

Council Meeting of  
December 23, 2008

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

**Members of the Council:**

**SUBJECT: City Manager – Authorize expenditure of funds for the acquisition of Right-of-Way from Dow Chemical Company for the Del Amo Extension Project  
Expenditure: \$5.6 million**

**RECOMMENDATION**

Recommendation of the City Manager that City Council authorize the Mayor to Execute and the City Clerk to Attest to all documents necessary and appropriate for the acquisition of certain rights-of-way required for the Del Amo Boulevard Extension Project.

It is further recommended that an amount of \$5.6 million be either deposited with the Court or into an Escrow to conclude the transaction.

**Funding**

Funding is available in project T-30 Del Amo Boulevard Extension Project

**BACKGROUND AND ANALYSIS**

The Del Amo Extension Project (T-30) has been funded and design work has been underway in order for the project to go out to bid. Before the project can receive authorization for bid all rights-of way have to be secured. The acquisition of the DOW property will conclude the City's requirement to secure property for the project.

The City's initial appraisal and offer was for \$2,105,000; the Dow appraisal and request came in at \$8.2 million. Based on the difference in appraisals, the City had a new appraisal conducted and the amount came in at \$4,775,000.

A letter was sent to Dow Chemical Company on October 8, 2008 making a formal offer for the required rights-of-way (ROW). The offer amount was for \$4,775,000 (rounded) to acquire the ROW needed for the project. Subsequent to the offer a Resolution of Necessity was adopted by Your Honorable Body on November 18, 2008 setting forward a mechanism to condemn the ROW if negotiations with DOW were not successful. The condemnation process includes a statutory requirement to negotiate, because of this and in the spirit of working towards a settlement, mediation was held on December 11, 2008. The mediation did not generate closure on the transaction but did move the parties closer to a negotiated settlement. Based on that discussion, the mediator recommended the amount of \$5.6 million for the City to acquire the easements necessary for the project.

**Subject to Council Action 12C**

At this time, Dow has indicated that they will accept the City's mediated settlement offer for the ROW required for this project. Due to the span of time before the next City Council meeting and the potential to need these funds deposited with the Court or Escrow during that span, the request is being forwarded to the City Council this evening.

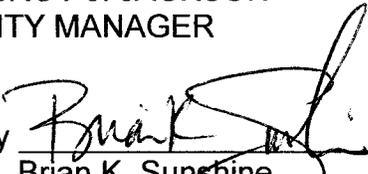
The acquisition is as follows:

- Permanent roadway easement of 109,670 square feet (SF)
- Permanent Roadway Easement of 19 SF
- Temporary construction easement of 10,675 SF
- Utility Easement 35,453 SF
- Temporary Easement for on-site improvements 84,040 SF
- Improvements on Dow property

The City is requesting that Dow stipulate to immediate possession with physical possession to follow prior to the date required for commencement of construction.

Respectfully submitted,

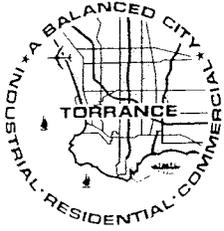
LeROY J. JACKSON  
CITY MANAGER

By   
Brian K. Sunshine  
Assistant to the City Manager

CONCUR:

  
LeRoy J. Jackson  
City Manager

Attachment: Offer letter to Dow dated October 8, 2008




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CITY OF  
TORRANCE

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LeROY J. JACKSON  
CITY MANAGER

October 8, 2008

Dow Chemical Company  
Los Angeles Operations  
305 Crenshaw Boulevard  
Torrance, California 90503  
Attn: Mr. Fred Smalling

Duff Murphy, Esq.  
281 South Figueroa Suite 200  
Los Angeles, California 90012

Re: Offer of Acquisition by City of Torrance  
Project: Del Amo Boulevard from Madrona Avenue to Crenshaw Boulevard  
Property Address: 305 Crenshaw Boulevard, Torrance  
APN: 7352-002-017

Gentlemen:

This letter is being forwarded to you as the owner and his counsel of record of property located at 305 Crenshaw Boulevard, located in Torrance, California ("Site").

The City of Torrance ("City") has been investigating the possible acquisition of portions of the Site as a part of its planning efforts in connection with the proposed extension of Del Amo Boulevard from Madrona Avenue to Crenshaw Boulevard ("Project"). By way of this letter, and pursuant to Government Code section 7267.2, the City hereby offers to acquire a portion of the Site more particularly as follows:

- Permanent Roadway Easement (see Exhibits A and B): 109,670 SF; 19 SF
- Temporary Construction Easement (see Exhibit C): 10,675 SF
- Utility Easement (see Exhibit D): 35,453 SF
- Temporary Easement for On-Site Improvements (see Exhibit E): 84,040 SF

(These interests are collectively referred to hereafter as the "Property".)

Dow Chemical Company  
 Duff Murphy, Esq.  
 October 8, 2008  
 Page 2

Based on the project location and areas shown on the attached exhibits, the City had your property appraised by Bell, Anderson & Sanders to determine its fair market value for the parts taken and any net damages to the property due to the acquisition. You were given an opportunity to accompany the appraisers at a site inspection held September 29, 2008. The appraisal was conducted in accordance with accepted appraisal principals and procedures and included consideration of the highest and best use of the land and any net damages of the property.

Based on the appraisal, the City offers to purchase the Property for the just compensation of **Four Million Seven Hundred Seventy Five Thousand Dollars (\$4,775,000.00)** for all interests it seeks to acquire in the Property, segregated as follows:

Value of Parts Taken:	
Permanent Roadway Easement (109,670 SF)	\$3,838,450
Temporary Construction Easement (10,675 SF)	\$56,044
Utility Easement (35,453 SF)	\$310,214
Temporary Construction Easement for On-Site Improvements (84,040 SF)	\$441,210
Permanent Roadway Easement (19 SF)	\$665
Improvements (See Ex. F for detailed list)	\$128,598
Severance Damages <sup>1</sup>	None
<u>Benefits</u>	<u>None Quantified</u>
<b>Total Estimated Value (rounded)</b>	<b>\$4,775,000</b>
Total Just Compensation	\$4,775,000

The City is offering the full amount reflected in the appraisal as the fair market value for the Property.

Attached hereto as Exhibit G is a summary of the basis for the City's appraisal fixing the amount established by the City as just compensation for the Property. The City is offering this amount for full and marketable title to all interests the City seeks to acquire; division of the amount among other parties having any claims of ownership, lienholder, or any possessory or other interests in the Property will be your responsibility.

This offer is for the easement interests in the Property as described in Exhibits A through E. This offer is for conveyance to the City of the described easement interests in the Property, and

<sup>1</sup> A narrative, detailed description of severance damage value conclusion is being provided to you as Exhibit H attached hereto.

Dow Chemical Company  
 Duff Murphy, Esq.  
 October 8, 2008  
 Page 3

subject to terms and conditions set out below, and assuming that the Property is free of any environmental contamination or Hazardous Materials, and that it is not the subject of any ongoing environmental investigation or alleged violations of Environmental Laws.<sup>2</sup> Payment

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<sup>2</sup> For the purposes of this letter, the term “Environmental Laws” means any and all federal, state, regional and local laws, statutes, ordinances, orders, rules, regulations, guidance documents, judgments, governmental authorizations, or any other requirements of governmental authorities, as may presently exist, or as may be amended or supplemented, or hereafter enacted, relating to the presence, release, generation, use, handling, assessment, investigation, study, monitoring, removal, remediation, cleanup, treatment, storage, transportation or disposal of Hazardous Materials, or the protection of the environment or human, plant or animal health, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 , as amended by the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C.A. § 9601), the Hazardous Materials Transportation Act (49 U.S.C. § 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Oil Pollution Act (33 U.S.C. § 2701 et seq.), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 11001 et seq.), the Porter-Cologne Water Quality Control Act (Cal. Wat. Code § 13000 et seq.), the Toxic Mold Protection Act (Cal. Health & Safety Code § 26100, et seq.), the Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal. Health & Safety Code § 25249.5 et seq.), the California Hazardous Waste Control Law (Cal. Health & Safety Code § 25100 et seq.), the Hazardous Materials Release Response Plans & Inventory Act (Cal. Health & Safety Code § 25500 et seq.), and the Carpenter-Presley-Tanner Hazardous Substances Account Act (California Health and Safety Code, Section 25300 et seq.). As used in this letter, the term “Hazardous Material(s)” includes, without limitation, any hazardous or toxic material, substance, irritant, chemical, or waste, including without limitation (a) any material defined, classified, designated, listed or otherwise considered under any Environmental Law, including, without limitation, as defined in California Health & Safety Code Section 25260, as a “hazardous waste,” “hazardous substance,” “hazardous material,” “extremely hazardous waste,” “acutely hazardous waste,” “radioactive waste,” “biohazardous waste,” “pollutant,” “toxic pollutant,” “contaminant,” “restricted hazardous waste,” “infectious waste,” “toxic substance,” or any other term or expression intended to define, list, regulate or classify substances by reason of properties harmful to health, safety or the indoor or outdoor environment, (b) any material, substance or waste which is toxic, ignitable, corrosive, reactive, explosive, flammable, infectious, radioactive, carcinogenic or mutagenic, and which is or becomes regulated by any local governmental authority, any agency of the State of California or any agency of the United States Government, (c) asbestos, and asbestos containing material, (d) oil, petroleum, petroleum based products and petroleum additives and derived substances, (e) urea formaldehyde foam insulation,

Dow Chemical Company  
 Duff Murphy, Esq.  
 October 8, 2008  
 Page 4

will be made when the title to the Property vests in the City free and clear of all recorded or unrecorded liens, encumbrances, assessments, leases and taxes, except:

1. Taxes for the year in which the Property is purchased, which shall be cleared and paid in the manner required by Section 5086 of the Revenue and Taxation Code, if unpaid at the time escrow for the purchase closes;
2. Covenants, conditions, restrictions and reservations of record, that do not interfere with the City's proposed use of the Property;
3. Easements or rights-of-way over the land for public or quasi-public utility or public street purposes, if any; and
4. Any other interests in the Property or exceptions to title appearing on a preliminary title report or litigation guarantee, which are accepted by the City in writing through escrow.

The City will pay all usual fees, charges, and costs, which arise out of this escrow.

This offer is subject to, and contingent upon, acceptable soil conditions of the property, and the absence from the property of any toxic or hazardous substances, or any other kind of soil or water contamination. As a condition of this offer, the City reserves all rights and remedies it has or may have against you and all persons or entities who may be responsible for any environmental contamination or any Hazardous Materials that may exist or may have existed on or migrating to or from the Property, including all rights to seek damages or other remedies pursuant to any Environmental Laws.

This offer is also subject to the approval of the City's City Council.

Please be advised that in addition to the compensation for the fair market value of the Property, you may also be entitled to relocation assistance pursuant to State Relocation Assistance Law (California Government Code Sections 7260 et seq.; Relocation Assistance and Real Property Acquisition Guidelines, California Administrative Code Title 25), or local relocation guidelines. Relocation assistance is not a part of this offer. If you would like to inquire further regarding your eligibility for relocation assistance on this matter please contact David B. Cosgrove, Esq., Rutan & Tucker, LLP, at (714) 662-4602.

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(f) polychlorinated biphenyls (PCBs), (g) freon and other chlorofluorocarbons, (h) any drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas or geothermal resources, (i) mold, fungi, viruses or bacterial matter, and (j) lead-based paint.

Dow Chemical Company  
Duff Murphy, Esq.  
October 8, 2008  
Page 5

Please also be advised that California Code of Civil Procedure Section 1263.510 allows a party whose property is subject to public acquisition to claim compensation for loss of business goodwill. A copy of that section is attached as Exhibit I. This offer does not reflect any amount of compensation attributable to any loss of business goodwill. If you would like the City to consider whether goodwill should be evaluated as a part of this offer, it will do so. Such an evaluation will require you to provide certain information to the City, including tax returns. If you wish the City to consider a goodwill claim at this time, you complete the attached goodwill questionnaire (enclosed). If you have any questions concerning a goodwill claim, please contact Mr. Cosgrove at the number given above.

Please also be advised that under Code of Civil Procedure Section 1263.025, the City will reimburse the owner of the property, up to the amount of \$5,000, for the owner to secure an independent appraisal of the Property. If you wish to take advantage of this reimbursement, please forward to the undersigned a copy of a retention letter or other contract you may have, or may enter into, with an appraiser. In order to qualify for this reimbursement, the appraiser selected must be identified, and must be a California Certified General Real Estate Appraiser.

If this offer is acceptable to you, please so indicate to the undersigned, in writing. Upon your acceptance, the City will prepare and forward to you an agreement. Upon receipt of a signed agreement, the matter will be reviewed by the City Council, which has final ratification authority. If for any reason you are not satisfied with this offer of just compensation, and have relevant information regarding the value of the property that you would like the City to consider, it will be happy to do so. If you have such information, please contact Mr. Cosgrove at the number given above. In addition, you should be aware that in the event negotiations fail to result in agreement, and the City decides to proceed with acquisition of the property through eminent domain, you will have the right to have the amount of just compensation to be paid by the City for the Property fixed by a court of law. Please be advised that in such event, the terms of this offer and the contents of this letter may be excluded from consideration as an offer of settlement, under California Evidence Code sections 1152, 1154, or other applicable provisions of law.

In compliance with Government Code 7267.2, included with this offer letter is an information pamphlet describing the eminent domain process. This brochure is being provided to you for informational purposes only and is not to be construed as legal advice.

Dow Chemical Company  
Duff Murphy, Esq.  
October 8, 2008  
Page 6

I hope this offer meets with your approval, and that it will serve as the basis for a quick and mutually beneficial transaction. I look forward to hearing from you after you have had an opportunity to review it, and the attached enclosures. Thank you.

Sincerely,

CITY OF TORRANCE

A handwritten signature in black ink, appearing to read "LeRoy J. Jackson", written over the printed name and title.

LeRoy J. Jackson  
City Manager

Enclosed:

- Exhibit A. Permanent Roadway Easement
- Exhibit B. Permanent Roadway Easement
- Exhibit C. Temporary Construction Easement
- Exhibit D. Utility Easement
- Exhibit E. Temporary Easement for On-Site Improvements
- Exhibit F. Site Improvements
- Exhibit G. Appraisal Summary
- Exhibit H. Severance Damages
- Exhibit I. California Code of Civil Procedure 1263.510
- Attachment 1. Information pamphlet on Eminent Domain Process

DBC:tr

# EXHIBIT A



## Permanent Roadway Easement

A perpetual exclusive easement for public right of way and roadway purposes, including all use of the Property for purposes incident to public right of way use, including but not limited to the construction, maintenance, and operation of a roadway, underground and above ground utilities and appurtenances, cable communication or telecommunication facilities, directional, street identification, or roadway informational signage, traffic control devices, curbs, gutters, sidewalks, landscaping, drainage and sewage facilities, and transportation facilities such as bus bays, benches, bus or train stops, bicycle pathways, or facilities for railway or other public transportation vehicles or manners of conveyance.

EXHIBIT "A"

PORTION OF APN. 7352-002-017

PARCEL 5-P.E.  
PERMANENT STREET EASEMENT

THAT PORTION OF LOT 8, OF TRACT 7873, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 109, PAGES 99 AND 100 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTHERLY LINE OF SAID LOT 8 WITH THE NORTHEASTERLY BOUNDARY OF THAT CERTAIN 15.00 FOOT WIDE PARCEL OF LAND DEEDED BY CHANSLOR-CANFIELD MIDWAY OIL COMPANY TO THE ATCHISON, TOPEKA AND SANTA FE RAIL COMPANY FOR RIGHT OF WAY PURPOSES BY DEED DATED AUGUST 2, 1948 AND RECORDED IN BOOK 28452, PAGE 315 OF OFFICIAL RECORDS OF SAID COUNTY; THENCE ALONG THE NORTHERLY LINE OF LOT 8 SOUTH 89°59'51" EAST, 66.57 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID NORTHERLY LINE SOUTH 89°59'51" EAST, 1,715.79 FEET; THENCE SOUTH 00°34'10" EAST, 71.59 FEET; THENCE NORTH 89°59'51" WEST, 1,348.15 FEET; THENCE NORTH 79°00'00" WEST, 375.24 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 109,670 SQUARE FEET OR 2.51 ACRES MORE OR LESS.

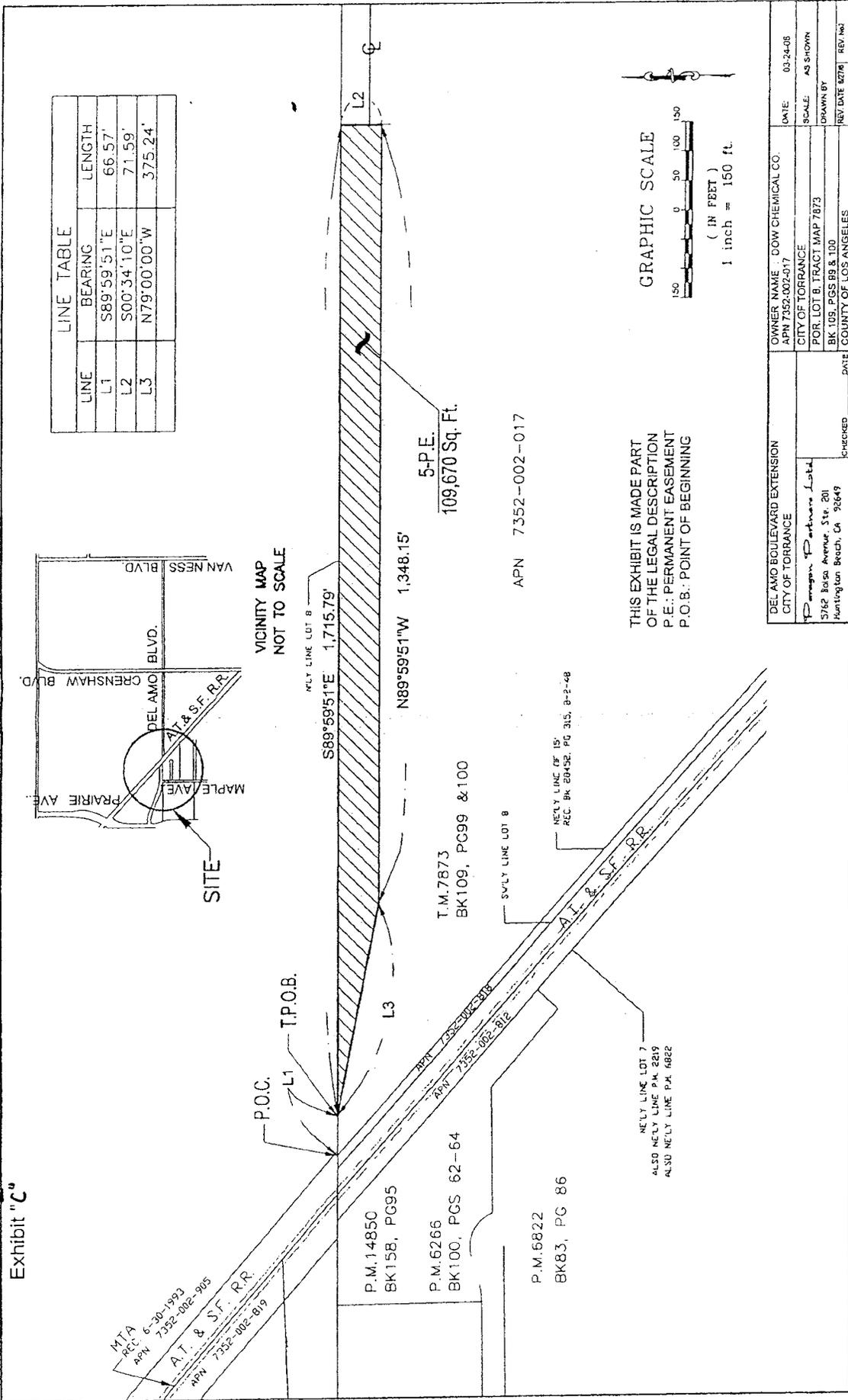
SEE EXHIBIT "C" MAP ATTACHED HERETO AND BY REFERENCE MADE A PART HEREOF.

Prepared by  
Paragon Partners Ltd.  
5762 Bolsa Ave., Suite 201  
Huntington Beach, CA 92649  
714-379-3376



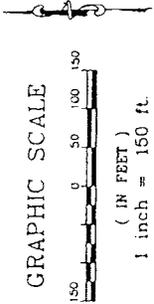
*James M. Rushing* 9/7/06  
James M. Rushing Date  
R.C.E. 28219 Exp. 03/31/08

Exhibit "C"



LINE	BEARING	LENGTH
L1	S89°59'51"E	66.57'
L2	S00°34'10"E	71.59'
L3	N79°00'00"W	375.24'

VICINITY MAP  
NOT TO SCALE



THIS EXHIBIT IS MADE PART  
OF THE LEGAL DESCRIPTION  
P.E.: PERMANENT EASEMENT  
P.O.B.: POINT OF BEGINNING

OWNER NAME : DOW CHEMICAL CO. APN 7352-002-017	DATE: 03-24-08
CITY OF TORRANCE	SCALE: AS SHOWN
FOR LOT B, TRACT MAP 7873	DRAWN BY
BK 109, PGS 89 & 100	REV. DATE 8/78
COUNTY OF LOS ANGELES	REV. NO.



# EXHIBIT B



PORTION OF APN. 7352-002-017

PARCEL 5A-P.E.  
PERMANENT STREET EASEMENT

THAT PORTION OF LOT 8, OF TRACT 7873, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 109, PAGES 99 AND 100 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF SAID LOT 8 WITH THE NORTHEASTERLY BOUNDARY OF THAT CERTAIN 15.00 FOOT WIDE PARCEL OF LAND DEEDED BY CHANSLOR-CANFIELD MIDWAY OIL COMPANY TO THE ATCHISON, TOPEKA AND SANTA FE RAIL COMPANY FOR RIGHT OF WAY PURPOSES BY DEED DATED AUGUST 2, 1948 AND RECORDED IN BOOK 28452, PAGE 315 OF OFFICIAL RECORDS OF SAID COUNTY; THENCE ALONG THE NORTHERLY LINE OF LOT 8 SOUTH 89°59'51" EAST, 7.47 FEET; THENCE SOUTH 21°30'09" WEST, 5.34 FEET; THENCE NORTH 48°00'00" WEST, 7.42 FEET TO THE POINT OF BEGINNING.

CONTAINING 19.0 SQUARE FEET OR 0.0004 ACRES MORE OR LESS.

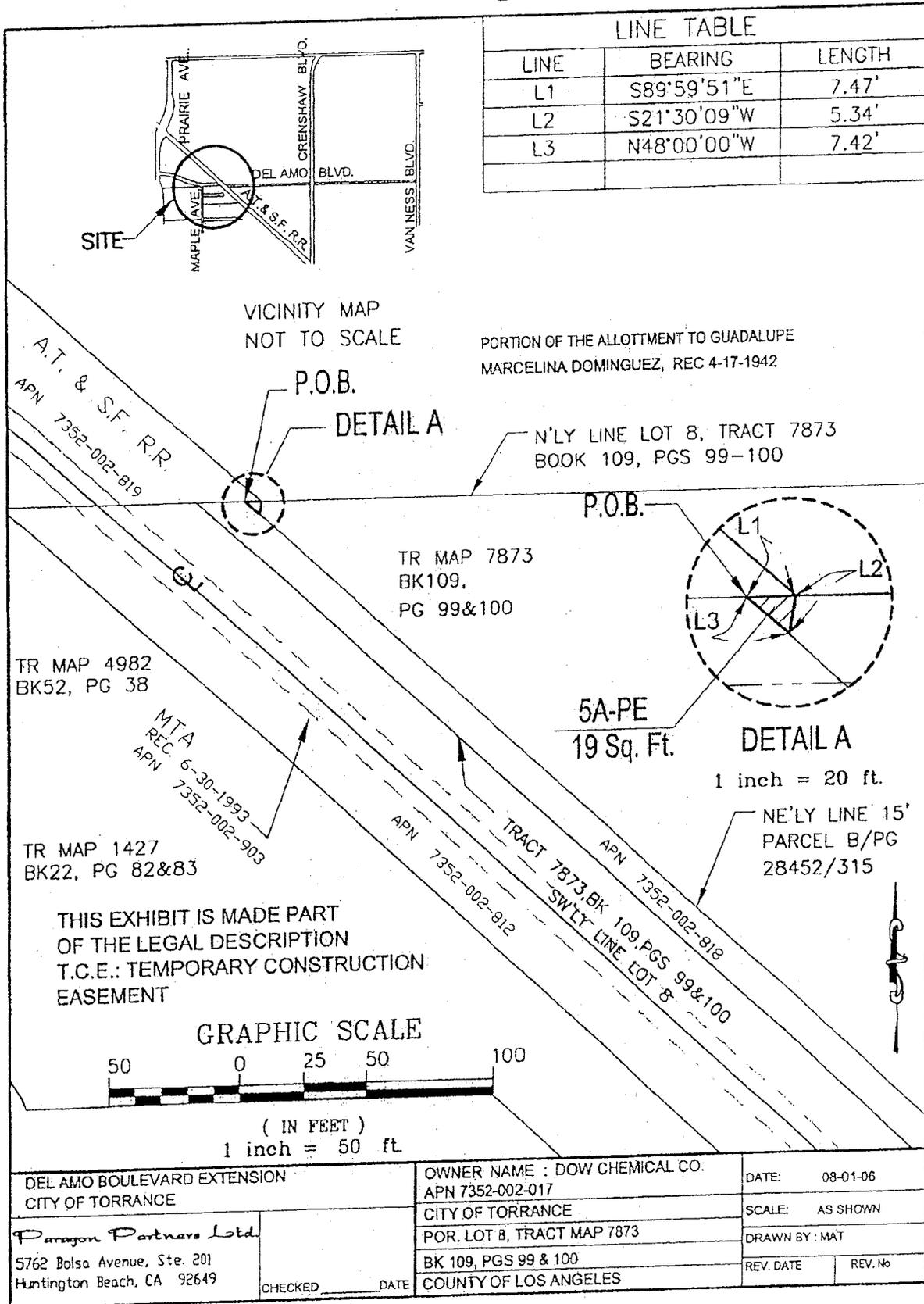
SEE EXHIBIT "C" MAP ATTACHED HERETO AND BY REFERENCE MADE A PART HEREOF.

Prepared by  
Paragon Partners Ltd.  
5762 Bolsa Ave., Suite 201  
Huntington Beach, CA 92649  
714-379-3376

*James M. Rushing* 9/8/06  
James M. Rushing Date  
R.C.E. 28219 Exp. 03/31/08



EXHIBIT "C"



# EXHIBIT C



## TEMPORARY CONSTRUCTION EASEMENT

The temporary construction easement is a nonexclusive easement which permits City of Torrance, its officers, agents, employees, and contractors, to enter upon, occupy, and pass over the temporary construction easement area deemed reasonably necessary for all purposes incidental to the Del Amo Boulevard From Madrona Ave. to Crenshaw Boulevard Project, in accordance with the approved street construction plans (the "Project"). The temporary construction easement shall include the right to perform within the temporary construction easement area, any necessary excavation; grading; earth fill; compaction; installation of concrete forms; landscaping; irrigation; utility; and sign relocation; accommodation of private drainage facilities; and deposit of tools, equipment, and material for all such necessary activities which are reasonably incidental to the work being performed on said property in connection with the Project.

Such incidental activities shall include, but not be limited to, utilizing the temporary construction easement area for adjusting grade differentials between the planned street and the adjoining real property and/or matching existing concrete and/or asphalt paved areas, and/or natural grade areas, or such work as may pertain to on-site improvements by the City to render the temporary construction easement area or the larger parcel to which it pertains in the same functional condition as reasonably practicable to the condition before the Project in terms of access, irrigation, and relation of public right of way improvements to the larger parcel.

The temporary construction easement shall not include the right to store any materials or park any vehicles which are not incidental to the work to be performed on site in connection with the Project, nor to block all vehicular access to the larger parcel of property of which the temporary construction easement area is a part, nor exercise the uses of the easement outside of the temporary construction easement area. In connection with the exercise of the temporary construction easement rights hereunder, and except as may be otherwise indicated on the approved Project plans, City shall protect all structures on the temporary construction easement area in place, and shall protect or restore all improvements thereon.

The rights granted hereunder shall commence thirty (30) days after written notification to the property owner of the commencement of construction of the project and shall continue in full force and effect until written notice to the owner of record that the temporary construction easement is no longer needed by the City, or eighteen (18) months after notice of the initiation of the temporary construction easement, whichever is earlier. Upon termination of the temporary construction easement, the temporary construction easement area shall be restored to a condition that is as functionally equivalent as is practicable to its condition prior to the commencement of the work, consistent with the Project as designed and as to be constructed.



# EXHIBIT D



UTILITY EASEMENT

A non-exclusive easement for the construction, reconstruction, operation, maintenance, repair, and relocation of subsurface public utility and appurtenant facilities, including reasonable access of ingress and egress thereto, including the right to come onto the easement area with such machinery and equipment as may be necessary or convenient to the construction, reconstruction, operation, upgrade, maintenance, relocation, or servicing of such facilities. This nonexclusive easement includes the right to prohibit the owner of the property on which the easement is situated from erecting any structures on or over the easement area, reserving to the owner of the property on which the easement is situated the right to pave the easement area, such that vehicles can pass on or over the easement area, or park upon it. This nonexclusive easement includes the right to prohibit the owner of the property on which the easement is situated from planting or maintaining any trees more than eight feet of height at maturity on the easement area, but the owner of the property on which the easement is situated shall have the right to place other landscaping on and over the easement area, or irrigation devices systems, subject to the prior written consent of the holder of the easement, which consent shall not be unreasonably withheld. In performing any maintenance activities or exercising the repair or relocation rights hereunder, the holder of the easement shall protect in place, or replace in kind, any paving, landscaping, or other improvements placed on the easement area consistent with the terms of this easement.

PORTION OF APN. 7352-002-017

PARCEL 5-U.E.  
UTILITY EASEMENT

THAT PORTION OF LOT 8, OF TRACT 7873, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 109, PAGE 99 AND 100 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTHERLY LINE OF SAID LOT 8 WITH THE NORTHEASTERLY BOUNDARY OF THAT CERTAIN 15.00 FOOT WIDE PARCEL OF LAND DEEDED BY CHANSLOR-CANFIELD MIDWAY OIL COMPANY TO THE ATCHISON, TOPEKA AND SANTA FE RAIL COMPANY FOR RIGHT OF WAY PURPOSES BY DEED DATED AUGUST 2, 1948 AND RECORDED IN BOOK 28452, PAGE 315 OF OFFICIAL RECORDS OF SAID COUNTY; THENCE EAST, 121.31 FEET; THENCE SOUTH 48°00'00" EAST, 20.16 FEET TO THE TRUE POINT OF BEGINNING; THENCE EAST, 826.17 FEET; THENCE SOUTH, 37.35 FEET; THENCE SOUTH 79°00'00" EAST, 304.12 FEET; THENCE SOUTH 89°59'51" EAST, 826.17 FEET; THENCE SOUTH, 37.35 FEET; THENCE NORTH 89°59'51" WEST, 148.61 FEET; THENCE NORTH 84°13'45" WEST, 103.18 FEET; THENCE NORTH 89°59'51" WEST, 577.50 FEET; THENCE NORTH 79°00'00" WEST, 304.12 FEET; THENCE WEST 88.72 FEET TO A POINT ON THE NORTHEASTERLY LINE OF THE RAILROAD RIGHT OF WAY; THENCE NORTH 48°00'00" WEST, 40.36 FEET ALONG SAID NORTHEASTERLY LINE TO THE TRUE POINT OF BEGINNING.

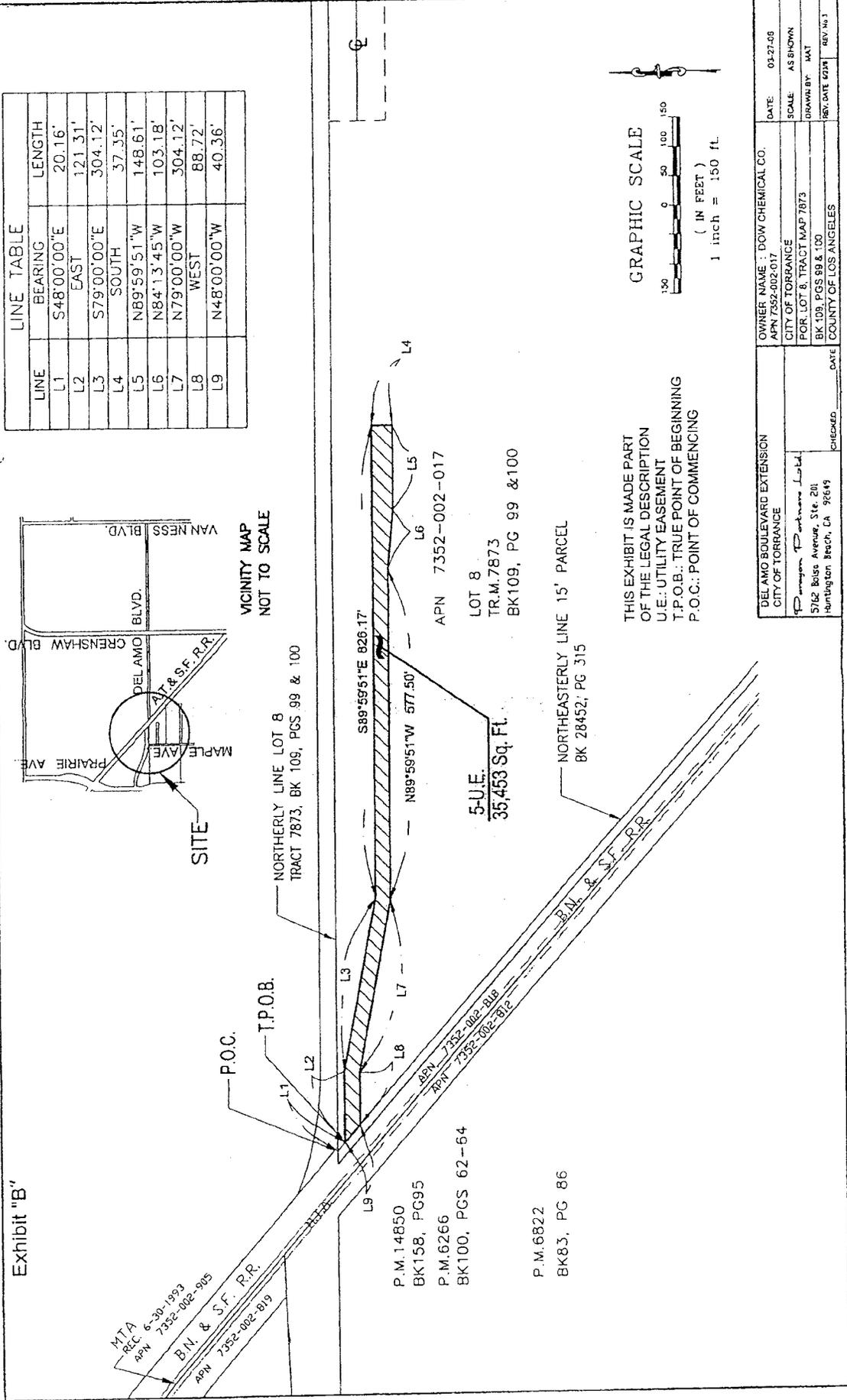
CONTAINING 35,453 SQUARE FEET OR 0.81 ACRES, MORE OR LESS.

SEE EXHIBIT "B" MAP ATTACHED HERETO AND BY REFERENCE MADE A PART HEREOF.

Prepared by  
Paragon Partners Ltd.  
5762 Bolsa Ave., Suite 201  
Huntington Beach, CA 92649  
714-379-3376

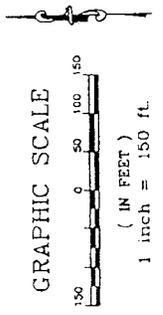


*James M. Rushing* 2/7/06  
James M. Rushing Date  
R.C.E. 28219 Exp. 03/31/08



LINE TABLE		
LINE	BEARING	LENGTH
L1	S48°00'00"E	20.16'
L2	EAST	121.31'
L3	S79°00'00"E	304.12'
L4	SOUTH	37.35'
L5	N89°59'51"W	148.61'
L6	N84°13'45"W	103.18'
L7	N79°00'00"W	304.12'
L8	WEST	88.72'
L9	N48°00'00"W	40.36'

**VICINITY MAP**  
 NOT TO SCALE



THIS EXHIBIT IS MADE PART  
 OF THE LEGAL DESCRIPTION  
 U.E.: UTILITY EASEMENT  
 T.P.O.B.: TRUE POINT OF BEGINNING  
 P.O.C.: POINT OF COMMENCING

BEL AMO BOULEVARD EXTENSION CITY OF TORRANCE <i>Dorsey Park Home Lot</i> 5782 Boise Avenue, S14 E4 Huntington Beach, CA 92649		DATE _____ CHECKED _____
OWNER NAME : DOW CHEMICAL CO. APN 7352-002-017	DATE: 03-27-06	SCALE: AS SHOWN
CITY OF TORRANCE FOR LOT 8, TRACT MAP 7873	DRAWN BY: MAT	REC. DATE 6/30
BK 109, PGS 99 & 100 COUNTY OF LOS ANGELES	DATE _____	REV. No. 1



# EXHIBIT E



## TEMPORARY EASEMENT FOR ON-SITE IMPROVEMENTS

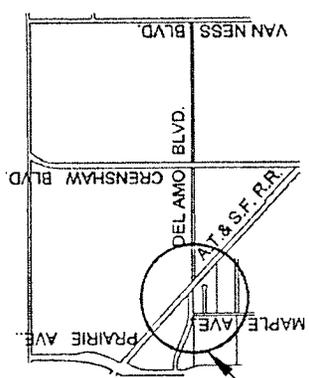
The temporary easement for on-site improvements is a nonexclusive easement which permits City of Torrance, its officers, agents, employees, and contractors, to enter upon, occupy, and pass over the temporary easement area to construct various on-site improvements called for in the Del Amo Boulevard From Madrona Ave. to Crenshaw Boulevard Project, in accordance with the approved street construction plans (the "Project"). Such on-site improvements include the construction of a new 20 foot internal access road, a deceleration lane for vehicle entry and stacking, replacement and relocation of existing perimeter fencing, relocation or widening of existing driveways, and sign relocation. The temporary construction easement shall include the right to perform within the temporary easement area, any activities necessary or convenient to the construction of such on-site improvements, including excavation; grading; earth fill; compaction, installation of concrete forms; landscaping; irrigation; utility relocation; accommodation of private drainage facilities and; and deposit of tools, equipment, and material for all such necessary activities which are reasonably incidental to the work being performed on said property in connection with the Project.

Such incidental activities shall include, but not be limited to, utilizing the temporary easement area for establishing internal roadway alignment, relocating or replacing existing perimeter fencing, modifying driveways for other vehicle entry points to be compatible with the Project, adjusting grade differentials between the planned street and the adjoining real property and/or matching existing concrete and/or asphalt paved areas, and/or natural grade areas, or such work as may pertain to on-site improvements by the City as reflected in the approved construction plans for the Project.

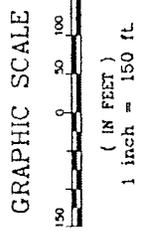
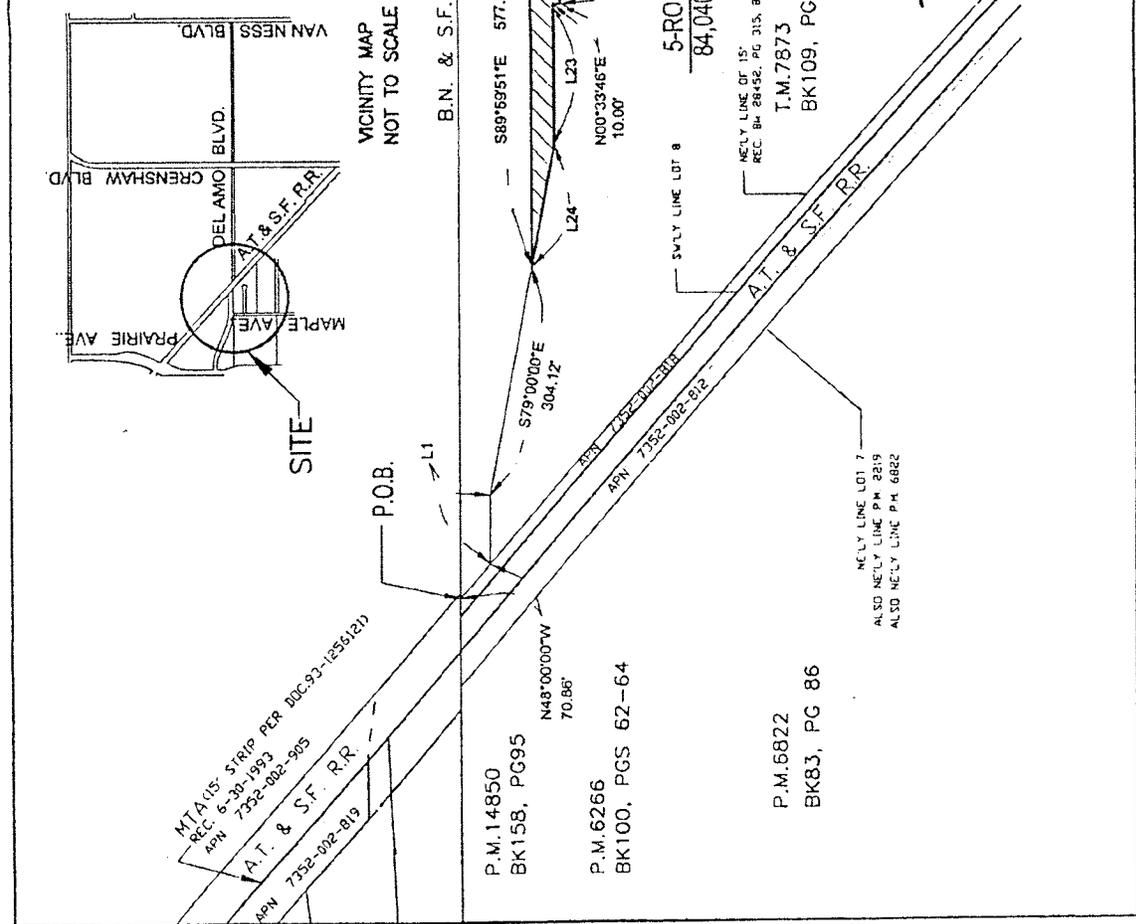
The temporary construction easement shall not include the right to store any materials or park any vehicles which are not incidental to the work to be performed on site in connection with the Project, nor to block all vehicular access to the larger parcel of property of which the temporary construction easement area is a part, nor exercise the uses of the easement outside of the temporary easement area. In connection with the exercise of the temporary construction easement rights hereunder, and except as may be otherwise indicated on the approved Project plans, City shall protect all structures on the temporary construction easement area in place, and shall protect or restore all improvements thereon.

The rights granted hereunder shall commence thirty (30) days after written notification to the property owner of the commencement of construction of the project and shall continue in full force and effect until written notice to the owner of record that the temporary construction easement is no longer needed by the City, or eighteen (18) months after notice of the initiation of the temporary construction easement, whichever is earlier. Upon termination of the temporary easement, the temporary easement area shall be restored to a condition that is as functionally equivalent as is practicable to its condition prior to the commencement of the work, consistent with the Project as designed and as to be constructed.

LINE TABLE			LINE TABLE		
LINE	BEARING	LENGTH	LINE	BEARING	LENGTH
L1	WEST	88.72'	L13	S00°02'24"E	17.49'
L2	S00°34'10"E	28.57'	L14	N89°53'42"W	64.95'
L3	S84°13'45"E	102.97'	L15	N00°30'21"E	49.09'
L4	NORTH	148.61'	L16	N36°09'08"W	28.18'
L5	S00°34'10"E	28.57'	L17	WEST	135.64'
L6	N89°59'51"W	109.93'	L18	S29°15'57"W	85.26'
L7	S00°08'09"E	44.94'	L19	NORTH	29.38'
L8	S89°39'31"E	100.55'	L20	N00°00'09"E	29.43'
L9	SOUTH	49.89'	L21	S00°33'46"W	10.00'
L10	WEST	7.00'	L22	N89°59'51"W	26.03'
L11	N14°54'41"W	51.46'	L23	N89°59'51"W	188.42'
L12	N89°48'37"W	44.83'	L24	N79°01'38"W	163.87'



VICINITY MAP  
NOT TO SCALE



R.O.E.: RIGHT OF ENTRY  
P.O.B.: TRUE POINT OF BEGINNING

APN 7352-002-017

REC. BY 28452, PG 315, 9-2-48  
T.M. 7873  
BK109, PG99&100

P.M. 6822  
BK83, PG 86

NE'LY LINE LOT 7  
ALSO NE'LY LINE P.M. 2819  
ALSO NE'LY LINE P.M. 6822

OWNER NAME : DOW CHEMICAL CO APN 7352-002-017	DATE 03-29-06
CITY OF TORRANCE	SCALE AS SHOWN
FOR LOT 8, TRACT MAP 7873	DRAWN BY
BK 109, PGS 99 & 100	REV. DATE
COUNTY OF LOS ANGELES	REV. NO
CHECKED _____ DATE _____	

DEL AMO BOULEVARD EXTENSION  
CITY OF TORRANCE  
P. M. 7873  
3762 Ineta Avenue, Ste. 201  
Huntington Beach, CA 92649

# EXHIBIT F



Exhibit F – Site Improvements

## Improvements in Take Area\*:

Asphalt Paving:	\$57,404.81
Gravel:	\$29,850.50
Grass:	\$1,219.51
Perimeter Chain Link Fence w/ 3-Strand & Coiled Barbed Wire:	\$19,642.30
Trees:	\$10,087.88
Recreation Field Fence:	\$2,130.56
Playground Equipment:	\$4,675.65
Recreation Field Bench:	\$3,586.80
<b>Total Improvements:</b>	<b>\$128,598.01</b>

\*Site improvements were valued using unit values of each components, and calculated using cost estimates from the Marshall Valuation Services. Physical depreciation of the site improvements was estimated to be at 50%. Landscaping improvements were not depreciated.



# EXHIBIT G



Exhibit G - Appraisal Summary (Partial Take)

Project:	Del Amo Extension
Owner of Record:	Dow Chemical Company
Location:	305 Crenshaw Boulevard, Torrance, California
Assessor Parcel Number(s):	7352-002-017
Property Type:	Industrial
Zoning:	M2- Heavy Manufacturing District
Improvements:	Industrial – Warehouse / Manufacturing with Office
Highest & Best Use:	<u>As Vacant</u> – Industrial <u>As Improved</u> – Land, Interim Use as Improved
Date of Value:	September 29, 2008
Date of Inspection:	September 29, 2008
Date of Report:	October 1, 2008
Property Rights Appraised:	
Larger Parcel:	Fee simple
Part Taken:	5 parcels being acquired in easements
Site:	
Larger Parcel:	Irregularly shaped site with a total area of ±51.66 acres (2,250,309 SF).
Part Taken:	The part taken is generally irregular in shape. Area being taken is as follows: <ul style="list-style-type: none"> <li>• 5-P.E. – Permanent Roadway Easement: This is a 109,670 square foot permanent easement for purposes of extending Del Amo Boulevard. The parcel is trapezoidal in shape and extends along the northerly boundary of the subject property. The parcel has a maximum depth of 71.59 feet and a maximum length of 1,715.79 feet. The term of easement is perpetual</li> <li>• 5A-P.E. – Permanent Roadway Easement: This is a 19 foot permanent easement, triangular in shape,</li> </ul>

located at the northwest corner of the subject property. The term of the easement is perpetual.

- 5A-U.E. – Utility Easement: This is an approximately 35,453 square foot, irregularly shaped area to be used for utilities along the northern subject lot line. The term of the subsurface easement is perpetual.
- 5B-T.C.E. – Temporary Construction Easement: This is a 10,675 square foot temporary construction easement needed for equipment and labor access and storage during the construction of the project. The rights to the TCE are temporary and valued at a term of 18 months.
- 5-R.O.E. – (Temporary) Right of Entry Easement: This is a 84,040 square foot right of entry easement, irregular in shape, and needed for equipment and labor access during the construction of the project. The rights to the ROE are temporary and valued at a term of 18 months.

#### Easement Summary

ID	Type	SqFt
5-P.E.	Permanent Roadway Easement	109,670
5A-P.E.	Permanent Roadway Easement	19
5A-U.E.	Utility Easement	35,453
5B-T.C.E.	Temporary Construction Easement	10,675
5-R.O.E.	Right of Entry	84,040

## Improvements:

Improvements in Take Area<sup>1</sup>:

Asphalt Paving:	\$57,404.81
Gravel:	\$29,850.50
Grass:	\$1,219.51
Perimeter Chain Link Fence w/ 3-Strand & Coiled Barbed Wire:	\$19,642.30
Trees:	\$10,087.88
Recreation Field Fence:	\$2,130.56
Playground Equipment:	\$4,675.65
Recreation Field Bench:	\$3,586.80
<b>Total Improvements:</b>	<b>\$128,598.01</b>

Fair Market Value of Larger Parcel:	\$78,760,815
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## Summary of Estimated Just Compensation:

## Value of Parts Taken:

Permanent Roadway Easement (5-P.E.):	\$3,838,450
Permanent Roadway Easement (5A-P.E.):	\$665
Utility Easement (5-U.E.):	\$310,214
Temporary Construction Easement (5B-T.C.E.):	\$56,044
Right of Entry (5-R.O.E.):	\$441,210
Improvements:	\$128,598
Severance Damages to Remainder:	None
<u>Benefits:</u>	<u>None Quantified</u>
<b>Total Estimated Just Compensation (rounded)<sup>2</sup>:</b>	<b>\$4,775,000</b>

The appraiser used the Sales Comparison Approach to value the larger parcel. Applicable sales data upon which the Sales Comparison Approach analysis was based is attached under the Comparable Land Sales Summary. The appraiser did not use an Income Capitalization approach, because of the conclusion of highest and best use of interim use for

<sup>1</sup> Site improvements were valued using unit values of each components, and calculated using cost estimates from the Marshall Valuation Services. Physical depreciation of the site improvements was estimated to be at 50%. Landscaping improvements were not depreciated.

<sup>2</sup> It is a hypothetical condition of the appraisal that the subject property larger parcel is not environmentally contaminated, which might have an effect on the reported assignment result. The site has been valued as "if unimpaired."

the existing improvements. The Reproduction Cost less Depreciation approach was not used for the same reason, and due to the age of the building improvements on the site.

Fair Market Value, as used in the appraisal, is ... "the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for doing so, nor obliged to sell, and a buyer, being ready, willing and able to buy but under no particular necessity for so doing; each dealing with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available." (Code of Civil Procedure Section 1263.320.)

Pursuant to State law, any decrease or increase in the value of the property to be acquired prior to the date of valuation caused by the public improvements or project for which the property is to be acquired, or by the likelihood that the property would be acquired for such an improvement or project, other than that due to physical deterioration within the reasonable control of the owner, has been disregarded by the appraiser in making the determination of the fair market value of the property.

In reaching the conclusion on fair market value, the appraiser has given full and careful consideration to the highest and best use for the property and to all features inherent in the property affecting its market value. A narrative summary of the factors and supporting discussion regarding the appraiser's conclusions of severance damage is attached hereto.

This summary of the basis of the amount offered as just compensation is presented in compliance with federal and state laws and has been derived from a formal appraisal prepared by an independent fee appraiser, Orell C. Anderson, MAI, which includes supporting sales data and other documents, which are attached hereto

## Comparable Land Sales Summary

Sale No.	Location	Size (Acres)	Sale Date	Sale Price	\$/SqFt	Overall Analysis	Indicated Value for the Subject Property
1	N. Side Jack Northrop Ave, between Prairie & Crenshaw	86.99	07/25/05	\$61,000,000	\$16.10	Inferior	More than \$16.10
2	S. Side Lomita Blvd, E of Garnier Street	23.60	05/02/06	\$42,127,000	\$40.98	Superior	Less than \$40.98
3	N. Side 190 <sup>th</sup> St, W. of I-110	11.09	03/01/07	\$11,500,000	\$23.81	Inferior	More than \$23.81
4	NEC Western Ave & Francisco Street	14.00	03/09/07	\$19,000,000	\$31.16	Inferior	More than \$31.16
5	E Side Arden Dr, N of Valley Blvd	27.00	11/14/07	\$33,000,000	\$28.06	Inferior	More than \$28.06
6	NEC Mount Vernon Ave & Humane Way	19.14	11/14/07	\$18,900,000	\$22.67	Inferior	More than \$22.67
7	NEC Lomita Blvd & Early Ave	15.49	06/23/08	\$31,600,000	\$46.83	Superior	Less than \$46.83



# EXHIBIT H



### **Exhibit H - Severance Damages**

The Remaining Parcel resulting from the severance of the Parts Taken is smaller in size by 109,689 square feet. In the after condition, the Remaining Parcel continues to have an irregular shape that is similar to the shape of the larger parcel.

Ingress and egress to the Remaining Parcel will be enhanced. The Remaining Parcel, as a result of the project, will have two additional points of access, including a deceleration lane for truck staging. Internal site circulation will be improved with the widening of the service road to accommodate two-way traffic. The Remaining Parcel will also have additional arterial street frontage.

Overall site utility, zoning, flood zoning, and utilities available will remain unchanged. The project will improve site drainage, especially those areas of the Remaining Parcel that abut the new thoroughfare.

The development of the Remaining Parcel will remain unimpaired. The development potential of the Remaining Parcel will be the same in the after-condition.

Based upon an analysis of the engineering and planning information, a physical examination of the property, it is concluded that the acquisition and construction of the project in the manner proposed will result in no measurable impact on the remaining real property or property rights.

### **Curative Work**

None needed to restore the functional utility of the Remaining Parcel.



# EXHIBIT I



**Exhibit I – California Code of Civil Procedure 1263.510**

**1263.510.** (a) The owner of a business conducted on the property taken, or on the remainder if the property is part of a larger parcel, shall be compensated for loss of goodwill if the owner proves all of the following:

(1) The loss is caused by the taking of the property or the injury to the remainder.

(2) The loss cannot reasonably be prevented by a relocation of the business or by taking steps and adopting procedures that a reasonably prudent person would take and adopt in preserving the goodwill.

(3) Compensation for the loss will not be included in payments under Section 7262 of the Government Code.

(4) Compensation for the loss will not be duplicated in the compensation otherwise awarded to the owner.

(b) Within the meaning of this article, "goodwill" consists of the benefits that accrue to a business as a result of its location, reputation for dependability, skill or quality, and any other circumstances resulting in probable retention of old or acquisition of new patronage.

(c) If the public entity and the owner enter into a leaseback agreement pursuant to Section 1263.615, the following shall apply:

(1) No additional goodwill shall accrue during the lease.

(2) The entering of a leaseback agreement shall not be a factor in determining goodwill. Any liability for goodwill shall be established and paid at the time of acquisition of the property by eminent domain or subsequent to notice that the property may be taken by eminent domain.



## NOTIFICATION OF RIGHT TO CLAIM LOSS OF BUSINESS GOODWILL

The City of Torrance ("City") wishes to acquire a portion of the property situated at **305 Crenshaw Boulevard, California** for the purpose of the Del Amo Boulevard extension from Madrona Avenue to Crenshaw Boulevard project. You have received this "Notification of Right to Claim Loss of Business Goodwill" because you have been identified as the owner of the property. In certain circumstances, the owner of a business operating on property subject to eminent domain may be entitled to claim compensation for loss of business goodwill, when it can be shown the loss is caused by the acquisition of property by the acquiring public entity, or by the project for which the property is sought to be taken. The City's offer of just compensation accompanying this notice does not include any amounts for loss of business goodwill. If you own or operate a business on the property which is the subject of this offer letter, you are requested to review this "Notification of Right to Claim Loss of Business Goodwill," and the "Claim for Loss of Business Goodwill," and "Loss of Business Goodwill Questionnaire" attached hereto. If you do not own or operate a business on the property, but know of a person or entity who does, you are requested to notify the City with the name, phone number, and address of such person or entity, so that these forms can be forwarded to the appropriate party.

State law allows a party to claim business goodwill losses under appropriate circumstances. If you believe your case presents such circumstances, you are requested to review this document, and review and complete the attached "Claim of or Loss of Goodwill" and "Loss of Business Goodwill" questionnaire.

California law provides that under the circumstances detailed below, a business owner may be compensated for a loss of goodwill. Section 1263.510 of the California Civil Code of Procedure states:

- (a) The owner of a business conducted on the property taken, or on the remainder if such property is part of a larger parcel, shall be compensated for loss of goodwill if the owner proves all of the following:
  1. The loss is caused by the taking of the property of the injury to the remainder.
  2. The loss cannot reasonably be prevented by a relocation of the business or by taking steps and adopting procedures that a reasonably prudent person would take and adopt in preserving the goodwill.
  3. Compensation for the loss will not be included in payments under Section 7262 of the Government Code.<sup>1</sup>

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<sup>1</sup> Section 7262 of the Government Code refers to compensation to displaced persons for moving and related expenses as a part of the cost of the acquisition of real property for a public use. Compensation for the loss of goodwill under Section 1263.510 of the California Civil Code of Procedure will only be made to the extent such loss is not compensated for under Section 7262. For more information regarding a business owner's eligibility for payments under the Relocation Assistance Program, please call the City.

4. Compensation for the loss will not be duplicated in the compensation otherwise awarded to the owner.
- (b) Within the meaning of this article, "goodwill" consists of the benefits that accrue to a business as a result of its location, reputation for dependability, skill or quality, and any other circumstance resulting in probable retention of old or acquisition of new patronage.

If you wish to file a claim for loss of goodwill at this time, please complete, sign, and return the attached Claim for Loss of Business Goodwill and Loss of Business Goodwill Questionnaire within sixty (60) days of the date of this notice. In addition, please submit the information requested below. This information will assist the City in completing an analysis concerning the claim for a loss of goodwill. However, if you wish to wait until a later date to make a claim for loss of goodwill, please send us the claim, questionnaire and the other requested information at that time.

1. State of California Income Tax Returns

The law places the burden upon the business owner to provide state tax returns pertaining to the business to support the claim for loss of goodwill. Please supply true copies of your State of California tax returns for the last five tax years, or your period of ownership if less than five years.

2. Business Financial Statements

Please provide true copies of your Balance Sheets, Profit and Loss Statements and/or Cash Flow Statements for the current year to date and each of the prior five years or your period of ownership, if less than five years.

3. Tangible Assets

Include a list of the furniture, fixtures, machinery and equipment belonging to your business.

4. Intangible Assets

Include a list of such assets as patents, liquor licenses, etc.

5. Business Purchase Documentation

If you have purchased the business within the last five years, please provide true copies of documentation (escrow instructions, purchase agreement, bill of sale, etc.) which provide details of the transaction including financing, the assets purchased, agreements not to compete, and how the total purchase price was allocated to inventory, fixtures, equipment, licenses, goodwill, etc.

A loss of goodwill analysis and valuation normally includes a personal interview with the business owner. An interview will be scheduled after we receive the requested information.

**CLAIM FOR LOSS OF BUSINESS GOODWILL**

Business: \_\_\_\_\_

Business Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

This form and the attached completed, signed questionnaire with tax returns and other supporting documentation constitute formal notification to the City of Torrance, that the owner(s) of the above business entity contend(s) that the business will suffer a compensable loss of business goodwill due to its displacement or disruption by the proposed project.

1. Our estimate of total goodwill is \$\_\_\_\_\_.
2. Our estimate of the compensable loss of goodwill is \$\_\_\_\_\_.
3. The loss of goodwill after taking measured to minimize the loss is caused by:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
4. The following measures will minimize the loss of goodwill:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The undersigned owner or duly authorized officer has executed this notification on behalf of this business operation.

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Date

Title:

Address: \_\_\_\_\_  
\_\_\_\_\_

## LOSS OF BUSINESS GOODWILL QUESTIONNAIRE

Business Owner: \_\_\_\_\_  
 Business Name: \_\_\_\_\_  
 Business Address: \_\_\_\_\_

Type of  
 Ownership: \_\_\_\_\_

Business Identification Number: \_\_\_\_\_

1. What type of business do you operate? What type of products are sold or manufactured? What type of services are provided or sold?
2. When was the business started?
3. When did you obtain ownership of the business?
4. How long has the business been at the above address?
5. What type of clientele does the business have? Do you have key customers or clients?
6. From what geographic area does the business draw its patronage? What percentage of the business volume is drawn from each of those areas?
7. Does the business operate at any other location? If so, where and what percentage of total business volume is generated from each of the other locations?
8. Is the business part of a chain? Is it a franchise? If so, provide details including fees, marketing agreements, etc.
9. Who are the business's major competitors? Where are they located?

(If more room is needed for any answers, please insert additional sheets and continue by number.)

10. How many days a week is the business open? What are its hours of operation?
11. How many persons are employed by the business? Please provide the following?

<u>Position</u>	<u>Days/Week Worked</u>	<u>Hours/Week Worked</u>	<u>Pay</u>
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Owner

Manger

Others (list by job title)

12. What were the main factors you considered in operating your business at the present location? What are the locations' advantages? Disadvantages?
13. What improvements did you make to the present location in order to open for business?
14. If you are a tenant, to what improvements do you claim ownership?
15. Were there any special requirements to open for business, e.g., rezoning, permits, special use permits, health and safety permits, environmental report, etc.? Please provide details.
16. What area of the entire property does your business occupy?

Land \_\_\_\_\_ sq. ft.

Improvements \_\_\_\_\_ sq. ft.

17. If you are a tenant of the area you lease, how much, if any, is not used in your current business operation?

Land \_\_\_\_\_ sq. ft.

Improvements \_\_\_\_\_ sq. ft.

18. What future plans (expansion, etc.) do you have for the business? Please give specifics.
19. Did you have any prior plans to relocate the business? If so, where and when?
20. What would be your site and building requirements at a new location?
- Type of building (freestanding, strip center, storefront, etc.):
  - Building size:
  - Site size:
  - Site distance from existing location:
  - Parking requirements:
  - Utility requirements:
  - Loading docks? Truck? Rail?

- H. Other special plant, service, or locational needs:
- I. Monthly rental (range):

21. Describe what problems, if any, you foresee in re-establishing the business?
22. Have you looked for or found a replacement location because of the State's project? Have you made any relocation plans? If so, provide details.
23. What, in your opinion, is the market value that a knowledgeable buyer would pay for your present business? Allocate as follows:
  - Value of the tangible assets: \$
  - Value of the intangible assets: \$
  - Value of the goodwill: \$
  - Total value: \$
24. What is your estimate of loss of the goodwill which may result from relocation or disruption of your business?
25. What do you believe would cause this loss of goodwill? Do you believe the loss would be temporary or permanent?
26. What reasonable steps can you take to avoid or reduce this loss of goodwill?
27. How would you perform these steps?
28. What do you think the cost of these steps would be?

If you have already relocated or will remain at the existing location but have suffered a disruption in your business at the time you submit your claim, please answer the following questions:

1. The address of the new location (if applicable).
2. Date business closed at the old location and the opening date at the new location.
3. Price paid for new location or copy of lease/rental agreement.
4. Improvements made and their individual cost in order to reopen (or continue) business.
5. In its relocated or disrupted state, what area of the entire property does your business occupy?

Land \_\_\_\_\_ sq. ft.  
 Improvements \_\_\_\_\_ sq. ft.

6. Hours of operation at the new location.
7. How many persons are employed in your relocated or disrupted business? Please provide the following:

<u>Position</u>	<u>Days/Week Worked</u>	<u>Hours/Week Worked</u>	<u>Pay</u>
Owner			
Manger			
Others (list by job title)			

8. Market area served at new or disrupted location.
9. Customers lost, if any at new or disrupted location.
10. Number of new customers at new or disrupted location.

Please include the signature of person preparing the answers to this questionnaire and nature of interest in the business.

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Interest: \_\_\_\_\_

EMINENT DOMAIN  
Information Pamphlet Provided by City of Torrance  
(SB 698)

## I. Introduction

Eminent domain is the power of the government to purchase private property for a “public use” so long as the property owner is paid “just compensation.” The decision to acquire private property for a public project usually involves many persons and many decisions. The final decision to proceed with a project that requires acquisition of private property is made by the public agency after a thorough review of the project, which often includes public hearings. Whenever feasible, the public agency tries to avoid use of the eminent domain power by acquiring needed properties through negotiation, but sometimes it is necessary.

This pamphlet provides general information about the eminent domain process and the rights of property owners and tenants in that process.

- **What is a “public use”?**

A “public use” is a use which concerns or benefits a broad segment of the community or promotes the general interest in relation to government objectives like public health and safety. Public uses include a wide variety of projects such as street improvements, construction of water pipelines or storage facilities, construction of civic buildings, redevelopment of blighted areas, and flood control improvements to increase flood protection.

- **What is “just compensation”?**

Just compensation is the fair market value of the property being acquired by the government. The statutory definition of fair market value is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.

## II. The Eminent Domain Process and Your Rights

The eminent domain process begins with a public use project. When selecting a project location, the goal is to render the greatest public good and the least private injury or inconvenience. If it is determined that all or a portion of your property may be necessary for a public use project, the public agency will begin the appraisal process to determine the property’s fair market value.

- **How is the fair market value of the property determined?**

The public agency will hire an independent, accredited appraiser familiar with local property values to appraise your property. The appraiser will invite you to accompany him or her during an inspection of your property. Information about improvements and any special features you believe may affect the value of your property should be given to the appraiser. It is in your best interest to provide the appraiser with all the useful information you can in order to ensure that nothing of value will be overlooked. If you are unable to meet with the appraiser, you may wish to have a person who is familiar with your property meet with the appraiser instead.

After the inspection, the appraiser will complete an appraisal that will include the appraiser’s determination of your property’s fair market value and the information upon which the fair market value is based. The appraiser will provide the public agency with the appraisal. The public agency will then contact you with a written offer for your property along with a summary of the appraisal. The public agency must show you a copy of the full appraisal if your property is an owner-occupied residential property of four or less residential units. The offer will be for no less than the amount of the appraisal.

- **What factors does the appraiser normally consider in determining fair market value?**

Each parcel of real property is different and, therefore, no single formula can be used to appraise all properties. Among the factors an appraiser typically considers in estimating fair market value are:

- The location of the property;
- The age and condition of improvements on the property;
- How the property has been used;
- Whether there are any lease agreements relating to the property;
- Whether there are any environmental issues, such as contaminated soil;
- Applicable zoning and land use requirements;
- How the property compares with similar properties in the area that have been sold recently;
- How much it would cost to reproduce the buildings and other structures, less any depreciation; and
- How much rental income the property produces, or could produce if put to its highest and best use.

- **Will the public agency make an offer to acquire the property?**

If the public agency decides to make an offer for purchase of your property, it is required to provide you with its purchase offer in writing, with a summary of the appraiser's opinion which is the basis for the offer. Among other things, this summary (called a "statement of the basis") must include:

- A general statement of the public agency's proposed use for the property;
- An accurate description of the property to be acquired;
- A list of the improvements covered by the offer; and
- The amount of the offer.

- **Can I have my own appraisal done?**

Yes. You may decide to obtain your own appraisal of the property in negotiating the fair market value with the public agency. At the time of making its initial offer to you, the public agency must offer to reimburse you the reasonable costs, not to exceed \$5,000, of an independent appraisal of your property. The independent appraisal must be conducted by an appraiser licensed by the State of California Office of Real Estate Appraisers. If you wish to claim the reimbursement, City policy requires you to provide it a copy of the contract with the appraiser for the appraisal obtained.

- **What advantages are there in selling my property to the public agency?**

A real estate transaction with the public agency is handled in the same way as the sale of private property. However, there may be a financial advantage to selling to the public agency.

- You will not be required to pay for title costs, preparation of documents, title policy or recording fees required in closing the sale. The public agency will pay all these costs. You may be required to pay the costs of appraisals or title policy endorsements required to clear deeds of trust or other encumbrances you may have on your title.
- Although the public agency cannot give you tax advice or direction, you might also be eligible for certain tax advantages:

In some cases, if the money you receive from the public agency is used to buy a similar property within a limited period of time, you may not have to pay income tax or capital gains tax on the sale. You should check with the Internal Revenue Service (IRS) for details or consult your personal tax advisor.

There may be property tax advantages for a replacement property so long as the purchase price of the replacement property does not exceed 120 percent of the sales price paid by the public agency for your property. Again, consulting with a tax professional is recommended.

- **If only a portion of my property is taken, will I be paid for the loss to my remaining property?**

In general, when only a part of your property is needed, every reasonable effort is made to ensure you do not suffer a financial loss to the "remainder" property. The public agency will pay you the fair market value of the property being taken as well as compensation for any loss in value found by its appraiser to your remaining property that are not offset by the benefits conferred by the project. The compensation for the loss in value to your remaining property is often referred to as "severance damages."

- **Will I be compensated for loss of goodwill to my business?**

If you are the owner of a business that is legally conducted on the property being taken, you may have a right to compensation for the value of business goodwill lost as a result of the public agency's project for which the property is being acquired. "Goodwill" consists of the benefits that accrue to a business as a result of its location, reputation for dependability, skill or quality, and any other circumstances resulting in probable retention of old or acquisition of a new patronage. State law requires any party claiming loss of business goodwill to make its state tax returns available for examination on the basis of the claim.

- **What will happen to the loan on my property?**

Once the purchase price is agreed upon, payment to satisfy outstanding loans or liens will be made out of the purchase price, either directly by the City or through a title company, as in any other real estate transaction.

- **Do I have to sell at the price offered?**

No. If you and the public agency are unable to reach an agreement on a mutually satisfactory price, you are not obligated to sell.

- **If I agree to accept the public agency's offer, how soon will I be paid?**

If you reach a voluntary agreement to sell your property and your ownership (title) is clear, payment will be made at a mutually acceptable time. Generally, this should be possible within 30 to 60 days after you sign a purchase contract.

- **What happens if we are unable to reach an agreement on the property's fair market value?**

The public agency, to the greatest extent practicable, will make every reasonable effort to acquire your property by negotiated purchase. If, however, the negotiations are unsuccessful, the public agency may file an eminent domain action in a court located within the same county where your property is located. An eminent domain lawsuit is a proceeding by which a public entity exercises its power to acquire property by eminent domain.

The first step is for City staff to request authority from the governing board of the public agency to file a condemnation action. The approval from the governing board is called a "Resolution of Necessity" ("RON"). In considering whether to adopt the RON, the governing board must determine whether the public interest and necessity require the project, whether the project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury, and whether your property is necessary for the project. You will be given notice and an opportunity to appear before the governing board when it considers whether to adopt the RON. You may wish to consult legal counsel prior to the hearing on the RON, because failure to object to the taking of your property at the hearing could potentially bar you from challenging the right to take your property at a later date in the condemnation proceedings.

If the governing board adopts the RON, the public agency can file a complaint to acquire title to the property upon payment of the property's fair market value. The public agency is the plaintiff and anyone with a legal interest in the property, as determined from a title report on the property, are normally named as defendants. Often, the public agency will also deposit the amount of the offer it made to you with the State Treasurer.

- **Can the public agency acquire possession of my property before an agreement is reached as to the property's fair market value?**

In some cases, the public agency may decide it needs possession of the property before the property's fair market value is finally determined. In such a case, the public agency must apply to the court for an "order for possession" to allow it to take possession and control of the property prior to resolution of the property's fair market value. The public agency is required to schedule a hearing with the court on the proposed order for possession and give you notice of the hearing. Notice must generally be sent 90 days before the hearing date if the property is occupied and 60 days before the hearing date if the property is unoccupied. A judge will decide whether the order for possession should be granted.

- **Can I oppose the motion for an order for possession?**

Yes. You may oppose the motion in writing by serving the public agency and the court with your written opposition within the period of time set forth in the notice from the public agency, and applicable statutes.

- **Will I receive assistance with relocation?**

Qualified persons, businesses, or farm operations displaced as a result of public property acquisition are entitled to relocation advisory and financial assistance for eligible relocation expenses, such as moving expenses. The amount of relocation compensation is determined on a case-by-case basis in accordance with prescribed law. Relocation benefits are handled separate and apart from the determination of the property's fair market value, and are not part of the eminent domain process.

- **Can I withdraw the amount deposited with the State Treasurer before the eminent domain action is completed, even if I don't agree that the amount reflects the fair market value of my property?**

Yes. Subject to the rights of any other persons having a property interest (such as a lender or co-owner), you may withdraw the amount deposited with the State Treasurer before the eminent domain action is completed. If you withdraw the amount on deposit, you may still seek a higher fair market value during the eminent domain proceedings, but you may not contest the right of the public agency to take the property, meaning you cannot contest that the taking of your property is for a public purpose.

- **What happens in an eminent domain trial?**

The purpose of an eminent domain trial is to determine the fair market value of your property, including compensable interests such as lost business goodwill caused by the taking. The trial is usually conducted before a judge and jury. Both the property owner and the public agency will have the opportunity to present evidence of value, and the jury will determine the property's fair market value. In cases where the parties choose not to have a jury, the judge will decide the property's fair market value.