Council Meeting of
February 27, 2007

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: City Manager – Review and give direction regarding deal points of the proposed City of Torrance/Rolling Hills Estates boundary adjustment and land swap.

RECOMMENDATION

The City Manager recommends that City Council review and give direction regarding deal points of the proposed City of Torrance/Rolling Hills Estates boundary adjustment and land swap.

FUNDING

No funding is required for the requested action. If implemented, the City will receive $200,000 to improve Alta Loma Park and $9.8 million upon successful completion of the boundary adjustment and approval of a final tract map for a project in Rolling Hills Estates.

BACKGROUND

On April 26, 2005, the City Council conducted a workshop with City staff, representatives from the Chandler Landfill LLC (Chandler) and the public regarding a proposal for Chandler and the Rolling Hills Country Club (RHCC) to reconfigure the golf course and utilize the buildable area for new single family homes. The workshop was held as a method to determine the City's interest in the project, as well as a greater consideration which is to adjust the jurisdictional boundaries between the two cities to move the proposed residential development into the jurisdiction of Rolling Hills Estates.

A portion of the overall presentation dealt with the potential loss of revenue to the City of Torrance if the area being developed for housing fell out of the City of Torrance jurisdiction and into the City of Rolling Hills Estates. Included in staff's presentation was an analysis of the value of the tax revenue, as well as a range of amounts that could be paid to the City in consideration for the lost revenue. At that meeting staff presented four options:

Option 1

Modify the boundary lines of Rolling Hills Estates and the City of Torrance to capture an equal amount of open space to be transferred to the project area (48 acres). This could be achieved by looking to another area where the City of Torrance and Rolling Hills Estates share a common boundary area where a shift could occur. The City would look to recapture funds based on the development of homes. This analysis would exclude the golf course area as it is open space and focus on the homes as a valuation increase based on the loss of property tax, utility users tax,

vehicle license fees, parks and recreation fees, and other revenue streams that would have come to the City of Torrance had the development remained within the City of Torrance.

The City would also look for a financial contribution of $5 - $10 million dollars to offset future property tax for the property being developed. This would allow the City to maintain its open space area while sharing in the new revenue stream from the developed parcels. The City would also require a joint development agreement between the two cities to guarantee a level of City input into the project, as well as any land use changes to the project in the future.

Option 2

This Option involves utilizing a portion to expand Alta Loma Park. The area being reviewed would involve a 3 to 4 acre land swap that would increase the north area of the park. The balance of the area required would be a border adjustment between the City of Torrance and Rolling Hills Estates of approximately 40+ acres. The only acreage returned to the City in this option is the 3 to 4 acre increase to Alta Loma Park.

The City would be looking to a cash contribution in the $5 - $10 million range to make up for loss of future revenues to the City, similar to Option 1. The City would also require a joint development agreement between the two cities to guarantee a level of City input into the project, as well as any land use changes to the project in the future.

Option 3

This option does not adjust the boundaries, and moves forward with a development that exists within both cities. It would leave the boundaries intact, allows for the development to go through a joint planning process between the City of Torrance and Rolling Hills Estates. The area of concern for this option is the determination of where the School District boundaries lay and which district would serve. This would have to be resolved between the two school districts. Another issue that would need attention is Safety Service. A Fire and Police Protection Agreement would have to be developed between the County of Los Angeles and the City of Torrance. It was also noted in the discussion with Chandler that the City is in the process of developing a new General Plan and that if they were to explore this Option it would have to wait until the conclusion of the updated General Plan. It was estimated that the delay would be 8 – 12 months. The City would also require a joint development agreement between the two cities to guarantee a level of City input into the project, as well as any land use changes to the project in the future.

Option 4

The final option is to adjust the border between the City of Torrance and Rolling Hills Estates with no land swap. The City would reduce its land mass by the approximately 48 acres needed to encompass the project area. This reduction while relatively small amount of land reduces the size of the City of Torrance. Finally, this type of action, in addition to Local Agency Formation Commission (LAFCO), would be delayed until the update of the General Plan.

The City would be looking to a cash contribution in the $10+ million range to make up for loss of future revenues to the City, with an additional financial requirement based on loss of open space and City land mass. Finally, the City would require a joint development agreement between the two cities to guarantee a level of City input into the project as well as any land use changes to the project in the future.

Upon conclusion of the workshop, the City Council considered the Options which were included in a Regular Session City Council action on April 26, 2005 (Attachment A).

ANALYSIS

After discussion, the City Council gave direction to staff to utilize the parameters outlined in Options 1 and 2 in developing an Agreement with Chandler and Rolling Hills Estates (Attachment B). Since that meeting, City staff and representatives from the City of RHE and Chandler have met to negotiate Agreement(s) that will be brought back before Your Honorable Body for action. The purpose of tonight's transmittal is to update the City Council on the status of negotiations and to confirm deal points prior to finalizing the Agreement for the boundary adjustment.

Staff has worked to develop an Agreement that will protect the City's interests, as well as allow for the Chandler development to move forward with the required reviews for the proposed project.

Based on the negotiations between the parties, the following deal points have been developed: The City and Chandler would enter into a Boundary and Dedication Agreement that would include the following:

Upon approval and execution of the Agreement:

- the City will receive a cash contribution of $200,000 for the improvement of Alta Loma Park.

Upon approval of:

- Local Agency Formation Commission to redraw the boundary between the City of Torrance and the City of Rolling Hills Estates; and
- All entitlements to the project in the City of Rolling Hills Estates and City of Torrance
    - Chandler will deed to the City of Torrance, in fee, an area equal to 4.5 acres that is adjacent to Alta Loma Park and within the City of Torrance to the City of Torrance to maintain open space.

Upon approval of:

- Final tract map; and
- Los Angeles County recordation of a tract map or 6 months from LAFCO approval, City of Torrance and Rolling Hills Estates approvals, Chandler will:
    - Chandler will electronically transfer $9.8 million to the City of Torrance to compensate for future lost tax revenues; and

The Boundary and Dedication Agreement would result in a zero net gain or loss of area for either City involved. Each City would realize a shift equal to 32 acres. Although the merits of the project will be addressed in the normal Planning and Entitlement process including the review through an Environmental Impact Report, the necessity for the boundary shift is based on the proposed development of low density R-1 homes fully within the City of Rolling Hills Estates and the shift of boundary to include a portion of a realigned golf course into Torrance that will ensure that open space will be retained.

If the City Council concurs in the direction of the Agreement, there are several steps and a long review process that will follow. The steps include:

- Torrance updates General Plan (12 -15 months)
- Development of an Environmental Impact Report (12-15 months)

- Planning and Entitlement Process (Run concurrent with EIR process but EIR needs to be complete prior to action 6 months after EIR completion)
- LAFCO Review – requires EIR (Attachment C)

The process described above, if successful, would result in the boundary adjustment contribution being realized by the City of Torrance in approximately 2.5 to 3 years from execution of an Agreement. This timeframe is aggressive and does not take into consideration delays in the review and entitlement process.

The item before you this evening is to seek concurrence in the deal points as presented. Upon approval, the Agreement will be finalized and forwarded to the City Council for review and action, which will include safeguards for the City should the process be challenged. A second Agreement will also be forwarded with the Boundary and Dedication Agreement between the City of Torrance and Rolling Hills Estates that outlines each City's role, cooperation and actions that need to occur on the project, as well as the LAFCO process.

Respectfully submitted,

LeROY J. JACKSON
City Manager

By: Brian K. Sunshine
Assistant to the City Manager

CONCUR:

LeRoy J. Jackson
City Manager

Attachments:
A) Council Item of April 26, 2005
B) Council minutes April 26, 2005
C) LAFCO process

Attachment A

Council Meeting of
April 26, 2005

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: Chandler Proposed Reuse Project Options

RECOMMENDATION

A recommendation of the City Manager for the City Council to consider potential options for the City of Torrance position regarding the proposed Chandler Landfill Reuse Project.

FUNDING

No funding is required for the requested action.

BACKGROUND

The area known as the Chandler Landfill is under consideration by the owners, Chandler Landfill, LLC (Chandler) and the Rolling Hills Country Club (RHCC) to convert the property into a golf course and residential development. The proposed development encompasses 228 acres of land. A portion of the acreage, 48 acres in total, is located in the southeast corner of the City of Torrance. Of these 48 acres, Chandler owns 36 acres and the Rolling Hills Country Club owns 12.

The Chandler Reuse Committee made up of representatives from Lomita, Rolling Hills Estates and the City of Torrance has had five meetings since July 2002 to hear project information and proposals, and give input on the proposed development. Councilman Michael Mauno has been the City of Torrance representative to these meetings. Five meetings were held with the purpose of informing interested parties and to receive input on use. There has been some consensus on the general scope of a reuse project which would include single family residential units adjacent to a world class golf course.

The City of Torrance has been approached (Attachment A) by representatives of the development team to seek the City's cooperation to work with Rolling Hills Estates to de-annex the 48 acre area located within the City of Torrance to the City of Rolling Hills Estates to create a development totally encompassed by the City of Rolling Hills estates. Staff has reviewed this proposal and has developed an analysis and options that the City Council may wish to consider.

The area of the proposed development that lies within the City of Torrance border has access issues from the City of Torrance. The area can only be accessed from the City through residential neighborhoods located in Torrance. Residents who have attended the reuse meetings have made it clear that they do not wish access through those neighborhoods. The area also has access issues with regard to safety service from the City of Torrance which if a development does move forward have multi-jurisdictional service issues.

The item before Your Honorable Body this evening is to review the options and direct staff on the potential implementation of a response to the proposal from the developer and to set guidelines for a dialogue with the proponents. These discussions should be clearly distinguished from future land use issues if and when a development plan is submitted for approval. The Planning process, Environmental Impact reports and process to change boundaries would be transmitted through a separate set of items and process. A brief summary of other types of actions for this proposed project are included in the analysis for information; however, they require no action this evening. The only action being requested tonight is to receive direction on the options and whether the City Council wishes to proceed with any of the proposed options, wishes to develop other alternatives, or wishes to direct staff not to proceed with negotiation on this proposed development.

ANALYSIS

The proposed development will require several different reviews as well as several months to prepare various documents. The project will require the development and review of an Environmental Impact Report (EIR) which will take 12-18 months to prepare, review, and adopt. If boundaries are to be changed the City of Torrance must agree to relinquish and the City of Rolling Hills must agree to receive the de-annexed area as part of their jurisdiction. If this process moves forward, there is a Commission, the Local Agency Formation Commission (LAFCO), which will be involved in that process.

The process is as follows:

Local Agency Formation Commission

The Local Agency Formation Commission was formed under the Government Code. The policy, procedures, rules and regulations regarding governmental reorganizations are all dictated by the Government Code. Annexations do not require elections.

The process of annexation begins with the interested parties (landowners) agreeing to an annexation of land from one to another. The change in boundaries cannot go forward without both Cities' willingness to move forward.

Upon approval of the idea, application must be made with the Local Agency Formation Commission. The process can take 2 – 3 years which includes the processing of an EIR. A more detailed process is included in Attachment B.

Chandler Proposal

A meeting was held with Chandler representatives on February 17, 2005 where it was proposed by Chandler that the City de-annex approximately 48 acres from the City of Torrance to Rolling Hills Estates in order to put the proposed development area into one jurisdiction.

A follow-up meeting was held March 24, 2005 to share the City's reaction to the February proposal and to share some options being explored by the City to review the direction of the proposed project while protecting the City of Torrance.

The project is in preliminary planning stages that have prompted staff to get feedback from the City Council with regard to the City Council's position on the developers request to shift boundary lines.

Staff has developed financial considerations which are contained in the options. The numbers being recommended are based on the loss of potential tax revenues to the City. The amount is based on an estimated present value of approximately $5 - $10 million. The range is highly dependent on the selling price of the executive homes, future appreciation, inflation, the rate of re-sales, the use and cost of utilities for both the homes and the golf course, value of household vehicles, etc.

OPTIONS

Staff has developed the following four options for consideration if the City Council wishes to proceed:

Option 1

Modify the boundary lines of Rolling Hills Estates and the City of Torrance to capture an equal amount of open space to be transferred to the project area (48 acres). This could be achieved by looking to another area where the City of Torrance and Rolling Hills Estates share a common boundary area where a shift could occur. The City would look to recapture funds based on the development of homes. This analysis would exclude the golf course area as it is open space and focus on the homes as a valuation increase based on the loss of property tax, utility users tax, vehicle license fees parks and recreation fees and other revenue streams that would have come to the City of Torrance had the development remained within the City of Torrance.

The City would also look for a financial contribution of $5 - $10 million dollars to offset future property tax for the property being developed. This would allow the City to maintain its open space area while sharing in the new revenue stream from the developed parcels. The City would also require a joint development agreement between the two cities to guarantee a level of City input into the project as well as any land use changes to the project in the future.

Option 2

This Option involves utilizing a portion to expand Alta Loma Park. The area being reviewed would involve a 3 to 4 acre land swap that would increase the north area of the park. The balance of the area required would be a border adjustment between the City of Torrance and Rolling Hills Estates of approximately 40+ acres. The only acreage returned to the City in this option is the 3 to 4 acre increase to Alta Loma Park.

The City would be looking to a cash contribution in the $5 - $10 million range to make up for loss of future revenues to the City, similar to Option 1. The City would also require a joint development agreement between the two cities to guarantee a level of City input into the project as well as any land use changes to the project in the future.

Option 3

This option does not adjust the boundaries, and moves forward with a development that exists within both cities. It would leave the boundaries intact, allows for the development to go through a joint planning process between the City of Torrance and Rolling Hills Estates. The area of concern for this option is the determination of where the School District boundaries lay and which district would serve. This would have to be resolved between the two school districts. Another issue that would need attention is Safety Service. A Fire and Police Protection Agreement would have to be developed between the County of Los Angeles and the City of Torrance. It was also noted in the discussion with Chandler that the City is in the process of developing a new General Plan and that if they were to explore this Option it would have to wait until the conclusion of the updated General Plan. It was estimated that the delay would be 8 – 12 months. The City would also require a joint development agreement between the two cities to guarantee a level of City input into the project, as well as any land use changes to the project in the future.

Option 4

The final option is to adjust the border between the City of Torrance and Rolling Hills Estates with no land swap. The City would reduce its land mass by the approximately 48 acres needed to encompass the project area. This reduction while relatively small amount of land reduces the size of the City of Torrance. Finally, this type of action, in addition to LAFCO, would be delayed until the update of the General Plan.

The City would be looking to a cash contribution in the $10+ million range to make up for loss of future revenues to the City, with an additional financial requirement based on loss of open space and City land mass. Finally, the City would require a joint development agreement between the two cities to guarantee a level of City input into the project as well as any land use changes to the project in the future.

The boundary adjustment being requested would also affect the Torrance Unified School District (District) as their boundary overlays the City's. Chandler would have to open discussion with the District as a separate item from the City of Torrance.

The options being presented are not exhaustive but have been submitted to assist the City Council in determining the type of dialogue to begin with the project proponents, as well as outline a parameter for negotiations.

Respectfully submitted,

LeROY J. JACKSON
CITY MANAGER

By: _____
Brian K. Sunshine
Assistant to the City Manager

CONCUR:

_____
LeRoy J. Jackson
City Manager

Attachments:

A. Chandler Proposal
B. LAFCO Process
C. Notification Map
D. Notice for Council Workshop 4/26/05
E. Master Plan Ownership
F. Proposed General Project Layout
G. Proposed Tentative Tract Map

Attachment A

Chandler's

Palos Verdes Sand & Gravel Co.
Landfill & Construction Materials
ESTABLISHED SINCE 1934

February 17, 2005

LeRoy Jackson
City Manager
City of Torrance
3031 Torrance Blvd.
Torrance, California 90503

Re: Request for the City of Torrance to De-annex 48 acres into the City of Rolling Hills Estates.

Dear LeRoy,

Chandler Ranch Properties, LLC (Chandlers) and Rolling Hills Country Club (RHCC), hereby request your consideration for the de-annexation into the City of Rolling Hills Estates (RHE), 48 acres of their property that is currently in the City of Torrance. This request results from Chandler's and RHCC's proposed joint Master Plan of Reuse (Plan) of the existing country club and the redevelopment of the Chandler landfill. The Plan has been in discussion for over two years through a Reuse Committee that was established by the City of RHE. The Committee included City Council, Planning Commission, and professional staff from the Cities of RHE, Torrance, and Lomita. It also included extensive representation from four homeowners associations, including the Hillside HOA from Torrance.

The Plan encompasses a total of 228 acres. Chandler owns 36 acres and RHCC owns 12 acres of the 48 acres that are currently in the City of Torrance. Approximately 25 acres of the 48 acres are currently a part of the private golf course for RHCC, 19 acres are utilized as a part of the Chandler landfill operation, and 5 acres are vacant.

The Plan proposes the following:

1. Construction of a new 18 hole, 7,100 yard long Arnold Palmer Signature golf course on approximately 155 acres (68%) of the site.
2. Construction of a new clubhouse complex consisting of lockers, restaurants, 4 tennis courts, health and fitness facilities, pool/spa area, banquet and meeting rooms, children areas, administrative and staff areas, equipment storage facilities, and off-street parking for 300 cars, on approximately 8 acres (4%) of the site.
3. Construction of up to 130 detached single family homes on approximately 65 acres (29%) of the site. The homes will offer a variety of square footages and floor plans that are intended to appeal to both older homebuyers as well as families. The majority of the homes will be single story in height. The density is a maximum of 2 units to the residential acre, and less than 1 unit to the overall

P.O. Box 295 • Lomita • CA • 90717-0295

Phone: (310) 784-2900 • Street Address • 26311 Palos Verdes Drive East • Rolling Hills Estates • CA 90274 • Fax: (310) 326-5810

acreage of the Plan. There are 56 detached single-family homes proposed on the 48 acres in Torrance, which are 1.17 units to the acre.

4. All access to the site will be through the City of RHE off of Palos Verdes Drive East which is approximately 1 mile from the nearest City of Torrance street intersection.

There have been seven Reuse Committee meetings. The City of Torrance was represented at all of the meetings. There have been over a dozen different meetings with the Hillside HOA and individual homeowners of the neighborhood. The Hillside HOA and certain individuals have from the beginning clearly indicated a number of concerns and issues. Their stated issues include the following:

1. Preservation or enhancement of their existing views of the golf course and panorama vistas from the properties that are on the east side of Delos Drive and Richville Drive - The plan has been carefully designed to preserve these views and in fact with the construction of the new golf course many property owners will enjoy view vistas that they haven't enjoyed for many years due to tree growth. The Delos and Richville properties are on average fifty-five (55) feet higher than the proposed finished grade of the new homes.
2. No vehicular or pedestrian access through the existing Hillside neighborhood - The plan provides no vehicular or pedestrian access through the Hillside neighborhood. Perimeter fencing will be provided as a part of the project to enhance security of the Alta Loma Park and the neighborhood.
3. Appropriate separation from the existing Hillside homes on Delos Drive and Richville Drive to the nearest new residences - The plan provides for a minimum 300 foot separation and an average separation of 400 feet.
4. Preservation of the existing golf hole (#12) that parallels the homes on the east side of Delos Drive – the Plan provides for the preservation of the golf hole with both the green and tee in essentially the same location as the current hole.

Chandler and RHCC feel it is in the best interests of the Cities of RHE and Torrance to eliminate the land lock status of their properties and to have the new private country club and residential project under the on-going jurisdiction of a single city. This will ensure certainty of responsibility for municipal services especially emergency services for the country club and residents of the new neighborhood. The current jurisdictional boundary would require Torrance to pass through both the cities of RHE and Lomita to provide such services.

Chandler and RHCC respectfully request a de-annexation of their combined 48 acres based on the following conditions:

1. The City of Torrance will have the right to approve the Specific Plan for the project including the proposed site plan, tentative map, and EIR for the project. Chandler and RHCC will agree to incorporate reasonable restrictions on their 48 acres of land within the City of Torrance to ensure implementation of the development in compliance with the approved Specific Plan.

2. Chandler/Homebuilder will provide an up-front payment equal to the Net Present Value (NPV) of the projected revenue stream from the incremental property tax increases resulting from the completed project on the 48 acres in the City of Torrance. Chandler and the City of Torrance will mutually agree on the formula for calculating the NPV of the tax increment.
3. Chandler/Homebuilder will reimburse the City of Torrance for any costs incurred by the city in the course of processing the de-annexation through LAFCO.

Chandler and RHCC respectfully requests the de-annexation be presented to the Torrance City Council for consideration and action as soon as possible.

Sincerely,

Richard Lawton
President & CEO
Chandler's Inc.

Cc: Mayor Dan Walker
City Council - City of Torrance
Robert Choulet - President, Rolling Hills Country Club
Doug Prichard - City Manager, City of Rolling Hills Estates

Attachment B

Local Agency Formation Commission

The Local Agency Formation Commission was formed under the Government Code. The policy, procedures, rules and regulations regarding governmental reorganizations are all dictated by the government Code. Annexations do not require elections.

The process of annexation begins with the interested parties (landowners) agreeing to an annexation of land from one to another.

Upon approval of the idea, application must be made with the Local Agency Formation Commission. The application process is complex and lengthy as shown below:

GENERAL PROVISIONS

1. Agreement by affected landowners to apply for annexation.
2. City must adopt Resolution indicating plans to apply for annexation of property.
3. 20 days before adoption of resolution City should give notice to each interested agency (any agency with any territory within proposal of site study) of the annexation proposal.
4. City to meet with representatives of LAFCO to discuss proposed annexation.
5. City prepares application to initiate proceeding for change of organization.
6. At least 30 days prior to submitting an application for change of organization, the City would meet with the representatives of the County to discuss new boundaries, development standards and zoning requirements within the proposed sphere of influence (This study determines the physical boundary and service area that a local governmental agency is expected to service.) Upon the City and County agreeing on the boundaries, development standards and zoning requirements, an agreement is forwarded to LAFCO. The commission would consider the agreed upon boundaries and zoning requirements and adopt a new sphere of influence for the City. If no agreement is reached between the City and County the Commission would adopt a sphere of influence after holding a public hearing on the matter.
7. City must include in the application reasons for proposing annexation.
8. City must include in application the plan for providing services to the affected territory including :
   - Enumeration and description of the services to be extended to the affected territory
   - The level and range of those services
   - An indication of when those services can feasibly be extended to the affected territory
   - Indication of any improvement or upgrading of structure, roads, sewer or water facilities, or other conditions the City would impose or require within the affected territory.
   - Information on the financing of those services.
9. Legal description of the property boundaries of the subject property must be distinctively shown on a map to be submitted with the application.
10. Parties must agree on the transferring of real and personal property.
11. Preparation of an Environmental Impact Report to meet California Environmental Quality Act requirements must be completed.
12. The City is required as a condition of annexation to pre-zone the territory to be annexed. Affected agencies and main county departments are sent notices for response to any possible issues regarding infrastructures (sewer lines, water lines), school districts, etc.

Attachment B

Annexation And Other Changes Of Organization Continued

13. City must hold at least one public hearing on annexation.
14. LAFCO must verify if property to be annexed is inhabited. Inhabited constitutes twelve or more residents.
15. The commission selects an Executive Officer to oversee the application process. The Executive Officer has 30 days to determine if application is complete and acceptable for filing or if application is unacceptable.
16. If application is accepted Executive Officer shall issue a certificate of filing to the City and the certificate shall specify the date upon which the proposal shall be heard by the commission.
17. The Executive Officer will set a public hearing for the proposal within 90 days of issuance of the certificate and give notice of the hearing. *
18. The Executive Officer will review the application and prepare a report including his or her recommendations on the application.
19. In the case of uninhabited territory the commission may waive protest proceedings with the appropriate waivers from the affected agencies and landowners and if no opposition to the application is received.
20. If a protest to the application is received a hearing must be held not less than 60 days

FISCAL PROVISIONS

Property Tax Exchange:

1. The commission shall determine the amount of property tax revenue to be exchanged by the affected local agency.

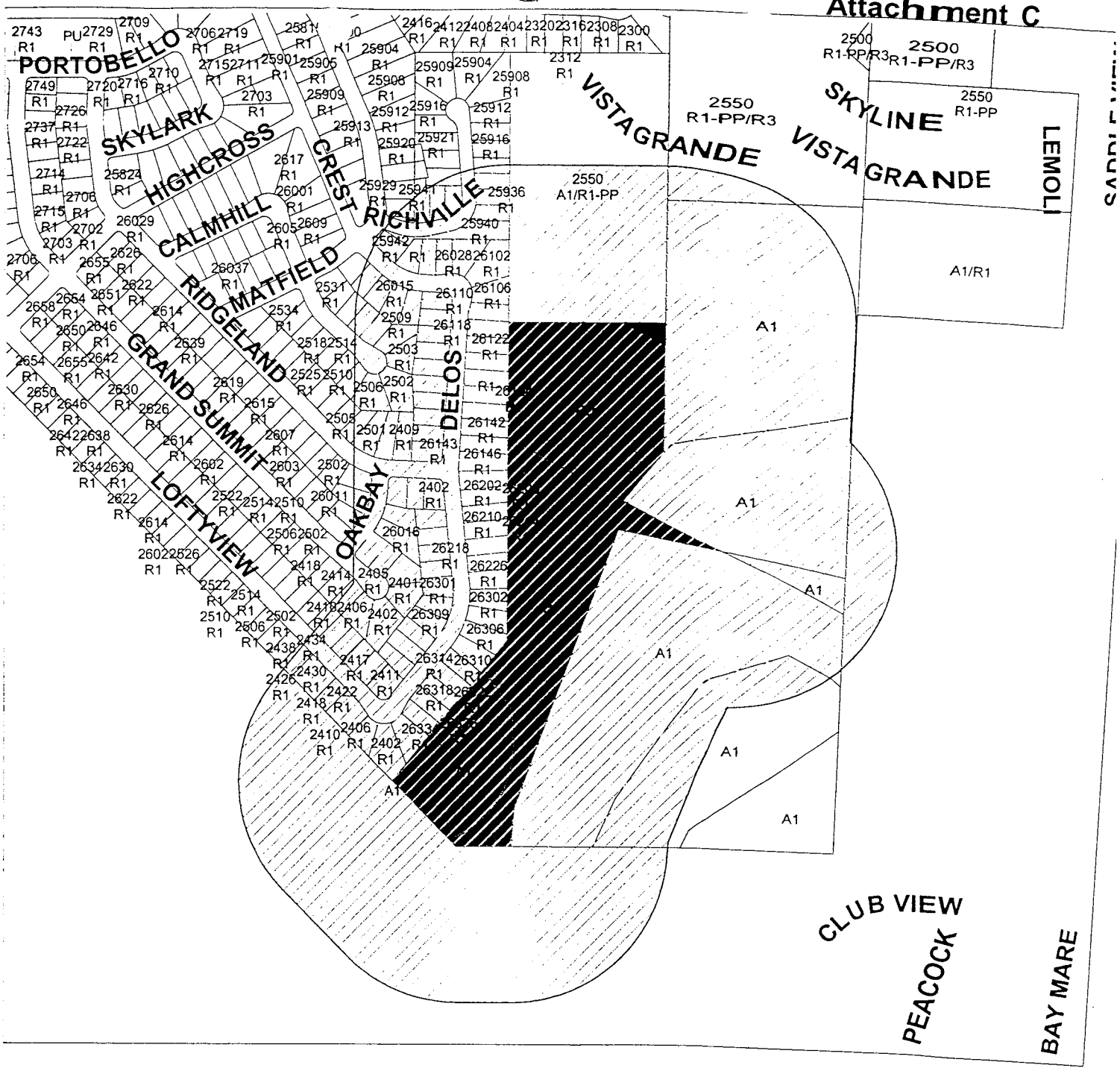
2. The commission shall notify the county auditor of the proposal and the services, which the new jurisdiction proposes to assume within the area and identify for the auditor the existing service providers within the area subject to the proposal.

3. The Executive Officer shall give notice of the filing to the assessor and auditor of each county.

Tax Negotiation Process – identify tax areas; The City and the State Board of Equalization Standards must adopt the tax schedule.

Hearing must be held for adoption of tax schedule resolution.

Attachment C



LOCATION AND ZONING MAP

Chandler's Project

LEGEND

APN 7551-013-066, 7551-013-016, 7536-028-900

500 Ft. Notification Area

0 180 360 720 Feet

N W E S

Prepared using City of Torrance Community Development Geographic Information System

Jeffery W. Gibson, Community Development Director

Attachment D

Notice of Torrance City Council Workshop

Tuesday, April 26, 2005
5:30 p.m.
City Council Chamber
3031 Torrance Blvd.

The City Council will be conducting a public workshop with representatives from Chandler, LLC on the proposed reuse of the landfill facility.

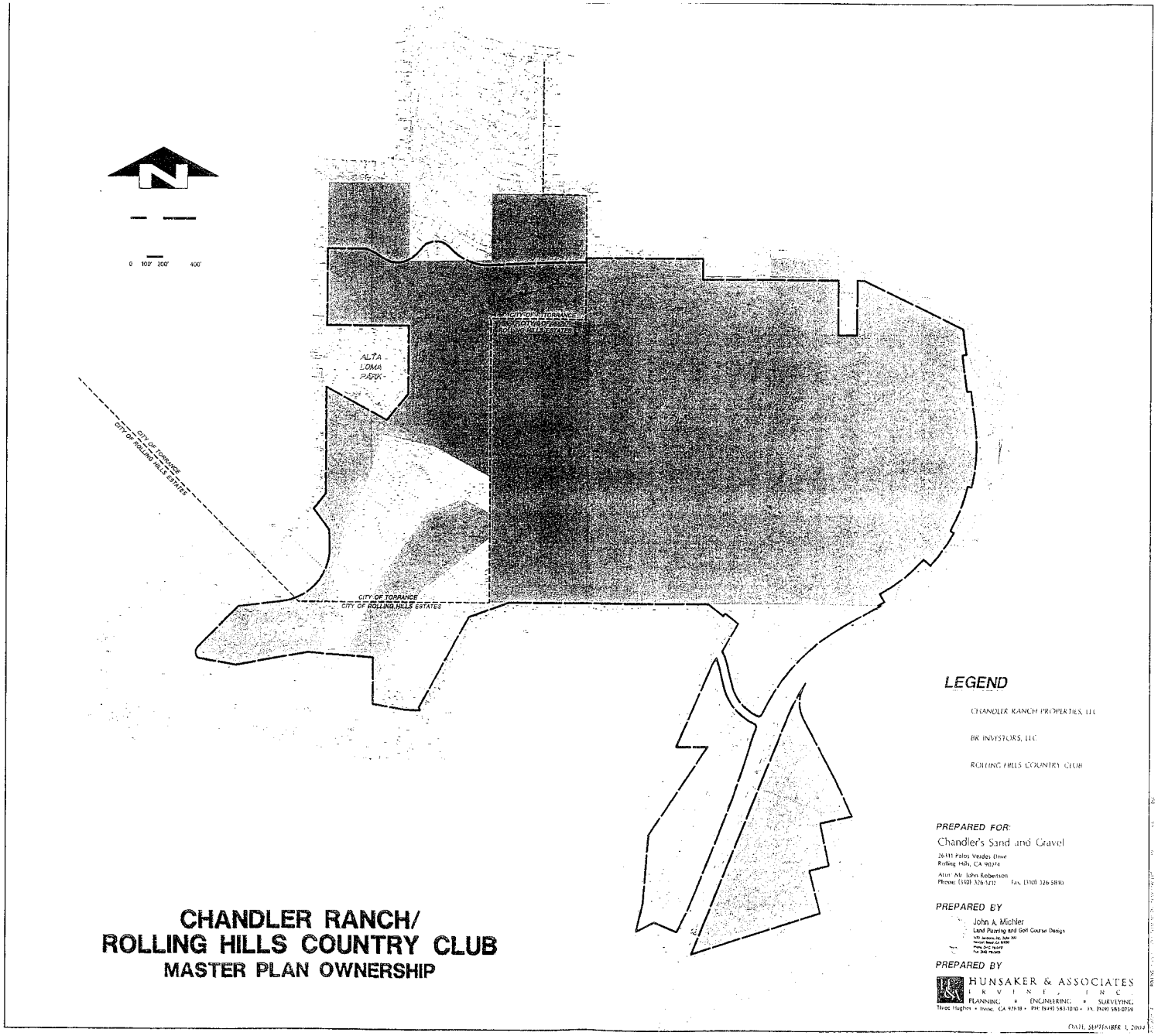
The purpose of the meeting is to receive a presentation from the owner of the proposed project components, project boundaries which may include a boundary adjustment between the City of Torrance and Rolling Hills Estates and finally, to receive staff input and options regarding the proposal.

The meeting is preliminary to any development submittals and has been scheduled to bring the proposal to a public forum.

An action item will follow on the regular City Council agenda to direct staff on options.

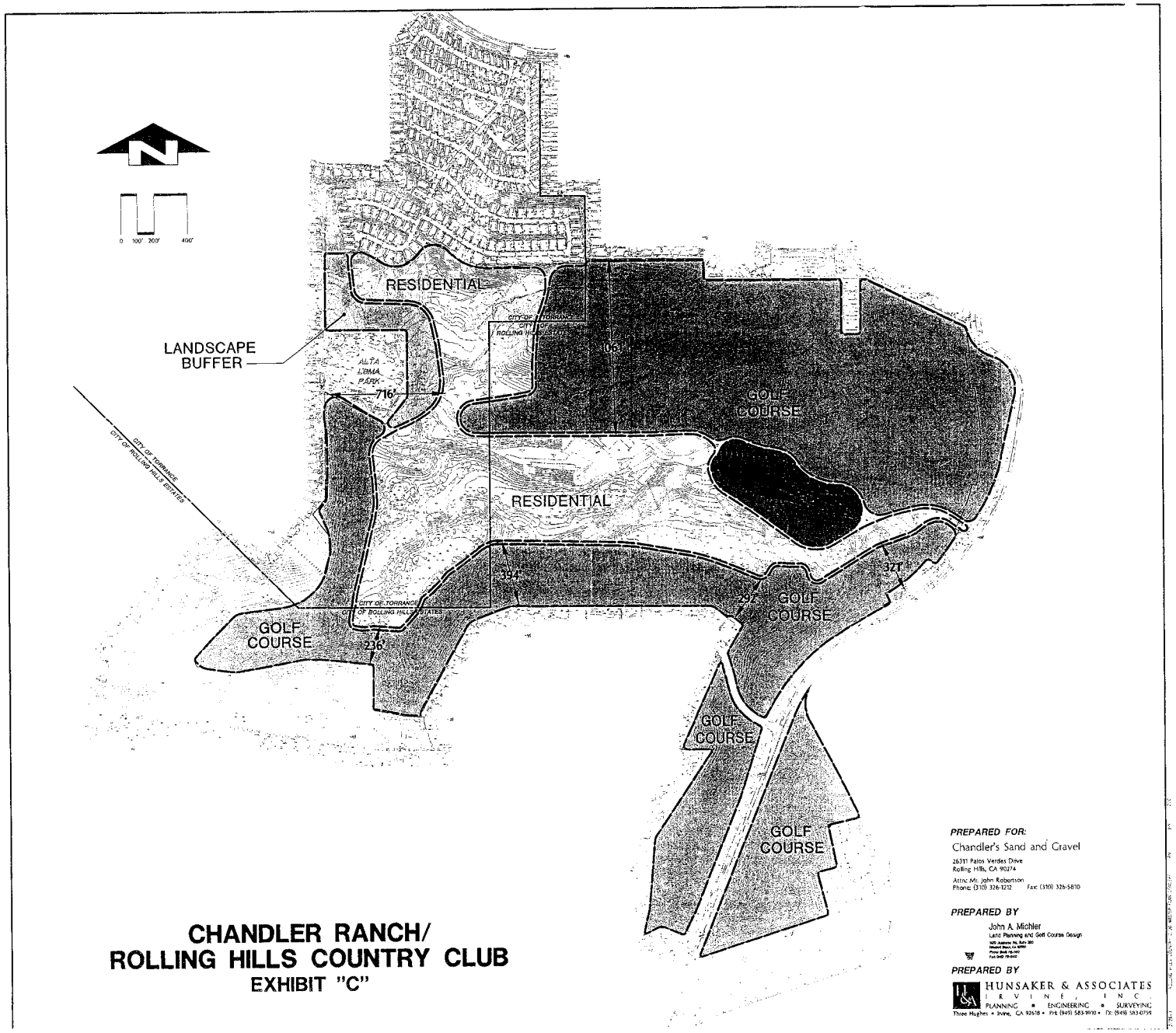
A BALANCED CITY · INDUSTRIAL · RESIDENTIAL · COMMERCIAL · TORRANCE

City of Torrance



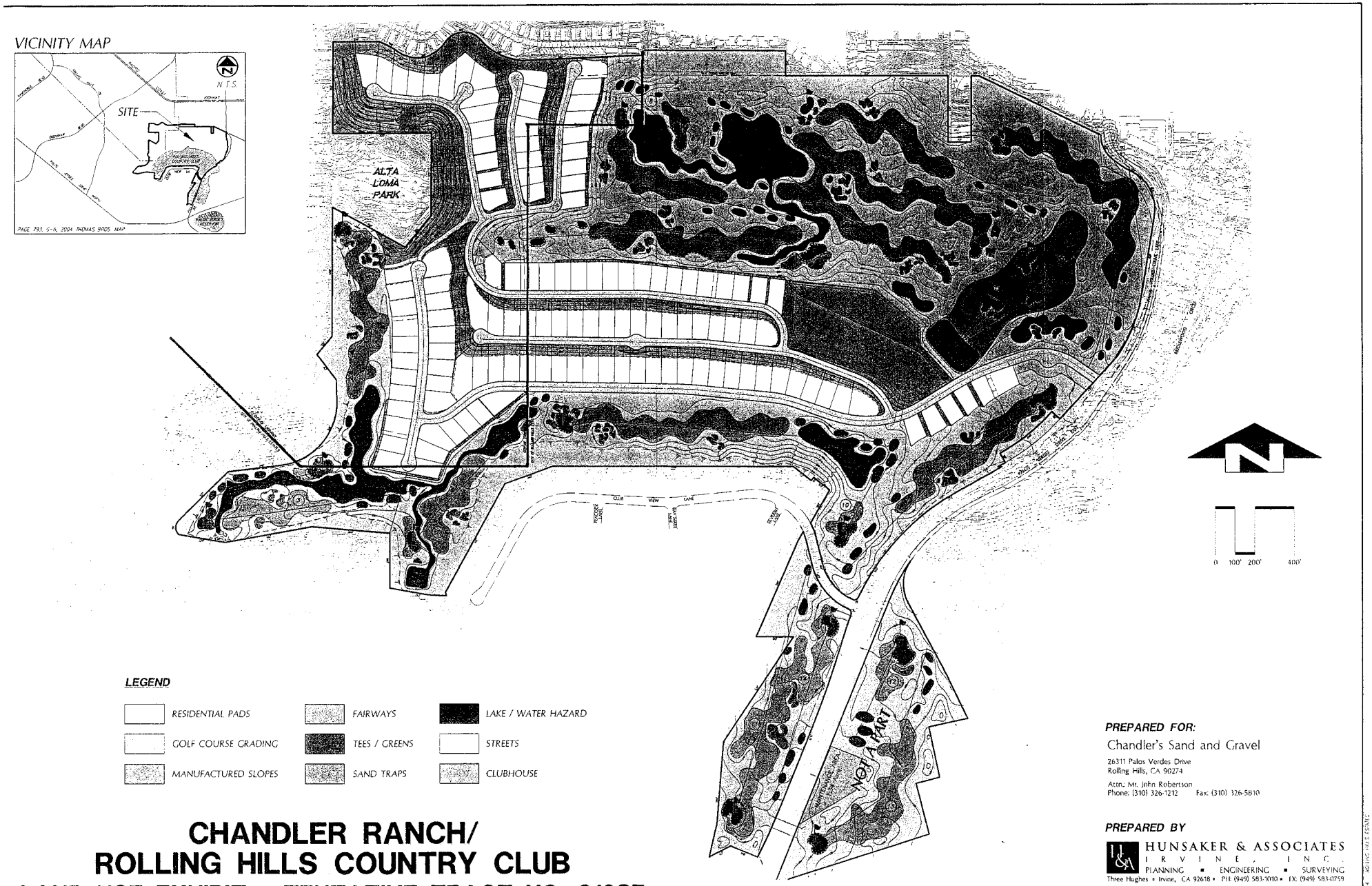
CHANDLER RANCH/ ROLLING HILLS COUNTRY CLUB
MASTER PLAN OWNERSHIP

Exhibit Q to Master Agreement



CHANDLER RANCH/
ROLLING HILLS COUNTRY CLUB
EXHIBIT "C"

F



CHANDLER RANCH/ ROLLING HILLS COUNTRY CLUB

LAND USE EXHIBIT - TENTATIVE TRACT NO. 61287

PREPARED FOR:

Chandler's Sand and Gravel

26311 Palos Verdes Drive
Rolling Hills, CA 90274

Attn.: Mr. John Robertson
Phone: (310) 326-1212 Fax: (310) 326-5810

PREPARED BY

HUNSAKER & ASSOCIATES
IRVINE, INC.
PLANNING ▪ ENGINEERING ▪ SURVEYING
Three Hughes ▪ Irvine, CA 92618 ▪ PH: (949) 583-1010 ▪ FX: (949) 583-0759

DATE: SEPTEMBER 1, 2004

G

Attachment B

April 26, 2005

MINUTES OF AN ADJOURNED REGULAR MEETING OF THE TORRANCE CITY COUNCIL

1. CALL TO ORDER

The Torrance City Council convened in an adjourned regular meeting at 5:31 p.m. on April 26, 2005, in Council Chambers.

ROLL CALL

Present: Councilmembers Lieu, Mauno, Nowatka, Scotto, Witkowsky and Mayor Walker.

Absent: Councilmember McIntyre.

Also Present: City Manager Jackson, City Attorney Fellows, City Clerk Herbers and other staff representatives.

WORKSHOP - CHANDLER REUSE

Mayor Walker announced that the City Council was conducting a workshop on the reuse proposal for the Chandler site to hear from Land Use Committee representative Councilmember Mauno, from Chandler and from city staff on the discussion point of a possible realignment of the city border at Rolling Hills Estates. He noted that the workshop was not to discuss the merit of the proposed development as no such project has been formally submitted and he explained that during the regular Council meeting there would be an action item to direct staff on the border realignment issue.

Councilmember Mauno provided a brief history of the project noting that Torrance, Lomita, the property owners and Chandler had been meeting for over two years on this three dimensional issue which is geographically complex with an equally difficult entitlement process with three separate jurisdictions involved. The group focused on successful reuse of an industrial property noting the difficulty of converting a rock quarry to a recreational and housing use. It became clear early on that any use of the property going through the adjacent neighborhood would not work so other opportunities to circulate traffic were investigated.

Councilmember Mauno asked the public and his colleagues to keep an open mind as the complex project requires alternative thinking and he reported that he had proposed adjusting city boundaries to facilitate a successful project that would benefit the region.

Councilmember Mauno reported that maintaining slope stability on Delos Drive is a key issue as past work by the golf course could have made the area unstable and it is known that there are unstable soils in the area. Mike Cope, the applicant, has offered to fund an independent geologist to review all reports so the local homeowners association would be comfortable.

Mayor Walker indicated that the controlling factor to any action is that there is no negative impact to the city of Torrance.

Mike Cope, Project Director for Chandler, summarized the material of record providing a brief history of the project and noting that this was the third reuse committee for the property with 25 permanent members. There have been a total of five committee meetings to date including a work session with the Rolling Hills City Council and Planning

Commission as well as dozens of meetings with homeowners associations and interested parties. He commented that many people have trouble finding the property which is 1,100 feet south of Pacific Coast Highway and Narbonne Avenue, bordered on the east by Palos Verdes Drive and extending to the northern boundary of the Club View housing project and the Hillside Homeowners neighborhood to the west. The site encompasses 228 acres, 48 of which are in Torrance, with 36 of those owned by the Chandler Family and 12 owned in fee by the Rolling Hills Country Club. Although technically none of the project is in Lomita they have been asked to join the committee because they have a new water filtration plant which is on the northern boundary of the project and there were many engineering and aesthetic issues associated with the project.

Mr. Cope pointed out the numerous constraints of the site: the property has fragmented ownership, an unusual configuration, limited access opportunities, severe topographic features and the need to preserve existing city light and golf course views. Opportunities available with the project include the elimination of heavy industrial use, close proximity to two different neighborhoods, coordination of the water project, better security, the repair of erosion due to mining between 1938 and 1970 where tons of sand and gravel were removed and an opportunity to install public improvements desired by Los Angeles County Flood Control.

Mr. Cope reported that the committee had focused on the geotechnical and geology of the site and from previous extensive studies it was discovered that there were two liniment zones running through the property and the recently completed earthquake fault study found eight faults deemed inactive.

Mr. Cope reported that the committee established a general land use plan for the site and once all geotechnical constraints are taken into account there are 65 acres of build-able area with the area formally used for landfill found to be highly suitable for a golf course. The committee briefly discussed commercial and retail land uses which did not appear financially feasible at that location and the City of Rolling Hills Estates indicated that they supported low density residential or no more than two units to the acre which could provide 130 units on the 65 build-able acres.

Mr. Cope reported that the Rolling Hills Country Club leases two-thirds of their golf course from the Chandlers and the lease is expiring. The Country Club is very interested in extending their lease and expanding and improving the golf course. He noted that the residential concepts are based on low density with the average lot size less than 18,000 feet with flat usable pads of 12,000 feet and that all 129 homes are single family detached homes ranging from under 3,000 square feet to under 6,000 square feet. He stated that they have been working to implement the suggestions and input was received at a meeting in September 2004 with the Rolling Hills Estates City Council and Planning Commission.

Mr. Cope indicated that they had the beginnings of a reuse plan that is economically viable, meets most of the needs of the Country Club, and is a low density residential project with 1.15 dwelling units to the acre with a FAR of .12 in the Torrance portion with no vehicular access plan through the hillside neighborhood rather they are proposing a single point of access off Palos Verdes Drive east and he reported work with the Hillside Neighborhood Association to eliminate any cut grading.

The last point important to all neighborhoods was the preservation, enhancement or creation of views that Mr. Cope felt they had successfully done. A topographic model

was created with two story homes on every lot but the current plan is for 40-45% single story homes in the neighborhood.

Mr. Cope acknowledged that a big issue was the complication of the dual boundary jurisdiction and Chandler and the Rolling Hills Country Club would like to have the 48 acres be annexed into the City of Rolling Hills Estates and the staff of Rolling Hills Estates would support that.

Responding to Councilmember Nowatka, Mr. Cope explained that the landfill area only accepted concrete and masonry products, cured asphalt, or asphalt products and dirt, nothing biodegradable: no wood, paper trash, or shrubs. Numerous government agencies oversee the site which has received a clean bill of health every year since its inception in 1972 and he noted that there is often confusion between their site and the proposal that has been pending at the Los Angeles County Sanitation site which is a toxic waste site on Crenshaw Boulevard.

Mr. Cope indicated that the Palmer Course Design Company in Florida would be designing an Arnold Palmer Signature Course.

Mayor Walker received clarification that Mr. Cope believed that best solution to be the annexation of 48 acres, but any alternative would be acceptable to all parties if it resulted in the golf course and the homes.

Community Development Director Gibson indicated that a project of this size and complexity is subject to the provisions of the California Environmental Quality Act (CEQA) and would require an Environmental Impact Report (EIR). He felt that the land use entitlement process and the Local Agency Formation Commission (LAFCO) issue involving changing the lines of each adjacent jurisdiction could be combined into one document and he suggested that since the majority of the land lies with in the jurisdiction of Rolling Hills Estate, they would act as the lead agency and Torrance would participate as a responsible agency. If a development application is filed and determined to be complete and both cities agree to enter into the LAFCO process, they would expect an initial study to assist in identifying potential significant effects of the project including traffic and circulation, air quality, infrastructure issues, safety services, jobs housing balance, view shed, geologic and geotechnical considerations, land use compatibility, land use availability and service boundary considerations. A public scoping session would provide an opportunity for early citizen input to identify other impacts or issues and due to the complexity of the project he estimated that the EIR process would take longer then the usual 12 months.

Assistant City Manager Sunshine explained that both agencies would have to agree to any boundary changes which would go through LAFCO and if the process moves forward requirements would include an EIR, a plan for providing services to the area, at least one public hearing on the annexation, the area would need to be pre-zoned prior to annexation and property and other tax issues would have to be addressed prior to the moving the boundaries. He then described the four options developed by staff:

Option 1 modifies boundaries to incorporate the area requested for the proposed project offset with an equal boundary shift in another contiguous area between the City of Torrance and Rolling Hills Estates. The city would look for a financial contribution in the range of $5-10 million to offset future property tax and other revenue resources that the city would benefit from had the development taken place within the current boundaries. Part of the recommendation would be to develop a joint development agreement to guarantee a level of input from Torrance into the project as well as require input if there are any future

changes. The proposal maintains the current open space volume as designated in the General Plan while allowing for the proponent to move forward with their proposal under one jurisdiction and it looks to a contribution to be set aside for future capital needs.

Option 2 involves a smaller boundary shift with 3-4 acres returned to Torrance added as real open space into Alta Loma Park and the balance of the 48 acres shifting to Rolling Hills Estates. Torrance would be looking for a financial contribution of approximately $5-10 million and although actual open space would be reduced, usable public open space would be added to the city.

Option 3 allows the projects to run concurrently in both cities with no boundary shift. Issues related to service areas would require development of a fire and police protection agreement and the school district would be involved to resolve school service issues. This action would have to wait until the update of the General Plan which is estimated for completion in the next 12 months.

Option 4 would shift the boundary without any land back to Torrance and would also be delayed until the General Plan is complete. Any boundary shift proposal would have to be addressed with the Torrance Unified School District as the district boundary would be affected and a cash contribution in the $10 million dollar range was deemed reasonable.

Mayor Walker expressed concern with the monetary amounts discussed as he felt the city was selling itself short with regards to a $10 million dollar figure.

Councilmember Lieu questioned where the 48 acres would come from under Option 1 and Assistant City Manager Sunshine indicated that had not been explored yet but the land could be part of the golf course area so the open space aspect could be kept intact and the development portion would be in Rolling Hills Estates.

City Manager Jackson stated that the eastern portion had been discussed to allow for open space for the future and the value of the golf course would be in Torrance.

Mayor Walker agreed with keeping the acreage the same but extending out in a manner that makes sense from the city boundary into an area that would encompass the golf course but not the homes or the problems that go with homes. Open space would be traded for open space and the city would receive a reasonable amount of money with zero negative impact on Torrance.

Responding to Councilmember Lieu, City Manager Jackson explained that part of the 48 acre swap could include the park and Mayor Walker stated that none of the park would be lost, rather they were looking at extending from the park down the slope into the golf course allowing them to capture open space.

City Manager Jackson clarified that an area to the north that would probably not be built upon by the developers could be deeded to Torrance.

Councilmember Witkowsky expressed concern with giving up acreage and she was surprised by a large hole that she did not know was there when she visited the area to see the topography. She received clarification that a house had been moved to gain entry to Alta Loma Park and she suggested that the issue of accessing the property could be similarly solved in the future.

City Manager Jackson explained that residents are concerned with access through the neighborhood and he clarified that the discussion is of shifting boundaries, not property ownership as the park itself belongs to Torrance but all of the other land is owned either Chandler or by the Country Club. .

Councilmember Nowatka received clarification that the open area to the north is Dead Horse Canyon and Mr. Cope indicated that after objections from hillside owners they agreed not develop that area and are instead pulling the development line to the east and Option 2 could have Chandler deeding Dead Horse Canyon to the Torrance.

Councilmember Witkowsky questioned whether the city would be able to dictate zoning in the area and City Manager Jackson noted that there were no residents in the area and therefore no voters to oppose a boundary shift so the action could be done between jurisdictions with no impact on the citizens.

Mayor Walker clarified that they were not planning on building anything through the community and people will end up with enhanced views, city coffers will be enhanced and open space will be replaced with open space.

City Manager Jackson indicated that the EIR could require access or other devices and one of the reasons the city wants an agreement to maintain their role in the planning process is to maintain Torrance control over those decisions.

Councilmember Scotto expressed concern that if there were an interruption in access the community could be cut off if the sole access is from Palos Verdes Drive East unless access from Torrance were built or designed now.

Responding to Councilmember Scotto, City Manager Jackson explained that the proposed change in city boundaries would have no affect on the school district itself as the boundaries would be restructured anyway and the question of fees and potential revenue from the site would be discussed.

Councilmember Lieu wanted to see no impact to the environment and he questioned whether the process could be stopped if a negative report came back.

City Manager Jackson explained that the action could not be finalized until there was a broad EIR and a modification of the boundary lines.

Councilmember Lieu questioned what benefit Torrance would receive from changing the boundaries and City Manager Jackson indicated that they would have to evaluate the property value of the golf course which could add to the payback to the city for the loss of the area and he acknowledged that it would have an impact on the General Plan by diminishing the amount of open space.

Linda Dryer, President of the Hillside Homeowner's Association, asked what the project's advantages were for Torrance.

City Manager Jackson cited the clean up of the canyon which also generates traffic along Pacific Coast Highway and noted that the project would enhance residential housing in the South Bay area with very low density housing. A new assessed value on what is currently open space would create a financial advantage with substantial property and utility user taxes going to the city of Torrance.

Ms. Dryer expressed concern about losing control of land adjacent to their property and questioned whether the entire 48 acres had to be affected. Mayor Walker assured Ms. Dryer that the city would do everything to make sure residents were as protected as possible.

Ms. Dryer pointed out that the homeowners in the area had paid a premium for the open space and views and she thanked all parties involved for allowing the community to be part of the reuse committee and for agreeing not to put in ingress and egress through the community. She reiterated the important consideration of slope stability and was pleased that they had agreed to abandon building houses in Dead Horse Gulch which would be an enhancement to the park. She requested that if the project goes forward that some of the money from the project be put into improvements for Alta Loma Park, specifically the old tract home used for the recreational center which needs much work and the addition of a wrought iron fence around the park. She noted that the area had lost an elementary school and any positive enhancements would be appreciated.

Ms. Dryer requested that the row of homes closest to the community be single story rather than two-story to minimize the impact and she noted the effect of trees on the view requesting that they be maintained and the types of trees planted be considered to minimize view obstruction. She also expressed concern with odors that accompany reclaimed water that may be used on the golf course.

Mayor Walker indicated that all the issues that she had cited would be considered and the project would be something everyone will be proud of.

Tom Brewer, Evalyn Avenue, supported the concept of single family homes but expressed concern about ensuring that a high density project doesn't replace single family homes after they sign off on the project.

Mayor Walker stated that there had never been any conversation about looking at any other type of housing than is being discussed now and the issue at hand is trading a little bit of land for open space and a lot of money.

Councilmember Nowatka commented that Torrance has no control over a large portion of the area as it is part of another city and Mayor Walker observed that they were making a commitment to Torrance.

City Manager Jackson indicated that there is the possibility of a development agreement contract which would provide for hands on control even if there are changes in the future and Mayor Walker noted they all wanted to be totally and fully protected.

City Manager Jackson clarified that staff was looking for guidance as they sit down with the developer and if there is a concurrence to modification of boundaries then the LAFCO consideration can be started.

Mayor Walker called a recess at 6:46 p.m.

The City Council reconvened at 7:09 p.m. for the Regular Business of the City Council.

2. <u>FLAG SALUTE/INVOCATION</u>

The Pledge of Allegiance was led by Councilmember Lieu.

The invocation was given by Councilmember Witkowsky.

3. AFFIDAVIT OF POSTING/WAIVE FURTHER READING

MOTION: Councilmember Mauno moved to accept and file the report of the City Clerk on the posting of the agenda for this meeting. The motion was seconded by Councilmember Lieu and a voice vote reflected unanimous approval (Councilmember McIntyre).

MOTION: Councilmember Mauno moved that after the City Clerk has read aloud the number and title to any resolution or ordinance on the meeting agenda, the further reading thereof shall be waived, reserving and guaranteeing to each Councilmember the right to demand the reading of any such resolution or ordinance in regular order. The motion was seconded by Councilmember Lieu and a roll call vote reflected unanimous approval (absent Councilmember McIntyre).

4. WITHDRAWN OR DEFERRED ITEMS

None.

5. COUNCIL COMMITTEE MEETINGS AND ANNOUNCEMENTS

Councilmember Witkowsky announced that the next meeting of the Planning and Design Committee would be held on Thursday, April 28 at 7:00 p.m. in Council Chambers to continue to look at historical preservation in the city with a goal of coming to a recommendation for the council.

Mayor Walker asked that the meeting be adjourned in memory of former County of Los Angeles Supervisor Deane Dana who passed away on April 21, 2005.

7. CONSENT CALENDAR

7A. TORRANCE ROSE FLOAT ASSOCIATION ANNUAL REPORT

Recommendation

Recommendation of the **Community Services Director** that City Council accept and file the Torrance Rose Float Association's Annual Report for 2004-2005.

7B. WATER MAIN REPLACEMENT PROJECT (I-24) PUBLIC WORKS AGREEMENT RE ROBERT G. CASTOGNIA, INC.

Recommendation

Recommendation of the **Public Works Director** that City Council:

1) Approve the plans and specifications for the Water Main Replacement Project (I-24); Water Main and Sewer Replacement at Via Corona and Street Improvements at Via Corona on file in the City Clerk's Office (B2005-10);
2) Award a public works agreement to Robert G. Castognia, Inc. in the amount of $2,548,543.60 for:
    - Water Main Replacement (I-24) for $2,385,321
    - Water Main Replacement, Via Corona for $77,380
    - Street Improvements, Via Corona for $82,167.60
    - Sewer Replacement, Via Corona for $3,675

- Authorize a 5% contingency in the amount of $127,427.18 for this project

3) Appropriate $160,000 from the Water Enterprise Fund to cover the costs for the Water Main Replacement and Street Improvements at Via Corona;
4) Appropriate $3,675 from the Sewer Enterprise Fund to cover the costs for the Sewer Replacement at Via Corona; and
5) Authorize the Mayor to execute and the City Clerk to attest to said agreement.

7C. CONSULTING SERVICES AGREEMENT AMENDMENT RE TETRA TECH, INC.

Recommendation

Recommendation of the **Public Works Director** that City Council:

1) Approve an amendment to consulting services agreement with Tetra Tech, Inc. (C2004-082) to extend the term until December 31, 2005 for the continuation of engineering services for the Northeast Torrance Water Main Replacements in (I-25) and the Large Water Meter and Vault Replacement Project (I-15); and
2) Authorize the Mayor to execute and the City Clerk to attest to said amendment.

7D. CONSULTING SERVICES AGREEMENT AMENDMENT RE SA ASSOCIATES

Recommendation

Recommendation of the **Public Works Director** that City Council:

1) Approve an amendment to consulting services agreement with SA Associates (C2004-083) to extend the term until August 31, 2005 for the continuation of engineering services for the Water Main Replacements in Northeast Torrance (I-25); and
2) Authorize the Mayor to execute and the City Clerk to attest to said amendment.

7E. MONTHLY INVESTMENT REPORT

Recommendation

Recommendation of the **City Treasurer** that City Council accept and file the monthly investment report for the month of March 2005.

7F. PAYMENT APPROVAL RE CLARKE CONTRACTING CORPORATION

Recommendation

Recommendation of the **Public Works Director** that City Council ratify the action of the City Manager and approve a payment to Clarke Contracting Corporation in the amount of $28,181 for the emergency repair of a collapsed corrugated metal drain pipe located between 2101 and 2105 W. 187th Street.

MOTION: Councilmember Witkowsky moved to approve items 7a through 7f as written. Councilmember Scotto seconded the motion and a roll call vote reflected unanimous approval (absent Councilmember McIntyre).

8. COMMUNITY SERVICES

8A. FIESTA PARADE FLOATS AGREEMENT RE 2006 ROSE FLOAT DESIGN

Recommendation of the **City Council Ad Hoc Rose Float Committee** that City Council:

1) Approve the design entitled "Love is Magical" for the City's float entry in the Pasadena Tournament of Roses Parade on January 2, 2006;
2) Approve an agreement between the City of Torrance and Fiesta Parade Floats for the design, construction, entry, display, and operation of the Torrance Float in the 2006 Pasadena Tournament of Roses Parade; and
3) Approve the expenditure of $115,000 for related costs.

Mary Hoffman, President of the Torrance Rose Float Association presented Mayor Walker with a framed photograph of the 2005 prize winning float "Something to Crow About."

Tim Estes, Raul Rodriguez and Jim Heinz of Fiesta Floats unveiled the 2006 Torrance float design "Love is Magical".

Councilmember Witkowsky thanked Mary Hoffman and the Board of Directors and she expressed pride in the work of Mr. Rodriguez, Fiesta Floats and the dedicated volunteers who decorate the float that is seen all over the world.

Jim Heinz reiterated the devotion of the volunteers and Mr. Rodriguez related that he had designed the 50th Anniversary Parade for Disneyland.

Councilmember Mauno noted that Councilmember McIntyre chairs the committee but could not be present tonight and he reported that the city was looking to corporate sponsors in the future to help continue the longstanding tradition of award winning floats in the city.

Councilmember Scotto commented that the city was fortunate that prior Councils had committed to the floats and fortunate to have Fiesta work on the floats. He reiterated the importance of the hard work of the volunteers many of whom who come from far away to work on the float.

Mayor Walker stated that the community was committed to the float and it would be funded properly in order to put the best face forward.

MOTION: Councilmember Scotto moved to adopt the staff recommendation. Councilmember Witkowsky seconded the motion and a roll call vote reflected unanimous approval (absent Councilmember McIntyre).

11. ADMINISTRATIVE MATTERS

11A. PROPOSED CHANDLER LAND USE PROJECT

Recommendation of the **City Manager** that City Council consider potential options for the City of Torrance position regarding the proposed Chandler Landfill Reuse Project.

Assistant City Manager Sunshine reported that a workshop had been held from 5:30 p.m. to 7:00 p.m. with options presented with regard to the project. He provided a summary of the prior discussion and options for a proposed project at the Chandler landfill area on 228 acres, 48 acres of which are in Torrance.

Option 1 modifies boundaries to incorporate the area requested for the proposed project offset with an equal boundary shift in another contiguous area between the City of Torrance and Rolling Hills Estates. The city would look for a financial contribution in the range of $5-10 million to offset future property tax and other revenue resources that the city would benefit from had the development taken place within the current boundaries. Part of the recommendation would be to develop a joint development agreement to guarantee a level of input from Torrance into the project as well as require input if there are any future changes. The proposal maintains the current open space volume as designated in the General Plan while allowing for the proponent to move forward with their proposal under one jurisdiction and it looks to a contribution to be set aside for future capital needs.

Option 2 involves a smaller boundary shift with 3-4 acres returned to Torrance added as real open space into Alta Loma Park and the balance of the 48 acres shifting to Rolling Hills Estates. Torrance would be looking for a financial contribution of approximately $5-10 million and although actual open space would be reduced, usable public open space would be added to the city.

Option 3 allows the projects to run concurrently in both cities with no boundary shift. Issues related to service areas would require development of a fire and police protection agreement and the school district would be involved to resolve school service issues. This action would have to wait until the update of the General Plan which is estimated for completion in the next 12 months.

Option 4 would shift the boundary without any land back to Torrance and would also be delayed until the General Plan is complete. Any boundary shift proposal would have to be addressed with the Torrance Unified School District as the district boundary would be affected and a cash contribution in the $10 million dollar range was deemed reasonable.

Mayor Walker felt that Option 3, letting the projects run concurrently with no boundary shift, and Option 4 a boundary shift with no land returned to Torrance did not make sense. He felt that Option 2 which focuses on adding to the park is positive to the area and he suggested that a far more substantial figure needed to be looked at. He felt that Option 2 was the best bet and if there were problems in the addition to the park that Option 1 could come into play.

Councilmember Scotto suggested a combination of Options 1 and 2 to create Option 5 in order to keep the land mass of Torrance the same and include property that would be behind the new homes continuing along the street behind Alta Loma Park and into the Canyon with the rest of the property swapped with the golf course. In addition, he felt that part of the money should be guaranteed to go for improvements to the park.

Councilmember Lieu observed that 40 acres would be lost with Option 2 and Assistant City Manager Sunshine clarified that they were looking to increasing the park land and swap out the rest of the land on a contiguous basis. Mayor Walker added that they wanted to incorporate the protections that the homeowner association had asked for and Councilmember Scotto wanted to see the land be adjacent to the City of Torrance.

Councilmember Lieu requested that any excess funds not spent on the park be directed to public safety and City Manager Jackson indicated that those options would be explored at a later time.

Mayor Walker suggested using excess funds for teacher supplies, public safety, and the park and he felt there would be enough to go around.

City Manager Jackson stated that the school district would be entering into its own discussions and the Council would be kept informed.

Mayor Walker indicated that funds that go to the school district from this type of situation are somewhat encumbered and don't reach teachers who end up paying for their own supplies.

Councilmember Mauno indicated that he had served with representatives from Rolling Hills Estates, Lomita, the Rolling Hills County Club, and area homeowners associations on a reuse committee for two years and he commented on the complexity of the project. He encouraged anyone with questions to contact him and he noted there would be opportunities for issues and questions to be addressed in the future during the lengthy process. He stated that the unique project could be positive for everyone as it replaces an industrial use with enhanced recreational facilities and housing located outside of the city with open space swapped for open space.

Mike Cope, Chandler and Rolling Hills Country Club, asked the Council to give equal analysis to Option 3.

Linda Dryer, President of the Hillside Homeowners Association adjacent to the proposed development on the west boundary thanked all involved parties who have worked hard to mitigate most of the issues including ingress and egress and slope stability. She related that there were still concerns about the proposal but they felt it could be beneficial to everyone.

Ms. Dryer expressed concern about control of the property and the de-annexation behind the properties on Delos Drive and Ridgeville Drive and she asked that the first row of homes be single story primarily for view impact with consideration given to the type of trees planted and maintenance so that views are not obstructed by unchecked growth. She suggested that the land locked parcel above Skyline on the north side be considered as a nice enhancement to Alta Loma Park and she noted that the temporary recreation center the park has used since the 70s was in dire need of replacement or upgrading and she requested that the rusty chain link fence also be replaced or upgraded.

Ms. Dryer wanted to see effort put into protecting their homes from the sound of the new community and from golf course odors created by the use of reclaimed water and she noted that any engineering concerns to help alleviate those issues in the design process would be appreciated. She also requested that the land swapped be adjacent to the neighborhood to help with control issues.

Mayor Walker asserted that water supply fears were not founded

Ed Strobal, Ridgeville Drive, reported a pleasurable experience working with Mike Cope, he indicated it was a great first step for a wonderful project and he observed that Lomita would have to do a lot in terms of addressing traffic issues.

Mayor Walker expressed support for the project and indicated that Torrance would continue to be involved in and closely monitor the project. Although he felt it was too early to place height restrictions he agreed that the idea was to protect and enhance the views of Torrance residents and he noted that could be done in many ways.

Councilmember Lieu pointed out that changing city boundaries in the South Bay was not without precedent and he suggested that staff look at changes made to El Segundo boundaries and the LAFCO process they went through.

Councilmember Mauno questioned whether the public would have a chance to comment before the application would be filed.

City Manager Jackson clarified that Council appeared to have a willingness to explore modifications to boundaries, desires a buffer around residential properties in the city, wants to explore expansion of the park but regardless it should balance out in overall acreage with high compensation sought in exchange for boundary modifications and a development agreement to encompass elements discussed. He explained that staff would explore, develop and return to the Council with a public document for consideration of the final document before the Council and he pointed out that the developer had the right to default to Option 3, submitting permits in both cities and working jointly.

Mayor Walker asserted that Torrance had the ability to control the situation as it was called out and the developer understands the need to work towards a solution.

MOTION: Councilmember Scotto moved to explore a willingness to explore a combination of options 1 & 2 to keep property closest to the City of Torrance boundary and if any portion of land is to be exchange, it be for open space. Councilmember Witkowsky seconded the motion and a roll call vote reflected unanimous approval (absent Councilmember McIntyre).

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The Torrance Redevelopment Agency met from 7:53 p.m. to 7:55 p.m.

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16. ORAL COMMUNICATIONS

16a. Councilmember Lieu announced that the subjects of green building and sustainability would be considered in conjunction with the General Plan update by the Environmental Quality and Energy Conservation Commission on Thursday, May 5 at 7:00 p.m.

16b. Councilmember Lieu suggested exploring available grant programs to fund the purchase of alternative fuel and hybrid vehicles for the city through the Carl Moyer program.

16c. Councilmember Lieu reported attending the Artesia Boulevard dedication ceremony and he commended staff for completion of project traffic improvement.

16e. Councilmember Lieu announced that ShareFest, a group of over 30 churches would be working on public service projects in the South Bay and he encouraged interested parties to call (310) 376-6555 for further information.

16f. Councilmember Mauno indicated that he had testified before the Public Utilities Commission for Torrance businesses to oppose an area code split as the 310 area code still has sufficient numbers left.

16g. Councilmember Mauno reported attending the Community Services Department's Volunteer Appreciation Dinner where the city's 1,400 volunteers were honored, many of

whom are part of the retired community and that after the dinner he stopped at the Armstrong Theatre to see the choral presentation of middle schools.

16h. Councilmember Nowatka echoed Councilmember Mauno's comments about the volunteer dinner and he offered condolences to the family of Deane Dana.

16i. Councilmember Nowatka asked for City Council concurrence to explore hosting next year's Southern California Association of Government Annual Regional Housing Summit noting that he had recently chaired this year's summit in Monrovia.

16j. Councilmember Scotto commended the Public Works Department and employees for a fine job of fixing potholes and patches caused by the intense rainy season, especially on Anza and Sepulveda.

16k. Councilmember Scotto gave kudos to the Parks and Recreation Department for a fine job putting together the Community Services Volunteer Recognition dinner.

16l. Councilmember Scotto announced that the Hometown Heroes Relay would be going through Torrance stopping briefly at Fire Station #5 where the public would have an opportunity to view pieces of fire equipment and make donations to the Alicia Ann Rusch Burn Foundation.

16m. Councilmember Witkowsky offered condolences to the family of Deane Dana.

16n. Councilmember Witkowsky expressed concern for Don Knabe's Field Deputy Tom Martin, who was recently diagnosed with cancer.

16o. Councilmember Witkowsky expressed concern about a possible incident in the southern part of the city and Police Chief Herren explained that no crime had been committed and no abduction had been attempted.

16p. Councilmember Witkowsky announced that ShareFest would be working at Magruder Middle School on Saturday, April 30.

16q. Councilmember Witkowsky announced that the Torrance Historical Society was hosting Strawberry Fields Forever at the Toyota Automotive Museum on Saturday, May 15 at noon. She added that there would be a presentation on the heroic deeds of Ted Tanouye and she encouraged interested parties to contact the Historic Society for further information.

16r. Bonnie May Barnard, Save Historic Old Torrance (SHOT), invited everyone to participate in a Macy's Community Shopping Day on Friday, May 20 to benefit SHOT. She indicated that additional information was available at www.savehistoricoldtorrance.com which is a source of information for the entire community. She added that their resource library was open to the public and she asked residents for the use of any old photographs of Torrance they might have for a pictorial history of Torrance that she is working on.

16s. Martin Serna, Torrance Fire Fighters Association, indicated that some proposed budget cuts could bring a reduction of services to citizens and noted that the Fire Department had already made significant cuts and that further hazmat reductions would have the city dependent on other agencies which could make for a longer response time. He acknowledged financial concerns but felt that the city had a reserve and that State

funds were coming back. He suggested taking money out of the reserve rather than making permanent cuts, indicated that they had ideas on how to assist the city with revenue enhancement, that he did not want to see dispatch consolidation and questioned where the funds from the last cuts to safety personnel went.

City Manager Jackson asserted that reserves were designated for high priority areas with guidelines for use established by the City Council. He indicated that Torrance was light on reserves compared to other cities as they have been prudent but also conservative in tucking away money and he recommended against diminishing reserves but instead expanding them due to uncertainties as California still has not resolved budget problems. He indicated that other elements would be brought forward as discussion points when the budget is brought forward for formal consideration and he expressed willingness to discuss issues with the fire department.

Responding to Mayor Walker's comments that the ExxonMobil Fire Department organization seems to be disbursed into a 35-50 member public safety department with a reliance on the Torrance Fire Department, Fire Chief Bongard noted that the Torrance Fire Department asked to be notified of even the smallest incidents and that members of the public safety team receive continuous training and are able to respond promptly.

17. EXECUTIVE SESSION

At 8:20 p.m. the Council recessed to closed session to confer with the City Manager and the City Attorney on the agenda matters listed under 17.A) Conference with Legal Counsel – Existing Litigation and 17.B) Conference with Legal Counsel – Potential Litigation pursuant to California Government Code Section 54956.9 (a) and 54956.9 (b) (3) (B).

At 8:43 p.m. the City Council reconvened in public session with no formal action was taken on any matter considered in closed session.

18. ADJOURNMENT

At 8:43 p.m., the meeting was adjourned to Tuesday, May 3, 2005, at 5:30 p.m. for an executive session, with the regular meeting commencing at 7:00 p.m. in the Council Chambers.

**** * * Adjourned in memory of Deane Dana * * ****

/s/ Dan Walker
Mayor of the City of Torrance

Attest:

/s/ Sue Herbers
Sue Herbers, CMC
City Clerk of the City of Torrance

Approved on September 20, 2005

Attachment C

Local Agency Formation Commission (LAFCO)

The Local Agency Formation Commission was formed under the Government Code. The policy, procedures, rules and regulations regarding governmental reorganizations are all dictated by the government Code. Annexations do not require elections.

The process of annexation begins with the interested parties (landowners) agreeing to an annexation of land from one to another.

Upon approval of the idea, application must be made with the Local Agency Formation Commission. The application process is complex and lengthy as shown below:

GENERAL PROVISIONS

1. Agreement by affected landowners to apply for annexation.
2. City must adopt Resolution indicating plans to apply for annexation of property.
3. 20 days before adoption of resolution City should give notice to each interested agency (any agency with any territory within proposal of site study) of the annexation proposal.
4. City to meet with representatives of LAFCO to discuss proposed annexation.
5. City prepares application to initiate proceeding for change of organization.
6. At least 30 days prior to submitting an application for change of organization, the City would meet with the representatives of the County to discuss new boundaries, development standards and zoning requirements within the proposed sphere of influence (This study determines the physical boundary and service area that a local governmental agency is expected to service.) Upon the City and County agreeing on the boundaries, development standards and zoning requirements, an agreement is forwarded to LAFCO. The commission would consider the agreed upon boundaries and zoning requirements and adopt a new sphere of influence for the City. If no agreement is reached between the City and County the Commission would adopt a sphere of influence after holding a public hearing on the matter.
7. City must include in the application reasons for proposing annexation.
8. City must include in application the plan for providing services to the affected territory including:
    - Enumeration and description of the services to be extended to the affected territory
    - The level and range of those services
    - An indication of when those services can feasibly be extended to the affected territory
    - Indication of any improvement or upgrading of structure, roads, sewer or water facilities, or other conditions the City would impose or require within the affected territory
    - Information on the financing of those services.
9. Legal description of the property boundaries of the subject property must be distinctively shown on a map to be submitted with the application.
10. Parties must agree on the transferring of real and personal property.
11. Preparation of an Environmental Impact Report to meet California Environmental Quality Act requirements must be completed.
12. The City is required as a condition of annexation to pre-zone the territory to be annexed. Affected agencies and main county departments are sent notices for response to any possible issues regarding infrastructures (sewer lines, water lines), school districts, etc.

Annexation and Other Changes of Organization (Continued)

13. City must hold at least one public hearing on annexation.
14. LAFCO must verify if property to be annexed is inhabited. Inhabited constitutes twelve or more residents.
15. The commission selects an Executive Officer to oversee the application process. The Executive Officer has 30 days to determine if application is complete and acceptable for filing or if application is unacceptable.
16. If application is accepted Executive Officer shall issue a certificate of filing to the City and the certificate shall specify the date upon which the proposal shall be heard by the commission.
17. The Executive Officer will set a public hearing for the proposal within 90 days of issuance of the certificate and give notice of the hearing. *
18. The Executive Officer will review the application and prepare a report including his or her recommendations on the application.
19. In the case of uninhabited territory the commission may waive protest proceedings with the appropriate waivers from the affected agencies and landowners and if no opposition to the application is received.
20. If a protest to the application is received a hearing must be held not less than 60 days.

FISCAL PROVISIONS

Property Tax Exchange:

1. The commission shall determine the amount of property tax revenue to be exchanged by the affected local agency.

2. The commission shall notify the county auditor of the proposal and the services, which the new jurisdiction proposes to assume within the area and identify for the auditor the existing service providers within the area subject to the proposal.

3. The Executive Officer shall give notice of the filing to the assessor and auditor of each county.

Tax Negotiation Process – identify tax areas; the City and the State Board of Equalization Standards must adopt the tax schedule.

* Hearing must be held for adoption of tax schedule resolution.