



Building A Better Long Beach

August 2, 2010

REDEVELOPMENT AGENCY BOARD MEMBERS
 City of Long Beach
 California

RECOMMENDATION:

Approve and authorize the Executive Director to execute a First Amendment to the Agreement with the Board of Harbor Commissioners to reimburse the Harbor an additional \$5,913,570 for the construction of public improvements in the North Long Beach Redevelopment Project Area, with specified provisions. (North – Districts 1, 2)

DISCUSSION

On August 24, 2009, the Redevelopment Agency (Agency) Board and the Board of Harbor Commissioners (Harbor Board) approved entering into a Public Improvement Reimbursement Agreement (Agreement), under which the Port of Long Beach (Port) is to be reimbursed up to \$8,077,083 from tax increment generated by the North Long Beach Redevelopment Project Area (North Project Area). This action was requested by City staff in order to assist the City in covering debt service for the Aquarium of the Pacific (Aquarium) in FY09 (\$2,068,404) and FY10 (\$6,008,679), thereby providing relief to the General Fund. Under the Agreement, the Agency will reimburse the Port for the construction of certain public improvements in an amount not to exceed the funds transferred by the Port to the City for Aquarium debt service (\$8,077,083).

Facing a continuing General Fund deficit in FY11, City staff has requested that the Port again assist with paying Aquarium debt service in the amount of \$5,913,570. This amount would be reimbursed in a similar manner, using future revenues generated by Port activities related to the construction of the Middle Harbor project (Exhibit A), which is in the North Project Area. The Middle Harbor project includes certain public improvements that the Agency Board found to be of benefit to the North Project Area on August 24, 2009 (Exhibit B).

The Harbor Board reviewed the request for continued Aquarium debt service support on June 28, 2010, as part of its FY11 budget approval. The Harbor Board asked for additional information, and voted to defer the requested support until the Agency Board had the opportunity to review and approve the proposal. Fulfilling the request would require that the Agency Board approve an amendment to the Agreement adding \$5,913,570 to the not-to-exceed amount, for a total of \$13,990,653.

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In addition, the Agreement currently includes a provision that, should construction of the Middle Harbor project not commence by September 1, 2014, the Port will be reimbursed via tax increment generated from the entire Port portion of the North Project Area (Subarea 5). Staff recommends that this provision be replaced by a provision that if the agreed-upon reimbursement amount is not fully repaid by the expiration of the Redevelopment Plan in 2027, then the remaining debt would be repaid from the North Project Area as a whole.

The North Long Beach Redevelopment Project Area Committee reviewed this proposal on July 22, 2010, and recommended approval but excluded the tax increment generated by Subarea 1 as a source of revenue to repay the Port.

No changes are proposed to the similar Public Improvement Reimbursement Agreement for the West Long Beach Industrial Redevelopment Project Area, also approved on August 24, 2009.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



AMY J. BODEK
EXECUTIVE DIRECTOR

AJB:LAF:AEA

Attachments: Exhibit A – Middle Harbor Project – North Long Beach Redevelopment Project Area
Exhibit B – Public Improvements for Reimbursement, North Long Beach Redevelopment Project

Exhibit A

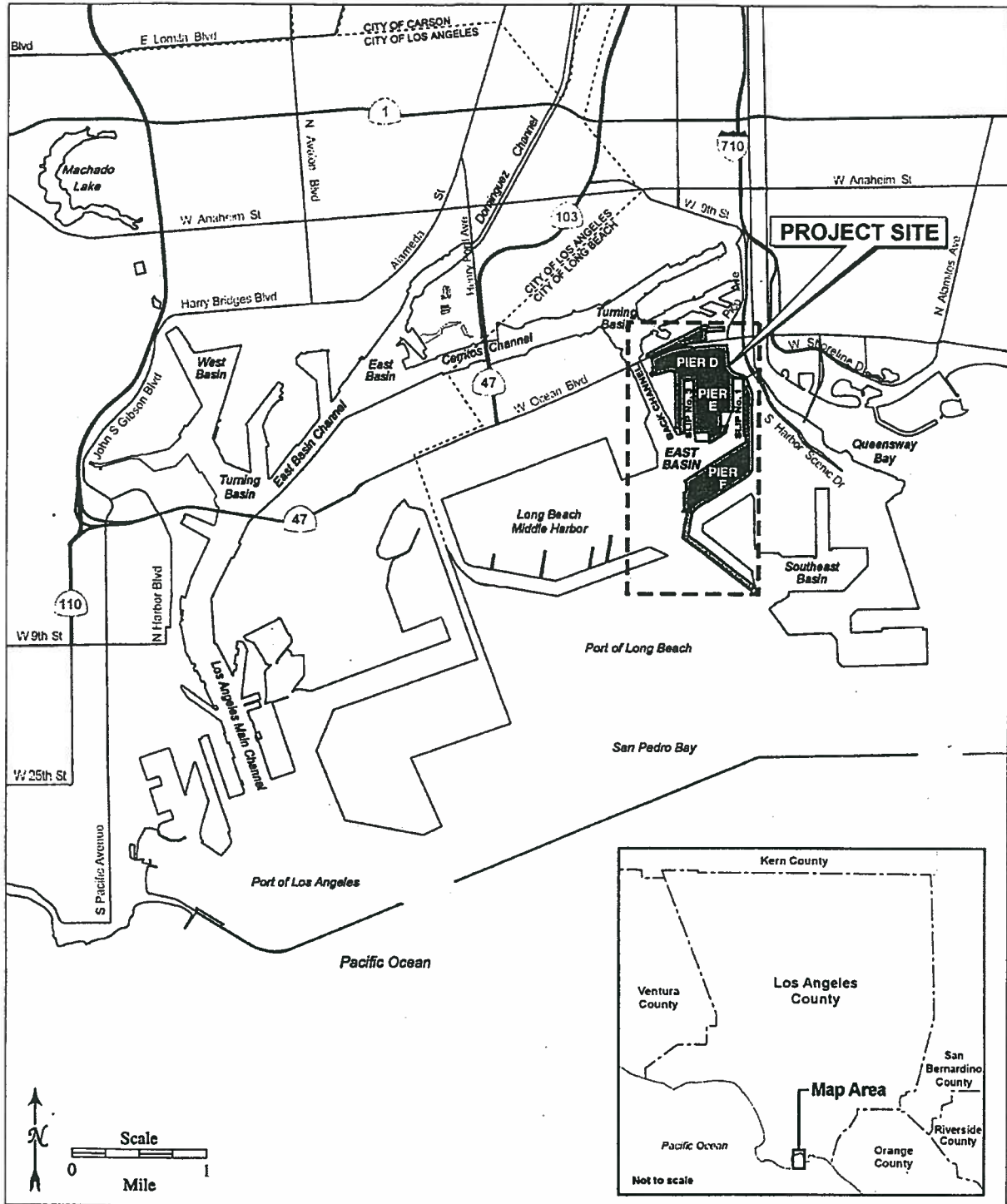


Exhibit B

**Public Improvements for Reimbursement
North Long Beach Redevelopment Project Area
Board of Harbor Commissioners of the City of Long Beach
and
City of Long Beach Redevelopment Agency**

- **Install Traffic Signals**
 - Pico Avenue and Pier D Street \$500,000
 - Pico Avenue and Pier E Street \$500,000
 - Pico Avenue and Pier F Avenue \$500,000
 - Pico Avenue and Ocean Boulevard off-ramp \$500,000

- **Replace Fire Stations**
 - Fire Station #15 \$7,500,000
 - Fire Station #20 \$7,500,000

- **Reconstruct Pier F Avenue** \$5,000,000

- **Replace Gerald Desmond Bridge** \$1,125,000,000