



CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

H-2

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

June 1, 2004

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach
California

SUBJECT: Public Hearing to Consider a Disposition and Development Agreement with the Stahl Family Trust for the Sale of Property at the Southwest Corner of West 14th Street and Hayes Avenue (2000-2030 West 14th Street) – West Long Beach Industrial Redevelopment Project Area (District 1)

DISCUSSION

On May 24, 2004, the Redevelopment Agency ("Agency") approved a Disposition and Development Agreement ("DDA") between the Agency and the Stahl Family Trust ("Developer") for the development of the Southwest corner of West 14th Street and Hayes Avenue, also referred to as 2000-2030 West Anaheim Street ("Site"). The Site is located in the West Long Beach Industrial Redevelopment Project Area.

The Stahl Family Trust owns Long Beach Iron Works, a family-owned business founded in 1913. It employs 22 workers for the casting and fabrication of metal products. It is involved in international trade so a Port location is key to the success of the business. It has been operating from a rented site within the Port of Long Beach but needs to move since the Port has purchased that property. The Site is located just one block north of the business's current location. The new facility will have about 4,000 square feet of office space and 16,000 square feet of shop area with 50 off-street parking stalls and outdoor storage space. This use is in accordance with the standards referenced in the Redevelopment Plan.

Under the terms of the Agreement, the Developer will pay the Agency \$931,640, or \$12.00 per square foot for 73,149 square feet of buildable land and \$6.75 per square foot for 7,978 square feet of unbuildable land, for a total site of 81,127 square feet. (The unbuildable land consists of a driveway easement around the southwest corner of the site to provide access for an adjacent property owner to West 14th Street.) This sale price represents the fair market value of the land based on its highest and best use under the West Long Beach Industrial Redevelopment Plan (Redevelopment Plan) as of the time of the Developer's proposal to the Agency in March 2001. The West Long

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Beach Industrial Project Area Committee (PAC) voted to support the Developer's proposed development at its regular meeting on April 11, 2001.

Since the Site was purchased by the Agency with tax increment monies, California Redevelopment Law requires that this sale must be approved by the City Council by Resolution after a public hearing.

The City's Environmental Planning Officer has determined that the project contemplated by the Agreement qualifies for a Categorical Exemption under the California Environmental Quality Act (Exhibit B).

The following documents are attached to this staff report: a Site Map (Exhibit A), the Categorical Exemption (Exhibit B), a Summary of the DDA (as required by Section 33433 of the California Redevelopment Law – Exhibit C), and a City Council Resolution which makes certain findings and authorizes execution of the DDA.

This item was reviewed by Assistant City Attorney Heather A. Mahood on May 21, 2004, and Budget Manager Michael A. Killebrew on May 20, 2004.

TIMING CONSIDERATIONS

City Council action is requested on June 1, 2004, as the Agency and Developer wish to proceed with an escrow closing before the end of this fiscal year. The Developer needs to vacate its current operating site in 2005.

FISCAL IMPACT

The proceeds of \$931,640 from the proposed sale will be deposited into the Redevelopment Agency Fund (RD) in the Department of Community Development (CD).

IT IS RECOMMENDED THAT THE CITY COUNCIL:

- Receive supporting documentation into the record and conclude the Public Hearing;
- Approve a Disposition and Development Agreement with the Stahl Family Trust; and
- Adopt the attached Resolution making certain findings; and approve and authorize the Executive Director to execute any and all documents necessary to implement the DDA.

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Respectfully submitted,



fo/

MELANIE S. FALLON
DIRECTOR OF COMMUNITY DEVELOPMENT

APPROVED:



for
GERALD R. MILLER
CITY MANAGER

MSF:JVK

Attachments: Exhibit A – Site Map
Exhibit B – Categorical Exemption
Exhibit C – Section 33433 Summary Report
City Council Resolution