

RESOLUTION NO. 7482

**CITY OF SOUTH GATE
LOS ANGELES COUNTY, CALIFORNIA**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE
FINDING A SIGNIFICANT PUBLIC BENEFIT FROM CONSTRUCTING
OFF-SITE PUBLIC INFRASTRUCTURE IMPROVEMENTS AND WAIVING
CERTAIN DEVELOPMENT IMPACT FEES TO SPUR A COMMERCIAL
DEVELOPMENT KNOWN AS AZALEA AT THE CORNER OF FIRESTONE
BOULEVARD AND ATLANTIC AVENUE**

WHEREAS, the City of South Gate is located 8 miles southeast of downtown Los Angeles. The I-710 freeway runs through the City, I-105 freeway is to its south, and the I-110 freeway is to its west. The City is 7.5 square miles in area and hosts a diverse mix of residential, commercial, industrial and civic/public facilities. It was incorporated in 1923 with a population of 2,500 residents. Presently its population is over 105,000 residents of predominantly working class Hispanic origin employed in lower-paying retail and service jobs; and

WHEREAS, the City adopted its General Plan 2035 update on December 8, 2009. This General Plan set forth the goals, policies and objectives, including the transitioning of the northwest quadrant of the intersection of Firestone Boulevard and Atlantic Avenue to a vibrant retail project that will serve as a visual gateway to the City. As part of adopting the General Plan, the City held a series of stakeholder meetings and public meetings with various constituent groups in the City over a period of three years. The City received a Public Outreach Award from Los Angeles Section of the American Planning Association in 2007 for outstanding public engagement during the General Plan process. Residents and other stakeholders emphasized their need and desire to attract national-brand retailers that are essentially absent in the community. They expressed dissatisfaction with the lack of “one-stop” retail establishments and indicated that the City should provide the tools and resources to attract retail opportunities within the City as part of the long-range planning contemplated in the General Plan; and

WHEREAS, the City of South Gate prepared a Comprehensive Economic Development Strategy (“CEDS”) report which was approved by the U.S. Economic Development Administration on January 6, 2012. Under the guidance and direction of the City’s CEDS Committee, the CEDS report identified “Expansion of Retail Offerings” particularly along Firestone Boulevard, as one of the seven strategies for implementing the City’s economic development vision; and

WHEREAS, the Health Element of the City’s General Plan Section 2035 describes conditions and issues existing in the City related to the prevalence of liquor stores and unhealthy food service establishments and the lack of necessary commercial facilities such as grocery stores, drug stores and quality sit-down restaurants that are normally found in neighborhoods that would support healthy eating and living habits. The lack of these necessary commercial facilities and restaurants may adversely affect the public health, safety and welfare of the entire community

and specifically affect the health of residents of the community; in support thereof reference is made to the Health Element and the data referenced, and incorporated therein; and

WHEREAS, further, the Health Element discusses factual data that the residents of the City suffer from poor overall health. An abundance of liquor stores and unhealthy food establishments coupled with a lack of access to nutritious healthy food stores/restaurants evidence the need for such commercial establishments to facilitate people within the community to lead healthy lives. A desire for quality sit-down restaurants has been expressed by City residents at several public meetings; and

WHEREAS, in a city with a population of over 100,000 there are approximately 53 liquor stores but there are no large chain grocery stores (e.g., no Ralphs, Vons, Pavilion, Albertsons, and/or Trader Joe's stores), only two national sit-down chain restaurants (e.g., Denny's and IHOP), and only three national chain drug stores (i.e., 2 CVS stores, 1 Rite-Aid store) operating in the City, which facts, for a city of this size, density and population, evidence a serious lack of necessary commercial facilities that are normally found in other similar communities; and

WHEREAS, according to the State of California Economic Development Department, since the mid-2000s there has been a major and significant increase in the unemployment rate in the City, between 2008 to 2010 approximately 2,500 jobs have been lost in the City and, based on the estimated per capita income of City residents of \$13,913 as of the 2010 census, the lost jobs represent over \$34,750,000 in available annual income in the community; and

WHEREAS, according to City Staff estimates, the total factory/manufacturing area shutdown and/or lost in the past four years is approximately 2 million square feet and few new businesses have attempted to relocate to these sites, creating large new vacant properties in the City. A total of 74.52 acres of land area have been developed with public schools (2 high schools, 1 junior high school and 2 elementary schools) in the recent years. These properties are now under the management of LAUSD and will not be contributing sales tax revenue for the City; and

WHEREAS, there have been a high number of business closures in the City resulting in an increase in large, vacant buildings and lots, and in hundreds of lost jobs in the City, instances of business closures include:

HON Furniture: HON Furniture is a furniture manufacturer whose operations were previously located in the former Firestone manufacturing facility at the corner of Firestone Boulevard and Santa Fe Avenue. The HON Furniture plant was closed in 2008 and approximately 350 jobs were lost as a result of this closure.

US Gypsum: US Gypsum is a drywall and paper manufacturing company located near Salt Lake Avenue and Atlantic Boulevard that closed in 2008, resulting in the loss of approximately 300 jobs.

Maersk Trucking: Maersk Trucking outsourced to another state certain administrative operations in 2009 resulting in the loss of approximately 75 to 100 administrative and clerical jobs. Its two-story office building remains largely vacant and is up for sale.

Kustom Fit: Kustom Fit is a vehicle seat and furniture manufacturer located near Rawlings Avenue and Atlantic Avenue that closed operations in 2008, resulting in the loss of approximately 50 jobs. The site has been used for temporary equipment storage by a roadway construction contractor that worked on street repairs in the surrounding area.

Casa de Gonzales Nissan: Casa de Gonzales Nissan was a new automobile dealership near the intersection of Firestone Boulevard and Garfield Avenue, which closed in 2008. The site remains vacant and the dealership has not been replaced.

Casa de Gonzales Kia: Casa de Gonzales Kia dealership located near the intersection of Firestone Boulevard and Garfield Avenue also closed in 2008.

Casa de Gonzales Chrysler and Jeep: Casa de Gonzales closed the Chrysler and Jeep new automobile dealerships near the intersection of Firestone Boulevard and Garfield Avenue in 2010.

The Casa de Gonzales dealership closures resulted in the loss of between 100-150 jobs in the City. Three of the four Casa de Gonzales dealership sites remain completely vacant. The rear one-third of the other closed dealership site is used for temporary storage of an unrelated product by a local manufacturer, but the showroom, repair facilities, and auto display areas are all conspicuously vacant. Only one new automobile dealership, Llovio Ford, is currently in operation in the entire City. The loss of sales tax revenue from the Casa de Gonzales dealerships resulted in a significant financial impact to the City.

International Window: International Window is a window manufacturer whose operations were previously located at the intersection of Firestone Boulevard and National Boulevard. Its closing in late 2010/early 2011 resulted in the loss of approximately 100 jobs.

WHEREAS, there are many properties in the City, including a 60,000 square foot site at the corner of Firestone Boulevard and Garden View Avenue, an undeveloped site at the southwest corner of Atlantic and Tweedy, that remain vacant and create public safety/property maintenance issues. Weeds and litter, overgrown vegetation, illegal dumping, graffiti and vandalism, and rodent infestation affecting nearby residential neighborhoods are common subjects of City residents' complaints as lots and buildings are left vacant for extended periods of time; and

WHEREAS, other conditions of buildings and parcels in the City that hinder economic development and business investment include: (1) parcels with narrow rights of way that severely restrict access to structures from the public, including and in particular emergency vehicles, which causes inconvenience and safety concerns and reduces the value of such properties; (2) buildings with insufficient exits or exits blocked by vehicles, trash bins, or other stored items; (3) poor site layout including irregular parking facilities, inadequate or inconvenient access to buildings, traffic circulation deficiencies (i.e. inadequate turning radius) or insufficient space between buildings to provide a buffer and permit circulation; and (4) inadequate or faulty electric or telephone facilities, all of which conditions materially affect the

City's ability to promote economic development in order to spur sales tax revenue sufficient to continue to provide for the general health, safety and welfare of the City's residents; and

WHEREAS, the residents of the City are under-served by conveniently-located quality retail amenities in the City, and are forced to drive greater distances and to other jurisdictions to purchase retail goods. As provided by the U.S. Department of Transportation, Federal Highway Administration, "Transportation is the second largest expense for most households after housing. Households living in auto-dependent locations spend 25% of its income on transportation costs. Housing that is located closer to employment, shopping, restaurants and other amenities can reduce household transportation costs to 9% of household income;" and

WHEREAS, as of the 2010 Census, the annual per capita money income between 2006 and 2010 for City residents was \$13,913, which is less than half of the Los Angeles County average of \$27,334 and the State of California average of \$29,118; and

WHEREAS, pursuant to the 2010 American Community Survey, approximately 52% of the City's residents have earned a high school diploma versus 76% in Los Angeles County and only 7% have earned a bachelor's degree which is less than one-quarter of the average of 29% of residents of Los Angeles County; and

WHEREAS, the City is suffering from a much higher rate of unemployment (14.7%) than the County of Los Angeles (11.6%) or the State of California (10.9%), per the December 2011 figures released by the State of California Employment Development Department; and

WHEREAS, the City has suffered financially due to an earlier era in City governance during which millions of dollars were misappropriated by former City officials and vendors, depleting the City's reserves and general fund, leaving the City in need of catalytic projects that will provide much needed and additional local revenues, in particular sales tax and property tax revenues, to the City; and

WHEREAS, each year since Fiscal Year 2006-2007, the City has carried an annual deficit, where General Fund expenditures have exceeded General Fund revenues. The annual deficit over this period of time has ranged from \$900,000 to \$8,000,000; and

WHEREAS, General Fund revenue has decreased from \$43.1 million in Fiscal Year 2007-2008 to a projected \$36.3 million in Fiscal Year 2011-2012, a 16% decrease in operating revenue for the City's Police, Parks & Recreation and Public Works Services; and

WHEREAS, sales tax represented 32% of the revenue received by the City's General Fund for Fiscal Year 2011-2012, and has been a large portion of the City's General Fund revenue since Fiscal Year 2008-2009; and

WHEREAS, the only way the City has been able to maintain its operating costs (General Fund expenditures) at the same level since Fiscal Year 2007-2008 is through layoffs, compensation reductions, early retirements, and overall service reductions for residents and the South Gate business community. This includes a reduction in the City's workforce between early retirements, layoffs, and unfilled vacancies of 339 full-time employees in Fiscal Year 2008-2009 to 284 full-time employees in the current fiscal year, a 16% reduction in the City's workforce.

Additionally, all City employees received a 10% reduction in compensation and benefits in Fiscal Year 2009-2010 which has not and cannot be restored unless there exists a viable new revenue stream; and

WHEREAS, the costs of providing public services, including retirement and medical costs, have and will continue to increase. Such increases have been paid for through the use of General Fund reserves and decreases in overall General Fund expenditures, a practice and trend that cannot be sustained; and

WHEREAS, the City of South Gate declared a Fiscal Emergency on July 9, 2009 and has not revoked or rescinded this declaration. Despite implementing an additional one cent local sales tax, not filling vacant positions, not increasing employee compensation, and with few capital purchases or improvements, the General Fund was projected to experience budget shortfalls over the past three fiscal years. A Fiscal Emergency was declared because the loss of General Fund revenues severely impacts the City's ability to meet its obligations and creates an imminent risk of experiencing inadequate funding to address essential public safety and basic service needs for residents and the business community; and

WHEREAS, the Community Development Commission of the City of South Gate ("CDC") was previously formed, organized, and existing pursuant to Section 34100, *et seq.*, of the California Health & Safety Code by action of the City Council of the City of South Gate, and exercised the powers, authority, functions, and jurisdiction of a community redevelopment agency pursuant to the California Community Redevelopment Law, Health & Safety Code, Section 33000, *et seq.* ("CRL"); and

WHEREAS, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code, which laws cause the dissolution and wind down of all redevelopment agencies ("Dissolution Act"); and

WHEREAS, on December 29, 2011, in the petition *California Redevelopment Association v. Matosantos*, Case No. S194861, the California Supreme Court upheld the Dissolution Act and thereby all redevelopment agencies in California were dissolved as of February 1, 2012 under the dates in the Dissolution Act that were reformed and extended thereby; and

WHEREAS, by a resolution considered and approved by the City Council on January 11, 2012, the City chose to become, and serve as the "successor agency" to the dissolved redevelopment agency, the CDC, under the Dissolution Act; and

WHEREAS, as of and on and after February 1, 2012, the CDC was dissolved and the City serves and acts as the "Successor Agency" and will perform its functions as the successor agency under the Dissolution Act to administer the enforceable obligations of the CDC and otherwise unwind the CDC's affairs, all subject to the review and approval by a seven-member Oversight Board formed thereunder; and

WHEREAS, according to the California Redevelopment Association, activities of redevelopment agencies supported 304,000 full and part-time jobs in a typical year, including 170,000 construction jobs, and contributed over \$40 billion annually to California's economy in the generation of goods and services; and

WHEREAS, the dissolution of redevelopment agencies in California in general, and the CDC in the City specifically, has placed a greater burden on the City to stimulate, encourage and promote economic development and vitality in the City in an effort to promote the health, safety and welfare of the community; and

WHEREAS, Primestor Development, Inc., through its affiliate Atlantic-Firestone, LLC (hereinafter "Primestor"), has acquired an approximate 32-acre site in the City of South Gate, California near the northwest corner of Atlantic Avenue and Firestone Boulevard for the purposes of developing a retail shopping center (the "Property"); and

WHEREAS, Primestor for years has been focused on developing and managing high quality retail projects in urban areas similar to the City that become regional and local gathering spaces for the neighborhoods they serve, as well as a catalyst for economic development and job creation in the cities in which such projects are located; and

WHEREAS, Site Plan 299 proposed a retail development of up to 450,000 square feet of new commercial and retail stores ("Project") on the Property and a land use entitlement for the Project on the Property ("Entitlement") was approved by the South Gate City Council on December 13, 2011; and

WHEREAS, according to the United States Department of Labor Bureau of Labor Statistics the average annual wage for Retail Salespersons in California as of May 2010 was \$25,810 (<http://www.bls.gov/oes/current/oes412031.htm>); and

WHEREAS, in 2007 and 2011, the City evaluated the potential impacts to existing retailers within the City through an Urban Decay Analysis and update to the same, and found that there is an unmet retail demand within the City, and that even after proposed development is completed it is estimated that a net demand for existing and additional retail amenities within the City will remain; and

WHEREAS, in 2007 and 2011, the City evaluated the potential impacts to existing retailers within the City through an Urban Decay Analysis and update to the same, and pursuant to the update, as of 2009, in excess of an estimated \$460 million in retail sales demand by City residents was unmet within the City, including an unmet demand within the City of more than \$275 million in apparel, general merchandise, home furnishing/appliances and other shopper goods, more than \$150 million in food (grocery/supermarket) and eating and drinking establishments sales, and more than \$30 million in building/hardware/farm, auto dealers and parts, and service station sales; and

WHEREAS, it is estimated that upon stabilization, the proposed development will generate in excess of \$2.5 million per year in sales tax revenues to the City (estimated as of 2012), increasing annually thereafter for the foreseeable future; and

WHEREAS, based on the professionally recognized IMPLAN model, generally regarded as the most widely employed and accepted regional economic analysis software for predicting economic impacts, construction of the proposed development is expected to create in the local region more than 650 annualized jobs, and \$122 million in direct, indirect, and induced

economic output, and the ongoing operation of the proposed development is expected to support more than 725 jobs annually; and

WHEREAS, development of the Project is the subject of a proposed Amended and Restated Memorandum of Understanding between the City and Primestor (“MOU”), which will amend and restate in their entirety that certain Memorandum of Understanding dated October 14, 2011, (Contract No. 2775) and that certain First Amendment to Memorandum of Understanding dated January 30, 2012. The MOU addresses topics such as impact fee waivers, City permitting costs, development timeline, and certain public improvements, some of which are conditions of approval of the Project Entitlement and other public improvements that are located in the vicinity of the Project, and conditions subsequent that include certain definitive implementing agreement(s) embodying the understandings contained in the MOU (the “Definitive Financing Agreement”); and

WHEREAS, further, the Definitive Financing Agreement will obligate Primestor to comply with all applicable federal, state and local laws, including, if applicable, paying prevailing wages in connection with construction of the Project; and

WHEREAS, the completion and operation of the Project would provide an opportunity for the City to increase employment, business, and investment opportunities within the City, and to potentially attract other retail and commercial development in the City; and

WHEREAS, implementation of the MOU and the Definitive Financing Agreement would help implement the development principles in the Compass Growth Vision Report published by the Southern California Association of Governments (SCAG), which details the comprehensive growth vision for Los Angeles County, including five other counties that comprise the SCAG region. The Project would locate retail shopping businesses in the City in areas with existing transportation infrastructure, along transportation corridors, and near transit corridors/stations; and

WHEREAS, the Project will improve the quality of the environment by reducing the necessity of City residents to travel to other jurisdictions to seek retail goods and other quality neighborhood commercial services promoting a positive image for the area and providing a more safe and secure neighborhood by establishing a more active urban landscape which offers more “eyes on the street”; and

WHEREAS, the Green City Element of the General Plan describes “Greening of South Gate” as one of the top community priorities expressed during community outreach by City residents and stakeholders. This Project will incorporate sustainability measures such as use of reclaimed water for landscaping and providing recharging stations for electrical vehicles. The Developer has indicated that it will develop the Project in a manner that would enable it to obtain Leadership in Energy and Environmental Design (“LEED”) silver certification; and

WHEREAS, Primestor will implement a local area hiring program, subject to applicable federal and state laws and regulations, aimed at providing local area residents an opportunity to work on the Project. Primestor agrees to use its reasonable efforts to ensure that not less than 10% of the construction work for the Project shall be performed by local area residents. The local area

hiring program will include other activities, such as a job fair, to provide opportunities for local area residents, thereby further contributing to the City's socio-economic base and financial recovery; and

WHEREAS, the City and Primestor have determined that it would not be economically feasible for Developer to develop the Project unless the City makes the undertakings contemplated by the MOU; and

WHEREAS, the Property has gone through numerous ownership changes since it was owned by Ameron several years ago, and despite the previous retail developer/owner's approved entitlements in 2008, the previous developer was unable to develop the site due primarily to the downturn in the economy; and

WHEREAS, Primestor has evaluated and pursued traditional financing, New Market Tax Credits, subsidies from Los Angeles County, grants and other alternative financing structures and options, and despite the use of these financing alternatives, without the City's undertakings contemplated by the MOU, there would not be sufficient funds for Primestor to develop the Project; and

WHEREAS, based on the City's independent review of Developer's pro forma, without the City's undertakings to construct certain off-site public infrastructure improvements and waive certain development impact fees, the Project is financially infeasible and will not be developed in the near future, resulting in the public purposes outlined above not being advanced; and

WHEREAS, the Property has remained vacant and blighted for many years, with no active uses on the Property, and it has been a target for vagrancy, vandalism and graffiti. Approximately 138 public safety/crime incidences have been reported in the crime reporting district in which the Project is located in the last five years. Allowing the Property to remain vacant may continue to attract vandalism and graffiti, which poses public safety and welfare concerns; and

WHEREAS, facilitating development of the Property with a commercial center by building off-site public infrastructure improvements and waiving certain development impact fees will create synergies from overall activities in the area that will make the City a more desirable place to live and work, that will increase property values in the City and offer additional sources of revenue for the City's General Fund; and

WHEREAS, pursuant to the authority granted by the California Constitution, Article XI, Section 6, a city may "make and enforce within its limits all local, police, sanitary, and other ordinances, and regulations not in conflict with general laws;" and

WHEREAS, a city's exercise of the police power is "elastic...and capable of expansion to meet existing conditions of modern life..." (*Richeson v. Helal* (2007) 158 Cal.App.4th 268, 277); and

WHEREAS, the City's police power provides authority to adopt regulations designed to promote the public convenience or the general prosperity, as well as regulations designed to promote the public health, the public morals, or the public safety. (*Chicago, B. & Q. Ry. Co. v. Drainage Commissioners* (1906) 200 U.S. 561, 592) The City's police powers include such actions as implementing zoning ordinances, providing for police and safety, and creating parks

and recreational activities in the City (See e.g. *Fonseca v. City of Gilroy* (2007) 148 Cal.App.4th 1174, 1181; *Cotta v. City and County of San Francisco* (2007), 157 Cal. App. 4th 1550, 1557.); and

WHEREAS, although the California Constitution prohibits the gift of public money for private purposes (Art. XVI, Section 6), the determination of what constitutes a public purpose is primarily a matter for legislative discretion which will not be disturbed by the courts if there is a reasonable basis for the expenditure (*Kizziah v. Dept. of Transportation* (1981) 121 Cal. App. 3d 11, 21); and

WHEREAS, the City Council has duly considered all of the terms and conditions of the proposed MOU and believes that constructing certain off-site public infrastructure improvements and waiving certain development impact fees in an effort to provide assistance to spur the development and reuse of the Property pursuant to the terms and conditions in the MOU is in the best interests of the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws and requirements. The City bases this conclusion on the experiences of countless California cities, and therefore the City has a reasonable basis to believe that the development of the Property is in the best interest of the City. In addition, the City Council takes legislative notice of the following studies as an additional basis for their conclusions, copies of which are part of the administrative record on file in this matter and are available for public review upon request:

- Comprehensive Economic Development Strategy (“CEDS”) Report, approved by the U.S. Economic Development Administration on January 6, 2012;
- City of South Gate General Plan 2035, Health Element;
- Urban Decay Analysis dated September 7, 2007, prepared by Kosmont Companies;
- Update to Urban Decay Analysis dated December 1, 2011, prepared by Kosmont Companies;
- “Combined Transportation and Housing Decisions Saves Money and Build Wealth,” U.S. Department of Transportation, Federal Highway Administration, accessed on February 26, 2012, at http://www.fhwa.dot.gov/livability/fact_sheets/transandhousing.pdf;
- “Governor’s Proposal Eliminating Redevelopment Is More Budget Smoke and Mirrors that Will Bring Little Financial Benefit to State But Will Cause Significant Harm to California’s Economy,” California Redevelopment Association, January 10, 2011;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH GATE DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The City Council finds and determines that the foregoing recitals are true and correct.

SECTION 2. It is the intention of this legislative body as required by the public interest the City Council hereby finds and determines that there are significant public benefits from constructing off-site public infrastructure improvements and waiving certain development impact fees to spur development of the Property, and that without such assistance by the City there will be no retail commercial project developed on the Property in the near future, that there will be a demonstrable increase in revenue to the City from the Project being developed in addition to the creation of hundreds of jobs, where today the 32-acre Property sits vacant and unproductive. The proposed public benefits of the Project include, but are not limited to, the following:

- Generation of sales tax revenue that is estimated to contribute to an excess of \$2 million in annual General Fund revenue for the City, which will contribute to the ability of the City to fund police services, parks and recreation, public works, and other vital City services;
- Creation of approximately 465 construction jobs in the local region, in addition to 637 jobs annually;
- Commitment of Primestor to use its reasonable, coordinated, documented efforts to make available to local area residents not less than 10% of construction jobs in connection with Project;
- Commitment of Primestor to implement a local area hiring program in compliance with applicable federal and state laws aimed at providing local area residents an opportunity to work on the Project, such as hosting job fair activities;
- Creation of opportunities for the City to keep retail sales within the City limits, and to foster economic growth through the development of a commercial/retail center with national-brand retailers and one-stop retail establishments;
- Development of retail space which would permit the development essential community-oriented businesses that promote healthy living, including grocery stores with fresh produce, banks, and pharmacies;
- Creation of an infill development to eliminate under-utilized, vacant lots within the City, which if left undeveloped may attract vandalism and graffiti;
- Elimination of deficiencies in the circulation system, and the provision of public improvements and infrastructure improvements, including widening of roadways, sidewalks, ADA ramps, new/upgrades traffic signals and infrastructure improvements such as waterline, sewer lines, storm drain lines, power pole and landscaping; and

- Creation of the City's first building complex with the ability to be certified as "Silver" by the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) classification program, which promotes one of the community's top priorities as expressed in the Green City Element of the City's General Plan.

SECTION 3. The City Council hereby approves the form, terms and provisions of the Amended and Restated Memorandum of Understanding.

SECTION 4. The City Council hereby agrees to be responsible for the construction of certain off-site public improvements and waiver of certain development impact fees to facilitate development of the Project, subject and pursuant to the terms and conditions in the MOU, and finding that undertaking such responsibility is an authorized exercise of the City's general police powers.

SECTION 5. The City Council hereby finds and determines that approval of the MOU is in compliance with the requirements of the California Environmental Quality Act, Public Resources Code § 21000, et seq. ("CEQA") and the CEQA Guidelines, 14 California Code of Regulations § 15000, et seq., in that on December 13, 2011, at a duly noticed public hearing, the City Council certified an Addendum to the previously certified Final Environmental Impact Report for the South Gate Gateway Project (State Clearinghouse Number 2007041101) ("EIR"). The Addendum concluded that there are no substantial changes or substantially greater environmental impacts than those previously studied in the EIR. A Notice of Determination for the Addendum was filed on December 20, 2011.

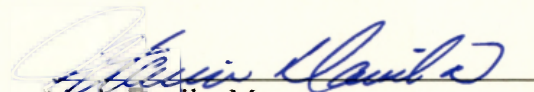
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SECTION 6. The City Council hereby declares that if any provision, sentence, clause, section or part of this Resolution is found to be unconstitutional, illegal or invalid, such finding shall affect only such provision, sentence, clause, section or part, and shall not affect or impair any of the remaining parts.

SECTION 7. The City Clerk shall certify to the adoption of this Resolution which shall be effective upon its adoption.

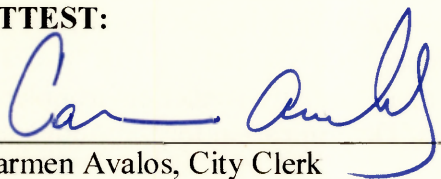
PASSED, APPROVED and ADOPTED on this 27th day of **March 2012**.

CITY OF SOUTH GATE:



Maria Davila, Mayor

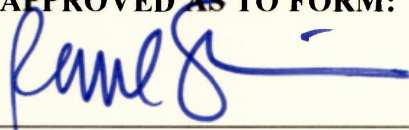
ATTEST:



Carmen Avalos, City Clerk

(SEAL)

APPROVED AS TO FORM:



Raul F. Salinas, City Attorney

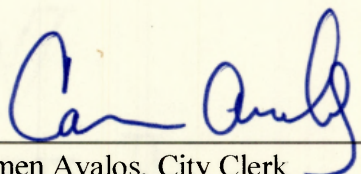
RESOLUTION CERTIFICATION PAGE

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF SOUTH GATE)

I, Carmen Avalos, City Clerk of the City of South Gate, California, hereby certify that the whole number of Members of the City Council of said City is five; that Resolution No. 7482 was adopted by the City Council at their Regular Meeting held on March 27, 2012, by the following vote:

Ayes: Council Members: Davila, Hurtado and Morales
Noes: Council Members: Gonzalez
Absent: Council Members: De Witt
Abstain: Council Members: None

Witness my hand and the seal of said City on April 25, 2012.



Carmen Avalos, City Clerk
City of South Gate, California