



Building A Better Long Beach

March 7, 2011

REDEVELOPMENT AGENCY BOARD MEMBERS
City of Long Beach
California

RECOMMENDATION:

Approve and authorize the Executive Director to amend the Loan Agreement with Jesse Dean for an amount not to exceed \$40,000 for building improvements to 1330 Gladys Avenue. (Central – District 4)

DISCUSSION

On May 3, 2010, the Redevelopment Agency (Agency) Board entered into a Loan Agreement with Jesse and Jenny Dean for improvements to their building located at 1330 Gladys Avenue (Property) for an amount not to exceed \$90,000.

Since the date of the original Loan Agreement, the Property and Loan Agreement were conveyed to Jesse Dean, who is now the sole owner of the Property and assignee to the Agency's loan. The terms of the Loan Agreement are as follows:

- Forgivable loan of \$90,000 for proposed building improvements
- 5-year term with a 3 percent interest rate
- Loan is forgiven in five annual increments
- Studio spaces are restricted to creative design professionals

The Agency's loan will be used to fund tenant improvements that include construction of eight delineated artist studio spaces, an ADA-compliant main entrance and gallery space, building and fire code upgrades as well as improvements to the exterior facade of the building.

During the building plan check process, a new ADA-compliant restroom and electrical upgrades were added to the previously approved project in order to meet building code requirements. As a result of these unforeseen items, the cost for the additional work is not included in the original loan amount. In order to complete the project, staff recommends increasing the loan in an amount not to exceed \$40,000 for a total of \$130,000.

The original terms of the loan will remain in effect and construction of the project is anticipated to begin in April 2011.

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



ROBERT M. ZUR-SCHMIEDE, AICP
ASSISTANT EXECUTIVE DIRECTOR



AMY J. BODEK, AICP
EXECUTIVE DIRECTOR

AJB:RZS:DSW:EM