



LONG BEACH REDEVELOPMENT AGENCY

333 WEST OCEAN BOULEVARD, THIRD FLOOR • LONG BEACH, CA 90802 • (562) 570-6615 • FAX (562) 570-6215

July 2, 2007

REDEVELOPMENT AGENCY BOARD MEMBERS

City of Long Beach
California

RECOMMENDATION:

Approve and authorize the Executive Director to execute a Purchase and Sale Agreement and all other related documents for the acquisition of property at 552-558 E. Willow Street for \$1,500,000 plus closing and relocation costs. (Central - District 6)

DISCUSSION

The Memorial Hospital Neighborhood Center is identified in the Central Strategic Guide for Development (Guide) as a target area for concentrated redevelopment activity. Proposed redevelopment projects in this area include the Menorah Senior Housing Project and the Long Beach Ronald McDonald House. The concentration of redevelopment activity in this neighborhood, coupled with the proposed improvements to Memorial Hospital will catalyze the revitalization of the area. To further the goals of the Guide, staff has continued to pursue land assembly in this area. One of the targeted sites is located at 552-558 E. Willow Street (Subject Property) (Exhibit A – Site Map).

The Subject Property is 9,410 square feet and improved with a 4,272 square foot commercial building. The building contains two commercial units that include a restaurant and a liquor store. Existing tenants will be relocated and compensated according to state relocation law.

The following summarizes the proposed transaction:

- Reinelt Family Trust owns the property;
- A formal appraisal was conducted by Lidgard and Associates on April 20, 2006, and reviewed on January 31, 2007, which concluded the fair market value to be \$1,375,000;

The mission of the Long Beach Redevelopment Agency is to enhance the quality of life by improving blighted areas of Long Beach, revitalizing neighborhoods, promoting economic development, creating jobs, providing affordable housing and encouraging citizen participation.

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- The Agency's purchase price for the property will be \$1,500,000 or \$159 per square foot of land. This is within 10% of the property's appraised fair market value of \$1,375,000; and
- This is a voluntary sale, avoiding eminent domain.

The Agency currently owns the 12,170 square foot lot located directly to the west at 530-548 E. Willow Street. Once assembled, it is proposed to redevelop the properties with a development consistent with the goals identified in the Guide. The Guide proposes transit-oriented development with medical uses in conjunction with residential development in this area.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



for PATRICK H. WEST
EXECUTIVE DIRECTOR

PHW:CAB:DSW:JMV

APPROVED:



for GERALD R. MILLER
CITY MANAGER

Attachment: Exhibit A – Site Map

EXHIBIT A

Site Map

