

LONG BEACH REDEVELOPMENT AGENCY

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

December 18, 2006

REDEVELOPMENT AGENCY BOARD MEMBERS
City of Long Beach
California

RECOMMENDATION:

Recommendation to receive the supporting documentation into the record, conduct and conclude the hearing and adopt the Resolutions of Necessity for acquiring and authorizing the condemnation of real property at 19 Lime Avenue, APN 7281-023-016, 017, and 645 East Ocean Boulevard, APN 7281-023-018 (Central – District 2)

DISCUSSION

The Redevelopment Plan (Plan) for the Central Long Beach Redevelopment Project Area (Project Area) was adopted on March 6, 2001. A fundamental purpose of this plan is to improve the quality of life for residents and business enterprises within the Project Area.

The major goals of this Plan are:

- The elimination of blighting influences and the correction of environmental deficiencies in the Project Area, including, among others, buildings in which it is unsafe or unhealthy for persons to live or work, small and irregular lots, obsolete and aged building types, shifting uses or vacancies, incompatible and uneconomic land uses, substandard alleys, and inadequate or deteriorated public improvements, facilities and utilities.
- The assembly of land into parcels suitable for modern, integrated development with improved pedestrian and vehicular circulation in the Project Area.
- The replanning, redesign and development of portions of the Project Area that are stagnant or improperly utilized.
- The expansion and improvement of the community's supply of housing, particularly housing available to low-and moderate-income persons and families.

The actions necessary to achieve the goals of the Plan include:

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- The acquisition of certain real property and the assembly of adequate sites for the development and construction of residential, commercial and industrial facilities.
- Demolition or removal of certain buildings and improvements.
- The redevelopment of land by private enterprise or public agencies for uses in accordance with this Plan.

On February 4, 2005, the Agency issued a Request for Proposals (RFP) to property and business owners in the project area. The RFP notified the owners of the Agency's interest in redeveloping certain properties in order to revitalize the area. The RFP was officially a Notification of Opportunity to Submit a Development Proposal. The Agency received two proposals. On May 23, 2005, the Agency authorized staff to enter into an Exclusive Negotiation Agreement with Anderson Pacific, LLC.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

Pursuant to the California Environmental Quality Act (CEQA), an Environmental Impact Report (EIR) was prepared on behalf of the Agency by RBF Consulting. The EIR was certified by the Agency on September 18, 2006. The challenge period has expired without a challenge being filed.

The current project under consideration is the Reduced Project Alternative (Project) as discussed in the EIR and depicted on Exhibit A. The Project area is currently developed with 63 multiple-family residential units and the former Video Choice retail site. The Project would involve a mixed-use development consisting of a 19-story residential tower at the northwest corner of Ocean Boulevard and Alamitos Avenue and a 14-story residential tower on Ocean Boulevard south of Bronce Way alley. Development of this Project would result in 305 residential units including live/work spaces, townhomes, one to three bedroom apartment units, and penthouse units. Parking for approximately 723 vehicles would be provided in three subterranean parking levels and in a 3-level parking structure concealed from the view by the residential, and live/work uses.

RESOLUTION OF NECESSITY

An appraisal of the subject properties and improvements was prepared by an independent appraiser, Lea Associates on May 24, 2006. Offer letters were presented to the respective property owners based on the fair market value as follows:

The property located at 19 Lime Avenue contains 5,750 square feet and is utilized for surface parking. An offer to purchase the property at fair market value pursuant to Government Code section 7267.2(a), dated July 24, 2006, was submitted to the owners of the property. The fair market value of the property was \$520,000. The owners rejected the offer. Negotiations have continued without success. The acquisition of this property will not be possible without the use of the Agency's power of eminent domain.

The property located at 645 East Ocean Boulevard contains 4,784 square feet, and a 30-unit, 3-story apartment building with a basement. The improvements were built in 1910 as a hotel and converted to primarily single room occupancy rentals with common

bathrooms. In addition, the property contains a roof mounted single-sided signboard which faces east. An offer to purchase the property at fair market value pursuant to Government Code section 7267.2(a), dated July 14, 2006, was submitted to the owners of the property. The fair market value of the property and improvements was \$2,515,000. The owners rejected the offer. Negotiations have continued without success. The acquisition of this property will not be possible without the use of the Agency's power of eminent domain.

Notices of the Hearing on the Resolutions of Necessity were mailed on December 1, 2006, by certified mail; return receipt requested, and U.S. mail to the owners of record. Said owners were notified that if they wish to appear at the hearing and be heard, they must file a written request to appear with the City Clerk fifteen (15) days from the date the notice was mailed. The Resolutions of Necessity are attached.

Code of Civil Procedure section 1245.230 requires that the Resolutions 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:

- 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 Redevelopment Agency Board as they relate to the acquisition of property at 19 Lime Avenue, APN 7281-023-016, 017, and 645 East Ocean Boulevard, APN 7281-023-018 including land and improvements are as follows:

1. Public interest and necessity require the proposed project.

The Redevelopment Plan for the Central Long Beach Redevelopment Project Area was adopted on March 6, 2001. The goals of the Redevelopment Plan include the elimination of blighting influences and the correction of environmental deficiencies, including buildings in which it is unsafe or unhealthy for persons to live or work, obsolete and aged building types and incompatible and uneconomic land uses. The assembly of this site into a parcel suitable for modern, integrated development is consistent with and furthers the goals of the Redevelopment Plan.

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.

Persons who are owners of real property within the project area have been given a reasonable opportunity to participate in the redevelopment of the Central Project Area consistent with the objectives of the Redevelopment Plan. The proposed project is the Reduced Project Alternative as described in the related Environmental Impact Report.

REDEVELOPMENT AGENCY BOARD MEMBERS December 18, 2006 Page 4

This Reduced Project Alternative was selected in order to reduce private injury while achieving the highest compatibility with the public and the local environment.

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

The subject properties are integral to future redevelopment in the Project Area consistent with the Reduced Project Alternative. Additionally, it is in the public interest to acquire the subject property in order to eliminate blighting influences, correct land use deficiencies and assemble land into parcels suitable for modern, integrated development within the Central Redevelopment Project Area.

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

The subject properties were appraised by an independent appraiser, Lea & Associates on May 24, 2006. Offers of just compensation, dated July 14, 2006 and July 24, 2006, were submitted to the owners of record. The owners have rejected the offers. Due to the refusal of the owners to accept the Agency's offer of just compensation based on the fair market value, 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

PHW:CB:MPC

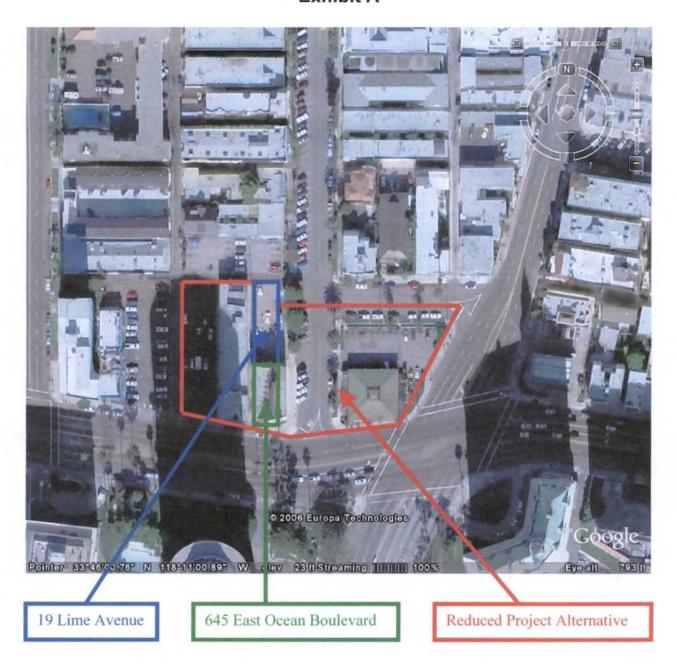
APPROVED:

GERALD R. MILLER CITY MANAGER

Attachments: Exhibit A – Site Map

Resolutions

Exhibit A



RESOLUTION NO.

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

(19 LIME AVENUE) WITHIN THE CENTRAL LONG BEACH

REDEVELOPMENT PROJECT AREA

WHEREAS, the Redevelopment Agency of the City of Long Beach,
California ("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 Central 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: 19 Lime Avenue, Long Beach, California more particularly described as:

PARCEL 1:

THE NORTH 65 FEET OF LOTS 39 AND 40, BLOCK 116, OF THE LONG BEACH TOWNSITE, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF

CALIFORNIA, AS PER MAP RECORDED IN BOOK 19, PAGE 91 ET SEQ., OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2:

THAT PORTION OF LOTS 39 AND 40, BLOCK 116, OF THE LONG BEACH TOWNSITE, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 19, PAGE 91 ET SEQ., OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

"BEGINNING AT A POINT IN THE WEST LINE OF LIME AVENUE, DISTANT 65 FEET SOUTH OF THE NORTHEAST CORNER OF SAID LOT 40; THENCE SOUTH ALONG WEST LINE OF LIME AVENUE, 50 FEET; THENCE WEST 50 FEET TO THE WEST LINE OF SAID LOT 39; THENCE NORTH ALONG SAID WEST LINE 50 FEET; THENCE EAST 50 FEET TO THE POINT OF BEGINNING."

EXCEPT ALL OIL, GAS AND OTHER MINERALS IN AND MAY BE PRODUCED FROM ALL OF THAT PORTION OF SAID LAND, LYING BELOW 500 FEET FROM THE SURFACE OF SAID LAND, AS GRANTED TO ADVENT TRADING COMPANY BY DEED RECORDED DECEMBER 16. 1994 AS INSTRUMENT NO. 94-2228847

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

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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.

- Sec. 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).
- Sec. 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.

- Sec. 4. The Subject Property is necessary for the proposed project.
- Sec. 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).
- Sec. 6. The Agency is hereby authorized and empowered to acquire by condemnation in its name to be used for said public 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.
- Sec. 7. The Long Beach City Attorney's office, as the Agency's general counsel, is hereby authorized to engage special counsel 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

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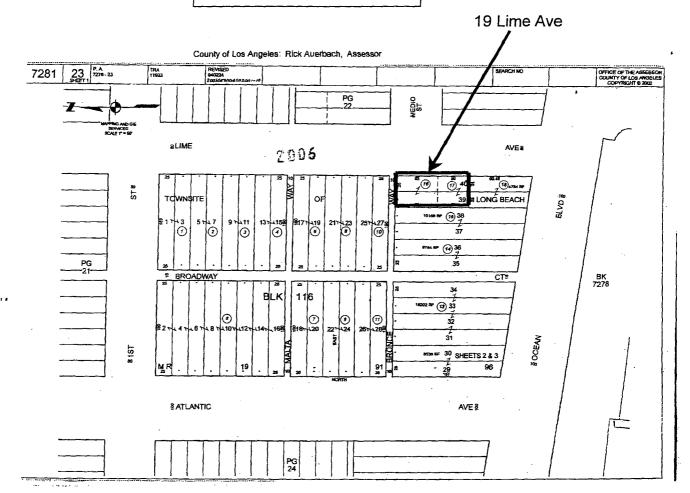
| available to the | m under the | eminent de | omain law o | of the Sta | ate of California. |
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| APPROVED AND | ADOPTED by t | he Redevelopment Agency of the City of |
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| Long Beach, California, this | day of | , 2006. |
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| | - | Executive Director/Secretary |
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| APPROVED: | | |
| | | |
| Chair | | |

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EXHIBIT A

Shoreline Gateway



RESOLUTION NO.

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

(645 EAST OCEAN BOULEVARD) WITHIN THE CENTRAL

LONG BEACH REDEVELOPMENT PROJECT AREA

WHEREAS, the Redevelopment Agency of the City of Long Beach,
California ("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 Central 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: 645 East Ocean Boulevard, Long Beach, California more particularly described as:

THAT PORTION OF LOTS 39 AND 40, BLOCK 116, OF THE LONG BEACH TOWNSITE, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 19, PAGE 91 ET SEQ., OF MISCELLANEOUS RECORDS, IN

THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

"BEGINNING AT THE SOUTHWEST CORNER, OF LOT 39; THENCE NORTH ALONG THE WEST LINE OF SAID LOT, 90 FEET; MORE OR LESS TO THE SOUTHWEST CORNER OF LAND CONVEYED BY ELIZA ADELAIDA COX AND HUSBAND TO CATHERINE H. STOUT, BY DEED RECORDED IN BOOK 1575 PAGE 213 OF DEEDS; THENCE EAST ALONG THE SOUTH LINE OF SAID LAST MENTIONED LAND TO ITS INTERSECTION WITH THE EAST LINE OF SAID LOT 40; THENCE SOUTH ALONG SAID EAST LINE 80 FEET, MORE OR LESS, TO ITS INTERSECTION WITH THE NORTHERLY LINE OF A 45 FOOT STRIP OF LAND CONVEYED BY SAID ELIZA ADELAIDA COX AND HUSBAND TO THE CITY OF LONG BEACH, BY DEED RECORDED IN BOOK 851 PAGE 314 OF DEEDS; THENCE SOUTHWESTERLY TO THE POINT OF BEGINNING"

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.

- Sec. 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).
- Sec. 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.
 - Sec. 4. The Subject Property is necessary for the proposed project.
- Sec. 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).
- Sec. 6. The Agency is hereby authorized and empowered to acquire by condemnation in its name to be used for said public 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.

Sec. 7. The Long Beach City Attorney's office, as the Agency's general counsel, is hereby authorized to engage special counsel 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 AD | OPTED by the | Redevelopment Agency of the City of |
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| Long Beach, California, on this | day of | , 2006. |
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| | | Executive Director/Secretary |
| APPROVED: | | |
| AFFROVED. | | |
| Chair | | |
| 0,1311 | | |

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Exhibit A

Shoreline Gateway

645 E Ocean Blvd

