



# OVERSIGHT BOARD

OF THE CITY OF LONG BEACH AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH

333 West Ocean Blvd., 3rd Floor, Long Beach, CA 90802 Phone: 562.570.6615 Fax: 562.570.6215

November 30, 2017

## OVERSIGHT BOARD MEMBERS

### RECOMMENDATION:

Adopt a Resolution authorizing the City Manager, or designee, to execute an agreement to assign to the City of Long Beach all interests of the Successor Agency to the Redevelopment Agency of the City of Long Beach as a party to that certain Parking Structure Lease dated December 1, 1992, by and between IDM Corporation and the Redevelopment Agency of the City of Long Beach.

### DISCUSSION

On September 11, 2017, the Oversight Board considered this item. The Department of Finance referred it back to the Oversight Board for further consideration as to how assignment of the lease will benefit the affected taxing agencies, documentation of the proposed agreement between the City of Long Beach and the Successor Agency to the Redevelopment Agency (Successor Agency), and technical changes to the resolution.

In 1992, the former Redevelopment Agency of the City of Long Beach (Agency) and IDM Corporation entered into a Parking Structure Lease (Lease) for the operation of a free-standing parking structure containing approximately 645 parking spaces in downtown Long Beach. The parking structure was primarily built to serve the 100 W. Broadway building and is located on Pacific Avenue between First Street and Broadway. The Lease specified the days and hours during which the Agency would occupy and operate the entire structure, specifically nights and weekend, retaining the revenue earned during those times to defray parking operation costs. The Lease also entitled the Agency to occupy 150 parking spaces for reserved monthly use. The term of the Lease was 65 years, terminating on January 31, 2057. The Agency paid \$2,254,082 for the entire term of the Lease in advance.

The Agency's original interest in operating the parking structure during off hours and on weekends was to encourage people to visit downtown restaurants and a multi-screen movie theatre in the 200 block of Pine Avenue. The movie theatre closed its doors in November 2010, eliminating a considerable share of potential parkers. While the Lease puts the onus on the property owner to provide ongoing maintenance and long-term improvements, the cost to operate the parking structure (provide parking attendants and security) during non-business hours exceeds the revenues earned. Any revenue loss by the Successor Agency

OVERSIGHT BOARD MEMBERS

November 30, 2017

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reduces the amount of revenue available to offset the cost of its enforceable obligations without requesting funding from the Redevelopment Property Tax Trust Fund. To the extent that the Successor Agency does not have to fund parking operation deficits, the affected taxing agencies are served by receiving a greater amount of residual revenue than they otherwise would.

To facilitate the process of winding down the former Redevelopment Agency's activities, as required by Health and Safety Code Section 34171(d)(1)(E), and to the benefit of affected taxing agencies pursuant to the Health and Safety Code Section 34181(e), the Successor Agency wishes to transfer all interest in the Lease to the City.

This matter was approved by the Successor Agency to the Redevelopment Agency of the City of Long Beach on August 22, 2017.

Respectfully submitted,



AMY J. BODEK, AICP  
DIRECTOR OF DEVELOPMENT SERVICES

  
PATRICK H. WEST  
CITY MANAGER

PHW:AJB:LAF:KS

Z:\1\_Successor Agency\OVERSIGHT BOARD\STAFF REPORTS Oversight Board\2017\November 30\DRAFT Assignment of Parking Structure Lease.doc

Attachment: Resolution

1 RESOLUTION NO. \_\_\_\_\_  
2

3 A RESOLUTION OF THE OVERSIGHT BOARD OF  
4 THE CITY OF LONG BEACH AS THE SUCCESSOR  
5 AGENCY TO THE REDEVELOPMENT AGENCY OF THE  
6 CITY OF LONG BEACH AUTHORIZING THE CITY  
7 MANAGER TO EXECUTE ANY AND ALL DOCUMENTS  
8 NECESSARY TO ASSIGN TO THE CITY OF LONG BEACH  
9 ALL INTERESTS OF THE SUCCESSOR AGENCY TO THE  
10 REDEVELOPMENT AGENCY OF THE CITY OF LONG  
11 BEACH AS A PARTY TO THE PARKING STRUCTURE  
12 LEASE DATED DECEMBER 1, 1992 BY AND BETWEEN  
13 IDM CORPORATION AND THE REDEVELOPMENT  
14 AGENCY OF THE CITY OF LONG BEACH  
15

16 WHEREAS, the former Redevelopment Agency of the City of Long Beach  
17 and IDM Corporation entered into a Parking Structure Lease dated December 1, 1992  
18 (the "Lease") for the operation of a free-standing parking structure containing  
19 approximately 645 parking spaces which serves the 100 W. Broadway building and is  
20 located on Pacific Avenue between First Street and Broadway; and

21 WHEREAS, the term of the Lease is 65 years, currently scheduled to  
22 terminate on January 31, 2057; and

23 WHEREAS, the historical cost to operate the parking structure has  
24 exceeded revenues; and

25 WHEREAS, to facilitate the process of winding down the Successor Agency  
26 to the Redevelopment Agency of the City of Long Beach's ("Successor Agency")  
27 activities, as required by Health and Safety Code Section 34171(d)(1)(E) and in  
28 accordance with Health and Safety Code Section 34181(e), the Successor Agency

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CHARLES PARKIN, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

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wishes to transfer all interest in the Lease to the City of Long Beach ("City"); and

WHEREAS, this matter was approved by the Successor Agency on August 22, 2017;

NOW, THEREFORE, the Oversight Board of the City of Long Beach as the Successor Agency to the Redevelopment Agency of the City of Long Beach ("Oversight Board"):

Section 1. Approves the decision of the Successor Agency to assign to the City all interests of the Successor Agency as a party to the Lease, and authorizes and directs the Successor Agency to execute the Assignment and Assumption Agreement and Consent agreement attached hereto as Exhibit A and incorporated herein by this reference.

Section 2. Finds that (1) the operating expenses paid by the Successor Agency exceed the operating revenues to which the Successor Agency is entitled under the Lease, (2) the assignment of the Lease from the Successor Agency to the City would reduce operating liabilities to all of the taxing entities entitled to Successor Agency property tax revenues ("Taxing Entities"), and (3) therefore the assignment of the Lease from the Successor Agency to the City would be in the best interest of the Taxing Entities.

This resolution shall take effect immediately upon its adoption by the Oversight Board, and the City Clerk shall certify the vote adopting this resolution.

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PASSED, APPROVED, and ADOPTED at a meeting of the Oversight Board of the City of Long Beach as the Successor Agency to the Redevelopment Agency of the City of Long Beach held this \_\_\_\_ day of November, 2017 by the following vote:

Ayes: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Noes: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Absent: \_\_\_\_\_

\_\_\_\_\_  
Chairperson, Oversight Board

APPROVED:  
\_\_\_\_\_  
Secretary, Oversight Board

EXHIBIT A

ASSIGNMENT AND ASSUMPTION AGREEMENT AND CONSENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT AND CONSENT ("Assignment") is made and entered into on \_\_\_\_\_, 2017 ("Effective Date") by and among the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH, a municipal corporation ("Assignor"), the CITY OF LONG BEACH, a municipal corporation ("Assignee") and SRE-OW 100 BROADWAY OWNER, LLC, a Delaware limited liability company ("Landlord").

Section 1. Assignor hereby assigns to Assignee all of its right, title and interest in that certain Parking Structure Lease dated as of December 1, 1992 (Agreement No. 383) executed by the Redevelopment Agency of the City of Long Beach (Assignor's predecessor-in-interest), as tenant, and IDM Corporation (Landlord's predecessor-in-interest), as landlord (the "Lease"), a copy of which is attached hereto as Exhibit A. Assignee hereby accepts the assignment from Assignor and unconditionally assumes all of the obligations of Assignee under the Lease. As of the Effective Date, Assignor shall have no further rights or obligations under the Lease.

Section 2. Landlord hereby consents to the assignment of the Lease by Assignor to Assignee, and acknowledges and agrees that the Assignee shall be solely liable for all obligations under the Lease arising before the Effective Date.

Section 3. This Assignment constitutes the entire understanding between the parties and supersedes all other agreements, oral or written, with respect to the subject matter herein, and the interpretation and enforcement of this Assignment shall be governed by California law. This Assignment is meant to effect and acknowledge the transfer of the tenant's interest in the Lease, and shall not otherwise amend any provision of the Lease.

THE PARTIES have executed this Assignment as of the day and year first indicated above.

"Assignor"

SUCCESSOR AGENCY TO THE  
REDEVELOPMENT AGENCY OF THE  
CITY OF LONG BEACH, a public agency

By: \_\_\_\_\_  
Amy J. Bodek  
Director

"Assignee"

CITY OF LONG BEACH

By: \_\_\_\_\_  
Patrick H. West  
City Manager

"Landlord"

SRE-OW 100 BROADWAY OWNER, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_