

CITY OF SOUTH GATE
LOS ANGELES COUNTY, CALIFORNIA

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE APPROVING AN ALTERNATIVE, NON-RETAIL USE AND TENANCY FOR UP TO TEN PERCENT OF THE GROSS LEASEABLE SPACE (3,300 SQUARE FEET) AT CERTAIN REAL PROPERTY LOCATED AT 3848 TWEEDY BOULEVARD PURSUANT TO THAT CERTAIN MILLER'S OUTPOST RETAIL CENTER DISPOSITION AND DEVELOPMENT AGREEMENT

WHEREAS, the Community Development Commission of the City of South Gate ("Agency") previously was a public body, corporate and politic formed, organized, existing and exercising its powers pursuant to Section 34100, *et seq.* of the California Health and Safety Code, and exercised the powers, authority, functions, jurisdiction of a community redevelopment agency formed, organized, existing and exercising its powers pursuant to the California Community Redevelopment Law, Health and Safety Code, Section 33000, *et seq.*, and specifically formed by the City Council ("City Council") of the City of South Gate ("City"); and

WHEREAS, Assembly Bill x1 26 chaptered and effective on June 27, 2011 added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code, which caused the dissolution of all redevelopment agencies and winding down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 chaptered and effective on June 27, 2012 (together, the "Dissolution Laws"); and

WHEREAS, as of February 1, 2012 the Agency was dissolved pursuant to the Dissolution Laws, and as a separate public entity, corporate and politic the Successor Agency to the Community Development Commission of the City of South Gate ("Successor Agency") administers the enforceable obligations of the former Agency and otherwise unwinds the former Agency's affairs, all subject to the review and approval by a seven member oversight board ("Oversight Board"); and

WHEREAS, pursuant to Section 34179 the Successor Agency's Oversight Board has been formed and its initial meeting occurred on April 23, 2012; and

WHEREAS, Section 34179 provides that the Oversight Board has fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of Part 1.85 of the Dissolution Laws; and

WHEREAS, the former Agency and San Juan Investors, a California general partnership (as "Redeveloper"), entered into that certain contract, Miller's Outpost Retail Center Disposition and Development Agreement, dated as of March 13, 1985 and signed by all parties on August 19, 1985 ("DDA"), which DDA affects certain real property improved with a retail shopping center located at 3848 Tweedy Boulevard, South Gate, California ("3848 Tweedy Boulevard Shopping Center"); and

WHEREAS, the DDA sets forth and imposes upon the Redeveloper, and all successors-in-interest, specific land use and operating covenants for the subject 33,000 square foot retail center, including the obligation to use operate, cause tenancies, and maintain the gross leasable space at 3848 Tweedy Boulevard Shopping Center with a 20,000 square foot anchor clothing store, other clothing-oriented retail stores, other retail uses, or other tenant uses as expressly approved by resolution of the former Agency, now by the Successor Agency as more specifically set forth in Section 400 et seq., the Scope of Development and other provisions of the DDA ("Tenancy Covenants"); and

WHEREAS, pursuant to the DDA the Tenancy Covenants are to remain in effect until the end of the term of effectiveness of the former Agency's Redevelopment Plan, i.e., until July 15, 2017; and

WHEREAS, the DDA authorizes the former Agency, and now therefore the Successor Agency, in its sole discretion to consider and approve modifications to such Tenancy Covenants by resolution; and

WHEREAS, on December 16, 2013 and January 7, 2014 the Successor Agency received letters from Paul Realty Group, LLC, the current property owner and successor-in-interest to the Redeveloper (also herein, "Redeveloper"), and from its prospective tenant, Fast Auto and Pay Day Loans, Inc., requesting that the Successor Agency approve such new lease and tenancing of space at the subject property; and

WHEREAS, the tenant mix as covenanted and required by the Tenancy Covenants of the DDA, include Section IV Development Standards, Sub-Section "H" Tenant Mix that provide: "The tenant mix shall consist of clothing retail stores unless alternative uses are approved by the Agency"; and

WHEREAS, the Tenancy Covenants of the DDA will expire on July 15, 2017 concurrent with the expiration of the Redevelopment Project Area for the applicable subarea location at which the 3848 Tweedy Boulevard Shopping Center is located; and

WHEREAS, the tenant space at issue has been vacant since 2006; and

WHEREAS, the Redeveloper, as the current owner, has represented to staff that for over seven (7) years they have been unable to secure a lease with a retail user such as a clothing business that complies with the Tenancy Covenants of the DDA; and

WHEREAS, the Redeveloper and its prospective tenant, Fast Auto and Pay Day Loans, Inc., have requested that the Successor Agency authorize this use for this tenant in up to ten percent of the gross leasable space (3300 square feet) of the 3848 Tweedy Boulevard Shopping Center; and

WHEREAS, the City of South Gate in response to growing number of vacancies in commercial space on Tweedy Boulevard has discussed possible land use alternatives to fill vacant store fronts; and

WHEREAS, the Successor Agency, as successor-in-interest to the former Agency's enforceable obligations, which include the subject DDA, is the party that now implements the terms and conditions of such DDA and thereby may authorize an alternative use/tenancy at the subject site by Fast Auto and Pay Day Loans for up to 3300 square feet of space at the 3848 Tweedy Boulevard Shopping Center; and

WHEREAS, the Successor Agency has considered the Developer's and its prospective tenant's requests and desires to authorize the tenancy by Fast Auto and Pay Day Loans for up to 3300 square feet of space at the 3848 Tweedy Boulevard Shopping Center pursuant to the sole discretion vested in the Successor Agency under the DDA to authorize such non-retail, non-clothing business use;

NOW, THEREFORE THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

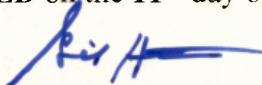
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SECTION 2. The Successor Agency does hereby approve the tenancy by Fast Auto and Pay Day Loans for up to ten percent of the gross leasable space (up to 3300 square feet) at the 3848 Tweedy Boulevard Shopping Center as an alternative, non-retail use and tenancy pursuant to the DDA. The determines that this approval will allow a long-vacant tenant space be occupied and will be in the best interest of the 3848 Tweedy Boulevard Shopping Center, the Redeveloper, as current property owner, the Tweedy Boulevard commercial district, and the City of South Gate.

SECTION 3. The Successor Agency finds this approval is a one-time authorization for such tenancy and is not an approval of any other tenancy(ies) that do not comply fully with the Tenancy Covenants of the DDA, unless and until approved by resolution of the Successor Agency, if at all, in the future.


SECTION 4. The City Clerk shall certify to the adoption of this Resolution which shall be effective upon its adoption.

PASSED, APPROVED and ADOPTED on the 11th day of **February 2014**.



Gil Hurtado, Chair
Successor Agency to the Community Development
Commission of the City of South Gate

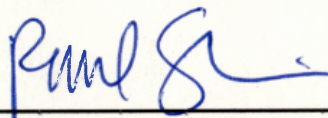
ATTEST:



Carmen Avalos, Recording Secretary
Successor Agency to the Community Development
Commission of the City of South Gate

(SEAL)

APPROVED AS TO FORM:



Raul F. Salinas, Authority Counsel
Successor Agency to the Community Development
Commission of the City of South Gate