



CITY OF LONG BEACH

H-1

DEPARTMENT OF DEVELOPMENT SERVICES

333 West Ocean Blvd., 3rd Floor Long Beach, CA 90802 Phone: 570.5237 Fax: 570.6205

April 17, 2012

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive the supporting documentation into the record, conclude the Public Hearing and adopt a Resolution making certain findings; and

Approve and authorize the City Manager to execute a Disposition and Development Agreement with Temple Creative Realty, LLC, for the American Hotel project. (District 2)

DISCUSSION

On February 2, 2010, the former Redevelopment Agency (Agency) agreed to negotiate exclusively with Urbana Development, LLC, for the development of the American Hotel located at 224 East Broadway (Exhibit A – Site Map) (Property). Urbana Development, LLC, has teamed with local business InterTrend Communications, Inc., to form Temple Creative Realty, LLC (Developer). The Agency transferred the Property to the City in March of 2011 and is currently held as a City asset, however, the Property was purchased by the Agency using tax increment funds. Therefore, City staff, working with the City Attorney's Office, has determined to hold this public hearing and otherwise comply with the applicable provisions of the Community Redevelopment Law, for the purpose of considering the sale of the Property to the Developer.

Built in 1905, the American Hotel is one of the rare surviving original commercial buildings in downtown Long Beach. Although retrofitted with a nominal seismic upgrade, subsequent assessments concluded that considerable renovation of the structural, mechanical and electrical systems will be required in order for the building to be made functional and habitable. In July 2009, the Agency issued a Request for Proposals for preservation, rehabilitation and/or adaptive reuse of the American Hotel. Based on the Developer's proposal and proven track record with successful adaptive reuse projects, including the East Village Creative Offices, Art Theatre, and Ebell Club, the Agency entered into an Agreement to Negotiate Exclusively (ANE) with Urbana Development, LLC, on February 2, 2010, for the development of the American Hotel. Since entering into the ANE significant progress on the project includes:

- Selective removal of the black tile overlay to expose the existing substructure and better understand how to restore the Broadway façade.
- Selective interior exploratory demolition to accurately budget and plan future development.

- Development of cost estimates to restore the building.
- Receipt of a Certificate of Appropriateness for restoration plans from the Cultural Heritage Commission on November 8, 2010.
- Approval of a California Environmental Quality Act categorical exemption.
- Completion of preliminary plans.

This project will result in the restoration of the historic façade, as well as eliminate a physical and economic blight in the downtown. In addition, completion of this project will leverage other resources such as nearby Agency investments on The Promenade and a \$25,000 grant that the Developer received from the Long Beach Navy Memorial Heritage Association toward the cost of the façade restoration.

The terms and conditions of the sale and subsequent development are included in a Disposition and Development Agreement (DDA) between the City of Long Beach (City) and the Developer. A reuse appraisal valued the property at negative three hundred thirty-one thousand dollars (-\$331,000). Under the terms of the DDA, the Developer will acquire the 5,100-square-foot site at no cost. City shall have no liability to the Developer if the City fails to transfer the Property to the Developer due to disapproval by any government agency having jurisdiction over the Property transfer or any other challenge to the DDA.

The Developer will adaptively reuse the American Hotel as a mixed-used structure, including a complete restoration of the existing façade and shell, with new creative office space on the upper floors and retail on the ground floor. The proposed project will include approximately 3,670 square feet of retail space on the ground floor, and 7,000 square feet of creative office space on the second and third floors.

Per the approved Cultural Heritage Commission plans, the exterior façade work will include restoration of all remaining original elements and reproduction of non-original elements. The project scope also includes removal and replacement of severely damaged portions of the historic City sidewalk in front of the building.

In accordance with the Downtown Plan, the project will require 22.5 parking spaces. The Developer will meet the parking requirements by renting spaces on the adjacent parking lot.

The Agency obtained a California Environmental Quality Act categorical exemption for this project on September 22, 2010 (Exhibit B – Notice of Categorical Exemption).

A Summary Report has been prepared pursuant to Section 33433 of the California Health and Safety Code, and made available for public inspection.

This matter was reviewed by Deputy City Attorney Richard Anthony on March 28, 2012 and by Budget Management Officer Victoria Bell on April 2, 2012.

TIMING CONSIDERATIONS

City Council action is required on April 17, 2012 in order to facilitate the sale transaction and begin construction as soon as possible.

FISCAL IMPACT

There is no fiscal impact associated with this recommendation. The sale of this property will not generate any revenues or expenses for the City. The project will provide new short-term construction jobs, but no long-term jobs are anticipated as the Developer plans to relocate from another Long Beach office building to this site.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



AMY J. BODEK, AICP
DIRECTOR OF DEVELOPMENT SERVICES

PHW:AJB:RMZ:bec

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Attachments: Exhibit A – Site Map
Exhibit B – Notice of Categorical Exemption
City Council Resolution

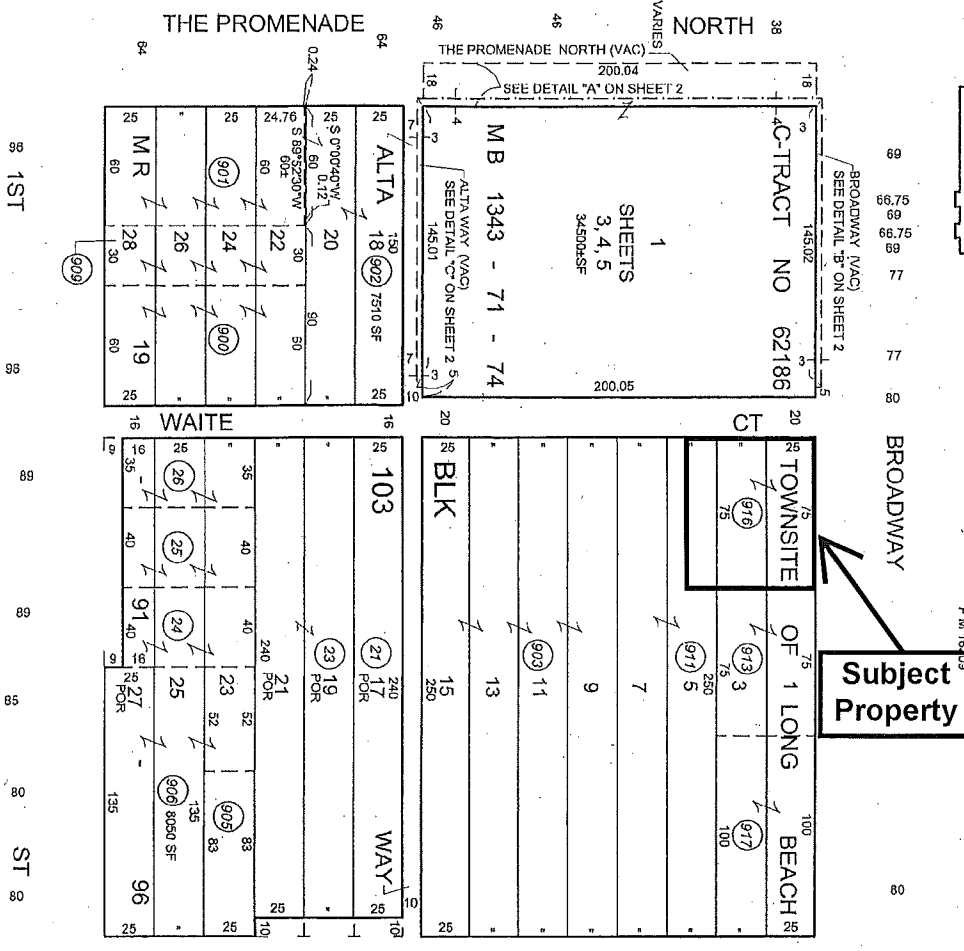
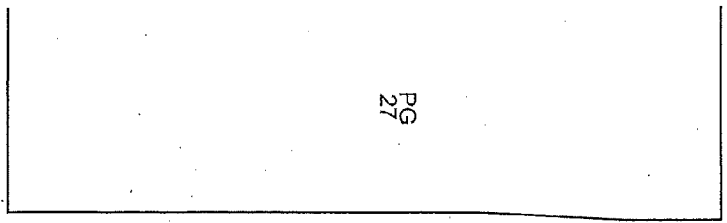
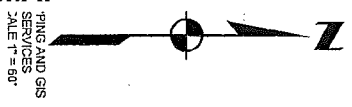
APPROVED:



PATRICK H. WEST
CITY MANAGER

2009

EXHIBIT A - SITE MAP



Subject Property

PG 29

ALL 900 SERIES PARCELS ON THIS PAGE ARE ASSESSED TO REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH UNLESS OTHERWISE NOTED.



CITY OF LONG BEACH NOTICE OF EXEMPTION

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

Exhibit B

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. 2nd Floor, Room 2001
Norwalk, CA 90650

Categorical Exemption CE- 10-080

Project Location/Address: 224 E. Broadway

Project/Activity Description: A Certificate of Appropriateness request to restore and renovate the exterior of the American Hotel, a designated historic landmark. The scope of work includes removing non-original additions and restoring the commercial storefront to a design consistent with the historical period of the building.

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

Applicant Name: Urbana Development, LLC

Mailing Address: 425 E. 4th Street, Unit A, Long Beach, CA 90802

Phone Number: (562) 436-5200

Applicant Signature: *Michael P. Smith*

BELOW THIS LINE FOR STAFF USE ONLY

Application Number: HF10-0281 Planner's Initials: AZ

Required Permits: Certificate of Appropriateness

THE ABOVE PROJECT HAS BEEN FOUND TO BE EXEMPT FROM CEQA IN ACCORDANCE WITH STATE GUIDELINES SECTION 15331 - Historical Resource Restoration/Rehabilitation Class 31

Statement of support for this finding: The proposed project includes the repair, rehabilitation, and restoration of a locally designated landmark. The work will be conducted in a manner consistent with the Secretary of Interior's Standards for the Treatment of Historic Properties. At anytime it is determined that the work is not being completed per the Standards, it shall constitute a significant adverse impact requiring the preparation of an ND, MND, or EIR per CEQA.

Contact Person: ANGIE ZETTERQUIST

Contact Phone: 562 570 6553

Signature: *[Handwritten Signature]*

Date: 9-27-2010

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING THE PROPOSED DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LONG BEACH, AND TEMPLE CREATIVE REALTY, LLC; FINDING THAT THE CONSIDERATION FOR THE SALE OF CERTAIN REAL PROPERTY IS NOT LESS THAN FAIR MARKET VALUE IN ACCORDANCE WITH COVENANTS AND CONDITIONS GOVERNING SUCH SALE; AND APPROVING THE SALE OF THE PROPERTY AND THE DISPOSITION AND DEVELOPMENT AGREEMENT

WHEREAS, the City proposes to sell certain real property (the "Property") pursuant to the terms and provisions of a Disposition and Development Agreement and which Property is described in Exhibit "A" which is attached and incorporated by reference; and

WHEREAS, TEMPLE CREATIVE REALTY, LLC (the "Developer") has submitted to the City a written offer in the form of a Disposition and Development Agreement to purchase the Property for not less than fair market value for uses in accordance with the covenants and conditions of the Disposition and Development Agreement; and

WHEREAS, the proposed Disposition and Development Agreement contains all the provisions, terms and conditions and obligations required by Federal, State and local law; and

WHEREAS, Developer possesses the qualifications and financial resources necessary to acquire and insure development of the Property in accordance with the

1 purposes and objectives of the Disposition and Development Agreement; and

2 WHEREAS, the City has prepared a summary setting forth the cost of the
3 Disposition and Development Agreement to the City, the estimated value of the interest
4 to be conveyed, determined at the highest uses permitted under the Disposition and
5 Development Agreement and the purchase price and has made the summary available
6 for public inspection in accordance with the California Redevelopment Law; and

7 WHEREAS, the City has determined that the development of the Property
8 is categorically exempt under the California Environmental Quality Act; and

9 WHEREAS, pursuant to the provisions of the California Redevelopment
10 Law, the City Council of the City of Long Beach held a public hearing on the proposed
11 sale of the Property and the proposed Disposition and Development Agreement after
12 publication of notice as required by law; and

13 WHEREAS, the City Council has duly considered all terms and conditions
14 of the proposed sale and believes that the redevelopment of the Property pursuant to the
15 proposed Disposition and Development Agreement is in the best interests of the City and
16 the health, safety, morals and welfare of its residents and in accord with the public
17 purposes and provisions of applicable Federal, State and local law;

18 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
19 follows:

20 Section 1. The City Council finds and determines that the consideration
21 for sale of the Property pursuant to the Disposition and Development Agreement is not
22 less than fair market value in accordance with covenants and conditions governing the
23 sale, and the Council further finds and determines that the consideration for the sale of
24 the Property, determined at the highest and best use under the Disposition and
25 Development Agreement, is necessary to effectuate the purposes of the Community
26 Redevelopment Law.

27 Section 2. The sale of the Property by the City to Developer and the
28 Disposition and Development Agreement which establish the terms and conditions for the

1 sale and development of the Property are approved.

2 Section 3. This resolution shall take effect immediately upon its adoption
3 by the City Council, and the City Clerk shall certify to the vote adopting this resolution.

4 I hereby certify that the foregoing resolution was adopted by the City
5 Council of the City of Long Beach at its meeting of _____, 2012 by the
6 following vote:

7
8 Ayes: Councilmembers: _____

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12 Noes: Councilmembers: _____

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14 Absent: Councilmembers: _____

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City Clerk

7280 28

P.A. 7277-23

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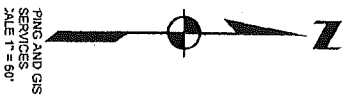
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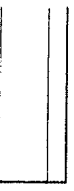
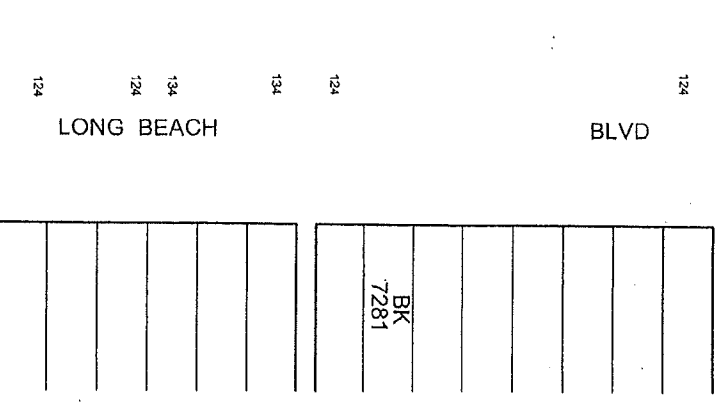
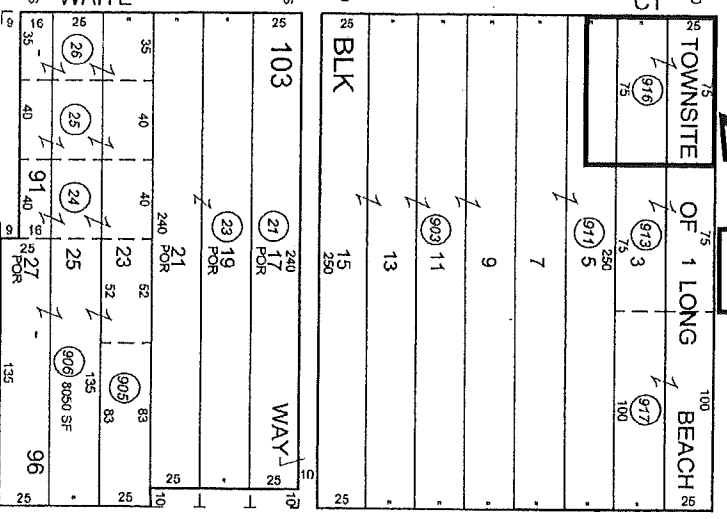
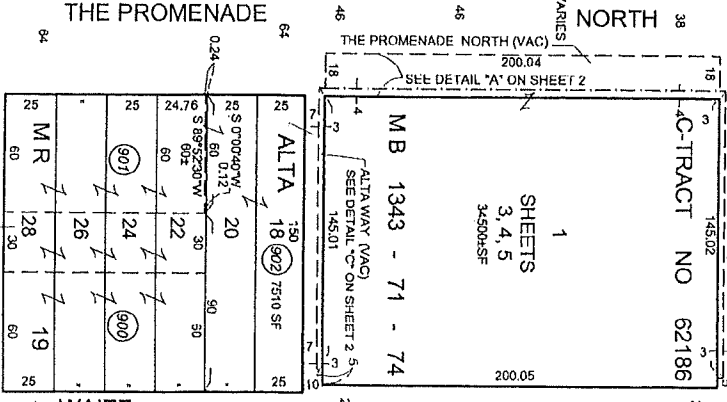
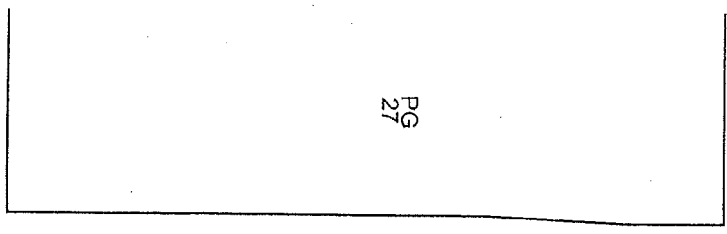
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COUNTY OF LOS ANGELES
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SERIAL
DATE 11-2-06

EXHIBIT A - SITE MAP



PG 29
ALL 900 SERIES PARCELS ON THIS PAGE ARE
ASSUMED TO BE DEVELOPMENT AGENCY OR THE
CITY OF LONG BEACH UNLESS OTHERWISE NOTED