



CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

February 21, 2006

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute a Terms and Conditions Letter for the purchase of 8.9 acres from the Union Pacific Railroad Company for the Drake/Chavez Greenbelt Project. (District 1)

DISCUSSION

The Drake/Chavez Greenbelt Project (Project) provides for the acquisition of property for the development of a greenbelt along the Los Angeles River. The greenbelt will connect Cesar E. Chavez and Drake parks through the development of wetlands and passive and active open space (Attachment). Funding for the Project is supported by grants received through the Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Bond Act of 2000 (Proposition 12), the Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Act (Proposition 13), the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (Proposition 40) and the Redevelopment Agency Central Project Area Revenue Bond proceeds.

The City is currently in negotiations with Union Pacific Railroad Company (UPRR), for the acquisition of 8.9 acres within the Project. As a result of certain environmental issues, negotiating a Purchase and Sale Agreement will be a protracted process. Until the fiscal impact of these environmental issues can be determined and because of the limited grant funds for this acquisition, it is advisable to set parameters on certain dealpoints of the transaction on which the parties have reached agreement ahead of the ongoing negotiations. In particular, the parties seek to identify the sale property and establish a not to exceed purchase price. This is intended to avoid inflated prices that may undermine negotiations at the end of this protracted process. Therefore, execution of a terms and conditions letter is requested. Upon completion of negotiations, staff will seek City Council authorization for the execution of a Purchase and Sale Agreement and allocation of grant funds for acquisition.

The following are the major terms and conditions:

- Seller: Union Pacific Railroad Company.

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- Buyer: City of Long Beach.
- Property: Approximately 8.9 acres.
- Sale Price: Not to exceed five million (\$5,000,000) dollars.

This letter was reviewed by Deputy City Attorney Richard F. Anthony on February 1, 2006 and Budget Management Officer David Wodynski on February 9, 2006.

TIMING CONSIDERATIONS

City Council action is requested on February 21, 2006, in order to facilitate negotiations.

FISCAL IMPACT

There is no fiscal impact as a result of this action. Upon completion of negotiations, a purchase and sale agreement will be brought to City Council along with any appropriation of grant funds needed for the purchase.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,




PATRICK H. WEST
DIRECTOR OF
COMMUNITY DEVELOPMENT



PHIL T. HESTER
DIRECTOR OF PARKS,
RECREATION AND MARINE

PHW:PTH:MFT:lel
Attachment - Proposed Project Map
2.21.06 CC Ltr Acquisition UPRR.doc

APPROVED:



GERALD R. MILLER
CITY MANAGER