



Building A Better Long Beach

May 17, 2010

REDEVELOPMENT AGENCY BOARD MEMBERS
City of Long Beach
California

RECOMMENDATION:

Approve and authorize the Executive Director to enter into a consulting agreement not to exceed \$105,500 per year and a lease agreement with Long Beach Community College District for the use of 309 Pine Avenue, and authorize up to \$150,000 in tenant improvements at 309 Pine Avenue by Heery International. (Downtown – District 1)

DISCUSSION

One key objective of the Redevelopment Agency (Agency) is to support the revitalization of commercial sites and to improve commercial corridors in the Downtown Redevelopment Project Area. To promote this objective, staff proposes to lease a vacant Agency-owned commercial property located at 309 Pine Avenue (Subject Property) (Exhibit A – Site Map) to Long Beach Community College District, familiarly known as the Long Beach City College (LBCC).

The Subject Property is located within the Downtown Core and consists of a two-story 4,788-square-foot multi-tenant commercial building on a 2,500-square-foot lot that has been vacant since it was purchased by the Agency in 2007 as part of its assemblage of the block (Exhibit B – Site Photos). LBCC will use the Subject Property as a satellite for its regional Small Business Development Center (SBDC) program. SBDC's presence at 309 Pine Avenue will help activate space in the Downtown and provide more convenient service to Westside businesses. Currently, the SBDC's main office is located at 4900 East Conant Street.

In addition to providing space for SBDC, a service delivery partnership is also proposed. Recently the Agency has taken a more active role in economic development, such as providing loans to businesses for both physical improvements and working capital. During discussions with businesses regarding the availability of loans, it often becomes apparent that these businesses also need advice and counseling about best management practices. Business counseling is a core service of SBDC. The SBDC Program is the Small Business Administration's (SBA) most extensive economic development program. SBDC Business Advisors, who bring a wealth of real-world business experience, provide one-on-one counsel and conduct training sessions, workshops and seminars.

Pursuant to the proposed consulting contract, SBDC would provide the following services:

- Business advice and assistance
- Workshops
- Business matchmaking and procurement events
- Access to capital programs

THE CITY OF LONG BEACH REDEVELOPMENT AGENCY

333 West Ocean Blvd., Long Beach, CA 90802 T: 562.570.6615 F: 562.570.6215 www.LongBeachRDA.org

REDEVELOPMENT AGENCY BOARD MEMBERS

May 17, 2010

Page 2 of 2

- Business networking and peer mentoring programs
- Marketing, outreach and business engagement
- Young Entrepreneurs Project

The cost for services is \$251,000 per year. The Agency would match LBCC's contribution of \$145,500 in services and in-kind staffing with \$105,500. SBDC staff would open 309 Pine Avenue for services at least 16 hours per week. Staff recommends a two-year contract with a one-year extension at the Executive Director's discretion. The total possible compensation under the proposed contract is \$316,500.

The term of the lease agreement is for two years, commencing on April 19, 2010, with a one-year extension at the discretion of the Executive Director and a 30-day termination clause. The Agency will work with Heery International to provide up to \$150,000 in tenant improvements. Presently 309 Pine Avenue has an upstairs and a downstairs with open floor plans. These spaces need to be divided to provide office space, meeting space, and private consultation rooms. The SBA stipulates that consultation rooms must ensure the privacy of clients, requiring floor to ceiling, soundproof walls. Because the facility will be open to the public it must also be ADA compliant. This will require renovation of the restrooms.

Rent will be \$1 per year. LBCC will pay all building utilities, maintenance, and liability insurance.

A partnership with SBDC will complement the Agency's other economic development activities, such as its partnership with Downtown Long Beach Associates which seeks to promote, retain and attract new businesses to Downtown through direct outreach, special events and general marketing. Agency staff is also developing relationships with the Long Beach International Trade Office to help attract and grow businesses in the project areas with trading ties.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



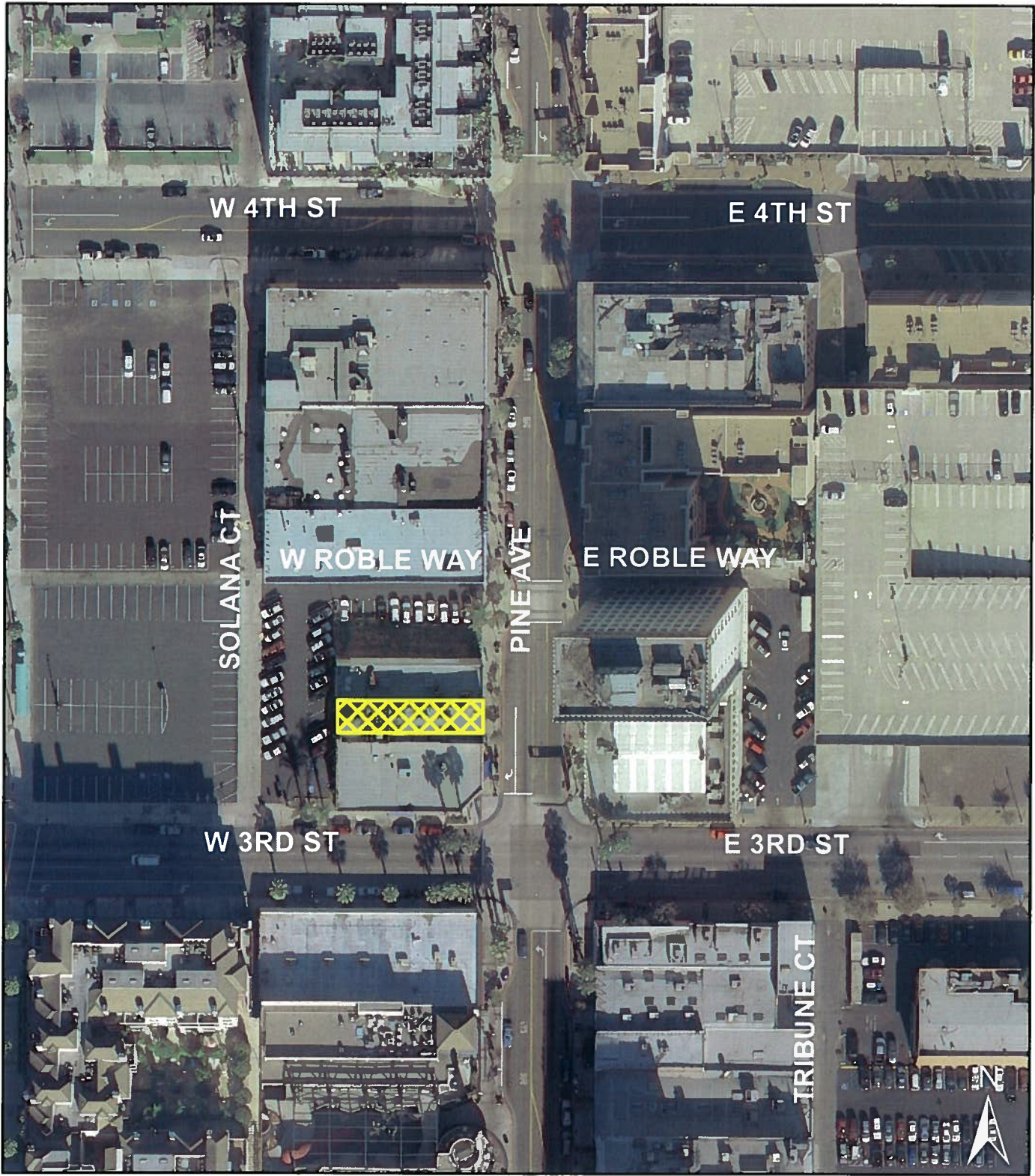
AMY J. BODEK
EXECUTIVE DIRECTOR

AJB:LAF:CSM:pku

Attachments: Exhibit A – Site Map
Exhibit B – Site Photos

P:\Redev\RDA Board\RDA Board Meetings\2010\May 17\309_Pine_Lease.doc

Exhibit A - Site Map



 309 Pine Avenue

Exhibit B – Site Photos

