



CITY OF LONG BEACH

R-19

DEPARTMENT OF ECONOMIC AND PROPERTY DEVELOPMENT

333 West Ocean Boulevard 3rd Floor

• Long Beach, CA 90802

• (562) 570-6099

• Fax (562) 570-6380

August 16, 2016

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Declare the City-owned property located at 550-572 East Vernon Street and 2515-2545 Atlantic Avenue, Assessor Parcel Numbers 7208-006-908, -912, -913, -914, -915, -916, -917, -919 and -920 (Subject Property) as surplus, authorize the City Manager, or designee, to execute any and all documents necessary, including a Purchase and Sale Agreement, with DIDM Development Corporation, a California corporation, or affiliate (Buyer), for the sale of the Subject Property in the amount of \$700,000, and accept Categorical Exemption CE 16-192. (District 6)

DISCUSSION

The City of Long Beach currently owns the Subject Property, which is a 36,780-square-foot unimproved lot (Exhibit A). Formerly owned by the Redevelopment Agency of the City of Long Beach (Agency), the Subject Property was included in the Successor Agency's Long Range Property Management Plan (LRPMP), which was approved by the State of California Department of Finance (DOF) on March 10, 2015 and amended on June 24, 2015. The Subject Property has been categorized with a permissible use of "Future Development" allowing for the disposition of the Subject Property for development consistent with the vision and intent of the Central Long Beach Redevelopment Project Area and its guiding documents. As further required in the LRPMP, the Subject Property has been conveyed to the City and is now a City-owned asset. A portion of the property was acquired through funds from the sale of tax-exempt bonds. A portion of these bonds may need to be redeemed upon conveyance of the property.

At the time of the Agency's dissolution, the Agency was in pre-existing and near-final discussions with the Buyer for the purchase and development of the Subject Property. The Buyer has expressed an interest in proceeding with the purchase of the Subject Property from the City for \$700,000, which is based on an appraisal prepared during pre-existing negotiations. The Subject Property development concept will include a senior housing development with an affordability component.

In compliance with Government Code Section 54220 (Chapter 621, Statutes of 1968), on June 1 and December 8, 2015, staff notified the State of California (State) that the Successor Agency was declaring all Future Development and Sale of Property parcels as surplus.

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Further, in accordance with past practice, a memorandum was circulated to all City Departments to determine their interest in, or objection to, declaring any parcel surplus. To date, neither the State nor any City Department has expressed an interest in, or objection to, the sale of the Subject Property. A Categorical Exemption, CE 16-192, was completed related to the proposed transaction on July 27, 2016 (Exhibit B).

This matter was reviewed by Deputy City Attorney Richard F. Anthony on July 27, 2016 and by Revenue Management Officer Julissa José-Murray on August 1, 2016.

TIMING CONSIDERATIONS

City Council consideration of this transaction is requested on August 16, 2016, to ensure that entitlement on the Subject Property can occur in a timely manner.

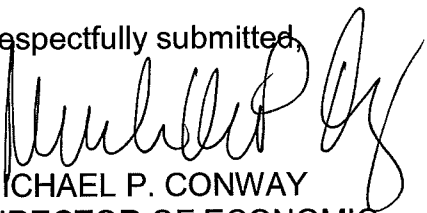
FISCAL IMPACT

Sale proceeds of \$700,000, less escrow and closing fees and recovery of administrative costs, will be remitted to the Los Angeles County Auditor-Controller for distribution to the affected taxing agencies. If required under the terms of tax-exempt bonds issued for the acquisition of a portion of the Subject Property, proceeds will first be used to redeem the bonds. If repayment of bonds is not required, the net proceeds available for remittance is estimated to be \$588,000. The County will distribute the net proceeds to the affected taxing agencies based on their share of the 1 percent tax rate. The City's share is approximately 21 percent of the net sale proceeds. Consistent with City Council policy direction, 75 percent of the City's proceeds shall be retained for non-recurring economic programs in the former Central Project Area, and 25 percent shall be retained for non-recurring economic programs with a Citywide impact.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,


MICHAEL P. CONWAY
DIRECTOR OF ECONOMIC
AND PROPERTY DEVELOPMENT

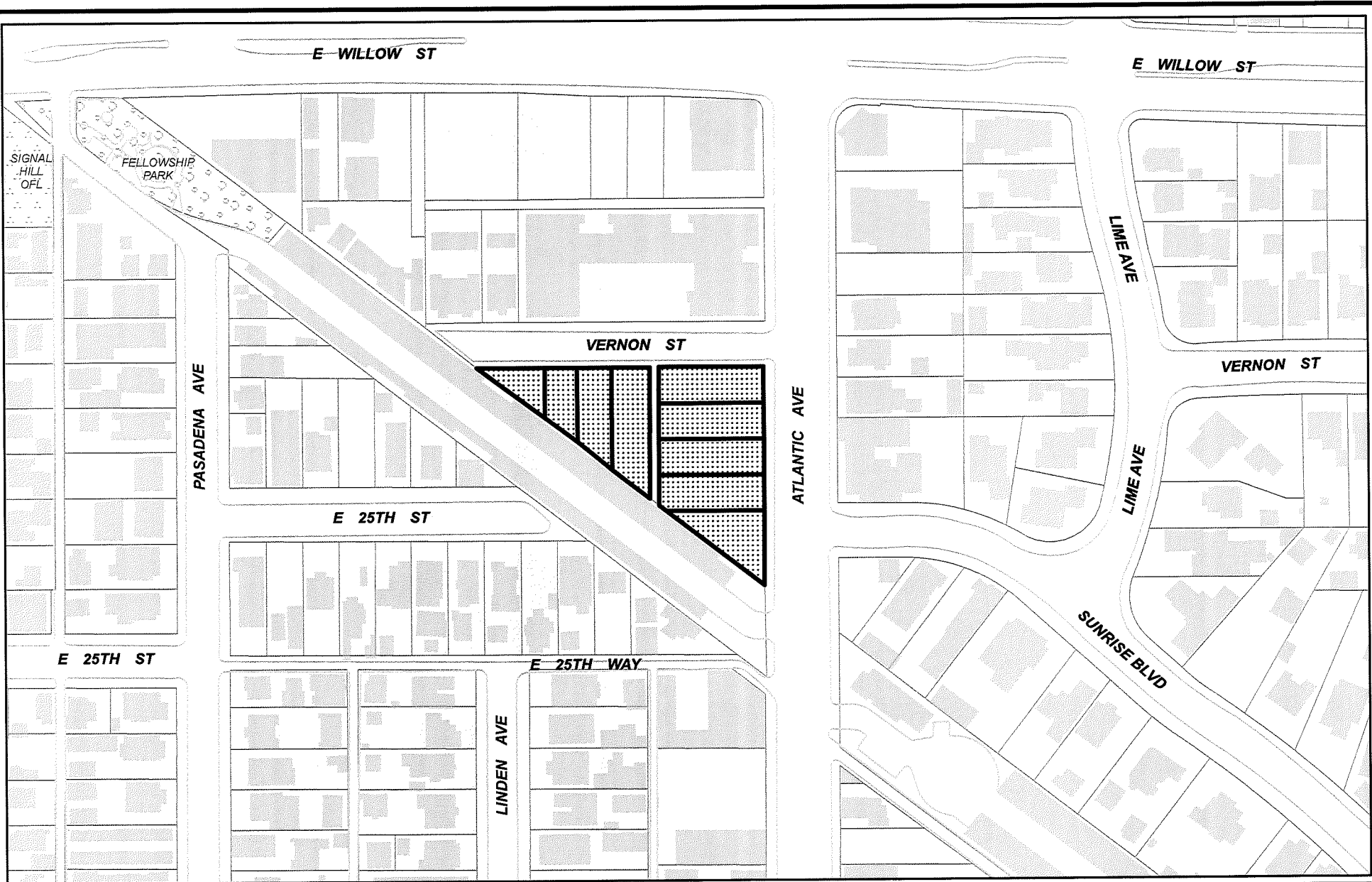

AMY J. BODEK, AICP
DIRECTOR OF DEVELOPMENT SERVICES

MPC: MFT

Attachments: Exhibit A – Subject Property Map
Exhibit B – Categorical Exemption CE 16-192

APPROVED:


PATRICK H. WEST
CITY MANAGER



Subject Property:
 550-572 E Vernon St &
 2515-2545 Atlantic Ave
 AIN: 7208-006-908,
 -912 through -917, -919 & -920
 Council District : 6

Exhibit A

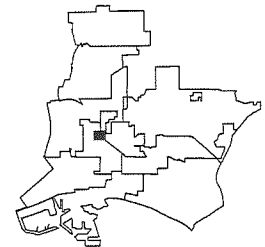
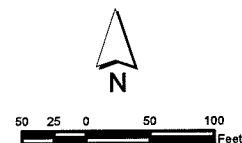




EXHIBIT B
NOTICE of EXEMPTION from CEQA

DEPARTMENT OF DEVELOPMENT SERVICES
333 W. OCEAN BLVD., 5TH FLOOR, LONG BEACH, CA 90802
(562) 570-6194 FAX: (562) 570-6068
lbds.longbeach.gov

TO: ☐ Office of Planning & Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

FROM: Department of Development Services
333 W. Ocean Blvd, 5th Floor
Long Beach, CA 90802

☒ L.A. County Clerk
Environmental Fillings
12400 E. Imperial Hwy., Room 1201
Norwalk, CA 90650

Project Title: CE- 16-192

Project Location/Address: 550-572 East Vernon Street and 2515-2545 Atlantic Avenue, Assessor
Parcel Numbers 7208-006-908, -912, -913, -914, -915, -916, -917, -919 and -920

Project Activity/Description: Transfer of approximately 36,780 square feet of surplus property owned by the
City of Long Beach, located at 550-572 East Vernon Street and 2515-2545 Atlantic Avenue, Assessor
Parcel Numbers 7208-006-908, -912, -913, -914, -915, -916, -917, -919 and -920

Public Agency Approving Project: **City of Long Beach, Los Angeles County, California**

Applicant Name: The City of Long Beach

Mailing Address: 333 West Ocean Blvd., 3rd Floor, Long Beach, CA 90802

Phone Number: 562-570-6846 Applicant Signature: Maryfrancine

BELOW THIS LINE FOR STAFF USE ONLY

Application Number: CE 16-192 Planner's Initials: CK

Required Permits: None, sale and transfer agreement

THE ABOVE PROJECT HAS BEEN FOUND TO BE EXEMPT FROM CEQA IN ACCORDANCE WITH
STATE GUIDELINES SECTION 15312 (Surplus Property Sales) 15332 (Infill)

Statement of support for this finding: This matter involves the sale of former
redevelopment agency land. Any future development requires
subsequent permits and review. Additionally the site is
urbanized and qualifies for the 15332 infill exemption.

Contact Person: Christopher Koontz Contact Phone: (562)-570-6288
Signature: Christopher Koontz Date: 7/27/16