



LONG BEACH REDEVELOPMENT AGENCY

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November 5, 2007

REDEVELOPMENT AGENCY BOARD MEMBERS

City of Long Beach
California

RECOMMENDATION:

Approve and authorize the Executive Director to:

- Hold a Public Hearing;
- Receive supporting documentation into the record and conclude the Public Hearing;
- Adopt a Resolution making certain findings and approve and authorize the Executive Director to execute a First Amendment to the Disposition and Development Agreement with Everbright Management, LLC, for the development of property at 1515 Judson Avenue. (West Industrial – District 1)

DISCUSSION

On June 9, 2003, the Redevelopment Agency (Agency) approved a Disposition and Development Agreement (DDA) between the Agency and Everbright Management, LLC (Developer) for the development of 1515 Judson Avenue (Site) (Exhibit A). The developer acquired the land from the Agency on September 12, 2003.

The developer currently owns an adjacent property and intends to expand its recycling business onto the Site. The Site will be used to operate a bulk paper recycling and processing center. In order to accommodate the proposed uses on the Site, the Developer will demolish an existing one-story metal building to construct a new 3,564 square foot two-story industrial building and bale staging area. The additional space will allow the developer to consolidate his business services within one location in the Project Area.

During the project entitlement process the Developer experienced changes in their corporate structure, thus altering the composition of their company. These changes created challenges for the Developer to meet the development timeline specified by the original DDA. The developer did not commence development of the project.

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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Subsequently, through negotiations with Agency staff, an amendment to the DDA was agreed upon to assure the development would start and finish within a timely manner.

The amendment to the DDA reflects a new schedule of performance dictating project development milestones. Section 511 of the DDA, Termination and Damages, was replaced with Termination and Damages: Liquidated Damages, which assesses specific financial penalties for failing to meet the milestones specified in the revised schedule of performance (Exhibit B).

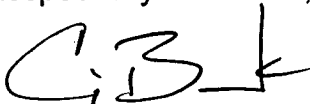
Staff also added an Option to Purchase, which allows the Agency to re-purchase the property from the developer at the original 2003 selling price, upon an event that constitutes a material default under the DDA and if the default is not cured within an appropriate amount of time. Hence, staff believes this amendment to the DDA will ensure the property will be developed as planned, and within a timely manner.

Since the DDA involves the sale of land previously purchased by the Agency with tax increment monies, California Redevelopment Law requires that the DDA must also be approved by the City Council by Resolution after a public hearing. This hearing is scheduled for November 13, 2007.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,


for MICHAEL P. CONWAY
EXECUTIVE DIRECTOR

MPC:CAB:aes

APPROVED:


PATRICK H. WEST
CITY MANAGER

Attachments: Exhibit A – Site Map
Exhibit B – Revised Schedule of Performance

Exhibit A
Site Map
1515 Judson



— Proposed Site



Exhibit B

REVISED ATTACHMENT NO. 3

REVISED SCHEDULE OF PERFORMANCE

1. Execution of Agreement. Agreement authorized, executed and delivered to Developer by Agency. Executed July 15, 2003.
2. Opening of Escrow. Agency will open an escrow with Escrow Agent. Opened and closed.
3. Conveyance of Site to Developer. Agency will convey title of the Site to Developer. Site conveyed to Developer on September 12, 2003.
4. Submission – Conceptual Site Plan Review. Developer will prepare and submit to the Agency Conceptual Site Plans. Submitted.
5. Approval – Conceptual Site Plan. Agency will approve or disapprove the Conceptual Site Plan. (Stage II Design approval.) Approved.
6. Submission – Planning Permit Application. Developer shall submit its permit application to the Planning Department. Submitted.
7. Execution First Amendment to DDA. Agency and Developer shall execute the First Amendment to the DDA. On or before December 3, 2007.
8. Submission – Planning Site Plan Review Committee. Developer shall submit its Site Plan to the Planning Site Plan Review Committee. Submitted.
9. Submission – Technical Advisory Committee. Developer shall submit its Site Plan to the Technical Advisory Committee. Submitted.

10. Approval – Site Plan. Agency staff shall approve Developer’s Site Plan. Within 90 days after receiving comments from the Technical Advisory Committee.
11. Submission - Final Construction Drawings of the Site. The Developer will prepare and submit to the Agency and City Planning and Building Department Final Construction Drawings. (Stage III Design approval.) Within 90 days after receiving approval of the Site Plan from the Technical Advisory Committee.
12. Submission - Financing Documents and Insurance Certificates. The Developer will deliver to Agency financing documents and insurance certificates. Prior to issuance of building permits.
13. Approval - Financing Documents and Insurance Certificates. The Agency will approve or disapprove financing documents and insurance certificates. Evidence of financing shall include: (a) copies of all conditional and firm financing commitments (subject to usual and standard conditions); (b) proof of acceptance of each loan commitment by Developer required to fund the Project; and (c) proof of availability of any equity capital contributions that may be required for the development of the Project. Prior to issuance of building permits for the Site.
14. Permits. Developer shall obtain building, zoning and other required permits, or with title to the Site and payment of fees, shall obtain building, zoning and other required permits. Within 90 days of submission of plans to City’s Planning and Building Department.
15. Commencement of Construction on Site. Developer will commence construction of the improvements on the Site. Construction shall be deemed to have commenced when Developer’s contractor begins grading for pouring the foundation. Within 60 days after issuance of building permits, but not later than October 31, 2008.

16. Completion of Construction on the Site. Developer will complete the construction of improvements on the Site. Within 270 days after commencement of construction.
17. Compliance Report. Developer shall submit to the Executive Director a written report regarding its compliance with the requirements of Section 307. Prior to the issuance of a certificate of occupancy.
18. Issuance of the Certificate of Completion. Agency shall issue a Certificate of Completion for the Project. Upon written request of Developer after completion of all construction. Construction shall be deemed to be completed when the Project has been constructed substantially in accordance with the Scope of Development, a certificate of occupancy has been issued for the Project, and 35 days have elapsed following the recordation of a Notice of Completion pursuant to Civil Code Section 3093 for completion of the Project.