

Lawndale Successor Agency  
**OVERSIGHT BOARD**  
**REGULAR MEETING**

**AGENDA**

**July 25, 2013**

**4:00 PM**

Lawndale City Council Chambers  
14717 Burin Avenue, Lawndale, California 90260

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- A. **CALL TO ORDER**
  
- B. **ROLL CALL / INTRODUCTIONS - Board Members: Patricia Flynn, Joann Higdon, Steve Mandoki, Michael Stewart, Greg Tsujiuchi, John Vinke, Barry Waite.**
  
- C. **PLEDGE OF ALLEGIANCE**
  
- D. **ADMINISTRATION – NEW BUSINESS**
  - 1. **SUCCESSOR AGENCY AUDIT AGREEMENT**
  - 2. **LONG RANGE PROPERTY MANAGEMENT PLAN**
  - 3. **PROPERTY MANAGEMENT AGREEMENT**
  
- E. **CONSENT CALENDAR**
  - 1. **MINUTES OF MAY 30, 2013, MEETING**
  
- F. **PUBLIC COMMENTS**
  
- G. **ITEMS FROM SECRETARY/ADMINISTRATIVE CLERK**
  
- H. **ITEMS FROM BOARD MEMBERS**
  
- I. **ADJOURNMENT**

**Oversight Board Agenda  
July 25, 2013**

The next scheduled Oversight Board meeting is **Thursday, September 12, 2013.**

Copies of staff reports or other written documentation relating to each agenda item are on file with the Oversight Board and are available for public inspection prior to the meeting.

It is the intention of the Oversight Board to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting, you will need special assistance beyond what is normally provided, the Board will attempt to accommodate you in every reasonable manner. Please contact the Lawndale Community Development Department at (310) 973-3230, at least forty-eight (48) hours prior to the meeting to inform us of your particular needs and to determine if accommodation is feasible.

**CERTIFICATION**

Pursuant to the requirements of Government Code Section 54954.2, agendas for each Oversight Board meeting must be posted at least 72 hours in advance in a location that is freely accessible to members of the public. As the Secretary/Administrative Clerk of the Oversight Board, I declare under penalty of perjury that I caused the Oversight Board Agenda to be posted on **July 17, 2013** in accordance with the provisions of State Law and local regulations.

\_\_\_\_\_  
Otis W. Ginoza, Secretary/Administrative Clerk



# OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE LAWDALE REDEVELOPMENT AGENCY

14717 BURIN AVENUE, LAWDALE, CALIFORNIA 90260  
PHONE (310) 973-3200, FAX (310) 644-4556  
www.lawndalecity.org

DATE: July 25, 2013  
TO: Honorable Chairman and Agency Members  
FROM: Otis Ginoza, Deputy City Manager *dwg*  
SUBJECT: Audit Services Agreement

## BACKGROUND

Municipalities and successor agencies must have an independent audit performed annually. On April 5, 2010, the City of Lawndale entered into an agreement with Caporicci & Larson (now Marcum LLP) for three years of independent audit services for the City. As part of the Agreement, Caporicci & Larson also prepared the annual audit of the Lawndale Redevelopment Agency. On June 17, 2013, the City of Lawndale extended the Caporicci & Larson Agreement for an additional year.

The Lawndale Successor Agency wished to receive tax increment to pay the cost of the annual audit which is required by State law. The Successor Agency listed the audit agreement with Caporicci and Larson as an enforceable obligation on its third Recognized Obligation Payment Schedule (ROPS III). The California Department of Finance (DOF) disallowed the audit cost taking the position that audit services should be paid from the administrative funds provided to the Successor Agency. The DOF later reversed its position and now allows successor agencies to list audit costs on ROPS as expenditures separate from the administrative allowance. However, DOF has taken the position that successor agency audit costs may only be listed on a ROPS if the audit agreement is with the Successor Agency and may not be listed if the audit agreement is with the City.

## STAFF REVIEW

The Successor Agency wishes to list the audit expense on the upcoming ROPS 13-14 B (January 2014 to June 2014). On July 15, 2013, the Successor Agency approved an agreement with Caporicci & Larson to prepare the annual Successor Agency Audit at a cost not to exceed thirty-five thousand dollars (\$35,000). The approval of the Oversight Board is also needed to list the expense on the ROPS. The Successor Agency chose to use the same provider of audit services as the City as the use of separate audit firms would likely result in funding some of the same work twice.

## FUNDING

The cost of the Agreement with Caporicci & Larson would be included on ROPS 13-14B and funded with tax increment (RPTTF).

RECOMMENDATION

Staff recommends that the Oversight Board adopt a Resolution 2013-11 approving the Audit Services Contract with Caporicci & Larson.

Attachments: Resolution 2013-11  
Audit Services Contract

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**RESOLUTION NO. 2013 -11**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE  
LAWNDALE SUCCESSOR AGENCY AUTHORIZING THE SUCCESSOR AGENCY TO  
ENTER INTO AN AUDIT SERVICES AGREEMENT**

WHEREAS, California Law requires successor redevelopment agencies to prepare an annual audit; and

WHEREAS, the City of Lawndale previously took responsibility for the preparation of Redevelopment Agency and later Successor Agency annual audits; and

WHEREAS, the City of Lawndale has used Caporicci & Larson to prepare the City and Redevelopment Agency annual audits; and

WHEREAS, the Successor Agency now desires to prepare its own audits;

WHEREAS, on July 15, 2013, the Successor Agency approved an Agreement for fiscal year 2013-2014 audit services with Caporicci and Larson for an amount not to exceed thirty-five thousand dollars (\$35,000.00); and

WHEREAS, the Oversight Board has reviewed this Agreement and desires to authorize the Successor Agency to enter into this Agreement, to cause posting of this Resolution on the Successor Agency website, and to direct transmittal thereof with a copy of such contract to the County Auditor-Controller and Department of Finance (DOF); and

WHEREAS, pursuant to Section 34179(h) as amended by Assembly Bill 1484, written notice and information about all actions taken by the Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF's choosing, and an Oversight Board's action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review.

**NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO  
THE LAWNDALE REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:**

SECTION 1. The foregoing recitals are true and correct, and, together with information provided by the Successor Agency staff and the public, form the basis for the approvals, findings, resolutions, and determinations set forth below.

SECTION 2. Pursuant to the Dissolution Act, the Lawndale Oversight Board authorizes the Successor Agency to enter into the Fiscal Year 2013-2014 Audit Services Agreement with Caporicci & Larson for an amount not to exceed thirty-five thousand dollars.

SECTION 3. The Oversight Board authorizes transmittal of such contract to the County Auditor-Controller and DOF.

SECTION 4. This Resolution shall be effective after this Resolution is transmitted to the DOF, and after the expiration of five (5) business days pending a request for review by the DOF within the time periods set forth in the dissolution Act; in this regard, if the DOF requests review hereof DOF will have forty (40) days from the date of its request to approve this Oversight Board action or return it to the Oversight Board for reconsideration and the action, if subject to review by the DOF, will not be effective until approved by DOF.

SECTION 5. The Secretary of the Successor Agency or the authorized designee is directed to post this Resolution on the Successor Agency's website pursuant to the Dissolution Act.

PASSED, APPROVED AND ADOPTED this 25th day of July, 2013.

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Chair

ATTEST:

State of California            )  
County of Los Angeles        )     SS  
City of Lawndale             )

I, Otis Ginoza, Secretary of the Oversight Board of the Successor Agency of the Lawndale Redevelopment Agency, do hereby certify that the Members of the Oversight Board of the Successor Agency to the Lawndale Redevelopment Agency duly approved and adopted the foregoing Resolution No. 13-11 at a regular meeting of said Oversight Board held on the 25<sup>th</sup> day of July, 2013, by the following roll call vote:

Ayes:

Noes:

Absent:

Abstain:

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Secretary

**LAWNDALE SUCCESSOR AGENCY**  
**CONTRACT SERVICES AGREEMENT FOR**  
**INDEPENDENT AUDIT SERVICES**

This Contract Services Agreement ("Agreement") is made and entered into this 15th day of July, 2013, by and between the Lawndale Successor Agency, a municipal corporation ("Agency"), and Marcum, LLP ("Consultant"). The term Consultant includes professionals performing in a consulting capacity. The parties hereto agree as follows:

**1.0 SERVICES OF CONSULTANT**

1.1 Scope of Services. In compliance with all terms and conditions of this Agreement, Consultant shall provide the work and services specified in the "Scope of Services" attached hereto as *Exhibit "A"* and incorporated herein by this reference. Consultant warrants that all work or services set forth in the Scope of Services will be performed in a competent, professional and satisfactory manner.

1.2 Consultant's Proposal. The Scope of Services shall include the Consultant's proposal or bid which shall be incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the terms of such proposal and this Agreement, the terms of this Agreement shall govern.

1.3 Compliance with Law. All work and services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City of Lawndale and any Federal, State or local governmental agency having jurisdiction.

1.4 Licenses, Permits, Fees and Assessments. Consultant shall obtain at its sole cost and expense, such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Consultant shall have the sole obligation to pay for any fees, assessments, taxes, including applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Consultant's performance of the services required by this Agreement; and shall indemnify, defend and hold harmless Agency against any claim for such fees, assessments, taxes, penalties or interest levied, assessed or imposed against Agency hereunder.

1.5 Familiarity with Work. By executing this Agreement, Consultant warrants that Consultant (a) has thoroughly investigated and considered the scope of services to be performed, (b) has carefully considered how the work and services should be performed, and (c) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement.

1.6 Additional Services. Agency shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Consultant, incorporating therein any adjustment in (i) the Contract Sum, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Consultant. Any increase in compensation of up to five percent (5%) of the Contract Sum or \$25,000, whichever is less, may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively must

be approved by the Agency's Board. It is expressly understood by Consultant that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services or reasonably contemplated therein. Consultant hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Consultant anticipates and that Consultant shall not be entitled to additional compensation therefor.

1.7 Special Requirements. Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as *Exhibit "B"* and incorporated herein by this reference. In the event of a conflict between the provisions of *Exhibit "B"* and any other provisions of this Agreement, the provisions of *Exhibit "B"* shall govern.

1.8 Environmental Laws. Consultant shall comply with all applicable environmental laws, ordinances, codes and regulations of Federal, State, and local governments. Consultant shall also comply with all applicable mandatory standards and policies relating to energy efficiency.

## 2.0 COMPENSATION

2.1 Contract Sum. For the services rendered pursuant to this Agreement, Consultant shall be compensated in accordance with the "Schedule of Compensation" attached hereto as *Exhibit "C"* and incorporated herein by this reference, but not exceeding the maximum contract amount of thirty-five thousand dollars (\$35,000.00) ("Contract Sum"), except as provided in Section 1.6. The method of compensation may include: (i) a lump sum payment upon completion, (ii) payment in accordance with the percentage of completion of the services, (iii) payment for time and materials based upon the Consultant's rates as specified in the Schedule of Compensation, but not exceeding the Contract Sum or (iv) such other methods as may be specified in the Schedule of Compensation. Compensation may include reimbursement for actual and necessary expenditures approved by the Contract Officer in advance if specified in the Schedule of Compensation. The Contract Sum shall include the attendance of Consultant at all project meetings reasonably deemed necessary by the Agency.

Consultant agrees that if Consultant becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services or, if Consultant is providing design services, the cost of the project being designed, Consultant shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Consultant is providing design services, the estimated increased or decreased cost estimate for the project being designed.

2.2 Method of Payment. Unless some other method of payment is specified in the Schedule of Compensation, in any month in which Consultant wishes to receive payment, no later than the first (1st) working day of such month, Consultant shall submit to the Agency, in a form approved by the Agency's Director of Finance, an invoice for services rendered prior to the date of the invoice. Except as provided in Section 7.2, Agency shall pay Consultant for all expenses stated thereon which are approved by Agency pursuant to this Agreement generally within thirty (30) days, and no later than forty-five (45) days, from the submission of an invoice in an approved form.

2.3 Availability of Funds. It is mutually understood between the parties that this Agreement is valid and enforceable only if sufficient funds are made available by the Agency's Board for the purposes of this Agreement. The availability of funding is affected by matters outside the Agency's control, including other governmental entities. Accordingly, the Agency has the option to

void the whole Agreement or to amend the Agreement to reflect unanticipated reduction in funding for any reason.

### 3.0 PERFORMANCE SCHEDULE

3.1 Time of Essence. Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance. Consultant shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as *Exhibit "D"*, if any, and incorporated herein by this reference. When requested by the Consultant, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding one hundred eighty (180) days cumulatively.

3.3 Force Majeure. The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the Agency, if the Consultant shall, within ten (10) days of the commencement of such delay, notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay and extend the time for performing the services for the period of the enforced delay when and if, in the judgment of the Contract Officer, such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Consultant be entitled to recover damages against the Agency for any delay in the performance of this Agreement, however caused; Consultant's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term. Unless earlier terminated in accordance with Section 7.4 below, this Agreement shall continue in full force and effect until completion of the services no later than three (3) years from the date hereof, except as otherwise provided in the Schedule of Performance.

### 4.0 COORDINATION OF WORK

4.1 Representative of Consultant. Sheri J. Lejman is hereby designated as being the representative of Consultant authorized to act on its behalf with respect to the work or services specified herein and to make all decisions in connection therewith.

It is expressly understood that the experience, knowledge, capability and reputation of the representative was a substantial inducement for Agency to enter into this Agreement. Therefore, the representative shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the services hereunder. For purposes of this Agreement, the representative may not be replaced nor may his responsibilities be substantially reduced by Consultant without the express written approval of Agency.

4.2 Contract Officer. The Agency's Executive Director is hereby designated as the representative of the Agency authorized to act in its behalf with respect to the work and services and to make all decisions in connection therewith ("Contract Officer"). It shall be the Consultant's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of

the services and the Consultant shall refer any decisions which must be made by Agency to the Contract Officer. The Agency may designate another Contract Officer by providing written notice to Consultant.

4.3 Prohibition Against Subcontracting or Assignment. The experience, knowledge, capability and reputation of Consultant, its principals and employees were a substantial inducement for the Agency to enter into this Agreement. Therefore, Consultant shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the Agency. In addition, neither this Agreement nor any interest herein may be transferred or assigned without the prior written approval of Agency. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Consultant taking all transfers into account on a cumulative basis. A prohibited transfer or assignment shall be void. No approved transfer shall release the Consultant or any surety of Consultant of any liability hereunder without the express consent of Agency.

4.4 Independent Contractor. Neither the Agency nor any of its employees shall have any control over the manner or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth herein. Consultant shall perform all services required herein as an independent contractor of Agency and shall remain under only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of Agency. Agency shall not in any way or for any purpose become or be deemed to be a partner of Consultant in its business or otherwise or a joint venturer or a member of any joint enterprise with Consultant.

## 5.0 INSURANCE AND INDEMNIFICATION

5.1 Insurance. Consultant shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to Agency, during the entire term of this Agreement including any extension thereof, the following policies of insurance:

(a) Commercial General Liability Insurance. A policy of commercial general liability insurance using Insurance Services Office "Commercial General Liability" policy form CG 00 01, with an edition date prior to 2004, or the exact equivalent. Coverage for an additional insured shall not be limited to its vicarious liability. Defense costs must be paid in addition to limits. Limits shall be no less than \$1,000,000.00 per occurrence for all covered losses and no less than \$2,000,000.00 general aggregate.

(b) Workers' Compensation Insurance. A policy of workers' compensation insurance on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than \$1,000,000.00 per accident for all covered losses.

(c) Automotive Insurance. A policy of comprehensive automobile liability insurance written on a per occurrence basis in an amount not less than \$1,000,000.00 per accident, combined single limit. Said policy shall include coverage for owned, non owned, leased and hired cars.

(d) Professional Liability or Error and Omissions Insurance. A policy of Professional Liability for Errors and Omissions insurance in an amount not less than \$1,000,000.00 per

claim with respect to loss arising from the actions of Consultant performing professional services hereunder on behalf of the Agency.

All of the above policies of insurance shall be primary insurance. The general liability policy shall name the Agency, its officers, employees and agents ("Agency Parties") as additional insureds and shall waive all rights of subrogation and contribution it may have against the Agency and the Agency's Parties and their respective insurers. All of said policies of insurance shall provide that said insurance may be not cancelled without providing ten (10) days prior written notice by registered mail to the Agency. In the event any of said policies of insurance are cancelled or amended, Consultant shall, prior to the cancellation or amendment date, submit new evidence of insurance in conformance with this Section 5.1 to the Contract Officer. No work or services under this Agreement shall commence until Consultant has provided Agency with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by Agency.

Consultant agrees that the provisions of this Section 5.1 shall not be construed as limiting in any way the extent to which Consultant may be held responsible for the payment of damages to any persons or property resulting from Consultant's activities or the activities of any person or persons for which Consultant is otherwise responsible.

The insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide or The Key Rating Guide, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the Agency due to unique circumstances.

In the event that the Consultant is authorized to subcontract any portion of the work or services provided pursuant to this Agreement, the contract between the Consultant and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Consultant is required to maintain pursuant to this Section 5.1.

## 5.2 Indemnification.

(a) Indemnity for Professional Liability. When the law establishes a professional standard of care for Consultant's services, to the fullest extent permitted by law, Consultant shall indemnify, defend and hold harmless Agency and the Agency's Parties from and against any and all losses, liabilities, damages, costs and expenses, including attorneys' fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees of subcontractors (or any entity or individual for which Consultant shall bear legal liability) in the performance of professional services under this Agreement.

(b) Indemnity for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless Agency and Agency's Parties from and against any liability (including liability for claims, suits, actions, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys' fees and costs, court costs, defense costs and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which

Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

## 6.0 RECORDS AND REPORTS

6.1 Reports. Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require.

6.2 Records. Consultant shall keep, and require subcontractors to keep, such books and records as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of Agency, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and the Agency shall have access to such records in the event any audit is required.

6.3 Ownership of Documents. All drawings, specifications, reports, records, documents and other materials prepared by Consultant, its employees, subcontractors and agents in the performance of this Agreement shall be the property of Agency and shall be delivered to Agency upon request of the Contract Officer or upon the termination of this Agreement and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by Agency of its full rights of ownership of such documents and materials. Consultant may retain copies of such documents for its own use and Consultant shall have an unrestricted right to use the concepts embodied therein. Any use of such completed documents by Agency for other projects and/or use of uncompleted documents without specific written authorization by the Consultant will be at the Agency's sole risk and without liability to Consultant and the Agency shall indemnify the Consultant for all damages resulting therefrom. All subcontractors shall provide for assignment to Agency of any documents or materials prepared by them, and in the event Consultant fails to secure such assignment, Consultant shall indemnify Agency for all damages resulting therefrom.

## 7.0 ENFORCEMENT OF AGREEMENT

7.1 California Law. This Agreement shall be construed and interpreted both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Los Angeles, State of California, or any other appropriate court in such county, and Consultant agrees to submit to the personal jurisdiction of such court in the event of such action.

7.2 Retention of Funds. Consultant hereby authorizes Agency to deduct from any amount payable to Consultant (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate Agency for any losses, costs, liabilities, or damages suffered by Agency, and (ii) all amounts for which Agency may be liable to third parties, by reason of Consultant's acts or omissions in performing or failing to perform Consultant's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Consultant, Agency may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim.

The failure of Agency to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Consultant to insure, indemnify, and protect Agency as elsewhere provided herein.

7.3 Waiver. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.4 Termination Prior to Expiration of Term. Either party may terminate this Agreement at any time, with or without cause, upon thirty (30) days' written notice to the other party. Upon receipt of any notice of termination, Consultant shall immediately cease all work or services hereunder except such as may be specifically approved by the Contract Officer. Consultant shall be entitled to compensation for the reasonable value of the work product actually produced prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation and Agency shall be entitled to reimbursement for any compensation paid in excess of the services rendered.

7.5 Completion of Work After Termination for Default of Consultant. If termination is due to the failure of the Consultant to fulfill its obligations under this Agreement, Agency may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and the Consultant shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the Agency shall use reasonable efforts to mitigate such damages), and Agency may withhold any payments to the Consultant for the purpose of set-off or partial payment of the amounts owed the Agency as previously stated.

7.6 Attorneys' Fees. If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, shall be entitled to reasonable attorneys' fees, whether or not the matter proceeds to judgment, and to all other reasonable costs for investigating such action, taking depositions and discovery, including all other necessary costs the court allows which are incurred in such litigation.

## 8.0 AGENCY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

8.1 Non-liability of Agency Officers and Employees. No officer or employee of the Agency shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the Agency or for any amount which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

8.2 Conflict of Interest: Agency. No officer or employee of the Agency shall have any financial interest in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which affects his financial interest or the financial interest of any corporation, partnership or association in which he is interested, in violation of any State statute or regulation.

8.3 Conflict of Interest; Consultant. Consultant warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement. Consultant shall comply with all conflict of interest laws and regulations. Accordingly, should the City Manager determine that Consultant will be performing a specialized or general service for the Agency and there is substantial likelihood that the Consultant's work product will be presented, either written or orally, for the purpose of influencing a governmental decision, the Consultant and its officers, agents or employees, as applicable, shall be subject to the Agency's Conflict of Interest Code.

8.4 Covenant Against Discrimination. Consultant covenants that, by and for itself, its executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Consultant shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin or ancestry.

## 9.0 MISCELLANEOUS PROVISIONS

9.1 Notice. Any notice or other communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the Agency, to the Executive Director, Lawndale Successor Agency, City of Lawndale, 14717 Burin Avenue, Lawndale, California 90260, and in the case of the Consultant, to the person at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

9.2 Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

9.3 Integration; Amendment. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by an instrument in writing signed by both parties.

9.4 Severability. Should a portion of this Agreement be declared invalid or unenforceable by a judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining portions of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

9.5 Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is



EXHIBIT "A"

SCOPE OF SERVICES

ANNUAL AUDIT REQUIREMENTS

Pursuant to this Agreement, Consultant shall provide the following services:

General Requirements

- A. Consultant shall perform a comprehensive audit of the Agency's financial statements for the year ending June 30, 2013.
- B. The audit basis will be that of Generally Accepted Accounting Principles (GAAP) and in conjunction with the rules set by the Governmental Accounting Standards Board (GASB).

Services to be Provided by Consultant:

- A. Report on the fair presentation of the Agency's financial statements.
- B. Report on compliance and on internal control with respect to the Agency.
- C. Render a Management Letter disclosing any material findings or recommendations.

EXHIBIT "B"

SPECIAL REQUIREMENTS

Section 6.3 shall be replaced by the following language:

"Section 6.3 Ownership of Documents

All workpaper (scheduling) documents created by Consultant, its employees, subcontractors and agents during the performance of Consultant's duties under this Agreement, including related electronic media and copies of Agency supplied documentation is the property of Consultant. Any original documentation provided by Agency will be returned to Agency prior to completion of the required services. Any final financial statements created by Consultant in performance of its duties along with the opinion from the Consultant will become the property of the Agency upon completion of the required services by Consultant and payment by the Agency of all amounts owed Consultant."

EXHIBIT "C"

SCHEDULE OF COMPENSATION

The cost to complete the 2012-2013 audit shall not exceed \$35,000.00. The hourly rates for the audit team shall be as follows:

|                              |                |
|------------------------------|----------------|
| Partners                     | \$375/hr       |
| Senior Managers and Managers | \$175-\$300/hr |
| Accounting Seniors & Staff   | \$125/hr       |

Fees shall be billed as time is incurred in 15 minute increments.

The Consultant may request monthly progress payments for work already completed in a manner consistent with this Agreement.

The Consultant will not be reimbursed for travel time or expenses unless the expenses and the related overhead are approved in writing by the City before the expenses are incurred.

The Contract Sum shall include the attendance of Consultant at all project meetings reasonably deemed necessary by the Agency.

EXHIBIT "D"

SCHEDULE OF PERFORMANCE

Schedule of 2012-2013 Fiscal Year Audit

- |    |                     |               |
|----|---------------------|---------------|
| 1. | Entrance Conference | August 2013   |
| 2. | Interim Work        | August 2013   |
| 3. | Detailed Audit Plan | August 2013   |
| 4. | Fieldwork           | October 2013  |
| 5. | Exit Conference     | November 2013 |
| 6. | Draft Reports       | December 2013 |
| 7. | Final Reports *     | December 2013 |

\* The final signed report, which shall include a print-quality as well as an electronic copy, will be delivered to the Agency's Finance Director by the close of December 2013.



# OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE LAWDALE REDEVELOPMENT AGENCY

14717 BURIN AVENUE, LAWDALE, CALIFORNIA 90260  
PHONE (310) 973-3200, FAX (310) 644-4556  
www.lawndalecity.org

DATE: July 25, 2013

TO: Honorable Chairman and Agency Members

FROM: Otis Ginoza, Deputy City Manager *OWG*

SUBJECT: Approval of the Long Range Property Management Plan

## BACKGROUND

The State Legislature approved AB 1484 in June of 2012 to improve the redevelopment agency dissolution process. AB 1484 describes a process to determine the amount of former redevelopment agency money that must be surrendered to the County Auditor Controller. To encourage compliance, AB 1484 also provides incentives to successor agencies that have completed the transfer of redevelopment agency funds. One incentive is a process for disposing of redevelopment agency property that may allow cities to retain some redevelopment property.

The Lawndale Successor Agency surrendered its redevelopment agency funds and received a Finding of Completion (FOC) from the California Department of Finance (DOF) on April 12, 2013. The Successor Agency has six months from the date of the FOC to submit a Long Range Property Management Plan (LRPMP) to the Oversight Board and Department of Finance. The LRPMP must contain information on each property and a disposition plan.

## STAFF REVIEW

The DOF has taken the position that most redevelopment agency property transfers that occurred after January 1, 2011, are invalid. As of December 31, 2010, the Lawndale Redevelopment Agency owned three properties. Each property and its proposed disposition are described in detail in the attached LRPMP. The DOF has asked successor agencies to include a checklist and a summary with the LRPMP. The two additional forms are also attached. The three properties are described below.

### **Parcel #1 Hawthorne Blvd. and Manhattan Beach Blvd. – Corner Development Site**

The Lawndale Redevelopment Agency purchased parcels at the southwest corner of Hawthorne and Manhattan Beach Boulevards around year 2002 for the development of a car dealership. The car dealership project ended before the entire proposed site was acquired. The result was Agency ownership of an oddly configured site. Starting in 2005, the Redevelopment Agency solicited proposals for the development of the site and eventually selected a shopping center concept. The Redevelopment Agency acquired an adjoining trailer court in 2009 for the purpose of creating a site

with a more usable configuration. The Agency was in the process of negotiating an agreement to sell the property in 2011 when further redevelopment activity was halted by a California Supreme Court stay. The portion of the site purchased in 2002 is vacant and the trailer court remains in operation.

AB 1484 lists four permissible uses for property listed in the LRPMP (see attached Long Range Property Management Plan chart prepared by the Los Angeles County Chief Executive Office). The attached LRPMP recommends that the use for Parcel #1 be the Retention of Property for Future Development as described in HSC section 34191.5(c)(2). A requirement for retention of property for future development is that the property must be part of a project in an approved redevelopment plan. The Redevelopment Agency's Five Year Implementation Plan for 2009 to 2014 lists projects that the Agency will undertake. One of the Five Year Plan projects is the development of a retail center on Parcel #1.

Properties retained for future development are to be transferred to the City of Lawndale. It is the City's intention to solicit proposals for development of Parcel #1 as a retail center. The City believes that a retail development will help to revitalize the neighborhood, increase surrounding property values and, in the long run, produce the most tax revenue for the City and other taxing entities.

### **Parcel 2 – 14611 Firmona Avenue – Affordable Housing Unit**

The Lawndale Redevelopment Agency had an obligation to produce affordable housing. After the most recent decline in home prices, the Agency determined that with lower home prices and many properties entering into foreclosure it could produce affordable housing units cost effectively by purchasing foreclosed or otherwise distressed property, rehabilitating the units and deed restricting the units for occupancy by low and moderate income families. The Redevelopment Agency adopted the Acquisition and Rehabilitation Program and appropriated funds to carry it out. The Agency determined that the Lawndale Housing Authority was best suited to operate the Acquisition and Rehabilitation Program and provided the Housing Authority with funding. The Housing Authority negotiated the purchase of 14611 Firmona Avenue, a single family housing unit, prior to the passage of ABx1 26. The Housing Authority closed escrow in July of 2011, during the period after the June 2011 passage of ABx1 26 but before the California Supreme Court stay in August of 2011 which halted redevelopment activity. During this interim period, it appeared that redevelopment agencies would remain in existence if they agreed to share revenues with the State of California. Following the Supreme Court stay, the Redevelopment Agency and Housing Authority stopped the rehabilitation effort and the house has remained vacant.

On July 31, 2012, the Successor Agency submitted a list of property (Housing Successor Agency Asset Reporting Form) it wished to transfer to the successor housing agency (Lawndale Housing Authority). The home at 14611 Firmona Avenue was on the list. The DOF approved the entire list with the exception of the home at 14611 Firmona. The DOF stated that it was not approving the transfer of the 14611 Firmona Avenue to the Housing Authority because the sale had been consummated after the passage of ABx1 26. The DOF rejected the transfer of 14611 Firmona to the Housing Authority, but has never provided the Successor Agency with instructions regarding the disposition of the property. Staff believes that the best way to determine the proper disposition of 14611 Firmona would be to include it on the LRPMP. The Successor Agency believes that the most appropriate disposition of 14611 Firmona Avenue is for the Acquisition and Rehabilitation Program described in the Redevelopment Agency's Five Year Implementation Plan. Therefore, the LRPMP lists the use of 14611 Firmona as Retention of Property for Future Development. The Successor Agency intends to

sell the property to an affordable housing developer who would rehabilitate it for use as low and moderate income housing.

**Parcel #3      Lawndale Community Center – Recreational Facility**

Since its formation, one of the goals of the Lawndale Redevelopment Agency has been the creation of a new community center to serve the recreation needs of the redevelopment project area. The redevelopment plan adopted in 1999 listed a new community center as one of the capital projects that Redevelopment Agency would construct. Subsequent Five Year Implementation Plans, including the Five Year implementation Plan for 2009-2014, described a new Community Center as a redevelopment priority.

In 2009, the Redevelopment Agency sold bonds for the purpose of constructing a new community center and acquired a site. Redevelopment agencies were authorized by California’s Community Redevelopment Law to construct public facilities, but were prohibited from providing funds for the operation and maintenance of public facilities. Therefore, it was common practice for redevelopment agencies to construct public facilities needed in a redevelopment project area and to transfer them to a city government upon completion. It had always been the intention of the Lawndale Redevelopment Agency to transfer the new Community Center to the City at completion.

In March of 2011, shortly after the completion of construction, the Lawndale Redevelopment Agency and City entered into an agreement transferring ownership of the Community Center to the City of Lawndale. However, ABx1 26, the legislation that ended redevelopment, was approved in June of 2011 and contained language that retroactively invalidated transfers of property between redevelopment agencies and cities during the period January to June of 2011. The same legislation also provided for city ownership of redevelopment property built for a public purpose. The ownership of the Community Center has been unclear since the passage of ABx1 26.

In June of 2012, the California legislature approved AB 1484 which established the LRPMP as the vehicle to determine the disposition of former redevelopment agency property. AB 1484 allows facilities which were built for public use to be transferred to the appropriate public agency. The Long Range Property Management Plan identifies the disposition of the Community Center as Retention of Property for a Governmental Use. It is the intention of the Successor Agency that the community Center be retained by the City for continued use as a recreation facility and administrative offices for parks and recreation staff.

FUNDING

No funding required.

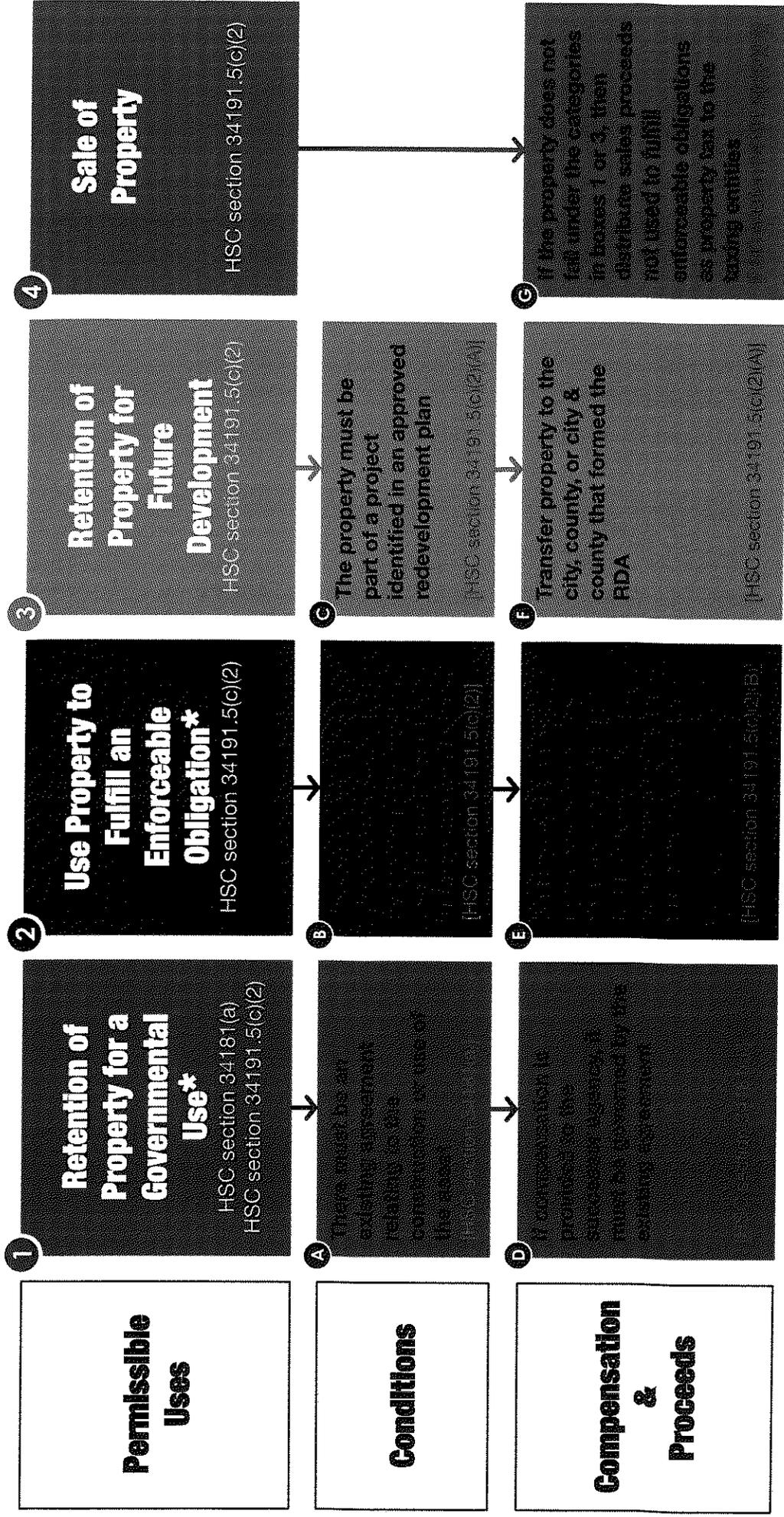
RECOMMENDATION

Staff recommends that the Oversight Board adopt a resolution approving the Long Range Property Management Plan.

- Attachments:
1. LA County Presentation slide #13
  2. Resolution 2013-12
  3. LRPMP Check List
  4. LRPMP Summary
  5. Long Range Property Management Plan

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# LONG RANGE PROPERTY MANAGEMENT PLAN



★ Properties dedicated to a governmental use and properties used to fulfill an enforceable obligation must be listed separately on the LRPMP

**RESOLUTION NO. 2013 -12**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE  
LAWDALE SUCCESSOR AGENCY AUTHORIZING THE SUCCESSOR AGENCY TO  
APPROVE THE LONG RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO  
HEALTH AND SAFETY CODE SECTION 34191.5(c)(1)**

WHEREAS, Health and Safety Code section 34191.5(c)(1) requires the Successor Agency to the Lawndale Redevelopment Agency to prepare a long range property management plan that details each property that was owned by redevelopment when it was eliminated ; and

WHEREAS, the long range property management plan must be reviewed and approved by the State Department of Finance before any potential real estate transaction can occur; and

WHEREAS, the Lawndale Redevelopment Agency owned three properties at the time that redevelopment was eliminated; and

WHEREAS, the Long Range Property Management Plan was presented to and approved by the Successor Agency at its the July 15, 2013 meeting; and

WHEREAS, Health and Safety Code Section 34191.5(c)(1) requires that the Oversight Board consider and approve the Long Range Property Management Plan before it is submitted to the Department of Finance for its review.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE LAWDALE REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The foregoing recitals are true and correct, and, together with information provided by the Successor Agency staff and the public, form the basis for the approvals, findings, resolutions, and determinations set forth below.

SECTION 2. The approval of the Long Range Property Management Plan through this Resolution does not commit the Oversight Board to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act.

SECTION 3. The Oversight Board hereby approves and adopts the Long Range Property Management Plan, in substantially the form attached to this Resolution as Exhibit A, which was prepared pursuant to Health and Safety Code Section 34191.5(c)(1).

SECTION 4. The Oversight Board hereby directs the Successor Agency to submit a copy of the Long Range Property Management Plan which was approved by the Oversight Board to the State of California Department of Finance after the effective date of this Resolution.

SECTION 5. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications or this Resolution that can be given effect without the invalid provision or application, and to the end the provisions of this Resolution are severable. The Oversight Board declares that the Oversight Board

would have adopted this Resolution irrespective of the invalidity or any particular portion of this Resolution.

SECTION 6. Pursuant to Health and Safety Code section 34179(h), all actions taken by the Oversight Board may be reviewed by the State of California Department of Finance, and, therefore, this Resolution shall not be effective for five (5) business days, pending a request for review by the State of California Department of Finance.

SECTION 7. The Secretary of the Successor Agency or the authorized designee is directed to post this Resolution on the Successor Agency’s website pursuant to the Dissolution Act.

PASSED, APPROVED AND ADOPTED this 25th day of July, 2013.

\_\_\_\_\_  
Chair

ATTEST:

State of California            )  
County of Los Angeles        )     SS  
City of Lawndale             )

I, Otis Ginoza, Secretary of the Oversight Board of the Successor Agency of the Lawndale Redevelopment Agency, do hereby certify that the Members of the Oversight Board of the Successor Agency to the Lawndale Redevelopment Agency duly approved and adopted the foregoing Resolution No. 2013-12 at a regular meeting of said Oversight Board held on the 25<sup>th</sup> day of July, 2013, by the following roll call vote:

Ayes:

Noes:

Absent:

Abstain:

\_\_\_\_\_  
Secretary



## LONG-RANGE PROPERTY MANAGEMENT PLAN CHECKLIST

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**Instructions:** Please use this checklist as a guide to ensure you have completed all the required components of your Long-Range Property Management Plan. Upon completion of your Long-Range Property Management Plan, email a PDF version of this document and your plan to:

Redevelopment\_Administration@dof.ca.gov

The subject line should state "[Agency Name] Long-Range Property Management Plan". The Department of Finance (Finance) will contact the requesting agency for any additional information that may be necessary during our review of your Long-Range Property Management Plan. Questions related to the Long-Range Property Management Plan process should be directed to (916) 445-1546 or by email to [Redevelopment\\_Administration@dof.ca.gov](mailto:Redevelopment_Administration@dof.ca.gov).

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Pursuant to Health and Safety Code 34191.5, within six months after receiving a Finding of Completion from Finance, the Successor Agency is required to submit for approval to the Oversight Board and Finance a Long-Range Property Management Plan that addresses the disposition and use of the real properties of the former redevelopment agency.

### GENERAL INFORMATION:

Agency Name: **Lawndale Successor Agency**

Date Finding of Completion Received: April 12, 2013

Date Oversight Board Approved LRPMP: July 25, 2013

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### Long-Range Property Management Plan Requirements

For each property the plan includes the date of acquisition, value of property at time of acquisition, and an estimate of the current value.

Yes  No

For each property the plan includes the purpose for which the property was acquired.

Yes  No

For each property the plan includes the parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.

Yes  No

For each property the plan includes an estimate of the current value of the parcel including, if available, any appraisal information.

Yes  No

For each property the plan includes an estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.

Yes  No

For each property the plan includes the history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.

Yes  No

For each property the plan includes a description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.

Yes  No

For each property the plan includes a brief history of previous development proposals and activity, including the rental or lease of the property.

Yes  No

For each property the plan identifies the use or disposition of the property, which could include 1) the retention of the property for governmental use, 2) the retention of the property for future development, 3) the sale of the property, or 4) the use of the property to fulfill an enforceable obligation.

Yes  No

The plan separately identifies and list properties dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation.

Yes  No

---

## ADDITIONAL INFORMATION

- If applicable, please provide any additional pertinent information that we should be aware of during our review of your Long-Range Property Management Plan.

**Agency Contact Information**

|        |                          |        |  |
|--------|--------------------------|--------|--|
| Name:  | Otis Ginoza              | Name:  |  |
| Title: | Deputy City Manager      | Title: |  |
| Phone: | 310-973-3233             | Phone: |  |
| Email: | oginoza@lawndalecity.org | Email: |  |
| Date:  | 7/2/2013                 | Date:  |  |

**Department of Finance Local Government Unit Use Only**

DETERMINATION ON LRPMP:  APPROVED  DENIED

APPROVED/DENIED BY: \_\_\_\_\_ DATE: \_\_\_\_\_

APPROVAL OR DENIAL LETTER PROVIDED:  YES DATE AGENCY NOTIFIED: \_\_\_\_\_

# Lawndale Successor Agency

## Long Range Property Management Plan



July 15, 2013

Long Range Property Management Plan  
Lawndale Successor Agency

**INTRODUCTION**

On June 27, 2012, Governor Brown signed into law Assembly Bill 1484 (AB 1484), a budget trailer bill that makes substantial changes to the redevelopment agency dissolution process implemented by AB 1x26. One of the key components of AB 1484 is the requirement that all successor agencies develop a long-range property management plan that governs the disposition and use of the former redevelopment agency property. This document is the Long Range Property Management Plan for the Lawndale Successor Agency.

**SUMMARY OF PROPERTIES OWNED BY THE SUCCESSOR AGENCY  
INCLUDING LOT SIZE, PARCEL DATA, ZONING, AND ADDRESSES**

There are three (3) properties which were owned and controlled by the now dissolved Redevelopment Agency. They include the following:

1. Address: 15801, 15811 & 15821 Hawthorne Blvd., Lawndale, CA 90260  
4432 Manhattan Beach Blvd., Lawndale, CA 90260  
APN: 4074-001-900, 903, 904, & 906 / 4078-007-003  
Size: 60,034 square feet  
Zoned: Office Commercial

The site that consists of vacant land and a 5 tenant mobile home park. Prior to the end of redevelopment agencies, the former Lawndale Redevelopment Agency had been working with a developer on a retail, restaurant, and commercial development proposal.

2. Address: 14611 Firmona Avenue, Lawndale, CA 90260  
APN: 4078-006-900  
Size: 4,479 square feet  
Zoned: R-2 (Multi-Family Residential)

The site consists of a single-family residence located in a multi-residential zone. Prior to the end of redevelopment agencies, this vacant residential unit was to be rehabilitated as an affordable housing unit.

3. Address: 14700 Burin Avenue, Lawndale, CA 90260  
APN: 4078-024-4908  
Size: 26,862 square feet  
Zoned: I (Institutional Use)

The site consists of the Lawdale Community Center located in a Governmental Use zone. Prior to the end of redevelopment agencies, this site was already in construction and nearing completion.

The three properties are identified in the below aerial map:



## Parcel #1



### **DATE OF ACQUISITION AND ITS VALUE AT THAT TIME, AND AN ESTIMATE OF CURRENT VALUE, INCLUDING APPRAISAL INFORMATION**

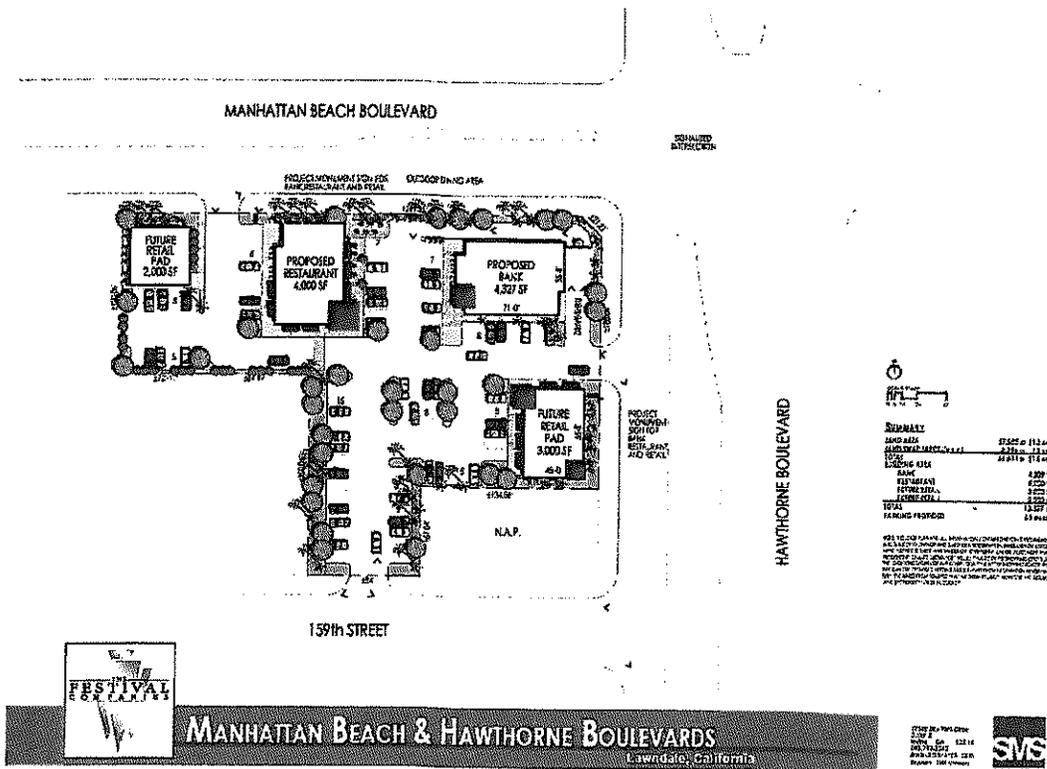
Parcel #1 was purchased over several years. 15801 & 15811 Hawthorne Boulevard (APN: 4074-001-900, 903, 904, & 906) was purchased on February 27, 2001 for \$1,100,000, 15821 Hawthorne Boulevard (APN: 4074-001-006) was purchased on April 30, 2002 for \$160,000, and 4432 Manhattan Beach Boulevard (APN: 4078-007-003) was purchased on April 14, 2010 for \$1,000,000. As the sites became available for sale, the former redevelopment agency purchased the sites in order to assemble the separate parcels into a larger contiguous site that would be more attractive to retail and commercial development. The combined properties provide approximately 60,034 square feet of developable land at a very visible and high traffic intersection in the middle of the City of Lawndale.

An updated appraisal was conducted for APN: 4074-001-900, 903, 904, 906 & 006 on December 8, 2006. The estimated value was determined to be \$1,560,000. An appraisal for the acquisition of 4078-007-003 was conducted in December of 2008. The estimated value was \$1,000,000. As of the date of this report, given that commercial real estate values have declined since 2006 & 2008 and have only slightly risen since approximately

2012, the current value of the sites are estimated downward. Staff spoke informally with an appraiser that specializes in commercial real estate and estimated that the vacant land parcels of APN: 4074-001-900, 903, 904, & 006 have reduced in value since 2006 by approximately 20% to \$1,248,000. The appraiser also informally estimated a current value of APN: 4078-007-003 to have reduced in value since 2011 by approximately 25% to \$750,000 due to a combination of lower land value and higher relocation costs for tenants (increase in rental rates).

## PURPOSE FOR WHICH THE PROPERTY WAS ACQUIRED

The properties were purchased for economic development to pursue the assemblage of a large parcel that would be attractive to retail and commercial establishments. The size of such establishments would require larger building space and customer parking lots than what the individual parcels could provide by themselves. A portion of this site (Vacant Land) was initially purchased to create a site for a car dealership in 2002. The car dealership project ended before acquisition of the entire site was complete and the Lawndale Redevelopment Agency was left with an irregular site that was not correctly configured for the needs of retail or office users. In 2009, the Redevelopment Agency was offered the opportunity to purchase a mobile home park adjacent to its existing property. The Redevelopment Agency acquired the mobile home park, perhaps better described as a trailer court, in December of 2009. Prior to the end of redevelopment the Agency marketed the combined site for retail development and was negotiating a disposition and development agreement with a developer of small shopping centers.



## **ESTIMATE OF LEASE, RENTAL OR OTHER REVENUES GENERATED BY THE PROPERTY AND DESCRIPTION OF CONTRACTUAL REQUIREMENTS**

Approximately 42,112 square feet of the parcel is vacant land. The mobile home park consists of approximately 17,922 square feet. The park currently hosts five (5) tenants on a month-to-month basis. The tenants are generally low income and have very low lease rates in comparison to the surrounding area. The total income generated by the park is approximately \$3,700 per month. Rents are retained by the mobile home park management firm and placed in an operating reserve to be used for maintenance, major repairs, and other administrative expenses. The operation of mobile home parks are strictly enforced by the State of California and certain standards must be met and maintained in a timely matter. Local government staff are not normally trained for such activities and rely on outside assistance. The rents are used to pay a 3<sup>rd</sup> party management firm, site maintenance activities, and for future relocation costs of the tenants should the site be developed.

The cost of maintaining the aging mobile home park is often unpredictable. During the time that the Redevelopment Agency has owned the park it has had to make extensive repairs to the common area washroom and restrooms, remove and demolish coaches abandoned by tenants, repair damages caused by an automobile crashing into the park, and address an infestation of feral cats.

## **HISTORY OF ENVIRONMENTAL CONTAMINATION OR REMEDIATION EFFORTS**

There is no known history of environmental contamination of this site.

## **A DESCRIPTION OF THE PROPERTY'S POTENTIAL FOR TRANSIT-ORIENTED DEVELOPMENT AND THE ADVANCEMENT OF THE PLANNING OBJECTIVES OF THE SUCCESSOR AGENCY**

The State of California supports through grants and other incentives the development of Transit Oriented Development (TOD) near major transportation stations. The City of Lawndale supports this goal and is currently undertaking the preparation of study whose objective is a new TOD zoning ordinance for Lawndale. Unfortunately, the site is located 1.5 miles from the nearest transit hub, the Marine Avenue Green Line Station.

State of California incentives seek to promote mixed use development on infill sites because such development types promote the use of transit and reduce the use of automobiles. Though the site is well beyond walking distance to a major transit station, it could accommodate development similar to TOD concepts. The site was previously developed (infill site), is located on a major transportation corridor, and the site's zoning allows for mixed use development. The first development proposals received for the site in 2005 included mixed use concepts. However, the subsequent decline of the housing

market caused developers to revise their proposals to eliminate the housing component. It is possible that future strengthening of the housing market could make mixed use development once again feasible.

The use of this property for retail and commercial development is in line with the City's General Plan, Hawthorne Boulevard Specific Plan, and the former Redevelopment Agency's 5-Year Implementation Plan. Although the site is approximately 1.5 miles from the Green Line Metro Station, there are potential opportunities for bus and bicycle transit type stations. Currently, there are three (3) daily transit bus stops located at the intersection of Hawthorne and Manhattan Beach Boulevards. The stops are approximately within 300 feet of the site.

### **HISTORY OF PREVIOUS DEVELOPMENT PROPOSALS**

Since 2008, the Lawndale Redevelopment Agency has been in exclusive negotiations with a developer regarding the site. The developer had provided a number of proposals consisting of a combination of retail, commercial, and restaurant establishments. However, prior to moving forward with a proposed disposition and development agreement, the commercial market started to change and ultimately began a downward spiral before leveling off in 2012 after the end of redevelopment.

### **USE OR DISPOSITION**

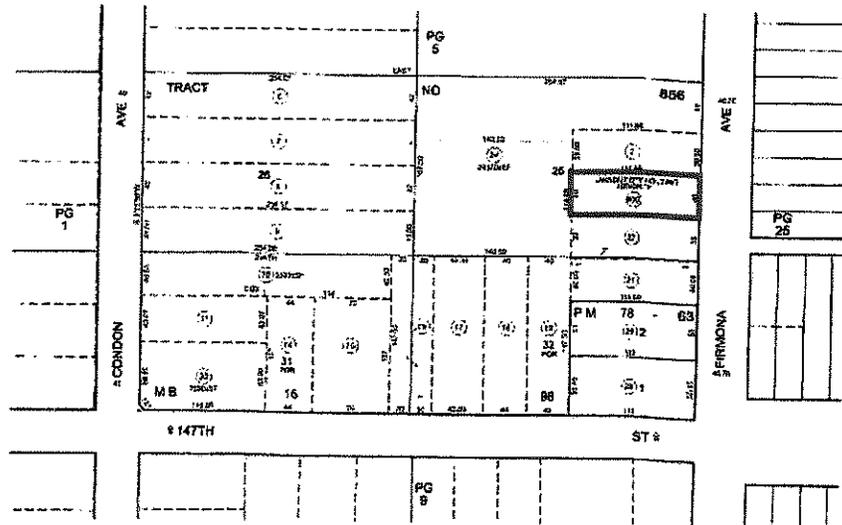
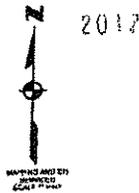
The intended use of this property is retention for future development by the City of Lawndale. The use of the site is described in the Lawndale Redevelopment Agency's 2009-2015 Implementation Plan. Chapter XI Proposed Implementation Activities describes the projects that the Agency intended to undertake during the five year period. The intended use of the subject site is described as follows in B (2) of Chapter XI follows:

*"Development of Agency owned land at the intersection of Hawthorne and Manhattan Beach Boulevards, through a public-private partnership, into a vibrant life-style center that will act as a catalyst to spark the market confidence to attract private investment in the surrounding area."*

HSC Section 34181 states that property to be used for a project identified in an approved redevelopment plan is to be transferred to the City. It is the intention of the City of Lawndale to seek development proposals for a retail development on this site as specified in the Redevelopment Agency's 2009-2015 Implementation Plan. The City believes that a retail development will provide the greatest long term financial benefit to the residents of Lawndale, the City of Lawndale, and the other taxing entities by increasing neighborhood property values and generating sales tax.

Parcel #2





**DATE OF ACQUISITION AND ITS VALUE AT THAT TIME, AND AN ESTIMATE OF CURRENT VALUE, INCLUDING APPRAISAL INFORMATION**

Parcel #2 was purchased on July 27, 2011 for \$255,000. The city entered into an agreement with Habitat for Humanity to acquire and purchase sites within the City of Lawndale for affordable housing projects. The Agency does not have a copy of the appraisal that was conducted by Habitat for Humanity. Using the actual purchase price, a certified MAI appraiser estimated the current value of the site as the previous purchase price. Although prices did reduce in value since the purchase date, prices have also slightly increased more recently to maintain the value at \$255,000.

**PURPOSE FOR WHICH THE PROPERTY WAS ACQUIRED**

The property was purchased for affordable housing purposes. It was the intention of the Redevelopment Agency to undertake a substantial rehabilitation of the unit and then deed restrict it for occupancy by a low or moderate income household.

**ESTIMATE OF LEASE, RENTAL OR OTHER REVENUES GENERATED BY THE PROPERTY AND DESCRIPTION OF CONTRACTUAL REQUIREMENTS**

The property is currently vacant and generates no revenues.

**HISTORY OF ENVIRONMENTAL CONTAMINATION OR REMEDIATION EFFORTS**

There is no known history of environmental contamination of this site.

### **A DESCRIPTION OF THE PROPERTY'S POTENTIAL FOR TRANSIT-ORIENTED DEVELOPMENT AND THE ADVANCEMENT OF THE PLANNING OBJECTIVES OF THE SUCCESSOR AGENCY**

Parcel #2 is located in a residential neighborhood surrounded by other single-family and multi-family residential units. Transit Oriented Development would not be ideally located in this area. The zoning does not allow mixed use development and the parcel is not located near a transit station.

### **HISTORY OF PREVIOUS DEVELOPMENT PROPOSALS**

This site was purchased as part of an agreement with Habitat for Humanity to acquire and rehabilitate affordable housing units in a "turn-key" manner.

### **USE OR DISPOSITION**

The intended use of this property is retention by the City of Lawndale for future development. The site was purchased as part of the Redevelopment Agency's acquisition and rehabilitation program. That program is described in the Lawndale Redevelopment Agency's 2009-2015 Implementation Plan. The Implementation Plan contains "Chapter XI Proposed Implementation Activities" which describes the projects that the Agency intended to undertake during the five year period. The acquisition and rehabilitation project is described in D (2) as follows:

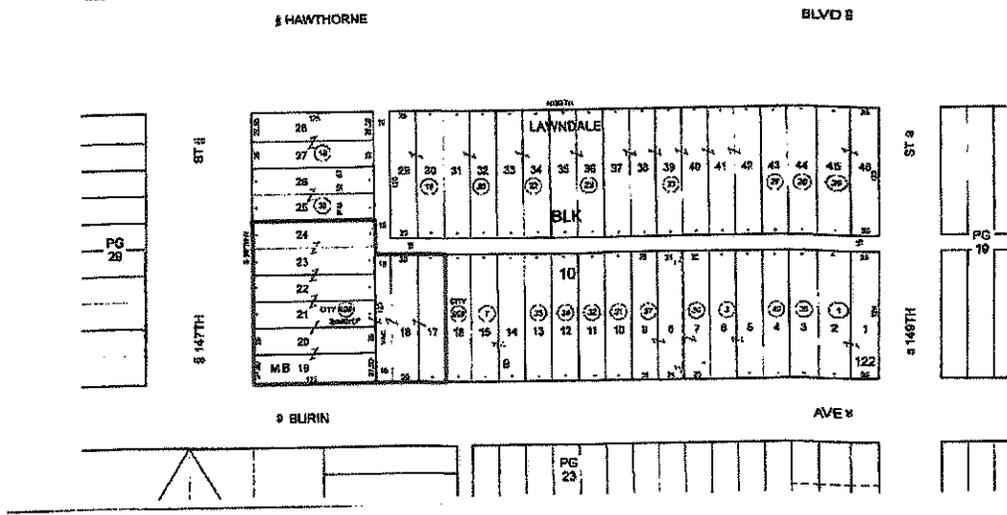
*"The Agency will operate an acquisition and rehabilitation program in partnership with Habitat for Humanity whereby affordable units will be created through the substantial rehabilitation of existing homes."*

Section 34181 states that property to be used for a project identified in an approved redevelopment plan is to be transferred to the City. It is the intention of the City of Lawndale to undertake a substantial rehabilitation of the housing unit and deed restrict it for occupancy by a low or moderate income household as specified in the Redevelopment Agency's 2009-2015 Implementation Plan.

Parcel #3



|      |    |                 |              |   |  |          |         |       |          |  |  |
|------|----|-----------------|--------------|---|--|----------|---------|-------|----------|--|--|
| 4076 | 24 | P.A.<br>4076-24 | F.A.<br>2711 | REVISED<br>2007 12/06/2007-14<br>2008 11/06/2007-14<br>2009 11/06/2007-14 | 2009 11/06/2007-14<br>2010 11/06/2007-14<br>2011 11/06/2007-14 | SEARCHED | INDEXED | FILED | RECORDED | 2011 11/06/2007-14<br>2012 11/06/2007-14 | TYPED BY THE CLERK OF<br>COUNTY OF LOS ANGELES<br>COPYRIGHT © 2009 |
| 2012 |    |                 |              | BK<br>4077  |  |          |         |       |          |  |  |



**DATE OF ACQUISITION AND ITS VALUE AT THAT TIME, AND AN ESTIMATE OF CURRENT VALUE, INCLUDING APPRAISAL INFORMATION**

Parcel #3 was purchased over several years. Easterly portion of the site containing approximately 6,250 square feet was purchased in March 2002 for \$292,000. The Westerly portion of the site, including an alley way and a former residential unit to the South were used for staff offices and initially purchased or deeded by the City of Lawndale and sold to the former Redevelopment Agency in 2010 for \$920,000. Subsequently an additional residential parcel located to the south was purchased in 2011 for \$425,000. No appraisal of the site was conducted after the completion of the Lawndale Community Center in 2012. City staff estimates the value using the replacement cost method at approximately \$12,000,000 which was derived from actual construction costs and land value. However, staff has determined that the market value of the site is \$0 as a result of the following restrictions placed on the use of the site by the Lawndale Zoning Code, the federal government, and the County of Los Angeles:

- The Lawndale Community Center site is zoned for Institutional use and therefore can only be used for school and government facilities.
- The Lawndale Community Center was constructed using the proceeds of a tax exempt bond issue. The bond covenants would prevent the use of the property for a nonpublic use as it would endanger the tax deductability of the bonds.
- The construction of the Lawndale Community Center was funded in part with federal grants from the U.S. Department of Housing and Urban Development which restrict the use of the site to a Community Center.

- The construction of the Lawndale Community Center was funded in part with recreation grants from Los Angeles County which specify that the site must remain open to the public and used for public recreation.

The Community Center is used for administrative offices for parks and recreation staff and contains rooms used for public recreation. Occasionally, rooms are rented for private parties. The cost of operating and maintaining the Community Center far exceeds the small amount of rental income it generates. If an income approach were used to determine the value of the community center the value would be negative.

After using the three valuation methods, the Successor Agency believes that the value of the building is zero as a result of the many restrictions placed on its use.

#### **PURPOSE FOR WHICH THE PROPERTY WAS ACQUIRED**

The property was purchased for a community center facility. The Lawndale Community Center was built to provide a recreation center facility and administrative offices for the City's Community Services Department.

#### **ESTIMATE OF LEASE, RENTAL OR OTHER REVENUES GENERATED BY THE PROPERTY AND DESCRIPTION OF CONTRACTUAL REQUIREMENTS**

The Community Center is used for administrative offices for parks and recreation staff and contains rooms used public recreation. Occasionally, rooms are rented for private parties. The cost of operating and maintaining the Community Center far exceeds the small amount of rental income it generates.

#### **HISTORY OF ENVIRONMENTAL CONTAMINATION OR REMEDIATION EFFORTS**

There is no known history of environmental contamination of this site.

#### **A DESCRIPTION OF THE PROPERTY'S POTENTIAL FOR TRANSIT-ORIENTED DEVELOPMENT AND THE ADVANCEMENT OF THE PLANNING OBJECTIVES OF THE SUCCESSOR AGENCY**

There is no potential for Transit-Oriented Development at this site as it is fully developed as a community center.

#### **HISTORY OF PREVIOUS DEVELOPMENT PROPOSALS**

This site was purchased specifically for a community center and no other proposals were sought.

#### **USE OR DISPOSITION**

The intended use of this property is retention by the City of Lawndale for a governmental use as a recreational community center. The Lawndale Community Center is currently being used as a public recreation facility and the administrative offices for the Community Services Department (parks and recreation).

During their existence, redevelopment agencies constructed recreation facilities to serve redevelopment project areas. Community Redevelopment Law authorized the expenditure of redevelopment funds for construction of recreation facilities but prohibited the use of redevelopment funds for operation of such facilities. Since a redevelopment agency could not operate a recreation facility, agencies commonly transferred the facilities after completion to a local government agency. In March of 2011, the Lawndale Redevelopment Agency transferred the completed Lawndale Community Center to the City of Lawndale at no cost.

The continued use of this site as a Community Center is consistent with several redevelopment plans adopted by the Lawndale Redevelopment Agency. The Lawndale Redevelopment Agency adopted a redevelopment plan for its only redevelopment project area in 1999. The 1999 Redevelopment Plan contains an "Exhibit C Public Facilities and Infrastructure Improvements Projects. Exhibit C lists, among other needed improvements, to be provided by the Redevelopment Agency a "Community Center" and a "Community Plaza on Burin Avenue." A community plaza was constructed on Burin Avenue as part of the development of the Lawndale Community Center.

A later plan, the Lawndale Redevelopment Agency's 2009-2015 Implementation Plan also lists a community center as a needed public improvement to be provided by the Redevelopment Agency. In 2009, Redevelopment Bonds specifically to fund the construction of a community center and other infrastructure projects.

Section 34181 states that property to be used for a governmental use is to be transferred to the City. It is the intention of the City of Lawndale to maintain the Lawndale Community Center for recreational purposes and to house the City's Community Services Department staff.

Successor Agency:  
County:

LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY INVENTORY DATA

| HSC 34181.5 (G)(2) |                                | HSC 34181.5 (G)(1)(A)                        |   |   |                           |                         |   |
|--------------------|--------------------------------|--|---|---|---------------------------|-------------------------|---|
| No.                | Property Type                  | Permissible Use                              | Permissible Use Detail  | Acquisition Date  | Value at Time of Purchase | Estimated Current Value | Value Basis   |
| 1                  | Vacant Land & Mobile Home Park | Retention of Property for Future Development | The 2008-2015 Redevelopment Implementation Plan states that the site is to be used for future development of a retail shopping center.                                      | 15801 & 15811 Hawthorne Blvd. - February 27, 2001 / 15821 Hawthorne Blvd. - April 30, 2002 / 4432 Manhattan Beach Blvd. (Mobile Home Park) - April 14, 2010 | \$2,260,000               | \$1,998,000             | The following was based on discussions from a certified MAI appraiser: 20% reduction on 42,112 square feet of vacant land since the last appraisal conducted in December 2006. 25% reduction on 17,922 square feet of mobile home park space since last appraisal conducted in December 2006.   |
| 2                  | Single Family Residence        | Retention of Property for Future Development | The 2008-2015 Redevelopment Implementation Plan described an acquisition and rehabilitation program to create affordable housing. This site was purchased for this program. | July 27, 2011   | \$255,000                 | \$255,000               | The following was based on discussions from a certified MAI appraiser: Value remains the same as when purchased. The city contracted with Habitat for Humanity for the purchase and acquisition of this site, there was no recent appraisal conducted.  |
| 3                  | Community Center               | Retention of Property for Governmental Use   | The Lawndale Community Center was built to provide a recreational community center facility and administrative offices for the City's Community Services Department         | 4416, 4420, 4422 147th Street - March 14, 2002 / 14718 Burnin Ave. - July 7, 2008 / 14700 Burnin Ave. - December 7, 2009                                    | \$1,637,000               | \$0                     | The bond proceeds used in the development of this facility restrict the use of the building for recreational community services purposes and the zoning for this land is restricted to institutional. The building on the site does not meet parking requirements alone and would require the additional parking provided by the Lawndale City Hall. Two federal and one county grant restrict the use to a community center facility or recreation. There is no private marketability for this site. |

| SALE OF PROPERTY                |                     | HSC 34191.5 (C)(1)(B) |   | HSC 34191.5 (C)(1)(C)   |   |                                  |                   |
|---------------------------------|---------------------|-----------------------|---|---|---|----------------------------------|-------------------|
| Date of Estimated Current Value | Proposed Sale Value | Proposed Sale Date    | Purpose for which property was acquired   | Address   | APN #   | Lot Size                         | Current Zoning    |
| July 1, 2013                    | \$1,750,000         | June 30, 2015         | Economic Development - To pursue the development of a retail, restaurant, and commercial site | 15801, 15811, and 15821 Hawthorne Boulevard (Vacant Land) / 4432 Manhattan Beach Boulevard (Mobile Home Park) | 4074-001-900, 902, 903, 904 & 906 (Vacant Land) / 4074-001-006 (Mobile Home Park) | Approximately 60,034 Square Feet | Office Commercial |
| July 1, 2013                    | \$250,000           | June 30, 2014         | Affordable Housing - Substantial rehabilitation of a delapidated housing unit                 | 14611 Firmona Avenue  | 4078-006-900  | Approximately 4,479 Square Feet  | Multi-Residential |
| July 1, 2013                    | None                | None                  | Recreational facility for youth and seniors and to house administrative staff.                | 14700 Burin Avenue  | 4078-024-908  | Approximately 26,862 Square Feet | Institutional     |

| HSC 34191.5 (C)(1)(D)            | HSC 34191.5 (C)(1)(E)      | HSC 34191.5 (C)(1)(F)  | HSC 34191.5 (C)(1)(G)   | HSC 34191.5 (C)(1)(H)  |
|----------------------------------|----------------------------|--|---|--|
| Estimate of Current Parcel Value | Estimate of Income/Revenue | Contractual requirements for use of Income/Revenue   | History of environmental contamination, studies, and/or remediation, and designation as a brownfield site | Description of property's potential for transit oriented development   |
| \$1,998,000                      | \$3,700                    | 5 mobile home tenants on a month-to-month basis. Funds are used for the maintenance of the site, 3rd party management fees, and relocation costs of tenants. | None  | The site is approximately 1.5 miles from a metro transit station and nearby 3 daily bus stops. Although the site is not ideal for a transit rail line station, there are opportunities for bus and bicycle transit type stations.                                      |
| \$255,000                        | None                       | None   | None  | The planning objective is to assist the development of the site into one that meets the City's General Plan, Hawthorne Specific Plan, and former Redevelopment Agency 5-Year Implementation Plan.  |
| \$0                              | None                       | None   | None  | The former Redevelopment Agency has been working with a developer and has received proposals for a retail and commercial establishment site. The proposals have included restaurants, a bank, a grocery store, a life-style center, and smaller retail establishments. |
|                                  |                            |  |   | Acquired as a part of a partnership with Habitat for Humanity to rehabilitate units for affordable housing.  |
|                                  |                            |  |   | The planning objective is to maintain the facility for recreational purposes and fulfill the bond requirements   |



# OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE LAWDALE REDEVELOPMENT AGENCY

14717 BURIN AVENUE, LAWDALE, CALIFORNIA 90260  
PHONE (310) 973-3200, FAX (310) 644-4556  
www.lawndalecity.org

DATE: July 25, 2013

TO: Honorable Chairman and Agency Members

FROM: Otis Ginoza, Deputy City Manager *awg*

SUBJECT: Consulting Agreement for Property Management, Right-of-Way, Acquisition and Relocation Services

## BACKGROUND

The Lawndale Successor Agency has received a Finding of Completion and is now able to utilize unspent bond proceeds. The Successor Agency wishes to spend a portion of those bond proceeds on the expansion and reconstruction of Hogan Park and the construction of a new park on Larch Avenue. The park projects require the relocation of utilities, the demolition of existing homes, and the relocation of occupants. To assist the Successor Agency with these tasks, on July 15, 2013, the Successor Agency approved an agreement with Overland Pacific and Cutler (OPC) for property management, right-of-way, acquisition, and relocation services. The Successor Agency needs the approval of the Oversight Board to enter into this contract.

## STAFF REVIEW

The City of Lawndale acquired a vacant lot on Larch Avenue near the corner of 147<sup>th</sup> Street. The City subsequently formed a partnership with the Trust for Public Land (TPL) to develop a new neighborhood park on the Larch Avenue site. TPL and the City applied for a very competitive State of California park grant and received an award of \$4 million. The State Park grant will fund all of the design and development cost of the new park with the exception of the demolition of two homes on the site and the relocation of the occupants. The Successor Agency has agreed to fund a portion of the cost of the demolition and relocation and wishes to use the expertise of OPC to ensure that the tenants are provide with the full relocation benefits to which they are entitled.

Hogan Tot Lot is a small city park located on Osage Avenue between 167<sup>th</sup> Street and 168<sup>th</sup> Street. Prior to the demise of redevelopment, the Lawndale Redevelopment Agency prepared detailed plans to close the adjacent street, expand the park into the street, and reconstruct the entire park. The Redevelopment Agency was close to soliciting bids for construction of the park when the State Legislature approved ABx1 26 which was soon followed by a California Supreme Court stay that halted redevelopment activity in California. The Successor Agency wishes to use bond proceeds to fund the construction of the new and expanded Hogan Park. The first steps in the process involve the

relocation of utilities and the vacation of the street. The Successor Agency wishes to use the services of OPC for the street vacation and relocation of utilities.

The City of Lawndale currently has title to two properties that the State of California may require to be transferred to the Successor Agency. The two properties, a trailer court with adjoining vacant land and a single family home (currently unoccupied), are managed for the City by OPC. Management of the trailer court has been especially challenging. In the last year, OPC has assisted the City with extensive repairs, capital improvements, the eviction of tenants that would not pay rent, a car crash into the trailer court which destroyed one coach, the demolition and removal of dilapidated coaches, and an infestation of feral cats. If title to the trailer court is transferred to the Successor Agency, it will need the assistance of OPC to provide the high quality management of the trailer court that the tenants deserve. Also, if the Successor Agency sells the trailer court for development for another use, the Successor Agency may need the assistance of OPC to provide relocation services to the tenants.

However, staff believes that it is likely that the Successor Agency will not become the owner of the trailer court or the single family home. The Successor Agency has prepared a Long Range Property Management Plan that proposes that the City keep both properties to sell for the development of a shopping center and an affordable housing unit. If the Oversight Board and the Department of Finance approve the Long Range Property Management Plan the properties will be retained by the City and the successor agency will not need to utilize the property management services of OPC. The residents of the trailer court pay rents and OPC retains those rents in an operating reserve to pay for management services, capital improvements, legal fees and other costs of operating the trailer court. If the Successor Agency becomes the owner of the properties, it is likely that it can continue to pay for property management with retained rents.

### FUNDING

The cost of the Agreement with OPC would be included on the ROPS 13-14B and funded with bond proceeds and retained rents.

### RECOMMENDATION

Staff recommends that the Oversight Board approve the consultant services agreement with Overland Pacific & Cutler, Inc. with total costs not to exceed \$80,000.

Attachments: OPC Contract

**RESOLUTION NO. 2013 -13**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE  
LAWNDALE SUCCESSOR AGENCY AUTHORIZING THE SUCCESSOR AGENCY TO  
ENTER INTO AN AGREEMENT FOR PROPERTY MANAGEMENT, RIGHT – OF-WAY,  
ACQUISITION AND RELOCATION SERVICES**

WHEREAS, Successor Agency to the Lawndale Redevelopment Agency has approved a budget for the 2013-2014 fiscal year and the budget authorizes the use of unspent redevelopment bond proceeds for the demolition of two houses located on the future site of a new City park and relocation of the occupants; and

WHEREAS, the Successor Agency will need the assistance of a consultant to demolish the houses and relocate the residents; and

WHEREAS, the City of Lawndale currently owns two properties that had been owned by the now dissolved Lawndale Redevelopment Agency; and

WHEREAS, it is possible that the State Controller may direct the City of Lawndale to transfer the two properties which had been owned by the Lawndale Redevelopment Agency to the Lawndale Successor Agency; and

WHEREAS, if the Lawndale Successor Agency becomes the owner of the properties it will need the services of a property management firm; and

WHEREAS, for many years Overland Pacific & Cutler has provided property management, right-of-way, acquisition and relocation services to the City of Lawndale and has provided property management services for the properties that had been owned by the Lawndale Redevelopment Agency; and

WHEREAS, the Successor Agency now desires to obtain property management, right-of-way, acquisition, and relocation services from Overland Pacific & Cutler; and

WHEREAS, on July 15, 2013, the Successor Agency approved an Agreement for property management, right-of-way, acquisition and relocation services with Overland Pacific & Cutler for an amount to exceed one hundred fifty thousand dollars (\$80,000.00); and

WHEREAS, the Oversight Board has reviewed the Agreement and desires to authorize the Successor Agency to enter into such agreement, to cause posting of this Resolution on the Successor Agency website, and to direct transmittal thereof with a copy of such contract to the County Auditor-Controller and Department of Finance (DOF); and

WHEREAS, pursuant to Section 34179(h) as amended by Assembly Bill 1484, written notice and information about all actions taken by the Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF's choosing, and an Oversight Board's action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE LAWDALE REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The foregoing recitals are true and correct, and, together with information provided by the Successor Agency staff and the public, form the basis for the approvals, findings, resolutions, and determinations set forth below.

SECTION 2. Pursuant to the Dissolution Act, the Lawndale Oversight Board authorizes the Successor Agency to enter into the Agreement for property management, right-of-way, acquisition, and relocation services with Overland Pacific & Cutler an amount not to exceed one hundred fifty thousand dollars (\$80,000.00).

SECTION 3. The Oversight Board authorizes transmittal of such contract to the County Auditor-Controller and DOF.

SECTION 4. This Resolution shall be effective after this Resolution is transmitted to the DOF, and after the expiration of five (5) business days pending a request for review by the DOF within the time periods set forth in the dissolution Act; in this regard, if the DOF requests review hereof DOF will have forty (40) days from the date of its request to approve this Oversight Board action or return it to the Oversight Board for reconsideration and the action, if subject to review by the DOF, will not be effective until approved by DOF.

SECTION 5. The Secretary of the Successor Agency or the authorized designee is directed to post this Resolution on the Successor Agency's website pursuant to the Dissolution Act.

PASSED, APPROVED AND ADOPTED this 25th day of July, 2013.

\_\_\_\_\_  
Chair

ATTEST:

State of California            )  
County of Los Angeles        )       SS  
City of Lawndale             )

I, Otis Ginoza, Secretary of the Oversight Board of the Successor Agency of the Lawndale Redevelopment Agency, do hereby certify that the Members of the Oversight Board of the Successor Agency to the Lawndale Redevelopment Agency duly approved and adopted the foregoing Resolution No. 13-13 at a regular meeting of said Oversight Board held on the 25<sup>th</sup> day of July, 2013, by the following roll call vote:

Ayes:

Noes:

Absent:

Abstain:

---

Secretary

**LAWNDALE SUCCESSOR AGENCY  
CONTRACT SERVICES AGREEMENT FOR  
PROPERTY MANAGEMENT, RIGHT-OF-WAY,  
ACQUISITION AND RELOCATION**

**CONSULTING SERVICES**

This Contract Services Agreement ("Agreement") is made and entered into this 15<sup>th</sup> day of July, 2013, by and the Lawndale Successor Agency, a municipal corporation, ("Agency"), and OVERLAND PACIFIC & CUTLER, INC., a California Corporation ("Consultant"). The term Consultant includes professionals performing in a consulting capacity. The parties hereto agree as follows:

**1.0 SERVICES OF CONSULTANT**

1.1 Scope of Services. In compliance with all terms and conditions of this Agreement, Consultant shall provide the work and services specified in the "Scope of Services" attached hereto as *Exhibit "A"* and incorporated herein by this reference. Consultant warrants that all work or services set forth in the Scope of Services will be performed in a competent, professional and satisfactory manner.

1.2 Consultant's Proposal. The Scope of Services shall include the Consultant's proposal or bid which shall be incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the terms of such proposal and this Agreement, the terms of this Agreement shall govern.

1.3 Compliance with Law. All work and services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of the Agency and any Federal, State or local governmental agency having jurisdiction.

1.4 Licenses, Permits, Fees and Assessments. Consultant shall obtain at its sole cost and expense, such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Consultant shall have the sole obligation to pay for any fees, assessments, taxes, including applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Consultant's performance of the services required by this Agreement; and shall indemnify, defend and hold harmless Agency against any claim for such fees, assessments, taxes, penalties or interest levied, assessed or imposed against Agency hereunder.

1.5 Familiarity with Work. By executing this Agreement, Consultant warrants that Consultant (a) has thoroughly investigated and considered the scope of services to be performed, (b) has carefully considered how the work and services should be performed, and (c) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement.

1.6 Additional Services. Agency shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Consultant, incorporating therein any adjustment in (i) the Contract Sum, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Consultant. Any increase in compensation of up to five percent (5%) of the Contract Sum or \$25,000, whichever is less, may be

approved by the Contract Officer. Any greater increases, taken either separately or cumulatively must be approved by the Agency Council. It is expressly understood by Consultant that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services or reasonably contemplated therein. Consultant hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Consultant anticipates and that Consultant shall not be entitled to additional compensation therefor.

1.7 Special Requirements. Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as *Exhibit "B"* and incorporated herein by this reference. In the event of a conflict between the provisions of *Exhibit "B"* and any other provisions of this Agreement, the provisions of *Exhibit "B"* shall govern.

1.8 Environmental Laws. Consultant shall comply with all applicable environmental laws, ordinances, codes and regulations of Federal, State, and local governments. Consultant shall also comply with all applicable mandatory standards and policies relating to energy efficiency.

## 2.0 COMPENSATION

2.1 Contract Sum. For the services rendered pursuant to this Agreement, Consultant shall be compensated in accordance with the "Schedule of Compensation" attached hereto as *Exhibit "C"* and incorporated herein by this reference, but not exceeding the maximum contract amount of Eighty Thousand dollars (\$80,000.00) ("Contract Sum"), except as provided in Section 1.6. The method of compensation may include: (i) a lump sum payment upon completion, (ii) payment in accordance with the percentage of completion of the services, (iii) payment for time and materials based upon the Consultant's rates as specified in the Schedule of Compensation, but not exceeding the Contract Sum or (iv) such other methods as may be specified in the Schedule of Compensation. Compensation may include reimbursement for actual and necessary expenditures approved by the Contract Officer in advance if specified in the Schedule of Compensation. The Contract Sum shall include the attendance of Consultant at all project meetings reasonably deemed necessary by the Agency.

Consultant agrees that if Consultant becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services or, if Consultant is providing design services, the cost of the project being designed, Consultant shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Consultant is providing design services, the estimated increased or decreased cost estimate for the project being designed.

2.2 Method of Payment. Unless some other method of payment is specified in the Schedule of Compensation, in any month in which Consultant wishes to receive payment, no later than the first (1st) working day of such month, Consultant shall submit to the Agency, in a form approved by the Agency's Director of Finance, an invoice for services rendered prior to the date of the invoice. Except as provided in Section 7.2, Agency shall pay Consultant for all expenses stated thereon which are approved by Agency pursuant to this Agreement generally within thirty (30) days, and no later than forty-five (45) days, from the submission of an invoice in an approved form.

2.3 Availability of Funds. It is mutually understood between the parties that this Agreement is valid and enforceable only if sufficient funds are made available by the Agency Council of the Agency for the purposes of this Agreement. The availability of funding is affected by matters

outside the Agency's control, including other governmental entities. Accordingly, the Agency has the option to void the whole Agreement or to amend the Agreement to reflect unanticipated reduction in funding for any reason.

### 3.0 PERFORMANCE SCHEDULE

3.1 Time of Essence. Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance. Consultant shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as *Exhibit "D"*, if any, and incorporated herein by this reference. When requested by the Consultant, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding one hundred eighty (180) days cumulatively.

3.3 Force Majeure. The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the Agency, if the Consultant shall, within ten (10) days of the commencement of such delay, notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay and extend the time for performing the services for the period of the enforced delay when and if, in the judgment of the Contract Officer, such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Consultant be entitled to recover damages against the Agency for any delay in the performance of this Agreement, however caused; Consultant's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term. Unless earlier terminated in accordance with Section 7.4 below, this Agreement shall continue in full force and effect until completion of the services no later than three (3) years from the date hereof.

### 4.0 COORDINATION OF WORK

4.1 Representative of Consultant. The following principals of Consultant are hereby designated as being the representatives of Consultant authorized to act on its behalf with respect to the work or services specified herein and to make all decisions in connection therewith:

Brian Everett, President

Amber Costello, Secretary

It is expressly understood that the experience, knowledge, capability and reputation of the representative was a substantial inducement for Agency to enter into this Agreement. Therefore, the representative shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the services hereunder. For purposes of this Agreement, the representative may not be replaced nor may his responsibilities be substantially reduced by Consultant without the express written approval of Agency.

4.2 Contract Officer. The Agency's Executive Director is hereby designated as the representative of the Agency authorized to act in its behalf with respect to the work and services and to make all decisions in connection therewith ("Contract Officer"). It shall be the Consultant's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the Consultant shall refer any decisions which must be made by Agency to the Contract Officer. The Agency may designate another Contract Officer by providing written notice to Consultant.

4.3 Prohibition Against Subcontracting or Assignment. The experience, knowledge, capability and reputation of Consultant, its principals and employees were a substantial inducement for the Agency to enter into this Agreement. Therefore, Consultant shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the Agency. In addition, neither this Agreement nor any interest herein may be transferred or assigned without the prior written approval of Agency. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Consultant taking all transfers into account on a cumulative basis. A prohibited transfer or assignment shall be void. No approved transfer shall release the Consultant or any surety of Consultant of any liability hereunder without the express consent of Agency.

4.4 Independent Contractor. Neither the Agency nor any of its employees shall have any control over the manner or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth herein. Consultant shall perform all services required herein as an independent contractor of Agency and shall remain under only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of Agency. Agency shall not in any way or for any purpose become or be deemed to be a partner of Consultant in its business or otherwise or a joint venturer or a member of any joint enterprise with Consultant.

## 5.0 INSURANCE AND INDEMNIFICATION

5.1 Insurance. Consultant shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to Agency, during the entire term of this Agreement including any extension thereof, the following policies of insurance:

(a) Commercial General Liability Insurance. A policy of commercial general liability insurance using Insurance Services Office "Commercial General Liability" policy form CG 00 01, with an edition date prior to 2004, or the exact equivalent. Coverage for an additional insured shall not be limited to its vicarious liability. Defense costs must be paid in addition to limits. Limits shall be no less than \$1,000,000.00 per occurrence for all covered losses and no less than \$2,000,000.00 general aggregate.

(b) Workers' Compensation Insurance. A policy of workers' compensation insurance on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than \$1,000,000 per accident for all covered losses.

(c) Automotive Insurance. A policy of comprehensive automobile liability insurance written on a per occurrence basis in an amount not less than \$1,000,000.00 per accident,

combined single limit. Said policy shall include coverage for owned, non owned, leased and hired cars.

(d) Professional Liability or Error and Omissions Insurance. A policy of professional liability insurance in an amount not less than \$2,000,000.00 per claim with respect to loss arising from the actions of Consultant performing professional services hereunder on behalf of the Agency.

All of the above policies of insurance shall be primary insurance. The general liability policy shall name the Agency, its officers, employees and agents ("Agency Parties") as additional insureds and shall waive all rights of subrogation and contribution it may have against the Agency and the Agency's Parties and their respective insurers. All of said policies of insurance shall provide that said insurance may be not cancelled without providing ten (10) days prior written notice by registered mail to the Agency. In the event any of said policies of insurance are cancelled or amended, Consultant shall, prior to the cancellation or amendment date, submit new evidence of insurance in conformance with this Section 5.1 to the Contract Officer. No work or services under this Agreement shall commence until Consultant has provided Agency with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by Agency.

Consultant agrees that the provisions of this Section 5.1 shall not be construed as limiting in any way the extent to which Consultant may be held responsible for the payment of damages to any persons or property resulting from Consultant's activities or the activities of any person or persons for which Consultant is otherwise responsible.

The insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide or The Key Rating Guide and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the Agency due to unique circumstances.

In the event that the Consultant is authorized to subcontract any portion of the work or services provided pursuant to this Agreement, the contract between the Consultant and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Consultant is required to maintain pursuant to this Section 5.1.

## 5.2 Indemnification.

(a) Indemnity for Professional Liability. When the law establishes a professional standard of care for Consultant's services, to the fullest extent permitted by law, Consultant shall indemnify, defend and hold harmless Agency and the Agency's Parties from and against any and all losses, liabilities, damages, costs and expenses, including attorneys' fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees of subcontractors (or any entity or individual for which Consultant shall bear legal liability) in the performance of professional services under this Agreement.

(b) Indemnity for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless Agency and Agency's Parties from and against any liability

(including liability for claims, suits, actions, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys' fees and costs, court costs, defense costs and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

## **6.0 RECORDS AND REPORTS**

6.1 Reports. Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require.

6.2 Records. Consultant shall keep, and require subcontractors to keep, such books and records as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of Agency, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and the Agency shall have access to such records in the event any audit is required.

6.3 Ownership of Documents. All drawings, specifications, reports, records, documents and other materials prepared by Consultant, its employees, subcontractors and agents in the performance of this Agreement shall be the property of Agency and shall be delivered to Agency upon request of the Contract Officer or upon the termination of this Agreement and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by Agency of its full rights of ownership of such documents and materials. Consultant may retain copies of such documents for its own use and Consultant shall have an unrestricted right to use the concepts embodied therein. Any use of such completed documents by Agency for other projects and/or use of uncompleted documents without specific written authorization by the Consultant will be at the Agency's sole risk and without liability to Consultant and the Agency shall indemnify the Consultant for all damages resulting therefrom. All subcontractors shall provide for assignment to Agency of any documents or materials prepared by them, and in the event Consultant fails to secure such assignment, Consultant shall indemnify Agency for all damages resulting therefrom.

## **7.0 ENFORCEMENT OF AGREEMENT**

7.1 California Law. This Agreement shall be construed and interpreted both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Los Angeles, State of California, or any other appropriate court in such county, and Consultant agrees to submit to the personal jurisdiction of such court in the event of such action.

7.2 Retention of Funds. Consultant hereby authorizes Agency to deduct from any amount payable to Consultant (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate Agency for any losses, costs, liabilities, or damages suffered by Agency, and (ii) all amounts for which Agency may be liable to

third parties, by reason of Consultant's acts or omissions in performing or failing to perform Consultant's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Consultant, Agency may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of Agency to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Consultant to insure, indemnify, and protect Agency as elsewhere provided herein.

7.3 Waiver. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.4 Termination Prior to Expiration of Term. Either party may terminate this Agreement at any time, with or without cause, upon thirty (30) days' written notice to the other party. Upon receipt of any notice of termination, Consultant shall immediately cease all work or services hereunder except such as may be specifically approved by the Contract Officer. Consultant shall be entitled to compensation for the reasonable value of the work product actually produced prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation and Agency shall be entitled to reimbursement for any compensation paid in excess of the services rendered.

7.5 Completion of Work After Termination for Default of Consultant. If termination is due to the failure of the Consultant to fulfill its obligations under this Agreement, Agency may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and the Consultant shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the Agency shall use reasonable efforts to mitigate such damages), and Agency may withhold any payments to the Consultant for the purpose of set-off or partial payment of the amounts owed the Agency as previously stated.

7.6 Attorneys' Fees. If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, shall be entitled to reasonable attorneys' fees, whether or not the matter proceeds to judgment, and to all other reasonable costs for investigating such action, taking depositions and discovery, including all other necessary costs the court allows which are incurred in such litigation.

## **8.0 AGENCY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION**

8.1 Non-liability of Agency Officers and Employees. No officer or employee of the Agency shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the Agency or for any amount which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

8.2 Conflict of Interest: Agency. No officer or employee of the Agency shall have any financial interest in this Agreement nor shall any such officer or employee participate in any decision

relating to the Agreement which affects his financial interest or the financial interest of any corporation, partnership or association in which he is interested, in violation of any State statute or regulation.

8.3 Conflict of Interest; Consultant. Consultant warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement. Consultant shall comply with all conflict of interest laws and regulations including, without limitation, Agency's Conflict of Interest Code which is on file in the City Clerk's office. Accordingly, should the Executive Director determine that Consultant will be performing a specialized or general service for the Agency and there is substantial likelihood that the Consultant's work product will be presented, either written or orally, for the purpose of influencing a governmental decision, the Consultant and its officers, agents or employees, as applicable, shall be subject to the Agency's Conflict of Interest Code.

8.4 Covenant Against Discrimination. Consultant covenants that, by and for itself, its executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Consultant shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin or ancestry.

## 9.0 MISCELLANEOUS PROVISIONS

9.1 Notice. Any notice or other communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the Agency, to the Executive Director and to the attention of the Contract Officer, City of Lawndale, 14717 Burin Avenue, Lawndale, California 90260, and in the case of the Consultant, to the person at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

9.2 Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

9.3 Integration; Amendment. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by an instrument in writing signed by both parties.

9.4 Severability. Should a portion of this Agreement be declared invalid or unenforceable by a judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining portions of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

9.5 Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the date first written above.

**AGENCY:**  
LAWNDALE SUCCESSOR AGENCY,  
a municipal corporation

By: \_\_\_\_\_  
Harold E. Hofmann, Chairman

ATTEST:

\_\_\_\_\_  
Paula Hartwill, Secretary

APPROVED AS TO FORM:  
Aleshire & Wynder, LLP

\_\_\_\_\_  
Tiffany J. Israel, General Counsel

**CONSULTANT:**  
Overland, Pacific & Cutler, Inc.

By: \_\_\_\_\_  
Name: Brian Everett  
Title: President

By: \_\_\_\_\_  
Name: Amber Costello  
Title: Secretary

Address: 3750 Schaupele Ave, Suite 150  
Long Beach, CA 90808  
562-304-2000

## EXHIBIT "A"

### SCOPE OF SERVICES

Consultant shall complete all requested work in a timely and technically correct manner, while treating people and businesses impacted by the project(s) in a respectable and equitable manner. Consultant shall provide the following services on an as needed basis, as directed by Agency:

*Relocation, property management, and site clearance services shall include, but are not limited to, the following as directed by Agency:*

- Advise Agency staff on relocation, property management, and administration matters necessary for proper operation of the relocation and property management program;
- Confer with HUD and other governmental agencies on relocation and property management activities, as necessary;
- Develop and update policies and procedures for implementation of a relocation and property management program as needed;
- Prepare relocation activity reports and all other reports as may be required by the Agency and applicable laws;
- Prepare Relocation Plans in compliance with all applicable laws, including California Redevelopment law, and respond to questions on the plans by local residents or governmental agencies;
- Conduct field surveys of project residents and businesses, identify relocation resources for both, meet with and answer questions of any affected local community groups;
- Attend and provide public presentations and/or consultations;
- Meet with and fully inform project area occupants of the nature of and procedures for obtaining relocation assistance and benefits;
- Provide the required relocation assistance services to adequately relocate owners and tenants to suitable replacement locations;
- Prepare relocation assistance claims for review and approval by the Agency;
- Perform interim property management for properties acquired by the Agency; and

- Arrange for demolition, site clearance, asbestos abatement, paving, fencing and other property management related functions.

*Real estate acquisition services shall include, but are not limited to, the following, as directed by Agency:*

- Prepare decision to appraise letters, offer letters and summary statements in accordance with State and/or Federal guidelines; in accordance with the Agency Board instructions and review;
- Prepare lists of compensable items of fixtures and equipment;
- Review fixture and equipment, good will and other appraisals to determine compensable items and compare said items with appraisals to prevent valuation overlaps;
- Prepare tenant offer letters in accordance with State and/or Federal guidelines, and in accordance with the Agency Board instructions and review;
- Prepare and process all required noticing and filings to identify any liens/claims on all furniture, fixtures, and equipment of commercial businesses (bulk sale) in accordance with all applicable guidelines, and in accordance with the Agency Board instructions;
- Process all non-technical documents necessary for right-of-way and street widening projects in accordance with Cal Trans and other applicable requirements;
- Personally negotiate with the property owners and their tenants, business and residential, (or their appointed representative(s)) for the purchase of the required property rights in accordance with all applicable laws. The Agency's written offer to purchase will be presented to the appropriate owner and tenant, if applicable, or their representative(s) in person, when possible if directed by the Agency and as approved by the City Attorney's office;
- Prepare all acquisition documents, i.e., agreements, grant deeds, quitclaim deeds, assignment of lease, estoppel certificates, relocation impact reports, etc., for the acquisition of both the fee interest and the tenant(s)/lessee(s) interest (if applicable), including fixtures and equipment, and any easement interests, if applicable, and in conjunction with the City Attorney's office;
- During the time that negotiations with the property owners and tenants are proceeding, Consultant will provide all necessary information to and work with the Agency's staff to expeditiously and professionally complete each project;

- Consultant shall maintain a file for each acquisition which shall contain a diary of all pertinent information along with copies of all correspondence, agreements, and documents relating to the transaction;
- Consultant shall prepare property appraisals and valuation estimates;
- Consultant shall provide general real estate and acquisition consulting;
- On partial takings, Consultant will review and analyze litigation guarantees and/or preliminary title reports to identify the specific title exceptions that may have an adverse affect. Consultant will also obtain the necessary release documents, i.e., reconveyance, subordination agreement, release of lien, etc. to satisfy all title issues before conveyance to the Agency;
- Consultant shall subcontract with various entities (i.e. gardeners, plumbers and handymen for Agency-owned properties) to provide services as directed by the Agency and shall do so in compliance with the Agency's procurement rules and applicable state and federal laws including bidding and prevailing wage laws;
- A written summary of the status of the acquisition of each parcel will be provided to the Agency on a monthly basis, with verbal reports as warranted;
- Consultant will survey and solicit voluntary acquisition of properties in project areas. The survey will include a physical search as well as review of other relevant sales data; and
- Consultant shall market surplus properties for sale.

***Right-of-Way services shall include, but are not limited to, the following, as directed by Agency:***

- Consultant shall provide utility coordination including identification, conflict resolution, records research, documentation review, notification, and records management;
- Consultant shall provide encroachment services including coordination, access, maintenance, identification, removal, research, and records management; and
- Consultant shall provide title search, review, and clearance services.

Consultant shall be available to perform any additional work not mentioned above related to real estate acquisition, relocation, property management, and site clearance services at the request of the Agency.

EXHIBIT "B"  
SPECIAL REQUIREMENTS

None.

EXHIBIT "C"

SCHEDULE OF COMPENSATION

**1. Acquisition, Relocation, & Site Clearance Services**

**Acquisition, Relocation, & Site Clearance Services**

Cost based on 1-10 cases during the 3 year term of this Agreement:

|                                  |    |          |
|----------------------------------|----|----------|
| Acquisition Full Take            | \$ | 3,100.00 |
| Acquisition Part-Take            | \$ | 4,100.00 |
| Relocation per Tenant            | \$ | 3,100.00 |
| Relocation - Owner               | \$ | 3,300.00 |
| *Relocation Plan (15 Households) | \$ | 2,950.00 |

Cost based on 11+ cases during the 3 year term of this Agreement:

|                                   |    |                      |
|-----------------------------------|----|----------------------|
| Acquisition Full Take             | \$ | 2,900.00             |
| Acquisition Part-Take             | \$ | 3,900.00             |
| Relocation per Tenant             | \$ | 2,900.00             |
| Relocation - Owner                | \$ | 3,100.00             |
| *Relocation Plan (16+ Households) | \$ | 295.00 per interview |

\*For Relocation Plans, up to 15 households will be billed at a lump sum rate of \$2,950, each additional household above the 15 is billed at \$295.

Hourly Rates:

|   |    |        |
|---|----|--------|
| Principal   | \$ | 185.00 |
| Principal Consultant/Director                         | \$ | 165.00 |
| Senior Project Manager (Utilities)                    | \$ | 150.00 |
| Senior Project Manager                                | \$ | 135.00 |
| Project Manager                                       | \$ | 125.00 |
| Senior Acquisition/Relocation Consultant              | \$ | 115.00 |
| Acquisition/Relocation Consultant/Analyst             | \$ | 105.00 |
| Real Estate Technician/Escrow Officer/Project Support | \$ | 73.00  |
| Secretarial/Clerical                                  | \$ | 45.00  |

## 2. Interim Property Management Services

### Interim Property Management Services

|  |           |
|--|-----------|
| One time set-up fee per occupied unit        | \$ 150.00 |
| Monthly management fee - Occupied unit       | \$ 125.00 |
| Monthly management fee - Vacant unit         | \$ 25.00  |
| Minimum management fee per month per project | \$ 500.00 |

#### Hourly Rates:

|   |           |
|---|-----------|
| Senior Project Manager                                | \$ 135.00 |
| Property Manager                                      | \$ 125.00 |
| Real Estate Technician/Escrow Officer/Project Support | \$ 73.00  |
| Secretarial/Clerical                                  | \$ 45.00  |

These costs are based on providing property management services on an interim basis. The scope of services are to be provided on an as-needed basis and therefore these fees may only apply to standard residential and mobile home park property management circumstances. If commercial/industrial properties are assigned, Consultant and Agency may negotiate fees on a project-by-project basis. Prior to commencement of any work pursuant to a negotiated fee, such negotiated fee must be memorialized in a writing signed by both parties.

Hourly services shall be billed in quarter-hour increments (for services unrelated to property management projects) and shall include utility disconnection and meter removal, administration of emergency and unsafe condition repairs, contract board-up and other security services as units become vacant, project management, coordination or meetings with the Agency or Agency representatives, extraordinary events related to the property or a particular tenant which requires staff time beyond reasonable standards, and coordination of asbestos and demolition estimates and services based on a case-by-case basis. Each hourly service must be specifically and knowingly authorized by the Agency as an hourly service.

### 3. Expenses and Fee Increases

Photocopying, first class postage, telephone, facsimile and cellular communication charges are not reimbursable. Travel time is not billable but mileage will be billed to the Agency at the current allowable IRS rate. Out-of-pocket expenses, including pre-approved travel and lodging, outside exhibit preparation, requested overnight courier, registered or certified mailings, and specialty reproduction will be charged at cost plus ten percent (+10%) for administration, coordination and handling. Subcontracted services (other than those listed above will be invoiced at cost plus ten percent (+10%).

In the event Consultant is required to perform services in relation to litigation arising out of any Agency project, such services shall be invoiced at the above-listed rates. Consultant shall bill in one-tenth of an hour increment for actual time worked.

EXHIBIT "D"

SCHEDULE OF PERFORMANCE

All work to be performed on an as-needed basis. Once assigned work, Consultant shall complete all work within the time frame requested by the Agency.

**MINUTES OF THE  
LAWDALE SUCCESSOR AGENCY  
OVERSIGHT BOARD REGULAR MEETING  
MAY 30, 2013, 4:00 P.M.**

**A. CALL TO ORDER**

The regular meeting of the Lawndale Successor Agency Oversight Board was called to order at 4:00 p.m. in the City Hall council chamber, 14717 Burin Avenue, Lawndale, California by Chair Barry Waite.

**B. ROLL CALL**

Board Members Present: Patricia Flynn, Joann Higdon, Steve Mandoki, Michael Stewart, Greg Tsujiuchi, John Vinke, Barry Waite.

Also Present: Otis Ginoza, Lawndale Deputy City Manager, Wayne Schaller, Lawndale Finance Manager

**C. PLEDGE OF ALLEGIANCE**

Flag Salute - led by Board Member Tsujiuchi

**D. ADMINISTRATION – NEW BUSINESS**

**1. SUCCESSOR AGENCY UPDATE**

**Deputy City Manager Ginoza** delivered staff report.

**Board Member Higdon** stated that it is unfortunate that her district will now need to use taxpayer money to defend and respond to this lawsuit. Board Member Higdon stated that she looked at the action taken by the City Council and they authorized the DOF the litigation against them. Her district could not be a taxing entity after Prop 13 and is not a taxing entity as stated.

**Board Member Higdon** asked about the bond proceeds and the timing of them due to the 5-year IRS rule. Deputy City Manager Ginoza stated that he has had discussion with bond council about this and stated that the dissolution of the redevelopment agency with the legal prohibition on expenditures is an extenuating circumstance allowing for some flexibility.

**2. RE-ESTABLISHMENT OF PUBLIC WORKS AGREEMENT**

**Deputy City Manager Ginoza** delivered staff report.

**Board Member Vinke** asked about fund amounts for all of the resolutions. **Deputy City Manager Ginoza** stated that the city attorney did not believe that the amounts were necessary. These funds are already spent, approximately \$12M and what the city if attempting to establish is that the DOF is not going to come back later and ask this to be repaid. Hopper Park is already built and what is

outstanding are debt service payments, approximately \$69K per year. For a number of years the Redevelopment Agency provided payments. After the dissolution, the city has been making the payments and wish to once again collect tax increment for the Successor Agency to make these payments. **Deputy City Manager Ginoza** stated if the DOF reinstated the \$69K per year it will have an impact on other taxing entities. **Board Member Flynn** asked if this is the first step in the process. **Deputy City Manager Ginoza** responded yes it is the first step and explained further. **Board Member Vinke** stated that including amounts in the resolution would be helpful. **Deputy City Manager Ginoza** stated that if this helps, amounts will be included in future resolutions; amounts will be shown in ROPS in September. **Board Member Stewart** asked about I-Bank. **Deputy City Manager Ginoza** explained that it is a State of California loan program.

**Deputy City Manager Ginoza** stated that staff recommends that the Oversight Board adopt Resolution 2013-6 and Resolution 2013-7 confirming the existing Public Works Agreement between the City of Lawndale and the former Lawndale Redevelopment Agency were for loans and advances made for legitimate redevelopment purposes pursuant to HSC 34191.6 and authorize the Successor Agency to approve a resolution reactivating the Public Works Agreement and the Agreement for Services.

**A motion by Board Member Flynn to approve Resolution 2013-6 and Resolution 2013-7 and seconded by Board Member Stewart and carried unanimously.**

### 3. TRANSFER OF ASSETS TO HOUSING SUCCESSOR

**Deputy City Manager Ginoza** delivered staff report. Deputy City Manager Ginoza stated that staff recommends that the Oversight Board approve Resolution 2013-8 confirming the transfer of housing assets from the Redevelopment Agency of the City of Lawndale to the Lawndale Housing Authority.

**A motion by Board Member Tsujiuchi to approve Resolution 2013-8 and seconded by Board Member Flynn and carried unanimously.**

### 4. COOPERATION AGREEMENT FOR EXPENDITURE OF BOND PROCEEDS

**Deputy City Manager Ginoza** delivered staff report. Deputy City Manager Ginoza stated that staff recommends that the Oversight Board adopt Resolution 2013-9 approving the Cooperation Agreement the City and Successor Agency for the expenditure of bond proceeds.

**A motion by Board Member Mandoki to approve Resolution 2013-9 and seconded by Board Member Stewart. Motion carried with Board Member Higdon abstaining.**

### 5. RETENTION OF COMMUNITY CENTER BY CITY

**Deputy City Manager Ginoza** delivered staff report.

Deputy City Manager Ginoza stated that staff recommends that the Oversight Board approve Resolution 2013-10 authorizing the transfer of the Lawndale Community Center property to the City of Lawndale.

**A motion by Board Member Stewart to approve Resolution 2013-10 and seconded by Board Member Vinke. Motion carried unanimously.**

**E. CONSENT CALENDAR**

1. MINUTES OF FEBRUARY 14, 2013

**Oversight Board Meeting Minutes of February 14, 2013 approved by consensus.**

**F. PUBLIC COMMENTS**

**Gary McDonald, Lawndale Resident** stated that his opinion that this is the biggest disappearing dollar in the state of California and stated that the lawsuits are not really going to resolve where the money went. Mr. McDonald stated that he doesn't know how the state obtained the redevelopment agency money and still needs additional funds.

**G. ITEMS FROM SECRETARY/ADMINISTRATIVE CLERK**

None.

**H. ITEMS FROM BOARD MEMBERS**

Board members agreed to the next Oversight Board meeting scheduled July 25, 2013 at 4:00 p.m.

**I. ADJOURNMENT**

There being no further business to conduct, the meeting was adjourned at 4:52 p.m.

\_\_\_\_\_  
Barry Waite, Chair

ATTEST:

\_\_\_\_\_  
Otis W. Ginoza, Deputy City Manager  
/clc