



LONG BEACH REDEVELOPMENT AGENCY

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

March 27, 2006

REDEVELOPMENT AGENCY BOARD MEMBERS

City of Long Beach
California

RECOMMENDATION:

Recommendation to approve and authorize the Executive Director to execute the Purchase and Sale Agreement and all related documents for the acquisition of property at 2085 Atlantic Avenue for \$90,000 plus closing costs. (Central – District 6)

DISCUSSION

The Department of Community Development has developed an Atlantic Avenue Master Plan (Plan) for blight elimination and revitalization of the Atlantic Avenue Corridor between Pacific Coast Highway and Willow Street. The Plan is intended to guide future development that will compliment the current residential developments that have been completed along the corridor. The completed projects are the Renaissance Walk and the Atlantic Villas Housing Projects, which have added forty single-family homes with a childcare center and fifteen townhouse units, respectively. The Department of Community Development has also assisted the Long Beach Unified School District in relocating the Head Start Facility to the 1800 block of Atlantic Avenue into what was once a vacant commercial building. Recently, the Renaissance Square project has been completed with Union Bank as the primary tenant.

The proposed project is a phased implementation of the Central Long Beach Redevelopment Plan through blight removal by acquiring the parcels on the west side of Atlantic Avenue, generally between 20th Street and Hill Street, for land assembly (Exhibit A – Site Map). The Agency has earlier approved both the Relocation Plan and the Replacement Housing Plan. The Long Beach Housing Development Company (LBHDC) and the Redevelopment Agency have entered into a Memorandum of Understanding wherein the Redevelopment Agency will acquire the identified properties and convey them at cost to LBHDC for the development of affordable housing.

The property located at 2085 Atlantic Avenue has been used as a gas station since 1971. This use was abandoned in 1998 and the current owners acquired the property through foreclosure on a deed of trust. The underground storage tanks were removed in

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.

REDEVELOPMENT AGENCY BOARD MEMBERS

March 27, 2006

Page 2

1999. Confirmation sampling of the site revealed the presence of petroleum-related constituents in both the soils and the groundwater. Agency staff secured a right of entry to conduct additional investigation and established the lateral and vertical extent of impacted soils.

Staff prepared an estimated cost for investigation and remediation of gasoline impacted soils, assuming residential use of the property. The estimate assumes a scope of work that includes a groundwater investigation workplan, additional groundwater and soils investigations under the oversight of the Regional Water Quality Control Board, a Remedial Action Workplan, remediation of the soils, preparation of a health risk assessment and quarterly groundwater monitoring and report preparation. The estimated cost is \$350,000, which includes a 25% contingency.

At the time of initial acquisition discussions, the estimated remediation costs exceeded the land value. However, a recent valuation of the site revealed that the land value has increased to the extent that, after payment of the purchase price and expending the cost of remediation activities, there remains a cushion of value in excess of \$250,000. Staff believes that this excess value is sufficient to protect the Agency and the LBHDC from unknown and unanticipated costs related to environmental remediation.

The property owner has executed a Purchase and Sale Agreement with the following general terms and conditions:

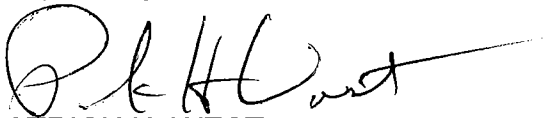
- Property: 2085 Atlantic Avenue
- Purchase Price: \$90,000
- Release: Agency releases Seller from environmental liability

Staff believes that the excess value is sufficient protection from unanticipated costs and recommends that the Agency release the Seller from further liability.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



PATRICK H. WEST
EXECUTIVE DIRECTOR

PHW:BAK:MPC

Attachment: Exhibit A – Site Map

APPROVED:



GERALD R. MILLER
CITY MANAGER

