



# CITY OF LONG BEACH

# R-26

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

April 1, 2008

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Authorize the acquisition of two parcels of land, more commonly known as 620 San Francisco Avenue, for the purchase price of approximately \$2,903,848 for the Drake/Chavez Greenbelt Project; authorize the City Manager to accept \$1,000,000 in grant awards from the Los Angeles County Regional Park and Open Space Competitive Grant Program and execute any and all documents necessary for the administration of the grant; authorize the City Manager to make the necessary budget appropriations and adjustments related to the grant and the acquisition; and authorize the City Manager to execute any and all documents necessary for the conveyance of the parcels from the Long Beach Redevelopment Agency to the City of Long Beach. (District 1)

## DISCUSSION

The Drake/Chavez Greenbelt Project (Project) provides for the acquisition of property adjacent to the Los Angeles River for the development of a greenbelt connecting the 23-acre Cesar A. Chavez Park to the six-acre Drake Park. The Project will add approximately 30 acres of open space to an underserved area of Long Beach through the acquisition of approximately 16 acres of privately-owned property as well as the potential conversion of 15 acres of unimproved right-of-way. The Project is currently being planned with community input for a mix of traditional parks functions, wetlands and a possible nature center with exhibits and classroom space. To date, the City has purchased 15.17 acres of the total privately-owned property required to complete the connection. Acquisition of the property located at 620 San Francisco Avenue (Site) will add 0.76 acres and complete the acquisition of all property identified for the Project (see Exhibits A and B).

The Long Beach Redevelopment Agency (Agency), acting as the City's agent, is currently in negotiations with the property owners of the Site. The property owners have agreed to sell the 0.76-acre Site to the Agency for an all-inclusive amount of \$2,710,000. Of this amount, \$2,397,500 is for the land and improvements and \$312,500 is for goodwill and compensation for relocation costs. An additional amount of up to \$193,848 will be expended for escrow and closing fees and further environmental investigation and/or remediation, for a total purchase price of approximately \$2,903,848.

HONORABLE MAYOR AND CITY COUNCIL

April 1, 2008

Page 2

As an additional part of the acquisition, an Occupancy Agreement has been negotiated with the current property owner who will lease back the Site at a monthly rental rate of \$2,250 for a 12-month period following the close of escrow. The Occupancy Agreement will provide \$27,000 in annual rental income from the Site. In the event the Occupancy Agreement is extended beyond the initial 12-month period, the rental rate shall increase to \$8,500 per month.

Funding for this acquisition is supported by grants received through Proposition A, the Safe Neighborhood Parks proposition (Prop A) and the 2006 Open Space Lease Revenue Bonds. In November 1992 and November 1996, the voters of Los Angeles County approved Prop A to fund \$540 million in projects for the acquisition and preservation of endangered wilderness lands, and to rehabilitate and improve park and recreational facilities throughout Los Angeles County. Prop A also created several programs to manage this responsibility. Of the Prop A funds awarded to the City through these programs, \$1,782,175 has been identified specifically for the acquisition of the Site as part of the Project. \$1,000,000 of this amount was recently awarded to the Department of Parks, Recreation and Marine through the Los Angeles Regional Park and Open Space District Competitive Grant Program, one of the several programs administered through Prop A. In order to utilize the grant award of \$1,000,000 towards the purchase of the Site, City Council action is required to accept the grant and appropriate the funds.

The remaining Prop A funds for the Site in the amount of \$782,175 have been approved and appropriated by the City Council. Of this amount, \$200,000 has been appropriated into the Capital Projects Fund (CIP Fund) in the Department of Parks, Recreation and Marine (PRM). The remaining \$582,175 was previously appropriated into the CIP Fund in the Department of Public Works (PW) prior to the establishment of a CIP Fund in PRM. In order to accurately capture acquisition costs for Prop A fund reimbursement, City Council action is required to allocate the funds from CIP PW to CIP PRM. This re-appropriation would allow all acquisition costs to be identified within CIP PRM.

On September 19, 2006, the City Council authorized the issuance and sale of \$25,000,000 in 2006 Open Space Lease Revenue Bonds to fund the expansion of parks and open space in underserved communities. In July 2007, the Agency and the City executed a loan agreement whereby the City loaned the Agency the proceeds from the 2006 Open Space Revenue Bonds (Open Space Loan Agreement). As the proceeds are to be expended for the expansion and development of parks and open space, several potential park projects were identified, including the acquisition of the Site. In addition to the \$1,782,175 in Prop A funds, \$1,121,673 is needed from the Open Space Revenue Bonds. With the approval of the Open Space Loan Agreement, the appropriations are currently within the Agency. In order to utilize these funds, the Agency will act on the City's behalf, as the City's agent, to purchase the Site. Maintenance of the Site will remain the City's responsibility and as such, the Agency will transfer fee title of and assign the Occupancy Agreement for the Site to the City. The Redevelopment Agency Board approved acquisition of the Site utilizing Open Space Lease Revenue Bonds at their meeting held on March 17, 2008.

HONORABLE MAYOR AND CITY COUNCIL

April 1, 2008

Page 3

In summary, the following actions are required to complete the acquisition of 620 San Francisco Avenue for the Drake/Chavez Greenbelt Project:

- Accept and appropriate \$1,000,000 in grant awards from the Los Angeles County Regional Park and Open Space Competitive Grant Program;
- Allow for the execution of any and all documents necessary for the administration of the grant award;
- Reduce appropriations in the Capital Project Fund in the Department of Public Works by \$582,175;
- Increase appropriations in the Capital Project Fund in the Department of Parks, Recreation and Marine by \$582,175;
- Authorize the acquisition of the Site for the purchase price of \$2,903,848; and
- Authorize the execution of any and all documents necessary for the conveyance of the Site from the Redevelopment Agency to the City.

This letter was reviewed by Principal Assistant City Attorney Heather A. Mahood on March 19, 2008, and Budget Management Officer Victoria Bell on March 18, 2008.

TIMING CONSIDERATIONS

City Council action is requested on April 1, 2008, in order to facilitate the acquisition of the Subject Property.

FISCAL IMPACT

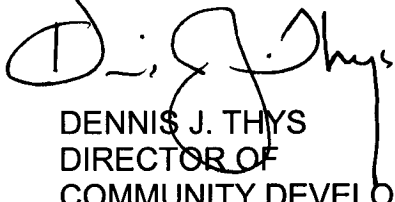
The total cost for acquisition is \$2,903,848. Of this amount, \$1,000,000 will be appropriated into the Capital Projects Fund (CP) in the Department of Parks, Recreation and Marine (PR). \$200,000 is currently budgeted in the Capital Projects Fund (CP) in the Department of Parks, Recreation and Marine. \$582,175 will be reduced in the Capital Projects Fund (CP) in the Department of Public Works (PW) and increased in the Capital Projects Fund (CP) in the Department of Parks, Recreation and Marine (PR). The total amount appropriated in the Capital Projects Fund (CP) in the Department of Parks, Recreation and Marine (PR) will then increase to \$1,782,175. The remaining amount of the purchase price, \$1,121,673, is currently budgeted in the Redevelopment Fund (RD) in the Department of Development Services (DS).

Revenue from the Occupancy Agreement in the amount of \$27,000 will accrue to the General Fund (GP) in the Department of Parks, Recreation and Marine (PR) for Site maintenance and future development.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,




DENNIS J. THYS  
DIRECTOR OF  
COMMUNITY DEVELOPMENT



PHIL T. HESTER  
DIRECTOR OF PARKS,  
RECREATION AND MARINE



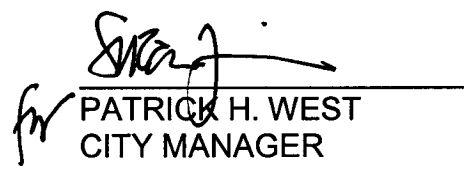
CRAIG A. BECK  
DIRECTOR OF  
DEVELOPMENT SERVICES



MICHAEL P. CONWAY  
DIRECTOR OF  
PUBLIC WORKS

DJT:PTH:CAB:JMLR:MT:mt  
Attachments – Exhibit A Site  
Exhibit B Project Map

APPROVED:



PATRICK H. WEST  
CITY MANAGER