



CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

H-1

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

June 15, 2004

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach
California

SUBJECT: Public Hearing to Consider a Disposition and Development Agreement with JCDS Properties, LLC for the Sale of Property at the Northwest Corner of West Anaheim Street and Hayes Avenue (2001 West Anaheim 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 JCDS Properties, LLC ("Developer") for the development of the Northwest corner of West Anaheim Street and Hayes Avenue, also referred to as 2001 West Anaheim Street ("Site"). The Site is located in the West Long Beach Industrial Redevelopment Project Area.

JCDS Properties, LLC owns Sudduth Tire Company, Inc., a small family business founded in 1924. It employs 24 workers and its primary focus is the sale and service of commercial tire products in the Long Beach and Los Angeles area. It operates a small shop with four service bays for alignment, tire, and brakes service for passenger and light duty trucks, and operates a truck retread plant. Much of its business comes from the container terminals located in the Ports of Long Beach and Los Angeles, and its business has grown as these harbors have expanded, to the point where a new facility is needed for the expanding business. The new building will have approximately 24,900 square feet, mostly on one level, with a 3,200-square foot office mezzanine. A total of 42 parking spaces will be provided on site. This use is in accordance with the standards referenced in the West Long Beach Industrial Redevelopment Plan ("Redevelopment Plan").

Under the terms of the Agreement, the Developer will pay the Agency \$909,664, or \$15.50 per square foot for the 58,688-square foot site. This sale price represents the fair market value of the land based on its highest and best use under the Redevelopment Plan at the time of the Developer's proposal to the Agency in November 2002. The West Long Beach Industrial Project Area Committee (PAC) voted

to support the Developer's proposed development at its regular meeting on January 10, 2003.

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.

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 that makes certain findings and authorizes execution of the DDA.

This item was reviewed by Assistant City Attorney Heather A. Mahood on June 4, 2004, and Budget Manager Michael A. Killebrew on June 3, 2004.

TIMING CONSIDERATIONS

City Council action is requested on June 15, 2004, as the Agency and Developer wish to proceed with an escrow closing before the end of this fiscal year.

FISCAL IMPACT

The proceeds of \$909,664 from the proposed sale will be deposited into the Redevelopment Fund (RD) in the Department of Community Development (CD).

IT IS RECOMMENDED THAT THE CITY COUNCIL:

- 1) Receive supporting documentation into the record and conclude the Public Hearing;
- 2) Approve a Disposition and Development Agreement with JCDS Properties, LLC; and
- 3) 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,



for MELANIE S. FALLON
DIRECTOR OF COMMUNITY DEVELOPMENT

APPROVED:



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