

Council Meeting of
December 11, 2007

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

Members of the Council:

**SUBJECT: City Manager – Approve a Boundary Modification and
Annexation Agreement with the City of Rolling Hills Estates.**

RECOMMENDATION

Recommendation of the City Manager that City Council authorize the Mayor to Execute and the City Clerk to Attest to a Boundary Modification and Annexation Agreement (“Agreement”) by and between the City of Torrance (“Torrance”) a California charter city, and the City of Rolling Hills Estates (“Rolling Hills Estates”) a California general law city.

FUNDING

No funding is required for the requested action.

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) in order to reconfigure the golf course and utilize the buildable area for new single family homes. The workshop was held, not only as a method to determine the City’s interest in the project, but as an even greater consideration, whether or not to adjust the jurisdictional boundaries between the two cities and move the proposed residential development into the jurisdiction of Rolling Hills Estates.

Direction was received to move forward in negotiating an Agreement. Included in the direction received was that any boundary realignment with Rolling Hills Estates was to leave the City of Torrance with the same amount of collective area.

ANALYSIS

Staff has worked to develop an Agreement that will set forth a process for both cities to move forward in a boundary adjustment process. The cities must both apply to the Local Agency Formation Commission (LAFCO) for the adjustment to be considered. Before the application can be made, an Environmental Impact Report must be completed which is underway through the City of Rolling Hills Estates.

The proposed boundary shift moves approximately 32 acres from Torrance to Rolling Hills Estates and an equal amount of area from Rolling Hills Estates to the City of Torrance.

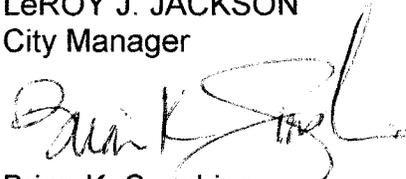
The area being moved to Torrance will continue to be maintained as open space in the form of a proposed golf course, while the area being moved into Rolling Hills Estates is proposed to be a single family development.

The process proposed in the Agreement is for both cities to review the projects and work through an entitlement process that includes pre-zoning the property that would be moved into the respective jurisdictions, all contingent on final LAFCO approval.

The LAFCO submission will take place once the cities review the proposed project and if entitlements are granted, the final action will be to make application to LAFCO to realign the boundaries. The Agreement is set up in this manner to protect the cities from implementing a boundary adjustment without projects.

Respectfully submitted,

LeROY J. JACKSON
City Manager



By: Brian K. Sunshine
Assistant to the City Manager

CONCUR:



LeRoy J. Jackson
City Manager

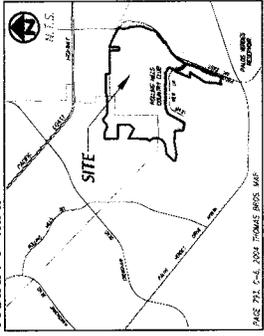
Attachments:

- A) Map A-1: City's current boundaries
- Map A-2: Proposed new City boundaries
- Map A-3: Proposed Annexation Areas for boundary adjustment
- B) Boundary Modification and Annexation Agreement
- C) LAFCO process

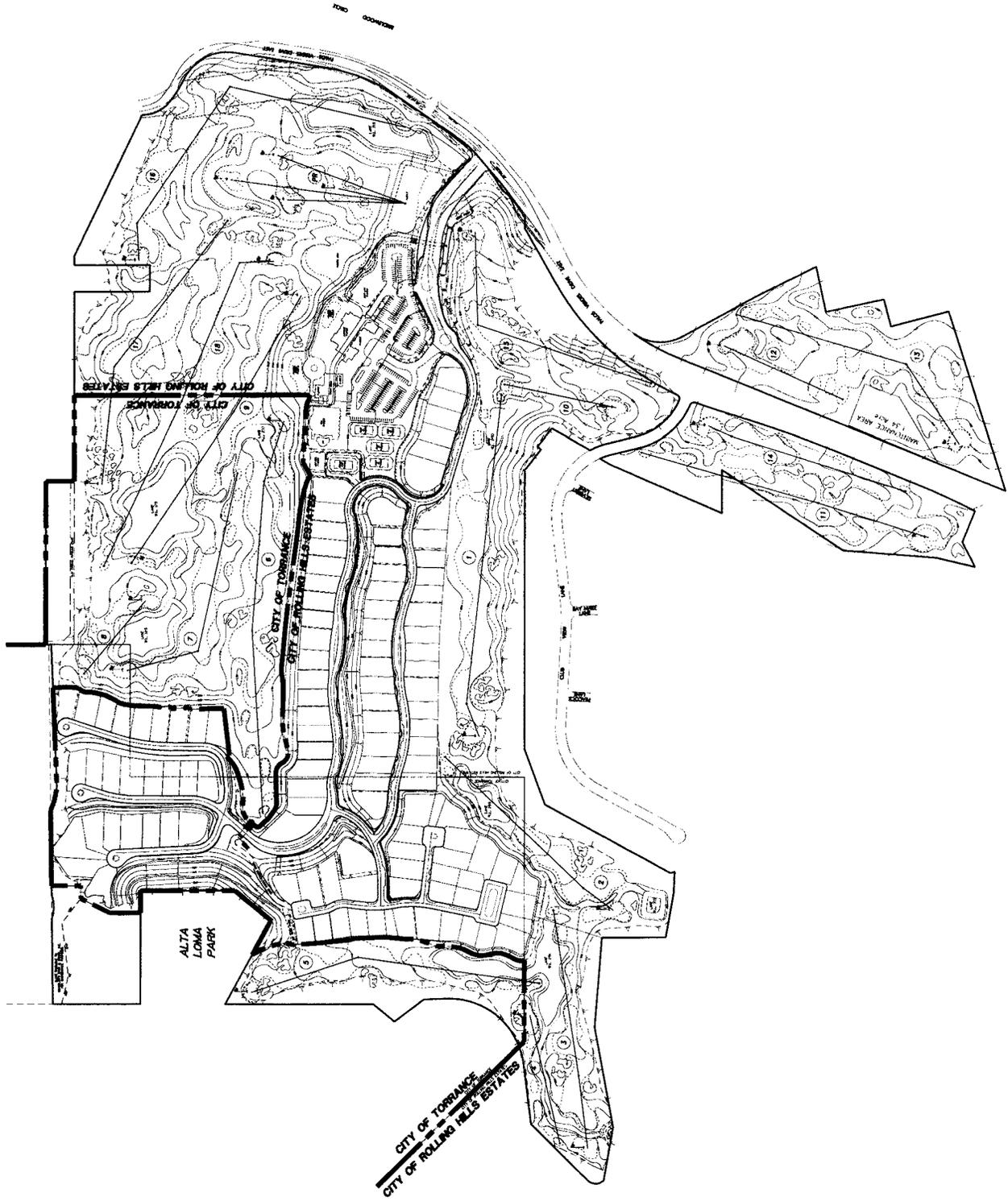
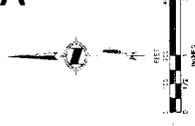
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Attachment A

Map A-2

VICINITY MAP



MAP DATE	IDENTIFIER
07/16/07	07/16/07
DATE	BY
07/16/07	07/16/07



PREPARED BY:



HUNSAKER & ASSOCIATES
11111 W. 11th St.
Rolling Hills, CA 90274
Tel: (909) 475-1111
Fax: (909) 475-1112

PREPARED FOR:

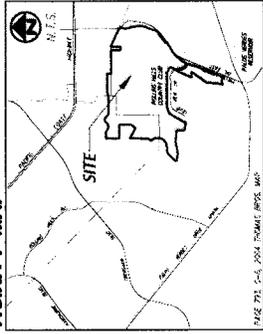
Chandler's Sand & Gravel
26311 Palos Verdes Drive
Rolling Hills, CA 90274

**ANNEXATION EXHIBIT
FOR T.T. NO. 61287
NEW CITY BOUNDARIES**

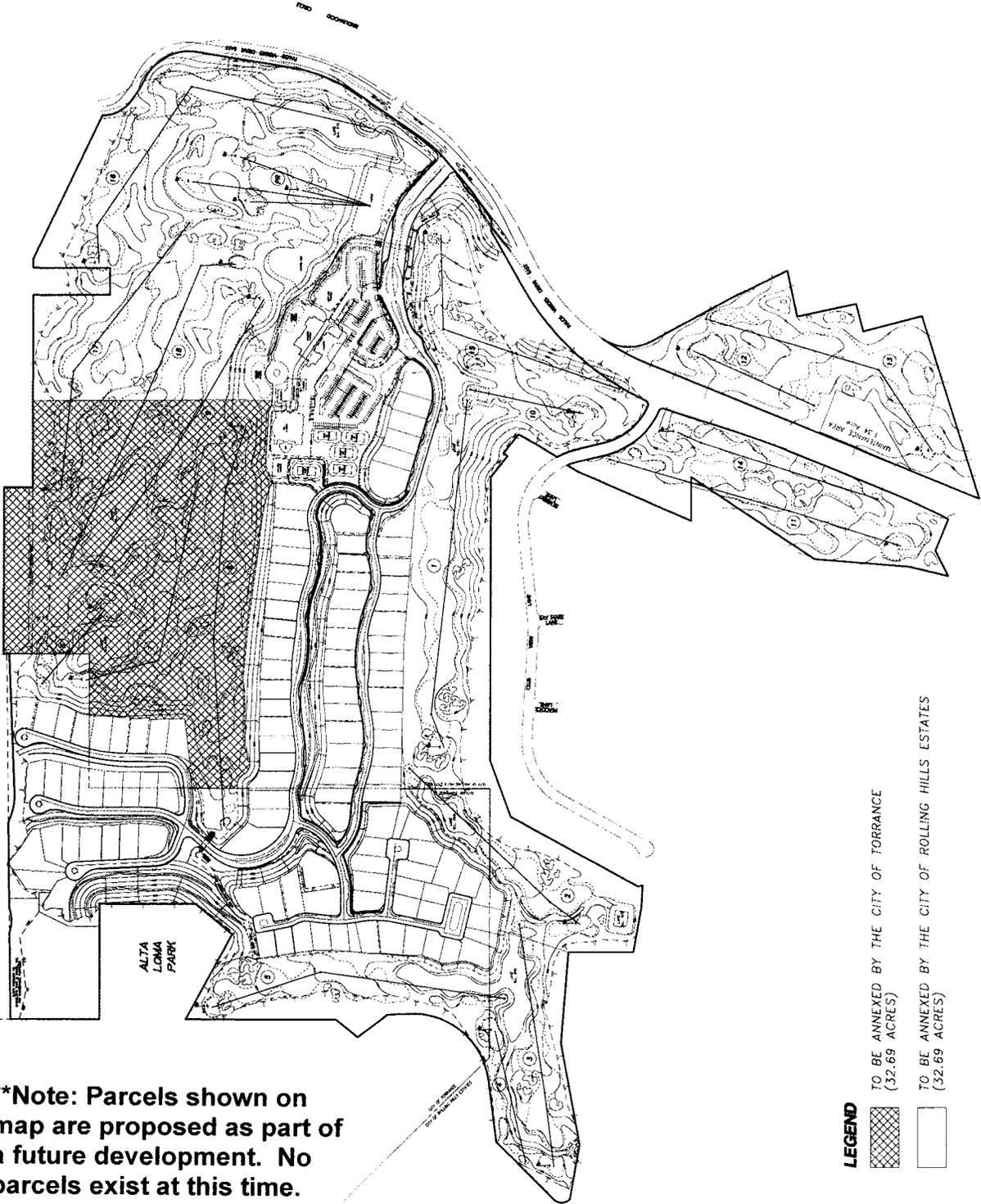
Attachment A

Map A-3

VICINITY MAP



MAP DATE	IDENTIFIER
07/15/07	07/15/07



****Note: Parcels shown on map are proposed as part of a future development. No parcels exist at this time.**

LEGEND

-  TO BE ANNEXED BY THE CITY OF TORRANCE (32.69 ACRES)
-  TO BE ANNEXED BY THE CITY OF ROLLING HILLS ESTATES (32.69 ACRES)

PREPARED BY:



PREPARED FOR:

Chandler's Sand & Gravel
26311 Palms Verdes Drive
Rolling Hills, CA 90274

**ANNEXATION EXHIBIT
FOR T.T. NO. 61287
AREAS TO BE ANNEXED**

BOUNDARY MODIFICATION AND ANNEXATION AGREEMENT

This Boundary Modification and Annexation Agreement ("Agreement") is made as of the ___ day of ___, 200___, by and between the City of Torrance ("Torrance") a California charter city, and the City of Rolling Hills Estates ("Rolling Hills Estates") a California general law city, (collectively referred to as the "Parties" and individually as "Party"), with reference to the following facts:

RECITALS

A. Certain real property, as described more particularly in Exhibit A attached hereto, is located within Torrance ("Parcel A") and consists of approximately 32 acres adjacent to Rolling Hills Estates.

B. Certain real property, as described more particularly in Exhibit B attached hereto, is located within Rolling Hills Estates ("Parcel B") and consists of approximately 32 acres adjacent to Torrance.

C. Parcels A and B are under common ownership and control. Under current conditions, development of Parcels A and B and certain other property already located in Rolling Hills Estates would require the owner to process development plans through both Torrance and Rolling Hills Estates and the resulting development would be served by both Torrance and Rolling Hills Estates.

D. Rolling Hills Estates desires to annex Parcel A in order to allow for development of Parcel A and other property already within the boundaries of Rolling Hills Estates and desires to detach Parcel B in order to allow such parcel to be annexed to Torrance.

E. Torrance desires to detach Parcel A in order to allow for development of Parcel A and other property already within the boundaries of Rolling Hills Estates and desires to annex Parcel B.

F. The Parties believe that this boundary modification will result in the orderly growth and development of the area, will assist in the logical processing of zoning approvals and subsequent provisions of municipal services, and in addition will balance development with the protection of open space.

Now therefore, in consideration for the following covenants and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Torrance and Rolling Hills Estates hereby agree as follows:

AGREEMENT

1. Boundary Modification and Annexation.

(a) Torrance agrees to pursue detachment of Parcel A and to support the annexation by Rolling Hills Estates of Parcel A at the request of the property owner. Rolling Hills Estates agrees to annex Parcel A, all on the terms and conditions of this agreement.

(b) Rolling Hills agrees to pursue detachment of Parcel B and to support annexation by Torrance of Parcel B at the request of the property owner. Torrance agrees to annex Parcel B, all on the terms and conditions of this agreement.

(c) To process both of the detachments and annexations, Torrance agrees to be responsible for preparing, filing and processing the application(s) to the Local Agency Formation Commission ("LAFCO"), and to pay for the filing and processing fees payable for the LAFCO hearing(s), the filing fees for the State Board of Equalization to process the completed reorganization, as well as all fees of the legal consultant previously retained by Torrance but made available to assist Rolling Hills Estates for purposes of this reorganization. Rolling Hills Estates shall have no responsibility for the payment of any of these costs. Torrance may arrange for the property owner to be responsible for such expenses of the parties to this agreement (except the fees of the legal consultant and the LAFCO filing fees which shall be the expenses solely of Torrance). The property owner shall be responsible for the preparation of the maps and mailing lists for hearings conducted by both cities as well as the hearings by LAFCO and for the payment of all application fees and expenses of both cities for the land use entitlements and associated activities, including, but not limited to, compliance with the California Environmental Quality Act .

2. Consideration.

(a) The consideration for the annexation of Parcel A by Rolling Hills Estates is the annexation of Parcel B by Torrance which will result in the logical formation of the Parties' boundaries and will promote orderly development in the area, including the protection of open space.

(b) The consideration for the annexation of Parcel B by Torrance is the annexation of Parcel A by Rolling Hills Estates which will result in the logical formation of the Parties' boundaries and will promote orderly development in the area, including the protection of open space.

3. Procedure for Boundary Modification and Annexation.

(a) **Transfer Date.** Parcel A shall be annexed by Rolling Hills Estates and Parcel B shall be annexed by Torrance on the same date. The annexation

of Parcel A by Rolling Hills Estates and the annexation of Parcel B by Torrance shall be completed by the earliest possible date subject to the terms of this Agreement.

4. Conditions Precedent to Boundary Modification and Annexation.

(a) Torrance's obligation to detach Parcel A and to support the annexation of Parcel A by Rolling Hills Estates shall be conditioned on the satisfaction of the following conditions precedent:

(i) Rolling Hills Estates shall engage in a review of the impacts of this reorganization pursuant to the Cortese-Knox-Hertzberg Government Reorganization Act of 2000 as the lead agency pursuant to the requirements of the California Environmental Quality Act.

(ii) Rolling Hills Estates shall have provided the discretionary approvals for a General Plan Amendment, pre-zoning to RA – 10,000 or RPD, A Tentative Tract Map, Conditional Use Permit, Development Agreement, and Final Tract Map (Project Entitlements) for Parcel A as appropriate for the location adjacent to Torrance.

(b) Rolling Hills Estates' obligation to detach Parcel B and support the annexation of Parcel B by Torrance shall be conditioned on the satisfaction of the following conditions precedent:

(i) Torrance shall have provided the discretionary approvals for a Tentative Tract Map, Conditional Use Permit and Final Tract Map (Project Entitlements) and appropriate zoning for Parcel B as a private Golf Course and Country Club.

(c) Approval of Annexations by Torrance and Rolling Hills Estates.

(i) Torrance and Rolling Hills Estates shall act concurrently to process the proposed reorganization through the County of Los Angeles Local Agency Formation Commission ("LAFCO").

(ii) The annexation of Parcel B by Torrance and the annexation of Parcel A by Rolling Hills Estates shall not occur unless and until both annexations are approved by Torrance and LAFCO.

(iii) The annexation of Parcel A by Rolling Hills Estates and the annexation of Parcel B by Torrance shall not occur unless and until both annexations are approved by Rolling Hills Estates and LAFCO.

(iv) Upon approval by Rolling Hills Estates of the Project Entitlements for Parcel A and the approval of the environmental documentation for the proposed reorganization, Rolling Hills Estates shall forward notice of such actions to

Torrance. Torrance shall thereafter review and consider the environmental documentation as a responsible agency and approve or disapprove the Project Entitlements for Parcel B, and if approved, Torrance shall forward notice of such actions to Rolling Hills Estates.

(d) Approval of Reorganization by the County of Los Angeles Local Agency Formation Commission.

(i) Within 30 days of approval of the Project Entitlements for both Parcel A and Parcel B and approval of the environmental documents, Torrance and Rolling Hills Estates shall each adopt a resolution and shall present such resolutions and other necessary information for the proposal to LAFCO concurrently as a single reorganization.

(ii) The Parties shall follow the procedures required by LAFCO as set forth in California Government Code §56650 *et seq.* and any other applicable regulations, procedures or requirements adopted by LAFCO, in carrying out the reorganization.

(iii) The annexation of Parcel A by Rolling Hills Estates and the annexation of Parcel B by Torrance shall not occur unless and until both annexations are approved and certified by LAFCO.

5. Development of Parcel A.

(a) It is the intention of the Parties that Parcel A be developed as a residential use consisting of no more than 112 lots with single family detached dwellings (SFDs).

(b) If there is a material change in the proposal to develop Parcel A, Torrance must be notified of such change as provided in Section 8(c) of this Agreement.

(c) The proposed development of Parcel A as SFDs is a material factor in this Agreement, without which this Agreement would not have been executed. The development of Parcel A for SFDs is agreed to be the most compatible for the particular property and its proximity to Torrance. The development of Parcel A for SFDs is anticipated to have the most acceptable level of impacts on the environment and the services in the vicinity of Torrance. Therefore, prior to Rolling Hills Estates approving any development of Parcel A that is inconsistent with the project description as provided in Section 5(a) of this Agreement, Rolling Hills Estates must obtain the approval of Torrance which approval shall not be unreasonably withheld or delayed. Thus, the obligation of Rolling Hills Estates shall continue and survive the reorganization contemplated herein and may be equitably enforced.

6. Cancellation.

(e) Severability. If any provision of this Agreement, or the application thereof to any person or circumstances, is found to be invalid, the remainder of the provisions of this Agreement shall not be affected thereby.

(f) Waiver. No delay on the part of any Party hereto in exercising any right, power or privilege shall operate as a waiver thereof, nor shall any waiver on the part of any Party hereto of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder.

(g) Modification. A modification of any provision herein contained, or any other amendment to this Agreement shall be effective only if the modification is in writing and signed by both Parties.

(h) Construction. Headings at the beginning of any section and subsection are solely for the convenience of the Parties and are not a part of this Agreement. Any reference to a section herein includes all paragraphs and subparagraphs thereof. This Agreement shall not be construed as if either Party had prepared it, but rather as if both Parties had prepared the same.

(i) Time is of the Essence. Time is of the essence of this Agreement and each term hereof.

(j) No Third Party Beneficiaries. No person or entity other than the Parties to this Agreement shall be deemed to be a third party beneficiary hereof, and nothing in this Agreement (either express or implied) is intended to confer any person or entity, other than the Parties to this Agreement, any rights, remedies, obligations, or liabilities under or by reason of this Agreement.

IN WITNESS HEREOF, the Parties hereto have executed this Agreement as of the date set forth below.

CITY OF TORRANCE,
a municipal corporation

By: _____
Frank Scotto, Mayor

ATTEST:

Sue Herbers, City Clerk

APPROVED AS TO FORM:
JOHN L. FELLOWS III, City Attorney

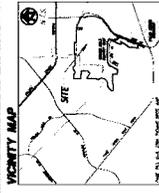
Heather K. Whitham, Deputy City Attorney

CITY OF ROLLING HILLS ESTATES

By: _____

ATTEST:

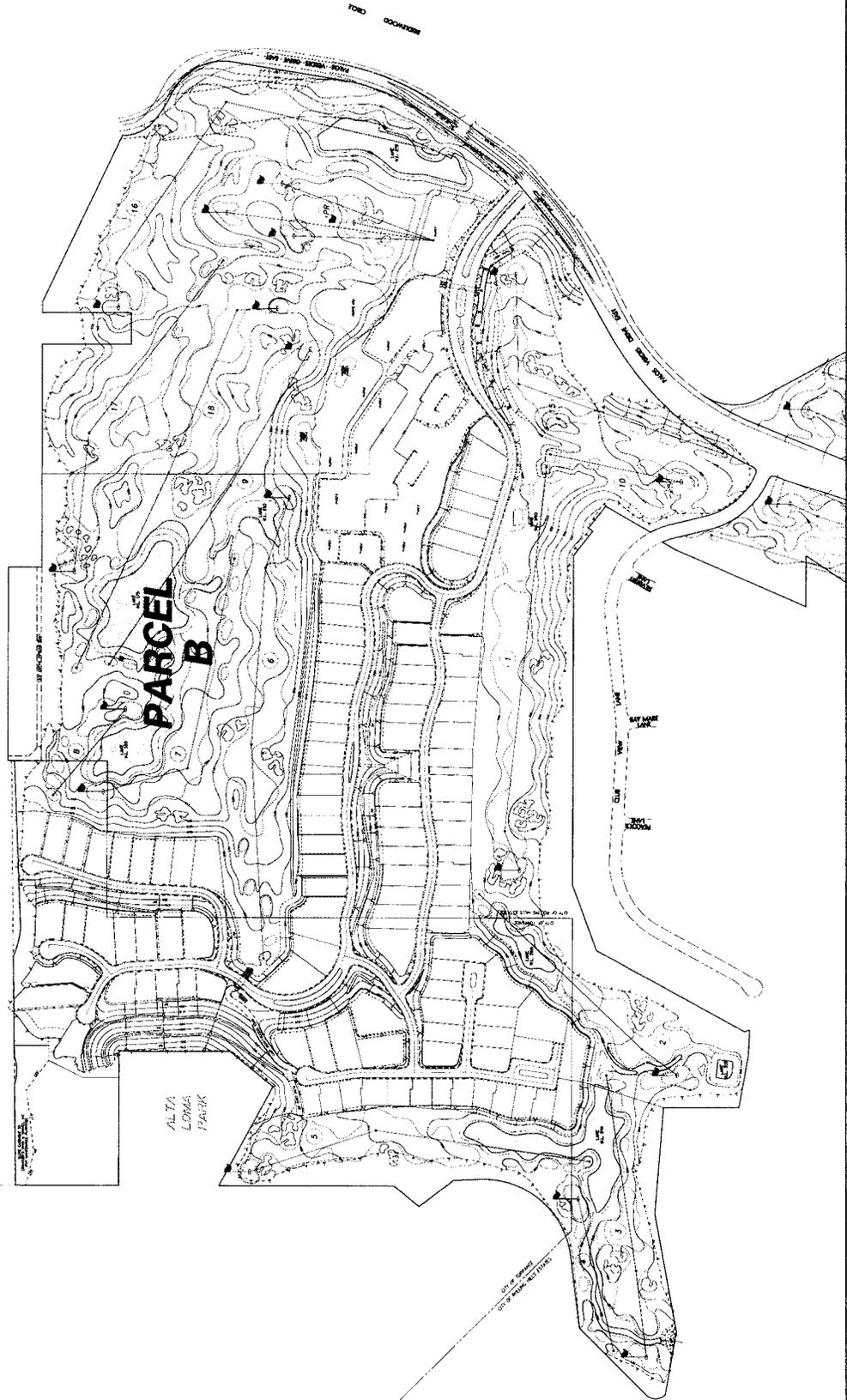
APPROVED AS TO FORM:



PREPARED FOR: **Orinco**
 24411 Avenida de las Arroyos
 Menlo Park, CA 94025

PREPARED BY: **HUNSAKER & ASSOCIATES**
 1000 California Street, Suite 1000
 San Francisco, CA 94108

EXHIBIT B
TO BOUNDARY MODIFICATION
AND ANNEXATION AGREEMENT



DATE: 11/11/03 BY: [Signature] TITLE: [Title]

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

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.