

RESOLUTION NO. OB2015-03

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:

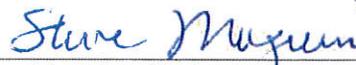
SECTION 1. The Oversight Board reviewed and allowed for public comment on the revised Long Range Property Management Plan at its meeting on March 18, 2015.

ORIGINAL

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

**OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER
CITY OF TORRANCE REDEVELOPMENT AGENCY RESOLUTION NO. OB 2015-03**

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

I, Rebecca Poirier, Secretary of the Oversight Board of the Successor Agency to the former City of Torrance Redevelopment Agency, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the Oversight Board at a regular meeting of said Board held on the 18th day of March 2015, by the following roll call vote:

AYES: MEMBERS: Barnett, Gibson, Higdon, Tsao, and Chairperson Maguin.
NOES: MEMBERS: None.
ABSTAIN: MEMBERS: None.
ABSENT: MEMBERS: Cribbs and Smith.

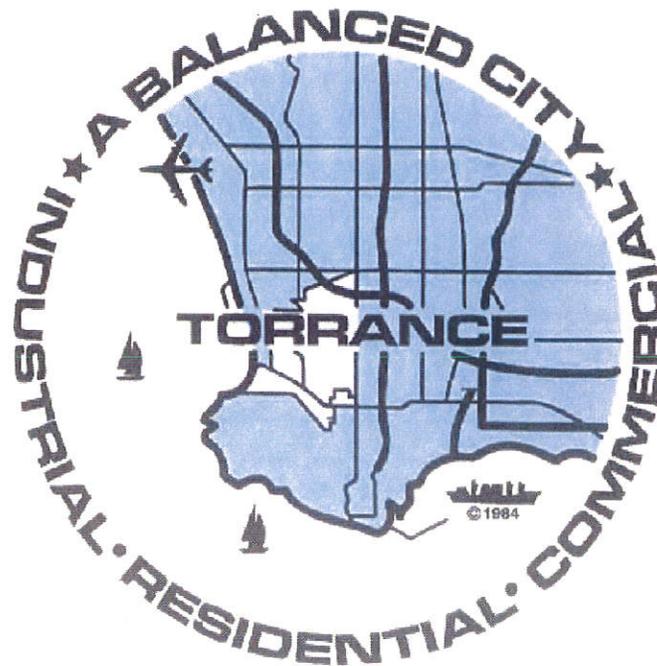


Rebecca Poirier, Secretary
Oversight Board of the Successor Agency
to the former City of Torrance
Redevelopment Agency

Date: March 18, 2015

LONG RANGE PROPERTY MANAGEMENT PLAN

SUCCESSOR AGENCY TO THE FORMER
REDEVELOPMENT AGENCY OF THE
CITY OF TORRANCE



3031 TORRANCE BLVD.
TORRANCE, CA 90503

Long Range Property Management Plan

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

Introduction

As part of the dissolution process of former redevelopment agencies, State Assembly Bill X1 26 (ABX1 26) required successor agencies to dispose of real property assets owned by former redevelopment agencies "expeditiously and in a manner aimed at maximizing value." State Assembly Bill 1484 (AB 1484) clarified how successor agencies should dispose of these assets with direction to prepare a Long Range Property Management Plan (LRPMP) governing the disposition and use of the former Agency owned properties to be submitted to their Oversight Board and the 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 means a deadline for the LRPMP in late September, 2013.

Section 34191.5 of the Health and Safety Code, which was added by AB 1484, requires that the LRPMP 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), 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.

This document is the Long Range Property Management Plan for the Successor Agency to the former Redevelopment Agency of the City of Torrance.

Summary of Property Owned by the Successor Agency

The Successor Agency owns and controls five (5) properties within the City of Torrance. Each site will be discussed in greater detail in the "Inventory" section, with supporting documentation included in appendices. The properties include the following:

1. **1956 Torrance Boulevard.** A 6,180 square foot parcel which was purchased to provide parking facilities for the former 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.
2. **1312 Cabrillo Avenue** A 4,080 square foot parcel which was purchased to provide parking facilities for the former 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.
3. **1339 Post Avenue.** 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.
4. **1919 Torrance Boulevard.** A 42,100 square foot parcel that was acquired as part of the assembly of parcels for the creation of American Honda Headquarters in the former 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.
5. **Torrance Boulevard and Bow Avenue.** The approximately 16,612 square foot parcel was a former railroad right-of-way and was acquired to remove the blighted railroad ties and serve as a pedestrian walkway.

Property Inventory

Health and Safety Code Section 34191.5 requires that the Long Range Property Management Plan include an inventory of all properties owned by the Former Redevelopment Agency of the City of Torrance which are held in the Community Redevelopment Property Trust Fund. The Successor Agency to the former Redevelopment Agency of the City of Torrance has possession of five (5) parcels that were referenced in the previous section and have been included in this plan. Each of the five properties will be described separately, as per the statute; however, a Matrix of all the required information is included as Attachment A of this report, with any supporting documentation included as Exhibits.

Parcel # 1

1956 Torrance Boulevard



1956 Torrance Blvd
7355-027-914, 7355-L27-915

1956 Torrance Blvd.



View looking North



View looking West

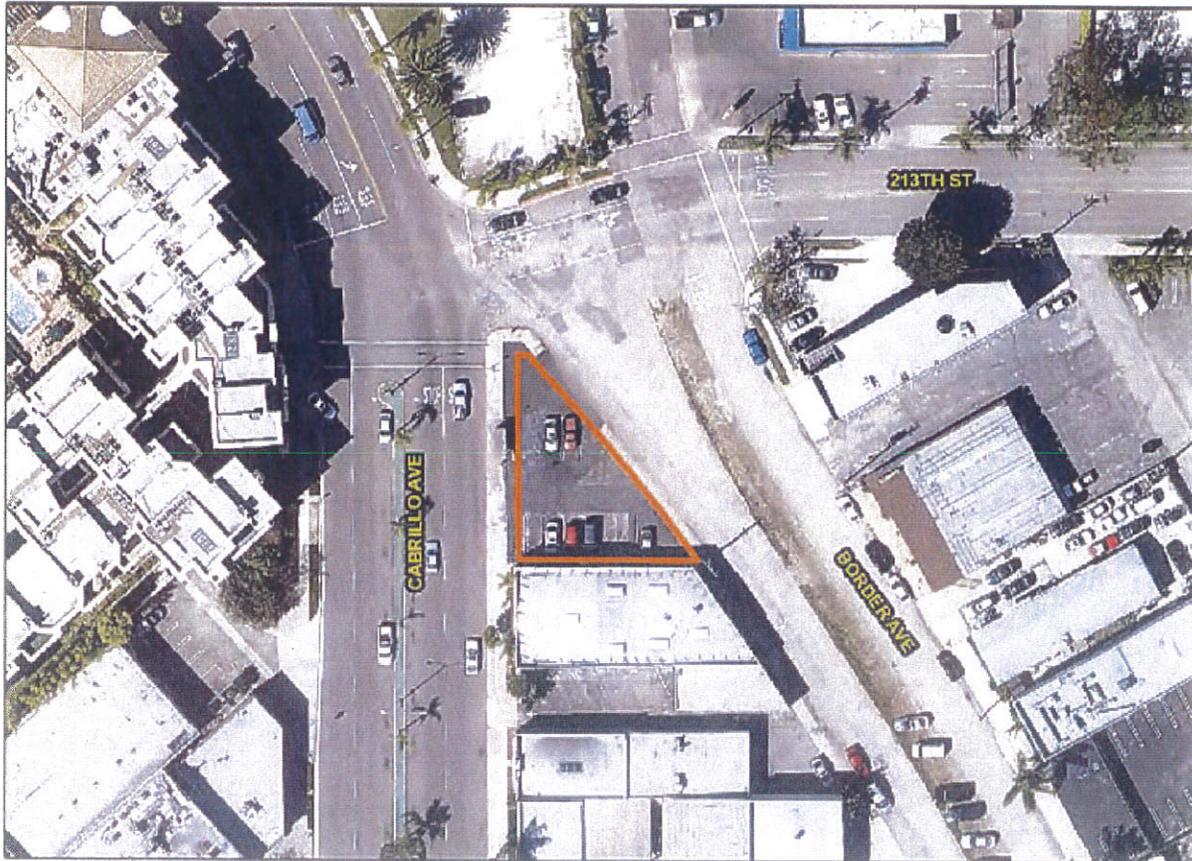
The property located at 1956 Torrance Boulevard was purchased in June 2000, for the purpose of providing parking in the former Downtown Redevelopment Project Area. The provision of Public Facilities including parking facilities was an authorized Agency function under the Redevelopment Plan for the Downtown Redevelopment Project Area (§§ 317, 327). The former Agency acquired the property, which consists of two parcels at a total of approximately 6,180 SF, for \$210,859.18. Improvements on the property at that time consisted of a 1,000 square foot building and small parking area. The building was subsequently demolished to provide for a large parking area, the reason for which it was purchased. A current value of the property was estimated using comparable market rate sales prices from nearby properties, including a property sold at 1020 Cravens Avenue for \$37.79 per square foot. The current value of the parcel is estimated to be approximately \$233,542. The site is triangular in shape and does not have access to a public right-of-way; its only access point is off an alleyway. No environmental contamination has been found at the site. While the property is located near two Torrance Transit bus lines, the lack of access from a right-of-way onto the parcel and its odd shape make it unsuitable for future transit oriented development, other than a public parking structure.

The site is currently encumbered with a License Agreement for the use of ten parking spaces and which is tied to a Conditional Use Permit for the operation of a restaurant. Until July 1, 2013, the site was encumbered with a second License Agreement for the use of four parking spaces by Century Dental (C2000-277). The License Agreement was terminated in June, 2013, effective on the 1st of July. The remaining License Agreement (R2004-07) is with the restaurant, Yuzu for the use of ten parking spaces for \$250 a month. This agreement is tied to a Conditional Use Permit (CUP 04-00024) for the operation of a restaurant, as required by the Torrance Municipal Code and Downtown Development Standards.

The purchase of the property to provide parking for the Downtown Redevelopment Project Area and retaining it for this use advances the goals of the Successor Agency as it was originally acquired under an authorized function of the former Redevelopment Agency, as stipulated in the Redevelopment Plan for this project area. The continued economic success of the many small businesses in the downtown as well as the leasing of space to new businesses is dependent on the provision of parking; therefore, retaining the site for the future development of a public parking structure in the downtown is critical to satisfying those goals.

Parcel # 2

1312 Cabrillo Avenue

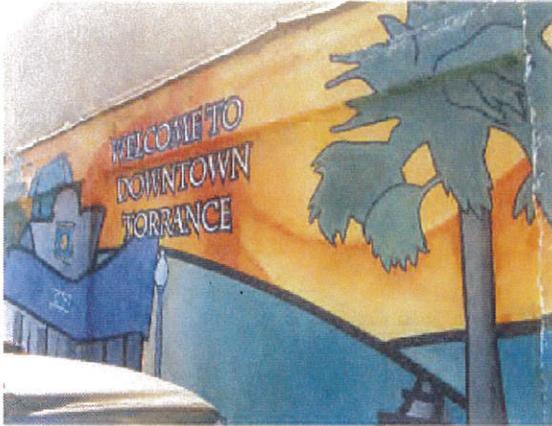


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1312 Cabrillo Ave
7355-029-000



1312 Cabrillo Ave.



Mural along Southern Wall



View Looking South

The property located at 1312 Cabrillo Avenue was purchased in June 2002, for the purpose of providing parking in the former Downtown Redevelopment Project Area. The provision of Public Facilities including parking facilities was an authorized Agency function under the Redevelopment Plan for the Downtown Redevelopment Project Area (§§ 317, 327). Seizing an opportunity to purchase a tax-defaulted, blighted property from Los Angeles County that is located at a prominent entryway location for the Downtown, the former Agency acquired the 4,080 SF parcel for \$38,179.48. A site investigation report of the property determined the presence of a hydraulic hoist system and two 2,000 gallon storage tanks located on the property. While the property was paved and capped, containing the contamination in the subsurface soils, the hydraulic system had been oozing fluid to the surface in recent years. In order to prevent further surface-level contamination, the hydraulic hoist system was removed on June 5, 2013 at a cost of \$13,999. The Geographical Survey done at the time of the hoist removal identified a potential for two additional tanks of unknown size and contents.

The current value of the property was estimated using comparable market rate sales of nearby properties. However, the current value estimate was discounted due to the presence of at least four underground storage tanks, two of which are unknown in size and content. The value was discounted at \$15,000 per tank for the removal of the underground storage tanks and any residual contamination. This discount resulted in a current value estimate of \$23.08 per square foot and an overall parcel value of \$94,166.

The site is currently encumbered with a License Agreement (R2009-001) for the non-exclusive use of ten parking spaces by the Plaza Del Prado, Inc for \$250 a month. The License Agreement is tied to a Conditional Use Permit (CUP08-00019) for the operation of a restaurant with beer and wine service within the Plaza. The approval of the CUP

was contingent upon the application securing the additional off-site parking spaces to satisfy the remaining parking requirements for the restaurant. The site also contains a public art piece – a Mural along its back wall that serves as a gateway into the Downtown. The Mural displays the words, “Welcome to Downtown Torrance” and depicts historical motifs of the downtown including: Irving Gill, the Pacific Electric Railway – El Prado Bridge, the Depot, the Red Car, etc.

While the property is located along line 5 of the Torrance Transit system and within walking distance to two other Torrance Transit bus lines, the size and shape of the parcel, as well as the encumbrance of its use due to the active License Agreement, makes its potential for transit oriented development very limited. Retaining the site for future development of a new public parking structure would advance the goals of the Successor Agency, as it was originally purchased for the provision of parking in the Downtown, an authorized function of the former Redevelopment Agency. As mentioned for 1956 Torrance Blvd, the continued economic success of the many small businesses and new businesses opening up in the downtown is dependent on the provision of parking; therefore, retaining the site for the future development of a public parking structure is critical to satisfying those goals.

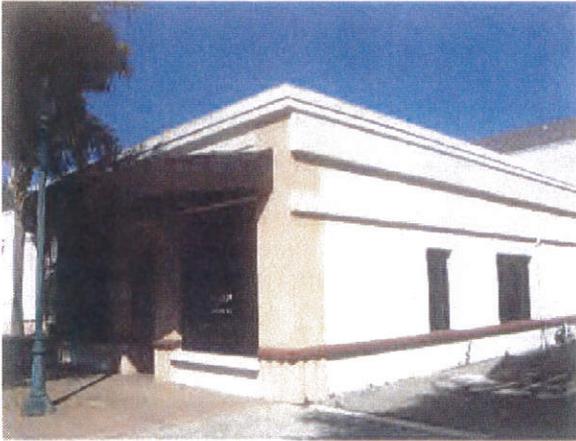
Parcel # 3

1339 Post Avenue



1339 Post Ave
1355-025-903

1339 Post Ave.



View looking West



View looking North

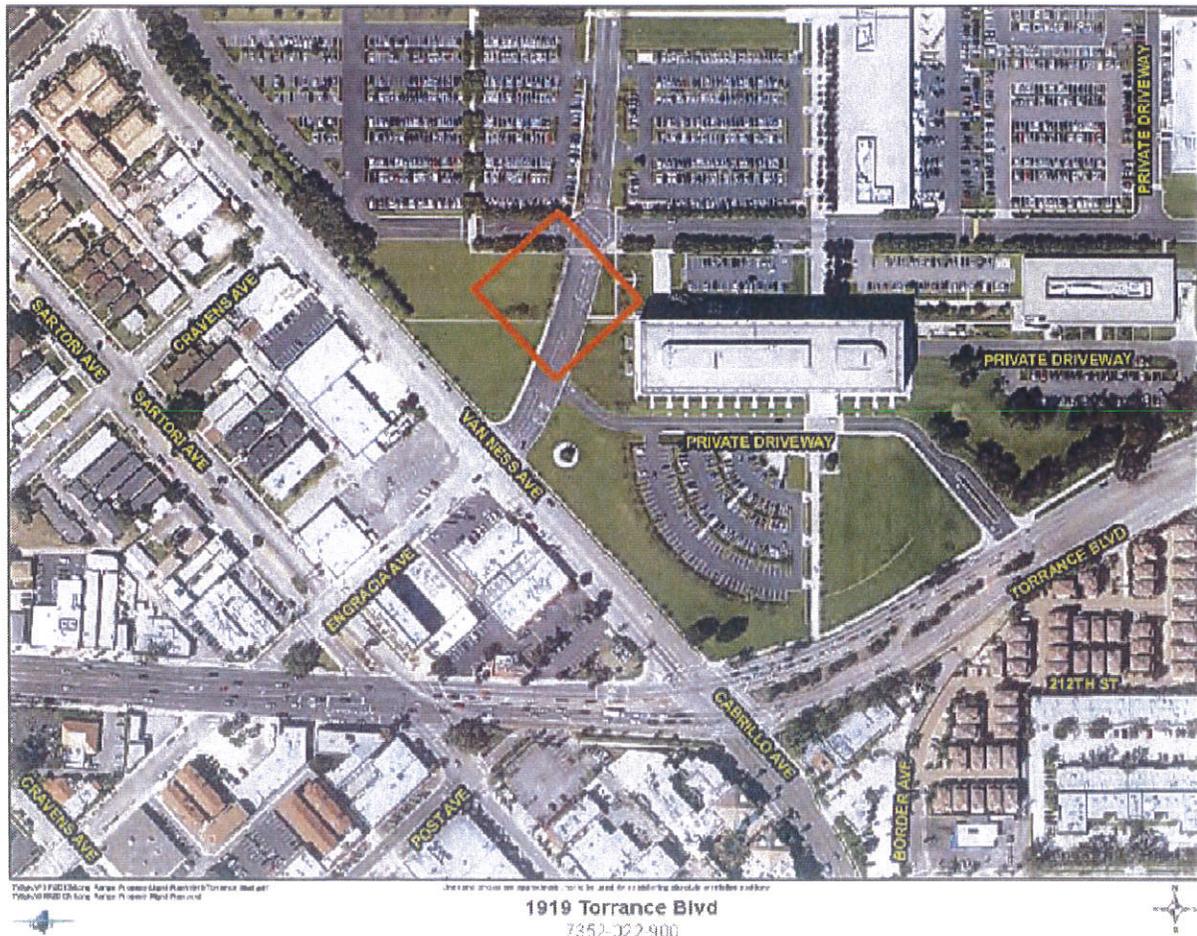
The property located at 1339 Post Avenue was purchased in October, 1984 for the purpose of expanding a senior center as the existing City-run senior citizen program, Community Focal Point on Aging, was operating beyond capacity at the adjacent Bartlett Center. The provision of a Public Facility such as a Senior Center was an authorized function of the former Agency under the Redevelopment Plan for the Downtown Redevelopment Project Area (§ 327). The property is about 2,400 SF and was purchased for \$112,000. While no environmental contamination exists on the site, an easement was granted in July of 1988 to Southern California Edison for the placement of an underground transformer and conduits. The parcel is within walking distance on Line 1 of the Torrance Transit System; however, its small size makes it an unlikely candidate for Transit Oriented Development.

While a portion of the building had been leased to Retired Senior Volunteers Program (RSVP) from February 1996 to January 31, 2013 there has always been space allocated to Focal Point; the site is currently being used exclusively by Community Focal Point on Aging. The property was originally leased to Older American Resources, Inc. in 1995 with an understanding that approximately one-third of the building would be set aside for City of Torrance personnel working for Focal Point, an arrangement which was reflected on the floor plan under "C.O.T Office". The lease was assigned to RSVP a year later until the building was vacated in January, 2013, at which point Focal Point took over the use of the remainder of the building. Community Focal Point on Aging is a City-run program that provides information and referral services for older adults, along with their families and caregivers, so that they can obtain access to services in the community including transportation, housing, health care and companion care. This program falls under the Community Services Department's Senior Citizens Program and is run by volunteers.

The current parcel value was estimated using comparable market rate sales of nearby properties. Four recent sales of commercial properties including improvements were found priced at \$116 per square foot, \$126 per square foot, \$147 per square foot and \$177 per square foot. An average of the four comparable sales prices yields a price per square foot of \$141.50, which equates to an overall parcel value for the property of \$339,600. Retaining the site as it is currently used would advance the goals of the Successor Agency as it would continue to provide space for the City-run senior citizen programs, the provision of which was an authorized function of the former Redevelopment Agency.

Parcel # 4

1919 Torrance Boulevard



1919 Torrance Blvd.



View looking South



View looking North

The property located at 1919 Torrance Blvd. was acquired in November, 1985 for the purpose of assembling parcels for the creation of American Honda Headquarters in the former Industrial Redevelopment Project Area. The 42,100 SF parcel is square shaped and land locked on the American Honda campus. While all of the parcels assembled in 1985 were sold to Honda for \$12 a square foot under an Owner Participation Agreement (OPA), this parcel remained under the former Agency's jurisdiction due to a soil contamination issue (See First Implementation Agreement § 7 in Exhibit 4). Since the parcel is actually made up of remnant pieces of other parcels due to the contamination, no purchase price for the leftover parcel is known. In order to determine a purchase price, staff contacted the Los Angeles County Tax Assessor's office and was able to obtain a price based on a valuation of the property near the time of purchase: \$778,850.

The majority of the site previously housed the chemical company, Solvent Coating. In the course of demolition prior to the transfer to Honda, subsurface soil issues were discovered and the property was placed under the monitoring authority of the California Regional Water Quality Control Board. The parcel was incorporated into the American Honda site plan; however Honda did not take title to the property but was prepared to accept ownership upon resolution of the subsurface soil issues. While the Agency has attempted to resolve the subsurface contamination over the years contracting with Sterns, Conrad and Schmidt Consulting Engineers, Inc (SCS) to study and resolve the issues, the contamination persists leaving the parcel unable to be transferred to American Honda as intended under the original OPA. In August of 2003, the former Agency granted an easement over the property to American Honda documenting their right to the use of the surface as part of their campus; however, the property remains contaminated and under the ownership of the City of Torrance as the Successor Agency to the former Redevelopment Agency of the City of Torrance. Due to the

unresolved contamination issues on the site and the easement that encumbers its use, the current estimate of parcel value has been discounted at 50% from the purchase price by Honda for a total of \$6 per square foot and an overall parcel value of \$252,600. However, the site is not developable due its location, current use and the easement to Honda and therefore, has zero value to any entity other than American Honda. Retaining the site until the contamination has been resolved and the transfer to Honda completed will advance the goals of the Successor Agency, as it will achieve the goals and requirements outlined in the original OPA with Honda and fulfill an enforceable obligation.

Parcel # 5

Torrance Boulevard and Bow Avenue



Torrance Blvd. and Bow Ave.



View looking Northeast



View looking East

The property located at Torrance and Bow was granted to the former Redevelopment Agency as part of the development of Torrance Center II in April, 1989 in order for the City to obtain ownership of a former railroad right-of-way that connected to a historic landmark, the Pacific Electric Railway – El Prado Bridge, as well as remove the blighted railroad ties. The property now serves as a pedestrian walkway which connects to the pathway over the recently rehabilitated Pacific Electric Railway –El Prado Bridge. No soil contamination issues have been found on the site. At approximately 16,612 square feet, the current parcel value is estimated at \$20 per square foot for an overall value of \$332,240. Due to the site's shape and location, the parcel is not developable and should remain as a pedestrian right-of-way.

Use or Disposition of Properties

According to Health and Safety Code Section 34191.5, Successor Agencies must address the use or disposition of all former Agency owned properties in the Community Redevelopment Trust Fund. The Code allows for four permissible uses including: retention for governmental use, retention for future development, sale of the property or used to fulfill an enforceable obligation. This report will describe the permissible use for each of the properties individually in order to illustrate the reasons for each classification.

Of the five properties that were previously owned by the former Redevelopment Agency of the City of Torrance, two shall be retained for governmental use and two shall be retained for future development. The fifth remaining property, 1919 Torrance Blvd., shall be used to fulfill an enforceable obligation, as it has only remained under the ownership of the former Redevelopment Agency due to unresolved contamination issues. The property was sold to American Honda along with a number of other parcels as part of an Owner Participation Agreement and the transfer will be completed once the contamination is resolved. Until this time, the property should be retained in the Community Redevelopment Property Trust Fund.

The parcel located at 1956 Torrance Blvd., should be retained for future development of a parking structure as it was purchased to provide parking for the former Downtown Redevelopment Project Area and is currently encumbered with a License Agreement for use of that parking by a nearby restaurant. As noted during the property description, the provision of public parking facilities was an authorized function of the former Redevelopment Agency under the Redevelopment Plan for the former Downtown Redevelopment Project Area. Since this parcel was purchased to provide parking for the former Downtown Redevelopment Project Area, it shall be retained for future development of a parking structure in order to continue to provide parking for the area.

The parcel located at 1312 Cabrillo Ave., should also be retained for the future development of a parking structure as it was also purchased to provide parking for the former Downtown Redevelopment Project Area and is currently encumbered with a License Agreement for the non-exclusive use of that parking by a nearby restaurant. As noted for the previous parcel, the provision of public facilities was an authorized function of the former Redevelopment Agency under the Redevelopment Plan for the former Downtown Redevelopment Project Area. This parcel should be retained by the Successor Agency for the future development of a parking structure in order to continue to provide parking for the area.

The parcel located at 1339 Post Avenue should be retained as a "Governmental Use" as it was purchased to expand the City-run senior services provided at the adjacent Bartlett Center, which was operating beyond capacity. Community Focal Point on Aging, which is run by the City of Torrance Community Services Department, has operated in all or part of the building since the time of its purchase and is currently operating there now. Since this parcel is currently being used for a governmental program, it should be classified as a "Governmental Use" and retained by the Successor Agency to continue to provide for these services for senior citizens.

The Parcel located at Torrance Blvd. and Bow Avenue should be retained as a "Governmental Use" as it was purchased as a former railroad right-of-way to provide a pedestrian walkway and access to the historic Pacific Electric Railway – El Prado

Bridge. The area is currently used a pedestrian right-of-way. The parcel's irregular shape and size do not allow for further development. The use of a property for streets and right-of-ways is allowed under the "Governmental Use" classification.

ATTACHMENTS

Attachment A: Long Range Property Management Plan: Property Inventory Data
Attachment B: Redevelopment Plan for the Downtown Torrance Redevelopment Project Area
Attachment C: Street and Highways Code Section 32501

EXHIBITS

Exhibit 1: Supporting Documents for 1956 Torrance Blvd.
Exhibit 2: Supporting Documents for 1312 Cabrillo Ave.
Exhibit 3: Supporting Documents for 1339 Post Ave.
Exhibit 4: Supporting Documents for 1919 Torrance Blvd.
Exhibit 5: Supporting Documents for Torrance Blvd. and Bow Ave.