

RESOLUTION NO. O.B. 13-2012

A RESOLUTION OF THE OVERSIGHT BOARD OF THE CITY OF LONG BEACH AS THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH APPROVING AN AMENDED AND RESTATED OWNER PARTICIPATION AGREEMENT WITH SHORELINE GATEWAY, LLC FOR THE DEVELOPMENT OF THE SHORELINE GATEWAY PROJECT

WHEREAS, on November 5, 2007, the former Redevelopment Agency ("RDA") entered into an Owner Participation Agreement ("OPA") with Shoreline Gateway, LLC for the development of the Shoreline Gateway Project ("Project") on a site located at the northwest corner of Ocean Boulevard and Alamitos Avenue; and

WHEREAS, due to the prolonged downturn in the real estate market, Shoreline Gateway, LLC was unable to comply with the Schedule of Performance set forth in the OPA and development never began; and

WHEREAS, the Project was approved as a two-phase development; and

WHEREAS, a First Amendment to the OPA was approved by the RDA which included an extension until January 1, 2014 for Shoreline Gateway, LLC to purchase the Phase One site and until February 1, 2014 to purchase the Phase Two site; and

WHEREAS, since the dissolution of the RDA, Shoreline Gateway, LLC, has addressed the lack of additional financial assistance by aggressively revamping the transaction and partnering with credit-worthy financial partners; and

WHEREAS, Shoreline Gateway, LLC wishes to modify the existing OPA to facilitate the development and to acknowledge the elimination of additional future financial assistance; and

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1 WHEREAS, this matter was approved by the Successor Agency to the  
2 Redevelopment Agency of the City of Long Beach on November 20, 2012;

3 NOW, THEREFORE, the Oversight Board of the City of Long Beach as the  
4 Successor Agency to the Redevelopment Agency of the City of Long Beach ("Oversight  
5 Board") resolves as follows:

6 Section 1. Approve the decision of the Successor Agency to the  
7 Redevelopment Agency of the City of Long Beach to execute an Amended and Restated  
8 Owner Participation Agreement, and any other related documents, with Shoreline  
9 Gateway, LLC for the development of the Shoreline Gateway Project.

10 Section 2. This resolution shall take effect immediately upon its adoption  
11 by the Oversight Board, and the City Clerk shall certify the vote adopting this resolution.

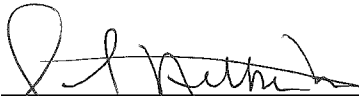
12 PASSED, APPROVED, and ADOPTED at a meeting of the Oversight Board  
13 of the City of Long Beach as the Successor Agency to the Redevelopment Agency of the  
14 City of Long Beach held this 10<sup>th</sup> day of December, 2012 by the following vote:

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16 Ayes: Novak, Oakley, Powers, Strickland.

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19 Noes: None.

20 Abstain: Netherton.

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22 Absent: Meyer, Tolentino.

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Chairperson, Oversight Board

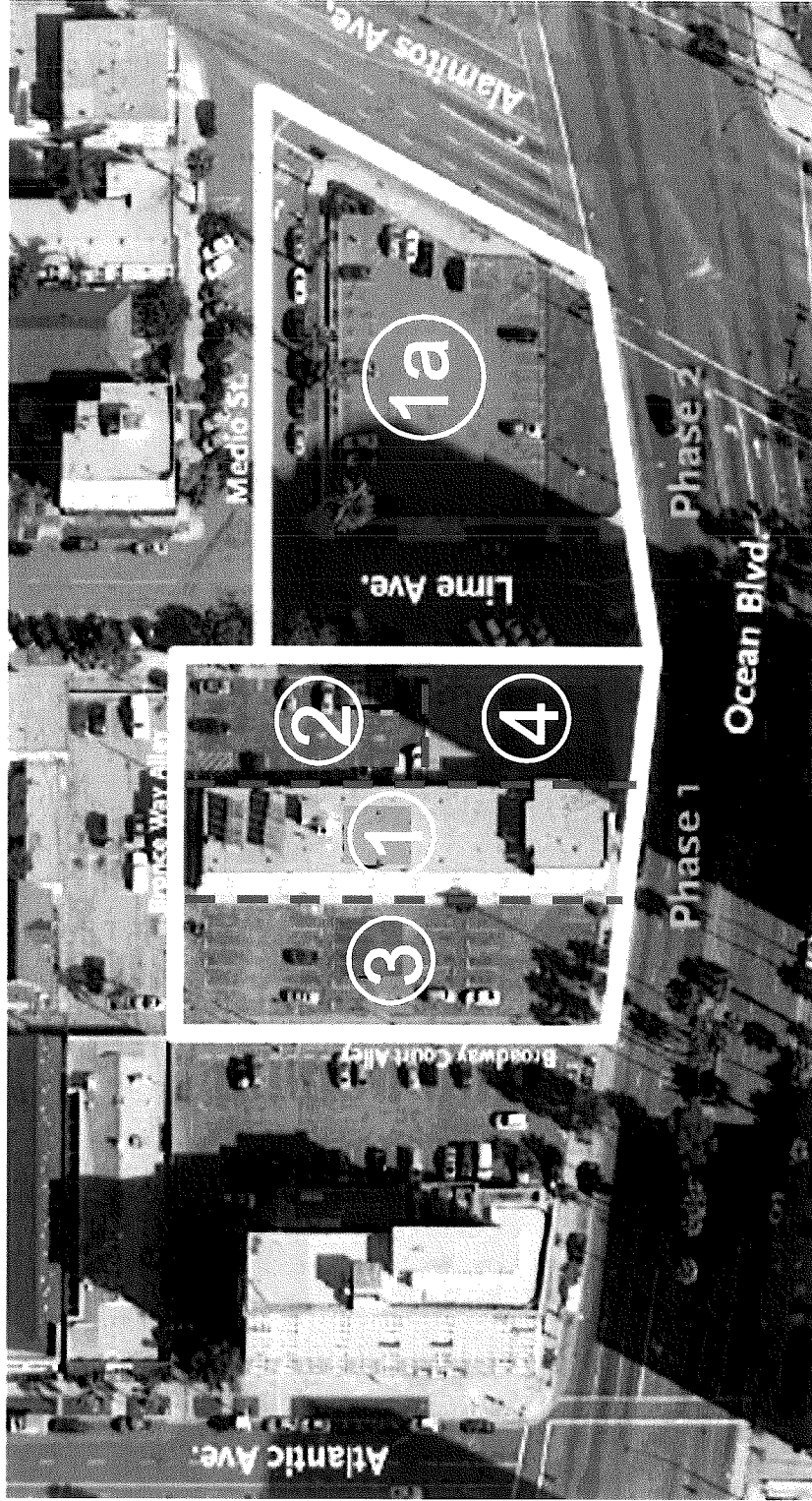
26 APPROVED:

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28 Secretary, Oversight Board

Exhibit A - Site Map



# Exhibit B - Site Map with Existing Phasing



Parcel	Address	Owner	Phase
1a	777 E. Ocean Blvd	Long Beach SA	2
1	635 E. Ocean Blvd	Shoreline Gateway, LLC	1
2	19 Lime Ave	Long Beach SA	1
3	619 E. Ocean Blvd	Long Beach SA	1
4	645 E. Ocean Blvd	Long Beach SA	1

# Exhibit C – Shoreline Gateway OPA Comparison

	Existing OPA	Proposed Amended and Restated OPA
<b>Executed</b>	January 11, 2008	November 2012, depending on DOF approval.
<b>Phasing</b>	Phase I: East tower Phase II: West tower	Phase I: West tower Phase II: East tower
<b>Phase I (West Tower) Conveyance Price</b>	\$5.34 Million*	\$100**
<b>Phase I (West Tower) Easement Price</b>	\$410,000	Easement no longer required, so no purchase necessary.
<b>Phase I (West Tower) Scope of Development</b>	Mixed-use tower (Size undetermined)	18 Stories 221 Rental Units (market rate) 9,500 sq. ft. of retail
<b>Phase I (West Tower) Development Schedule</b>	Not specified. West Tower was Phase II under existing OPA.	Construction to commence not later than two years after execution of Agreement.
<b>Phase II (East Tower) Purchase Option</b>	No cost Option to acquire Phase II (West Tower) site by Feb 1, 2012. (3/7/11 Amendment extended to Feb 1, 2014)	2 year Option from the date a COO or TCO (whichever is earlier) is issued for Phase I (West Tower). First year at no cost. Second year fee is 2% of purchase price (\$36,400). Half may be applied to purchase price. The other half is a non-refundable fee. Shoreline Gateway, LLC must file complete Phase II Planning entitlement application to exercise the second year of the Option.
<b>Phase II (East Tower) Conveyance Price</b>	\$1.82 Million, less remediation costs (if applicable)	\$1.82 Million. No deduction for remediation.
<b>Phase II (East Tower) Scope of Development</b>	35 Stories 221 For Sale Units 12,600 sq. ft. of retail	35 Stories 221 For Sale Units 12,600 sq. ft. of retail
<b>Phase II (East Tower) Site Remediation</b>	Long Beach RDA responsibility.	Shoreline Gateway, LLC responsibility. Agency will reimburse Participant up to \$1.82 million via RPTTF, subject to DOF approval.
<b>Assignment</b>	Permitted with restrictions.	Permitted with restrictions.
<b>Loan Guarantee</b>	\$6 million. If RDA required to perform, remedy limited to foreclosure of participant real property (635 E. Ocean).	\$6 million potentially recoverable by a subordinated note / equity position.
<b>% for Public Art</b>	Included. 1% of total development costs.	Included. 1% of total development costs, payable at issuance of Phase II building permits or termination of the Option.
<b>CEQA</b>	EIR (September 18, 2006); SEIR (November 5, 2007). Completed.	Covered by OPA EIR and SEIR. Also covered via DT Plan Program EIR (January 10, 2012). Completed.
<b>Plan Check / Impact Fees</b>	Pay fees in effect at time of issuance.	Pay fees in effect at time of issuance.

\*Prior to elimination of RDA, an amendment to the existing OPA was under negotiation. The amendment contemplated a rebate of tax increment generated from Project to Participant.

\*\*Due to RDA elimination, no tax increment rebate from Project to Participant is included.

Exhibit D – Shoreline Gateway Phase One (West Tower)

