



Building A Better Long Beach

March 2, 2009

REDEVELOPMENT AGENCY BOARD MEMBERS
City of Long Beach
California

RECOMMENDATION:

Authorize the Executive Director to grant Loft Developments, Inc. \$41,250 for the preservation of exterior historic architectural elements on the Insurance Exchange Building. (Downtown – District 2)

DISCUSSION

On March 18, 2003, the Redevelopment Agency (Agency) authorized an Owner Participation Agreement (OPA) with Loft Developments, Inc. (Developer) for the rehabilitation and conversion of the historic Insurance Exchange building on the east side of The Promenade at Broadway. The provisions of the OPA called for the Developer to undertake the historic rehabilitation and adaptive reuse of the Insurance Exchange Building as 11 loft condominiums and ground floor and subterranean retail. In return, the Agency would provide the code-required parking for the residential units (a total of 20 parking spaces) at the then-proposed Hotel Esterel site or another nearby location for a one-time licensing fee and monthly maintenance fees. The Developer also made a contribution of \$41,240 to the Public Corporation for the Arts (now known as the Arts Council for Long Beach) under the Percent for Public Art Program. Based on the value of the development under the parameters of the Program, the Developer's entire contribution went to the Arts Council for Long Beach and was not used on-site.

On February 24, 2003, the City Council approved a retroactive loan agreement with the Developer to encourage historic preservation. Among the elements to be preserved and renovated were the terra cotta cladding and polychrome terra cotta ornamentation. The ornamentation on the Insurance Exchange has long attracted attention and was featured in numerous periodicals in the 1920s following the building's construction. Renovation of the building's exterior cladding and ornamentation has enhanced the visual appeal of Downtown's streetscape (Exhibit A). Due to various provisions of that agreement, the loan has not been made. In lieu of the loan agreement and in recognition of the successful renovation of the Insurance Exchange Building and preservation of the terra cotta cladding and polychrome terra cotta ornamentation, it is recommended that Loft Developments, Inc. be granted \$41,250 in support of the substantial commitment and investment made by the Developer. This amount

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approximates the amount contributed to the Percent for Public Art Program and essentially compensates the Developer for those funds which otherwise would have been invested in the historic preservation aspect of the project.

SUGGESTED ACTION:

Adopt recommendation.

Respectfully submitted,



CRAIG BECK
EXECUTIVE DIRECTOR

Exhibit A – Site Photos

CB:AJB:LAF

Exhibit A-1
Insurance Exchange Building Before Renovation



**Exhibit A-2
Insurance Exchange Building After Renovation**



Exhibit A-3
Insurance Exchange Building After Renovation: Detail

