

# CITY OF LONG BEACH

# R-1

DEPARTMENT OF DEVELOPMENT SERVICES

333 West Ocean Blvd., 3<sup>rd</sup> Floor Long Beach, CA 90802 Phone: 570.6615 Fax: 570.6215

January 18, 2011

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Amend existing agreement with the Redevelopment Agency of the City of Long Beach for the payment of debt service at CityPlace Parking Structures (A, B, and C) with funds from the Downtown Redevelopment Project Area through Fiscal Year 2017. (District 1)

## DISCUSSION

On September 12, 2000, the City of Long Beach (City) and the Redevelopment Agency (Agency) entered into an Owner Participation Agreement with Coventry Long Beach Plaza, LLC, later known as Developers Diversified Realty (DDR), for the acquisition and development of the former Long Beach Plaza site, an enclosed shopping mall that included a multi-level parking structure. As part of the CityPlace development, the Long Beach Plaza parking structure was redesigned and subdivided into three separate structures, commonly known as CityPlace A, B, and C. The improvements were funded through the 2001 Long Beach Plaza Parking Revenue bonds (2001 Bonds). The City is responsible for annual debt service on the garage, which is approximately \$830,000 annually through FY 2027.

To assist the City's budget, the Agency made certain findings and contributed towards the debt service on the 2001 Bonds in FY 09, FY 10, and FY 11. Given the current budget environment, and the desire of the Agency to continue to support convenient, affordable parking in the Downtown Redevelopment Project Area, staff recommends that the City and Agency amend the existing Reimbursement Agreement for the remaining seven-year term of the Downtown Redevelopment Project Area.

Because the Agency is reimbursing the City for public improvements, California Redevelopment Law provides that a redevelopment agency may, with the consent of the City Council, pay for public improvements provided that certain findings are made. The City Council adopted the necessary Findings of Benefit on June 9, 2009.

The Redevelopment Agency Board will review this item at a special meeting scheduled for 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 facilitate processing of required documents.

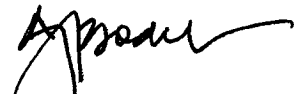
FISCAL IMPACT

Annual debt service payments for FY 12 (\$828,625), FY 13 (\$825,819), FY 14 (\$826,131), FY 15 (\$825,394), FY 16 (\$823,606) and FY 17 (\$825,638) are a cumulative total of \$4,955,213. Funding for the debt service would be made through the Redevelopment Fund (RD) in the Department of Development Services (DV). This action will save the City a corresponding amount in the General Fund (GP).

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



AMY J. BODEK  
DIRECTOR OF DEVELOPMENT SERVICES

AJB:ajb:  
R:\JERRY BROWN\MCC 1.18.11\CC. CityPlace 01.18.11.doc

APPROVED:



PATRICK H. WEST  
CITY MANAGER