Council Meeting of
June 17, 2008

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

Members of the Council:

SUBJECT: City Manager - Extend Agreement with the Del Amo Fashion Center

RECOMMENDATION

Recommendation of the City Manager that the City Council Authorize a one (1) year extension of the Police Substation Lease and Agreement for Shopping Center Detail and Foot Patrol at the Del Amo Fashion Center (C2003-088) under the same terms and conditions. The term of the new agreement will be from July 1, 2008 to June 30, 2009.

BACKGROUND

Since 1987, the City has provided a "storefront" Police Substation at the Del Amo Fashion Center (DAFC) to provide shopping center detail and foot patrol by Torrance Police Officers. The initial term of the agreement was for a five (5) year period. The agreement was renegotiated in 1993 for an additional five years and was renewed in 2003 for an additional five years. The attached Council Item 11F and the 2003 Agreement between the City and the DAFC provide the specific terms and conditions. The current agreement which will expire on June 30, 2008 contains an annual Consumer Price Index (CPI) percentage increase cap of 3.5% over the prior year payment.

The City has received a request from the Del Amo Fashion Center to extend the current 2003 Agreement by one additional year with the same terms and conditions.

ANALYSIS

The DAFC is currently in the process of refurbishing its shops and expanding operations. The extension will allow the Mall an opportunity to reassess its needs and negotiate a new agreement with the City that meets the needs of both parties based on tenant mix.

The existing agreement which was approved by the City Council in May of 2003 includes the City providing a three (3) officer Shopping Center Detail and a three (3) officer Foot Patrol which includes a Sergeant for the interior of the Del Amo Fashion Center.

The agreement includes subvention language based on taxable sales transactions from the DAFC. The basis for costs of the both police details and the base for taxable sales are indexed to CPI, not to exceed 3.5% annually. The City has not been required to subvent any costs during the current agreement.

The revised amounts the DAFC would provide to the City beginning July 1,2008 would be $713,524 annually and the subvention base would be revised to an estimated $5,113,961 for the extended term from the base amount of $4,350,000 established in 2003.

The amended agreement as well as the current 2003 Agreement contains a 60-day cancellation clause by either party. Prior to the expiration of the proposed 2008 extension agreement, the City and DAFC will meet in 2009 to negotiate a new long-term agreement. The new agreement will need to reflect adjustments to the annual subvent and address the increases in personnel cost required to provide adequate coverage and patrol at the Mall.

Respectfully submitted,

LeROY J. JACKSON
CITY MANAGER

By _____
Aram Chaparyan
Assistant to the City Manager

CONCUR:

_____
LeRoy J. Jackson
City Manager

Attachments: A) May 20, 2003 City Council Item 11F and Supplemental
B) Amendment to May 1, 2003 Agreement (Police Substation Lease and Agreement for Shopping Center Detail and Foot Patrol)

Attachment A

Council Meeting of
May 20, 2003

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

Members of the Council:

SUBJECT: Supplemental Material to Council Agenda Item No. 11F

The item as submitted stated that the inventory of equipment and furnishings at the Police Substation for the new contract period beginning May 1, 2003 would be transmitted Monday. The inventory is attached as Exhibit C.

In addition, the recommendation requested approval of a memorandum agreement between the City and DAFC for police services provided by the City and subvention received from DAFC for the period July 1, 1998, through April 30, 2003. The calculation of the subvention from DAFC to the City is not yet complete; therefore staff is requesting to hold the memorandum agreement and bring it forth as a separate item at the June 10, 2003 Council meeting.

This action results in the following **revised recommendation**:

The City Manager recommends that Your Honorable Body authorize the execution of an agreement between the City of Torrance and the Torrance Company, doing business as the Del Amo Fashion Center ("DAFC"), for the continuation of the Police Shopping Center Detail and Foot Patrol at DAFC effective May 1, 2003.

Respectfully submitted,

LeROY J. JACKSON
CITY MANAGER

By _____
Mary Giordano
Assistant to the City Manager

CONCUR:

_____
LeRoy J. Jackson
City Manager

Attachments: Exhibit C

/bl

11F

Exhibit C

TORRANCE POLICE SUBSTATION INVENTORY
AT DEL AMO FASHION CENTER

7 desks

7 chairs

6 mats

1 copier

1 fax machine

1 water cooler

1 refrigerator

Council Meeting of
May 20, 2003

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

Members of the Council:

SUBJECT: "Storefront" Police Substation at Del Amo Fashion Center

RECOMMENDATION

The City Manager recommends that your Honorable Body authorize the execution of an agreement between the City of Torrance and The Torrance Company, doing business as the Del Amo Fashion Center ("DAFC"), for the continuation of the Police Shopping Center Detail and Foot Patrol at DAFC effective May 1, 2003; and, approve a memorandum agreement between the City and DAFC for police services provided by City and subvention received from DAFC for the period of July 1, 1998 through April 30, 2003.

BACKGROUND

In 1987, the City and DAFC entered into a five-year agreement for the establishment of a "storefront" Police Substation at DAFC to augment the City's Shopping Center Detail. In 1993, a new five-year agreement was entered into providing for the continuation of the Police Substation and the Shopping Center Detail, and established a Police Foot Patrol.

The 1993 agreement set forth the following terms:

- In addition to the Shopping Center Detail, the City would assign three uniformed Police Officers to staff a two-person Foot Patrol to patrol the interior of DAFC each day the center was open.
- DAFC would provide equipment, furnishings, janitorial service, and utilities for the substation.
- DAFC annually would subvent a portion of the City's costs as follows:
  - $150,000 toward the City's cost associated with running the Substation and Shopping Center Detail.
  - $264,000 towards the City's cost associated with operating the Foot Patrol.
- City annually would reimburse a portion of subvented costs not to exceed $264,000 calculated on a formula tied to sales tax growth over a base amount.

In May 1993, the service level was increased with the addition of an on-site Sergeant to supervise the Shopping Center Detail and Foot Patrol, which increased the annual DAFC subvention by $24,204.

The 1993 agreement expired June 30, 1998. The City continued to provide services and DAFC continued to subvent costs under the 1993 agreement terms and conditions with the expectation that a new enhanced agreement would be entered into shortly, based on anticipated upgrades to and expansion of DAFC. The City did not reimburse annually a portion of the subvention as provided in the 1993 agreement, as a new agreement was not in place. DAFC discontinued subvention payments to the City in August 2001 until agreement terms were arrived at.

11F

The City and DAFC are desirous of entering into a memorandum agreement to acknowledge and finalize subventions owed to the City and reimbursements owned to DAFC for the period July 1, 1998 through April 30, 2003. This provides the opportunity to enter into a new agreement for continued Police services at DAFC with updated financial terms.

ANALYSIS

The new agreement, proposed to begin May 1, 2003 for a five-year and two-month term, is a continuation of the police service level assigned by the City to DAFC, but revises the financial terms to reflect current costs and growth in the sales tax base at DAFC since 1993. The significant revisions are:

- DAFC will annually subvent a portion of the City's costs as follows:
  - $208,600 towards the City's costs associated with running the Substation and Shopping Center Detail.
  - $367,200 toward the City's costs associated with operating the Foot Patrol.
  - $27,900 toward the City's cost of providing on-site supervision.
  - A CPI-W factor, not to exceed 3.5% annually, will be applied annually to further subvent increased City costs.
  - The formula for the reimbursement of subvention is revised to increase sales tax base from $4,200,000 to:
    - $4,350,000 for contract year one
    - $4,500,000 for contract year two
    - CPI growth, not to exceed 3.5% annually, for contract years three through five.

The proposed agreement has a 60-day cancellation clause by either party.

Respectfully submitted,

LeROY J. JACKSON
CITY MANAGER

By _____
Mary Giordano
Assistant City Manager

CONCUR:

_____
LeRoy J. Jackson
City Manager

MKG\bl\dle:X:council\items\2003
Attachments: A) 1993 Agreement
B) Memorandum Agreement for period July 1, 1998 through April 30, 2003 *(Material available Monday)*
C) New May 2003 Agreement entitled "Police Substation Lease and Agreement for Shopping Center Detail and Foot Patrol"

POLICE SUBSTATION LEASE AND AGREEMENT FOR SHOPPING CENTER DETAIL AND FOOT PATROL

THIS POLICE SUBSTATION LEASE AND AGREEMENT FOR SHOPPING CENTER DETAIL AND FOOT PATROL ("Agreement") is made and entered into as of May 1, 2003 by and between the CITY OF TORRANCE, a California municipal corporation ("City") and THE TORRANCE COMPANY, a partnership, doing business as Del Amo Fashion Center ("DAFC").

RECITALS:

A. One of the essential operations of the City is to provide police services to the residents and businesses of the City;

B. As part of the provision of police services, the City desires to better coordinate activity and improve police response to the merchants and customers of the City's major shopping areas;

C. Since 1987, the City has been staffing a "store front" police substation (the "Substation") in the Del Amo Fashion Center (the "Center").

D. In connection with the Substation, the City has been operating an Existing Shopping Center Detail (defined in Section 4.5 below) and a two-officer foot patrol (the "Foot Patrol") (defined in Section 4.5 below) of the interior of the Center.

E. The City desires to continue to commit uniformed officers and support staff to the Substation.

F. DAFC wishes to continue to provide office space and equipment for the Substation and to pay for a portion of the personnel cost necessary to staff the Substation, the City's Existing Shopping Center Detail and the Foot Patrol.

THE PARTIES THEREFORE AGREE AS FOLLOWS:

1. PURPOSE OF THE AGREEMENT.

The parties enter into this Agreement for the purpose of continuing the operation of the Substation, the Existing Shopping Center Detail, and the Foot Patrol. DAFC and City further agree that the purpose of this Agreement is to provide a positive impact in the area of community relations, crime suppression and apprehension of criminal suspects.

C2003-088

ORIGINAL COPY

2. TERM OF THE AGREEMENT.

The term of this Agreement shall be five (5) years and two (2) months, commencing May 1, 2003 and ending on June 30, 2008, unless earlier terminated pursuant to the provisions of Section 4.1 or Section 12 of this Agreement.

3. SCOPE OF AGREEMENT.

3.1. City agrees to:

3.1.1 provide staffing, including necessary supervision and clerical support, for the operation of the Substation, the Existing Shopping Center Detail, and the Foot Patrol;

3.1.2 pay the operational costs for the Substation, the Existing Shopping Center Detail, and the Foot Patrol; and

3.1.3 provide an alarm for the Substation.

3.2. DAFC agrees to:

3.2.1 provide office space, furnishings and equipment for the Substation and to pay for a portion of the personnel cost assigned to the Center. DAFC has the right, at its sole option, to relocate the Substation to reasonably comparable premises within the Center at DAFC's sole costs and expense, upon not less than thirty (30) days prior written notice.

4. OPERATION AND CONTROL.

4.1. The parties agree that the Substation together with the appurtenances belonging to the Substation shall be used by the City for operation of the Substation, the Existing Shopping Center Detail and the Foot Patrol and for such additional governmental purposes and other lawful purposes as the City in its sole discretion may desire. If at any time during the term of this Agreement, Police Department activities are no longer conducted from the Substation, DAFC has the right to immediately cancel this Agreement, in which event the City's reimbursement obligations under Section 8.4 shall be pro-rated through the date of such cancellation.

4.2. Consistent with the specific terms and provisions of this Agreement, the City, through its Police Department, shall have absolute control over the Substation, the Existing Shopping Center Detail, and the Foot Patrol in all respects, including but not limited to, deployment of personnel, work areas and methodology.

4.3. DAFC shall have no right of access to the Substation without the prior consent of the City, except in the case of emergency. City agrees to permit DAFC or its authorized agent access to the Substation at a time or times mutually agreed to between

the parties for the purposes of inspection, making necessary improvements or repairs, and performing routine maintenance.

4.4. The City shall assign a shopping center detail (the "Shopping Center Detail") to consist of three (3) full-time uniformed Police Officers to the Center.

4.5. The City shall assign three (3) additional uniformed Police Officers to staff a two (2) person foot patrol (the "Foot Patrol"). The Foot Patrol shall patrol the interior of the Center each day that the Center is open for business. On Mondays through Fridays, the shift of the Foot Patrol shall be 12:00 p.m. to 9:30 p.m. On Saturdays and Sundays, the shift of the Foot Patrol shall be 10:00 a.m. to 7 p.m. The parties may change the times of said shifts by mutual agreement. Each shift shall be on patrol in the Center for eight hours of the shift. Currently, the Center is open to the public 362 days per year.

The City shall operate a Substation in the Center, with the Substation to be staffed by uniformed Police Officers a minimum of twenty (20) hours per week.

The City shall provide necessary clerical support.

The Shopping Center Detail, the Foot Patrol and the Substation shall be supervised by a full-time sergeant.

4.6. In the event of a bona fide Police emergency of limited duration, in which the Police Department has insufficient personnel to handle said emergency without, the assistance of the Substation staff, the Existing Shopping Center Detail and/or the Foot Patrol, the City may in its sole discretion redirect the Substation staff, the Existing Shopping Center Detail and/or the Foot Patrol as needed to assist in dealing with the emergency.

5. RENT & UTILITIES.

5.1. The City shall pay no rent or other monetary consideration for the office space in which the Substation is housed.

5.2. DAFC agrees to pay all charges for the use of water, sewer, sprinkler systems, electricity and other utility charges except telephone, accruing or payable in connection with the Substation during the term of this Agreement.

6. FURNISHING MAINTENANCE AND REPAIR.

6.1. DAFC shall provide necessary equipment and furnishings for the Substation pursuant to the inventory listing in Exhibit C.

6.2. DAFC agrees to repair, maintain and replace as necessary at DAFC's own expense their interior and exterior of the Substation. DAFC's repair and maintenance

responsibility shall include, but not be limited to, lamps and tubes, exposed plumbing, windows, fire extinguishers, floor coverings, waste system, window coverings, and the basic structure of the Substation. Basic structure is agreed to include: all permanent exterior and interior walls, floor and ceilings, roof, concealed plumbing, concealed electrical systems, and heating, ventilating and air conditioning system.

6.3. As part of DAFC's responsibilities for maintaining the Substation, DAFC shall provide janitorial supplies (including restroom supplies) and furnish and maintain janitorial services, sewer services and trash removal.

6.4. City agrees to return the Substation and those fixtures, furnishings and items of equipment to DAFC in as good condition as when first occupied by the City, ordinary wear and tear, damage by earthquake, fire or the elements in other disaster or casualty accepted. In the event that any of the items specified in this agreement were to fail as a result of ordinary wear and tear, damage by earthquake, fire or the elements, and/or other disaster or casualty, DAFC shall replace those items at DAFC's own expense.

7. ALTERATIONS.

DAFC and City agree not to make any alterations in the Substation without first securing the written consent of the other party, which consent shall not be unreasonably withheld or delayed. DAFC and the City further agree to make alterations only at mutually agreeable times. Notwithstanding the foregoing, the City may make nonstructural alterations without DAFC's prior consent. Non-structural alterations are defined as those that do not result in a change in the structural integrity of the office space of the Substation or alter the gross cubic foot area of that space.

8. DAFC CONTRIBUTIONS TOWARD OPERATING COSTS.

At the commencement of each year of this Agreement, the City shall submit to DAFC a budget setting forth the City's anticipated annual cost of operating the Substation, the Existing Shopping Center Detail and the Foot Patrol. A copy of the proposed first year's budget is attached as Exhibit A. Subject to the provisions of Section 8.4.3 below, DAFC agrees to subvent to the City a portion of the City's ongoing costs of operating the Substation, the Existing Shopping Center Detail and the Foot Patrol, as follows:

8.1. Two Hundred Eight Thousand Six Hundred Dollars ($208,600) per year toward the City's personnel and overhead costs (including but not limited to telephone costs and the cost of operating City motor vehicles) associated with operating the Substation and the Shopping Center Detail;

8.2. Three Hundred Sixty-Seven Thousand Two Hundred Dollars ($367,200) per year toward the City's personnel and overhead costs associated with operating the Foot Patrol;

Twenty-Seven Thousand Nine Hundred Dollars ($27,900) per year toward the costs of providing supervision to the Police Officers assigned to the Center.

The foregoing amounts shall be increased by the percentage increase, if any, in the CPI-W (LA) ("CPI"); however such annual adjustments shall be capped at 3.5% over the prior year payment.

8.3. Subject to the provisions of Section 8.4.3 below, each month on the first day of each month for year one of the contract, the City shall invoice the Center for Fifty Thousand Three Hundred Eight Dollars ($50,308), which is one-twelfth of the total one year (1) annual subvention for operating costs set forth in Exhibit A. The Center agrees to pay each invoice on or before that date ten (10) days from the date of Center's receipt of said invoice. Year two (2) through Year five (5) monthly invoices shall be adjusted by CPI pursuant to CPI provision stated above.

8.4. Subvention Reimbursement. Following the first year of the term and each subsequent year of this Agreement, the City shall reimburse DAFC its yearly subvention toward the City's personnel and overhead costs associated with operating the Foot Patrol, based upon the following:

8.4.1. For the purpose of this Agreement, the current annual baseline sales tax revenue ("Baseline Sales Tax") the City receives from the those areas comprising the Center as shown on Exhibit B, (excluding sales tax received from free-standing pads), is determined to be Five Million Seventy-Five Thousand Dollars ($5,075,000), which represents fourteen (14) months for year one of the Contract. To the extent that actual sales tax ("Actual Sales Tax") revenue received by the City from the Center (excluding sales tax received from free-standing pads) for the period beginning May 1, 2003 and ending June 30, 2004, exceeds Baseline Sales Tax, DAFC shall be reimbursed by the City fifty cents ($.50) for each dollar ($1.00) that Actual Sales Tax exceeds Baseline Sales Tax.

For the purpose of this agreement, Year Two current annual Baseline Sales Tax Revenues the City receives from those areas comprising the Center as shown on Exhibit B, (excluding sales tax received from free-standing pads), is defined to be Four Million Five Hundred Thousand Dollars ($4,500,000). To the extent that Actual Sales Tax is received by the City from the Center (excluding sales tax received from free-standing pads) for the contract year beginning July 1, 2004 and ending June 30, 2005, exceeds Baseline Sales Tax, DAFC shall be reimbursed by the City fifty cents ($.50) for each dollar ($1.00) that Actual Sales Tax exceeds Baseline Sales Tax.

For the purpose of this agreement, Year Three current annual Baseline Sales Tax revenues the City receives from those area comprising the Center as shown on Exhibit B, (excluding sales tax received from free-standing pads) is defined to be Four Million Five Hundred Thousand Dollars ($4,500,000) as adjusted by July 2005 to June 2006 CPI, not to exceed 3.5%. To the extent that Actual Sales Tax is received by the

City from the Center (excluding sales tax received from free-standing pads) for contract Year Three beginning July 1, 2005 and ending June 30, 2006, exceeds Baseline Sales Tax, DAFC shall be reimbursed by the City fifty cents ($.50) for each dollar ($1.00) that Actual Sales Tax exceeds Baseline Sales Tax.

For the purpose of this agreement, Year Four current annual Baseline Sales Tax revenues is defined to be Year Three current annual Baseline Sales Tax revenues as adjusted by July 2006 to June 2007 CPI, not to exceed 3.5%. To the extent that Actual Sales Tax is received by the City from the Center (excluding sales tax received from free-standing pads) for contract Year Four beginning July 1, 2006 and ending June 30, 2007, exceeds Baseline Sales Tax, DAFC shall be reimbursed by the City fifty cents ($.50) for each dollar ($1.00) that Actual Sales Tax exceeds Baseline Sales Tax.

Year Five current annual Baseline Sales Tax revenues is defined to be Year Four current annual Baseline Sales Tax revenues as adjusted by July 2007 to June 2008 CPI, not to exceed 3.5%. To the extent that Actual Sales Tax is received by the City from the Center (excluding sales tax received from free-standing pads) for contract Year Five beginning July 1, 2007 and ending June 30, 2008 exceeds Baseline Sales Tax, DAFC shall be reimbursed by the City fifty cents ($.50) for each dollar ($1.00) that Actual Sales Tax exceeds Baseline Sales Tax.

8.4.2. The annual reimbursement paid by the City pursuant to this Section shall not exceed Three Hundred Sixty-Seven Thousand Two Hundred Dollars ($367,200) in, any given year.

8.4.3. The parties acknowledge and agree that at the commencement of this Agreement, the City cannot commit to reimburse DAFC for more than DAFC's first-year subvention toward the City's personnel and overhead costs of the Foot Patrol. The City agrees to consider approval and appropriation of similar reimbursements for each of the remaining years of this Agreement. DAFC shall be relieved of its payment obligations under Section 8.2 (and the monthly payment under Section 8.3 shall be reduced to $19,708) for and during any period(s) in which the City' is not reimbursing DAFC as provided in this Article 8, and the City shall be relieved of its obligation to provide the Foot Patrol.

9. REPORTS.

City agrees to provide monthly reports to DAFC and the Foot Patrol containing such information as currently contained in the Del Amo Fashion Center Activity Report now being provided to DAFC.

10. SECURITY.

DAFC shall continue to maintain its own compliment of unarmed security staff for the Center, separate and apart from the Existing Shopping Center Detail and the Foot

Patrol. The DAFC security staff shall continue to be responsible for locking and unlocking the entry and exit doors to the Center, and patrolling the common areas of the Center to observe and enforce the rules and regulations of the Center as the management of DAFC sees fit. The aforesaid is not the responsibility of the City officers assigned to the Substation or the Existing Shopping Center Detail or the Foot Patrol.

11. INDEMNIFICATION.

DAFC agrees to defend, indemnify and hold harmless the City, the City Council and each member thereof, and every officer, employee and agent of the City from any and all liability and claims for damage by reason of any injury to any person or persons including, but not limited to, employees of DAFC, or property of any kind whatsoever and to whomsoever belonging, including, but not limited to DAFC, as a result of the negligence or willful misconduct, by DAFC, its agents or employees.

12. TERMINATION.

12.1. ~~After the expiration of the first year of the Term of this Agreement,~~ either party may terminate this Agreement by providing sixty (60) days notice of its intent to terminate.

12.2. In addition to the termination right pursuant to Section 12.1 above, in the event that DAFC is relieved of its payment obligations under Section 8.2 pursuant to the provisions of Section 8.4.3 hereinabove, as the result of a failure by the City to approve a reimbursement of subvention pursuant to Section 8.4 of this Agreement, the City may immediately terminate the Foot Patrol upon prior written notice to DAFC.

13. MISCELLANEOUS PROVISIONS.

13.1 Independent Status. This Agreement is made by and between two independent parties and is not intended to be, nor shall it be, construed to create the relationship of agent, servant, employee, partnership, joint venture or association.

13.2 Notices.

13.2.1. All notices given by DAFC to the City shall be in writing and delivered to the Chief of Police, 3300 Civic Center Drive, Torrance, California 90503, with a copy to the City Attorney, 3Q31 Torrance Boulevard, Torrance, California 90503, or at such other address or to such other person as the City may from time to time designate in writing.

13.2.2. All notices given by City to DAFC shall be in writing and delivered to DAFC at #3 Del Amo Fashion Center, Torrance, California 90503, with a copy to 1901 Avenue of the Stars, Suite #1555, Los Angeles, California, 90067, Attention: James L. Krasne, or at such other address or to such other person as DAFC may from time to time designate in writing.

13.2.3. Any notice required to have given pursuant to this Agreement may be given by personal delivery, by receipted overnight delivery service, or by depositing the same in the United States Post Office, properly addressed as set forth above, postage fully prepaid, for delivery by certified mail, or by facsimile transmission, provided that an original is also sent as aforesaid via U.S. Mail.

13.3. Jurisdiction and Venue. The parties agree that the State of California is the proper jurisdiction for litigation of any matters relating to this Agreement. The parties further agree that Los Angeles County, California is the proper place of venue as to any litigation and the parties agree to submit to the personal jurisdiction of such court in the event of any litigation.

13.4. Partial Invalidity. If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

13.5. Successors in Interest. The covenants contained in this Agreement shall apply to and bind the heirs, successors, executors, administrators and assigns of the parties; and all of the parties shall be jointly and severally liable under this Agreement.

13.6. Authority. Each individual executing this Agreement on behalf of a party represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of that party, in the case of the City, in accordance with a duly adopted resolution of the Board of Directors or City Council, and in the case of DAFC, with the consent of all partners of the partnership, and that this Agreement is binding, upon that party in accordance with its terms.

13.7. Waiver. No delay or omission in the exercise of any right or remedy by a non-defaulting party shall impair that right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

13.8. Exhibits. The Exhibits attached to this Agreement are incorporated by this reference and made a part of this Agreement as though fully set forth in this Agreement.

13.9. Entire Agreement. This Agreement contains all the terms and conditions agreed to by the parties. No other understanding, oral or otherwise, regarding the subject matter of this Agreement shall be determined to exist or to bind any of the parties.

13.10. Counterparts. This Agreement is made and executed in five (5) counterparts, each of which is considered to be an original of the Agreement.

13.11. Attorney's Fees. In the event of a dispute between the parties hereto arising out of this agreement, the prevailing parties shall be entitled to recover its reasonable attorney's fees and costs of such action from the non-prevailing party.

13.12. Captions, Gender and Number. The captions and headings of this Agreement are for convenience of reference only and shall not be used in any way in the interpretation of this Agreement. The singular and plural and the male, female and neuter gender shall each be taken to include the other where appropriate in this Agreement.

IN WITNESS WHEREOF, the undersigned have duly executed and delivered this Police Substation Lease and Agreement for Shopping Center Detail effective as of the date first set forth above.

CITY OF TORRANCE
A Municipal Corporation

Dan Walker, Mayor

THE TORRANCE COMPANY, a partnership
dba Del Amo Fashion

By: _____
Signer, Title

ATTEST:

Sue Herbers
City Clerk

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

By: _____

Attachments:

	Exhibit A	Budget
	Exhibit B	Area Site Plan
	Exhibit C	Inventory List

EXHIBIT A

POLICE SUBSTATION PROPOSED BUDGET F/Y 2003-04

PERSONNEL AND OPERATING COSTS:

Shopping Center Detail (three Police Officers)	$	367,200
Foot Patrol (three Police Officers)		367,200
Supervision (one Sergeant - differential between PO and SGT.)		27,900
Vehicle Use (2 vehicles @ $1562 Month)		37,488
Telephone ($100 per month)		1,200
TOTAL PERSONNEL AND OPERATING COSTS	$	800,988

REIMBURSEMENTS BY DAFC:

Shopping Center Detail	$	208,600
Foot Patrol		367,200
Supervision		27,900
TOTAL REIMBURSEMENTS BY DAFC	$	603,700

MONTHLY REIMBURSEMENT TO CITY (YEAR 1 OF 5 YEAR AGREEMENT)*:

Personnel Costs - Shopping Center Detail	$	17,383
Personnel Costs - Foot Patrol		30,600
Personnel Costs - Supervision		2,325
TOTAL MONTHLY REIMBURSEMENT (YEAR 1)	$	50,308

* Years 2 through 5 reimbursement are as provided in the Agreement.

EXHIBIT B

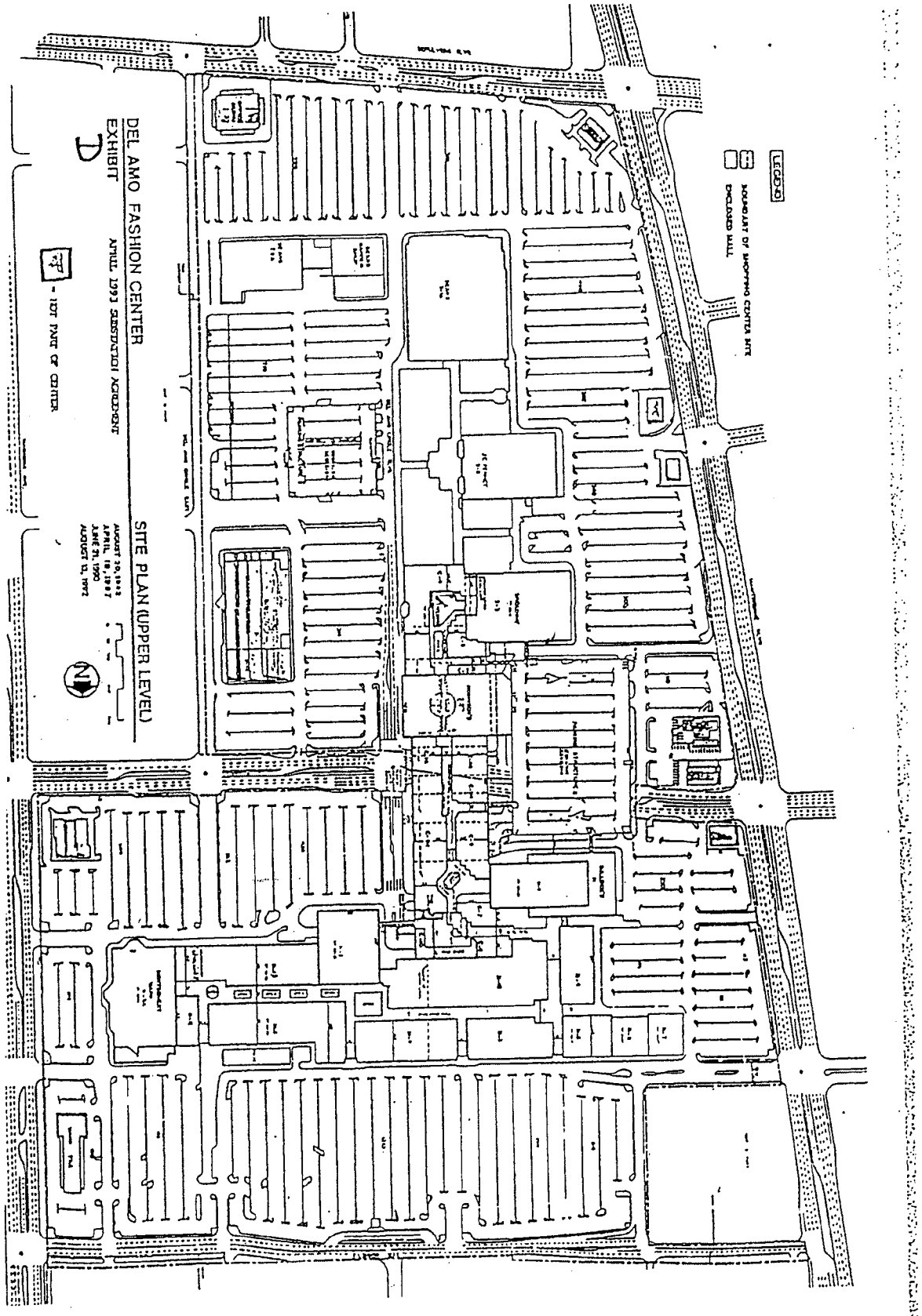
LEGEND
BOUNDARY OF SHOPPING CENTER SITE
ENCLOSED MALL
DEL AMO FASHION CENTER
EXHIBIT
APRIL 1993 SUBSTITUTION AGREEMENT
NOT PART OF CENTER
SITE PLAN (UPPER LEVEL)
AUGUST 20, 1993
APRIL 18, 1997
JUNE 21, 1990
AUGUST 13, 1992

Exhibit C

TORRANCE POLICE SUBSTATION INVENTORY
AT DEL AMO FASHION CENTER

7 desks

7 chairs

6 mats

1 copier

1 fax machine

1 water cooler

1 refrigerator

Attachment B

AMENDMENT TO AGREEMENT

This Amendment to Agreement is made and entered into as of _____, 2008 by and between the CITY OF TORRANCE, a municipal corporation ("CITY"), and Simon Property Group, Inc., a Delaware corporation, doing business as Del Amo Fashion Center ("DAFC").

RECITALS:

A. CITY and DAFC entered into an Agreement on May 1, 2003, the purpose of the Agreement was to continue the operation of the Substation, the Existing Shopping Center Detail, and the Foot Patrol. Further, the purpose of the Agreement is to provide a positive impact in the area of community relations, crime suppression an apprehension of criminal suspects.

B. The original term of this Agreement was for a five-years and two-months.

C. Both parties wish to amend the agreement to extend the term of the agreement.

AGREEMENT:

1. Paragraph 2 entitled "TERM OF THE AGREEMENT" is amended to read in its entirety as follows:

"2. TERM OF THE AGREEMENT

This Agreement will continue in full force and effect from the Effective Date through June 30, 2009, unless earlier terminated in accordance with Section 4.1 or Section 12 of this Agreement."

2. The person(s) executing this Agreement on behalf of the DAFC warrant that (i) the DAFC is duly organized and existing; (ii) they are duly authorized to execute this Agreement on behalf of the DAFC; (iii) by so executing this Agreement, the DAFC is formally bound to the provisions of this Agreement; and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which the DAFC is bound.

3. In all other respects, the Agreement dated May 1, 2003 between CITY OF TORRANCE and DAFC is ratified and reaffirmed and is in full force and effect.

CITY OF TORRANCE,
a Municipal Corporation

_____
Frank Scotto, Mayor

ATTEST:

_____
Sue Herbers, City Clerk

APPROVED AS TO FORM:

JOHN L. FELLOWS III
City Attorney

By:_____

Simon Property Group, Inc.,
a Delaware corporation
dba Del Amo Fashion Center

By:_____
Elena Butorac
General Manager