

LONG BEACH REDEVELOPMENT AGENCY

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October 15, 2007

REDEVELOPMENT AGENCY BOARD MEMBERS

City of Long Beach
California

RECOMMENDATION:

Approve and authorize the Executive Director to execute an Owner Participation Agreement with GGF, LLC; approve Stage III design for a new retail and façade project; approve allocation of \$500,000 for façade portion; and approve \$3.7 million loan for new retail structure. (North – District 8)

DISCUSSION

Background

Community Development staff working with GGF, LLC, developed a revitalization plan for the Bixby Knolls Shopping Center (Exhibit A – Site Map) in the North Redevelopment Project Area. The former Robert's Department Store, an obsolete retail building, has remained vacant on the Site for over 11 years. GGF recently negotiated a lease with Marshall's Department Store that requires GGF to demolish the existing 52,661 square foot structure and replace it with a new modern retail facility of 43,355 square feet. To make the transaction financially suitable for GGF, Agency staff is recommending a loan for \$3.7 million. In addition, staff recommends a facade improvement grant for up to \$500,000 to renovate the existing retail buildings east and across the parking lot from the new building. The terms of the development are specified in an Owner Participation Agreement (OPA).

Financial Terms and Conditions of the OPA

The loan will be secured by collateral providing a loan to value ratio of not less than 85% and will be fully amortized over 25 years at 2%. The façade grant will provide 50/50 matching funds up to an amount not to exceed \$500,000 Agency share (\$1 million total project).

Design Review

Redevelopment Agency staff and Planning Department staff have reviewed project design for both the new retail project and the façade project. The project design is consistent with the North Long Beach Design Guidelines and was approved by the North Long Beach Project Area Committee on September 27, 2007.

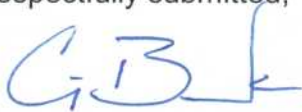
Compliance with California Environmental Quality Act

The City's Environmental Planning Officer has determined the project contemplated by the OPA is categorically exempt pursuant to the California Environmental Quality Act Guidelines Section 15064 (a)(3).

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



for MICHAEL P. CONWAY
EXECUTIVE DIRECTOR

APPROVED:



PATRICK H. WEST
CITY MANAGER

CAB:LAM:mm

Attachment: Exhibit A – Site Map

Exhibit A



Site Map

