



LONG BEACH REDEVELOPMENT AGENCY

333 WEST OCEAN BOULEVARD, THIRD FLOOR • LONG BEACH, CA 90802 • (562) 570-6615 • FAX (562) 570-6215

November 6, 2006

REDEVELOPMENT AGENCY BOARD MEMBERS
City of Long Beach
California

RECOMMENDATION:

Recommendation to approve and authorize the Executive Director to enter into a Purchase and Sale Agreement and all other related documents for the acquisition of property at 6620-30 Atlantic Avenue for \$1,275,000 plus closing costs. (North - District 9)

DISCUSSION

The North Long Beach Strategic Guide for Redevelopment (Guide) identifies a framework of strategies to be used by the City of Long Beach Redevelopment Agency (Agency) when making decisions regarding development opportunities in North Long Beach. One key strategy of the Guide regarding commercial uses along major arterials is to re-orient these areas from the existing linear pattern of development to concentrated commercial uses at key intersections or "nodes." As identified in the Guide, the strategy of developing residential structures along existing commercial corridors serves as a corollary for the concentration of commercial development at nodes.

The Agency is working with the Ninth District Council Office to revitalize the northeast corner of Artesia Boulevard and Atlantic Avenue. This site is one of the Agency's target commercial development sites. Moreover, the site remains a community priority because of its blighted condition at a key intersection with access to the Artesia Freeway (SR-91). It is also across the street from a new private commercial development and just one block north of Jordan High School and Houghton Park.

The site is made up of three separate but adjacent parcels, each with a different owner and currently contains a donut shop, dentist office, liquor store, fish market, fast food hamburger stand, and an automotive repair shop all fronting Artesia Boulevard. (see Exhibit A – Site Map.) Once the site is assembled, it will have excellent potential for quality commercial development.

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The property at 609 to 669 E. Artesia Boulevard (Kombosch) was recently acquired by the Agency pursuant to authority granted by the Redevelopment Agency Board on March 13, 2006. That parcel housed a fast food hamburger stand and automotive repair shop. Demolition of these structures began on November 1, 2006.

The property owner of the parcel at 6620-30 Atlantic Avenue (Mr. Kohn) has offered the parcel for sale to the Agency for \$1,275,000. The parcel encompasses 8,870 square feet of land with a 3,784 square foot building. The proposed sale price includes assignment of the owner's rights under existing leases, but does not include relocation or goodwill payments for two tenants on site, a liquor store and a seafood market. The business tenants will be relocated according to state relocation law.

The following summarizes the proposed transaction:

- The property is owned by Samuel Kohn;
- The property was appraised at \$1,175,000, by Lidgard & Associates, in an appraisal report dated July 21, 2006;
- The Agency's purchase price for the property will be \$1,275,000 or \$143.74 per square foot. This is about eight percent over appraised value; and
- This is a voluntary sale, avoiding eminent domain.

Since the property can be purchased for fair market value without the use of eminent domain and its purchase is consistent with the future development of the North Long Beach corridors as outlined in the Strategic Guide. Staff recommends the site be purchased for future development opportunities.

Once the Agency has acquired the remaining properties located at this target commercial development site, a Request for Proposal (RFP) will be released to the development community soliciting a commercial project. Funds are available for this acquisition in the FY 2007 budget for North Long Beach. The North Project Area Committee (NPAC) found that acquisition of the parcel was consistent with the NPAC's adopted land acquisition policy. The NPAC recommended the acquisition of this property at their February 23, 2006 meeting.

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



for PATRICK H. WEST
EXECUTIVE DIRECTOR

PAW:CB:LAM:lm

Attachment: Exhibit A – Site Map

APPROVED:






for GERALD R. MILLER
CITY MANAGER

Exhibit A

N/E Corner of Atlantic and Artesia



Legend

-  RDA Owned
-  In Escrow
-  In Negotiation

