

LONG BEACH REDEVELOPMENT AGENCY

333 WEST OCEAN BOULEVARD, THIRD FLOOR • LONG BEACH, CA 90802 • (562) 570-6615 • FAX (562) 570-6215



July 16, 2007

REDEVELOPMENT AGENCY BOARD MEMBERS

City of Long Beach
California

RECOMMENDATION:

Receive the supporting documentation into the record, conduct and conclude the hearing and adopt the Resolution for acquiring and authorizing the condemnation of real property at 242-256 Long Beach Boulevard, APN 7281-017-009 and 320 East 3rd Street, APN 7281-017-008; including land, improvements and fixtures and equipment. (Downtown – District 2)

DISCUSSION

The primary objective of the Redevelopment Plan with respect to the Downtown Project Area is to revitalize the City's downtown by restoring this area to a center for business and commerce. General objectives of the Redevelopment Plan include diversifying land uses in the downtown to make it the principal focus of the City's cultural, employment, retail, service and visitor activities and a meaningful place in which to live and work. Since the Downtown Project Area was adopted, the public and private sector have invested more than \$1 billion. The redevelopment of Downtown has created more than 25,000 permanent jobs and annually attracts millions of shoppers, tourists, and residents.

Conditions in the Downtown Project Area before adoption of the Redevelopment Plan met statutory conditions for blight with findings of high vacancy rates, poor housing accommodations, and older, substandard, and deteriorated commercial structures. Effective redevelopment strategies ensure the thoughtful integration of new commercial and residential development, the protection and encouragement of diversity in both the community and land uses, and the creation of sophistication and vitality through cultural facilities and events.

The Redevelopment Agency (Agency) continues to implement a comprehensive program designed to make Downtown a more successful and inviting environment to shop, live and work. Implementation of this program occurs in a variety of ways, including the elimination of incompatible land uses and aged and obsolete structures, and the assembly of blighted properties for redevelopment.

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One area in which the Agency has invested significant resources in implementing the redevelopment program in Downtown is the City block bounded by Broadway on the South, 3rd Street on the North, Long Beach Boulevard on the West and Elm Avenue on the East. This block contains 3.44 acres, of which, the Agency and City own 2.26 acres, or nearly 80% of the block (Site map - Exhibit A).

CALIFORNIA ENVIRONMENTAL QUALITY ACT

Pursuant to the California Environmental Quality Act (CEQA), the acquisition of this property is categorically exempt pursuant to Public Resources Code, Division 13, Section 15301, as the acquisition activity contemplated is not intended to expand the use beyond that which currently exists. Future development on the property will be subject to further review under the California Environmental Quality Act when a definitive development is proposed.

RESOLUTIONS OF NECESSITY

The property under consideration is owned by Bank Of America, N.A. as Trustee of Trust Nos. 60-01-100-0300897 and 60-01-100-0301101 (Trustee) more particularly discussed below.

The property located at 242-256 Long Beach Boulevard and 320 East 3rd Street contains 14,000 square feet of land and is improved with a 4,600 square foot, one-story commercial building, occupied by a liquor store and formerly occupied by a furniture store, together with parking for 20 vehicles. An appraisal of the subject property was prepared by an independent appraiser, Lidgard & Associates, Inc., on March 13, 2006 and updated on January 2, 2007. The fair market value of the property and improvements as of January 2, 2007, was \$1,830,000. An offer to purchase the property at fair market value pursuant to Government Code section 7267(a), dated April 7, 2006, was submitted to the Trustee. The Trustee rejected the offer and considerable negotiations have ensued. Ultimately, the parties agreed to an acceptable purchase price and on May 21, 2007, the Agency approved the purchase price. Subsequently, however, the parties have been unable to agree on acceptable terms and conditions of a Purchase and Sale Agreement. As a result, acquisition of this property will not be possible without the Agency's use of its power of eminent domain.

A notice of the hearing on the Resolution of Necessity was mailed on June 29, 2007 by certified mail, return receipt requested, and by First Class Mail to the Trustee. Said Trustee was notified that if the Trustee wished to appear at the hearing and be heard, the Trustee must file a written request to appear with the City Clerk within fifteen (15) days from the date the notice was mailed. The Resolution of Necessity is attached as Exhibit "B".

Code of Civil Procedure Section 1245.230 requires the Resolution of Necessity be adopted after a hearing at which time the governing body of the public entity must find and determine each of the following:

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1. Whether the public interest and necessity require the proposed project;
2. Whether the proposed project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury;
3. Whether the property sought to be acquired is necessary for the proposed project; and
4. Whether the offer required by Government Code section 7267.2(a) has been made to the property owner or owners of record, or the offer has not been made because the owner(s) cannot be located with reasonable diligence.

Recommended findings of the Agency as they relate to the acquisition of property located at 242-256 Long Beach Boulevard, APN 7281-017-009 and 320 East 3rd Street, APN 7281-017-008 including land, improvements and fixtures and equipment, are as follows:

1. Public interest and necessity require the proposed project.

The Redevelopment Plan for the Downtown Long Beach Redevelopment Project Area was first adopted on June 17, 1975. The goals of the Redevelopment Plan include the elimination of incompatible land uses and aged and obsolete structures, and the assembly of blighted properties for redevelopment. Intervening and surrounding properties have either been acquired or are in escrow. The acquisition of this land will allow assembly to create contiguous land sufficient for integrated and compatible redevelopment.

2. The proposed project is planned and located in such a way as to do the greatest public good and the least private injury.

The fundamental purpose of the Redevelopment Plan is to improve the quality of life for residents and business enterprises within the Downtown Project Area. Additionally, persons who are owners of real property in the Downtown Project Area have been given a reasonable opportunity to participate in the redevelopment of the Downtown Project Area consistent with the objectives of the Redevelopment Plan. The acquisition of this property will result in the assembly of land sufficient for integrated and compatible development, resulting in the greatest public good with the least private injury.

3. The property sought to be acquired is necessary for the proposed project.

The subject property is integral to the assembly of land necessary for integrated and compatible development. Intervening and surrounding properties have either been acquired or are in escrow. This action will further the goals and objectives of the Redevelopment Plan for the Downtown Long Beach Redevelopment Project.

4. The offer of just compensation has been made to the property owners.

The subject properties were appraised by an independent appraiser, Lidgard & Associates, Inc., March 13, 2006 and updated on January 2, 2007. An offer at fair market value was submitted to the Trustee. The offer was rejected and considerable negotiations ensued. While the parties were able to agree on an acceptable purchase

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price, the parties were unable to agree on terms and conditions of sale. Due to the inability of the parties to agree on acceptable terms and conditions of sale, the property cannot be acquired except by the Agency's exercise of its power of eminent domain.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



PATRICK H. WEST
EXECUTIVE DIRECTOR

APPROVED:

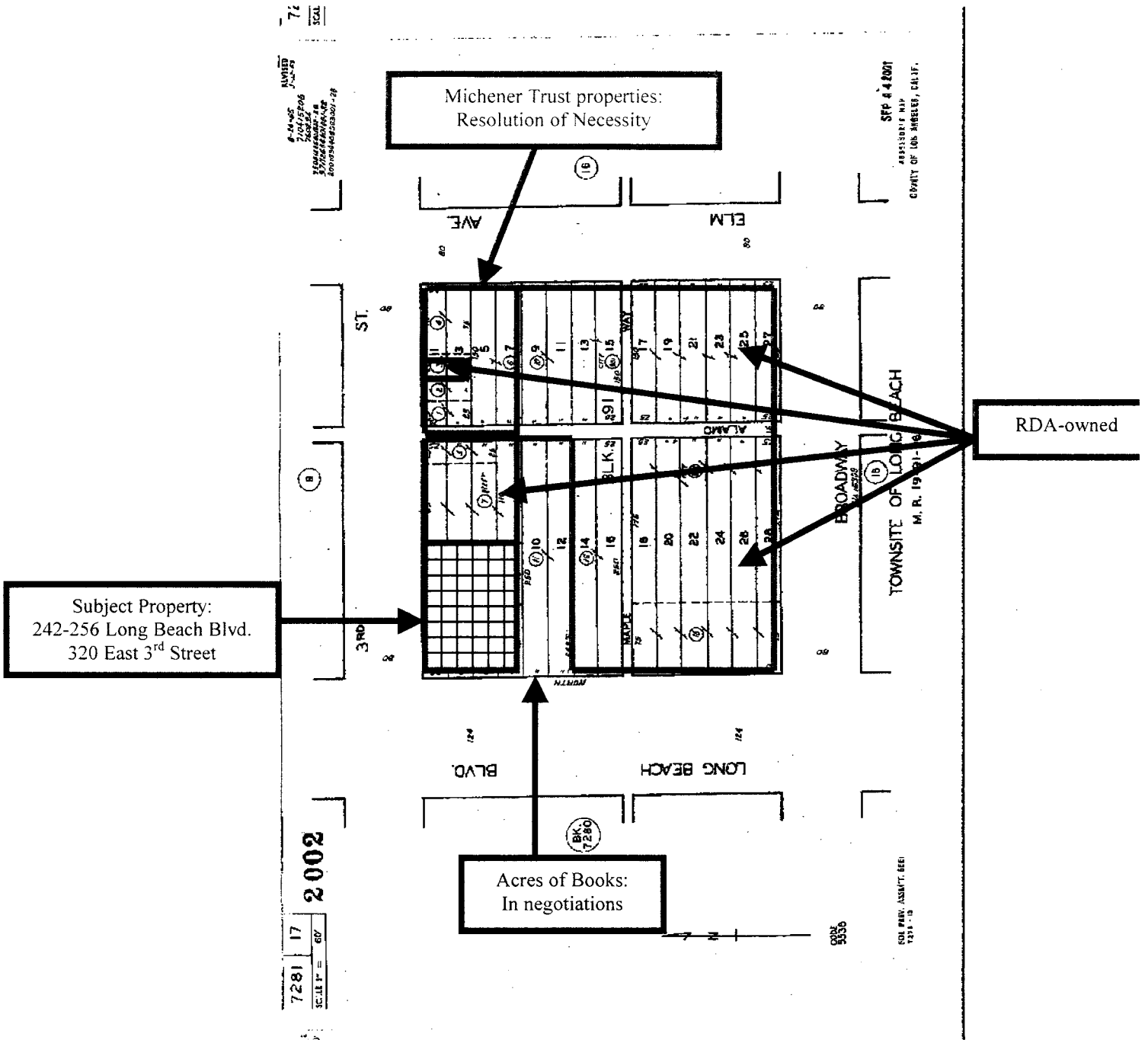


CHRISTINE F. SHIPPEY
ASSISTANT CITY MANAGER

PHW:CB:MC:tp

Attachments: Exhibit A – Site Map
Resolution

EXHIBIT A



RESOLUTION NO. R.A.

A RESOLUTION OF THE REDEVELOPMENT
AGENCY OF THE CITY OF LONG BEACH, CALIFORNIA,
FINDING AND DETERMINING THE PUBLIC INTEREST
AND NECESSITY FOR ACQUIRING AND AUTHORIZING
THE CONDEMNATION OF CERTAIN REAL PROPERTY
(242-256 LONG BEACH BOULEVARD AND 320 EAST 3RD
STREET) WITHIN THE DOWNTOWN LONG BEACH
REDEVELOPMENT PROJECT AREA

WHEREAS, the Redevelopment Agency of the City of Long Beach, California (the "Agency"), pursuant to the provisions of the Community Redevelopment Law of the State of California, Health and Safety Code Section 33000, et seq., is engaged in redevelopment activities necessary for the execution of the Redevelopment Plan ("Redevelopment Plan") for the Downtown Long Beach Redevelopment Project Area ("Redevelopment Project"); and

WHEREAS, the Agency desires to implement the Redevelopment Plan for the Redevelopment Project by acquiring and assembling certain parcels of real property, including the real property located at 242-256 Long Beach Boulevard and 320 East 3rd Street, Long Beach, California more particularly described as:

PARCEL 1

THE WEST 75 FEET OF LOTS 2, 4, 6 AND 8, IN
BLOCK 91, TOWNSITE OF LONG BEACH, IN THE
CITY OF LONG BEACH, COUNTY OF
LOS ANGELES, STATE OF CALIFORNIA, AS PER
MAP RECORDED IN BOOK 19, PAGES 91 TO 96,
OF MISCELLANEOUS RECORDS, IN THE OFFICE
OF THE LOS ANGELES COUNTY RECORDER.

PARCEL 2

THE EASTERLY 65 FEET OF THE WESTERLY 140

FEET OF LOTS 2, 4, 6, AND 8, IN BLOCK 91,
TOWNSITE OF LONG BEACH, IN THE CITY OF
LONG BEACH, COUNTY OF LOS ANGELES,
STATE OF CALIFORNIA, AS PER MAP RECORDED
IN BOOK 19, PAGES 91 TO 96, OF
MISCELLANEOUS RECORDS, IN THE OFFICE OF
THE LOS ANGELES COUNTY RECORDER.

and as shown on the site plan attached hereto as Exhibit "A", and incorporated herein by this reference ("Subject Property"); and

WHEREAS, the Agency has given written notice by first class mail at least fifteen (15) days prior to the date of this resolution to those persons whose property is to be acquired by eminent domain and whose names and addresses appear on the last equalized Los Angeles County assessment roll; and

WHEREAS, the Agency's notice to those persons sets forth the intent of the Agency to adopt a Resolution of Necessity for acquisition by eminent domain of the Subject Property, and further provides that such persons shall have a right to appear and to be heard on the matters referred to in Code of Civil Procedure Section 1240.030, and further provides that failure of such persons to file a written notice of intent to appear and to be heard within fifteen (15) days following the date of mailing of the Agency's notice shall result in a waiver of such right, and further contained all of the other matters required by Code of Civil Procedure Section 1245.235.

NOW, THEREFORE, the Redevelopment Agency of the City of Long Beach, California resolves as follows:

Section 1. The public interest and necessity requires the acquisition of the Subject Property, including the improvements thereon, for a public use, to wit, for redevelopment purposes in connection with and located in the Redevelopment Project, pursuant to the Redevelopment Plan and the California Community Redevelopment Law.

Section 2. The Agency is authorized to acquire the Subject Property, including the improvements thereon, pursuant to the California Community

Redevelopment Law, including but without limitation, Health and Safety Code Section 33391(b).

Section 3. The Redevelopment Project is planned or located in a manner that will be most compatible with the greatest public good and the least private injury.

Section 4. The Subject Property is necessary for the proposed project.

Section 5. The offer required by Government Code Section 7267.2(a), together with the accompanying statement of, and summary of the basis for, the amount established as just compensation, was made to the owner or owners of record, which offer and accompanying statement/summary were in a form and contained all of the factual disclosures provided by Government Code Section 7267.2(a).

Section 6. The Agency is hereby authorized and empowered to acquire by condemnation in its name to be used for said redevelopment purposes in accordance with the provisions of the Code of Civil Procedure, the California Community Redevelopment Law, and the Constitution of California relating to eminent domain, the fee title or interest in the Subject Property, including the improvements thereon.

Section 7. The Long Beach City Attorney's Office, as the Agency's counsel, is hereby authorized to prepare and prosecute in the name of the Agency such proceeding or proceedings in the court having jurisdiction thereof as are necessary for such acquisition; and to prepare and file such pleadings, documents, and other instruments and to make such arguments and generally to take such action as may be necessary in the opinion of said attorneys to acquire for the Agency the Subject Property, including the improvements thereon. Said attorneys are specifically authorized to take whatever steps and/or procedures are available to them under the eminent domain law of the State of California.

APPROVED AND ADOPTED by the Redevelopment Agency of the City of
Long Beach, California this _____ day of _____, 2007

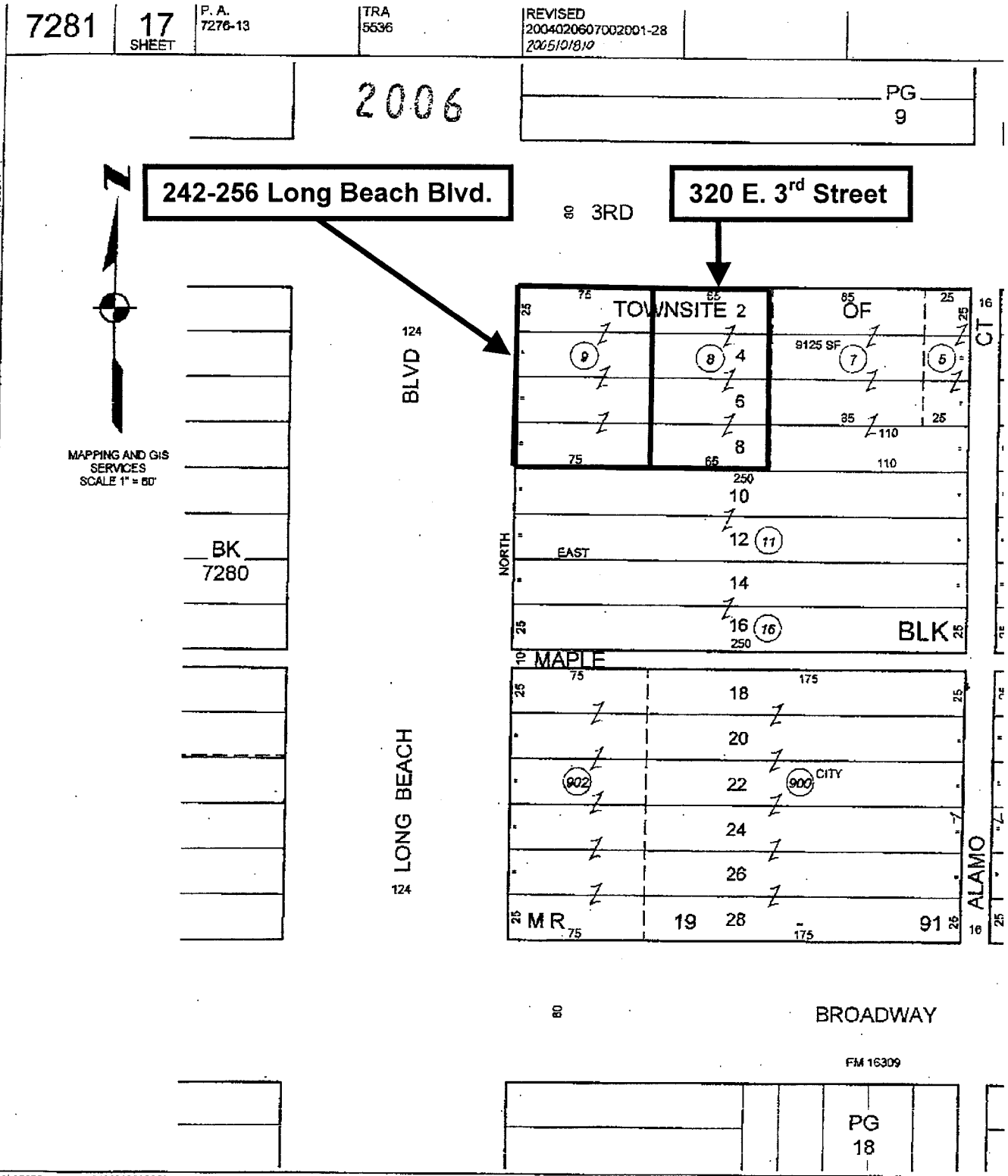
Executive Director/Secretary

APPROVED:

Chair

Exhibit A

County of Los Angeles: Rick Auerbach, Assessor



MAPPING AND GIS SERVICES
SCALE 1" = 60'

BK
7280

LONG BEACH

ALAMO