



CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

November 9, 2004

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Reimbursement Agreement With Seaport Marina LLC for City Costs Related to the Master Planning of Seaport Marina's Eleven-Acre Site at the Southwest Corner of Second Street and Pacific Coast Highway (District 3)

DISCUSSION

Seaport Marina LLC (SM-LLC) has commenced development efforts for their eleven-acre site at the southwest corner of Second Street and Pacific Coast Highway (see Exhibit A). The project, known as Seaport Marina Village, is proposed to include a combination of retail and residential uses. It should be noted that specific land uses will be further defined during the planning and environmental review process, and that City staff has not agreed to a specific land use plan. Staff has determined that an Environmental Impact Report (EIR) is required under the California Environmental Quality Act.

SM-LLC contemplates processing their development plans and the EIR for discretionary action by the Planning Commission and the City Council by the end of 2005. In order to meet this schedule, SM-LLC has agreed to reimburse the City for costs associated with supplementing current City staff resources, either through additional staff work and/or existing City contracts for as-needed services. Separate fees will be collected for processing the environmental document and the project entitlements. The proposed Reimbursement Agreement between the City and SM-LLC allows the City to maintain an arms-length relationship with SM-LLC by authorizing the City to select and utilize its own consultants independent of those used by SM-LLC. City staff and consultants assigned to work on the Seaport Marina Village project will continue to report through their respective City departments for direction and feedback.

Key terms of the Reimbursement Agreement are as follows:

- The Reimbursement Agreement would be effective October 1, 2004 through September 30, 2006. This will allow the City to recapture expenses incurred since the beginning of this fiscal year through Fiscal Year 2006.
- For budgeting purposes, staff estimates total costs of \$104,500 to be reimbursed by SM-LLC. The City expects to be reimbursed only for those expenses actually incurred. If actual costs are less than \$104,500, SM-LLC is not liable for payment to the City beyond the actual expenses incurred. In the event actual costs exceed the estimated costs set forth in the Reimbursement Agreement, SM-LLC agrees to pay the actual costs.
- Notwithstanding the above, the City and SM-LLC agree to amend the Agreement to reflect greater expenses paid or incurred, or anticipated to be paid or incurred in the event that 1) there is a substantial change to the proposed project, which could result in City staff initiating a new review of the project; and/or 2) City costs exceed the estimated costs by more than 10 percent due to the need for services not anticipated by the City at the time of the signing of this Agreement.
- The City will maintain exclusive control over the work to be performed by staff and its consultants. Nothing in the Agreement shall be deemed to require the City to approve any plan, proposal, suggestion, application or request submitted by SM-LLC.

This letter was reviewed by Deputy City Attorney J. Charles Parkin on October 20, 2004, and Budget Management Officer David Wodynski on October 22, 2004.

TIMING CONSIDERATIONS

Since the City's coordination efforts with SM-LLC have already commenced, City Council action is requested on November 9, 2004, in order to immediately secure reimbursement from SM-LLC.

FISCAL IMPACT

The Reimbursement Agreement provides for approximately \$104,500 of revenue to offset costs associated with processing the SM-LLC development plans. Services associated with the project will be coordinated through the General Fund (GP) in the Department of Community Development (CD). The funding source will be revenue received from the Reimbursement Agreement. Since the funding is currently unbudgeted, an appropriation increase is included in the recommended action below.

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IT IS RECOMMENDED THAT THE CITY COUNCIL:

1. Authorize the City Manager to execute the proposed Reimbursement Agreement and any Amendments between the City of Long Beach and Seaport Marina LLC, and;
2. Increase appropriations in the General Fund (GP) in the Department of Community Development (CD) by \$104,500.

Respectfully submitted,



FE MELANIE S. FALLON
DIRECTOR OF
COMMUNITY DEVELOPMENT



FADY MATTAR
ACTING DIRECTOR OF
PLANNING AND BUILDING

APPROVED:



GERALD R. MILLER
CITY MANAGER

MSF:JMLR:nb

Attachment: Exhibit A

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