

CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

H-2

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

March 14, 2006

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

RECOMMENDATION:

Receive the supporting documentation into the record, conclude the public hearing, and adopt the attached Resolution making certain findings and approving and authorizing the Executive Director of the Redevelopment Agency to execute a Disposition and Development Agreement with Darryl Deleske, dba Marinus Scientific. (District 1)

DISCUSSION

Redevelopment Agency (Agency) staff has concluded the negotiation of a Disposition and Development Agreement (Agreement) with Darryl Deleske, dba Marinus Scientific (Developer) for the sale and development of Agency-owned property located at 1662, 1664 and 1666 Seabright Avenue (Site), commonly known as Assessor Parcel Number 7432-001-017 (Exhibit A). The Site is located in the West Long Beach Industrial Redevelopment Project Area (Project Area).

Marinus Scientific, a biomedical research company, has been providing live marine specimens for government agencies, educational and research institutions for over 20 years. For over 15 years, Marinus Scientific has leased property in the Project Area. The Developer left Long Beach two years ago due to rising rental costs and the lack of available for-sale properties in the Project Area. The Developer has outgrown his current location and hopes to return to Long Beach as a property owner.

The Developer proposes to build a 4,000 square foot, one-story research facility with office space, warehouse space and a secured salt-water storage tank to house live marine invertebrates. No sea mammals are used for research purposes and no toxic or hazardous materials are used in the operation of the facility. Three current employees will be retained and two new jobs will be created in the Project Area.

The Agreement includes the following major provisions:

- Under the terms of the Agreement, the Developer will pay the Agency \$14.75 per square foot, or \$143,886, as compensation for the approximately 9,755 square foot Site.

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- The Developer will utilize the Site in accordance with the West Long Beach Industrial Redevelopment Plan and all applicable City codes and regulations including providing appropriate landscaping, screening and parking.
- An Agreement Containing Covenants will be recorded at closing. This document will prohibit certain uses, describe maintenance responsibilities and levels of maintenance, and require that any future improvements be subject to the Design Guidelines for the Project Area.
- If the Developer does not close escrow within 12 months of the date of the Disposition and Development Agreement, the purchase price for the Site will increase by 15 percent. The Developer has provided evidence of financing for the development of the Site.

At its meeting held on April 26, 2005, the Westside Project Area Committee made a recommendation to approve the Developer's conceptual site plan for the project (Exhibit B). The Developer entered into an Exclusive Negotiation Agreement with the Agency on July 11, 2005.

The City's Environmental Planning Officer has determined that the project contemplated by the Agreement qualifies for a Categorical Exemption under the California Environmental Quality Act (Exhibit C).

Since the property was purchased by the Agency with tax increment monies, California law requires that this sale must also be approved by the City Council by resolution after a public hearing.

Pursuant to California Redevelopment Law, the Agency has made available for public inspection and reproduction a Summary Report (Exhibit D) that contains the following:

- The estimated value of the interest to be conveyed, determined at the highest and best use permitted under the Redevelopment Plan;
- The estimated value of the interest to be conveyed and with the conditions, covenants and development costs required by the Agreement;
- The purchase price;
- The cost of the Agreement to the Agency;
- The net cost/benefit to the Agency;
- An explanation of why the sale of the Site will assist in the elimination of blight; and

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- An explanation of why the sale of the Site is consistent with the Agency's AB 1290 Implementation Plan.

This letter was reviewed by Assistant City Attorney Heather A. Mahood March 1, 2006 and Budget Management Officer David Wodynski on March 3, 2006.

TIMING CONSIDERATIONS

City Council action is requested on March 14, 2006, as the Agency and Developer wish to proceed with an escrow closing on or before May 1, 2006.

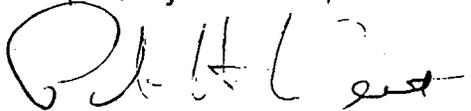
FISCAL IMPACT

The proceeds of \$143,886 from the proposed sale will be deposited into the Redevelopment Fund (RD) in the Department of Community Development (CD). The Developer will purchase the property with private funds.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



PATRICK H. WEST
DIRECTOR OF COMMUNITY DEVELOPMENT

APPROVED:



GERALD R. MILLER
CITY MANAGER

BAK:MCB:mb

Attachments: Exhibit A – Site Map
Exhibit B – WPAC Recommendation
Exhibit C - Categorical Exemption
Exhibit D - Section 33433 Summary Report
City Council Resolution

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