



Building A Better Long Beach

August 17, 2009

REDEVELOPMENT AGENCY BOARD MEMBERS

City of Long Beach
California

RECOMMENDATION:

Approve and authorize the Executive Director to execute a First Amendment to the Loan Agreement with Shoreline Gateway, LLC for the development of the Shoreline Gateway Project. (Central – District 2)

DISCUSSION

On November 5, 2007, the Redevelopment Agency (Agency) entered into an Owner Participation Agreement (OPA) with Shoreline Gateway, LLC (Developer) for the development of the Shoreline Gateway Project (Project) at the corner of Ocean Boulevard and Alamitos Avenue. The project as proposed is a two-phased project that includes a 35-story mixed-use development in the first phase and a second mixed-use residential development in the subsequent phase (Exhibit A – Project Rendering).

As part of the OPA, the Agency guaranteed a third-party loan secured by the Developer to fund costs associated with predevelopment. To ensure the funds were only used to support predevelopment, the loan agreement includes a provision setting forth the definition of approved predevelopment costs. Additionally, a specific line-item budget was approved and incorporated into the loan agreement.

Due to recent changes in the development of the Project, the Developer has requested an amendment to the loan agreement that will allow for a broader definition of the approved predevelopment costs, such as utilizing funds to support the restructuring of equity, while continuing the development of construction drawings for the project. Additionally, the amendment will allow the Developer to use the loan proceeds for costs that were not originally contemplated at the time the loan agreement was executed.

Staff proposes to amend the current loan agreement to provide the Executive Director the discretion to approve loan disbursements to fund additional expenditures necessary to support the further development of the project.

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SUGGESTED ACTION:

Adopt recommendation.

Respectfully submitted,



for CRAIG BECK
EXECUTIVE DIRECTOR

CB:AJB:DSW

Attachment: Exhibit A – Project Rendering

Exhibit A

