail Building on Commercial Land	Not Listed	15,501	\$ 399,955 <sup>2</sup>	\$ 25.80

<sup>1</sup> Because the subject property is improved with a condemned retail building that will be demolished upon the sale of the property to the City, the comparable sales analysis is based upon sale data for commercial land with no building improvements.

<sup>2</sup> Estimated value is based on the unweighted and unadjusted median price per square foot for the four above comparable properties.

Source: CoStar, August 2014

<sup>1</sup> The source for data regarding lot sizes, acquisition dates, and value at the time of purchase is First American CoreLogic, Inc.



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**Advancement of Planning Objectives:** Construct additional parking to ensure that Civic Campus has adequate parking or expand City Hall to more adequately accommodate employees and visitors.

Given the inadequate amount of parking at the City's Civic Campus, which includes the City Hall, Police and Fire Departments, and a branch of the County Library, the City initially utilized redevelopment non-housing funds to acquire this property for the construction of additional parking. By selling this property to the City, the City will be able to demolish the existing condemned commercial building on the property and either realize the initial plan to construct more parking at the Civic Campus or, alternatively, expand City Hall to better accommodate visitors and current employees. Implementing the first option would alleviate the current deficit of Civic Campus parking, which is in part due to the fact that the Police Department building does not have a dedicated parking area or lot. Visitors to and employees of the Civic Campus must park on busy major thoroughfares or in surrounding residential neighborhoods when the limited existing parking areas are full. Implementing the second option of expanding City Hall would enable the City to increase the size of the current 20,000-square foot building. Given the current number of employees and visitors, 70,000 square feet of space is needed in City Hall. Utilizing this property to expand City Hall would enable the City to better serve the needs of both its employees and residents.

The former Redevelopment Agency purchased the site in 2009 for \$1,695,000 to construct additional parking. The City is now willing to purchase the property from the Successor Agency for another \$399,955, the current estimated value, and assume the responsibility for and cost of demolishing the condemned building that is currently on the property in order to generate the public benefits of either ensuring that the Civic Campus has adequate parking or expanding City Hall to better accommodate employees and visitors. The City will not receive any income from the property development; neither a parking lot nor an expanded City Hall will generate income.

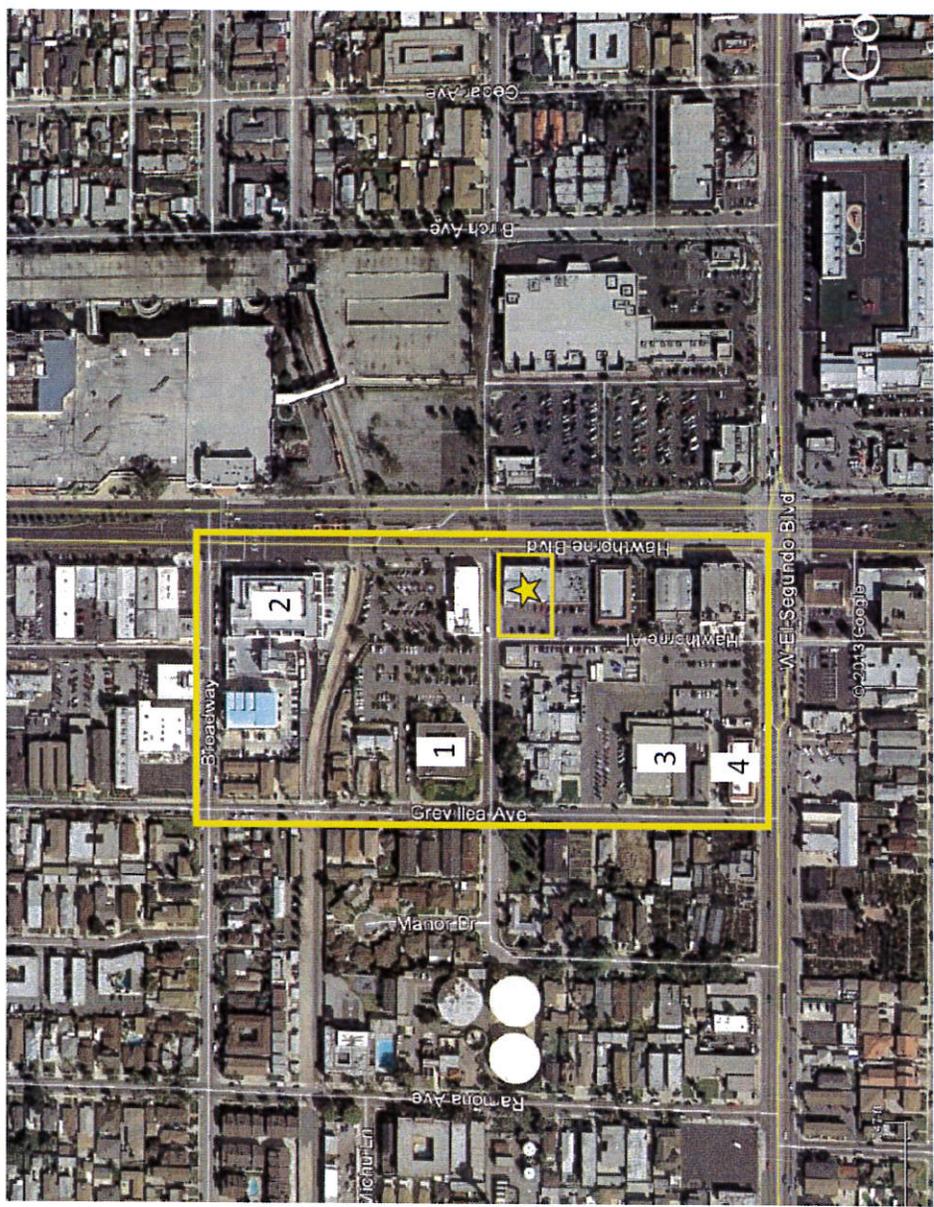
Below is a current photo of the property; the map on the following page outlines the larger area that would be affected by these parking or City Hall improvements.



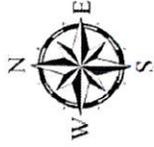
Photo source: CoStar



Location of Hawthorne Civic Campus



- ★ Subject Property
- 1 City Hall
- 2 Police Dept.
- 3 Library
- 4 Fire Dept.



**Successor Agency to the Hawthorne Community Redevelopment Agency**  
Long-Range Property Management Plan

**ATTACHMENTS**

**1 – Hawthorne Successor Agency Finding of Completion**

**2 – Hawthorne Successor Agency Property Inventory Data (DOF Form)**



Successor Agency to the Hawthorne Community Redevelopment Agency  
Long-Range Property Management Plan



DEPARTMENT OF  
**FINANCE**

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

April 26, 2013

Ms. Lani Emmich, Finance Manager  
City of Hawthorne  
4455 West 126th Street  
Hawthorne, CA 90250

Dear Ms. Emmich:

Subject: Request for a Finding of Completion

The California Department of Finance (Finance) has completed the Finding of Completion for the City of Hawthorne Successor Agency.

Finance has completed its review of your documentation, which may have included reviewing supporting documentation submitted to substantiate payment or obtaining confirmation from the county auditor-controller. Pursuant to Health and Safety Code (HSC) section 34179.7, we are pleased to inform you that Finance has verified that the Agency has made full payment of the amounts determined under HSC section 34179.6, subdivisions (d) or (e) and HSC section 34183.5.

This letter serves as notification that a Finding of Completion has been granted. The Agency may now do the following:

- Place loan agreements between the former redevelopment agency and sponsoring entity on the ROPS, as an enforceable obligation, provided the oversight board makes a finding that the loan was for legitimate redevelopment purposes per HSC section 34191.4 (b) (1). Loan repayments will be governed by criteria in HSC section 34191.4 (a) (2).
- Utilize proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants per HSC section 34191.4 (c).

Additionally, the Agency is required to submit a Long-Range Property Management Plan to Finance for review and approval, per HSC section 34191.5 (b), within six months from the date of this letter.

Please direct inquiries to Andrea Scharffer, Staff Finance Budget Analyst, or Chris Hill, Principal Program Budget Analyst, at (916) 445-1546.

Sincerely,

A handwritten signature in blue ink, appearing to read "Steve Szalay".

STEVE SZALAY  
Local Government Consultant

cc: Ms. Felise Lopez, Accounting Supervisor, City of Hawthorne  
Ms. Kristina Burns, Manager, Los Angeles County Auditor-Controller's Office  
California State Controller's Office





