



Building A Better Long Beach

Item 1

July 7, 2008

REDEVELOPMENT AGENCY BOARD MEMBERS

City of Long Beach
California

RECOMMENDATION:

Approve and authorize the Executive Director to execute a Purchase and Sale Agreement and all other related documents for the acquisition of property at 5738-40 Atlantic Avenue for \$1,980,000 plus closing costs, and increase appropriations for the North Long Beach Redevelopment Project Area (RD 230). (North – District 8)

DISCUSSION

The two-block area along Atlantic Avenue between 56th Street and 59th Street has been identified in the North Long Beach Strategic Guide for Redevelopment for potential new development related to the creation of a strong Village Center in North Long Beach. The property located at 5738-40 Atlantic Avenue (Property) (Exhibit A – Site Map) is within this area.

The Property has approximately 12,812 square feet of land improved with a gas station, with a building area of 1,624 square feet (Exhibit B – Site Photograph). An independent appraisal was conducted and the fair market value was determined to be \$1,800,000, with a date of value of July 17, 2007. The tenant will be relocated according to state relocation law.

The site has known contaminants. Redevelopment Agency (Agency) staff has negotiated an environmental investigation period to allow time to further assess the amount of time and resources required to clean the site prior to the close of escrow. The seller has agreed to clean the site to the satisfaction of regulatory agencies. The purchase and sale agreement dictates a timeline for the seller to clean the site and provides assurances that the site will be ready for new development within two years from close of escrow.

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Since the Property can be purchased for fair market value without the use of eminent domain, and its purchase is consistent with the future development of the Atlantic Avenue corridor as outlined in the Strategic Guide, Agency staff is recommending acquisition. The long-term re-use of the Property is for future commercial development.

The acquisition of the Property was presented to the North Long Beach Project Area Committee (NPAC) at its June 26, 2008 meeting. The NPAC approved a recommendation to acquire the Property. The funds to acquire this Property are available; an appropriation increase to the North Long Beach Redevelopment Project Area FY 2008 budget that is equal to the purchase price and closing costs is requested.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CRAIG BECK
EXECUTIVE DIRECTOR

CB:AJB:aes

Attachments: Exhibit A – Site Map
Exhibit B – Site Photograph

EXHIBIT B

