

CITY OF LONG BEACH **R-23**

DEPARTMENT OF DEVELOPMENT SERVICES

333 West Ocean Blvd., 3rd Floor Long Beach, CA 90802 Phone: 562.570.5237 Fax: 562.570.6215

May 17, 2011

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute a First Amendment to the Agreement to Negotiate Exclusively with City Ventures, LLC, for the development of the 3rd Street and Pacific Avenue project. (District 1)

DISCUSSION

Redevelopment Agency (Agency) staff has been in negotiations with City Ventures, LLC (Developer), for the development of the property located in the block bounded by Pacific Avenue, 3rd Street, 4th Street, and Solana Court (Exhibit A – Site Map).

An Agreement to Negotiate Exclusively (Agreement) with the Developer was executed on April 13, 2010, and was subsequently assigned to the City Council on March 8, 2011. The Developer proposes to build a mixed-used project with approximately 65 residential units on the Site. To date, the Developer has completed due diligence, completed Conceptual Design Review through the Planning Bureau (Planning), submitted to and received recommendations from the Arts Council for Long Beach, and submitted pro formas to reflect various financing scenarios.

The Developer has met with Agency and Planning staff to review the feedback from the Conceptual Design Review process and has been incorporating staff's comments in refining the plans to ensure that they are in conformance with the goals and objectives of the proposed Downtown Plan.

As all parties wish to continue the negotiations necessary to enter into a Disposition and Development Agreement (DDA), staff recommends the Agreement be amended (First Amendment) as follows: (1) the First Amendment will be between the City, Agency and Developer; (2) that Section 2 of the Agreement be amended to extend the term to October 13, 2011, with the ability to extend for two additional 90-day periods at the discretion of the Agency's Executive Director. During this period of time, the Developer and staff propose to finalize business points, conclude negotiations and bring forward a DDA for Agency Board consideration and recommendation to the City Council.

On March 14, 2011, the Agency Board approved a recommendation to authorize the execution of a First Amendment to the Agreement (Exhibit B – Redevelopment Agency Board Staff Report).

This letter was reviewed by Chief Assistant City Attorney Heather Mahood on April 19, 2011 and by Budget Management Officer Victoria Bell on April 28, 2011.

TIMING CONSIDERATIONS

City Council action is requested on May 17, 2011, to expedite implementation of the proposed Agreement.

FISCAL IMPACT

There is no impact to the General Fund associated with this action. Any third-party costs will be paid from the good faith deposit provided by the developer pursuant to the original agreement. This action will have no affect on local jobs.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



AMY J. BODEK, AICP
DIRECTOR OF DEVELOPMENT SERVICES

AJB:RMZ:CSM:BC

Attachments: Exhibit A – Site Map
Exhibit B – Redevelopment Agency Board Staff Report

APPROVED:



PATRICK H. WEST
CITY MANAGER



EXHIBIT A - SITE MAP



Disclaimer

DISCLAIMER OF DATA ACCURACY: The services provided on this web site are intended for informational purposes only and the GIS data used is compiled from various sources and is subject to constant change. While reasonable effort has been made to ensure the accuracy of the data, the information provided herein may be inaccurate or out of date.



Building A Better Long Beach

March 14, 2011

REDEVELOPMENT AGENCY BOARD MEMBERS

City of Long Beach
California

RECOMMENDATION:

Recommend that the City Council approve and authorize the Executive Director, and/or the City Manager as appropriate, to execute a First Amendment to the Agreement to Negotiate Exclusively with City Ventures, LLC, for the development of the 3rd Street and Pacific Avenue project. (Downtown – District 1)

DISCUSSION

On April 5, 2010, the Redevelopment Agency (Agency) authorized the Executive Director to enter into an Agreement to Negotiate Exclusively (Agreement) with City Ventures, LLC (Developer) to negotiate the development of the property located in the half-block bounded by Pacific Avenue, 3rd Street, 4th Street, and Solana Court (Site) (Exhibit A – Site Map).

The Agreement was executed on April 10, 2010, and will expire on April 10, 2011. The Agency and Developer continue to work diligently to finalize an economically feasible development for the Site. The Site contains approximately 1.2 acres of land and is currently being used for parking.

The Developer wishes to continue negotiations, and staff recommends that Section 2, Negotiation Period, be amended to extend the negotiation period for an additional six months. This will give the Agency and Developer the opportunity to continue to work exclusively to determine whether the project is financially feasible and meets the needs of the community. Working with Agency and Planning staff, the Developer continues to refine the project site plan to ensure that the project meets the goals of the proposed Community Plan.

During the extended negotiation period, the Developer and Agency staff will work with the Planning Bureau to complete a design, and draft California Environmental Quality Act (CEQA) documents for circulation. In addition, the Agency will continue to perform due diligence on project financials, finalize a land price given all conditions and restrictions, and finalize the terms of a Disposition and Development Agreement.

REDEVELOPMENT AGENCY BOARD MEMBERS

March 14, 2011

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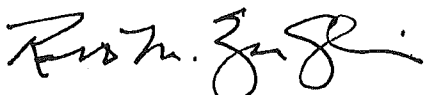
If approved, the Agreement will run for an additional term of six months, with the ability to extend the term for two additional three-month periods at the discretion of the Executive Director.

As the Agreement was assigned to the City Council on March 8, 2011, it may be appropriate to have the City manager sign the Amendment as well; however, RDA staff will continue to work on the negotiations with Developer.

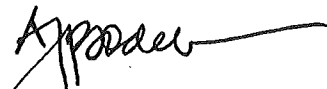
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



ROBERT M. ZUR SCHMIEDE, AICP
ASSISTANT EXECUTIVE DIRECTOR



AMY J. BODEK, AICP
EXECUTIVE DIRECTOR

Attachment: Exhibit A – Site Map

AJB:RZS:CSM:BEC



EXHIBIT A - SITE MAP



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