



# Building A Better Long Beach

May 18, 2009

## REDEVELOPMENT AGENCY BOARD MEMBERS

City of Long Beach  
California

### RECOMMENDATION:

Authorize the Executive Director to enter into an agreement with the City of Long Beach to install automated parking equipment at the CityPlace garages and to cover debt service for the 2001 Plaza Parking Facility Lease Revenue Bonds (2001 Bonds) during Fiscal Years 2009 and 2010, and adopt a resolution making certain findings regarding those public improvements. (Downtown – District 1).

### DISCUSSION

On September 12, 2000 the City of Long Beach (City) and the Redevelopment Agency (Agency) entered into an Owner Participation Agreement with Coventry Long Beach Plaza, LLC (later known as Developers Diversified Realty [DDR]), for the acquisition and development of the former Long Beach Plaza site, an enclosed shopping mall that included a multi-level parking structure. As part of the new CityPlace development, the Long Beach Plaza parking structure was redesigned and subdivided into three separate structures commonly known as CityPlace A, B and C or CityPlace garages.

To finance the reconstruction of the CityPlace parking structures, the Long Beach Finance Authority (Authority) sold the 2001 Plaza Parking Facility Lease Revenue Bonds (2001 Bonds). The CityPlace garages have never generated enough revenue for the City to cover debt service payments vis-à-vis a lease payment, let alone operating expenses. This can be partially attributed to the success of an existing validation program to provide two hours of free parking at the garage, which is a requirement of the City's agreement with the developer. As a result, debt service payments for the 2001 Bonds and operating expense overruns have been covered by the City's General Fund. The City's General Fund is projected to need \$54.8 million of reductions in FY09 and FY10.

In order to continue to provide a positive experience for Downtown Project Area residents and patrons of Downtown businesses with the goal of ultimately improving the quality of service, it is recommended that the Agency make the two debt service payments on behalf of the Authority. Debt service payments for Fiscal Year 2009 (FY09) are \$828,370 and \$829,460 in FY10.

## REDEVELOPMENT AGENCY BOARD MEMBERS

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Page 2 of 2

By separate action, the Agency will be requested to fund the purchase of automation equipment. In return for covering the costs on behalf of the General Fund for the much needed equipment upgrades and debt service payments, the Agency will be paid 50 percent of the annual net revenues from the CityPlace parking garages until such time as the Agency has been reimbursed for the costs of the automated parking equipment.

In order to fund public improvement construction costs, including the debt service payments on the 2001 Bonds, California Redevelopment Law requires the Agency to adopt a resolution making the following findings:

- That the installation of such public improvements is of benefit to the redevelopment project area or the immediate neighborhood in which the public improvement project is located;
- That no other reasonable means of financing the public improvements are available to the community; and
- That the payment of Agency funds for the installation of public improvements will assist in the elimination of one or more blighting conditions within the project area.

A resolution making the necessary findings is attached. The City Council will be acting on a similar resolution and the reimbursement agreement following Agency approval.

### SUGGESTED ACTION:

Adopt recommendation.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'C. Beck', with a stylized flourish at the end.

CRAIG BECK  
EXECUTIVE DIRECTOR

CB:AJB:LAF

Attachment: Redevelopment Agency Resolution

RESOLUTION NO. R. A.

A RESOLUTION OF THE REDEVELOPMENT  
AGENCY OF THE CITY OF LONG BEACH, CALIFORNIA  
MAKING CERTAIN FINDINGS REGARDING THE  
CONSTRUCTION OF CERTAIN PUBLIC IMPROVEMENTS  
WITH REDEVELOPMENT FUNDS (CITY PLACE PARKING  
STRUCTURE DEBT SERVICE)

WHEREAS, the City Council of the City of Long Beach adopted and approved a certain Redevelopment Plan (the "Redevelopment Plan") for the Downtown Redevelopment Project (the "Project"); and

WHEREAS, in furtherance of the Project and the immediate neighborhood in which the Project is located, the Redevelopment Agency of the City of Long Beach, California (the "Agency"), has recognized the need for certain public improvements, which improvements will be located within the boundaries of the Project, and proposes to use redevelopment funds to reimburse the City for the cost of constructing these improvements; and

WHEREAS, Section 33445 of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.) requires the Agency to make certain findings prior to the reimbursement of the cost of construction of public improvements or facilities thereon; and

WHEREAS, Section 33678 of the Community Redevelopment Law provides that under certain conditions tax increment funds shall not be subject to the appropriations limitation of Article XIII B of the California Constitution;

NOW, THEREFORE, the Redevelopment Agency of the City of Long Beach, California resolves as follows:

Section 1. The Agency determines that the construction of public

improvements, more particularly described in Exhibit "A", are of benefit to the Project and the immediate neighborhood in which the Project is located. This finding is supported by the following facts:

These improvements have assisted the removal of blight by improving the availability of parking and enhanced the Downtown visitor experience, thereby promoting business attraction along Pine Avenue and nearby streets.

Section 2. The Agency determines that no other reasonable means of financing the above-described improvements are available to the community. This finding is supported by the following facts:

Before the passage of Proposition 13, most of the City's general operating and capital improvements were funded through property taxes. However, the initiative placed severe constraints on the City's ability to use property tax revenues to offset increases in operating and capital costs. It has also been difficult for the City, by itself, to provide sufficient funds to pay the debt service for the construction of major public improvements. In fiscal year 2009-2010, the limited resources of the City's General Fund are committed to previously incurred obligations and planned projects.

Section 3. The Agency further determines that the payment of funds to reimburse the City for the cost of the construction of the public improvements will assist in the elimination of one or more blighting conditions within the Project, and is consistent with the implementation plan adopted pursuant to Health and Safety Code Section 33490.

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APPROVED AND ADOPTED by the Redevelopment Agency of the City of  
Long Beach, California, on this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
Executive Director/Secretary

APPROVED:

\_\_\_\_\_  
Chair

## **EXHIBIT "A"**

### **DESCRIPTION OF THE PUBLIC IMPROVEMENTS**

Payment of debt service for bonds sold to finance original construction of the City Place parking garages.

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