

RESOLUTION NO. 7495

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

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE WAIVING THE ROAD MITIGATION FEES PAYABLE UNDER SOUTH GATE MUNICIPAL CODE SECTION 5.35 (ROAD MITIGATION FEE PROGRAM) UPON THE REQUEST OF THE PRIMESTOR DEVELOPMENT, INC. THROUGH ATLANTIC-FIRESTONE, LLC FOR THE COMMERCIAL DEVELOPMENT KNOWN AS AZALEA REGIONAL SHOPPING CENTER AT THE CORNER OF FIRESTONE BOULEVARD AND ATLANTIC AVENUE

WHEREAS, the City Council approved Site Plan 299 for a commercial center known as azalea Regional Shopping Center up to approximately 450,000 Square Feet, on December 13, 2011 subject to certain Conditions of Approval; and

WHEREAS, the Conditions of Approval require Primestor Development, Inc. (Developer) to submit a Road Mitigation Fee pursuant to South Gate Municipal Code (SGMC) Section 5.35.020; and

WHEREAS, the gross amount of the Road Mitigation Fee pursuant to South Gate Municipal Code (SGMC) Section 5.35.020 for a development size of 370,000 square feet of retail use is approximately \$3,211,600 (= 370,000 square feet x \$8.68 per square feet), absent any credits provided for demolition of existing and/or former improvements; and

WHEREAS, the SGMC Section 5.35.020.B.6 permits a deduction of fees based on the square feet of existing structures that are demolished as part of a new project; and

WHEREAS, the credit for an existing development size of 258,000 square feet of demolished industrial building use is approximately \$699,180 (= 258,000 square feet x \$2.71 per square feet); and

WHEREAS, the net Road Mitigation Fee for this project, based on a credit, provided by Code for the demolition of 258,000 square feet of existing Industrial buildings is \$2,512,420; and

WHEREAS, the City reviewed and studied the impacts of this development through an Environmental Impact report (EIR) in 2008 and an Addendum to this report in 2011 which contain infrastructure improvements required to mitigate the traffic impacts resulting from this project; and

WHEREAS, the City and the Developer are parties to an agreement titled Amended and Restated Memorandum of Understanding (dated March 27, 2012) which anticipated further negotiations between the parties to develop a draft "Definitive Financing Agreement" for the azalea Regional Shopping Center for City Council consideration that would include, among other things, a waiver of the Road Mitigation Fee upon the Developer's request; and

WHEREAS, the Developer has submitted its written request for waiver of the Road Mitigation Fee for the azalea Regional Shopping Center;

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

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

SECTION 2. It is the intention of this legislative body as required by the public interest, and the City Council hereby finds and determines, that there are significant public benefits from waiving the Road Mitigation Fee to spur development of this Property, and that without such waiver by the City there will be no retail project developed on the Property in the near future, that there will be a demonstrable increase in revenue to the City from the Project being developed in addition to the creation of hundreds of jobs, where today the 32-acre site sits vacant and unproductive.


SECTION 3. The City Council hereby waives the Road Mitigation Fee for the azalea Regional Shopping Center.

SECTION 4. The City Council hereby declares that if any provision, sentence, clause, section or part of this Resolution is found to be unconstitutional, illegal or invalid, such finding shall affect only such provision, sentence, clause, section or part, and shall not affect or impair any of the remaining parts.

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

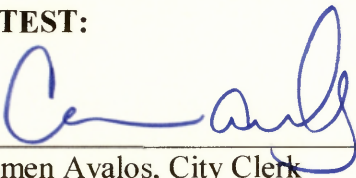
PASSED, APPROVED and ADOPTED on this 29th day of **May 2012**.

CITY OF SOUTH GATE:



Gil Hurtado, Vice Mayor

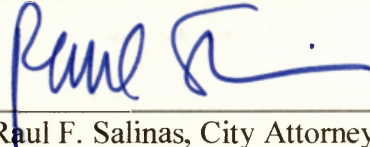
ATTEST:



Carmen Avalos, City Clerk

(SEAL)

APPROVED AS TO FORM:



Raul F. Salinas, City Attorney

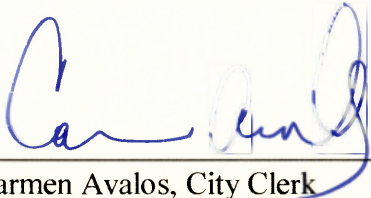
RESOLUTION CERTIFICATION PAGE

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

I, Carmen Avalos, City Clerk of the City of South Gate, California, hereby certify that the whole number of Members of the City Council of said City is five; that Resolution No. 7495 was adopted by the City Council at their Special Meeting held on May 29, 2012, by the following vote:

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

Witness my hand and the seal of said City on May 31, 2012.



Carmen Avalos, City Clerk
City of South Gate, California