

**CITY OF LONG BEACH**

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

March 1, 2005

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**RECOMMENDATION:**

Approve the expenditure of Redevelopment Agency bond proceeds in the amount of \$34,917,000 and increase appropriations in the Redevelopment Fund (RD) in the Department of Community Development (CD) by \$18,997,000. (Districts 1, 6, 7, 8 and 9)

**DISCUSSION**

On January 18, 2005, the City Council adopted a resolution authorizing the issuance of Revenue Bonds in the amount of \$199,982,000 (Exhibit A). Additionally, the City Council approved a motion requiring that expenditures of bond proceeds for specific projects be brought to the City Council for approval.

While an extensive list of projects has not yet been prepared, there is a short list of active projects that could proceed as soon as bond proceeds are made available (Exhibit B). Outlined below are the projects already underway that were expected to be funded with proceeds from the 2005 Revenue Bonds. A map showing the locations of the active projects is attached as Exhibit C.

**Active Redevelopment Agency Projects****Central Long Beach Redevelopment Project Area****Menorah Housing (\$4,500,000):**

The Redevelopment Agency Board and City Council authorized the execution of a Disposition and Development Agreement (DDA) with Menorah Housing Foundation to develop affordable senior housing in 2004. Offers to purchase various properties have been mailed and staff anticipates opening escrows beginning in February 2005.

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Atlantic Avenue and Anaheim Street (\$1,400,000):

The Redevelopment Agency Board has approved the acquisition of properties at 1235 Lime Avenue and 622-638 East Anaheim Street for use as a future retail center. On January 17, 2005, escrow was opened to purchase the subject properties.

Atlantic Avenue and Willow Street (\$1,200,000):

Redevelopment staff is in negotiations to acquire property at 536-42 East Willow Avenue, which the property owner has agreed to sell at the appraised value. The site is adjacent to the Menorah housing site and Fellowship Park and south of the Memorial Hospital Expansion. Redevelopment of the property will continue recent public and private development efforts in the surrounding area.

West Gateway Sites 9 & 10 (\$9,800,000):

The Olson Company was selected to develop Site 9 in the Central Long Beach Redevelopment Project Area with a proposal for 172 for-sale residential units. Lennar was selected to develop Site 10 with 184 for-sale residential units. Offer letters to acquire the properties have been sent to all property owners and bond proceeds are needed to complete land acquisition and relocate tenants.

Alamitos Avenue and 15<sup>th</sup> Street (\$500,000):

On February 3, 2005, the Central Long Beach Project Area Committee (PAC) recommended the Redevelopment Agency acquire properties at 1519 Orange Avenue and 1195 East 15th Street for future open space development. The properties are currently vacant and listed for sale.

### **North Long Beach Redevelopment Project Area**

Redevelopment of several sites in the North Long Beach Redevelopment Project Area has been a high priority for the North Long Beach PAC as well as the Seventh, Eighth and Ninth Council Districts for several years. Unfortunately, limited funding and competing priorities constrained the ability to move forward with many desired projects. The 2005 Revenue Bonds will provide the necessary funds to move forward with several key projects.

Atlantic Avenue and Artesia Boulevard (\$3,000,000):

Owner Participation (OP) letters for this site were mailed on January 21, 2005, seeking proposals for redeveloping this prominent retail center. Assuming the OP letters do not result in desirable development proposals, the next step will be to acquire the site and

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then issue a Request for Proposal (RFP). Previous experience has demonstrated that the Redevelopment Agency receives a higher number of quality proposals when the Agency has already acquired and cleared a site and is in a position to move a project forward more quickly. Bond proceeds will be required to acquire the site.

Waite Motel Block (\$1,500,000):

OP letters for this site were mailed on January 28, 2005, seeking proposals for developing this prominent retail center. Bond proceeds will be required to acquire the site.

North Village/Historic Core Parking (\$3,000,000):

The Agency has authorized the acquisition of several sites in the Village Center for the purpose of adding public parking for this important business corridor. Bond proceeds will be required to complete the acquisition process.

Expansion of Admiral Kidd Park (\$6,000,000):

The Redevelopment Agency's acquisition consultant is in active negotiations to acquire an obsolete industrial building on Santa Fe Avenue adjacent to Admiral Kidd Park. The building has become a nuisance to the surrounding area and has required an increased police presence. With the new development of Cabrillo High School to the immediate west and the new Job Corp facility to the immediate south, industrial use in this area is no longer appropriate. Acquisition of this property would resolve the now incompatible land uses and allow for expansion of Admiral Kidd Park. Bond proceeds will be required to acquire the site.

**West Long Beach Industrial Redevelopment Project Area**

Loan Repayment from Los Altos Redevelopment Project Area (\$4,017,000):

In 1995, the Los Altos Redevelopment Project Area received a loan of \$12.7 million from the West Long Beach Industrial (WLBI) Redevelopment Project Area. The current loan balance is approximately \$8.7 million. On January 18, 2005, when the City Council authorized the issuance of the Revenue Bonds, the Council also authorized an increase in appropriations in the Los Altos Redevelopment Project Area in the amount of \$4,017,000 to repay a portion of debt to the WLBI Redevelopment Project Area. With a corresponding increase in appropriations for the WLBI Redevelopment Project Area, the loan repayment could be used to provide pump station/storm drain improvements as well as acquisition of non-conforming residential and motel properties in the WLBI Redevelopment Project Area (consistent with the Fiscal Year 2005 (FY 05) Adopted Budget).

### **Project Area Committee Review**

On January 27, 2005, the North Long Beach PAC reviewed their project priorities and made a recommendation on how the \$60,000,000 in new North Long Beach bond proceeds should be allocated. The North Long Beach projects listed above are consistent with the PAC's priorities.

The Central Long Beach projects listed above were presented to the Central Long Beach PAC at its meeting on February 3, 2005, and the projects were recommended for approval.

The West Long Beach Industrial projects listed above were presented to the West PAC at its meeting on February 10, 2005, and the projects are consistent with the Westside Industrial Strategy Action Plan.

This letter was reviewed by Assistant City Attorney Heather Mahood on February 14, 2005, and by Budget Management Officer David Wodynski on February 16, 2005.

### **TIMING CONSIDERATIONS**

City Council action is requested on March 1, 2005, to allow the projects to move forward in an expeditious manner.

### **FISCAL IMPACT**

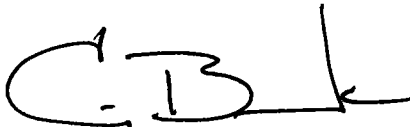
The projects outlined above total \$34,917,000. Of this amount, \$15,920,000 is budgeted in FY 05 in the Redevelopment Fund (RD) in the Department of Community Development (CD). The remaining \$18,997,000 is currently unbudgeted; therefore, an appropriation increase is included in the recommendation. Exhibit B provides a breakdown of the existing and additional funding required by project. The funding source is bond proceeds, and there will be no impact on the General Fund.

### **SUGGESTED ACTION:**

Approve recommendation.

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Respectfully submitted,



*MSF* MELANIE S. FALLON  
DIRECTOR OF COMMUNITY DEVELOPMENT

APPROVED:



GERALD R. MILLER  
CITY MANAGER

MSF:LAM:lm

Attachment: Exhibit A – City Council Resolution  
Exhibit B – List of Active Projects Requiring Bond Proceeds  
Exhibit C – Map of Active Project Locations