



**MINUTES OF A SPECIAL MEETING OF THE CITY COUNCIL AND
SIGNAL HILL REDEVELOPMENT AGENCY**

March 9, 2011

8:00 a.m.

A Special Meeting of the City Council and Signal Hill Redevelopment Agency was held in the Council Chamber of City Hall on March 9, 2011.

CALL TO ORDER - 8:10 a.m.

Mayor Wilson: I would like to call the Signal Hill Council and Redevelopment Agency Meeting to order. Roll call please.

ROLL CALL – CITY COUNCIL

City Manager called roll call:

Council Member Ward: Absent
Council Member Noll: Here
Council Member Hansen: Here
Vice Mayor Forester: Here
Mayor Wilson: Here

Mayor Wilson: Are we going to do this as a joint meeting?

City Manager: Yes, portions are joint meeting and then portions are for Agency only.

Chair Hansen: I would like to call the Redevelopment Agency to order.

ROLL CALL – REDEVELOPMENT AGENCY

Executive Director called roll call:

Member Wilson: Here
Member Ward: Absent
Member Forester: Here
Vice Chair Noll: Here
Chair Hansen: Here

Mayor Wilson: Can we stand and join me in the Pledge of Allegiance?

PLEDGE OF ALLEGIANCE

Mayor Wilson led the audience in the Pledge of Allegiance.

Mayor Wilson: At this time we'll have public business from the floor on any item not on the agenda.

PUBLIC BUSINESS FROM THE FLOOR

There was no public business from the floor.

Mayor Wilson: Seeing none we're going to move to City Manager's report, is this one okay to do or do we need to move it?

City Manager: Yes, I think we can take this item now, we do have – we are ready to go. This is actually a joint item between the City Council and the Redevelopment Agency, it's adoption of an agreement approving a lease between the Agency and the City and H&L Properties, LLC, for the property located at 1839 29th Street. This is the property that the Agency purchased at tax default, it's the PRC property. It's immediately behind the Nissan – The Long Beach Nissan on Spring Street. And what we're proposing is to move forward with a lease agreement with Hooman Nissani for the property.

The staff report explains a lot of the details about the property, including at this point in time the property is under a active environmental review by the State Department of Toxic Substance Control. And that's based on data collected in 1994 that suggests there might be significant contamination present beneath the property. At this point in time we have essentially – we are unclear because of the Governor's proposal what will happen with this property in terms of its overall control. As you are aware the Governor's proposal would have an oversight agency appointed that would be responsible for these properties. So we are assuming that this oversight agency would be responsible to work with DTSC to actually do any additional cleanups that might be required or in this case DTSC may require a groundwater monitoring well. At this point in time because of the uncertainty we actually have two recommendations. We have a recommendation for a lease with the City and also a lease with the Agency and we feel that would provide the City and the Agency with the flexibility as we move forward and try to sort through the implications of the Governor's legislation. So at this point in time I don't know if the City Attorney has any additional comments.

City Attorney: Well I would amend that slightly. As you know we previously authorized the conveyance of this parcel from the Agency to the City. Actually we are encountering problems with the County in terms of getting deeds recorded. So the property is still at the time that this meeting was called we weren't sure who would actually be in title with respect to this parcel. It is still the Agency. So I think that the lease agreement will be with the Agency. We have concerns about the contamination situation with respect to

the property. So we really don't want to put it into title with the City at this point. And with respect to this developer – this auto dealer – they do need additional auto storage. As you know, from time to time the Agency has entered into leases with various auto dealers to provide supplemental storage areas and in fact the 3-acre has been utilized for auto storage purposes pursuant to interim lease agreements. So what we're proposing to do is to do that with respect to this parcel. And we would basically, the only improvements we would do is to the extent necessary to make the surface of the property appropriate for auto storage purposes. So on this particular parcel with respect to the lease, we are proposing the Agency lease the property, enter into this lease agreement. The lease at a later point in time can be assigned to the City but this would permit proceeding with making this area available for those purposes. Meanwhile, we will try and deal with the long term environmental issues and see if we can get them resolved. The property owner or the auto dealer obviously does not want to take title to property that is contaminated. So the lease arrangement allows them to utilize the surface for storage while we try and work out the environmental conditions on the site.

Vice Mayor Forester: Ed?

Mayor Wilson: Yes?

Vice Mayor Forester: Now just a real quick question, the - what do you call it DTLC? Whatever, has no problem with storing vehicles on the property? No human.

City Manager: This is, basically this has to do with groundwater so the site itself is fine.

Vice Mayor Forester: Okay thank you.

Mayor Wilson: I'm just curious. How you're talking about this oversight committee, whatever, that is supposedly going to be set up for every local agency or development agency. Where is the staff behind that?

City Attorney: Where is the staff? Well, again you're talking about the legislation, we don't know whether the legislation will be enacted or not. The oversight committee's purpose is basically to unwind the affairs of the Agency. There is a committee that is created, which has these seven members of which one is appointed by the City. The legislation doesn't say anything in terms of what kind of staff they might need to carry out their functions. It's not clear whether it's expected that the actual committee – the seven member committee itself can do all that or whether they will need staff. However, the legislation does say that whatever the expenses are of the oversight committee will be charged back against the Agency.

Council Member Hansen: Which actually would be charged back to the State because the State is taking over the Agency.

City Attorney: Well whatever those expenses are would leave less money available in the pot that is supposed to go to the State, because it's all supposed to go to the State.

Council Member Hansen: Right.

City Attorney: Yep.

Council Member Hansen: So they're really charging themselves.

City Attorney: In a way that's true, if you assume that everything we have is really theirs.

Council Member Noll: The way I read it, is even though it's our Agency it would be the money that that would eventually go to the State.

City Attorney: Correct.

Council Member Hansen: And is the County having trouble recording deeds because it's a big volume right now?

City Attorney: No it appears that they are under instructions to not record Agency deeds and try and find any excuse they can not to record those deeds.

Council Member Hansen: Wow.

Vice Mayor Forester: I got involved in it slightly yesterday with John Noguez's office trying to get some things straightened out but it's a – excuse me – a bureaucratic nightmare because one says we have it recorded, the other says well we don't have access to that recording. But they're both the same County. But you know and you're right.

Council Member Noll: And we got our County Supervisor involved yesterday too didn't we?

City Manager: Yes. We had actually taken deeds on Friday to record and they only told us they would record ten – we had like 45 deeds – to come back on Monday and then when Elise returned on Monday they gave us all 55 deeds back with little markings on them of, like we had a margin off by a centimeter and you know, we basically went back and fixed all the deeds, followed their checklist and then Elise took ten up yesterday as a sample because we thought let's see if they record these ten. And they recorded four and rejected five and or she took nine up. They rejected five and recorded four and the ones they wouldn't record, they were telling us they didn't have the tax assessor, current parcel transfer data which would show it's an Agency parcel from 2011. Even though that shows on the tax assessor website. And so what happens, we had to get Connie Sziebl from Supervisor Knabe's office involved to call the Supervisor's up at the County Recorder up in Norwalk to find out what was going on, why they wouldn't accept our deeds. The Supervisor did call Elise and I back and basically apologized and in the conversation basically admitted that the County Recorder is under orders to nitpick the

deeds and send back to the Agencies if there is anything wrong. And so we are hoping today – we set up an appointment with a supervisor up there to take the deeds back up and go through them and try to get them recorded again today. So we're doing the best that we can but that's the unfortunate situation that we're in right now. But we will continue to get these deeds recorded.

Vice Mayor Forester: With that, on behalf of the Council, can I move the recommendation?

Council Member Noll: And I'll second it.

Mayor Wilson: Yes it's been a motion and a second to approve the Agreement with H&L Properties.

Vice Mayor Forester: I think we have a speaker.

City Manager: Yeah I just want to indicate we do have Hooman Nissani is here, I don't know if he wanted to speak to this.

Mayor Wilson: Yeah, at this time if you would like to speak on this issue, please come forward.

Hooman Nissani: Good Morning, I had a lot of traffic on the 405. I thank everybody for taking the time and hearing this. One of the things I do want to bring up is our decision in purchasing the Nissan Dealership (inaudible) was based on the properties that we were in talks with the City to get in order to extend our facilities and also some monetary help that we were hoping to get from the City in order to (inaudible) extensions and advertising campaigns and equipment that we are purchasing on the property. And I just wanted to for the record put that out there that we have been doing that and we really look forward to continuing our relationship with the City and look forward to hopefully being able to finish this project up with you guys.

Mayor Wilson: One of our recommendations and we've been telling everyone this, contact your Assembly Members, your State Senator, the Governor all on your own as well as individual citizens and express your opinion and hopefully that they do not eliminate the Redevelopment Agency because this is what happens. Basically the Redevelopment Agency is the only economic engines that local communities have in generating or in turning properties that by themselves the private market isn't going to put the money and investment in. And we are about to lose that ability and projects like yours and others around the State will never get done.

Hooman Nissani: Thank you.

Mayor Wilson: Thank you.

Vice Mayor Forester: I think it's been moved and seconded.

Mayor Wilson: Yes, a motion and a second. All in favor.

The following vote resulted:

AYES: MAYOR WILSON
VICE MAYOR FORESTER
COUNCIL MEMBER HANSEN
COUNCIL MEMBER NOLL

NOES: NONE

ABSENT: COUNCIL MEMBER WARD

ABSTAIN: NONE

Mayor Wilson: Motion carries.

Vice Chair Noll: I move the Agency.

Member Forester: Second.

Chair Hansen: There is a motion and a second. All those in favor please say Aye.

The following vote resulted:

AYES: CHAIR HANSEN
VICE CHAIR NOLL
MEMBER FORESTER
MEMBER WILSON

NOES: NONE

ABSENT: MEMBER WARD

ABSTAIN: NONE

Chair Hansen: Any opposed. The Motion carries 4/0.

City Manager: I think now we would recess the City Council.

Vice Mayor Forester: Move recess of the City Council.

Council Member Hansen: Second.

Mayor Wilson: We are in recess.

Chair Hansen: Next item.

Executive Director: The next item is an agreement for the rehabilitation of the Signal Hill Auto Association Center Freeway sign and as the Agency is aware the Association and the City along with the Agency have been working to rehab the freeway sign for a number of years. Discussions actually started in 2002 and more recently in 2006 we began to look at the rehab of the sign. The Auto Center actually hired a company to take a look at different ways to renovate the sign and rehabilitate it. The discussions we had with the Auto Dealers Association at the time was that because of the fact that the Association or the City or Agency did not own the property which the sign was located on and because the renovation costs are fairly high, they are about \$800,000. That it didn't make a lot of sense to put that type of money into property that essentially we didn't have control over - either the Association, or the Agency or the City. That got us thinking about well, perhaps we need to make offers on this property and we started a process in 2007 of actually doing title searches and getting the property appraised. We found similar issues in Signal Hill where we had multiple ownerships, eventually had to file an eminent domain action to condemn out the property. In some cases we couldn't find the property owners. We did reach a settlement agreement with a major property owner, the Eyestones to purchase the property.

The court actions actually took about two years and we just recently concluded the court action, I think it was in December of 2010 where we actually have complete control over the property. What we would like to do at this point in time – we have had in our Agency budget for a number of years, \$400,000 has been allocated for the renovation of the sign. It would cover about 50% of the cost. We would like the Agency at this point to approve an agreement where we can move forward with the renovation of the sign and there is a whole series of justifications that we feel are warranted which I cover in the staff report.

Basically we have to recognize that the long term viability of the Auto Center really is tied to the freeway sign. The dealerships have no direct visibility from the freeway because the freeway is in a condition where it's below grade as it travels through Signal Hill. So they are highly dependent upon the freeway sign as a location, as kind of the landmark to get people to the auto center. So that's the sign which was actually constructed in 1994 has a series of problems with it, we have, in the staff report described some of the energy issues. It's an older technology, where the bulbs burn out, have to be replaced. Obviously the new technologies with LED are more energy efficient. There are also less maintenance issues. So we just believe that makes a lot of sense to renovate and upgrade the sign now that we have control over the property. I think that's pretty much it. I don't know, perhaps the City Attorney if he had some additional comments that he wanted to add. We have included a copy of the sign renovation plan to the staff report, so you actually have a picture of what the sign would look like in a renovated state.

Agency Counsel: My only additional comments are that we have a services agreement that we would enter into with the Association. That agreement will require the Association to proceed and spend this money for these purposes. The existing lease doesn't terminate for another year. However, it's possible that the Association could secure termination of that lease early to permit them going ahead with their rehabilitation program. The rehabilitation program requires them to undertake a whole series of actions beginning immediately in terms of surveying the site, making sure that this is the appropriate location for the site, checking out the site distances, and locating an architect in terms of site design. Also, going through a process to determine a cost for developing the property, the agreement would require them to complete the installation of the new sign within a three year period or the money would be returned. We would enter into that agreement immediately so that they can carry out that project.

Chair Hansen: Okay are there any questions of staff?

Member Forester: No I move the recommendation.

Vice Chair Noll: Second.

Chair Hansen: There is a motion by Member Forester, second my Vice Chair Noll.

Executive Director: Before you take action we have members from the Dealer Association here.

Chair Hansen: Sure. Anyone wishing to speak, please come forward.

Brad Willingham: Honorable Mayor and Members of the City Council, thank you very much. I am Brad Willingham and I had come before you in 2006 and requested those funds and we worked very closely with the City in fact we at first tried to approach the land owners as an Association to try to acquire this property and with everything that's going on right now, Signal Hill should be the poster child for why you have to have a Redevelopment Agency because it was just so far beyond the scope of our Association of Dealers to try to make this happen. And we can't say enough about the City of Signal Hill and the staff that has worked to acquire this property because we knew that was a smart business move. Before we moved forward with this fairly expensive renovation it did not make sense with the property in question. So we do thank you for the efforts. We need to have the sign rehabilitated. We needed it really since 2002 when we started taking a close look at it. And now since neighboring cities have put up very modern and very attractive signs, it makes ours look all that much more less than satisfactory. I hope to move forward with this agreement.

Chair Hansen: Anyone else wish to speak? Seeing none I will bring it back to the Redevelopment Agency. There is a motion and a second. Any further questions or discussion? Unfortunately we were not one of the Redevelopment Agencies audited by the State and presented in the newspaper as a 'Failure of the Redevelopment to spend their money wisely'. With that all those in favor please say Aye.

The following vote resulted:

AYES: CHAIR HANSEN
VICE CHAIR NOLL
MEMBER FORESTER
MEMBER WILSON

NOES: NONE

ABSENT: MEMBER WARD

ABSTAIN: NONE

Chair Hansen: Any opposed? 4/0

Chair Hansen: Next item please – Gardena Avenue.

Executive Director: Yes we have an agreement for the purchase of 2435 – 2461 Gardena Avenue. This is commonly known as the Sullivan property. The Agency has had several meetings in executive session where we have discussed the Sullivan property. This was actually part of an active offer at one time, which was essentially withdrawn by Mrs. Sullivan and we then moved forward as part of an eminent domain condemnation action. The Agency adopted a Resolution of Necessity after having a hearing on this. At the hearing we were asked to meet with the property owner, and the developers for the property, which we did do. It was subsequently decided that there was a series of constraints on the property that the developer and the Sullivans' no longer wished to be owner participants and try to develop the property. So at this point in time, the Sullivans' moved forward and basically indicated they would like to sell the property to the Agency. So this is the Purchase and Sale Agreement and it essentially is the purchase price that the Agency Board had authorized.

Chair Hansen: Are there any questions of staff?

Member Forester: No I'd move the recommendation.

Vice Chair Noll: Second.

Chair Hansen: There is a motion by Member Forester, second by Vice Chair Noll.

Agency Counsel: I would just like to say that attached to your staff report is a signed Purchase Agreement.

Chair Hansen: Okay, right. Anyone wish to speak about this in the audience? Seeing none and with the comments of the City Attorney, all those in favor please say Aye.

The following vote resulted:

AYES: CHAIR HANSEN
VICE CHAIR NOLL
MEMBER FORESTER
MEMBER WILSON

NOES: NONE

ABSENT: MEMBER WARD

ABSTAIN: NONE

Chair Hansen: Any opposed? The motion carries 4/0.

Chair Hansen: St. Louis Avenue.

Executive Director: Yes this is also an acquisition – 2621 St. Louis Avenue. This property is commonly known as the closed private parking lot with bollards behind Signal Hill Florist that nobody can get into, that's filled up with junk. So that's what that is commonly known as. As part of our action as a Redevelopment Agency, we moved forward and appraised this property, made offers, and Mr. Hennesy at that point in time did not want to sell the property so the Agency actually adopted a Resolution of Necessity through a hearing process and since that time we have continued our negotiations with Mr. Hennesy and we actually reached an agreement with Mr. Hennesy to settle and purchase the property. So we have basically a purchase prices of \$205,000 and we have attached to the staff report, the signed Purchase Agreement from Mr. Hennesy and the Agency. So if you have any questions, I would be happy to answer.

Chair Hansen: Any questions?

Member Forester: No move the recommendation.

Vice Chair Noll: Second.

Chair Hansen: Motion by Member Forester, second by Vice Chair Noll. Any comments City Attorney? Any comments from the audience? All those in favor please say Aye.

The following vote resulted:

AYES: CHAIR HANSEN
VICE CHAIR NOLL
MEMBER FORESTER
MEMBER WILSON

NOES: NONE

ABSENT: MEMBER WARD

ABSTAIN: NONE

Chair Hansen: Any opposed? The motion carries 4/0

Chair Hansen: I believe Council comes back into session for New Business.

Mayor Wilson: Yes. Do you want to have New Business from the Agency first?

Chair Hansen: Any New Business from the Agency?

Chair Hansen: Just to say what I have said earlier that this is not the end. This is the beginning of a very long fight. We're not going to let this happen without a very long fight. So that's all I have to say. With that I will ask for a motion to recess the Redevelopment Agency.

Vice Chair Noll: Move it.

Member Forester: Second.

Chair Hansen: Motion by Vice Chair Noll, second by Member Forester. We are in recess.

Mayor Wilson: Okay, any Council New Business?

Vice Mayor Forester: No.

Council Member Hansen: I find it outrageous that the Recorder's office has been ordered by somebody not to record deeds. But other than that no new business.

Mayor Wilson: Actually what I find interesting is that the County Recorder, he is elected and they have their own thing and they should be working on behalf of the County and not on behalf of the State. Alright, with that I'll entertain the motion to.

Council Member Noll: Move it.

Vice Mayor Forester: Second.

Mayor Wilson: We're recessed, adjourned – whatever.

Edward H.J. Wilson
Mayor

Kathleen L. Pacheco
City Clerk

Tina L. Hansen
Chair

Rebecca Burleson
Agency Secretary