



# CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

# H-2

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

June 15, 2004

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**SUBJECT:** Public Hearing to Consider a Disposition and Development Agreement with Parker Diving Service, Inc. for the Sale of Property at 1651-1657 Seabright Avenue and 1921 West 16<sup>th</sup> Street – West Long Beach Industrial Redevelopment Project Area (District 1)

## DISCUSSION

On May 10, 2004, the Redevelopment Agency ("Agency") approved a Disposition and Development Agreement ("DDA") between the Agency and Parker Diving Service, Inc. ("Developer") for the development of 1651-1657 Seabright Avenue and 1921 West 16<sup>th</sup> Street ("Site"). The Site is located in the West Long Beach Industrial Redevelopment Project Area.

Parker Diving Service, Inc. is the oldest continually operating diving company in California. It has been servicing the Ports of Long Beach and Los Angeles since 1945, and it currently holds the General Diving Services contract for the Port of Long Beach. It has office and warehouse space in San Pedro and wants to build a 4,260-square foot warehouse, plus a 1,073-square foot office, to store diving equipment and use in conjunction with its contract with the Port of Long Beach. This use is in accordance with the standards referenced in the West Long Beach Industrial Redevelopment Plan ("Redevelopment Plan"). The addition will create three new jobs in the Project Area while generating minimal traffic.

Under the terms of the Agreement, the Developer will pay the Agency \$148,498 for the 11,184-square foot site. This includes 7,705 square feet put under contract with the Developer early in 2003 for \$12.50 per square foot and an adjacent 3,479 square feet put under contract with the Developer later in 2003 for \$15.00 per square foot. This sale price represents the fair market value of the land based on its highest and best use under the Redevelopment Plan at the time of the Developer's proposals to the Agency. The West Long Beach Industrial Project Area Committee (PAC) voted to support the Developer's proposed development at its regular meetings on May 12, 2003, and September 10, 2003.

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Since the Site was purchased by the Agency with tax increment monies, California Redevelopment Law requires that this sale must be approved by the City Council by Resolution after a public hearing.

The City's Environmental Planning Officer has determined that the project contemplated by the Agreement qualifies for a Categorical Exemption under the California Environmental Quality Act.

The following documents are attached to this staff report: a Site Map (Exhibit A), the Categorical Exemption (Exhibit B), a Summary of the DDA (as required by Section 33433 of the California Redevelopment Law – Exhibit C), and a City Council Resolution which makes certain findings and authorizes execution of the DDA.

This item was reviewed by Assistant City Attorney Heather A. Mahood on June 4, 2004, and Budget Manager Michael A. Killebrew on June 3, 2004.

#### TIMING CONSIDERATIONS

City Council action is requested on June 15, 2004, as the Agency and Developer wish to proceed with an escrow closing before the end of this fiscal year.

#### FISCAL IMPACT

The proceeds of \$148,498 from the proposed sale will be deposited into the Redevelopment Fund (RD) in the Department of Community Development (CD).

#### IT IS RECOMMENDED THAT THE CITY COUNCIL:

- 1) Receive supporting documentation into the record and conclude the Public Hearing;
- 2) Approve a Disposition and Development Agreement with Parker Diving Service, Inc.; and
- 3) Adopt the attached Resolution making certain findings and approve and authorize the Executive Director to execute any and all documents necessary to implement the DDA.


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Respectfully submitted,



for MELANIE S. FALLON  
DIRECTOR OF COMMUNITY DEVELOPMENT

APPROVED:

  
GERALD R. MILLER  
CITY MANAGER

MSF:JVK

Attachments: Exhibit A – Site Map  
Exhibit B – Categorical Exemption  
Exhibit C – Section 33433 Summary Report  
City Council Resolution