

CITY OF LONG BEACH

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

333 West Ocean Blvd., Long Beach, CA 90802 Phone: 562.570.6615 Fax: 562.570.6215

April 17, 2012

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

RECOMMENDATION:

Approve business terms and authorize the City Manager to execute a Settlement Agreement in connection with LACSC Case No. BC450112 (5870-5874 Atlantic Avenue; Long Beach Redevelopment Agency vs. Sprint PCS Assets, LLC).
(District 9)

DISCUSSION

Staff has concluded the negotiation of business terms for the settlement of Los Angeles County Superior Court Case No. BC450112 (Case). The Case is a condemnation action by the former Redevelopment Agency (Agency) against Sprint PCS Assets, LLC (Tenant) to acquire any and all leases or leasehold interests, and any and all lessee fixtures and equipment pertaining to real property located at 5870-5874 Atlantic Avenue (Property), Assessor Parcel Number 7124-032-900 (Exhibit A – Site Map).

The Property is a key element of the North Long Beach Village Center and Historic Node Implementation Plan (Implementation Plan) developed with community partners and adopted by the Agency in July 2004. The Implementation Plan identified the area along Atlantic Avenue from 56th to 59th Streets as a priority district for development of a Village Center (Village Center). The goal of the Village Center is to create a mixed-use center for North Long Beach to serve as the focal point for neighborhood identity and activity. Proposed features of the 6.3-acre Village Center are multi-family housing, retail uses, and a public library and community center.

Pursuant to the Implementation Plan, the Agency authorized acquisition of the Property, along with the majority of adjoining parcels, to assemble the Village Center development site. Purchase and Sale Agreements related to these acquisitions, including the Property, were executed over the course of calendar years 2005 and 2006. Specifically, the Property features 23,288 square feet in land area and consists of one single-story and one two-story commercial structure formerly occupied by a storefront church and a furniture store. The improvements also include a cellular communications tower and appurtenant communication equipment located on the roof of the commercial buildings (Exhibit B- Site Photo). The Tenant maintains a leasehold interest on the Property through October 28, 2028.

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

April 17, 2012

Page 2 of 3

In December 2009, in accordance with the California Environmental Quality Act, the Agency certified the Final Environmental Impact Report (EIR) for the North Village Center Project (SCH NO. 2008021087), including demolition of the Property, and adopted a Statement of Overriding Considerations and a Mitigation Monitoring Reporting Program.

Staff next retained a qualified advisor to perform a physical condition survey of the Property to evaluate the existing construction and provide information as to the structural feasibility, code implications and estimated costs of converting the building into a branch library facility. The advisor used this data to prepare and submit an Architectural Budget Cost Model in April 2010 (Cost Model). The Cost Model concluded that retrofit of the building would not meet the current building code requirements for new construction, and would have increased vulnerability to structural and non-structural earthquake damage compared to a similar newly constructed building.

Thus, in November 2010, the Agency Board adopted a resolution to determine the public interest and necessity for acquiring and authorizing condemnation of the Tenant leasehold interests in the Property. Following the Board action, the Agency proceeded with filing necessary paperwork with the court and received a trial date for December 11, 2012. In January 2011, the Agency entered into a contract with an architectural firm to design the new North Neighborhood Library to replace the existing library located at 5571 Orange Avenue. Financing for the subject library is obtained through allocation of bond proceeds from the 2010 American Recovery and Reinvestment Act (ARRA).

Over the ensuing months, staff and the Tenant have worked diligently to resolve issues related to a relocation of the Tenant equipment from the Property, both to facilitate efficiency in the design and construction of the proposed new library, and to meet the requirements of the Tenant's cellular communications operations. Accordingly, the following settlement terms were reached:

- The Successor Agency will relocate Sprint to a Cell On Wheels (COW) temporary site.
- The Successor Agency will reimburse Sprint for reasonable costs of relocating onto the new library facility upon completion.
- The City and Sprint agree that Sprint's tower will be temporarily relocated to a COW until such time as the library is built.
- Sprint's permanent tower will be incorporated in the library site via an amended lease agreement.
- The Successor Agency will consider the above on its next available agenda.
- The settlement is subject to and contingent upon Oversight Board approval, which the Successor Agency will use its best efforts to seek as soon as feasible.
- The trial and all associated dates will be continued for at least six months.

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

April 17, 2012

Page 3 of 3

This matter was reviewed by Deputy City Attorney Richard Anthony on March 28, 2012 and by Budget Management Officer Victoria Bell on April 2, 2012.

TIMING CONSIDERATIONS

Successor Agency action is required on April 17, 2012 in order to execute a settlement agreement and proceed with the relocation of Sprint facilities at the earliest possible time following Oversight Board approval.

FISCAL IMPACT

The cost to relocate the facility is estimated at \$308,548 and could increase. To account for any potential increase, \$1,000,000 of 2010 bond proceeds will be appropriated in the Successor Agency Fund (SA 270) in the Department of Development Services. There is no impact to the General Fund and no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



PATRICK H. WEST
CITY MANAGER

PHW:AJB:RMZ:SJ

R:\Successor Agency\Staff Reports\2012\April\SA - Sprint PCS Settlement 041712v13.doc

Attachments: Exhibit A – Site Map
Exhibit B – Site Photo

EXHIBIT "A"

SITE MAP

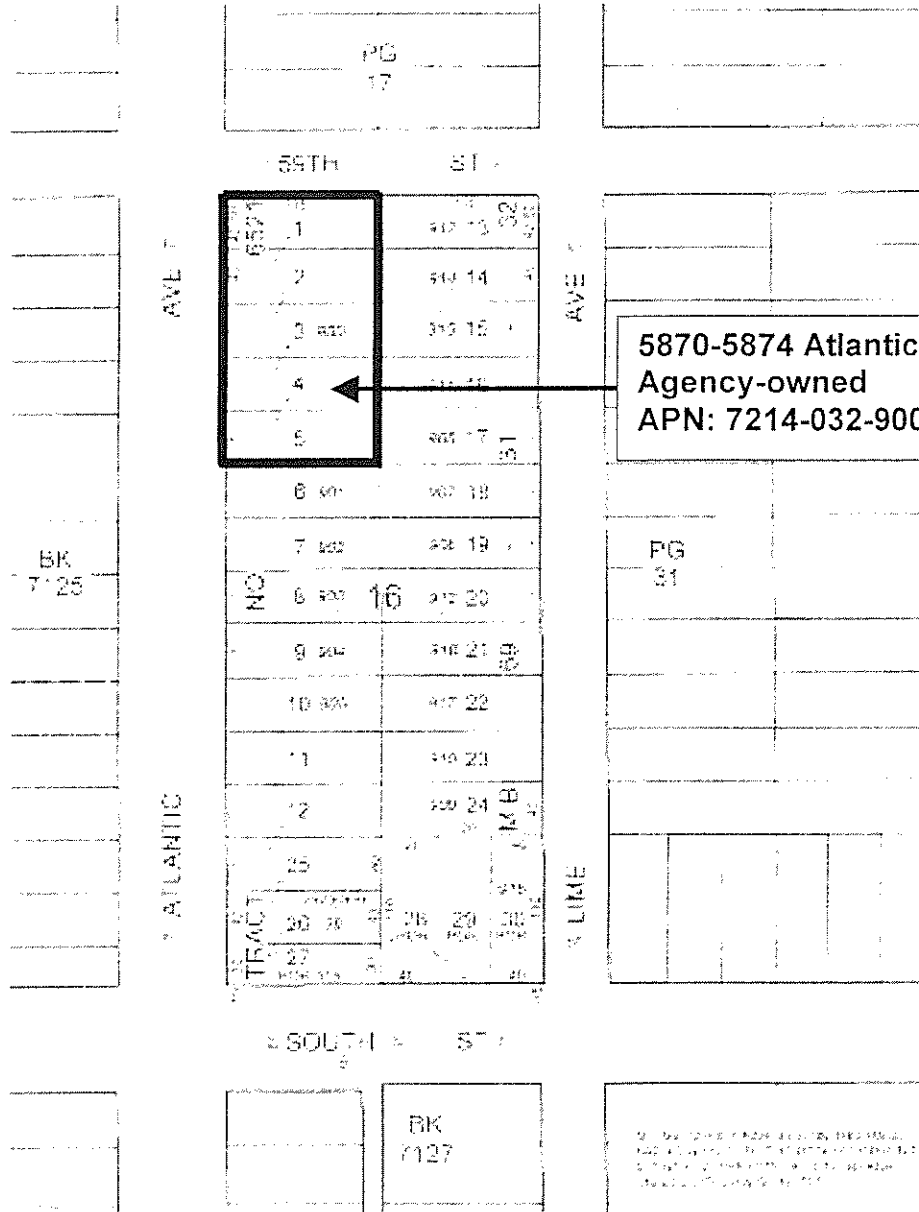
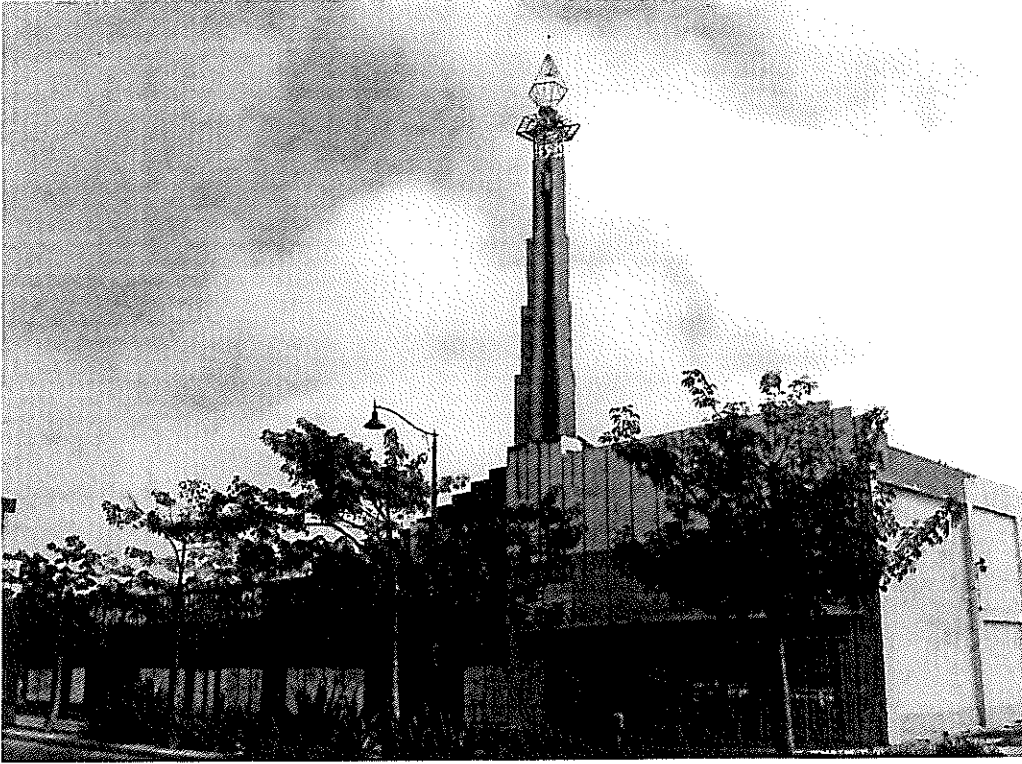
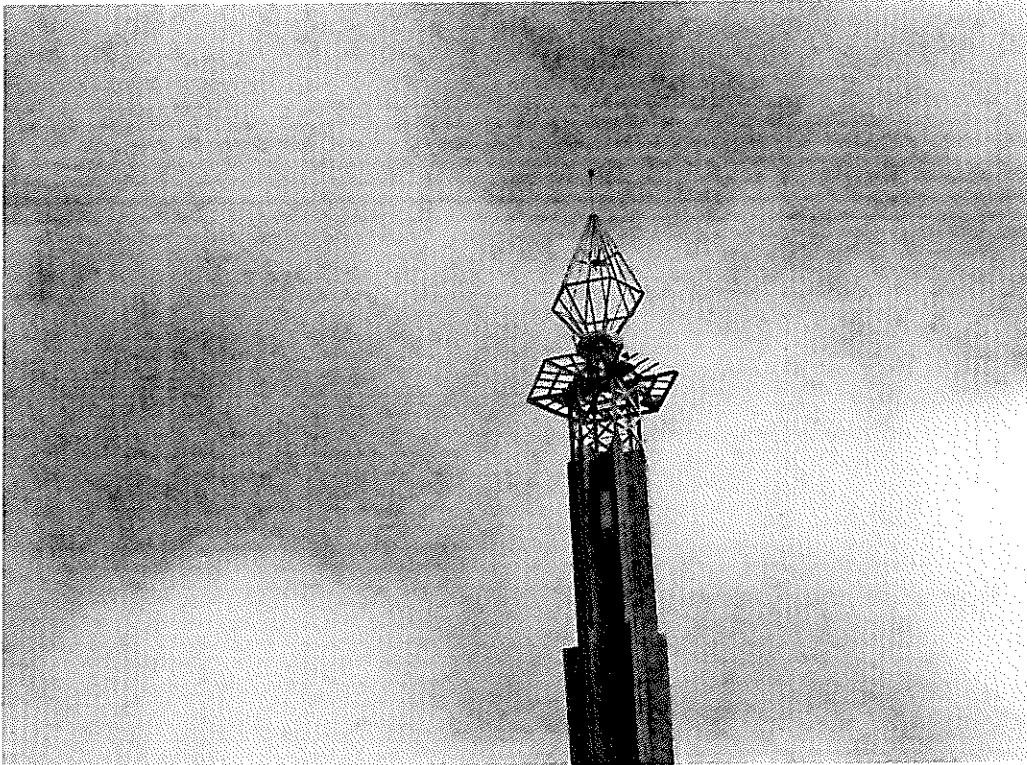


EXHIBIT "B"
SITE PHOTOS



Subject Property – Cell Tower located on structure at 5870-5874 Atlantic Avenue



Subject Property – Cell Tower (Flat Panel Antenna)