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REPORT TO COUNCIL

CATALINA REDEVELOPMENT PROJECT

REDONDO BEACH REDEVELOPMENT AGENCY

JULY 2003

THE DAVIS COMPANY

555 UNIVERSITY AVENUE, SUITE 116
SACRAMENTO, CALIFORNIA 95825

11150 SANTA MONICA BOULEVARD, SUITE 230
LOS ANGELES, CALIFORNIA 90025

and

REGAN ASSOCIATES

1990 SOUTH BUNDY BOULEVARD, SUITE 500
LOS ANGELES, CALIFORNIA 90025

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EXHIBITS

1. INTRODUCTION

The Redondo Beach Redevelopment Agency ("Agency") proposes the adoption of a Redevelopment Plan ("Plan") which includes area along North Catalina Avenue, the AES Power Plant and adjacent properties. The Project Area includes 90.46 acres of territory.

The proposed Redevelopment Plan has been prepared by the Agency pursuant to the Community Redevelopment Law of the State of California, Health and Safety Code Sections 33000, et seq., ("Redevelopment Law") and all applicable laws and ordinances. The Redevelopment Plan provides the Agency with powers, duties and obligations to implement the programs generally formulated in the Redevelopment Plan for the redevelopment, rehabilitation, and revitalization of the Project Area. The Redevelopment Plan does not present a specific plan or establish priorities for specific projects for the redevelopment, rehabilitation, and revitalization of any particular area within the Project Area. Instead, the Redevelopment Plan presents a process and a basic framework within which specific development plans will be presented, priorities for specific projects will be established, and specific solutions will be proposed, and by which tools are provided to the Agency to fashion, develop, and proceed with such specific plans, project, and solutions.

The proposed Redevelopment Plan includes territory adjacent to the Harbor Area and the AES Power Plant which territory is referred to herein as the "Project Area." The Project Area is described in Exhibit I and the boundaries are shown on the Project Area Map attached as Exhibit II.

This Report to the City Council ("Report") provides the City Council with detailed information about the Project Area and the financial effect of the Plan, as required by the Redevelopment Law. The Report also provides affected taxing agencies and other interested parties with a detailed description of the proposed Project Area and the financial effect of the Plan. The Report is required by Section 33352 of the Redevelopment Law.

The geographic area covered by the Project Area is shown in the attached Project Area Map (Exhibit II) and includes the following:

- The AES electrical power generation facility bounded by North Harbor Drive, Herondo Street and North Francisca Avenue.
- Commercial and industrial properties bounded by North Francisca Avenue, Herondo Street and North Catalina Avenue.
- Commercial and industrial properties east of North Catalina Avenue on North Gertruda Avenue, North Francisca Avenue, North Elena Avenue and North Broadway.

Report to City Council Requirements

The Redevelopment Law, Health and Safety Code Section 33352, requires the preparation of a Report to the City Council by the Agency which must be submitted by the Agency to the City Council along with the proposed Redevelopment Plan and which the City Council will evaluate before adopting the Redevelopment Plan. The Report must include the following information:

1. The reasons for the selection of the Project Area, a description of the projects proposed by the Agency and a description of how the projects will alleviate blight conditions.

2. A description of the physical and economic conditions existing in the Project Area that cause the Project Area to be blighted.

3. An Implementation Plan that describes the goals, objectives and projects proposed by the Agency including a program of actions and expenditures proposed to be made within the first 5 years of the Redevelopment Plan and a description of how the projects will alleviate blight conditions.

4. An explanation of why blight elimination and redevelopment of the Project Area cannot reasonably be expected to be accomplished by private enterprise acting alone or by the City's use of financing alternatives other than tax increment financing.

5. The proposed method of financing the redevelopment of the Project Area in sufficient detail so that the City Council may determine the economic feasibility of the Redevelopment Plan.

6. A plan describing the method of relocation of persons and families to be temporarily or permanently displaced from housing facilities in the Project Area.

7. An analysis of the preliminary plan.

8. The report and recommendations of the Planning Commission.

9. A summary of the activities of the Project Area Committee. No Project Area Committee was required to be formed in connection with the Plan, therefore no summary is required.

10. The report required by Section 65402 of the Government Code.

11. The report required by Section 21151 of the Public Resources Code.

12. The report of the County Fiscal Officer required by Section 33328 of the Redevelopment Law.

13. If the Project Area contains low- or moderate-income housing, a neighborhood impact report which describes the impact of the project upon residents of the Project Area and the surrounding areas in terms of relocation, traffic circulation, environmental quality, availability of community facilities and services, effect on school population and quality of education, property assessments and taxes, and other matters affecting the physical and social quality of the neighborhood. The Catalina Project Area contains no low- or moderate-income housing, therefore a neighborhood impact report is not required.

14. An analysis by the Agency of the report submitted by the County under Section 33328 of the Redevelopment Law, including a summary of the consultations by the Agency with taxing agencies.

Generally, the projects to be undertaken pursuant to the Redevelopment Plan are to eliminate blight in the Project Area through:

1. Installation, construction, reconstruction, redesign, or reuse of streets, utilities, curbs, gutters, sidewalks, street lighting, landscaping, and other public improvements.

2. Assistance for the redevelopment of land by private enterprise or public agencies for uses in accordance with the Redevelopment Plan.

3. Construction and improvement of recreational facilities, community facilities, parking facilities and other public facilities.

4. Acquisition, construction, or rehabilitation of housing for low and moderate income families, including seniors, and other eligible persons. The Project Area contains no land currently designated for housing development, but such housing may be assisted outside the Project Area.

5. Assistance in the creation of jobs in the Project Area through assistance in the financing of residential, commercial, and industrial buildings and properties as permitted by the Redevelopment Law and the General Plan to increase the base for residential, commercial, and industrial structures in Redondo Beach.

6. Rehabilitation of structures or development of vacant land for uses in accordance with the Redevelopment Plan and the General Plan.

7. The upgrading of existing commercial areas in accordance with the City's General Plan.

8. Beautification activities including construction of gateway entry features, landscaped area, building facade improvement and painting, utility undergrounding, and public art programs.

9. Water quality improvement projects, storm water drainage and storage projects and environmentally sensitive flood control projects.

10. Assistance with upgrading law enforcement, educational, sewer, water, fire, and electrical infrastructure and facilities.

11. Environmental improvement projects including remediation of contaminated sites.

The reasons for adopting the Plan are to accomplish the following:

1. Establish the Project Area.

2. Establish the bonded indebtedness amount limit at $120,000,000 for the Project Area.

3. Adopt the projects and activities proposed by the Agency.

4. Establish the following limits for the Project Area:

- Time for establishing indebtedness until 20 years from the adoption of the Plan.
- Time for effectiveness of the Redevelopment Plan until 30 years from the adoption of the Plan.
- Time to repay indebtedness and receive tax increment until 45 years from the adoption of the Plan.

The Plan will provide the Agency with needed legal and financial resources to alleviate blighting conditions and promote economic development in the Project Area. The Plan is proposed to enhance the Agency's ability to eliminate blight in the Project Area in a more effective manner than would be possible without it.

2. REASONS FOR SELECTION OF THE PROJECT AREA

Section 33352(a) of the Redevelopment Law requires that this Report contain a description of the reasons for the selection of the Project Area, a description of the specific projects proposed by the Agency, and a description of how these projects will improve or alleviate the blight conditions in the area. To determine the feasibility of creating a new redevelopment project area, the Agency conducted a preliminary feasibility study in February 2001. The results of the study were that a significant number of blighting conditions, both physical and economic, existed in the Project Area which indicated that the Project Area was in need of redevelopment assistance in order to remove the blighting conditions under the Redevelopment Law. The Project Area was chosen because of the presence of both physical and economic blighting conditions in the area which could not be alleviated by private enterprise acting alone or by the City's use of funds other than tax increment. These conditions are described in more detail in Section 3 of this Report.

The analysis of physical and economic blighting conditions is based on an analysis of primary data sources (public records, etc.) and a detailed field survey in which the survey team observed and photographed extensively the conditions of existing properties. The properties were photographed for corroboration of survey team observations and for further analysis if required. Photographs illustrating the blighting conditions are included as Exhibit III. Among the blighting conditions found in the Project Area are the following:

- The need for structural or physical improvement of buildings is pervasive throughout the Project Area.

- Deteriorated or dilapidated structures are prevalent in the Project Area.

- Commercial structures fronting North Francisca Avenue, North Gertruda Avenue, Broadway and North Catalina Avenue have substandard parking.

- The Project Area is characterized by incompatible uses with numerous vehicle and junk storage sites existing adjacent to retail and other commercial properties. An example of an incompatible use is the AES power plant which dominates the Project Area negatively affecting new development or improvement of existing structures and potential development sites. In addition, high voltage power lines extending to the northeast from AES hinder development within and adjacent to the power line right of way.

- In addition to the above conditions, of great significance as a blighting condition is the existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development which are in multiple ownership. As the Project Area Map, attached as Exhibit II shows, there are 26 irregular parcels totaling 12.58 acres in the Project Area. These irregular lots exist on North Catalina Avenue, North Francisca Avenue, North Gertruda Avenue, North Elena Avenue and North Broadway.

The selection of the boundaries of the Project Area was guided by various considerations, including the requirements of the City's General Plan and the need for redevelopment assistance for properties within the boundaries to develop properly through the elimination of blighting conditions.

This Report must also contain a description of the specific projects proposed by the Agency. During the life of the Redevelopment Plan, the following list of improvements, projects and programs are proposed to be undertaken. This list of specific improvements, projects and programs could, at the Agency's discretion, be funded should adequate revenue become available. While the Agency is not required to fund the listed improvements, projects and programs, the Agency could fund all or a portion of the improvements, projects and programs as revenue becomes available. The following list identifies improvements, projects and programs that appear, at the time of adoption of the Redevelopment Plan, to have potential for achieving the goals and objectives of the Redevelopment Plan, but does not represent or constitute commitments of the Agency. As redevelopment needs and opportunities evolve over the term of the Redevelopment Plan, the Agency may determine not to undertake certain improvements, projects or programs listed and/or to undertake other improvements, projects or programs consistent with the Redevelopment Plan that are not listed as permitted by law. The improvements, projects and programs are listed as only possible improvements, projects and programs that may or may not ultimately be undertaken by the Agency pursuant to the Redevelopment Plan.

A description of the specific projects proposed by the Agency for the Project Area is as follows:

Public Facility Improvements

The public improvements will support redevelopment of the Project Area in conformance with the General Plan. The public improvements proposed include the following:

<u>Public Improvement</u>
- Wastewater system
- Storm Drain System
- Streets and Pavement
    - PCH/Catalina Intersection
    - Strand Pedestrian/Bike Path
    - Transit Terminal
    - Streets, curb and gutter
    - Sidewalks
    - Traffic signals
    - Street lights and medians
- Public Facilities
    - Fire Station
    - Community Room
    - Information Booth
    - Directional signs
    - Benches, drinking fountains, amenities
    - Public Art, statues

The public improvements will assist in the elimination of existing deficiencies with wastewater, and storm drain systems. The improvements will also address the current shortage of recreational facilities through the development of a pedestrian and bicycle path along the ocean front.

Public amenities now absent, including seating areas, drinking fountains, and public art are included to provide visitor facilities and to support the overall economic improvement of the Project Area.

Streets within the proposed Project Area suffer a lack of standard improvements ranging from discontinuous curb, gutter and sidewalk to the need for resurfacing and reconstruction. The major intersection of Pacific Coast Highway and Catalina Avenue requires substantial improvement to provide for existing traffic requirements as well as those that will result from future development.

Economic Development and Business Retention

To assist in the elimination of economic blight in the Project Area the Agency may provide off-street parking, facade improvements, site acquisition, planning and design studies, and low-interest loans for structural rehabilitation. These are potential tools that could be utilized by the Agency to enhance the existing commercial development within the Project Area. The intent of this program would be not only to assist existing businesses but also to foster new business growth within the Project Area.

Housing Rehabilitation

The proposed Project Area contains no existing housing. However housing funds may be used within the city limits of Redondo Beach for a rehabilitation program that would help maintain older homes, particularly those that may be owned by persons on fixed incomes who may not have the financial resources to adequately maintain their homes. The primary intent of this program is to assist in the preservation of the existing stock of housing in the Redondo Beach.

General Project Activities

In addition to the specific Agency projects discussed, the following general project activities may be undertaken by the Agency in its efforts to eliminate the blighting conditions which exist in the Project Area.

Development Assistance

In order to ensure the financial feasibility of development and rehabilitation projects in the Project Area, the Agency may find it necessary to directly reduce the cost of development or rehabilitation activities. One technique commonly used by redevelopment agencies is the provision of tax exempt financing which serves to reduce the financing cost of a project. The Agency may also assist in buying capital equipment for industrial users. Such incentives may take the form of certificates of participation, lease revenue bonds, industrial development bonds and various forms of tax exempt notes.

Another technique available to the Agency is to acquire property through negotiation in the Project Area and to "write down" the cost of the land when it is sold to a developer or owner participant. Such land write-downs would only occur in accordance with an executed disposition and development agreement which provides appropriate assurances that the developer or owner participant would complete the project. In addition, any Agency commitment to reduce the cost of land it had purchased would occur on the basis of a detailed analysis of the developer's cost and revenue pro forma for the proposed project and the sales price would be no less than the "reuse" value of the land in accordance with the Redevelopment Law. The purpose of such analysis would be to show that the contribution of tax increment funds to the project through the land write-down process does not simply result in extra profit for the owner participant or project developer.

In assisting with rehabilitation activities, the Agency may establish rehabilitation loan programs which provide financial assistance at favorable interest rates or with other favorable terms. In some instances, Agency grants may be used to induce rehabilitation activities. As with land price inducements, Agency rehabilitation assistance would be provided only to the extent needed, and then only pursuant to an agreement with the property owner or developer to ensure that the rehabilitation work would be completed in accordance with Agency standards.

It is anticipated that the types of Agency assistance described above would be the primary tools used to carry out generalized redevelopment activities such as commercial expansion, industrial renewal, neighborhood improvement, and various types of rehabilitation activities. These activities are needed throughout the Project Area, and will be used as necessary in conjunction with owner participation and developer agreements.

Housing Assistance

The Redevelopment Law requires that the Agency set aside 20% of the tax increment revenues it receives for the purpose of increasing, preserving, or improving low income and moderate income housing. While there is no land currently zoned for housing within the Project Area, redevelopment housing funds can be used outside the Project Area for housing rehabilitation or other housing purposes that the City Council finds will benefit the Project Area.

Relocation Assistance

The Redevelopment Law and the Relocation Guidelines of the State of California require that relocation assistance be provided to persons, businesses, and other entities displaced as a result of redevelopment activities. The Project Area is limited to commercial properties and there is no housing included. Relocation assistance will therefore generally be limited to business relocation. Relocation assistance is required to include relocation advisory assistance, as well as financial assistance to offset moving expenses and to otherwise assist eligible businesses in locating suitable replacement facilities. Business and industrial relocation expenses are generally limited to the expenses involved in moving the business to another location.

Over the life of the Project, relocation expenses may be incurred for commercial or industrial uses if dilapidated buildings, nonconforming uses, and other hazards are removed from the Project Area for purposes of redevelopment. In such cases, the Agency will meet its legal obligations to provide relocation assistance and benefits to businesses requiring relocation.

The Plan and the projects envisioned therein for the Project Area will help to alleviate the blighting conditions described in Section 3 of this Report in the following manner:

- There exist in the Project Area deteriorated buildings requiring maintenance and other improvements. Improvements proposed would allow these buildings to meet current building code requirements. The projects envisioned by the Agency as described in this Report would provide funding for building improvements which would assist with the elimination of these conditions. In addition the 20% low and moderate housing set-aside funds can be allocated to the improvement of housing conditions within the City limits.

- The Project Area contains parcels too small or irregular in shape for feasible development and there are inadequate parking facilities in the commercial areas of the Project Area. The Agency can assist with the acquisition of small and irregular parcels through its economic development and business retention programs. In addition, the proposed funding for public facility improvements can be used to assist in the creation of needed parking facilities and infrastructure in the commercial and industrial areas.

- The Project Area contains incompatible uses which prevents the economic development of the land. The elimination of these incompatible uses can be assisted through the use of funds available for public facility improvements, visual blight removal, property acquisition and economic development as described in this Report. This condition is particularly prevalent adjacent to the AES power plant.

- The Project Area has substandard commercial and industrial uses. The project funds envisioned for economic development and business retention can be allocated for the elimination of this condition.

A discussion of how the activities proposed by the Agency will help to eliminate blighting conditions in the Project Area is included in Section 4, the Agency's initial Implementation Plan.

3. CONDITIONS OF PROJECT AREA

Section 33352(b) of the Redevelopment Law requires that this Report include a description of the physical and economic blighting conditions that exist in the Project Area that cause the area to be blighted and a map showing where those conditions exist in the Project Area.

The Redevelopment Law sets forth a variety of conditions that must exist if an area is to be adopted as a redevelopment project area. The primary requirements are that the redevelopment project area (in this case, the Catalina Project Area) be an area that:

1. Is “predominantly urbanized” (as defined in the Redevelopment Law); and,
2. Is characterized by one or more conditions of physical blight and one or more conditions of economic blight or is characterized by the existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership; and,
3. Contains a combination of blighting conditions so prevalent and substantial that it causes a reduction or lack of proper utilization of the area constituting a serious physical and economic burden on the community which cannot reasonably be expected to be reversed or alleviated by private enterprise or governmental action, or both, without redevelopment.

A blighted area also may be one that contains the conditions described above and is, in addition, characterized by the existence of inadequate public improvements, parking facilities, or utilities.

Urbanization

Section 33320.1 of the Redevelopment Law requires that the area proposed for redevelopment be “predominantly urbanized.” This means that not less than 80% of the area:

- Has been or is developed for urban uses; or

- Is characterized by the existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownerships; or

- Is an integral part of one or more areas developed for urban uses which are surrounded or substantially surrounded by parcels which have been or are developed for urban uses.

Physical Blight

In the minds of most people, the term "blight" evokes images of dilapidated buildings or older deteriorated areas. While dilapidation may in fact define some blighted areas, the Redevelopment Law is also concerned with addressing the fundamental causes of blight. The Redevelopment Law’s definition of blight includes both the causes and effects of blight.

Under the Redevelopment Law, blight may include old dilapidated buildings, but it can also include a variety of causative physical or economic conditions that are not readily noticeable. For example, an area may be blighted because there are uses that are incompatible with each other, which, in turn, prevent the economic development or rehabilitation of those parcels or other portions of the area. Blight can also include the existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership. This condition can similarly prevent the economic development or rehabilitation of those parcels or other portions of the area.

According to Redevelopment Law, Section 33031(a), the following are the physical conditions that cause blight:

- Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions can be caused by serious building code violations such as non-compliance with earthquake standards, dilapidation and deterioration, defective design or physical construction, faulty or inadequate utilities, or other similar factors.

- Factors that prevent or substantially hinder the economically viable use or capacity of buildings or lots. This condition can be caused by a substandard design, inadequate size given present standards and market conditions, lack of parking, or other similar factors.

- Adjacent or nearby uses that are incompatible with each other and which prevent the economic development of those parcels or other portions of the Project Area.

- The existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership.

Economic Blight

In addition to having conditions of physical blight, redevelopment project areas must also have at least one condition of economic blight. As with physical blight, the characteristics of economic blight are defined in the Redevelopment Law.

According to the Redevelopment Law, Section 33031(b), the following are the economic conditions that cause blight:

- Depreciated or stagnant property values or impaired investments, including, but not necessarily limited to, those properties containing hazardous wastes that require the use of Agency authority under the Polanco Redevelopment Act in the Redevelopment Law.

- Abnormally high business vacancies, abnormally low lease rates, high turnover rates, abandoned buildings, or excessive vacant lots within an area developed for urban use and served by utilities.

- A lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions.

- Residential overcrowding or an excess of bars, liquor stores, or other businesses that cater exclusively to adults that has led to problems of public safety and welfare.

- A high crime rate that constitutes a serious threat to the public safety and welfare.

The presence of some of these conditions may be inferred from or caused by the existence of certain physical conditions such as deteriorated buildings, vacant lots, or the presence of "marginal" businesses that are open but have few customers.

If blighting conditions exist as described above an additional blighting factor is the existence of inadequate public improvements, parking facilities, or utilities.

In addition, Section 33321 of the Redevelopment Law provides that a redevelopment project area need not be restricted to buildings, improvements, or lands which are detrimental or inimical to the public health, safety, or welfare, but may consist of an area in which such conditions predominate and injuriously affect the entire area. This Section also states that a redevelopment project area may include lands, buildings, or improvements which are not detrimental to the public health, safety or welfare, but whose inclusion is found necessary for the effective redevelopment of the area of which they are a part.

Prerequisites for Redevelopment

The prerequisites for redevelopment can be summarized into five basic requirements. Therefore, the land being considered for inclusion in the Project Area must meet the following requirements.

1. Must be predominantly urbanized; and,

2. Must be characterized by at least one physical blighting condition and at least one economic blighting condition or be characterized by the existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership; and,

3. The Project Area must contain a combination of blighting conditions that are so prevalent and so substantial so as to cause a reduction of, or lack of, proper utilization of the area; and,

4. The improper utilization of the area must be to such an extent that it constitutes a serious physical and economic burden on community; and,

5. The burden cannot reasonably be expected to be reversed or alleviated by private enterprise acting alone, by government acting alone, or by both acting together without the assistance of redevelopment.

The following data and information has been collected which demonstrates the existence of both physical and economic blight in the Project Area. These conditions of blight are shown in the map attached as Exhibit II. The consultants who prepared the blighting analysis have performed similar analyses in over 30 other redevelopment project adoptions and are knowledgeable in the requirements of the California Redevelopment Law to establish blighting conditions.

Project Area Conditions

Physical Conditions of Blight

The AES Electrical Power Generating Facility

The AES facility which occupies approximately 52 acres, dominates the project area. The facility is an out of date electrical power generating plant containing 8 generating units. Units 1 through 4 are not operational. Units 1 and 2 began operating in 1948 and units 3 and 4 began operating in 1949. The facility was sold by Southern California Edison to AES in 1996. In the "Description of the Plants for Sale" as presented to the California Public Utilities Commission in describing Units 1-4 the document states that they, "…have been placed in long term return-to-service status, meaning their capacity is not counted as dependable operating capacity. Their condition would require significant investment to return these units to dependable status. Necessary permits have been relinquished."

The remaining turbines, 5-8, employ steam turbine technology which is 50% to 200% less efficient than new combined cycle gas turbine technology. The investment to modify or "repower" all units at the facility is estimated to be approximately $250,000,000. AES has not found it economically feasible to make such an investment even in the current climate of electrical power shortages in California. The Redondo Beach power generating plant cannot be modified at a cost that would allow AES to sell electrical power at a competitive market rate.

The obsolete facility is physically blighted through its inoperable or inefficient generating facilities, which substantially hinders the economically viable use of the property. It is economically blighted because it is an impaired investment due to its inability to generate electrical power at a rate comparable to facilities based on current technology.

As previously noted, a review of the physical conditions of buildings on each property in the Project Area has been conducted. This review evaluated whether conditions of physical deterioration exist for the structure or the adjacent infrastructure, whether there are incompatible uses in the neighborhood, and whether parking is adequate. The review also evaluates the existence of irregularly shaped or small parcels which cannot be developed.

Other Properties in the Project Area

1. Buildings That Are Unsafe Or Unhealthy In Which to Live and Work

These conditions can be caused by serious building code violations, dilapidation and deterioration, defective design or physical construction, faulty or inadequate utilities or similar factors.

The parcel by parcel field survey conducted for the Project Area demonstrates that dilapidation and deterioration are apparent in buildings interspersed in the Project Area with the "blighting" effect extending to properties throughout the Project Area.

The results of the field survey demonstrate that, as shown in the attached photographic documentation, throughout the Project Area buildings require some degree of maintenance or improvement. This is especially the case with structures east of North Catalina Avenue along North Catalina Avenue on North Gertruda Avenue, North Francisca Avenue, North Elena Avenue and North Broadway.

The kinds of conditions observed are further illustrated by the photographs taken by the field survey team and included in Appendix I. Of the 27 properties in the Project Area, excluding AES and Southern California Edison properties, 6 properties, (22 %), exhibit one or more of the following conditions. The conditions include the following:

- Broken or boarded windows impeding view and access/egress.
- Broken concrete driveways or deteriorated access to property presenting hazards.
- Broken or cracked sidewalks presenting hazards.
- Absence of surface drainage facilities creating potential health hazards.
- Buildings appearing to be abandoned that create safety hazards.

2. Factors That Prevent or Substantially Hinder the Economically Viable Use or Capacity of Buildings or Lots.

This condition can be caused by substandard design, inadequate size given present standards and market conditions, lack of parking, or similar factors.

In the Project Area commercially zoned properties are either too narrow or too shallow to meet current market requirements for new development. Eighteen of the parcels, 67%, excluding the AES and Southern California Edison properties, are smaller than 5,000 square feet with frontage of 50 feet or less. This condition severely hinders or eliminates the ability of the properties to meet current lender requirements for new commercial development which require larger areas for successful commercial development.

2.a. Inadequate Parcel Sizes

The Project Area contains 27 separate privately owned properties totaling approximately 49 acres of land area (excluding the AES and Southern California Edison properties currently used for electrical generating and transmission lines). Most of the parcels are too small to support new commercial or multi-family residential development.

- Twenty-three of the parcels (85%) are less than 20,000 square feet in size, the minimum realistic size to support conventional strip commercial development with surface parking.

- The minimum site size for new multi-family residential development is approximately one acre. There is only one privately-owned parcel in the Project Area that exceeds one acre in size.

2.b. Parking Insufficiency

The insufficiency of parking is observable in the narrow parcel width and shallow parcel depth which does not allow parking on site. The effect can be seen in the number of business vacancies. There are 6 vacant properties which cannot accommodate adequate parking to facilitate business development. This blighting condition is increased by the absence of adequate pedestrian circulation infrastructure in the commercial portions of the Project Area which further hinders business activity.

2.c. Inadequate Pedestrian and Recreational Access

Existing bicycle routes and pedestrian connections do not provide access to the businesses in the Project Area. Reconstruction of these routes will be required to provide such access. In addition, these routes are interrupted by the existing street system, and their location creates a break in the coastal trail system, further hindering access to businesses.

3. Incompatible Uses

Adjacent or nearby uses are incompatible with each other and prevent the economic development of those parcels or other portions of the Project Area.

There are in the Project Area specific incompatible uses. Existing site design patterns do not accommodate the mix of current uses. Of particular importance is the AES power generating facility being adjacent to commercially zoned properties. The negative impact of this facility can be demonstrated by the absence of new development in the adjacent properties, the general deterioration, and the substandard use of adjacent properties. In addition to the AES property there are two properties with junk and\or auto storage on them that impact negatively the development of adjacent or nearby properties. These junk\storage facilities are in close proximity to potentially valuable but underdeveloped ocean and beach properties and reflect the serious underutilization of the Project Area. This is illustrated by the presence of 5 dilapidated buildings and 9 vacant properties within the Project Area. These conditions are illustrated in the photographs of the Project Area contained in Appendix I.

4. Lots of Irregular Shape and Inadequate Size

The existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership.

There are 26 parcels totaling 12.8 acres which are irregular in shape and in multiple ownership as shown in the Project Area Map contained in Appendix II. These irregular parcels exist throughout the Project Area and can be seen on North Gertruda Avenue, North Elena Avenue, North Francisca Avenue and North Broadway. These parcels comprise 12.67% of the total Project Area. Excluding the AES Property, they comprise 26.1% of the Project Area.

Economic Conditions of Blight

The primary indicators of economic blight include depreciated or stagnant property values, impaired investments, abnormally high business vacancies, abnormally low lease rates, high turnover rates, and abandoned buildings or excessive vacant lots within an area developed for urban use. In addition, the level of private redevelopment activity in the Project Area has slowed, as the number of viable opportunities available to private developers is further limited. This is largely attributable to the problems associated with the assembly of sites that are economically efficient based on current market standards. Principal impediments to site assemblage include multiple ownerships of numerous irregular parcels.

The Project Area is characterized by a lack of new development over at least the past 20 years. The City recognized that development in this area was a primary goal of City policy and enacted a Specific Plan in 1992 to encourage new development in the area. The obstacles and barriers to new development are evident in the fact that only one new development has occurred since that time notwithstanding strong real estate development conditions in Southern California.

1. Depreciated Or Stagnant Property Values or Impaired Investments, Including, but Not Limited to, Those Properties Containing Hazardous Wastes that Will Require the Use of Agency Authority As Specified In Article 12.5, Section 33459.

1.a. Property Values - Project Area

Assessed property values for land and improvements in the Project Area have been stagnant and declining over the past 10 years:

(Secured Taxable Roll)	1991/92	1999/00 [1]	% Change
Land	$6,178,832	$4,735,413	(23.4%)
Improvements	$1,215,365	$774,076	(36.3%)
Total	$7,394,197	$5,509,489	(25.5%)

The decline in property values has been steady with an increase noted in only one year during the period.

[1] The 2000/01 tax roll is not comparable to prior years since it includes the AES and Southern California Edison properties which went on to the local tax roll that year.

- During the same period, City-wide assessed values for commercial and industrial property (excluding residential and other categories[2]) increased by approximately 5%, with commercial property values showing an increase of about 17%.

- Compared to the City, Project Area private property values, comprised mostly of commercial-use designated property, evidenced a negative change of over 40% compared to the City as a whole.

1.b. Property Values - Impacted Areas

The AES Plant, the transmission lines and the character of Catalina Avenue represent major visual blighting influences in the City of Redondo Beach, and impact residential values in immediately adjacent areas. Data on residential values over the 10-year period from 1990/91 to 2000/01 was evaluated for two separate adjacent areas: (1) Area 1 - the residential neighborhood immediately adjacent to the Project Area; (2) Area 2 - the residential area immediately to the south of Area 1; and (3) Area 3 – the residential area east of the Project Area.

Average assessed value data was evaluated over the 1990/01 to 2000/01 period for ownership housing units, including both single-family units and duplex/two-on-a-lot units. The data shown below indicate the following value trends:

	Area 1	Area 2	Area 3
Value Per Unit (2000/01 index)			
Single-Family	100.0	105.5	108.4
Duplex/Two-Unit Condominium	100.0	147.8	127.7
Value Change Per Unit 1991/92 - 2000/01			
Single-Family	14.1%	24.1%	54.2%
Duplex/Two-Unit Condominium	3.3%	24.2%	41.9%

Although differences in unit size and other factors should be taken into account, average ownership residential properties in Area 1 show a consistently lower value than adjacent ocean-oriented areas.

- In 2000/01, the average single family home in Area 1 shows a value discount of between 5.5% and 8.4% to adjacent areas. The absence of a significant difference between single-family units is not unusual since values more often than not reflect tear-down land values for redevelopment or higher density housing. Conversely, the duplex/two-unit condominium values indicate a substantial value increment in Areas 2 and 3, ranging from almost 28% to 48%.

[2] Recreational, institutional, government, miscellaneous, uncategorized vacant land; exempt and possessory interest categories.

- The value increase over the 10-year period also shows the depressed nature of residential values adjacent to the Project Area. The average value increase in Areas 2 and 3 respectively is almost 40% for single-family and 33% for two-unit residences compared to comparable increases of 14% and slightly over 3% in Area 1.

These data bear out anecdotal information in the local real estate market about the adverse impact of the AES plant and the blighted conditions along the Catalina corridor on adjacent residential neighborhoods.

1.c. Impaired Investments - Obsolete Buildings

The Project Area is part of a larger area around the Harbor identified by the City over a decade ago as lacking new investment. This City focus resulted in a Specific Plan for the area as part of the General Plan update in the early 1990's, the only area with a Specific Plan in that update. Since that time, there has been some development in the general Harbor area but outside the Project Area (affordable senior housing project, a mini-warehouse and recently a low-rise office building).

The Project Area is characterized by a preponderance of underutilized and aging real property improvements that in many instances are economically obsolete. Most of the existing improvements in the Project Area are both physically and functionally obsolete.
The age of the buildings and their square footage is summarized below:

	Project Area	
Yr. Built (1)	# Buildings	Total SF
Pre – 1940	5	45,309
1940-1949	6	12,929
1950-1959	2	11,914
1960-1969	- - -	- - -
1970-1979	- - -	- - -
1980-1989	- - -	- - -
1990 and later	- - -	- - -
Total	13	70,152

- Of the total building area, approximately 76% is over 30 years old and 68% is over 40 years old, well beyond their normal useful life.

1d. Contaminated Properties

AES and Southern California Edison Properties

The AES property has been the subject of several technical analyses relating to environmental conditions, including Phase I and Phase II Environmental Site Assessment studies.[3] The AES total site (including properties retained by Southern California Edison after sale of the plant to AES) comprises approximately 52 acres and has operated since 1907 as a power generating facility and in its current configurations since 1944. The plant contains eight gas or oil fueled electrical generating units (steam turbines, some of which have been decommissioned); cooling towers; underground fuel storage tanks; aboveground tanks; retention basins; pipelines; and fuel pumping areas. The plant had a duel fuel system (natural gas and oil) but currently operates only on natural gas.

Investigations have focused on two principal potential contamination sources and areas, the fuel storage tanks and retention ponds. The site contains areas that will require excavation and disposal of soils contaminated by fuel-related hydrocarbons including the storage tank areas, fuel pumping area, oil/gas separator area, power-generating areas, waste storage area, switchyard areas and solvent wash area. In addition, the retention basin areas contain a variety of contaminants (metals and solvents) in the soil and groundwater associated with their use (retention of acids and solvents used to clean equipment). All of these areas will require the removal of an uncertain but significant amount of contaminated material in order to ensure that there is no significant above-ground health threat for either the current use or future development of urban uses including residential units. Estimates range up to 20,000 yards of material.

Reportedly, appropriate mitigation measures would reduce the impact of the hydrocarbons to a level that would allow residential or commercial/industrial development. However, additional studies may be required to address the issue of potential contamination from the retention basins.

In addition, the northern portion of the Project Area (Southern California Edison) is negatively impacted by two sets of high voltage electrical transmission lines (one 220KV and one 66KV).

Other Properties

City records identify the following properties that have contained materials that could prove potentially hazardous:

	Total Land Area		
Owner of Record (Land Use)	Land (SF)	Percent of Project Area	Source of Potential Contamination
U. S. Government (Post Office)	181,209	6.6%	Fuel storage
City of Redondo Beach (Yard)	65,209	2.4%	Fuel storage

[3] Phase I Environmental Site Assessment, May, 1997 and Phase II Environmental Site Assessment, June, 1997 of the Redondo Generating Station, prepared by CH2Mhill; and Addendum Phase II Site Investigation Report, Redondo Generating Station, September, 1999, prepared by URS Greiner Woodward Clyde. Environmental Site Assessment studies did not cover the entire property and incorporated a limited environmental sampling. These reports do not investigate certain areas for which separate investigations are required under a negotiated order from the California Department of Toxic Substances Control (retention basins, resin tank and fuel oil pipelines).

Los Angeles County (Department of Beaches and Harbors Yard)	26,649	1.0%	Fuel storage
AES (Electrical-Generating Plant)	1,244,344	45.6%	Fuel oil storage, oil pipelines, retention basins

Post Office and County Property

The status of underground fuel storage at the Post Office and Los Angeles County properties is unknown at this time. The Post Office has had underground fuel storage for many years and likely has some level of soil hydrocarbon contamination. The County property currently has an aboveground fuel tank and the level of possible underground soil contaminations is not known.

The City of Redondo Beach Maintenance Yard

This facility has the following underground tanks: (1) four gasoline (1,000 to 12,000 gallon capacity); (2) two diesel (1,000 gallon capacity each); and (3) one waste oil (1,000 gallon capacity). In addition, there is a 10,000 - 12,000 gallon diesel fuel tank that was abandoned in place. Prior studies have found some level of soil contaminations with no apparent offsite migration. The City has installed new aboveground tanks that currently are in use. The underground tanks have not been removed.

1e. Seismic Hazards

A major portion of the property is within the Redondo Beach Quadrangle as defined by the California Department of Conservation, Division of Mines and Geology. Portions of this area are subject to liquefaction, land sliding, or other earthquake and geologic hazards from the effects of earthquake-triggered ground failure with the potential for permanent ground displacements. [4]

The area of potential hazard as defined by the Division of Mines and Geology includes the entire portion of the AES and Southern California Edison property between Harbor Drive and Francisca Avenue (Parcels 7503-013-004 to 815) - 1,276,891 square feet.

The 1994 Northridge earthquake resulted in some instances of liquefaction damage west of the Project Area along Harbor Drive. Potential future urban development in these portions of the Project Area will be more costly than elsewhere because of the needs for adequate building protection.

2. Abnormally High Business Vacancies, Abnormally Low Lease Rates, High Turnover Rates, Abandoned Buildings, Or Excessive Vacant Lots Within An Area Developed for Urban Use and Served By Utilities.

[4] Such that mitigation would be required as defined in Public Resources Code Section 2693 (c).

2.a. Business Vacancies

Most of the buildings in the Project Area are devoted to institutional/government uses. Business vacancies in privately-owned/use buildings are significant.

- The Project Area contains three buildings devoted to retail uses, of which one (with four retail spaces) has been and remains largely vacant. This building comprises 3,570 square feet or 29.0% of the total building area devoted to retail uses.

2.b. Property Lease Rates

The Project Area contains very few properties available on a lease basis.

- The consultants identified only three properties that are leased to tenants: (1) the Dive 'N Surf Shop and Sea Jane Surf retail shops located at Catalina Avenue and Broadway (2) property at the southeast corner of Catalina Avenue and Francisca Street leased to South Bay Door & Window and with auto service uses in an attached garage building; and (3) a retail building on northeast corner of Catalina Avenue and Francisca Street that is used for storage.

- Although retail lease rates are not available for the existing business, the retail building currently used for storage has had 10 different tenants since 1990 according to business license records. These spaces have been vacant for retail use for some time and currently are not available for lease.

2.d. Vacant Lots

The Project Area contains a significant amount of vacant property, summarized as follows:

	Vacant Property
Number of parcels	9
Total Land area (SF)	420,806
Percent of Total Project Area	15.4%
Percent of Project Area excluding AES Plant and government-owned public use property (includes leaseholds for private development)	35.7%

This is an excessively high vacant land inventory in an urbanized area. When compared to the inventory of private ownership land that presumably is or can be made available for near-term development, vacant land comprises over 35% of the total land area.

The blighting conditions have resulted in the underutilization of the Project Area. The AES facility is only partially utilized for power generation with 50% of the available turbine capacity obsolete and economically prohibitive to return to operating status. The area occupied by the power lines extending east from the AES facility is undeveloped as is property to the south of the power lines. Not including the AES facility there are 9 vacant properties in the Project Area which comprise 35.7% of the total area excluding AES and government owned properties. The minimal amount of new development in the Project Area since 1960 indicates extreme underutilization of this oceanfront property.

Community Burden

The conditions within the Project Area constitute a serious physical and economic burden for Redondo Beach. The Project Area is characterized by deteriorated or vacant properties which are underutilized, particularly as located adjacent to or near the ocean. Retail sales growth is less than one-tenth of that of the other areas of Redondo Beach. As noted in the discussion of economic blight, annual average sales growth since 1991 has been 4.3% for the City and 0.4% for the Project Area. As a commercial/industrial area the Project Area fails to provide a jobs base or a source of revenue to the City government to support needed services in the community.

Need For Redevelopment

Private enterprise and the public sector have not been able to redevelop the Project Area. This is due in part to the large number of small, irregular parcels that cannot be developed due to their size and separate ownerships. The City's authority to condemn land is limited to acquisition for public improvements and the Project Area requires private development, in addition to the public improvements, to address the blighting conditions. It is important to recognize that some forms of financing traditionally utilized by cities, such as assessment districts, or developer fees, may have limited value in revitalizing a blighted area. When impaired investments and similar problems have been shown to exist in an area, adding new financial burdens on private sector developers may serve to discourage, rather than to encourage investment. Land assembly and economic assistance can be provided by redevelopment without imposing additional financial burdens on private development.

The AES facility cannot be redeveloped due to the prohibitive cost of installation of new turbines and requires economic assistance for its redevelopment for other uses. Based on the information provided by AES the market price of electricity will not provide sufficient profit for the turbines to be replaced or improved at the Redondo Beach facility

The AES facility also has a negative impact on other properties in the Project Area due to its size and appearance. Both physical and economic blight are apparent in the properties within the Project Area that are adjacent to or near the AES facility. This is demonstrated by both the physical condition of the properties and the economic stagnation which has occurred in the Project Area.

The City does not have sufficient revenue to fund the required public improvements in the Project Area or to provide financial assistance to private enterprise to assist the redevelopment of the Project Area. The total budget requests for 2001-02 were$77,225,408 for operations and $88,618,715 for capital improvements. The City revenue available for funding these needs was $76,419,887. Clearly the City lacks sufficient revenue to fund its operating and capital costs and is therefore unable to fund the financial requirements of the Project Area.

Urbanization of the Project Area

As discussed above, Section 33320.1 of the Redevelopment Law requires that the area proposed for redevelopment be predominantly urbanized. "Predominantly urbanized" is defined in this Section of the Redevelopment Law to mean that not less than 80% of the land in the redevelopment project area:

- Has been or is developed for urban uses; or
- Is characterized by the existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership; or
- Is an integral part of one or more areas developed for urban uses which are surrounded or substantially surrounded by parcels which have been or are developed for urban uses. Parcels separated by only an improved right-of-way shall be deemed adjacent for the purpose of this requirement.

This Section further provides that a parcel of property is developed if that parcel is developed in a manner which is either consistent with zoning or is otherwise permitted under law.

The Project Area of 90.46 acres is fully urbanized consisting of mixed commercial or industrial uses and vacant industrial land. A significant portion of the Project Area also includes lots of irregular form and shape and inadequate size.

Table 1

URBANIZATION

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Total Acres In Project Area	90.46
Total Acres, Lots of Irregular Form or Inadequate Size	12.8
Total Acres That Have Been or Are Developed for Urban Uses	90.46
Total Acres That Are an Integral Part of an Area Developed for Urban Uses	0
Total Acres, Agricultural Use	0
Percent Property Predominantly Urbanized	100.00

The maps showing the area developed for urban uses and irregular lots are shown in Exhibit II.

4. IMPLEMENTATION PLAN

The Implementation Plan required by Section 33352(c) of the Redevelopment Law must describe the specific goals and objectives of the Agency, specific projects proposed by the Agency, including actions and expenditures proposed to be made within five years of the adoption of the Amendment, and how these projects will improve or alleviate the conditions of the blight in the Project Area.

This Implementation Plan as shown in Exhibit VI presents:

1. Agency goals and objectives for the Project Area.

2. Specific projects proposed by the Agency including actions and estimated expenditures planned for the next five years.

3. An explanation of how these projects and expenditures will eliminate blight in the Project Area.

5. ELIMINATION OF BLIGHT

Subsection (d) of Section 33352 of the Redevelopment Law requires an explanation of why the elimination of blight and the redevelopment of the Project Area cannot reasonably be expected to be accomplished by private enterprise acting alone or by the City Council's use of financing alternatives other than tax increment financing.

Private Enterprise Activity

In general, the blighting conditions in the Project Area are such that private enterprise has neither the legal authority nor the economic resources to address them. For example, as described in more detail above, a blighting condition which exists in the Project Area is the presence of lots of irregular shape and/or inadequate size for development. The assembly of such irregular parcels into parcels of adequate size and shape for development is very difficult if not impossible in the Project Area due to the overall depressed economic conditions and the pervasive nature of these parcels. Their existence over a long period of time, more than thirty years, demonstrates the inability of private enterprise to address this blighting condition.

The inadequacy of public water, sewer and storm drain facilities and other public infrastructure are primarily conditions which must be addressed by public entities such as the City, or if redevelopment is utilized, by the Agency. Private enterprise has neither the financial resources nor the legal authority to construct or to improve these facilities. The inadequacy of sewer and storm drain facilities and other public infrastructure inhibits the redevelopment of the Project Area and affects the economic viability of the Project Area

Deficiencies in the street and traffic circulation systems are also a condition which private enterprise does not have the legal authority to address. These deficiencies affect the economic viability of the Project Area. The inadequate parking facilities in the commercial and industrial areas result in business vacancies and in the inability to develop vacant parcels of property. The Agency can assist as noted above with financial assistance as funding becomes available through tax increment or other legally available sources.

The private sector's ability to alleviate the blighting conditions in the Project Area is further limited by the economics of the land development process. Because of the existence of the blighting conditions in the Project Area, redevelopment of the area is not economically viable and the private sector does not have sufficient incentive to invest in the area without the assistance of redevelopment. Without financial assistance to underwrite costs of redeveloping the Project Area, the private sector will not undertake redevelopment of the area. Without substantial investment, the blighting conditions in the Project Area would likely continue into the future, as evidenced by the existing blighting conditions and underutilization of the property. The cost of alleviating blighting conditions in the Project Area is so substantial that it is unlikely that private enterprise acting alone or government acting alone (without redevelopment), or both acting together, would finance the needed improvements and projects.

Public improvement costs of over $38,000,000 are required in the Project Area in order to eliminate blight in the area. While yet to be determined, it is, in addition, unlikely that private enterprise could support public improvement costs of this magnitude.

City Financing Alternatives

The City does not have the ability to finance the programs in the Project Area outlined in the Implementation Plan portion of this Report and in the proposed Redevelopment Plan without the use of redevelopment and the assistance of the Agency. In 2001-02 the City was unable to fund over $18,529,264 in budgetary requirements including capital projects. Based on revenue and cost projections, the ability of the City to finance its operational and capital costs is very limited and will not allow the City to finance projects and programs outlined in the Redevelopment Plan in the future.

The City is currently using all available funding sources including Community Development Block Grant funds to meet its financial obligations. No revenue is currently available to the City to carry out the projects and programs necessary to eliminate blight in the Project Area. Therefore, the use of tax increment financing which would be available to the Agency is the only reasonably available means of financing the projects and programs necessary to eliminate blight in the Project Area. Governmental action to alleviate the blighted conditions in the Project Area is limited by the lack of local financial resources upon which to base a comprehensive revitalization program. Public revenue sources such as the City's General Fund and Community Development Block Grant funds are either currently unavailable or insufficient to cover the costs of the projects and programs needed to eliminate blight in the Project Area. Therefore, a funding gap or shortfall exists for which no sources of financing other than tax increment financing are available or sufficient. Redevelopment assistance through the use of tax increment revenue fills the gap in resources and is essential to fund an effective revitalization effort in the Project Area. Tax increment financing is the most reliable source of long term funding and the only source of financing that will generate sufficient revenue to meet the funding gap.

It is important to recognize that some forms of financing, such as assessment districts or developer fees, may have limited value in revitalizing a blighted area. When impaired investments and similar problems have been shown to exist in a given area, adding new financial burdens on private sector developers may serve to discourage, rather than to encourage investment in the proposed Project Area.

6. FINANCING AND ECONOMIC FEASIBILITY

Section 33352(e) of the Redevelopment Law requires this Report to include the proposed method of financing the redevelopment of the Project Area so that the City Council can determine the economic feasibility of the Redevelopment Plan. Upon adoption of the Amendment, the Agency will be authorized to finance redevelopment in the Project Area through:

- Assistance from other public agencies such as the State of California or the United States Government
- Property tax increment
- Interest revenue
- Investment income
- Agency-issued notes and bonds

At this point, definitive statements cannot be made as to the exact nature of the financing techniques that will be used to finance specific Agency activities and projects in the Project Area as they are undertaken over the life of the Amendment. The Agency will be authorized to use all legally available revenue sources so that the Agency will have the maximum possible flexibility in financing the implementation of redevelopment activities in the Project Area.

The Agency expects to utilize some or all of the following financing authorities, techniques, or methods (individually, or in combination) to implement the Redevelopment Plan for the Project Area:

? Owner participation agreements and stimulation of private investment
- Tax increment
- Bonds
- Cooperation agreements
- Loans

Owner Participation Agreements and Stimulation of Private Investment

The Agency's primary source of revenue will be through the collection of the additional increment of property taxes that are generated when property values in the Project Area rise. While tax increment is an important financing source, it is important to understand that such revenues are limited by Proposition 13 and by a variety of other factors. For example, the Agency must set aside 20% of its tax increment funds for low or moderate income housing. Additionally, each year a certain amount of the tax increment generated in the Project Area will be required to be shared with school districts, and a variety of other taxing agencies. The Agency can use the remaining tax increment funds it receives as seed money to stimulate private development activities that will, at the same time, eliminate blight in the Project Area. A major goal of the Redevelopment Plan for the Project Area is to stimulate private investment in the Project Area. Public investment in the form of redevelopment funding will be used to leverage private investment and owner participation in the area.

Even though the Project Area is blighted, the existing owners of property and businesses continue to have equity that can be used together with Agency assistance to revitalize the area. This is particularly the case when owners have held their properties for long periods. The Redevelopment Plan authorizes the Agency to use a variety of incentives to encourage these owners to directly participate in the redevelopment process. Therefore, to a great degree, the redevelopment of the proposed Project Area may be financed by private enterprise as induced through the efforts and financial assistance of the Agency. Private investment is expected to include new construction and the rehabilitation of commercial, industrial and residential buildings in the Project Area. Over time, such investment could be significant. However, private investment in the Project Area will depend upon the improvement of public facilities and infrastructure and the creation of a positive climate for private participation.

In working with existing owners, the Agency will be fulfilling two objectives. The first is that the Agency will be looking to existing owners to play a primary role in financing revitalization activities. Second, by working with existing owners, the Agency will also be meeting the intent of the Redevelopment Law, which requires the Agency to provide for participation in the redevelopment of property in the Project Area by property owners if the owners agree to participate in redevelopment in conformity with the Redevelopment Plan.

Tax Increment

The Redevelopment Plan will authorize the Agency to be allocated property tax revenues resulting from assessed valuation increases in the proposed Project Area following adoption of the Amendment. Such revenues are called “tax increment”, and will be used to finance redevelopment projects and pay Agency debts associated with the implementation of the Redevelopment Plan. The assessed valuation increases that generate the tax increment are limited to those permitted by Proposition 13. The Agency does not have the authority to levy a property tax or to raise the local property tax rate. If property values in the Project Area do not rise above the levels in place at the time of Amendment adoption, the Agency will receive no tax increment revenue from the Project Area.

The use of tax increment revenues is limited to activities that benefit the Project Area from which the revenues are generated. Tax increment revenues that are generated in the Project Area can be used for projects that benefit the Project Area. This method of financing results in a direct relationship between property taxes paid by Project Area property owners and physical benefits in the Project Area resulting from the use of those taxes.

In addition to using tax increment revenues to support or induce private development activities, the Agency may use tax increment revenues to pay for the construction and financing of public facilities and improvements, if the Agency’s payment for the improvements would be of benefit to the Project Area, there are no other reasonable means of financing available to the community, and the payment would help alleviate blight or produce affordable housing. These findings would be made on a project-by-project basis, as required by the Redevelopment Law.

Tax increment revenues will be allocated to the Agency under the Redevelopment Plan because:

- They constitute a certain and steady source of revenue to finance the redevelopment of the Project Area.
- There is great flexibility under the Redevelopment Law as to how the Agency is authorized to use the funds in implementing the Redevelopment Plan.
- The Agency may sell tax allocation bonds or notes to raise capital for redeveloping the Project Area.
- Using tax increment funds, the Agency's investment is recovered when revitalization activities or new construction add new taxable value to the property tax roles.

Bonds

The Redevelopment Plan will authorize the Agency to issue bonds, if needed and feasible, in amounts sufficient to finance specific redevelopment activities, both public and private, within the Project Area. The principal and interest on such bonds may be payable when they become due from the following sources:

1. Exclusively from the income and revenue of a specific redevelopment project financed with the proceeds of the bonds or with such proceeds combined with financial assistance from the State or Federal governments.
2. Exclusively from the income and revenue of certain designated redevelopment projects, whether or not they were financed in whole or in part with bond proceeds.
3. In whole or in part from taxes allocated to and paid into a special fund of the agency pursuant to the provisions of the Redevelopment Law regarding receipt of tax increment revenues.
4. From Agency revenues generally.
5. From contributions or other financial assistance from the State or Federal governments.
6. From other legally available funds.
7. From any combination of the above.

Cooperation Agreements

In cases where the Agency may undertake the construction or reconstruction of a public facility or public improvement, the Agency may enter into a cooperation agreement with other public agencies to secure financial assistance in the form of loans, or through other mechanisms that may be utilized to fund the needed public facilities or improvements.

Loans

The Agency may borrow funds for its various purposes from the County of Los Angeles, from the State of California, or from any other legally available public or private lending source. Such loans may be repaid from Agency tax increment revenues or from any other revenues specifically pledged for such purposes.

Other Funding Sources

The Agency may, with the consent of the City Council when required under the Redevelopment Law, utilize other sources of funds as these become available and as permitted under the Redevelopment Law.

Such sources may include gas tax funds, and a variety of Federal and State programs through which loans or grants to the Agency would be possible. The Redevelopment Plan also broadly authorizes the use of funds which may become available in the future but which are not known today. In addition, the Agency may have interest income and income from future land sales or leases. The Redevelopment Plan authorizes that any loans, grants, guarantees or financial assistance from any public or private source may be utilized by the Agency as appropriate in carrying out the Redevelopment Plan.

Low and Moderate Income Housing Fund

The Redevelopment Law requires the Agency to set aside, in a separate low and moderate income housing fund, not less than 20% of all tax increment receipts that are allocated to the Agency pursuant to Section 33670 of the Redevelopment Law. The purpose of this fund is to increase, improve, and preserve the community's supply of housing available at affordable housing cost as defined in Section 50052.5 of the Health and Safety Code to persons and families of low and moderate income as defined in Section 50093 of the Health and Safety Code and very low income households as defined in Section 50105 of the Health and Safety Code, unless certain findings are made annually by resolution.

Statutory Tax Increment Pass Throughs in the Project Area

The Redevelopment Law determines how the tax increment paid to the Agency from the Project Area is to be divided. First, as stated above, the Agency is required to set aside or retain 20% of the gross tax increment for low and moderate income housing construction or rehabilitation. Second, pursuant to Section 33607.5 of the Redevelopment Law, 25% of the remaining tax increment is distributed back to the affected taxing agencies such as the County, school districts or special districts through the last fiscal year in which the Agency receives tax increment. There are then additional distributions to affected taxing entities (except the City) of 21% of the revised tax base commencing in the eleventh fiscal year and continuing through the last fiscal year in which the Agency receives tax increment, and 14% of the revised tax base commencing in the thirty-first fiscal year and continuing through the last fiscal year in which the Agency receives tax increment. These distributions of tax increment are commonly referred to as "statutory pass throughs" and are required by the Redevelopment Law in order to provide to affected taxing agencies a share of the tax increment growth which will occur in the Project Area.

Estimated Project Costs

Potential Agency costs of improvements and projects in the Project Area are preliminary at this time. The Agency's focus at this time is primarily on public facility improvements and business development and retention. Agency land acquisition activities, the costs of various rehabilitation activities, and financing costs are also not specifically known at this time. Should either relocation or land acquisition be necessary at some time in the future in the Project Area, it would be accomplished under applicable law and within the limits of available funding at that time. Current cost estimates for the proposed Agency projects as described above are $38,800,000 This amount does not include financing costs, which could increase this amount to a total of approximately $87,261,904 including costs of financing and interest costs.

Estimated Project Revenues

The tax increment projections are based on the Los Angeles County Assessor's estimate of taxable value for the Project Area as shown for 2002-03. This base year amount including secured, unsecured and utility assessed values is $306,242,653. Tax increment is projected based on two sets of assumptions. The first assumes 2% annual growth. The second assumes new development allowed in the General Plan in addition to the 2% annual growth. With 2% annual growth the Redevelopment Agency will collect $58,467,736 over the 45 year tax increment collection period. Assuming General Plan buildout, the Agency will receive $102,062,385 over the 45 year tax increment collection period. This projection is based on a 10 year General Plan development period beginning in 2004-05. Projections of tax increment revenues estimated to be available to the Agency are included as Exhibit IV to this Report.

Other revenues to provide funding for redevelopment projects are also expected to be available. These will include state and federal grants, private funding, and various state housing and infrastructure loan programs. The funding amount from these sources will be established at the time of project implementation.

Project Feasibility

As noted, current projected project costs including financing costs are $87,261,904. However, most of the currently proposed projects will not be implemented unless and until they are required to support new development in the Project Area. As that development occurs, it will in turn generate the tax increment needed to pay for the public improvements. Therefore, Project goals should be achieved under either the two percent growth or General Plan build-out scenarios for both public improvements and private development assistance, if required, based on the amount of tax increment projected.

The tax increment revenues projected to be available to the Agency over the life of the project will be expended by the Agency in accordance with the provisions of the Community Redevelopment Law. While projected tax increment, based on the General Plan build-out, exceeds project cost estimates at this point, there will probably be additional project activities, unforeseen at this time that will require redevelopment assistance. Other financial resources such as state and federal grants and private financial participation through fees will also be available to the Agency for use in project implementation.

The Agency may utilize its property tax increment to finance its operations and physical improvements, since the private sector, acting alone, may not be able absorb the expense of the public improvements and facilities needed throughout the Project Area. The Agency will need to financially assist the effort to revitalize the Project Area since the City does not have the financial capability to fund the required projects.

The projects to be undertaken will include infrastructure improvements to streets, sidewalks, bicycle and pedestrian transportation systems, street lighting and street signalization. The infrastructure will be built as it is required for development to proceed in the Project Area. At this time not all of the infrastructure requirements, or other requirements of the Agency, are known but the incremental nature of the proposed improvements provides for a sound and feasible project that can be financed with available tax increment.

7. RELOCATION PLAN

Section 33352(f) of the Redevelopment Law requires this Report to contain a method or plan for the relocation of families and persons to be temporarily or permanently displaced from housing facilities in the Project Area, which method or plan shall include the provision required by Section 33411.1 of the Redevelopment Law that no persons or families of low and moderate income shall be displaced unless and until there is a suitable housing unit available and ready for occupancy by the displaced person or family at rents comparable to those at the time of their displacement.

Based upon a survey of the Project Area and the information reasonably available to the Agency, there are currently no residences in the Project Area. No displacement from housing facilities or relocation of families and persons is planned for the Project Area. However, to the extent any such displacement might occur in the Project Area, pursuant to the California Relocation Assistance Act, California Government Code Sections 7260, et seq. ("State Relocation Act") and the California Relocation Assistance and Real Property Acquisition Guidelines, Title 25, Sections 6000, et seq. ("State Relocation Guidelines"), the Agency has adopted the State Relocation Guidelines, as they are currently in effect and as may be amended in the future, as the Agency's relocation guidelines to implement relocation payments and to administer relocation assistance under the State Relocation Act.

8. ANALYSIS OF THE PRELIMINARY PLAN

Section 33352(g) of the Redevelopment Law requires this Report to contain an analysis of the Preliminary Plan. The Preliminary Plan was received by the Agency following its adoption by the Planning Commission.

The Redevelopment Plan incorporates and meets all of the requirements of the Preliminary Plan. Pursuant to the requirements of Section 33324 of the Redevelopment Law, the Preliminary Plan describes the boundaries of the Project Area, contains a general statement of the land uses, layout of principal streets, population densities and building intensities, and standards proposed as the basis for the redevelopment of the Project Area. The Preliminary Plan also shows how the purposes of the Redevelopment Law would be attained through the redevelopment of the Project Area, how the proposed redevelopment would conform to the General Plan of the City, and describes generally the impact of the Redevelopment Plan upon residents of the Project Area and the surrounding neighborhood.

The Redevelopment Plan is based upon the Preliminary Plan adopted by the Planning Commission.

The Preliminary Plan contained the initial boundaries of the Project Area. The boundaries of the Project Area designated in the Redevelopment Plan have been changed to reflect the deletion of the Marina area from the Catalina Project Area.

The Preliminary Plan contains a general statement of the land uses, layout of principal streets, population densities and building intensities, and standards proposed as the basis for the redevelopment of the Project Area. The Preliminary Plan stated that the land uses in the Project Area should be those in the General Plan; proposed that the layout of principal streets be as shown in the General Plan; stated that population densities and building intensities conform to the General Plan; and proposed that building standards in the Project Area conform to the City codes and ordinances. Under the Redevelopment Plan, land uses, layout of principal streets, population densities and building intensities must be in conformity with the General Plan as it now exists or may be amended in the future and the City's codes and other regulations. Similarly, under the Redevelopment Plan, the standards for the redevelopment of the Project Area must also be in conformity with the General Plan and the City's codes and other regulations.

The Preliminary Plan also shows how the purposes of the Redevelopment Law would be attained through the redevelopment of the Project Area. As set forth in the Preliminary Plan, the purposes of the Redevelopment Law will be achieved by the implementation of the Redevelopment Plan. Through the implementation of the Redevelopment Plan, the Agency proposes to:

1. Encourage employment opportunities through environmental and economic improvements resulting from the redevelopment activities.

2. Provide for the rehabilitation of structures in the Project Area.

3. Provide for participation in the redevelopment of property in the Project Area by owners who agree to so participate in conformity with the Redevelopment Plan.

4. Provide for the management of property owned or acquired by the Agency.

5. Provide relocation assistance where Agency activities result in displacement.

6. Provide public infrastructure improvements and community facilities, such as the installation, construction and/or reconstruction of streets, utilities, public buildings, facilities, structures, street lighting, landscaping and other improvements which are necessary for the effective redevelopment of the Project Area.

7. Increase and improve the City's supply of affordable housing.

8. Acquire real property.

9. Dispose of real property acquired by the Agency in the Project Area for redevelopment in accordance with the Redevelopment Plan.

10. Encourage the redevelopment of the Project Area through the cooperation of private enterprise and public agencies.

11. Encourage the development of new commercial and industrial businesses throughout the Project Area.

The Preliminary Plan also described how the proposed redevelopment of the Project Area would conform to the City's General Plan and stated that the goals and policies of the General Plan will be achieved by a comprehensive redevelopment program. The Redevelopment Plan as prepared by the Agency is in conformity with the General Plan.

The Preliminary Plan also described generally the impact of the Redevelopment Plan upon residents of the Project Area and the surrounding neighborhood. The Preliminary Plan also stated that by adhering to the guidelines of the General Plan, and the objectives of the Redevelopment Plan, the possible negative impacts on existing commercial, industrial and residential areas should be eliminated.

9. REPORT AND RECOMMENDATION OF THE PLANNING COMMISSION

Section 33346 of the Redevelopment Law requires that before the Redevelopment Plan is submitted to the City Council, it must be submitted to the Planning Commission for its report and recommendation concerning the Redevelopment Plan and its conformity to the City's General Plan. The Planning Commission may recommend for or against the approval of the Redevelopment Plan. Section 33347 of the Redevelopment Law states that within 30 days after the Redevelopment Plan is submitted to it for consideration, the Planning Commission must make and file its report and recommendation with the Agency. If the Planning Commission does not report upon the Redevelopment Plan within 30 days after its submission by the Agency, the Planning Commission shall be deemed to have waived its report and recommendations concerning the Redevelopment Plan and the Agency may thereafter approve the Redevelopment Plan without the report and recommendations of the Planning Commission.

On May 15, 2003 at its regular meeting, the Redondo Beach Planning Commission met to consider the Redevelopment Plan and the Project Area and its conformity to the City's General Plan. The Planning Commission found that the Redevelopment Plan conforms to the City's General Plan and recommended its adoption by the City Council. The Planning Commission's report and recommendations are attached as Exhibit VII of this Report.

10. REPORT REQUIRED BY SECTION 65402 OF THE GOVERNMENT CODE

Section 33352(j) of the Redevelopment Law requires this Report to contain the report of the Planning Commission required by Section 65402 of the Government Code. The report of the Planning Commission required by Section 65402 of the Government Code is included in the report and recommendation of the Planning Commission submitted as an Exhibit VII to this Report as referred to in Section 9 of this Report.

11. REPORT REQUIRED BY SECTION 21151 OF THE PUBLIC RESOURCES CODE

Section 33352(k) of the Community Redevelopment Law requires this Report to contain the report required by Section 21151 of the Public Resources Code. Section 21151 of the Public Resources Code, part of the California Environmental Quality Act (CEQA), requires the certification of completion of an Environmental Impact Report (EIR) for the proposed Redevelopment Plan.

An EIR was prepared for the 1992 General Plan and Harbor/Civic Center Specific Plan project. This EIR (SCH 199107080) analyzed the impacts of updating the City's General Plan and creating a Specific Plan for the areas included in the Catalina Redevelopment Project Area (RPA). Because the Catalina Redevelopment Plan conforms to the current General Plan land use designations, this is the environmental review document upon which the impacts of the proposed Redevelopment Project Area were analyzed.

An initial study was prepared for the Catalina RPA and circulated with a Notice of Availability (NOA) on March 26, 2003 for public review and comment. The NOA requested comments on the use of the 1992 EIR for the proposed RPA. The Initial Study determined that no additional environmental analysis was necessary for the proposed Catalina RPA.

Comments from local agencies and the public were received during the comment period that ended May 12, 2003, including a public comment hearing before the Redevelopment Agency on May 6, 2003. Responses to these comments were prepared in accordance with CEQA Guidelines §15088.

The certified 1992 EIR, in conjunction with the NOA/Initial Study for the Catalina RPA and the Agency's responses to the comments received, provide the environmental review for the proposed project and have been provided to the City Council under separate cover. Although these are separate documents, together they are deemed to be part of this Report and is incorporated herein by this reference.

12. REPORT OF THE COUNTY FISCAL OFFICER

Section 33352(l) of the Redevelopment Law requires this Report to include the Report of the County Fiscal Officer as required by Section 33328 of the Redevelopment Law. Section 33328 of the Redevelopment Law requires the County Fiscal Officer to prepare a report on the financial effect of the Amendment. Specifically, this Section provides that the County Fiscal Officer's Report must include all of the following:

(a) The total assessed valuation of all taxable property within the project area as shown on the base year assessment roll.
(b) The identifications of each taxing agency levying taxes in the project area.
(c) The amount of tax revenue to be derived by each taxing agency from the base year assessment roll from the project area, including state subventions for homeowners, business inventory, and similar subventions.
(d) For each taxing agency, its total ad valorem tax revenues from all property within its boundaries, whether inside or outside the project area.
(e) The estimated first year taxes available to the redevelopment agency, if any, based upon information submitted by the redevelopment agency, broken down by taxing agencies.
(f) The assessed valuation of the project area for the preceding year, or, if requested by the redevelopment agency, for the preceding five years, except for state assessed property on the board roll.

The Agency initially proposed to use fiscal year 2001-2002 as the year of the last equalized assessment roll to be used for the allocation of taxes for the Project Area, to be the base year assessment roll for the Project Area. Pursuant to Section 33328.5 of the Redevelopment Law, because the Agency proposes to use the equalized assessment roll for the year following the equalized assessment roll which the redevelopment agency initially advised it would use pursuant to Section 33328 of the Redevelopment Law, the Agency has notified the County officials, taxing agencies, and the State Board of Equalization of the change in the equalized assessment roll that it proposes to use for the allocation of taxes pursuant to Section 33670 of the Redevelopment Law. After that notification, the Agency then received the County Fiscal Officer's Report based on the 2002-03 assessment roll.

The Agency proposes to use fiscal year 2002-2003 as the year of the last equalized assessment roll to be used for the allocation of taxes for the Project Area, which shall be the base year assessment roll for the Project Area. The County Fiscal Officer's Report is included on the following pages as Exhibit V.

As required by Section 33328.5(c) of the Redevelopment Law, this Report includes the information required to be included in a supplementary report analyzing the effect of the use of the different equalized assessment roll, including those subjects required by subdivisions (b), (e), and (n) of Section 33352 of the Redevelopment Law. The subjects required by these subdivisions of Sections 33352 are included in Sections 3, 6 and 14 of this Report, respectively.

Total Assessed Valuation of All Taxable Property Within Project Area as Shown on Prior and Proposed Base Year Assessment Rolls

The 2001-03 base year value reported by the County Auditor-Controller for the Project area is $279,640,672 which includes $276,920,393 in locally assessed secured valuations and $2,720,729 in locally assessed unsecured valuations. The State Board of Equalization reported zero assessed value for railroads and no-operating, non-unitary assessed value for state assessed property located within the boundaries or the Project Area for the 2002-02 based year. The total base year value is $279,640,672 for 2001-02. For 2002-03 the secured value is $305,667,953, the unsecured value $574,700, for a total assessed value of $306,242,653

Identification of Each Taxing Agency Levying Taxes in the Project Area

The 2002-03 report identifies the following taxing agencies within the Project Area:

County of Los Angeles
Los Angeles County Fire District
Los Angeles County Flood Control Improvement Maintenance District
Los Angeles County Flood Control Maintenance District
Los Angeles County West Vector Control District
South Bay Cities Sanitary District
Beach Cities Hospital District
City of Redondo Beach Taxing District #1
Water Replenishment District of Southern California
Educational Revenue Augmentation Fund
County School Services
Children's Institutional Tuition Fund
El Camino Community College District
Development Center for the Handicapped Manhattan Beach
Redondo Beach Unified School District
County Service Fund Redondo Beach
Handicapped Development Center Redondo Beach

Tax Revenue Derived by Taxing Agencies from Base Year Assessment Roll for the Project Area

The Schedule of Base Year Revenue for the tax revenue to be derived by each taxing agency of the 2002-03 base year assessment roll is reported for the basic $1.00 per $100 tax rate. The 2002-03 Auditor-Controller's Report for the Project Area shows a total of $3,062,426.53 estimated revenue to be generated by the secured and unsecured rolls. County agencies including the Los Angeles County general fund and the County Fire District receive approximately 35.38 percent of all property taxes generated in the Project Area. The Redondo Beach Unified School District receives 13.69 percent of property taxes with the balance, 50.93, percent being shared by all other taxing agencies.

Total Ad Valorem Tax Revenue for Each Taxing Agency from All Property Within its Boundaries Whether Inside or Outside the Project Area

The Schedule of Countywide 1% Revenue for the Base Year 2002-2003 is $3,182,987,661.38 for all taxing agencies. Of this amount, 52.69 percent is paid to the County of Los Angles taxing agencies including the County General Fund at $1,547,591,693.62 and the Los Angeles County Fire District at $68,812,278. The Educational Revenue Augmentation Fund and its Impound Fund receive a total of $1,433,051,159.41 or 45.02 percent of the total property taxes received by all taxing agencies affected by the Project Area. The remaining amount or 2.29% is received by the other taxing agencies.

Estimated First Year Taxes Available to Redevelopment Agency

Pursuant to Section 33674 of the California Redevelopment Law, the first year that the Agency will be eligible to receive tax increment revenues from the Project Area will be the tax year which begins after December 1 next following the adoption of the Redevelopment Plan and the filing of required documents by the Agency. Assuming the Project Area is adopted and becomes effective no later than August 20, 2003, the first year the Agency will be eligible receive tax increment revenues from the Project Area will be fiscal year 2004-05. The 2002-03 Auditor-Controller Report did not contain an estimate of the first year tax increment revenue.

Assessed Valuation of Project Area for Preceding Year, or for Preceding Five Years, Except for State Assessed Property on Board Roll

The Auditor-Controller's Report for 2002-03 includes assessed valuation data only for the preceding year, 2001-02. The taxable assessed value for 2001-02 is $279,640,672.

Analysis of Effect of Use of Different Assessment Roll.

The change in the assessment roll from 2001-02 to 2002-03 is an increase in assessed value of $26,601,981 within the Project Area. This increase of 9.51% would result in a base year tax increase of $266,019.81 to be distributed to all taxing agencies.

Pursuant to Section 33328.5 of the California Redevelopment Law, the Agency has notified affected taxing agencies of the change in the base year assessment roll. No comment has been received by the Agency from any taxing agency affected by the change in base year assessment roll.

13. NEIGHBORHOOD IMPACT REPORT

Requirements

The Redevelopment Law, Section 33352(m) requires that a Neighborhood Impact Report be prepared in conjunction with the creation or expansion of a redevelopment project area that contains low or moderate income housing. Since the Project Area does not contain low or moderate income housing, no Neighborhood Impact Report is required.

14. ANALYSIS OF SECTION 33328 REPORT AND CONSULTATION WITH TAXING AGENCIES

Section 33352(n) requires this Report to include an analysis of the Report submitted by the County as required by Section 33328 of the Redevelopment Law (found in Section 12 of this Report). This Report must also include a summary of the consultation of the Agency, or attempts to consult by the Agency, with each of the affected taxing entities as required by Section 33328 of the Redevelopment Law. If any of the affected taxing entities have expressed written objections or concerns with the proposed redevelopment project area as part of these consultations, the Agency must include a response to these concerns, additional information, if any, and, at the discretion of the agency, proposed or adopted mitigation measures.

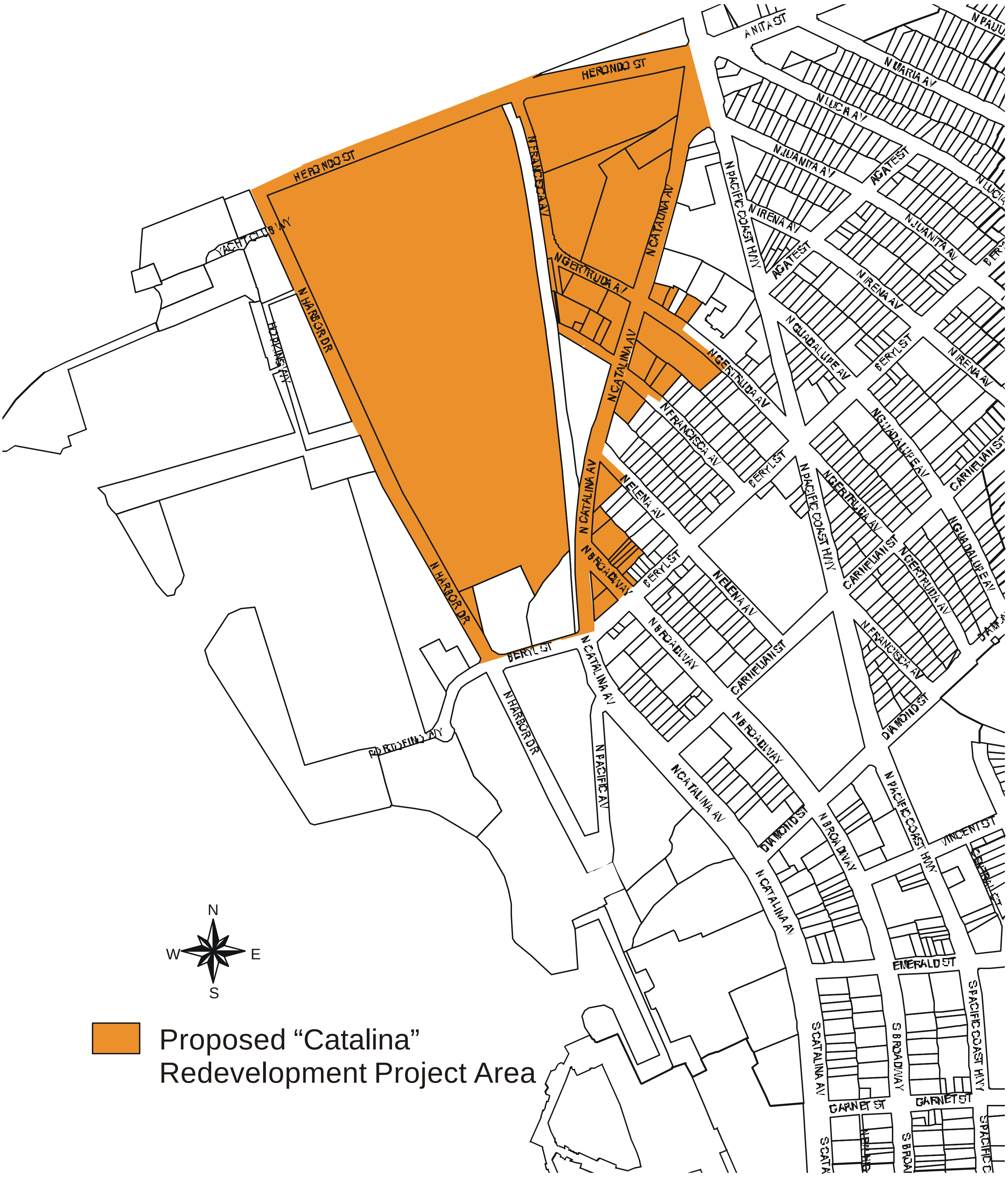
The Redevelopment Law requires in Section 33328 that prior to the publication of notice of the public hearing on the Amendment that the Agency consult with each taxing agency affected by the Amendment (i.e., taxing agencies which levied a property tax on all or any portion of the Project Area in the fiscal year prior to the fiscal year in which the Section 33328 Report is prepared) with respect to the Amendment and the allocation of taxes pursuant to Section 33670 of the Redevelopment Law. The Agency has completed its consultations with all affected taxing entities. As part of the consultations, each affected taxing agency was provided with: 1) the Statement of Preparation of the Plan; 2) the Preliminary Report and a Supplemental Report; 3) the 1992 EIR proposed to be used for this Project; 4) the draft Redevelopment Plan; and 5) the Notice of the Joint Public Hearing of the Agency and City Council for the Plan.

The Preliminary Report and the Supplemental Report included a detailed statement of the allocation of taxes during the period during which taxes may be collected by the Agency for the Project Area and the Original Project Area. In addition, each taxing agency was notified of the availability of Agency staff for consultation at a June 27, 2001 meeting. On June 27, 2001, at the Redondo Beach City Hall, a meeting was held and attended by Agency staff to consult with those taxing agencies wishing to attend. The meeting was attended by representatives of County of Los Angeles. They stated an objection to including the Marina parcel in the Project Area, since in their view there was not an adequate demonstration of blighting conditions to meet the requirements of the Community Redevelopment Law. After further analysis, that parcel was removed from the Project Area and is not included as a part of the Catalina Project Area.

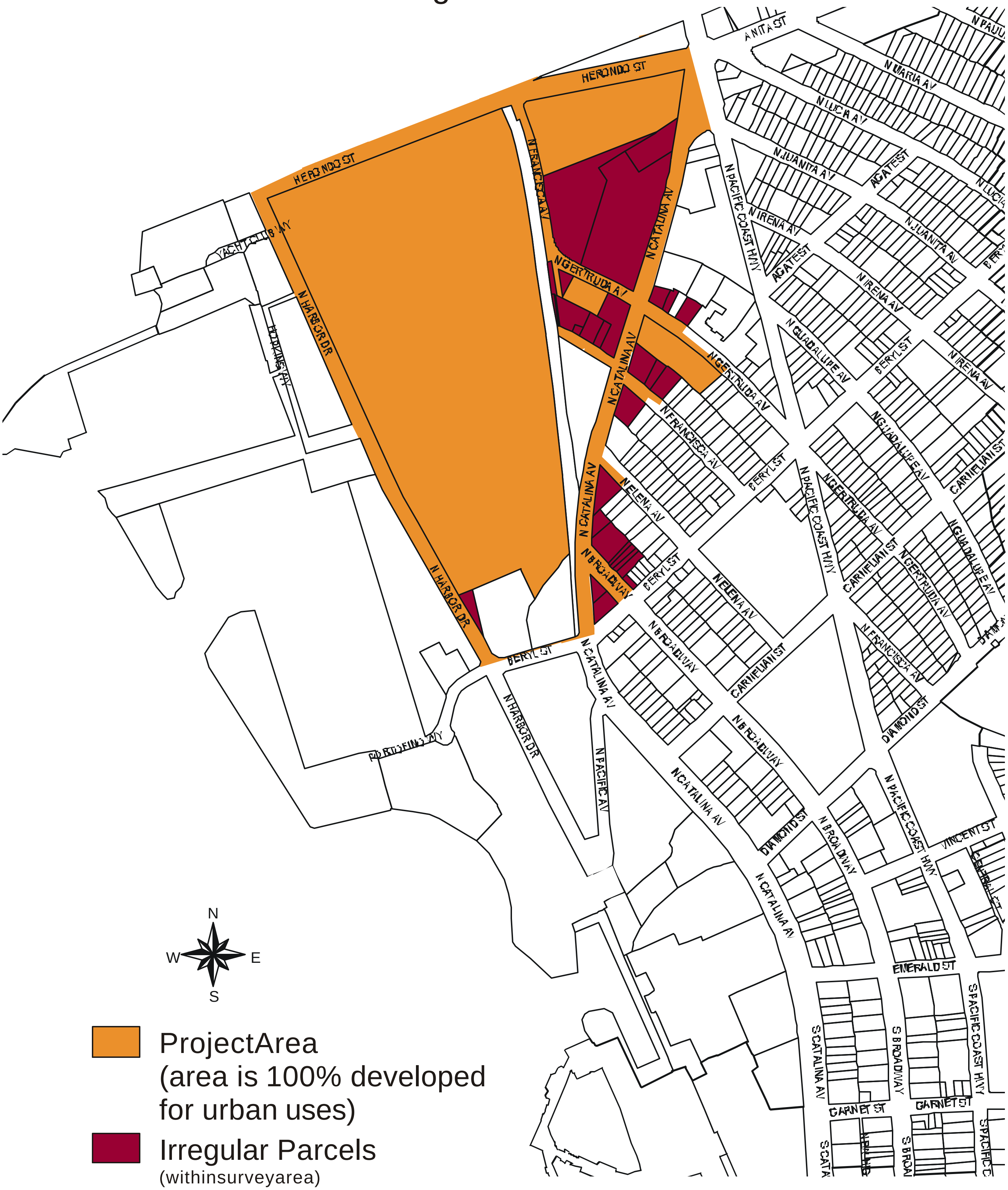
No other objections were received.

EXHIBIT II
PROJECT AREA MAPS

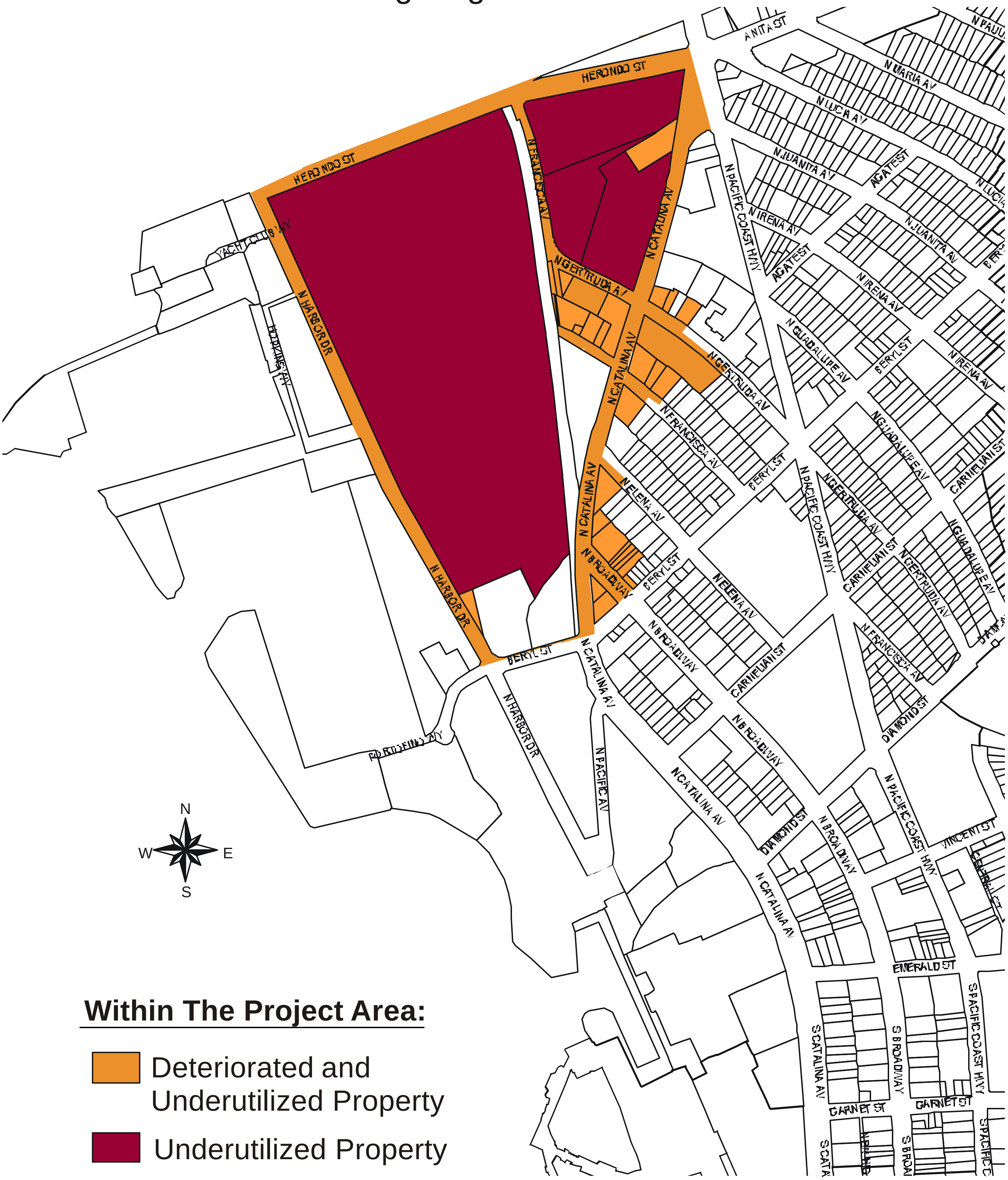
“Catalina” Redevelopment Project Area
Redondo Beach, California



“Catalina” Redevelopment Project Area
Redondo Beach, California
Irregular Parcels



“Catalina” Redevelopment Project Area
Redondo Beach, California
Blighting Conditions



Within The Project Area:

Deteriorated and Underutilized Property

Underutilized Property

EXHIBIT IV
TAX INCREMENT PROJECTIONS

45 YEAR - TAX INCREMENT PROJECTIONS
(Secured/Unsecured Base Year Assessed Values)

City of Redondo Beach - Catalina Project Area
Tax Increment Projection

2003-04 VALUES BASED ON 2% ANNUAL GROWTH RATE

		TAX INCREMENT CALCULATIONS													MANDATORY TAXING AGENCY PAYMENTS			
Year	Fiscal Year	Forecasted Secured & Utility AV 2.0%	Forecasted Unsecured AV 2.0%	Total Assessed	Incremental Valuation	Gross Revenue @ 1% Tax Rate	General Tax Rate 16.60%	Low/Mod Housing Set-aside @ 20%	Available Revenue After Housing	Remaining Rev.	25% Statutory Pass-Thru -- All Years	21% Statutory Pass-Thru -- Years 11-45	14% Statutory Pass-Thru -- Years 31-45	Total Non-Adjusted Pass-Thrus	Statutory Pass-thru For All Years @ 25%	Statutory Pass-thru For Years 11-45 @ 21%	Statutory Pass-thru For Years 31-45 @ 14%	Total Statutory Pass-thrus
BY	2002-03	305,667,953	574,700	306,242,653	0													
1	2003-04	311,781,312	2,048,403	313,829,715	8,161,762													
2	2004-05	318,016,938	2,089,371	320,106,310	14,438,357	144,384	23,968	28,877	115,507	115,507	28,877			28,877	28,877			28,877
3	2005-06	324,377,277	2,131,159	326,508,436	20,265,783	202,658	33,641	40,532	162,126	162,126	40,532			40,532	40,532			40,532
4	2006-07	330,864,823	2,173,782	333,038,604	26,795,951	267,960	44,481	53,592	214,368	214,368	53,592			53,592	53,592			53,592
5	2007-08	337,482,119	2,217,258	339,699,377	33,456,724	334,567	55,538	66,913	267,654	267,654	66,913			66,913	66,913			66,913
6	2008-09	344,231,761	2,261,603	346,493,364	40,250,711	402,507	66,816	80,501	322,006	322,006	80,501			80,501	80,501			80,501
7	2009-10	351,116,397	2,306,835	353,423,231	47,180,578	471,806	78,320	94,361	377,445	377,445	94,361			94,361	94,361			94,361
8	2010-11	358,138,725	2,352,971	360,491,696	54,249,043	542,490	90,053	108,498	433,992	433,992	108,498			108,498	108,498			108,498
9	2011-12	365,301,499	2,400,031	367,701,530	61,458,877	614,589	102,022	122,918	491,671	491,671	122,918			122,918	122,918			122,918
10	2012-13	372,607,529	2,448,031	375,055,561	68,812,908	688,129	114,229	137,626	550,503	550,503	137,626			137,626	137,626			137,626
11	2013-14	380,059,680	2,496,992	382,556,672	76,314,019	763,140	126,681	152,628	610,512	610,512	152,628	12,602		165,230	152,628	12,602		165,230
12	2014-15	387,660,873	2,546,932	390,207,805	83,965,152	839,652	139,382	167,930	671,721	671,721	167,930	25,456		193,386	167,930	25,456		193,386
13	2015-16	395,414,091	2,597,871	398,011,961	91,769,308	917,693	152,337	183,539	734,154	734,154	183,539	38,567		222,105	183,539	38,567		222,105
14	2016-17	403,322,373	2,649,828	405,972,201	99,729,548	997,295	165,551	199,459	797,836	797,836	199,459	51,940		251,399	199,459	51,940		251,399
15	2017-18	411,388,820	2,702,825	414,091,645	107,848,992	1,078,490	179,029	215,698	862,792	862,792	215,698	65,581		281,279	215,698	65,581		281,279
16	2018-19	419,616,596	2,756,881	422,373,477	116,130,824	1,161,308	192,777	232,262	929,047	929,047	232,262	79,494		311,756	232,262	79,494		311,756
17	2019-20	428,008,928	2,812,019	430,820,947	124,578,294	1,245,783	206,800	249,157	996,626	996,626	249,157	93,686		342,842	249,157	93,686		342,842
18	2020-21	436,569,107	2,868,259	439,437,366	133,194,713	1,331,947	221,103	266,389	1,065,558	1,065,558	266,389	108,161		374,551	266,389	108,161		374,551
19	2021-22	445,300,489	2,925,624	448,226,113	141,983,460	1,419,835	235,693	283,967	1,135,868	1,135,868	283,967	122,927		406,893	283,967	122,927		406,893
20	2022-23	454,206,499	2,984,137	457,190,635	150,947,982	1,509,480	250,574	301,896	1,207,584	1,207,584	301,896	137,987		439,883	301,896	137,987		439,883
21	2023-24	463,290,629	3,043,819	466,334,448	160,091,795	1,600,918	265,752	320,184	1,280,734	1,280,734	320,184	153,349		473,532	320,184	153,349		473,532
22	2024-25	472,556,441	3,104,696	475,661,137	169,418,484	1,694,185	281,235	338,837	1,355,348	1,355,348	338,837	169,017		507,854	338,837	169,017		507,854
23	2025-26	482,007,570	3,166,790	485,174,360	178,931,707	1,789,317	297,027	357,863	1,431,454	1,431,454	357,863	185,000		542,863	357,863	185,000		542,863
24	2026-27	491,647,722	3,230,126	494,877,847	188,635,194	1,886,352	313,134	377,270	1,509,082	1,509,082	377,270	201,301		578,572	377,270	201,301		578,572
25	2027-28	501,480,676	3,294,728	504,775,404	198,532,751	1,985,328	329,564	397,066	1,588,262	1,588,262	397,066	217,929		614,995	397,066	217,929		614,995
26	2028-29	511,510,290	3,360,623	514,870,912	208,628,259	2,086,283	346,323	417,257	1,669,026	1,669,026	417,257	234,890		652,146	417,257	234,890		652,146
27	2029-30	521,740,495	3,427,835	525,168,330	218,925,677	2,189,257	363,417	437,851	1,751,405	1,751,405	437,851	252,189		690,041	437,851	252,189		690,041
28	2030-31	532,175,305	3,496,392	535,671,697	229,429,044	2,294,290	380,852	458,858	1,835,432	1,835,432	458,858	269,835		728,693	458,858	269,835		728,693
29	2031-32	542,818,811	3,566,320	546,385,131	240,142,478	2,401,425	398,637	480,285	1,921,140	1,921,140	480,285	287,834		768,119	480,285	287,834		768,119
30	2032-33	553,675,188	3,637,646	557,312,834	251,070,181	2,510,702	416,776	502,140	2,008,561	2,008,561	502,140	306,192		808,333	502,140	306,192		808,333
31	2033-34	564,748,691	3,710,399	568,459,090	262,216,437	2,622,164	435,279	524,433	2,097,731	2,097,731	524,433	324,918	12,484	861,835	524,433	324,918	12,484	861,835
32	2034-35	576,043,665	3,784,607	579,828,272	273,585,619	2,735,856	454,152	547,171	2,188,685	2,188,685	547,171	344,018	25,217	916,407	547,171	344,018	25,217	916,407
33	2035-36	587,564,538	3,860,299	591,424,837	285,182,184	2,851,822	473,402	570,364	2,281,457	2,281,457	570,364	363,500	38,205	972,070	570,364	363,500	38,205	972,070
34	2036-37	599,315,829	3,937,505	603,253,334	297,010,681	2,970,107	493,038	594,021	2,376,085	2,376,085	594,021	383,372	51,453	1,028,847	594,021	383,372	51,453	1,028,847
35	2037-38	611,302,146	4,016,255	615,318,401	309,075,748	3,090,757	513,066	618,151	2,472,606	2,472,606	618,151	403,642	64,966	1,086,759	618,151	403,642	64,966	1,086,759
36	2038-39	623,528,189	4,096,580	627,624,769	321,382,116	3,213,821	533,494	642,764	2,571,057	2,571,057	642,764	424,316	78,749	1,145,830	642,764	424,316	78,749	1,145,830
37	2039-40	635,998,752	4,178,512	640,177,264	333,934,611	3,339,346	554,331	667,869	2,671,477	2,671,477	667,869	445,404	92,808	1,206,082	667,869	445,404	92,808	1,206,082
38	2040-41	648,718,728	4,262,082	652,980,810	346,738,157	3,467,382	575,585	693,476	2,773,905	2,773,905	693,476	466,914	107,148	1,267,539	693,476	466,914	107,148	1,267,539
39	2041-42	661,693,102	4,347,324	666,040,426	359,797,773	3,597,978	597,264	719,596	2,878,382	2,878,382	719,596	488,855	121,775	1,330,225	719,596	488,855	121,775	1,330,225
40	2042-43	674,926,964	4,434,270	679,361,234	373,118,581	3,731,186	619,377	746,237	2,984,949	2,984,949	746,237	511,234	136,694	1,394,165	746,237	511,234	136,694	1,394,165
41	2043-44	688,425,503	4,522,956	692,948,459	386,705,806	3,867,058	641,932	773,412	3,093,646	3,093,646	773,412	534,060	151,912	1,459,384	773,412	534,060	151,912	1,459,384
42	2044-45	702,194,013	4,613,415	706,807,428	400,564,775	4,005,648	664,938	801,130	3,204,518	3,204,518	801,130	557,343	167,434	1,525,907	801,130	557,343	167,434	1,525,907
43	2045-46	716,237,894	4,705,683	720,943,577	414,700,924	4,147,009	688,404	829,402	3,317,607	3,317,607	829,402	581,092	183,266	1,593,760	829,402	581,092	183,266	1,593,760
44	2046-47	730,562,652	4,799,797	735,362,448	429,119,795	4,291,198	712,339	858,240	3,432,958	3,432,958	858,240	605,316	199,416	1,662,971	858,240	605,316	199,416	1,662,971
45	2047-48	745,173,905	4,895,793	750,069,697	443,827,044	4,438,270	736,753	887,654	3,550,616	3,550,616	887,654	630,024	215,888	1,733,566	887,654	630,024	215,888	1,733,566
TOTALS 45 YRS.						**87,741,370**	14,565,067	**17,548,274**	**70,193,096**	**70,193,096**	**17,548,274**	**10,077,944**	**1,647,416**	**29,273,635**	**17,548,274**	**10,077,944**	**1,647,416**	**29,273,635**

45 YEAR - TAX INCREMENT PROJECTIONS
(Secured/Unsecured Base Year Assessed Values)

REVENUE TO AGENCY					
Net Non-Housing Revenue		**Low/Mod Housing Revenue**		**Total Revenue to Agency**	
ANNUAL TOTAL	CUM. TOTAL	ANNUAL TOTAL	CUM. TOTAL	ANNUAL TOTAL	CUM. TOTAL
86,630	86,630	28,877	28,877	**115,507**	115,507
121,595	208,225	40,532	69,408	**162,126**	277,633
160,776	369,001	53,592	123,000	**214,368**	492,001
200,740	569,741	66,913	189,914	**267,654**	759,655
241,504	811,245	80,501	270,415	**322,006**	1,081,660
283,083	1,094,329	94,361	364,776	**377,445**	1,459,105
325,494	1,419,823	108,498	473,274	**433,992**	1,893,097
368,753	1,788,576	122,918	596,192	**491,671**	2,384,768
412,877	2,201,454	137,626	733,818	**550,503**	2,935,271
445,282	2,646,736	152,628	886,446	**597,910**	3,533,182
478,335	3,125,071	167,930	1,054,376	**646,265**	4,179,447
512,049	3,637,120	183,539	1,237,915	**695,588**	4,875,035
546,437	4,183,557	199,459	1,437,374	**745,896**	5,620,931
581,513	4,765,071	215,698	1,653,072	**797,211**	6,418,143
617,291	5,382,362	232,262	1,885,334	**849,552**	7,267,695
653,784	6,036,145	249,157	2,134,490	**902,941**	8,170,636
691,007	6,727,152	266,389	2,400,880	**957,396**	9,128,032
728,974	7,456,127	283,967	2,684,846	**1,012,941**	10,140,973
767,701	8,223,828	301,896	2,986,742	**1,069,597**	11,210,570
807,202	9,031,030	320,184	3,306,926	**1,127,386**	12,337,956
847,494	9,878,523	338,837	3,645,763	**1,186,331**	13,524,286
888,591	10,767,114	357,863	4,003,626	**1,246,454**	14,770,740
930,510	11,697,624	377,270	4,380,897	**1,307,780**	16,078,521
973,267	12,670,891	397,066	4,777,962	**1,370,333**	17,448,853
1,016,880	13,687,771	417,257	5,195,219	**1,434,136**	18,882,989
1,061,365	14,749,135	437,851	5,633,070	**1,499,216**	20,382,205
1,106,739	15,855,874	458,858	6,091,928	**1,565,597**	21,947,803
1,153,021	17,008,896	480,285	6,572,213	**1,633,306**	23,581,109
1,200,229	18,209,124	502,140	7,074,354	**1,702,369**	25,283,478
1,235,897	19,445,021	524,433	7,598,786	**1,760,330**	27,043,808
1,272,278	20,717,300	547,171	8,145,958	**1,819,450**	28,863,257
1,309,387	22,026,687	570,364	8,716,322	**1,879,752**	30,743,009
1,347,238	23,373,925	594,021	9,310,343	**1,941,260**	32,684,269
1,385,847	24,759,772	618,151	9,928,495	**2,003,998**	34,688,267
1,425,227	26,184,999	642,764	10,571,259	**2,067,991**	36,756,258
1,465,395	27,650,394	667,869	11,239,128	**2,133,264**	38,889,523
1,506,366	29,156,761	693,476	11,932,605	**2,199,843**	41,089,365
1,548,157	30,704,918	719,596	12,652,200	**2,267,753**	43,357,118
1,590,784	32,295,701	746,237	13,398,437	**2,337,021**	45,694,139
1,634,263	33,929,964	773,412	14,171,849	**2,407,674**	48,101,813
1,678,612	35,608,576	801,130	14,972,979	**2,479,741**	50,581,554
1,723,847	37,332,423	829,402	15,802,380	**2,553,249**	53,134,804
1,769,988	39,102,411	858,240	16,660,620	**2,628,227**	55,763,031
1,817,051	40,919,462	887,654	17,548,274	**2,704,705**	58,467,736
40,919,462		**17,548,274**		**58,467,736**	

45 YEAR - TAX INCREMENT PROJECTIONS
(Secured/Unsecured Base Year Assessed Values)

City of Redondo Beach - Catalina Project Area
Tax Increment Projection
Distribution to Taxing Agencies

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
Year	Fiscal Year	County Gen. Fund	LA C Fire FFW	LA CO Flood Imp	LA CO Flood Maint	LA CO Vector	SB Cities San Dist	Beach Cities Hosp Dist	City Redondo TD#1	Water Repln Dist	Ed Rev Augmentation	Ed Aug FD Impound	Co School Services	Childrens Tuition Fd	El Camino Com Coll	Dev Center Manhattan	Redondo Bch Unified Sch	CO Sch Svc Fund	Dev Center Redondo	Total Payments to Tax Agencies
		##########	0.0076479516	0.0018227605	0.0103154605	0.0001896731	0.0141747172	0.0089986910	0.1583001895	0.0001800957	0.0752336155	0.1591753191	0.0014596138	0.0028968173	0.0308176895	0.0158106552	0.1366762454	0.0087683116	0.0324986964	0.9981233836
1	2003-04																			
2	2004-05	9,620	221	53	298	5	409	260	4,571	5	2,172	4,596	42	84	890	457	3,947	253	938	28,823
3	2005-06	13,503	310	74	418	8	575	365	6,416	7	3,049	6,452	59	117	1,249	641	5,540	355	1,317	40,456
4	2006-07	17,855	410	98	553	10	760	482	8,484	10	4,032	8,531	78	155	1,652	847	7,325	470	1,742	53,491
5	2007-08	22,293	512	122	690	13	948	602	10,592	12	5,034	10,651	98	194	2,062	1,058	9,145	587	2,175	66,788
6	2008-09	26,820	616	147	830	15	1,141	724	12,743	14	6,056	12,814	118	233	2,481	1,273	11,003	706	2,616	80,350
7	2009-10	31,437	722	172	973	18	1,338	849	14,937	17	7,099	15,020	138	273	2,908	1,492	12,897	827	3,067	94,184
8	2010-11	36,147	830	198	1,119	21	1,538	976	17,175	20	8,163	17,270	158	314	3,344	1,715	14,829	951	3,526	108,294
9	2011-12	40,951	940	224	1,268	23	1,742	1,106	19,458	22	9,248	19,565	179	356	3,788	1,943	16,800	1,078	3,995	122,687
10	2012-13	45,851	1,053	251	1,420	26	1,951	1,238	21,786	25	10,354	21,907	201	399	4,241	2,176	18,810	1,207	4,473	137,368
11	2013-14	55,047	1,264	301	1,704	31	2,342	1,487	24,161	30	12,431	26,301	241	479	5,092	2,612	22,583	1,449	5,370	162,925
12	2014-15	64,428	1,479	352	1,995	37	2,741	1,740	26,583	35	14,549	30,782	282	560	5,960	3,058	26,431	1,696	6,285	188,994
13	2015-16	73,996	1,699	405	2,291	42	3,148	1,999	29,054	40	16,710	35,354	324	643	6,845	3,512	30,357	1,947	7,218	215,583
14	2016-17	83,755	1,923	458	2,593	48	3,564	2,262	31,574	45	18,914	40,017	367	728	7,748	3,975	34,360	2,204	8,170	242,705
15	2017-18	93,710	2,151	513	2,902	53	3,987	2,531	34,145	51	21,162	44,773	411	815	8,668	4,447	38,444	2,466	9,141	270,369
16	2018-19	103,864	2,384	568	3,216	59	4,419	2,805	36,767	56	23,455	49,624	455	903	9,608	4,929	42,610	2,734	10,132	298,587
17	2019-20	114,220	2,622	625	3,537	65	4,860	3,085	39,442	62	25,793	54,572	500	993	10,566	5,421	46,858	3,006	11,142	327,369
18	2020-21	124,784	2,865	683	3,864	71	5,309	3,370	42,169	67	28,179	59,619	547	1,085	11,543	5,922	51,192	3,284	12,172	356,726
19	2021-22	135,559	3,112	742	4,197	77	5,768	3,662	44,952	73	30,612	64,767	594	1,179	12,540	6,433	55,613	3,568	13,224	386,671
20	2022-23	146,550	3,364	802	4,538	83	6,235	3,958	47,790	79	33,094	70,018	642	1,274	13,556	6,955	60,122	3,857	14,296	417,214
21	2023-24	157,760	3,622	863	4,885	90	6,712	4,261	50,685	85	35,626	75,375	691	1,372	14,593	7,487	64,721	4,152	15,389	448,368
22	2024-25	169,195	3,884	926	5,239	96	7,199	4,570	53,638	91	38,208	80,838	741	1,471	15,651	8,030	69,412	4,453	16,505	480,146
23	2025-26	180,859	4,152	990	5,600	103	7,695	4,885	56,650	98	40,842	86,410	792	1,573	16,730	8,583	74,196	4,760	17,642	512,559
24	2026-27	192,755	4,425	1,055	5,968	110	8,201	5,206	59,722	104	43,528	92,094	844	1,676	17,830	9,148	79,077	5,073	18,803	545,620
25	2027-28	204,890	4,703	1,121	6,344	117	8,717	5,534	62,856	111	46,268	97,892	898	1,782	18,953	9,723	84,055	5,392	19,987	579,342
26	2028-29	217,267	4,988	1,189	6,727	124	9,244	5,868	66,052	117	49,063	103,806	952	1,889	20,098	10,311	89,133	5,718	21,194	613,739
27	2029-30	229,892	5,277	1,258	7,118	131	9,781	6,209	69,312	124	51,914	109,837	1,007	1,999	21,265	10,910	94,312	6,050	22,425	648,824
28	2030-31	242,769	5,573	1,328	7,517	138	10,329	6,557	72,637	131	54,822	115,990	1,064	2,111	22,457	11,521	99,595	6,389	23,682	684,611
29	2031-32	255,904	5,875	1,400	7,923	146	10,888	6,912	76,029	138	57,788	122,266	1,121	2,225	23,672	12,144	104,984	6,735	24,963	721,113
30	2032-33	269,302	6,182	1,473	8,338	153	11,458	7,274	79,489	146	60,814	128,667	1,180	2,342	24,911	12,780	110,480	7,088	26,270	758,345
31	2033-34	287,126	6,591	1,571	8,890	163	12,216	7,755	83,018	155	64,839	137,183	1,258	2,497	26,560	13,626	117,792	7,557	28,009	806,807
32	2034-35	305,307	7,009	1,670	9,453	174	12,990	8,246	86,617	165	68,945	145,869	1,338	2,655	28,242	14,489	125,251	8,035	29,782	856,237
33	2035-36	323,852	7,434	1,772	10,027	184	13,779	8,747	90,289	175	73,132	154,730	1,419	2,816	29,957	15,369	132,859	8,523	31,591	906,656
34	2036-37	342,767	7,869	1,875	10,613	195	14,584	9,258	94,034	185	77,404	163,767	1,502	2,980	31,707	16,267	140,619	9,021	33,436	958,083
35	2037-38	362,061	8,311	1,981	11,210	206	15,405	9,779	97,853	196	81,761	172,985	1,586	3,148	33,491	17,182	148,534	9,529	35,318	1,010,539
36	2038-39	381,741	8,763	2,089	11,820	217	16,242	10,311	101,750	206	86,205	182,388	1,672	3,319	35,312	18,116	156,608	10,047	37,238	1,064,044
37	2039-40	401,814	9,224	2,198	12,441	229	17,096	10,853	105,724	217	90,738	191,978	1,760	3,494	37,169	19,069	164,843	10,575	39,196	1,118,619
38	2040-41	422,289	9,694	2,310	13,075	240	17,967	11,406	109,777	228	95,362	201,761	1,850	3,672	39,063	20,041	173,242	11,114	41,193	1,174,286
39	2041-42	443,174	10,173	2,425	13,722	252	18,856	11,970	113,912	240	100,078	211,739	1,942	3,853	40,994	21,032	181,810	11,664	43,231	1,231,066
40	2042-43	464,476	10,663	2,541	14,381	264	19,762	12,546	118,129	251	104,888	221,917	2,035	4,039	42,965	22,043	190,549	12,224	45,309	1,288,982
41	2043-44	486,204	11,161	2,660	15,054	277	20,686	13,133	122,431	263	109,795	232,298	2,130	4,228	44,975	23,074	199,463	12,796	47,428	1,348,055
42	2044-45	508,366	11,670	2,781	15,740	289	21,629	13,731	126,819	275	114,799	242,887	2,227	4,420	47,025	24,126	208,555	13,380	49,590	1,408,311
43	2045-46	530,972	12,189	2,905	16,440	302	22,591	14,342	131,294	287	119,904	253,687	2,326	4,617	49,116	25,198	217,829	13,975	51,795	1,469,771
44	2046-47	554,030	12,718	3,031	17,154	315	23,572	14,965	135,859	299	125,111	264,704	2,427	4,817	51,249	26,293	227,289	14,581	54,044	1,532,461
45	2047-48	577,549	13,258	3,160	17,883	329	24,573	15,600	140,516	312	130,422	275,941	2,530	5,022	53,424	27,409	236,937	15,200	56,339	1,596,404
		9,752,713	**223,883**	**53,359**	**301,971**	**5,552**	**414,945**	**263,424**	**2,777,895**	**5,272**	**2,202,361**	**4,659,640**	**42,728**	**84,800**	**902,146**	**462,835**	**4,001,010**	**256,680**	**951,355**	**27,362,573**

45 YEAR - TAX INCREMENT PROJECTIONS
(Secured/Unsecured Base Year Assessed Values)

7/11/2003
redondotaxcatalina2-060303

City of Redondo Beach - Catalina Project Area, General Plan Buildout
Tax Increment Projection

2003-04 VALUES BASED ON 2% GROWTH RATE PROPOSED PROJECT AREA - NEW DEVELOPMENT CONFORMS TO EXISTING GENERAL PLAN

		TAX INCREMENT CALCULATIONS													MANDATORY TAXING AGENCY PAYMENTS			
Year	Fiscal Year	Forecasted Secured & Utility AV 2.0%	Forecasted Unsecured AV 2.0%	Total Assessed	Incremental Valuation	Gross Revenue @ 1% Tax Rate	General Tax Rate 16.60%	Low/Mod Housing Set-aside @ 20%	Available Revenue After Housing	Remaining Rev.	25% Statutory Pass-Thru --	21% Statutory Pass-Thru --	14% Statutory Pass-Thru --	Total Non-Adjusted Pass-Thrus	Statutory Pass-thru For All Years @ 25%	Statutory Pass-thru For Years 11-45 @ 21%	Statutory Pass-thru For Years 31-45 @ 14%	Total Statutory Pass-thrus
BY	2002-03	305,667,953	574,700	306,242,653	0						All Years	Years 11-45	Years 31-45					
1	2003-04	311,781,312	2,048,403	313,829,715	8,161,762													
2	2004-05	327,965,653	2,154,734	330,120,388	24,452,435	244,524	40,591	48,905	195,619	195,619	48,905			48,905	48,905			48,905
3	2005-06	344,473,681	2,263,192	346,736,873	40,494,220	404,942	67,220	80,988	323,954	323,954	80,988			80,988	80,988			80,988
4	2006-07	361,311,870	2,373,819	363,685,689	57,443,036	574,430	95,355	114,886	459,544	459,544	114,886			114,886	114,886			114,886
5	2007-08	378,486,822	2,486,658	380,973,481	74,730,828	747,308	124,053	149,462	597,847	597,847	149,462			149,462	149,462			149,462
6	2008-09	396,005,274	2,601,755	398,607,028	92,364,375	923,644	153,325	184,729	738,915	738,915	184,729			184,729	184,729			184,729
7	2009-10	413,874,094	2,653,790	416,527,884	110,285,231	1,102,852	183,073	220,570	882,282	882,282	220,570			220,570	220,570			220,570
8	2010-11	432,100,291	2,706,866	434,807,157	128,564,504	1,285,645	213,417	257,129	1,028,516	1,028,516	257,129			257,129	257,129			257,129
9	2011-12	450,691,012	2,761,003	453,452,015	147,209,362	1,472,094	244,368	294,419	1,177,675	1,177,675	294,419			294,419	294,419			294,419
10	2012-13	469,653,547	2,816,223	472,469,770	166,227,117	1,662,271	275,937	332,454	1,329,817	1,329,817	332,454			332,454	332,454			332,454
11	2013-14	488,995,333	2,872,547	491,867,881	185,625,228	1,856,252	308,138	371,250	1,485,002	1,485,002	371,250	32,589		403,839	371,250	32,589		403,839
12	2014-15	498,775,240	2,929,998	501,705,238	195,462,585	1,954,626	324,468	390,925	1,563,701	1,563,701	390,925	49,116		440,041	390,925	49,116		440,041
13	2015-16	508,750,745	2,988,598	511,739,343	205,496,690	2,054,967	341,125	410,993	1,643,974	1,643,974	410,993	65,973		476,966	410,993	65,973		476,966
14	2016-17	518,925,760	3,048,370	521,974,130	215,731,477	2,157,315	358,114	431,463	1,725,852	1,725,852	431,463	83,167		514,630	431,463	83,167		514,630
15	2017-18	529,304,275	3,109,338	532,413,612	226,170,959	2,261,710	375,444	452,342	1,809,368	1,809,368	452,342	100,706		553,048	452,342	100,706		553,048
16	2018-19	539,890,360	3,171,524	543,061,885	236,819,232	2,368,192	393,120	473,638	1,894,554	1,894,554	473,638	118,595		592,233	473,638	118,595		592,233
17	2019-20	550,688,167	3,234,955	553,923,122	247,680,469	2,476,805	411,150	495,361	1,981,444	1,981,444	495,361	136,842		632,203	495,361	136,842		632,203
18	2020-21	561,701,931	3,299,654	565,001,585	258,758,932	2,587,589	429,540	517,518	2,070,071	2,070,071	517,518	155,453		672,971	517,518	155,453		672,971
19	2021-22	572,935,969	3,365,647	576,301,616	270,058,963	2,700,590	448,298	540,118	2,160,472	2,160,472	540,118	174,438		714,555	540,118	174,438		714,555
20	2022-23	584,394,689	3,432,960	587,827,649	281,584,996	2,815,850	467,431	563,170	2,252,680	2,252,680	563,170	193,801		756,971	563,170	193,801		756,971
21	2023-24	596,082,583	3,501,619	599,584,202	293,341,549	2,933,415	486,947	586,683	2,346,732	2,346,732	586,683	213,552		800,235	586,683	213,552		800,235
22	2024-25	608,004,234	3,571,652	611,575,886	305,333,233	3,053,332	506,853	610,666	2,442,666	2,442,666	610,666	233,698		844,365	610,666	233,698		844,365
23	2025-26	620,164,319	3,643,085	623,807,404	317,564,751	3,175,648	527,157	635,130	2,540,518	2,540,518	635,130	254,247		889,377	635,130	254,247		889,377
24	2026-27	632,567,605	3,715,946	636,283,552	330,040,899	3,300,409	547,868	660,082	2,640,327	2,640,327	660,082	275,207		935,289	660,082	275,207		935,289
25	2027-28	645,218,957	3,790,265	649,009,223	342,766,570	3,427,666	568,993	685,533	2,742,133	2,742,133	685,533	296,586		982,119	685,533	296,586		982,119
26	2028-29	658,123,337	3,866,071	661,989,407	355,746,754	3,557,468	590,540	711,494	2,845,974	2,845,974	711,494	318,393		1,029,886	711,494	318,393		1,029,886
27	2029-30	671,285,803	3,943,392	675,229,195	368,986,542	3,689,865	612,518	737,973	2,951,892	2,951,892	737,973	340,636		1,078,609	737,973	340,636		1,078,609
28	2030-31	684,711,519	4,022,260	688,733,779	382,491,126	3,824,911	634,935	764,982	3,059,929	3,059,929	764,982	363,324		1,128,306	764,982	363,324		1,128,306
29	2031-32	698,405,750	4,102,705	702,508,455	396,265,802	3,962,658	657,801	792,532	3,170,126	3,170,126	792,532	386,465		1,178,997	792,532	386,465		1,178,997
30	2032-33	712,373,865	4,184,759	716,558,624	410,315,971	4,103,160	681,125	820,632	3,282,528	3,282,528	820,632	410,069		1,230,701	820,632	410,069		1,230,701
31	2033-34	726,621,342	4,268,454	730,889,796	424,647,143	4,246,471	704,914	849,294	3,397,177	3,397,177	849,294	434,146	16,051	1,299,491	849,294	434,146	16,051	1,299,491
32	2034-35	741,153,769	4,353,823	745,507,592	439,264,939	4,392,649	729,180	878,530	3,514,120	3,514,120	878,530	458,704	32,423	1,369,656	878,530	458,704	32,423	1,369,656
33	2035-36	755,976,844	4,440,900	760,417,744	454,175,091	4,541,751	753,931	908,350	3,633,401	3,633,401	908,350	483,753	49,122	1,441,225	908,350	483,753	49,122	1,441,225
34	2036-37	771,096,381	4,529,718	775,626,099	469,383,446	4,693,834	779,177	938,767	3,755,068	3,755,068	938,767	509,303	66,156	1,514,225	938,767	509,303	66,156	1,514,225
35	2037-38	786,518,309	4,620,312	791,138,621	484,895,968	4,848,960	804,927	969,792	3,879,168	3,879,168	969,792	535,364	83,530	1,588,685	969,792	535,364	83,530	1,588,685
36	2038-39	802,248,675	4,712,718	806,961,393	500,718,740	5,007,187	831,193	1,001,437	4,005,750	4,005,750	1,001,437	561,946	101,251	1,664,635	1,001,437	561,946	101,251	1,664,635
37	2039-40	818,293,648	4,806,973	823,100,621	516,857,968	5,168,580	857,984	1,033,716	4,134,864	4,134,864	1,033,716	589,060	119,327	1,742,103	1,033,716	589,060	119,327	1,742,103
38	2040-41	834,659,521	4,903,112	839,562,634	533,319,981	5,333,200	885,311	1,066,640	4,266,560	4,266,560	1,066,640	616,716	137,764	1,821,120	1,066,640	616,716	137,764	1,821,120
39	2041-42	851,352,712	5,001,174	856,353,886	550,111,233	5,501,112	913,185	1,100,222	4,400,890	4,400,890	1,100,222	644,925	156,571	1,901,718	1,100,222	644,925	156,571	1,901,718
40	2042-43	868,379,766	5,101,198	873,480,964	567,238,311	5,672,383	941,616	1,134,477	4,537,906	4,537,906	1,134,477	673,699	175,753	1,983,928	1,134,477	673,699	175,753	1,983,928
41	2043-44	885,747,361	5,203,222	890,950,583	584,707,930	5,847,079	970,615	1,169,416	4,677,663	4,677,663	1,169,416	703,048	195,319	2,067,783	1,169,416	703,048	195,319	2,067,783
42	2044-45	903,462,309	5,307,286	908,769,595	602,526,942	6,025,269	1,000,195	1,205,054	4,820,216	4,820,216	1,205,054	732,984	215,276	2,153,314	1,205,054	732,984	215,276	2,153,314
43	2045-46	921,531,555	5,413,432	926,944,987	620,702,334	6,207,023	1,030,366	1,241,405	4,965,619	4,965,619	1,241,405	763,518	235,633	2,240,556	1,241,405	763,518	235,633	2,240,556
44	2046-47	939,962,186	5,521,701	945,483,887	639,241,234	6,392,412	1,061,140	1,278,482	5,113,930	5,113,930	1,278,482	794,664	256,396	2,329,542	1,278,482	794,664	256,396	2,329,542
45	2047-48	958,761,430	5,632,135	964,393,564	658,150,911	6,581,509	1,092,531	1,316,302	5,265,207	5,265,207	1,316,302	826,432	277,575	2,420,309	1,316,302	826,432	277,575	2,420,309
TOTALS 45 YRS.						**147,139,560**	24,425,167	**29,427,912**	**117,711,648**	**117,711,648**	**29,427,912**	**13,531,116**	**2,118,147**	**45,077,175**	**29,427,912**	**13,531,116**	**2,118,147**	**45,077,175**

45 YEAR - TAX INCREMENT PROJECTIONS
(Secured/Unsecured Base Year Assessed Values)

REVENUE TO AGENCY					
Net Non-Housing Revenue		**Low/Mod Housing Revenue**		**Total Revenue to Agency**	
ANNUAL TOTAL	CUM. TOTAL	ANNUAL TOTAL	CUM. TOTAL	ANNUAL TOTAL	CUM. TOTAL
146,715	146,715	48,905	48,905	**195,619**	195,619
242,965	389,680	80,988	129,893	**323,954**	519,573
344,658	734,338	114,886	244,779	**459,544**	979,118
448,385	1,182,723	149,462	394,241	**597,847**	1,576,964
554,186	1,736,909	184,729	578,970	**738,915**	2,315,879
661,711	2,398,621	220,570	799,540	**882,282**	3,198,161
771,387	3,170,008	257,129	1,056,669	**1,028,516**	4,226,677
883,256	4,053,264	294,419	1,351,088	**1,177,675**	5,404,352
997,363	5,050,627	332,454	1,683,542	**1,329,817**	6,734,169
1,081,163	6,131,789	371,250	2,054,793	**1,452,413**	8,186,582
1,123,660	7,255,449	390,925	2,445,718	**1,514,585**	9,701,167
1,167,007	8,422,456	410,993	2,856,711	**1,578,001**	11,279,168
1,211,222	9,633,678	431,463	3,288,174	**1,642,684**	12,921,852
1,256,320	10,889,998	452,342	3,740,516	**1,708,662**	14,630,514
1,302,321	12,192,319	473,638	4,214,155	**1,775,959**	16,406,473
1,349,241	13,541,560	495,361	4,709,515	**1,844,602**	18,251,075
1,397,100	14,938,660	517,518	5,227,033	**1,914,618**	20,165,693
1,445,916	16,384,576	540,118	5,767,151	**1,986,034**	22,151,728
1,495,709	17,880,285	563,170	6,330,321	**2,058,879**	24,210,606
1,546,497	19,426,782	586,683	6,917,004	**2,133,180**	26,343,786
1,598,301	21,025,083	610,666	7,527,671	**2,208,968**	28,552,754
1,651,141	22,676,224	635,130	8,162,800	**2,286,271**	30,839,025
1,705,038	24,381,263	660,082	8,822,882	**2,365,120**	33,204,145
1,760,013	26,141,276	685,533	9,508,415	**2,445,546**	35,649,691
1,816,088	27,957,363	711,494	10,219,909	**2,527,581**	38,177,272
1,873,283	29,830,647	737,973	10,957,882	**2,611,257**	40,788,529
1,931,623	31,762,270	764,982	11,722,864	**2,696,605**	43,485,134
1,991,130	33,753,400	792,532	12,515,396	**2,783,661**	46,268,796
2,051,827	35,805,226	820,632	13,336,028	**2,872,458**	49,141,254
2,097,686	37,902,913	849,294	14,185,322	**2,946,981**	52,088,235
2,144,463	40,047,376	878,530	15,063,852	**3,022,993**	55,111,228
2,192,176	42,239,552	908,350	15,972,202	**3,100,526**	58,211,754
2,240,842	44,480,394	938,767	16,910,969	**3,179,609**	61,391,363
2,290,483	46,770,877	969,792	17,880,761	**3,260,274**	64,651,638
2,341,115	49,111,992	1,001,437	18,882,198	**3,342,553**	67,994,190
2,392,761	51,504,753	1,033,716	19,915,914	**3,426,477**	71,420,667
2,445,439	53,950,192	1,066,640	20,982,554	**3,512,079**	74,932,747
2,499,171	56,449,364	1,100,222	22,082,777	**3,599,394**	78,532,140
2,553,978	59,003,342	1,134,477	23,217,253	**3,688,455**	82,220,595
2,609,881	61,613,223	1,169,416	24,386,669	**3,779,297**	85,999,892
2,666,902	64,280,124	1,205,054	25,591,723	**3,871,956**	89,871,847
2,725,063	67,005,187	1,241,405	26,833,128	**3,966,468**	93,838,315
2,784,387	69,789,575	1,278,482	28,111,610	**4,062,870**	97,901,185
2,844,898	72,634,473	1,316,302	29,427,912	**4,161,200**	102,062,385
72,634,473		**29,427,912**		**102,062,385**	

45 YEAR - TAX INCREMENT PROJECTIONS
(Secured/Unsecured Base Year Assessed Values)

City of Redondo Beach - Catalina Project Area, General Plan Buildout
Tax Increment Projection
Distribution to Taxing Agencies

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
Year	**Fiscal Year**	**County Gen. Fund**	**LA C Fire FFW**	**LA CO Flood Imp**	**LA CO Flood Maint**	**LA CO Vector**	**SB Cities San Dist**	**Beach Cities Hosp Dist**	**City Redondo TD#1**	**Water Repln Dist**	**Ed Rev Augmentation**	**Ed Aug FD Impound**	**Co School Services**	**Childrens Tuition Fd**	**El Camino Com Coll**	**Dev Center Manhattan**	**Redondo Bch Unified Sch**	**CO Sch Svc Fund**	**Dev Center Redondo**	**Total Payments to Tax Agencies**
		##########	**0.0076479516**	**0.0018227605**	**0.0103154605**	**0.0001896731**	**0.0141747172**	**0.0089986910**	**0.1583001895**	**0.0001800957**	**0.0752336155**	**0.1591753191**	**0.0014596138**	**0.0028968173**	**0.0308176895**	**0.0158106552**	**0.1366762454**	**0.0087683116**	**0.0324986964**	**0.9981233836**
1	2003-04																			
2	2004-05	16,293	374	89	504	9	693	440	7,742	9	3,679	7,784	71	142	1,507	773	**6,684**	429	1,589	48,813
3	2005-06	26,982	619	148	835	15	1,148	729	12,820	15	6,093	12,891	118	235	2,496	1,280	**11,069**	710	2,632	80,836
4	2006-07	38,275	879	209	1,185	22	1,628	1,034	18,186	21	8,643	18,287	168	333	3,541	1,816	**15,702**	1,007	3,734	114,670
5	2007-08	49,794	1,143	272	1,542	28	2,119	1,345	23,660	27	11,245	23,791	218	433	4,606	2,363	**20,428**	1,311	4,857	149,181
6	2008-09	61,544	1,413	337	1,906	35	2,618	1,662	29,243	33	13,898	29,404	270	535	5,693	2,921	**25,248**	1,620	6,003	184,382
7	2009-10	73,485	1,687	402	2,275	42	3,127	1,985	34,916	40	16,594	35,109	322	639	6,797	3,487	**30,147**	1,934	7,168	220,157
8	2010-11	85,664	1,967	469	2,652	49	3,645	2,314	40,704	46	19,345	40,929	375	745	7,924	4,065	**35,143**	2,255	8,356	256,646
9	2011-12	98,088	2,252	537	3,037	56	4,173	2,649	46,607	53	22,150	46,864	430	853	9,073	4,655	**40,240**	2,582	9,568	293,866
10	2012-13	110,759	2,543	606	3,429	63	4,712	2,992	52,628	60	25,012	52,919	485	963	10,245	5,256	**45,439**	2,915	10,804	331,830
11	2013-14	134,542	3,089	736	4,166	77	5,724	3,634	58,769	73	30,382	64,281	589	1,170	12,445	6,385	**55,195**	3,541	13,124	397,923
12	2014-15	146,603	3,365	802	4,539	83	6,237	3,960	61,884	79	33,106	70,044	642	1,275	13,561	6,957	**60,143**	3,858	14,301	431,440
13	2015-16	158,905	3,648	869	4,920	90	6,761	4,292	65,060	86	35,884	75,921	696	1,382	14,699	7,541	**65,190**	4,182	15,501	465,628
14	2016-17	171,453	3,936	938	5,309	98	7,295	4,631	68,301	93	38,717	81,916	751	1,491	15,860	8,137	**70,338**	4,512	16,725	500,499
15	2017-18	184,252	4,230	1,008	5,705	105	7,839	4,977	71,606	100	41,608	88,032	807	1,602	17,044	8,744	**75,588**	4,849	17,973	536,068
16	2018-19	197,307	4,529	1,079	6,109	112	8,395	5,329	74,977	107	44,556	94,269	864	1,716	18,251	9,364	**80,944**	5,193	19,247	572,348
17	2019-20	210,623	4,835	1,152	6,521	120	8,961	5,689	78,416	114	47,563	100,631	923	1,831	19,483	9,996	**86,407**	5,543	20,546	609,354
18	2020-21	224,205	5,147	1,227	6,942	128	9,539	6,056	81,923	121	50,630	107,120	982	1,949	20,739	10,640	**91,979**	5,901	21,871	647,100
19	2021-22	238,059	5,465	1,302	7,371	136	10,129	6,430	85,501	129	53,759	113,740	1,043	2,070	22,021	11,298	**97,663**	6,265	23,222	685,601
20	2022-23	252,190	5,789	1,380	7,809	144	10,730	6,812	89,150	136	56,950	120,491	1,105	2,193	23,328	11,968	**103,460**	6,637	24,601	724,872
21	2023-24	266,604	6,120	1,459	8,255	152	11,343	7,201	92,872	144	60,205	127,378	1,168	2,318	24,661	12,652	**109,373**	7,017	26,007	764,928
22	2024-25	281,306	6,458	1,539	8,710	160	11,969	7,598	96,669	152	63,525	134,402	1,232	2,446	26,021	13,350	**115,405**	7,404	27,441	805,786
23	2025-26	296,302	6,802	1,621	9,174	169	12,607	8,003	100,541	160	66,911	141,567	1,298	2,576	27,409	14,062	**121,557**	7,798	28,904	847,460
24	2026-27	311,598	7,153	1,705	9,648	177	13,257	8,416	104,491	168	70,365	148,875	1,365	2,709	28,823	14,788	**127,832**	8,201	30,396	889,968
25	2027-28	327,200	7,511	1,790	10,131	186	13,921	8,838	108,520	177	73,888	156,329	1,434	2,845	30,267	15,528	**134,232**	8,612	31,918	933,327
26	2028-29	343,114	7,877	1,877	10,624	195	14,598	9,268	112,630	185	77,482	163,933	1,503	2,983	31,739	16,283	**140,761**	9,030	33,470	977,552
27	2029-30	359,346	8,249	1,966	11,126	205	15,289	9,706	116,821	194	81,148	171,688	1,574	3,125	33,240	17,054	**147,420**	9,458	35,053	1,022,662
28	2030-31	375,903	8,629	2,057	11,639	214	15,993	10,153	121,097	203	84,887	179,598	1,647	3,268	34,772	17,839	**154,213**	9,893	36,668	1,068,674
29	2031-32	392,791	9,017	2,149	12,162	224	16,712	10,609	125,458	212	88,700	187,667	1,721	3,415	36,334	18,641	**161,141**	10,338	38,316	1,115,607
30	2032-33	410,017	9,412	2,243	12,695	233	17,445	11,075	129,906	222	92,590	195,897	1,796	3,565	37,927	19,458	**168,208**	10,791	39,996	1,163,478
31	2033-34	432,934	9,938	2,369	13,405	246	18,420	11,694	134,443	234	97,765	206,847	1,897	3,764	40,047	20,546	**177,610**	11,394	42,232	1,225,786
32	2034-35	456,310	10,475	2,497	14,129	260	19,414	12,325	139,071	247	103,044	218,015	1,999	3,968	42,210	21,655	**187,199**	12,010	44,512	1,289,341
33	2035-36	480,154	11,022	2,627	14,867	273	20,429	12,969	143,792	260	108,429	229,407	2,104	4,175	44,415	22,787	**196,981**	12,637	46,838	1,354,166
34	2036-37	504,475	11,581	2,760	15,620	287	21,464	13,626	148,607	273	113,921	241,027	2,210	4,386	46,665	23,941	**206,959**	13,277	49,210	1,420,288
35	2037-38	529,281	12,150	2,896	16,388	301	22,519	14,296	153,518	286	119,523	252,879	2,319	4,602	48,960	25,118	**217,136**	13,930	51,630	1,487,733
36	2038-39	554,584	12,731	3,034	17,171	316	23,596	14,980	158,528	300	125,236	264,969	2,430	4,822	51,300	26,319	**227,516**	14,596	54,098	1,556,526
37	2039-40	580,394	13,324	3,175	17,971	330	24,694	15,677	163,637	314	131,065	277,300	2,543	5,047	53,688	27,544	**238,104**	15,275	56,616	1,626,696
38	2040-41	606,719	13,928	3,319	18,786	345	25,814	16,388	168,849	328	137,009	289,877	2,658	5,275	56,123	28,793	**248,904**	15,968	59,184	1,698,269
39	2041-42	633,571	14,544	3,466	19,617	361	26,956	17,113	174,165	342	143,073	302,707	2,776	5,509	58,607	30,067	**259,920**	16,675	61,803	1,771,273
40	2042-43	660,959	15,173	3,616	20,465	376	28,122	17,853	179,588	357	149,258	315,792	2,896	5,747	61,140	31,367	**271,156**	17,396	64,475	1,845,737
41	2043-44	688,896	15,814	3,769	21,330	392	29,310	18,607	185,119	372	155,567	329,140	3,018	5,990	63,724	32,693	**282,617**	18,131	67,200	1,921,691
42	2044-45	717,391	16,468	3,925	22,212	408	30,523	19,377	190,760	388	162,002	342,754	3,143	6,238	66,360	34,045	**294,307**	18,881	69,980	1,999,163
43	2045-46	746,457	17,136	4,084	23,112	425	31,759	20,162	196,515	404	168,565	356,641	3,270	6,490	69,049	35,425	**306,231**	19,646	72,815	2,078,185
44	2046-47	776,103	17,816	4,246	24,030	442	33,021	20,963	202,384	420	175,260	370,806	3,400	6,748	71,791	36,832	**318,393**	20,426	75,707	2,158,788
45	2047-48	806,343	18,510	4,412	24,967	459	34,307	21,780	208,371	436	182,089	385,253	3,533	7,011	74,588	38,267	**330,799**	21,222	78,657	2,241,002
		15,017,771	**344,748**	**82,165**	**464,992**	**8,550**	**638,956**	**405,636**	**4,658,444**	**8,118**	**3,391,319**	**7,175,174**	**65,795**	**130,580**	**1,389,174**	**712,700**	**6,160,979**	**395,251**	**1,464,949**	**42,515,301**

EXHIBIT VI
IMPLEMENTATION PLAN

FIVE-YEAR

IMPLEMENTATION PLAN
(2003 through 2007)

CATALINA PROJECT AREA

Prepared for

Redondo Beach Redevelopment Agency
City of Redondo Beach
415 Diamond Street
Redondo Beach, California 90277
(310) 318-0631

Prepared by

The Davis Company
11150 Santa Monica Boulevard, Suite 230
Los Angeles, California 90025

FINANCIAL RESOURCES

The following table presents the non-housing revenues the Agency may have available over the next five years to fund Implementation Plan activities. The projections are based on a 2.0% annual increase in secured and unsecured assessed values. Outlined in the table are projected tax increment revenues, net of the 20% set aside for affordable housing, required payments to taxing agencies, debt service payments, loan repayments and project costs or obligations of the Agency. Funds available to implement future programs are identified as the remaining tax increment funds net of these operations and debt service obligations. The table also projects the ending cash balance for each fiscal year shown, reflecting only administrative and overhead expenses.

FINANCIAL RESOURCES

CATALINA REDEVELOPMENT PROJECT

	2003	2004	2005	2006	2007	5 Year Total
NON-HOUSING						
Beginning Cash Balance	0	(25,000)	12,862	87,146	202,880	
Revenues						
Tax Increment Revenue (Net)	0	86,630	121,595	160,776	200,740	569,741
Interest Earnings	0	1,232	2,689	4,958	8,072	16,951
City Loans/Advances	25,000	0	0	0	0	0
Loan Repayment	0	0	0	0	0	0
Operating Transfers – Other Funds	0	0	0	0	0	0
Note Proceeds						
TOTAL REVENUES	0	87,862	124,284	165,734	208,812	586,692
TOTAL AVAILABLE FUNDS	0	62,862	137,146	252,880	411,692	
Operations & Debt Service Costs						
Owner Participation Agreements	0	0	0	0	0	0
Repayment of Loans/Advances	0	0	0	0	0	0
Administration & Overhead	50,000	50,000	50,000	50,000	50,000	250,000
Operating Transfer to Other Funds	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0
TOTAL OPERATIONS	50,000	50,000	50,000	50,000	50,000	250,000
Projects & Program Costs	0	0	0	0	0	
	0	0	0	0	0	0
Total Costs	50,000	50,000	50,000	50,000	50,000	250,000
Ending Cash Balance	(25,000)	12,862	87,146	202,880	361,692	

NON-HOUSING PROGRAMS

The following section identifies the Agency's proposed non-housing community development programs, using the anticipated tax increment and/or other Agency and non-Agency revenues forecasted in the previous section/table. In the event that revenues and expenditures differ from these estimates, the Agency's non-housing program may be altered, to the extent of exercising community redevelopment authority to meet the Agency's goals and objectives, including without limitation undertaking additional projects cited in the Redevelopment Plan, to eliminate blight in the Project Area. The Catalina Redevelopment Plan scope of development is based upon development as allowed by the General Plan. To the extent development occurs the public improvements will be needed. The additional assessed value created by the new development, above the 2% annual projection, will assist in funding the public improvements proposed in this Implementation Plan.

The Agency proposes to undertake the following public improvement projects. These projects will assist development as outlined in the General Plan. The construction schedule for the public improvements will depend upon the requirements of new development projects as they are implemented.

PROGRAM/PROJECT

WASTEWATER SYSTEM IMPROVEMENTS

Improvements to the wastewater system in the Catalina Project Area are required to accommodate the anticipated new construction and to upgrade the existing system. The improvements will provide a system capable of meeting the wastewater disposal needs of existing development and of proposed new construction.

FIVE-YEAR PLAN ACTIVITIES

The Agency may assist the City with the funding of these improvements as needed, and to the extent approved by the City Council.

EXPENDITURES

The total cost is estimated to be $4,600,000

TIMELINE

The improvements will be constructed during the term of the Implementation Plan as required by the construction of new development within the Project Area.

PLAN OBJECTIVES THE PROJECT WILL ADDRESS

Completion of this project will achieve the following objectives:

- Eliminate wastewater system deficiencies.
- Assist in the removal of blight.
- Provide for the expansion of new businesses and housing, consistent with the General Plan.

CONDITIONS OF BLIGHT THE PROJECT WILL ADDRESS

Completion of this project will address the following conditions of blight:

- Inadequate public infrastructure/facilities
- Building vacancies /low lease rates
- Underutilized properties

PROGRAM/PROJECT

STORM DRAIN SYSTEM IMPROVEMENTS

Improvements to the storm drain system in the Catalina Project Area will accommodate the anticipated new construction and to upgrade the existing system. The improvements will provide a system capable of meeting the drainage needs of existing development and new construction as allowed by the General Plan.

FIVE-YEAR PLAN ACTIVITIES

The Agency may assist the City with the funding of these improvements as needed, and to the extent approved by the City Council.

EXPENDITURES

The total cost is estimated to be $3,700,000

TIMELINE

The improvements will be constructed during the term of the Implementation Plan as required by the construction of new development within the Project Area.

PLAN OBJECTIVES THE PROJECT WILL ADDRESS

Completion of this project will achieve the following objectives:

- Eliminate storm drain system deficiencies.
- Assist in the removal of blight.
- Provide for the expansion of new businesses and housing consistent with the General Plan.

CONDITIONS OF BLIGHT THE PROJECT WILL ADDRESS

Completion of this project will address the following conditions of blight:

- Inadequate public infrastructure/facilities
- Building vacancies /low lease rates
- Underutilization of properties

PROGRAM/PROJECT

STREETS AND PAVEMENT IMPROVEMENTS

Within the Project Area there are significant needs for major intersection improvements, street lights, signal lights, sidewalk, curb and gutter improvements and general street improvements. This project will correct those deficiencies.

FIVE YEAR PLAN ACTIVITIES

The Agency will assist the City with the funding of the following infrastructure improvements, to the extent approved by the City Council:

- PCH/Catalina Intersection
- Strand Pedestrian/Bike Path
- Transit Terminal
- Streets, curb and gutter
- Sidewalks
- Traffic signals
- Street lights and medians

EXPENDITURES

The total cost for the improvements is estimated to be $24,900,000.

TIMELINE

The improvements will be constructed during the term of the Implementation Plan as required by the construction of new development within the Project Area.

PLAN OBJECTIVES THE PROJECT WILL ADDRESS

Completion of this project would achieve the following objectives:

- Address transportation and traffic circulation deficiencies
- Fund transportation and circulation improvements
- Remove blight

CONDITIONS OF BLIGHT THE PROJECT WILL ADDRESS

Completion of this project will address the following conditions of blight:

- Inadequate public infrastructure facilities
- Inadequate transportation facilities and recreational facility access

PROGRAM/PROJECT

PUBLIC FACILITIES CONSTRUCTION

Within the Project Area there are deficiencies for public facilities and a need for new facilities. These facilities include the need for a new fire station, and for community meeting facilities.

FIVE YEAR PLAN ACTIVITIES

The Agency would assist the City with the funding of the following public facilities:

- Fire Station
- Community Room
- Information Booth
- Directional signs
- Benches, drinking fountains, amenities
- Public Art, statues

EXPENDITURES

The total cost of the fire station is estimated to be $10,000,000. Of that amount, 33% or $3,300,000 will be allocated as a Project Area expenditure based on the distribution of fire service calls within the Project Area. The Community Room is estimated to cost $500,000 and all other projects total $1,300,000.

TIMELINE

The fire station construction will be dependent upon availability of City funding but is intended for construction during the term of the implementation period. The other facilities will be constructed as development occurs within the Project Area and is therefore dependent upon private development.

PLAN OBJECTIVES THE PROJECT WILL ADDRESS

Completion of this project will achieve the following objectives:

- Provide public safety facilities consistent with General Plan implementation.
- Provide facilities and amenities to support redevelopment of the Project Area.
- Remove Blight

CONDITIONS OF BLIGHT THE PROJECT WILL ADDRESS

Completion of this project will address the following conditions of blight:

- Inadequate Public Infrastructure Facilities
- Assist in the elimination of factors which hinder economic viability.

PROGRAM/PROJECT

COMMERCIAL REHABILITATION AND OWNER PARTICIPATION

Rehabilitation or financial assistance agreements may be made to assist local businesses during the term of the Implementation Plan.

FIVE YEAR PLAN ACTIVITIES

The Agency will assist businesses as required for business expansion or development that conforms to the Redevelopment Plan.

EXPENDITURES

Payments will be made in compliance with Agency programs and agreements with business owners.

TIMELINE

Payments will be made during the five year term of the Implementation Plan.

PLAN OBJECTIVES THE PROJECT WILL ADDRESS

Completion of this project will achieve the following objectives:

- Remove Blight
- Expansion of Businesses

CONDITIONS OF BLIGHT THE PROJECT WILL ADDRESS

Completion of this project will address the following conditions of blight:

- High rate of business vacancies and business turnovers.
- Dilapidated structures

HOUSING PROGRAMS

The Redevelopment Project Area contains no housing and none is allowed by the General Plan. However, the housing set-aside funds generated by the Catalina Project Area can be used outside the Project Area when the Agency and the City Council find there is a benefit to the Project Area. The level of Agency financial assistance to any particular housing development, if any, is also not known. Therefore, this Implementation Plan sets forth preliminary estimates that reflect the requirements of Community Redevelopment Law (CRL).

Section 33334.4 (CRL) requires that housing set-aside funds be expended "…in at least the same proportion as the total number of housing units needed for each of those income groups bears to the total number of units needed for persons of moderate, low and very low income within the community, as those needs have been determined for the community pursuant to Section 65584 of the Government Code." In addition, this section requires that housing set-aside money be expended for housing "… that is available to families with children in at least the same proportion as the population under age 65 bears to the total population of the community as reported in the most recent census of the United States Census Bureau."

The development of housing within the City of Redondo Beach is subject to the affordable housing requirements applied to new housing constructed in the Coastal Zone and to the guidelines of the City's Housing Element. The Housing Element, adopted October 17, 2000, states the fair share adjustment for the RHNA process as requiring 167 very low, 118 low and 173 moderate income housing units to be developed in Redondo Beach during the period1/1/1998 to 7/1/2005. The tax increment generated by the Catalina Project Area can help meet these requirements.

The Housing Element contemplates the use of redevelopment set aside funds not only for the development of new housing but for housing rehabilitation as well. The housing rehabilitation objectives of the Housing Element for 1998-2005 includes a total of 361 dwelling units to be rehabilitated for very low and low income categories. Programs to be applied to these needs include the Handyperson Program, the Mobility Access/Emergency Repair Program and the Homeowner Rehabilitation Deferred Loan Program. While there is no housing within the Catalina Project Area, housing set aside funds can be used in other areas of the City to meet the housing rehabilitation needs.

In addition several programs with various forms of providing housing assistance are included as projects for the Implementation Plan. These projects will be available to the Agency should conditions and available funding warrant their use.

COMMUNITY DEVELOPMENT PROJECT - HOUSING

	2003	2004	2005	2006	2007	5 Year Total
HOUSING						
Beginning Cash Balance	0	20,000	43,877	80,286	130,483	
Revenues						
20% Set Aside	0	28,877	40,532	53,592	66,913	189,914
Interest Earnings	0	0	877	1,605	2,609	5,091
City Loan	25,000					25,000
TOTAL REVENUES	25,000	28,877	41,409	55,197	69,522	220,005
TOTAL AVAILABLE FUNDS		48,877	85,286	135,483	200,005	
Operations & Debt Service Costs						
Professional Svcs.\Administrative	5,000	5,000	5,000	5,000	5,000	25,000
Housing Development\Rehab.	0	0	0	0	0	0
Debt Service	0	0	0	0	0	
City Loan Repayment		0				
TOTAL COSTS (Operations & Debt Service)	5,000	5,000	5,000	5,000	5,000	25,000
ENDING FUND BALANCE	20,000	43,877	80,286	130,483	195,005	

PROGRAM\PROJECT

HOUSING REHABILITATION PROGRAM

The program objective is to maintain the quality of housing in neighborhoods for low and very low income households by providing deferred loans or grants for housing rehabilitation to owner/occupants.

FIVE–YEAR PLAN ACTIVITIES

Financial assistance is provided in the form of grants or deferred payment loans. Single family rehabilitation grants of up to $5,000 will be available to qualifying property owners. Deferred payment loans with a limit of $20,000 will be available to eligible property owners.

EXPENDITURES

Housing set-aside funds as they are available to implement the housing rehabilitation program.

TIMELINE

The rehabilitation will be accomplished as funds are available during the term of the Implementation Plan.

PLAN OBJECTIVES THE PROJECT WILL ADDRESS

The project will improve the community's existing supply of housing occupied by and available to persons and families of low income and very low income. Further, the project may assist in the elimination of deteriorated housing and in the decline of existing high quality housing in the future in Redondo Beach occupied and/or available to persons of low and very low income.

CONDITIONS OF BLIGHT THE PROJECT WILL ADDRESS

The project will assist in the reduction of substandard housing and improvement of the community's housing stock available to person of low income and very low income through the use of housing set-aside funds and will provide the necessary financial assistance to make the rehabilitation affordable for low and very low income persons in the community.

PROGRAM\PROJECT

PROVISION OF ADEQUATE HOUSING SITES

AFFORDABLE HOUSING OUTREACH

The program objective is to meet the City's regional housing need allocation (RHNA) for all income groups. For redevelopment purposes the activity will be focused on low and very low income families and individuals.

FIVE–YEAR PLAN ACTIVITIES

Housing sites may be acquired as they are available within the City boundaries..

EXPENDITURES

Housing set-aside funds may be combined with CDBG funding and/or revenue bond proceeds on an annual basis to acquire housing sites, provide financial incentives, acquire affordability covenants, in order to obtain long term affordable housing available to persons and families of very low income and low income.

TIMELINE

The project will be completed during the term of the Implementation Plan as funding is available.

PLAN OBJECTIVES THE PROJECT WILL ADDRESS

The project will provide additional locations for the development of affordable housing in Redondo Beach. The project will bring online through covenanted use housing units available to persons and families of low income and very low income at an affordable housing cost. The project provides for an additional use of housing set-aside funds to improve the availability of housing for low and very low income persons and families.

CONDITIONS OF BLIGHT THE PROJECT WILL ADDRESS

By providing sites for new housing which will meet the requirements for low and very low income persons the project will assist in the reduction of substandard housing through the use of housing set-aside funds. The allocation of housing set-aside funds to this project will assist in the development of housing at an affordable housing cost which could not be accomplished by private enterprise acting alone. The project will improve, increase and preserve the community's supply of housing available to persons and families of low income and very low income at an affordable housing cost.

PROGRAM\PROJECT

DEVELOPMENT OF AFFORDABLE HOUSING

MORTGAGE CREDIT CERTIFICATES

Through the Mortgage Credit Certificate Program the objective is to assist first time homebuyers by obtaining a federal tax credit of 20 % of the interest paid on the mortgage to buy a home.

FIVE–YEAR PLAN ACTIVITIES

During the term of the Implementation Plan the project may provide funds to implement the purchase of homes by first time homebuyers.

EXPENDITURES

Housing set-aside funds will be allocated to this program as necessary to accomplish the program objectives.

TIMELINE

The program will be continued during the term of the Implementation Plan as funds are available.

PLAN OBJECTIVES THE PROJECT WILL ADDRESS

The program will promote the development of affordable housing by making it possible for low income individuals and families to buy their home. This program implements the objective of the Redevelopment Plan to provide housing for low and very low income categories such as availability of housing for low and very low income persons and families.

CONDITIONS OF BLIGHT THE PROJECT WILL ADDRESS

Providing new housing which will meet the requirements of the CRL and related statutes will increase and improve the community's supply of housing for low and very low income persons available at an affordable housing cost. The allocation of housing set-aside funds to this project will assist in the development of housing available at an affordable housing cost which housing could not be accomplished by private enterprise acting alone.

PROGRAM\PROJECT

SHARED EQUITY PROGRAM

Through the Shared Equity Program the Agency will help provide home ownership opportunities to low and moderate income households through the creation of equity partnerships.

FIVE–YEAR PLAN ACTIVITIES

This homeownership program will allow low and moderate income households to purchase a home by sharing the costs of home ownership through sponsorship by the Redevelopment Agency. The Agency will provide direct monetary assistance for the down payment to buy a house and obtain a junior mortgage on the property. Upon sale of the property a portion of the equity income is paid to the Agency to reimburse its costs and protect the Agency's investment of housing set aside funds.

EXPENDITURES

Housing set-aside funds will be allocated to this program as necessary to accomplish the program objectives.

TIMELINE

The program will be continued during the term of the Implementation Plan as funds are available.

PLAN OBJECTIVES THE PROJECT WILL ADDRESS

The program will promote the development of affordable housing by making it possible for low to moderate income individuals and families to buy their home. This program implements the objective of the Redevelopment Plan to increase, improve and preserve the community's supply of housing for low and moderate income persons and families available at an affordable housing cost.

CONDITIONS OF BLIGHT THE PROJECT WILL ADDRESS

By providing new housing which will meet the requirements for low and moderate income persons the project will assist in the reduction of substandard housing through the use of housing set-aside funds. The allocation of housing set-aside funds to this project will assist in the development of housing available at an affordable housing cost which could not be accomplished by private enterprise acting alone.