



CITY OF LONG BEACH

AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH

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December 4, 2012

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF LONG BEACH
City of Long Beach
California

RECOMMENDATION:

Declare the Successor Agency-owned parcels located at 101 East Pacific Coast Highway and 1814 Pine Avenue as surplus; and

Authorize the City Manager to execute any and all documents, including a Purchase and Sale Agreement and Escrow Instructions (PSA), with Pine PCH, LLC, a California limited liability company (Buyer), for the sale of the property in the amount of \$393,500, less escrow and closing fees. (District 6)

DISCUSSION

The Successor Agency to the Redevelopment Agency of the City of Long Beach currently owns two contiguous parcels (Subject Property) located at 101 East Pacific Coast Highway and 1814 Pine Avenue (Exhibit A – Site Map). The Subject Property totals approximately 17,188 square feet of land area and contains no buildings or other site improvements.

The Buyer has expressed an interest in acquiring the Subject Property for development of a commercial building and appurtenant parking to provide neighborhood-serving retail businesses. The Buyer and the former Redevelopment Agency previously entered into an Exclusive Negotiation Agreement for the development contemplated in this transaction, but were unable to conclude negotiations prior to the dissolution of the Redevelopment Agency. The Buyer proposes to acquire the Subject Property for the purchase price of \$393,500, which is fair market value, as determined by an independent appraisal. As a condition of the sale, a restrictive covenant would be recorded requiring the Buyer to use the Subject Property for certain specified commercial retail uses and to maintain it at all times. Further, the proposed sale of the Subject Property will restore an underutilized property to productive use, place it back on the tax rolls and spur economic development through new temporary and permanent jobs, all of which are a benefit to the City and other taxing agencies. The PSA is subject to approval from the Oversight Board and the State Department of Finance before it is effective.

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The major terms and conditions of the proposed sale are as follows:

- Property: The property is located at 101 East Pacific Coast Highway and 1814 Pine Avenue and consists of a land area measuring approximately 17,188 square feet.
- Seller: City of Long Beach, as Successor Agency to the Redevelopment Agency of the City of Long Beach.
- Buyer: Pine PCH, LLC, a California limited liability company.
- Purchase Price: \$393,500.
- Deposit: In connection with the opening of escrow, Buyer will provide a conditionally refundable deposit of \$25,000.
- Use: The Buyer is acquiring the property to develop a commercial building and appurtenant parking to provide neighborhood-serving retail businesses.
- Due Diligence: Buyer shall have sixty (60) days from the date of the executed PSA to review title, conduct surveys, studies and inspections and review other applicable due diligence materials relating to the property.
- Escrow Closing: Buyer shall close escrow no later than 365 days from the date of opening.

In compliance with Government Code 54220 (Chapter 621, Statutes of 1968), on November 2, 2012, staff notified the State that the Successor Agency was declaring its property located at 101 East Pacific Coast Highway and 1814 Pine Avenue as surplus. Further, in accordance with past practice, a memorandum was circulated to all City departments to determine their interest in or objection to declaring this parcel surplus. To date, neither the State nor any City departments have expressed an interest or objection. In accordance with the California Environmental Quality Act (CEQA), a Categorical Exemption (CE-34-12) was completed related to the proposed transaction on November 5, 2012.

In accordance with Section 33433 of the California Health and Safety Code, a Summary Report outlining the financial terms and efforts in blight elimination has been prepared and will be considered by the Long Beach City Council at its meeting to be held on December 4, 2012.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on November 12, 2012, and by Budget Management Officer Victoria Bell on November 15, 2012.

TIMING CONSIDERATIONS

Successor Agency action is requested on December 4, 2012, in order to execute the Purchase and Sale Agreement and effectuate the sale of the Subject Property. This item will be submitted to the Oversight Board for approval on December 10, 2012.

FISCAL IMPACT

The sale proceeds of \$393,500, less any closing and escrow fees, will be held in the Successor Agency Fund (SA 270) in the Department of Development Services. At this time, allocation of these funds has not been determined. New temporary construction jobs and permanent retail jobs will be generated from this transaction. There is no impact to the General Fund associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



PATRICK H. WEST
CITY MANAGER

PHW:AJB:RMZ:MFT
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Attachment: Exhibit A – Site Map

EXHIBIT A SITE MAP

SUBJECT PROPERTY

Northeast Corner of Pacific Coast Highway and Pine Avenue
101 East Pacific Coast Highway/1814 Pine Avenue

