

RESOLUTION NO. 7854

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

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE, CALIFORNIA, APPROVING THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH ASÍ REAL ESTATE INVESTMENTS, LLC FOR THE SALE OF CITY-OWNED PROPERTY LOCATED AT 5821 FIRESTONE BOULEVARD AND AUTHORIZING THE MAYOR TO EXECUTE SAID AGREEMENT IN A FORM ACCEPTABLE TO THE CITY ATTORNEY

WHEREAS, the City of South Gate is authorized and empowered by law to enter into agreements for the acquisition, development and disposition of real property; and

WHEREAS, the City of South Gate previously acquired that certain real property consisting of approximately 20,037 square feet located at 5821 Firestone Boulevard (the "Site") from the former Community Development Commission of the City of South Gate (successor-in-interest to the Redevelopment Agency of the City of South Gate) ("Former Agency") following the passage of California Assembly Bill x1 26 which added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code (the "H&SC") and caused the dissolution of all redevelopment agencies in the State of California and wind down of the affairs of the former agencies, including as such laws were amended by Assembly Bill 1484 and by other subsequent legislation (together, as amended, the "Dissolution Law"); and

WHEREAS, pursuant to the Dissolution Law, the Successor Agency to the Community Development Commission of the City of South Gate ("Successor Agency") was required to prepare a "long-range property management plan" (the "LRPMP") addressing the future disposition and use of all real properties of the Former Agency no later than six months following the California Department of Finance's issuance to the Successor Agency of a finding of completion under Section 34179.7 of the H&SC; and

WHEREAS, the Site was included in the State-required LRPMP for the City of South Gate and, in the South Gate 2015 LRPMP, the Site was listed as being transferred to the City of South Gate which was approved by the California Department of Finance; and

WHEREAS, the Site is located within the South Gate Towne Shopping Center, is currently improved as a surface parking lot utilized by patrons of surrounding businesses within the shopping center, including Denny's Restaurant to the west of the Site, but does not generate any income for the City of South Gate; and

WHEREAS, the Site is within the Regional Commercial Zone with a residential/mixed use overlay, which zone supports retail and service commercial uses as well as residential as part of mixed use projects, and the General Plan designation for the Site is El Paseo/South Gate Towne Center (Sub Area 1), which call for uses such as retail/service, restaurant, office, entertainment, multi-family residential, and plaza/open space; and

WHEREAS, on April 24, 2018, the City Council of the City of South Gate approved an Exclusive Negotiation Agreement (the "ENA") with Primestor Development, Inc. ("Primestor"), the developer of the successful 32-acre azalea Regional Shopping Center located at 8653 Atlantic Avenue, to enter into a one-year period for exclusive negotiations for the potential acquisition and redevelopment of the Site for retail/restaurant uses; and

WHEREAS, in furtherance of the ENA, City staff has negotiated the terms of a Disposition and Development Agreement (the "DDA") with ASÍ Real Estate Investments, LLC, an Arizona limited liability company, or its duly approved assignee ("Developer"), in conjunction with Primestor's Chief Executive Officer, Arturo Sneider, for the sale, purchase and redevelopment of the Site, a copy of which DDA is attached to this Resolution as Exhibit "A"; and

WHEREAS, the DDA would provide, among other things, for the City of South Gate to sell the Site to Developer in its present "as is" condition for a purchase price of \$1,540,000, which is the fair market value of the Site as determined by an appraisal, with the proceeds of sale to be distributed to the taxing entities under Section 34191.5(c)(2)(B) of the H&SC; and

WHEREAS, Developer desires to redevelop the Site with a single tenant or multi-tenant building for restaurant and/or retail and services, which will be in compliance with all applicable laws and subject to the City of South Gate's discretionary approval of all plans and specifications in accordance with City ordinances and regulations including zoning regulations (the "Project"), it being the intent of Developer and the City of South Gate that the Project will provide a dining and/or retail development along the Firestone Boulevard corridor which would enhance the quality of life of residents, provide employment opportunities and increase retail sale tax revenue; and

WHEREAS, the sale of the Site is in the best interests of the City of South Gate and the health, safety and welfare of its residents; and in accordance with the goals, objectives and public purposes and provisions of applicable state and local laws and requirements; and

WHEREAS, Developer acknowledges that the City of South Gate will not be providing financial assistance to Developer in connection with Developer's acquisition of the Site or development of the Project; provided, however, the City of South Gate, at no cost to the City of South Gate, agrees to reasonably cooperate and assist Developer in its efforts to secure other public sources of funding (including subsidies), if any; and

WHEREAS, the City of South Gate published notice of the proposed DDA and held a public hearing on April 23, 2019, in accordance with Section 33431 of the H&SC and, following the public hearing, the City of South Gate considered and by this Resolution desires to approve the DDA;

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

SECTION 1. The foregoing recitals are true and correct and constitute a substantive part of this Resolution.

SECTION 2. The City Council hereby approves the terms and conditions of the DDA for the sale of the Site to Developer in substantially the form attached hereto as Attachment 1, which is fully incorporated by this reference.

SECTION 3. The City Council hereby authorizes the Mayor to execute the DDA in a form acceptable to the City Attorney and is further authorized to take such actions as may be necessary or appropriate to implement the DDA, including executing a grant deed and such other instruments, certificates and agreements, and taking such other appropriate actions to perform the obligations and exercise the rights of the City of South Gate under the DDA. A copy of the DDA when fully executed and approved shall be placed on file in the office of the City Clerk.

SECTION 4. This Project is within a Class 32 "Infill" Categorical Exemption pursuant to California Environmental Quality Act Guideline Section 15332. A Class 32 Exemption exempts certain in-fill development meeting the conditions described in the section. The Project qualifies for a Class 32 Exemption because of the following conditions: (a) the Project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations; (b) the Project occurs within city limits on a site of no more than five acres substantially surrounded by urban uses; (c) the Project's site has no value as habitat for endangered, rare or threatened species; (d) approval of the Project would not result in any significant effects relating to traffic, noise, air quality, or water quality; and (e) the site can be adequately served by all required utilities and public services.


SECTION 5. The City Clerk shall certify to the adoption of this Resolution which shall be effective upon its adoption.

PASSED, APPROVED and ADOPTED this 23rd day of April 2019.

CITY OF SOUTH GATE:

Jorge Morales, Mayor

ATTEST:



Carmen Avalos, City Clerk
(SEAL)

APPROVED AS TO FORM:



Raul F. Salinas, City Attorney

EXHIBIT "A"
DISPOSITION AND DEVELOPMENT AGREEMENT
[to be attached]

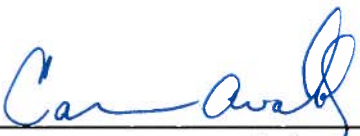
RESOLUTION CERTIFICATION PAGE

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. 7854 was adopted by the City Council at their Regular Meeting held on April 23, 2019, by the following vote:

Ayes: Council Members: Bernal, Davila, Diaz, Morales, and Rios
Noes: Council Members: None
Absent: Council Members: None
Abstain: Council Members: None

Witness my hand and the seal of said City on April 24, 2019.



Carmen Avalos, City Clerk
City of South Gate, California