



# CITY OF LONG BEACH

C-8

DEPARTMENT OF ECONOMIC AND PROPERTY DEVELOPMENT

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August 2, 2016

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Authorize the City Manager to convey title for Block 3 and Block 4 of the J.W.A. Off Subdivision, held in the City of Long Beach's (City) name, to the Long Beach Transportation Company (LB Transit). (Districts 4, 6)

## DISCUSSION

In 1960, City Council was engaged in an effort to acquire a private, for profit, Motor Company to provide public transportation in the City. At the time, the Motor Company was providing transportation services to the public; however, the service levels were unreliable, the public vehicles were experiencing significant deterioration, and there was a looming strike by the employees of the Motor Company.

On November 6, 1962, the residents of Long Beach voted in support of Proposition Y, which provided authority to the City Council to establish a Transportation Fund and levy a special tax not to exceed five cents on each one hundred dollars of the assessed value of all taxable property in the City, to acquire, develop, operate, or maintain a public transportation system. As a result, the City created the non-profit Long Beach Transportation Company (LB Transit), in which the City is the sole shareholder, to acquire the Motor Company and its assets, to operate a public transportation system and otherwise implement the actions authorized under Proposition Y. Funds collected from the special tax were paid from the City to LB Transit in furtherance of the objectives of Proposition Y.

In 1966, the Board of Directors of LB Transit adopted an extensive long-term capital improvement program that focused on consolidating operations and maintenance, enhancing its fleet with acquisition of new buses, acquiring land and constructing new facilities. Over the next number of years, land between Cherry Avenue and Rose Avenue and between Anaheim Street and 14<sup>th</sup> Street (Site) (Attachment), was acquired by LB Transit. Funding sources included Proposition Y funds, Urban Mass Transportation Act of 1964 federal grants, and LB Transit operating funds. As parcels were acquired by LB Transit, the grantee was identified as City of Long Beach, ostensibly to ensure the removal of property tax.

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Title in the name of City has created confusion in the past regarding the proper owner of the Site. At certain times over the years, the City sought to require LB Transit to pay rent for the Site. For a period of a single year, from September 1, 1979 through October 31, 1980, LB Transit paid \$200 per month to the City for rent for the Site. At all other times, LB Transit advised that, while the properties were in the City's name, LB Transit acquired the Site through funding independent of the City's General Fund and payment of rent to the City was, therefore, not appropriate.

Additionally, the recently created Midtown Business Improvement District includes the Site and, consistent with ownership, LB Transit, not the City, is paying the annual property assessment.

In order to ensure that ownership issues do not periodically arise when institutional knowledge is no longer available, staff recommends that the property held in the City's name within the Site be quitclaimed to LB Transit at no cost.

This matter was reviewed by Deputy City Attorney Amy R. Webber on June 2, 2016 and by Revenue Management Officer Julissa Jose-Murray on June 23, 2016.

TIMING CONSIDERATIONS

City Council action on this matter is not time critical.

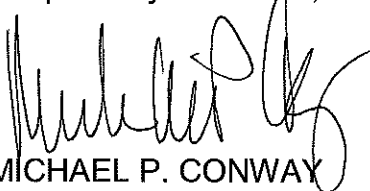
FISCAL IMPACT

LB Transit currently pays all costs associated with ownership of the Site. No revenue, either in rent or property taxes, is currently generated. There is no fiscal or local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

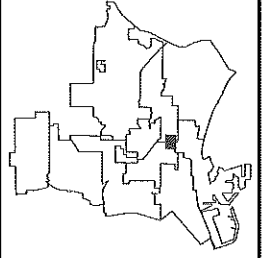


MICHAEL P. CONWAY  
DIRECTOR OF ECONOMIC  
AND PROPERTY DEVELOPMENT

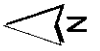
APPROVED:

  
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PATRICK H. WEST  
CITY MANAGER

ATTACHMENT



# Attachment



**Subject Property:**  
**Block 3 & 4 of**  
**the J. W. A. Off Subdivision**  
**Council Districts: 4, 6**

