



CITY OF LONG BEACH

DEPARTMENT OF DEVELOPMENT SERVICES

R-3

333 West Ocean Blvd., 4th Floor Long Beach, CA 90802 Phone: 570.6651 Fax: 570.6205

January 18, 2011

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute an Amended and Restated Agreement for Services between the City of Long Beach and the Redevelopment Agency to encumber approximately \$886,000,000 in current and future redevelopment tax increment proceeds through Fiscal Year 21 to support revitalization of neighborhoods throughout seven redevelopment project areas; and,

Adopt resolution making certain findings regarding the construction of certain public improvements in all Redevelopment Project Areas with the exception of West Beach (Citywide).

DISCUSSION

Approval is recommended to amend the Agreement for Services (Agreement) with the Long Beach Redevelopment Agency (Agency) to provide short-term loans for services, programs and projects in seven redevelopment project areas for ten years.

California Community Redevelopment Law specifies that a redevelopment agency may not spend tax increment directly on staff salaries, consultants or other services; as a general rule, its use is limited to the payment of principal and interest on bonds, loans, and other forms of indebtedness. Agencies then borrow from cities the funds required for operating expenses on an annual basis, which provide for staff and project expenses. Tax increment is used to repay the City loan, debt service on bonds, and other long-term obligations.

The Agency and the City have an existing Agreement for Services, established in 1987 and last amended in 2003, which establishes such a mechanism. The Agreement allows the Agency to borrow from the City funds needed for annual expenses, and to repay the City with tax increment before the end of each fiscal year. The City also agrees to fund the Agency's activities based on an annual request; in the past, the funding request would come to the City Council as part of the annual budget process.

Due to the nature of the development process, the Agency currently has numerous projects in various stages of development, from pre-conception to actual construction. These projects range from significant public infrastructure projects such as Fire Station No. 12 in North Long Beach (currently under construction), the Pine Avenue Streetscape Project in Downtown (currently in conceptual design) and the proposed East Police Station (pre-

development) to participation in public-private development projects such as the redevelopment of the North Village Center (pre-development) and the new Los Angeles County Superior Courthouse (conceptual development).

The Agency also maintains a list of future potential projects to which the Agency would consider dedicating resources in future years. Many of the identified projects will accelerate the economic recovery of the City; construct, rehabilitate or replace publicly-owned capital improvements and public improvements; provide housing; and ensure the creation of locally-based, quality jobs.

In addition to these improvement projects, the Agency funds numerous activities and programs in the various redevelopment project areas such as façade improvement loans, fencing and screening projects, and neighborhood revitalization initiatives. The Agency has also been very active in removing the sources of significant crime and blighting influences in the project areas, including the use of eminent domain for the removal of liquor stores, day-use motels, adult bookstores and other nuisance uses that have a detrimental impact on the quality of life in neighborhoods.

Given the current budget environment in the State, the Agency's ability to carry out these activities may be limited. Therefore, staff recommends the following changes to the Agreement in order to maintain its revitalization efforts:

1. Services. The current Agreement establishes that the City shall provide services in order that the Agency may accomplish the purposes of the redevelopment plans for each project area. The amended Agreement would specify that the City shall provide services in order that the Agency may complete the work plan outlined in Exhibit A. This work plan will be completed at the staffing levels outlined below, with a three percent increase annually.

Staffing and Services Required for Work Plan Completion		
City Service	FTE	Est. Cost
Project Area Operations	30.50	3,457,964
Project Planning Services	3.00	321,076
Code Enforcement/Graffiti Abatement	8.41	742,654
Grant Support	2.98	326,705
Asset Management	1.37	148,993
Administrative Support	7.32	806,108
City Services and Overhead	N/A	2,072,094
Total	54.33	7,875,594

2. Delivery of Programs and Projects. Amend the current Agreement for the delivery of programs and projects in the City's redevelopment projects through FY 21. The programs and projects are identified in Exhibit A.

3. Termination of Agreement. The current Agreement provides for termination on written notice by either party or the expiration of the redevelopment plans, whichever occurs first. The amended Agreement would specify that the Agreement terminate on September 30, 2021.

California Redevelopment Law provides that a redevelopment agency may, with the consent of the City Council, pay for public improvements that are publicly owned either within or outside of a Redevelopment Project Area, if the City Council determines that:

- The construction of such public improvements is of benefit to the redevelopment project area or immediate neighborhood in which the public improvement is located.
- No other reasonable means of financing the public improvements are available to the community.
- The payment of Redevelopment Agency funds for the construction of the public improvements will assist in the elimination of one or more blighting conditions within the project area.

Typical improvements include library, park, police, fire and other public safety improvements and facilities; additional open space and open space improvements; public art; neighborhood, street and alley improvements; streetscape enhancements; and public parking. Since the Agency's work plan may include the construction of public improvements, these findings must be made for the Downtown, West Long Beach Industrial, Central, North, Los Altos, and Poly High redevelopment project areas. Given that the West Beach Project Area is set to expire in January 2012, it is not included in this request. The Agency is expected to make the necessary findings and review the amendment request at its meeting on January 20, 2011.

This letter was reviewed by Chief Assistant City Attorney Heather Mahood on January 16, 2011 and by Budget and Performance Management Bureau Manager Lou Palmer on January 16, 2011.

TIMING CONSIDERATIONS

City Council action is requested on January 18, 2011, to expedite execution of the amended Agreement expeditiously and to ensure the continued revitalization of neighborhoods.

FISCAL IMPACT

Entering into this Agreement will ensure that the Agency is able to continue to provide support to the General Fund and complete public projects of benefit to the City through Fiscal Year 21.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

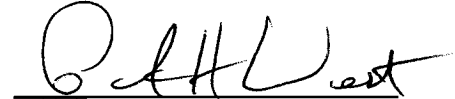


AMY J. BODEK
DIRECTOR OF DEVELOPMENT SERVICES

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Attachments: Exhibit A – Agency Work Plan, FY12-FY21
City Council Resolution (1)

APPROVED:



PATRICK H. WEST
CITY MANAGER

EXHIBIT A

**Long Beach Redevelopment Agency
Master Work Plan
Fiscal Year 2011-Fiscal Year 2021**

	All-Years Total
CENTRAL PROJECT AREA	
Land Acquisition Per Strategic Guide	\$ 500,000
Parking Program	\$ 226,506
Willmore Implementation Plan	\$ 260,000
Business Loans	\$ 238,333
Renaissance Square	\$ 75,000
Commercial Façade Program	\$ 2,250,000
Commercial Screening Program	\$ 300,000
Sunrise Gateway	\$ 155,000
Orizaba Park Expansion	\$ 1,093,000
McBride Park Teen Center (OSL)	\$ 950,000
Pacific Electric Right-of-Way	\$ 900,000
Alamitos & 15th Street Park	\$ 113,000
Craftsman Park (OSL)	\$ 70,000
East Village Streetscape	\$ 500,000
Magnolia Industrial District	\$ 4,000,000
Alamitos Streetscape Project	\$ 2,059,000
Wrigley Village Improvements	\$ 3,375,000
West Gateway Improvements	\$ 725,000
Cherry Avenue Widening	\$ 395,449
Pine Avenue Streetscape	\$ 2,000,000
7th & Alamitos Right-Turn Lane	\$ 50,000
Courthouse	\$ 2,500,000
Orizaba Design District	\$ 700,000
Ronald McDonald House Construction Loan	\$ 500,000
Loan Repayment - City of Long Beach (Wrigley Center)	\$ 741,322
Loan Repayment - City of Long Beach	\$ 4,900,000
Project Area Committee (PAC)	\$ 150,000
Agency Sponsorships	\$ 192,040
<i>Planning studies/GP support</i>	\$ 1,000,000
<i>East Village Arts District support</i>	\$ 5,000,000
<i>Commercial Façade Improvement Program</i>	\$ 10,000,000
<i>Economic development support</i>	\$ 5,000,000
<i>Atlantic & Willow Land Acquisition</i>	\$ 3,200,000
<i>Shoreline Gateway</i>	\$ 3,500,000
<i>25th and Santa Fe Land Acquisiton</i>	\$ 2,000,000
<i>1st and Lime Site Assembly</i>	\$ 4,000,000
<i>Development Opportunity - 3rd/Alamitos</i>	\$ 1,100,000
<i>Site acquisiton and park development - 14th/Long Beach Blvd</i>	\$ 2,200,000
<i>14th Street park expansion</i>	\$ 4,000,000
<i>Anaheim & Atlantic site assembly and development</i>	\$ 1,200,000
<i>Pacific & Pacific Coast Highway site development</i>	\$ 5,500,000

NOTE: Projects identified in *italics* are planned for Fiscal Year 2014 and beyond.

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EXHIBIT A

**Long Beach Redevelopment Agency
Master Work Plan
Fiscal Year 2011-Fiscal Year 2021**

<i>PCH & MLK land assembly and site development</i>	\$ 1,500,000
<i>Drake Park Community Center and Greenbelt development</i>	\$ 25,000,000
<i>MacArthur Park and Homeland Expansion (OSL)</i>	\$ 1,260,000
<i>Veterans Park Community Center & Restrooms</i>	\$ 2,500,000
<i>MLK Park Community Center & Restrooms</i>	\$ 3,130,000
<i>MLK Park Pool</i>	\$ 1,500,000
<i>Chittick Field park development</i>	\$ 7,000,000
<i>PCH acquisitions @ Chittick Field</i>	\$ 8,000,000
<i>Long Beach Design District</i>	\$ 3,500,000
<i>LBHDC land acquisitions (est.)</i>	\$ 10,000,000
<i>Brett Harte Library parking expansion</i>	\$ 1,500,000
<i>Burnett Library renovation</i>	\$ 2,000,000
<i>Fire Station 10 (replacement)</i>	\$ 15,000,000
<i>Pacific Ave. Medians (8th to PCH)</i>	\$ 2,500,000
<i>6th District Street Improvements</i>	\$ 12,000,000
<i>Meta Housing (Long Beach Blvd. & Anaheim)</i>	\$ 5,000,000
NORTH PROJECT AREA	
NEA Target Area	\$ 1,575,000
Acquisitions	\$ 5,500,000
Vons Development Agreement	\$ 84,000
OSH/Sears Development Agreement	\$ 90,000
Façade Improvement Program	\$ 665,000
Business Loans	\$ 838,333
Marketing - NLB	\$ 939,635
North Village Annex	\$ 45,000
North Village Center Implementation	\$ 900,000
Virginia Village Revitalization	\$ 15,000
Waite Motel Block - 5100 LBB Site Analysis/Marketing	\$ 776,000
6101 Atlantic Development Site Analysis/Marketing	\$ 426,000
Atlantic & Artesia (NEC)	\$ 400,000
Commercial Screening Program	\$ 200,000
MoLAA North Long Beach	\$ 500,000
Davenport Park Phase II (OSL)	\$ 3,662,159
Houghton Park	\$ 2,025,000
Oregon & Del Amo Park	\$ 3,650,000
Admiral Kidd Expansion (OSL)	\$ 300,000
Development of Public Art	\$ 140,000
Arts Council Support	\$ 126,000
Street Design and Construction	\$ 6,600,000
Streetscape Design and Improvements	\$ 9,585,000
Cameras	\$ 400,000
North Library	\$ 9,050,000
Fire Station North Facilities	\$ 7,608,481

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EXHIBIT A

**Long Beach Redevelopment Agency
Master Work Plan
Fiscal Year 2011-Fiscal Year 2021**

East Police Station	\$ 3,478,160
South Waterfront	\$ 885,175
Multi-family Improvement Program	\$ 450,000
Bixby Knoll Improvement Area Cooperation Agreement	\$ 2,000,000
Project Area Committee (PAC)	\$ 150,000
PAC Local Programs	\$ 300,000
<i>Atlantic Avenue scattered site acquisitions</i>	\$ 15,000,000
<i>Planning studies/GP support</i>	\$ 1,000,000
<i>Commercial Façade Improvement Program</i>	\$ 10,000,000
<i>NEA Program expansion</i>	\$ 3,000,000
<i>Los Angeles River bikepath</i>	\$ 5,000,000
<i>Economic development support</i>	\$ 5,000,000
<i>Business loans</i>	\$ 8,000,000
<i>Scattered commercial site development</i>	\$ 20,000,000
<i>Scattered residential site development (various)</i>	\$ 15,000,000
<i>Residential rehab loan program</i>	\$ 20,000,000
<i>Corridor Revitalization and Improvements</i>	\$ 20,000,000
<i>Queen Mary historic preservation</i>	\$ 5,000,000
<i>Museum expansion project</i>	\$ 2,000,000
<i>Houghton Park park rehabilitation</i>	\$ 4,000,000
<i>South Waterfront Special Events Park</i>	\$ 5,000,000
<i>Community arts facility</i>	\$ 2,000,000
<i>District 9 Street Improvement and medians</i>	\$ 10,000,000
<i>District 8 Street Improvements and medians</i>	\$ 10,000,000
WEST LONG BEACH INDUSTRIAL PROJECT AREA	
Business Loans	\$ 238,333
Property Acquisition	\$ 1,800,000
Property Maintenance	\$ 36,000
1461-65 Cota - Sherrill	\$ 15,000
1404-20 Hayes & 1350 Seabright - Tankard Trust	\$ 65,000
2035 W. 15th. St. - Two-Way	\$ 9,000
Facade Improvement Program	\$ 1,298,000
Industrial Development	\$ 150,000
Property Maintenance/Remediation	\$ 60,000
Pump Station & Storm Drain Upgrades	\$ 7,900,000
Westside Street Enhancement Program (PCH)	\$ 2,575,000
Alley Surveillance Camera Project	\$ 150,000
Revise Targhee Westside Basin Study	\$ 30,000
Westside Infrastructure Study	\$ 7,354,090
Westside PAC Admin.	\$ 240,000
PAC Local Programs	\$ 15,000
<i>Planning studies/GP support</i>	\$ 500,000
<i>Commercial Façade Improvement Program</i>	\$ 5,000,000

NOTE: Projects identified in *italics* are planned for Fiscal Year 2014 and beyond.

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EXHIBIT A

**Long Beach Redevelopment Agency
Master Work Plan
Fiscal Year 2011-Fiscal Year 2021**

<i>Economic development support</i>	\$ 3,000,000
<i>Site acquisitions - non-conforming residential properties</i>	\$ 10,000,000
<i>Industrial development</i>	\$ 10,000,000
<i>Santa Fe Avenue streetscape improvements</i>	\$ 4,000,000
<i>Neighborhood revitalization programs</i>	\$ 3,000,000
<i>Alley cameras</i>	\$ 2,000,000
<i>Business Loans</i>	\$ 5,000,000
<i>Los Angeles River bike path</i>	\$ 5,000,000
<i>PCH/Cota traffic improvements</i>	\$ 500,000
<i>Fire Station replacement</i>	\$ 10,000,000
DOWNTOWN PROJECT AREA	
Downtown Parking Program	\$ 1,287,767
Revitalization Programs	\$ 636,000
Block 81 Development Site	\$ 111,350
Broadway Block	\$ 5,145,500
Block 103 Development Site	\$ 75,000
Commercial Façade Improvement Program	\$ 300,000
Commercial Screening Program	\$ 50,000
Block 89 Development Site	\$ 35,500
Block L - Jergins Trust Development Site	\$ 55,000
Block 90 and Edison Theater	\$ 34,500
American Hotel Adaptive Reuse	\$ 1,040,000
Promenade Master Plan	\$ 5,887,446
Cameras - Promenade	\$ 280,000
Wayfinding	\$ 1,182,627
City Place Garage Rehabilitation/Upgrades	\$ 2,040,000
Courthouse	\$ 2,000,000
DLBA Cooperation Agreement	\$ 2,100,000
PBID Assessment	\$ 200,000
Agency Partnership Opportunities	\$ 450,000
<i>Planning studies/GP support</i>	\$ 500,000
<i>Commercial Façade Improvement Program</i>	\$ 5,000,000
<i>DT Cameras</i>	\$ 1,000,000
<i>Business loans</i>	\$ 5,000,000
<i>Strategic partnerships for economic development services</i>	\$ 10,000,000
<i>Acquisitions</i>	\$ 15,000,000
<i>CHE rehabilitation</i>	\$ 4,000,000
<i>Broadway garage improvements</i>	\$ 4,000,000
<i>Lincoln Park Redevelopment</i>	\$ 7,500,000
<i>Pine Avenue Streetscape</i>	\$ 25,000,000
<i>Main Library Renovation</i>	\$ 20,000,000
<i>Bike Lane Improvements (3rd & Broadway, 710 to Alamitos)</i>	\$ 1,500,000
<i>Corridor Revitalization and Improvements</i>	\$ 5,000,000

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EXHIBIT A

**Long Beach Redevelopment Agency
Master Work Plan
Fiscal Year 2011-Fiscal Year 2021**

<i>Gateway Monuments</i>	\$ 500,000
<i>Ocean Blvd./I-710 gateway traffic improvements</i>	\$ 20,000,000
<i>Downtown Parks</i>	\$ 5,000,000
<i>Promenade Improvement South of Ocean</i>	\$ 7,500,000
<i>Shoreline Drive Pedestrian Crossings over Pine and Alamitos</i>	\$ 2,550,000
<i>CSULB MFA Housing Campus</i>	\$ 20,000,000
<i>CityPlace Garage Renovation and Expansion</i>	\$ 5,000,000
<i>Remediation and Demolition of Old Courthouse</i>	\$ 7,000,000
POLY HIGH PROJECT AREA	
Public Art (Poly Walk of Fame, i.e., McBride)	\$ 85,000
PCH and Martin Luther King Open Space & Public Art	\$ 135,000
WEST BEACH PROJECT AREA	
Promenade Amphitheater and Pedestrian Improvements	\$ 400,000
Courthouse Amortized \$5 Million Payment to State	\$ 2,500,000
LOS ALTOS PROJECT AREA	
Reserve for Capital Replacement	\$ 30,000
<i>Alley improvements</i>	\$ 2,000,000
<i>Los Altos rehabilitation assistance</i>	\$ 5,000,000
<i>Business loans</i>	\$ 500,000
LONG BEACH HOUSING DEVELOPMENT COMPANY	
Housing Development	\$ 138,500,000
LONG BEACH REDEVELOPMENT AGENCY	
City Staff and Overhead	\$ 92,993,405
TOTAL	\$ 918,412,111

NOTE: Projects identified in *italics* are planned for 2014 and beyond.

1 RESOLUTION NO.
2

3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH MAKING CERTAIN FINDINGS
5 REGARDING THE CONSTRUCTION OF CERTAIN PUBLIC
6 IMPROVEMENTS WITH NORTH, CENTRAL,
7 DOWNTOWN, WEST LONG BEACH INDUSTRIAL, POLY
8 HIGH AND LOS ALTOS REDEVELOPMENT PROJECT
9 FUNDS
10

11 WHEREAS, the City Council of the City of Long Beach adopted and
12 approved certain redevelopment plans (the "Redevelopment Plans") for the North,
13 Central, Downtown, West Long Beach Industrial, Poly High and Los Altos redevelopment
14 project areas (the "Projects"); and

15 WHEREAS, in furtherance of the Projects and the immediate neighborhood
16 in which the Projects are located, the Redevelopment Agency of the City of Long Beach,
17 California (the "Agency"), has recognized the need for certain public improvements,
18 which improvements will be located within the boundaries of, and adjacent to, the
19 Projects, and proposes to use redevelopment funds to finance the improvements; and

20 WHEREAS, Section 33445 of the California Community Redevelopment
21 Law (Health and Safety Code Section 33000 et seq.) requires the Agency to make
22 certain findings prior to the acquisition of land and construction of public improvements or
23 facilities thereon; and

24 WHEREAS, Section 33678 of the Community Redevelopment Law provides
25 that under certain conditions tax increment funds shall not be subject to the
26 appropriations limitation of Article XIII B of the California Constitution;

27 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
28 follows:

1 Section 1. The Agency determines that the construction of public
2 improvements, more particularly described in Exhibit "A," are of benefit to the Projects
3 and the immediate neighborhood in which the Projects are located. This finding is
4 supported by the following facts:

5 Public improvements in general facilitate the removal of blight and help
6 create a safe, more cohesive and economically dynamic community. Development of
7 library, park and recreational facilities, as well as public parking, open space
8 improvements and public art, assist in removal of blight within densely populated
9 neighborhoods currently underserved with these types of amenities. Public safety and
10 street improvements eliminate blight, improve traffic flow, increase the safety of residents,
11 promote job creation, and promote business attraction and retention.

12 The City, public and business community will significantly benefit from the
13 proposed library, park, police, fire, and other public facilities, additional open space and
14 open space improvements; public art, neighborhood, street, and alley improvements;
15 streetscape enhancements; public parking; and any other appurtenants necessary for the
16 aforementioned improvements. These public improvements will beautify public streets,
17 promote business, and improve infrastructure necessary to spur economic revitalization
18 in the project area. This will help to create a more positive and nurturing environment
19 within the Projects' neighborhoods, as well as contribute towards a feeling of community.

20 Section 2. The City Council determines that no other reasonable means
21 of financing the above-described improvements are available to the community. This
22 finding is supported by the following facts:

23 Before the passage of Proposition 13, most of the City's general operating
24 and capital improvements were funded through property taxes. However, the initiative
25 placed severe constraints on the City's ability to use property tax revenues to offset
26 increases in operating and capital costs. It has also been difficult for the City, by itself, to
27 provide sufficient funds to support the construction of major public improvements. The
28 limited resources of the City's General Fund are committed to previously incurred

1 obligations and planned projects.

2 Section 3. The City Council further determines that the payment of funds
3 for the construction of the public improvements will assist in the elimination of one or
4 more blighting conditions within the Projects, and is consistent with the implementation
5 plans adopted pursuant to Health and Safety Code Section 33490.

6 Section 4. This resolution shall take effect immediately upon its adoption
7 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

8 I hereby certify that the foregoing resolution was adopted by the City
9 Council of the City of Long Beach at its meeting of _____, 2011 by the
10 following vote:

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Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

EXHIBIT "A"

DESCRIPTION OF THE PUBLIC IMPROVEMENTS

The following public improvements are proposed to be located or constructed wholly within, or immediately adjacent to, the North, Central, Downtown, West Long Beach Industrial, Poly High and Los Altos Redevelopment Project Areas:

- Library Facilities
- Park Facilities
- Police Facilities
- Fire Facilities
- Public Safety Improvements
- Public Facilities
- Open Space
- Open Space Improvements
- Public Art
- Neighborhood Improvements
- Street Improvements
- Alley Improvements
- Streetscape Enhancements
- Public Parking