



LONG BEACH REDEVELOPMENT AGENCY

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August 7, 2006

REDEVELOPMENT AGENCY BOARD MEMBERS

City of Long Beach
California

RECOMMENDATION:

Recommendation to authorize the Executive Director to enter into Memorandums of Understanding with Toll Brothers and Williams and Dame Development, respectively, to negotiate the development of the Broadway Block. (Downtown – District 2)

DISCUSSION

In May 2005, the City of Long Beach (City) and the Redevelopment Agency of the City of Long Beach (Agency) jointly released a Request for Proposals (RFP) for a multiple block development along Long Beach Boulevard between 1st Street and 3rd Street. The RFP included the Broadway Block, which is east of Long Beach Boulevard between 3rd Street and Broadway (see "Exhibit A" – Broadway Block). Parcels comprising the Broadway Block are owned by the City, the Agency and private parties. The City owns the parking lot in the southeast corner of the block. The Agency owns the vacant parcel in the southwest corner of the block and is in the process of acquiring the remainder of the block from the private property owners. In July 2005, the City and the Agency received four development team proposals that expressed specific interest in developing the Broadway Block.

A Selection Committee was established in September 2005 to represent the interests of both the City and the Agency and to review the proposals and ultimately make selection recommendations. In October 2005, the development teams were given a list of questions specific to their proposal. The questions requested clarification of financial information, challenged development assumptions and asked for specific information on issues ranging from the re-use of historic resources to specific project components, including building height, density, unit count, retail square footage, types of uses and parking. The Selection Committee held developer interviews in late 2005, during which each team made a presentation on its specific proposal. The interviews provided the

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Selection Committee with the opportunity to further clarify financial information and to ask additional questions on architectural and urban design issues.

Staff hosted a community meeting in January 2006. The meeting included a brief staff presentation and then encouraged the public to interact on a one-on-one basis with each of the development teams.

Based on the extensive review of all proposals, staff recommends entering into separate non-exclusive Memorandums of Understanding (MOUs) with two development teams, Toll Brothers and Williams & Dame Development. The MOUs will allow for preliminary negotiations and terms regarding the development of the Broadway Block. Given that both the City and the Agency own property within this block, it is recommended that the City and the Agency jointly enter into MOUs with both development teams in order to document the cooperative efforts of all of the parties involved. On August 8, 2006, the City Council is expected to take positive action and to support a partnership with the Agency in negotiating the MOUs.

Each development team's proposal included a reasonable purchase price, quality architecture for an urban area, and the construction of an Art Exchange.

The MOUs will detail the following understandings:

- Term: The term of the MOUs shall begin when fully executed and expire 270 days thereafter.
- Property Acquisition and Disposition: The parties shall diligently negotiate the development of the Broadway Block, including defining the development components for a cultural art center.
- Development Process: The parties shall work cooperatively to determine a final offer to develop the Broadway Block. Development teams shall deposit \$50,000 with the City/Agency (shared equally) for expenses including staff and consultant costs, etc., of which \$10,000 shall be non-refundable.
- Due Diligence: City/Agency shall provide developer with all due diligence documentation regarding the Broadway Block in its possession.

Prior to the conclusion of the term of the MOUs, staff will make a recommendation on the final developer selection and will request subsequent authorization to enter into a Disposition and Development Agreement with the selected developer.

SUGGESTED ACTION:

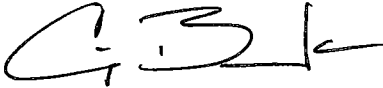
Approve recommendation.

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Respectfully submitted,



for PATRICK H. WEST
EXECUTIVE DIRECTOR

PHW:CAB:BEC

APPROVED:



GERALD R. MILLER
CITY MANAGER

Attachment: Exhibit A – Site Map



Multiple Block Development

City Hall East and Various Other Sites along the Long Beach Blvd.
Corridor between First Street and Third Street Downtown Long Beach, CA

