

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

Members of the Council:

SUBJECT: City Manager – Accept donation of property from Chevron U.S.A., Inc. (APN 7359-002-031)

RECOMMENDATION

Recommendation of the City Manager that the City Council authorize the Mayor to Execute and the City Clerk Attest to:

- A revised Grant Deed with Use Restrictions from Chevron U.S.A., Inc. to the City of Torrance for property located at the corner of Madrona and Sepulveda for inclusion into the Madrona Marsh preserve (APN 7359-002-031).

Funding

Funding is not required for this transaction.

BACKGROUND AND ANALYSIS

The subject property is a vacant parcel located adjacent to the Madrona Marsh preserve (Marsh). The site is owned by Chevron U.S.A., Inc. (Chevron) and was utilized until the early 1970's as a gas station. The tanks were removed and the property has been vacant since that time.

The property is 24,742 square feet and was valued at \$720,000 in June of 2007.

An item was brought to the City Council on July 15, 2008 to accept the property. During the staff presentation it was noted that there were pipelines running through the property. It was determined at that meeting that either a separate easement document would come back before the City Council or the Deed would be revised to memorialize and record the easements with the Deed itself. City staff and Chevron staff have finalized a revised Grant Deed that includes the pipeline easement.

GRANT DEED WITH USE RESTRICTIONS

The Grant Deed included for approval and execution includes use restrictions that are recommended by staff. The property is to be used as passive open space and to be preserved for its natural and scenic qualities. The area is to be used for public use and enjoyment. The Grant Deed allows for the construction of a passive water treatment system to enhance the treatment of storm water and urban runoff into the adjacent Madrona Marsh Nature Preserve, including the installing of conduit and piping for electrical and irrigation, footings for fencing and signage, landscaping and rock work inclusive of appurtenances for pathways, walkways and berms.

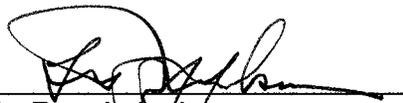
Respectfully submitted,

LeROY J. JACKSON
CITY MANAGER

By 

Brian K. Sunshine
Assistant to the City Manager

CONCUR:



LeRoy J. Jackson
City Manager

Attachments:

- A. Grant Deed with Use Restrictions; Pipeline Easement
- B. Council Item July 15, 2008
- C. Supplemental Material July 15, 2008

Recording Requested By and
When Recorded Mail To:

Michael L. Armstrong
Chevron Products Company
145 South State College Blvd.
Brea, CA 92821

GRANT DEED WITH USE RESTRICTIONS; PIPELINE EASEMENT

CHEVRON U.S.A. INC., a Pennsylvania corporation and successor in interest to Standard Oil Company of California, a corporation (“Grantor”), hereby agrees to grant to THE CITY OF TORRANCE, a California Charter City located in the County of Los Angeles, State of California (“Grantee”), certain real property described herein, subject to the covenants and use restrictions set forth below.

RECITALS

GRANTOR is the sole owner of the real property located in Los Angeles County, California, fully described in Exhibit A hereto, which exhibit is attached to and made a part of this grant deed by this reference, together with all buildings, structures, fixtures, equipment, improvements and personal property located thereon (the “Property”); and

GRANTOR and GRANTEE agree and acknowledge that the Property has significant natural and scenic value to the general public, that it currently exists in an essentially unimproved, natural state, that it harbors a diversity of plant and animal life in a broad range of habitats (the Property’s “Natural and Scenic Qualities”), that it has great importance to Grantor, Grantee, and to the general public, and that it is worthy of perpetual preservation for public use and enjoyment; and

GRANTOR desires to grant the Property to Grantee to ensure that the Property’s Natural and Scenic Qualities are forever preserved for public use and enjoyment; and

GRANTEE plans, among other things, to construct a passive water treatment system on the Property to enhance the treatment of storm water and urban runoff into the adjacent Madrona Marsh Nature Preserve, including installing subsurface conduit and piping for electrical and irrigation, as well as footings for fencing and signage, landscaping, and concrete and rock work inclusive of appurtenances for pathways, walkways, and/or berms; and

GRANTEE desires to accept this grant and to covenant to forever preserve and maintain the Property’s Natural and Scenic Qualities by restricting the use of the Property for wildlife habitat, public recreation and any other conservation purpose(s) that will not substantially impair the Property’s Natural and Scenic Qualities.

NOW, THEREFORE, GRANTOR and GRANTEE agree and covenant as follows:

GRANT OF PROPERTY

GRANTOR hereby grants the Property to Grantee. The purpose of this grant is to forever preserve the Property's Natural and Scenic Qualities for public use and enjoyment; and

GRANTOR makes no warranties of any kind, whether expressed or implied, regarding the condition of the Property, and this conveyance is made subject to (a) liens for property taxes and assessments that are not due and payable as of the date of execution of this instrument, (b) all matters shown in the public records, (c) all matters that can be ascertained by a reasonable inspection or survey of the Property; and (d) the Use Restrictions set forth below.

USE RESTRICTIONS

GRANTEE, by virtue of its acceptance of this grant, covenants to honor the intentions of Grantor as set forth above, to act in a manner consistent with the purposes of this grant, and to forever preserve the Property's Natural and Scenic Qualities for public use and enjoyment; and

GRANTEE covenants to take no action with respect to the Property that would substantially impair the Property's Natural and Scenic Qualities. Grantor further covenants to limit the use of the Property to such activities as are consistent with this covenant; and

GRANTEE agrees and acknowledges that each and every term of this grant and Use Restriction is intended for the benefit of the public and is enforceable pursuant to applicable California law. This grant binds Grantee, along with its successors and assigns, and constitutes a servitude and burden on the Property that runs with the land in perpetuity; and

GRANTEE agrees and acknowledges that the purposes, terms, conditions, restrictions, and covenants contained in this Use Restriction may be specifically enforced or enjoined by proceedings in the Superior Court of the State of California, County of Los Angeles, that California law shall govern the interpretation and enforcement of this grant and Use Restriction, and that the terms of this grant and Use Restriction shall be liberally construed in order to effectuate the purposes of this grant.

PIPELINE EASEMENT

GRANTEE ALSO GRANTS UNTO GRANTOR, along with its successors and assigns, for its and their benefit and for the benefit of its and their present or future subsidiaries and their respective successors and assigns, the right of way from time to time to survey, lay construct, maintain, repair, renew, replace, protect, inspect, operate, increase or decrease the size of or number of, idle and/or remove pipelines ("Operation") for transporting petroleum or petroleum products, including but not limited to gasoline, natural gas, liquefied petroleum gas and crude oil, or for other uses including but not limited to telephone lines, fiber optics, electrical cable and water; said pipelines shall include all surface and subsurface appurtenances and facilities as are reasonably necessary or required in the judgment of Grantor for the Operation of said pipelines, including, but not limited to, valves, fittings, metering equipment, pipeline markers, electrical cable and cathodic protection equipment and to construct, maintain, operate, repair, renew, add to and remove poles and overhead and underground wires, conductors, cables and conduits, and

appurtenances thereof, with the right of ingress and egress to and from the same, over and through, under or along the land conveyed by this deed; provided, however, that all pipelines, poles, wires, conductors, cables and conduits, and appurtenances thereof, which are laid or constructed by virtue of this exception and reservation shall be located within the following described strip of land, fully described as follows:

A strip of land, twenty-five feet wide, in the City of Torrance, County of Los Angeles, State of California, lying in Lot 6 of Tract No. 1952 recorded in Map Book 23, Page 83; and Lot 1 of Tract No. 10778 recorded in Map Book 184, Pages 12 through 15 inclusive in the office of the County Recorder of said County, said strip lying twelve and one-half feet on each side of the following described centerline:

Beginning at the centerline intersection of Sepulveda Blvd., 58 feet wide, and Madrona Avenue, 40 feet wide, as shown on that map of Tract No. 19150, recorded in Map Book 491, Pages 34 and 35 inclusive, in said County Recorder's office; thence, North 0°02'31" East along said centerline of Madrona Avenue 117.49 feet; thence, leaving said centerline, South 63°36'02" East 22.23 feet to the True Point of Beginning in the westerly line of said Lot 6 as shown on said map of Tract No. 1952, said point lying 76.55 feet, measured along said westerly line, from the southwest corner of said Lot; thence, South 63°36'02" East 119.32 feet; thence, South 33°34'53" East 44.67 feet to a point in the southerly line of said Lot 6 as shown on said map of Tract No. 1952, said point lying 132.69 feet, measured along said southerly line, from said southwest corner of said Lot.

Containing 4,100 square feet, more or less.

A depiction of the strip of land described above is attached as Exhibit B hereto, which exhibit is attached to and made a part of this pipeline easement.

IN FURTHERANCE OF THE FOREGOING EXCEPTION AND RESERVATION, Grantee, by accepting delivery of this deed, hereby agrees, for itself and its successors and assigns, that it shall not any way impair, interfere with, build an improvement on, cover or obstruct said strip of land, including but not limited to trees or shrubs, building, excavating, constructing, installing, erecting, piling or creating any foundations, dumps, mounds, buildings, structures or improvement on said strip of land, nor permit others to do the same, or change the grade over any of the pipelines, underground wires, conductors, cables or conduits constructed hereunder ("Obstruction") without the prior written consent of Grantor. Should Grantee violate these provisions, Grantor shall have the right to clear or remove said Obstruction at Grantee's cost, or recover damages from Grantee.

IN FURTHERANCE OF THE FOREGOING EXCEPTION AND RESERVATION, Grantee, by accepting delivery of this deed, also hereby agrees, for itself and its successors and assigns, that Grantor has the right to enter upon said strip of land for the purpose of conducting studies and surveys, including but not limited to ecology surveys, soil analysis (geotechnical), soil samplings and testing and land surveying.

IN WITNESS WHEREOF, Grantor and Grantee have caused the execution of this instrument as of April 21, 2009.

GRANTOR: CHEVRON U.S.A. INC.

By: _____

Its: ASSISTANT Secretary

GRANTEE: THE CITY OF TORRANCE

CITY OF TORRANCE,
a Municipal Corporation

Dated: _____, _____

By: _____

Name: Frank Scotto, Mayor

ATTEST:

Sue Herbers, City Clerk

APPROVED AS TO FORM:

John L. Fellows III
City Attorney

By: _____

EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1:

LOT 6 IN BLOCK 315 OF TRACT NO. 1952, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 23 PAGE(S) 83 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE EASTERLY 105 FEET (MEASURED ALONG THE NORTHERLY LINE) OF SAID LOT 6.

ALSO EXCEPTING THEREFROM THE WESTERLY 30 FEET.

PARCEL 2:

THAT PORTION OF LOT 1 OF TRACT NO. 10778, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 184 PAGE(S) 12 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

BEGINNING AT THE NORTHWESTERLY CORNER OF LOT 6 IN BLOCK 315 OF TRACT 1952 AS SHOWN ON MAP RECORDED IN BOOK 23 PAGE 83 OF MAPS IN SAID OFFICE OF THE COUNTY RECORDER; THENCE NORTH 89° 25' 50" EAST ALONG THE NORTHERLY LINE OF SAID LOT 6 A DISTANCE OF 195 FEET; THENCE NORTH 0° 04' EAST PARALLEL WITH THE WESTERLY LINE OF SAID LOT 1 A DISTANCE OF 74.80 FEET; THENCE SOUTH 89° 25' 50" WEST PARALLEL WITH SAID NORTHERLY LINE OF LOT 6 A DISTANCE OF 195 FEET TO SAID WESTERLY LINE OF LOT 1; THENCE SOUTH 0° 04' WEST ALONG SAID WESTERLY LINE 74.80 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THE WESTERLY 30 FEET.

EXCEPT ALL MINERALS, PETROLEUM, OIL, ASPHALTUM, GAS AND/OR HYDROCARBON SUBSTANCES, INCLUDING HELIUM, WITHIN OR UNDERLYING THE ABOVE DESCRIBED REAL PROPERTY, AT A DEPTH OF MORE THAN TWO HUNDRED (200) FEET BELOW THE SURFACE, TOGETHER WITH THE RIGHT OF PROSPECTING AND/OR DRILLING FOR, PRODUCING AND/OR REMOVING THE SAME THEREFROM AND THEREUNDER, PROVIDED, HOWEVER, THAT GRANTOR, ITS SUCCESSORS AND ASSIGNS, SHALL NOT HAVE THE RIGHT TO ENTER UPON THE SURFACE OF SAID REAL PROPERTY FOR THE PURPOSE OF PROSPECTING AND/OR DRILLING FOR, PRODUCING AND/OR REMOVING THE SAME THEREFROM AND THEREUNDER, NOR FOR ANY PURPOSE IN CONNECTION THEREWITH, AS RESERVED BY CHANSLOR-WESTERN OIL AND DEVELOPMENT COMPANY, A CORPORATION, BY DEED RECORDED SEPTEMBER 22, 1959 AS INSTRUMENT NO.3468 IN BOOK D 610 PAGE 100, OF OFFICIAL RECORDS.

ASSESSOR'S PARCEL NO: 7359-002-031

END OF LEGAL DESCRIPTION

ACKNOWLEDGMENT

State of California
County of _____ } ss.

On _____ before me, _____, Notary
Public, personally appeared _____

_____, who
proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the
same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the
instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the
instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

(seal)

ACKNOWLEDGMENT

State of California
County of Orange } ss.

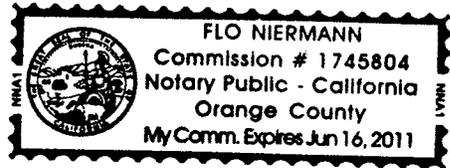
On April 21, 2009 before me, Flo Niermann, Notary
Public, personally appeared Ian Noble, who

proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Flo Niermann
Signature



(seal)

COMPANION ITEM TO 12 E

Council Meeting of
July 15, 2008

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

Members of the Council:

SUBJECT: City Manager – Accept donation of property from Chevron U.S.A., Inc. (APN 7359-002-031)

RECOMMENDATION

Recommendation of the City Manager that the City Council authorize the Mayor to Execute and the City Clerk Attest to:

- A Grant Deed with Use Restrictions from Chevron U.S.A., Inc. to the City of Torrance for property located at the corner of Madrona and Sepulveda for inclusion into the Madrona Marsh preserve (APN 7359-002-031); and
- An Indemnity Agreement by and between Chevron U.S.A., Inc., and the City of Torrance for the property located at the corner of Madrona and Sepulveda Boulevard.

Funding

Funding is not required for this transaction.

BACKGROUND AND ANALYSIS

The subject property is a vacant parcel located adjacent to the Madrona Marsh preserve (Marsh). The site is owned by Chevron U.S.A., Inc. (Chevron) and was utilized until the early 1970's as a gas station. The tanks were removed and the property has been vacant since that time.

The property is 24,742 square feet and was valued at \$720,000 in June of 2007.

Elected officials and City staff have been working with Chevron over the past several years to develop a scenario that would allow for Chevron to donate the property to the City of Torrance for inclusion in the Marsh as passive open space. City staff and Chevron have come to agreement and present the documents to Your Honorable Body this evening:

GRANT DEED WITH USE RESTRICTIONS

The Grant Deed included for approval and execution includes use restrictions that are recommended by staff. The property is to be used as passive open space and to be preserved for its natural and scenic qualities. The area is to be used for public use and enjoyment.

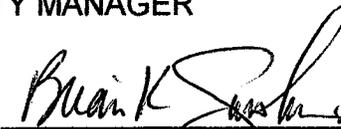
INDEMNITY AGREEMENT

The Indemnity Agreement protects the City from any contamination that might be found from the previous gas station use. It is anticipated that there are no more onsite issues, however, the indemnification was requested and granted to protect the City. The Agreement in its original form did not allow any onsite improvements; staff has negotiated a modification to the Agreement to include the types of uses and improvements envisioned with this type of passive open space (see companion item).

The subject property had soils testing conducted by Chevron. The borings show no contamination in the areas tested. A closure letter for the property has not been issued by the Torrance Fire Department at this time; however, the Fire Department has determined that due to the intended use further testing to secure a closure letter is not required.

Respectfully submitted,

LeROY J. JACKSON
CITY MANAGER

By 

Brian K. Sunshine
Assistant to the City Manager

CONCUR



Richard V. Bongard
Fire Chief



LeRoy J. Jackson
City Manager

Attachments:

- A. Grant Deed with Use Restrictions
- B. Indemnity Agreement
- C. Appraisal

MATERIAL AVAILABLE MONDAY

MATERIAL AVAILABLE MONDAY

**Deloitte.***Land Only*

**CHEVRON #96015
Torrance, Los Angeles County, California
As Of: June 28, 2007**

**Prepared By:
Deloitte Financial Advisory Services LLP
333 Clay Street, Suite 2300
Houston, Texas 77002**

**Date of Transmittal : July 16, 2007
Disposition 4003
Version 2.1**

The spreadsheets contained in this *Microsoft Excel* document reflect a summary of the appraisal work performed for the above location, as part of a master scope of services agreement between Deloitte Financial Advisory Services LLP and Chevron.

For a description of the scope, methodology and definitions used in this analysis, refer to the document titled Master Disposition Report (Operating Disposition.doc) located on the Chevron/Deloitte Financial Advisory Services LLP website.

Any deviation from the master scope or methodology is identified as a Special Assumption (located on the "Descriptions" tab in this *Microsoft Excel* document).

SUMMARY OF SALIENT DATA AND CONCLUSIONS

CHEVRON #96015

General Data	
Subject Property:	Chevron #96015, located at 3323 Sepulveda Boulevard, Torrance, Los Angeles County, California
Purpose of Appraisal:	To estimate the market value of the fee simple estate of the subject site as vacant.
Owner of Record:	Chevron
Date of Value Estimate:	June 28, 2007
Date of Inspection:	June 28, 2007
Tax ID Number:	7359-002-031
Physical Data	
Property Type:	Vacant Land
Land Area (Source:RealQuest)	
Useable Land Area:	24,742 square feet, or 0.568 acre
Surplus/Excess Land Area:	0 square feet, or 0 acre
Total:	24,742 square feet, or 0.568 acre
Highest and Best Use (Land As Vacant):	Develop with a commercial/retail use
Floodplain:	No. 0601650003B
Zoning:	PD (PU), Planned Development, Public Use
Value Indications (Real Property)	
Fee Simple	
Land Value Estimate:	\$718,000
Final Value Estimate (R):	\$720,000
Exposure Period:	12 Months or Less
Purchase Offers:	None noted
<i>Values are Subject to all Assumptions and Limiting Conditions, including any Special Assumptions on Page 6</i>	

CHEVRON #96015



Subject looking northeast

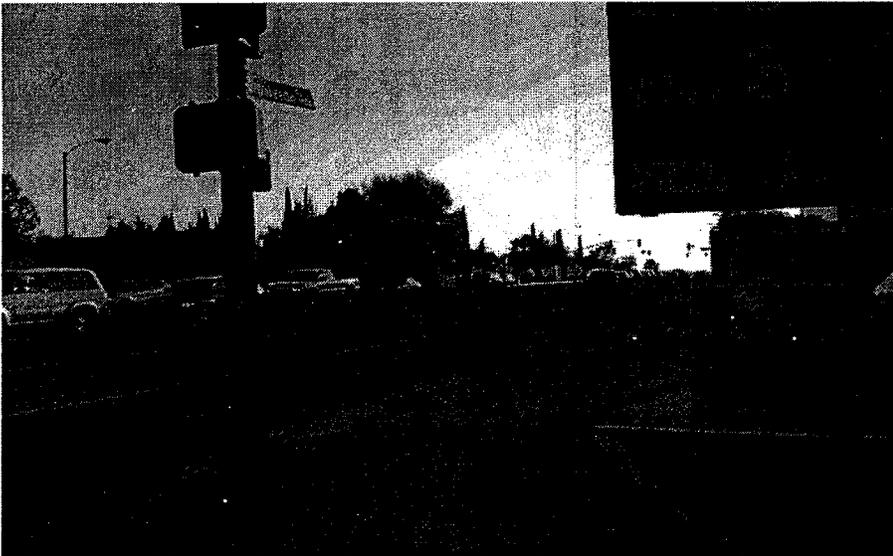


Subject looking southeast

CHEVRON #96015

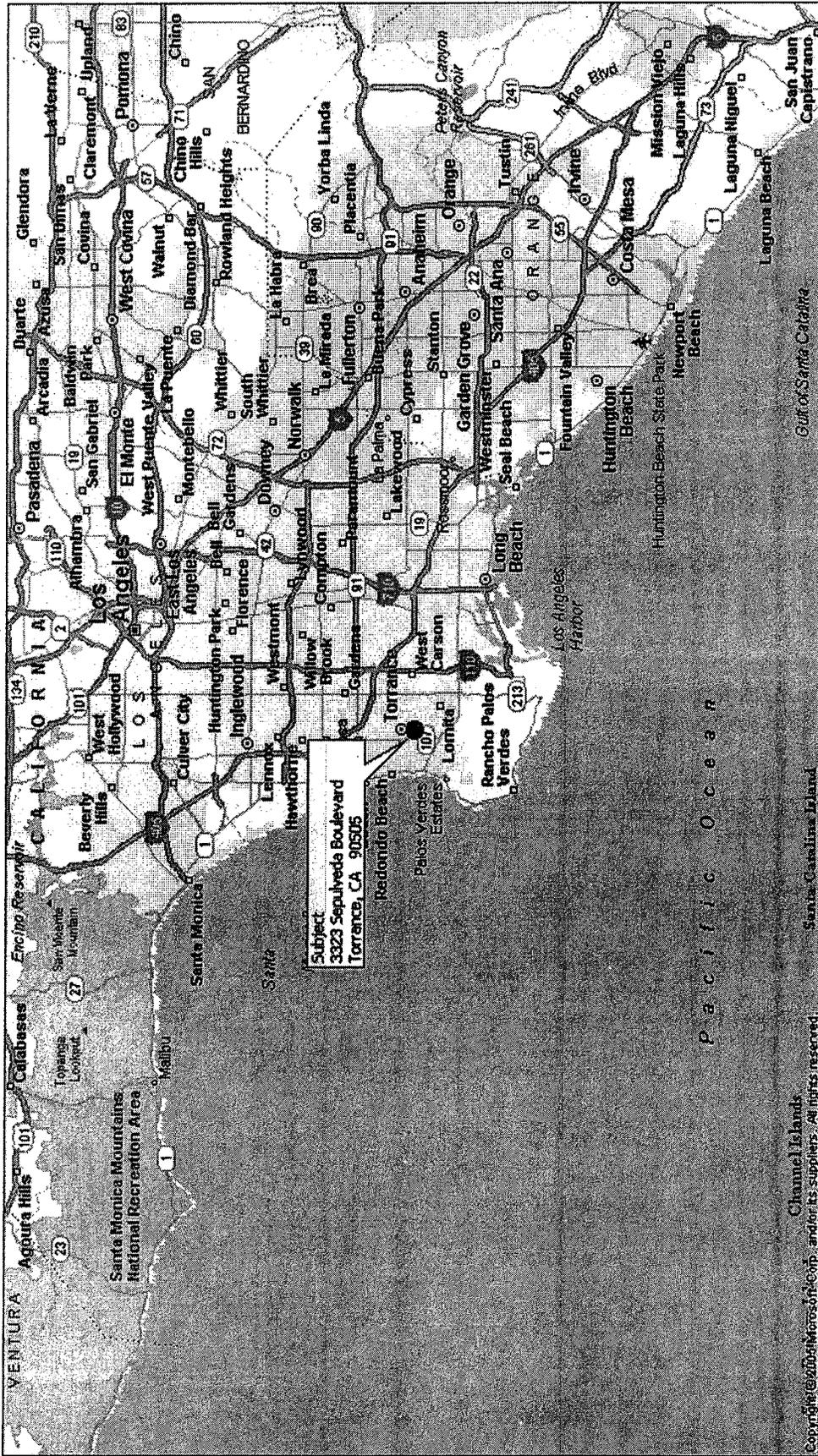


View looking east along Sepulveda Boulevard



View looking west along Sepulveda Boulevard

AREA MAP
CHEVRON #96015



Subject:
 3323 Sepulveda Boulevard
 Torrance, CA 90505

Channel Islands
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CHEVRON #96015**SITE AND IMPROVEMENT DESCRIPTION**

The subject property is located at 3323 Sepulveda Boulevard, Torrance, Los Angeles County, California, and is referred to as Chevron #96015. More specifically, it is situated at the northeast corner of Sepulveda Boulevard and Madrona Avenue.

The subject site is basically rectangular in shape, functional for commercial development, and contains 24,742 square feet, or 0.568 acre.

According to the City of Torrance Planning Division, the subject site is restricted to a public use which serves a purpose of community-wide significance similar to those of public agencies. The site abuts the Madrona Marsh District, a protected "vernal" marsh area. Consequently, the subject site cannot be developed with the typical commercial/retail development.

LOCAL MARKET CONDITIONS SUMMARY

The subject neighborhood is located southwest of Los Angeles in the City of Torrance.

The subject is located within a stable neighborhood that is primarily characterized by middle income residents and/or industrial development along secondary streets and commercial/retail at major intersections or along primary traffic carriers. Generally, the properties in the subject's immediate area exhibit average maintenance.

Area brokers indicated that real estate values have been increasing but are expected to stabilize due to increasing interest rates.

HIGHEST AND BEST USE ANALYSIS

Due to the zoning restriction, the highest and best use of the subject site is for some public use such as a school, church, hospital or community center.

SPECIAL ASSUMPTIONS/LIMITING CONDITIONS

We did not have a registered survey for the site, our size representation is that of the assessor's records.

CHEVRON #96015
Land Sales and Comparative Analysis

Market Data	1	2	3(1)	4	5
Location	NEC Sepulveda Boulevard and Madrona Avenue	S/S 83rd Street, E of Vermont Avenue w/50' of add'l frontage along 84th Street	S/W West Covina Parkway, NW of Sunset Avenue	E/S Garey Avenue @ Grevilla Street	Adjacent to the SEC Long Beach Boulevard and Carlin Avenue w/add'l fr along Palm Avenue
City	Torrance	Los Angeles	West Covina	Pomona	Lynwood
Sale Date	N/A	Jul-2005	Apr-2005	Nov-2004	Mar-2004
Sale Price	N/A	\$897,000	\$1,100,000	\$1,211,404	\$935,000
Sale Price/Sq.Ft.	N/A	\$24.51	\$36.27	\$10.22	\$15.00
Land Area (Sq. Ft.)	24,742	36,590	30,331	118,483	62,343
Shape	Basically Rectangular	Irregular	Rectangular	Irregular	Irregular
Intended Use	Commercial PD (PU), Planned Development, Public Use	Social Services Office	Medical Center Parking	Church & Playground	School
Zoning		C2, General Commercial	CR, Commercial Retail	C4, Commercial	C2, Commercial
Sale Price/Sq.Ft.		\$24.51	\$36.27	\$10.22	\$15.00
Conditions Of Sale		0%	0%	0%	0%
Adjusted Price/Sq.Ft.		\$24.51	\$36.27	\$10.22	\$15.00
Market Conditions/Listing Status		10%	10%	17.5%	20%
Adjusted Price/Sq.Ft.		\$26.97	\$39.89	\$12.01	\$18.00
Location		0%	0%	0%	0%
Access/Frontage		20%	20%	25%	20%
Size		5%	0%	20%	15%
Zoning/Intended Use		0%	0%	0%	0%
Net Adjustments		25%	20%	45%	35%
Adjusted Price/Sq.Ft.		\$33.71	\$47.87	\$17.42	\$24.30
High	SF \$47.87	All of the comparable sales were purchased for development with a public use. This data set was utilized to reflect the development restrictions of the site's zoning.			
Low	\$17.42	(1) Previously adjusted to reflect the cost of razing improvements which existed at date of sale.			
Mean	\$30.45				
Median	\$28.96				
Broker Opinion(s) PSF:	\$25.00 to \$30.00				
Value Estimate PSF	\$29.00				
Value Estimate, Rounded	\$718,000				

CHEVRON #96015

CERTIFICATION

I certify to the best of my knowledge and belief the following statements:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions (with respect to the elements of this certification, the assignment results, and the contents of the appraisal report for which each is individually responsible).

I have no present or prospective interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.

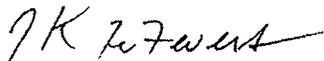
As of the date of this report, J. Kyle LeFevers has completed the continuing education program of the Appraisal Institute.

Jolee Aylesworth has experience in valuing the property that is the subject of this report.

Jolee Aylesworth prepared the analyses, values, or conclusions set forth in this report or provided significant valuation assistance to the person(s) signing this certification.

Donald W. Davidson and J. Kyle LeFevers have not made a personal inspection of the property that is the subject of this report. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

Respectfully submitted,



J. Kyle LeFevers, MAI
California - State Certified General Real Estate Appraiser
AG026360

Council Meeting of
July 15, 2008

SUPPLEMENTAL

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

Members of the Council:**SUBJECT: City Manager - Supplemental Information to Item 12D**

Attached are the material available for Item 12D. The documents attached are:

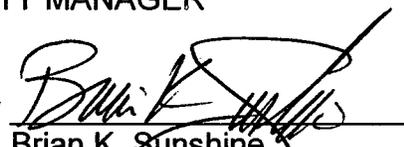
- Attachment A: Grant Deed with Use Restrictions
- Attachment B: Indemnity Agreement

Both documents meet the needs of the City to secure Open Space, indemnify the City in the event contamination is found due to the previous use and finally allow for certain improvements to the property to enhance the use as passive Open Space as well as the use for water circulation and treatment prior to entering the Madrona Marsh Preserve.

Respectfully submitted,

LeROY J. JACKSON
CITY MANAGER

By


Brian K. Sunshine
Assistant to the City Manager

CONCUR:

for 
LeRoy J. Jackson
City Manager

Recording Requested By and
When Recorded Mail To:

GRANT DEED WITH USE RESTRICTIONS

CHEVRON U.S.A. INC., a Pennsylvania corporation and successor in interest to Standard Oil Company of California, a corporation ("Grantor"), hereby agrees to grant to THE CITY OF TORRANCE, a California Charter City located in the County of Los Angeles, State of California ("Grantee"), certain real property described herein, subject to the covenants and use restrictions set forth below.

RECITALS

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GRANTOR and GRANTEE agree and acknowledge that the Property has significant natural and scenic value to the general public, that it currently exists in an essentially unimproved, natural state, that it harbors a diversity of plant and animal life in a broad range of habitats (the Property's "Natural and Scenic Qualities"), that it has great importance to Grantor, Grantee, and to the general public, and that it is worthy of perpetual preservation for public use and enjoyment; and

GRANTOR desires to grant the Property to Grantor to ensure that the Property's Natural and Scenic Qualities are forever preserved for public use and enjoyment; and

GRANTEE desires to accept this grant and to covenant to forever preserve and maintain the Property's Natural and Scenic Qualities by restricting the use of the Property for wildlife habitat, public recreation and any other conservation purpose(s) that will not substantially impair the Property's Natural and Scenic Qualities.

NOW, THEREFORE, GRANTOR and GRANTEE agree and covenant as follows:

GRANT OF PROPERTY

GRANTOR hereby grants the Property to Grantee. The purpose of this grant is to forever preserve the Property's Natural and Scenic Qualities for public use and enjoyment; and

GRANTOR makes no warranties of any kind, whether expressed or implied, regarding the condition of the Property, and this conveyance is made subject to (a) liens for property taxes and assessments that are not due and payable as of the date of execution of this instrument, (b) all matters shown in the public records, (c) all matters that can be ascertained by a reasonable inspection or survey of the Property; and (d) the Use Restrictions set forth below.

USE RESTRICTIONS

GRANTEE, by virtue of its acceptance of this grant, covenants to honor the intentions of Grantor as set forth above, to act in a manner consistent with the purposes of this grant, and to forever preserve the Property's Natural and Scenic Qualities for public use and enjoyment; and

GRANTEE covenants to take no action with respect to the Property that would substantially impair the Property's Natural and Scenic Qualities. Grantor further covenants to limit the use of the Property to such activities as are consistent with this covenant; and

GRANTEE agrees and acknowledges that each and every term of this grant and Use Restriction is intended for the benefit of the public and is enforceable pursuant to applicable California law. This grant binds Grantee, along with its successors and assigns, and constitutes a servitude and burden on the Property that runs with the land in perpetuity; and

GRANTEE agrees and acknowledges that the purposes, terms, conditions, restrictions, and covenants contained in this Use Restriction may be specifically enforced or enjoined by proceedings in the Superior Court of the State of California, County of Los Angeles, that California law shall govern the interpretation and enforcement of this grant and Use Restriction, and that the terms of this grant and Use Restriction shall be liberally construed in order to effectuate the purposes of this grant.

IN WITNESS WHEREOF, Grantor and Grantee have caused the execution of this instrument as of July ___, 2008.

GRANTOR: CHEVRON U.S.A. INC.

By: _____
Its:

GRANTEE: THE CITY OF TORRANCE

CITY OF TORRANCE,
a Municipal Corporation

Dated: _____, _____

By: _____
Name: Frank Scotto, Mayor

ATTEST:

Sue Herbers, City Clerk

APPROVED AS TO FORM:

John L. Fellows III
City Attorney

By: _____

EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1:

LOT 6 IN BLOCK 315 OF TRACT NO. 1952, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 23 PAGE(S) 83 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE EASTERLY 105 FEET (MEASURED ALONG THE NORTHERLY LINE) OF SAID LOT 6.

ALSO EXCEPTING THEREFROM THE WESTERLY 30 FEET.

PARCEL 2:

THAT PORTION OF LOT 1 OF TRACT NO. 10778, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 184 PAGE(S) 12 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

BEGINNING AT THE NORTHWESTERLY CORNER OF LOT 6 IN BLOCK 315 OF TRACT 1952 AS SHOWN ON MAP RECORDED IN BOOK 23 PAGE 83 OF MAPS IN SAID OFFICE OF THE COUNTY RECORDER; THENCE NORTH 89° 25' 50" EAST ALONG THE NORTHERLY LINE OF SAID LOT 6 A DISTANCE OF 195 FEET; THENCE NORTH 0° 04' EAST PARALLEL WITH THE WESTERLY LINE OF SAID LOT 1 A DISTANCE OF 74.80 FEET; THENCE SOUTH 89° 25' 50' WEST PARALLEL WITH SAID NORTHERLY LINE OF LOT 6 A DISTANCE OF 195 FEET TO SAID WESTERLY LINE OF LOT 1; THENCE SOUTH 0° 04' WEST ALONG SAID WESTERLY LINE 74.80 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THE WESTERLY 30 FEET.

EXCEPT ALL MINERALS, PETROLEUM, OIL, ASPHALTUM, GAS AND/OR HYDROCARBON SUBSTANCES, INCLUDING HELIUM, WITHIN OR UNDERLYING THE ABOVE DESCRIBED REAL PROPERTY, AT A DEPTH OF MORE THAN TWO HUNDRED (200) FEET BELOW THE SURFACE, TOGETHER WITH THE RIGHT OF PROSPECTING AND/OR DRILLING FOR, PRODUCING AND/OR REMOVING THE SAME THEREFROM AND THEREUNDER, PROVIDED, HOWEVER, THAT GRANTOR, ITS SUCCESSORS AND ASSIGNS, SHALL NOT HAVE THE RIGHT TO ENTER UPON THE SURFACE OF SAID REAL PROPERTY FOR THE PURPOSE OF PROSPECTING AND/OR DRILLING FOR, PRODUCING AND/OR REMOVING THE SAME THEREFROM AND THEREUNDER, NOR FOR ANY PURPOSE IN CONNECTION THEREWITH, AS RESERVED BY CHANSLOR-WESTERN OIL AND DEVELOPMENT COMPANY, A CORPORATION, BY DEED RECORDED SEPTEMBER 22, 1959 AS INSTRUMENT NO.3468 IN BOOK D 610 PAGE 100, OF OFFICIAL RECORDS.

ASSESSOR'S PARCEL NO: 7359-002-031

END OF LEGAL DESCRIPTION

Attachment B**INDEMNITY AGREEMENT**

THIS INDEMNITY AGREEMENT ("**Agreement**") is entered into by and between **CHEVRON U.S.A. INC.**, a Pennsylvania corporation ("**Chevron**"), and **CITY OF TORRANCE** ("**City**"), a Municipal Corporation.

RECITALS

A. Chevron holds record title to certain real property located at 3323 Sepulveda Boulevard, in the City of Torrance, County of Los Angeles, State of California (the "**Property**").

B. Chevron and its predecessor in interest, Standard Oil Company of California ("**Standard**"), previously operated a retail service station facility, commonly known as Service Station No. 9-6015, on the Property.

C. The Property is currently vacant and Chevron is willing to donate the Property to the City pursuant to a Grant Deed to be executed by the parties.

D. City plans to construct a passive water treatment system on the Property to enhance the treatment of storm water and urban runoff into the adjacent Madrona Marsh Nature Preserve, including installing subsurface conduit and piping for electrical and irrigation, as well as footings for fencing and signage, landscaping, and concrete and rock work inclusive of appurtenances for pathways, walkways, and/or berms ("**City's Development**").

E. Chevron's consultant, SECOR, performed a baseline site assessment on the Property which is documented in the *Baseline Site Assessment Report* dated June 1, 2007 (the "**Report**"), a copy of which was provided to City. The Report concluded that none of the soil samples that were analyzed contained levels of petroleum hydrocarbons or fuel oxygenates above laboratory reporting limits. Chevron currently does not have an open environmental case with the local governmental agency.

F. Covered Contamination as defined below in Paragraph 3 (*Covered Contamination*) may be present on or under the Property that is subject to regulation by governmental agencies having jurisdiction over environmental matters (collectively "**Agency**").

G. The parties enter into this Agreement in order to establish Chevron's willingness to:
(i) provide for Chevron's investigation and, if necessary, cleanup of Covered Contamination; and
(ii) provide the indemnification contemplated in Paragraph 6 (*Indemnity*).

TERMS AND CONDITIONS

NOW THEREFORE, in consideration of the foregoing and of the mutual promises set forth below, the parties agree as follows:

1. EFFECTIVE DATE

This Agreement is effective upon the date the Property is transferred to City ("*Effective Date*").

2. REPRESENTATIONS

City warrants and represents that it will not operate a service station on the Property. In the event that City or its Successors (as defined in Paragraph 4 [*Cleanup*] below) elects to operate a service station on the Property, in addition to any other remedies available to Chevron, Chevron's indemnity obligations under Paragraph 6 (*Indemnity*) shall terminate.

3. COVERED CONTAMINATION

As used herein, "*Covered Contamination*" means petroleum hydrocarbon and motor vehicle fuel additive contamination that: (a) originated from Chevron's or Standard's operations and activities on the Property prior to the Effective Date; (b) must be remediated pursuant to applicable federal, state or local laws and regulations in effect on the Effective Date; and (c) is located on the Property on the Effective Date or has migrated from the Property.

4. CLEANUP

(a) Chevron shall, at its sole cost and expense, perform or cause to be performed such investigation, monitoring, and cleanup of Covered Contamination, as may be validly directed by the Agency (the "*Work*"). Chevron shall have the right to challenge any Agency directive, order or request and not assume responsibility therefore if its challenge is based on a good faith belief that the contamination which is the subject of the directive, order or request does not meet the definition of Covered Contamination for which Chevron would be liable under this Agreement. Said Work may include, but not be limited to: (i) installation, maintenance, replacement, periodic sampling and abandonment of wells; (ii) installation, maintenance, replacement and removal of remediation or recovery systems and associated equipment; and (iii) other work deemed necessary by Chevron or the Agency.

(b) Except as is otherwise provided in Paragraph 6 (*Indemnity*) below, Chevron's obligation under this Paragraph 4 shall cease when a no further action letter or its equivalent ("*NFA Letter*") is issued for the Property by the Agency.

(c) Chevron's obligation to cleanup the Covered Contamination shall extend to parties who take title to the Property prior to the issuance of an NFA Letter or within fifteen (15) years of the Effective Date of this Agreement, whichever occurs first ("*Successors*").

5. MANNER OF PERFORMANCE

(a) The Work. Except as may otherwise be provided herein, Chevron shall perform the Work in a manner and at times which will not unreasonably interfere with City's use of the Property. Prior to the installation of any new equipment on the Property, Chevron and City shall work together to determine the appropriate location for the new equipment. City agrees to cooperate with Chevron, including the execution of additional documents, if necessary, in order to

obtain permits or other documents from the Agency required to install, abandon or remove Chevron's equipment.

(b) Access Granted. City shall provide Chevron, its employees, agents, representatives, consultants and contractors with access to the Property to perform the Work. With the exception of routine maintenance of Chevron's equipment on the Property, Chevron shall provide City with advance notice of its intended schedule for access.

(c) Agency Communications. Each party shall promptly provide the other with copies of all final reports, laboratory test results, and other communications submitted to the Agency. If City shall for any reason request a meeting with any Agency regarding the Property or the performance of the Work, City shall provide Chevron with reasonable advance notice of any such requested meeting, such that Chevron may attend.

(d) Risk Based Cleanup. City acknowledges that Chevron may request authority from the Agency to leave a portion of the Covered Contamination in excess of the Agency cleanup levels on the Property, based upon a risk based cleanup study and report submitted to and approved by the Agency. City agrees that it shall not interfere with or challenge the Agency's acceptance of the use of a risk based cleanup approach.

(e) Notice to Chevron Prior to Construction. City shall provide a copy of its construction plans and any subsequent revisions to Chevron. Not less than five (5) calendar days prior to any pre-construction meeting, City shall notify Chevron, by giving notice in accordance with Paragraph 10 (*Notices*), to allow Chevron an opportunity to respond to any concerns. In addition, while Chevron is obligated to perform the Work pursuant to the terms of this Agreement, City shall give Chevron reasonable advance notice of any future development not contemplated in Recital D that involves subsurface activities on the Property.

(f) Notice to Chevron re: Covered Contamination. If during the course of City's development, City encounters any Chevron equipment or Covered Contamination, City will immediately notify Chevron in accordance with Paragraph 10 (*Notices*) and the parties agree to cooperate in good faith to address the issue.

(g) Compliance. Chevron agrees, at its sole cost and expense, to conduct and perform the Work in a prompt, safe, efficient and workmanlike manner and in compliance with all Agency requirements.

(h) Restoration. If entry onto the Property by Chevron, or exercise by Chevron of any of its rights or obligations under this Agreement, result in any physical damage to the Property (ordinary wear and tear excepted), Chevron shall promptly repair and restore the portions of the Property damaged to substantially the same condition as existed prior to the damage or exercise of such right or obligation.

6. INDEMNITY

(a) Chevron agrees to indemnify, defend and hold City harmless from and against any liabilities, damages, costs, or losses arising from: (i) claims or lawsuits by third parties relating to the Covered Contamination or the performance of the Work by Chevron on the Property; and (ii) an Agency demand or requirement to perform an investigation or cleanup action for Covered Contamination. Chevron shall not be responsible for any liabilities, damages, costs, or losses to the extent caused by the reckless, negligent or intentional acts or omissions of any party asserting any right under this Paragraph 6. In the event underground storage tanks are installed on the Property subsequent to the date Chevron vacated the Property, this indemnity is voided for any claims arising after the date of said tank installation.

(b) Except as otherwise specified below, Chevron's indemnity obligation shall extend to Successors, as defined in Paragraph 4 (*Cleanup*).

(c) Chevron shall not be liable to City or Successors for (i) any such claims described in Chevron's indemnity under Paragraph 6(a) that are attributable to or arise from exacerbation of Covered Contamination resulting from construction on the Property, excluding City's Development, following the date of this Agreement that involve subsurface excavation, soil movement, or special handling, treatment or disposal of groundwater, or (ii) special, incidental or consequential damages including, without limitation, construction delays, loss of business, diminution in the value of the Property, or loss of goodwill by City or Successors.

(d) Any party claiming a right to be indemnified by Chevron under this Agreement shall not be entitled to such indemnification unless: (i) said party agrees in writing to be bound by the terms of this Agreement; and (ii) after receiving notice of any such claim described in Chevron's indemnity under Paragraph 6(a), said party provides Chevron with reasonable advance written notice of the claim and a demand that Chevron honor its indemnity obligations.

(e) Any person benefiting from the indemnification set forth in this Paragraph 6, at any point in time, shall be deemed not to be a third person or party.

7. RELEASE

In exchange for the indemnity Chevron has provided under this Agreement, City and Successors hereby release and forever discharge Chevron from any and all liabilities, claims, lawsuits, damages, losses that City now has or that City or Successors may have in the future arising out of or in any way related to the Covered Contamination, except with regard to Chevron's compliance with its obligations under this Agreement. The claims released herein shall include, without limitation, any and all unknown claims relating to Covered Contamination. City and Successors hereby waive any and all rights they may have under any and all statutes or laws that purport to limit the scope of the general release, including, without limitation, Section 1542 of the Civil Code of the State of California, which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if

known by him or her must have materially affected his or her settlement with the debtor.

City

8. INSURANCE

In lieu of insurance coverage, Chevron maintains a self-administered claims program with respect to its duties hereunder. Chevron shall require contractors who perform the Work under this Agreement to maintain liability insurance coverage in accordance with Chevron's standard practices.

9. LIENS

Chevron shall discharge at once or bond or otherwise secure against all liens and attachments that are filed in connection with the Work, and shall indemnify and save City and the Property harmless from and against any and all loss, damage, injury, liability and claims thereof resulting directly from such liens and attachments.

10. NOTICES

Any notices required to be made under this Agreement shall be made in writing to the address of the appropriate party as set forth below. All such notices shall be deemed to have been duly given and received upon mailing, delivery by courier or personal delivery service. Parties may alter or modify their notice address by delivery of written notice pursuant to the terms of this Agreement.

To Chevron:

Chevron Corporation
Policy, Government and Public Affairs
324. W. El Segundo Blvd.
El Segundo, CA 90266
Attn.: Rod Spackman, Manager
Phone: (310) 615-5281

With a copy to:

Chevron Environmental Management Company
Marketing Business Unit
145 S. State College Blvd.
Brea, CA 92821-5818
Attn.: Sharon Vasquez, Property Specialist, SS # 9-6015
Phone: (714) 671-3262

To City:

City of Torrance
3031 Torrance Boulevard
Torrance, CA 90503
Attn.: City Clerk
Phone: (310) 618-2870

11. APPLICABLE LAW

This Agreement shall be interpreted, and any dispute arising hereunder shall be resolved, in accordance with the substantive laws of the State of California, without reference to choice of law rules.

12. ALTERNATIVE DISPUTE RESOLUTION (ADR)

If a dispute arises between the parties relating to this Agreement, the parties agree to use the following procedure prior to pursuing other legal remedies:

(a) A meeting among the parties shall promptly be held in California, attended by individuals with decision-making authority regarding the dispute, who will attempt in good faith to negotiate a resolution of the dispute.

(b) If within fifteen (15) days after the meeting, the parties have not succeeded in negotiating a resolution of the dispute, they agree to submit the dispute to mediation using a mediator who is mutually acceptable, and to bear equally the costs of the mediation.

(c) The parties agree to participate in good faith in the mediation process related to their dispute for a period of thirty (30) days from the commencement of mediation. If the parties are not successful in resolving the dispute through mediation, then:

(1) the parties may agree to submit the matter to binding arbitration or a private adjudication; or

(2) either party may initiate litigation upon ten (10) days advance written notice to the other party.

13. COUNTERPARTS

This Agreement may be executed in counterparts, all of which together shall constitute one and the same agreement.

14. INTEGRATION

This document represents the entire agreement between the parties. No modification of the terms hereof shall be effective unless in writing and duly executed by the authorized representatives of the respective parties.

15. MUTUALLY DRAFTED AGREEMENT

This Agreement has been negotiated at arm's-length and between parties represented by counsel. Accordingly, any rule or law (including California Civil Code §1635 et seq.) or legal decision that would require interpretation of any ambiguities in this Agreement against the party that has drafted the applicable provision is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purpose of the parties and this Agreement.

21. WARRANTY OF AUTHORIZED SIGNATORIES

Each of the signatories hereto warrants and represents that he or she is competent and authorized to enter into this Agreement on behalf of the party for whom he or she purports to sign.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the last date set forth below.

CHEVRON:

CHEVRON U.S.A. INC.,
a Pennsylvania corporation

Dated: _____, _____

By: _____
Name: _____
Its: _____

CITY:

CITY OF TORRANCE,
a Municipal Corporation

Dated: _____, _____

By: _____
Name: Frank Scotto, Mayor

ATTEST:

Sue Herbers, City Clerk

APPROVED AS TO FORM:

John L. Fellows III
City Attorney

By: _____