



OVERSIGHT BOARD

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

333 West Ocean Blvd., 3rd Floor, Long Beach, CA 90802 Phone: 562.570.6615 Fax: 562.570.6215

June 4, 2012

OVERSIGHT BOARD MEMBERS

RECOMMENDATION:

Approve of the decision of the City Council of the City of Long Beach, as Successor Agency to the Long Beach Redevelopment Agency, for the disposition of the American Hotel at 224 E. Broadway, to Temple Creative Realty, LLC.

DISCUSSION

On February 2, 2010, the former Redevelopment Agency (Agency) entered into an Exclusive Negotiation Agreement (ENA) and agreed to negotiate exclusively with Urbana Development, LLC, for the redevelopment of the American Hotel located at 224 East Broadway (Exhibit A – Site Map) (Subject Property). Urbana Development, LLC, has teamed with a local business, InterTrend Communications, Inc., to form Temple Creative Realty, LLC (Developer). The Agency transferred the Subject Property to the City of Long Beach (City) in March of 2011. In accordance with Health & Safety Code Section 34167.5, the City received a letter from the State Controller dated April 20, 2012, ordering that the transfer of the Subject Property from the Agency to the City be reversed. In order to comply with current law and to provide Developer with a clear title to the Subject Property, staff is bringing this item before the Oversight Board for its approval.

Built in 1905, the American Hotel is one of the rare surviving original commercial buildings in downtown Long Beach (Exhibit B). Although retrofitted with a nominal seismic upgrade, subsequent assessments concluded that considerable renovation of the structural, mechanical and electrical systems would be required in order for the building to be made functional and habitable. In July 2009, the Agency issued a Request for Proposals for preservation, rehabilitation and/or adaptive reuse of the American Hotel. Based on the Developer's proposal and proven track record with successful adaptive reuse projects, including the East Village Creative Offices, Art Theatre, and Ebell Club, the Agency entered into the ENA with Urbana Development, LLC.

Since entering into the ENA in early 2010, significant progress in rehabilitating the Subject Property has occurred, which includes:

- Selective removal of the black tile overlay to expose the existing substructure and better understand how to restore the Broadway façade.

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- Selective interior exploratory demolition to accurately budget and plan future development.
- Development of cost estimates to restore the building.
- Receipt of a Certificate of Appropriateness for restoration plans from the Cultural Heritage Commission on November 8, 2010.
- Approval of a Categorical Exemption (Exhibit C) in accordance with the provisions of the California Environmental Quality Act (September 22, 2010).
- Completion of preliminary plans.

This project will result in the restoration of a significant historic resource in the Downtown core, as well as eliminate a physical and economic blight. In addition, completion of this project will leverage other resources such as nearby Agency investments on The Promenade and a \$25,000 grant that the Developer received from the Long Beach Navy Memorial Heritage Association toward the cost of the façade restoration.

The terms and conditions of the sale and subsequent development are included in a proposed Disposition and Development Agreement (DDA) between the City and the Developer. A reuse appraisal dated September 15, 2010, valued the Subject Property at negative three hundred thirty-one thousand dollars (-\$331,000). The appraisal assumptions were further confirmed as accurate on April 5, 2012. The negative value is primarily due to the extensive rehabilitation necessary to bring the building up to current building codes. These costs far exceed the reuse value of the Subject Property, rendering the Subject Property with a negative land value. Under the terms of the DDA, the Developer will acquire the 5,100-square-foot site at no cost. The City shall have no liability to the Developer if the City fails to transfer the Subject Property to the Developer due to disapproval by any government agency having jurisdiction over the Subject Property transfer or any other challenge to the DDA.

The Developer will adaptively reuse the American Hotel as a mixed-use structure, including a complete restoration of the existing façade and shell, with new creative office space on the upper floors and retail on the ground floor. The proposed project will include approximately 3,670-square-feet of retail space on the ground floor and 7,000 square feet of creative office space on the second and third floors.

Per the approved Cultural Heritage Commission plans, the exterior façade work will include restoration of all remaining original elements and reproduction of non-original elements (Exhibit D). The project scope also includes removal and replacement of severely damaged portions of the historic City sidewalk in front of the building.

In accordance with the Downtown Plan, the project will require 22.5 parking spaces. The Developer will meet the parking requirements by renting spaces on the adjacent parking lot.

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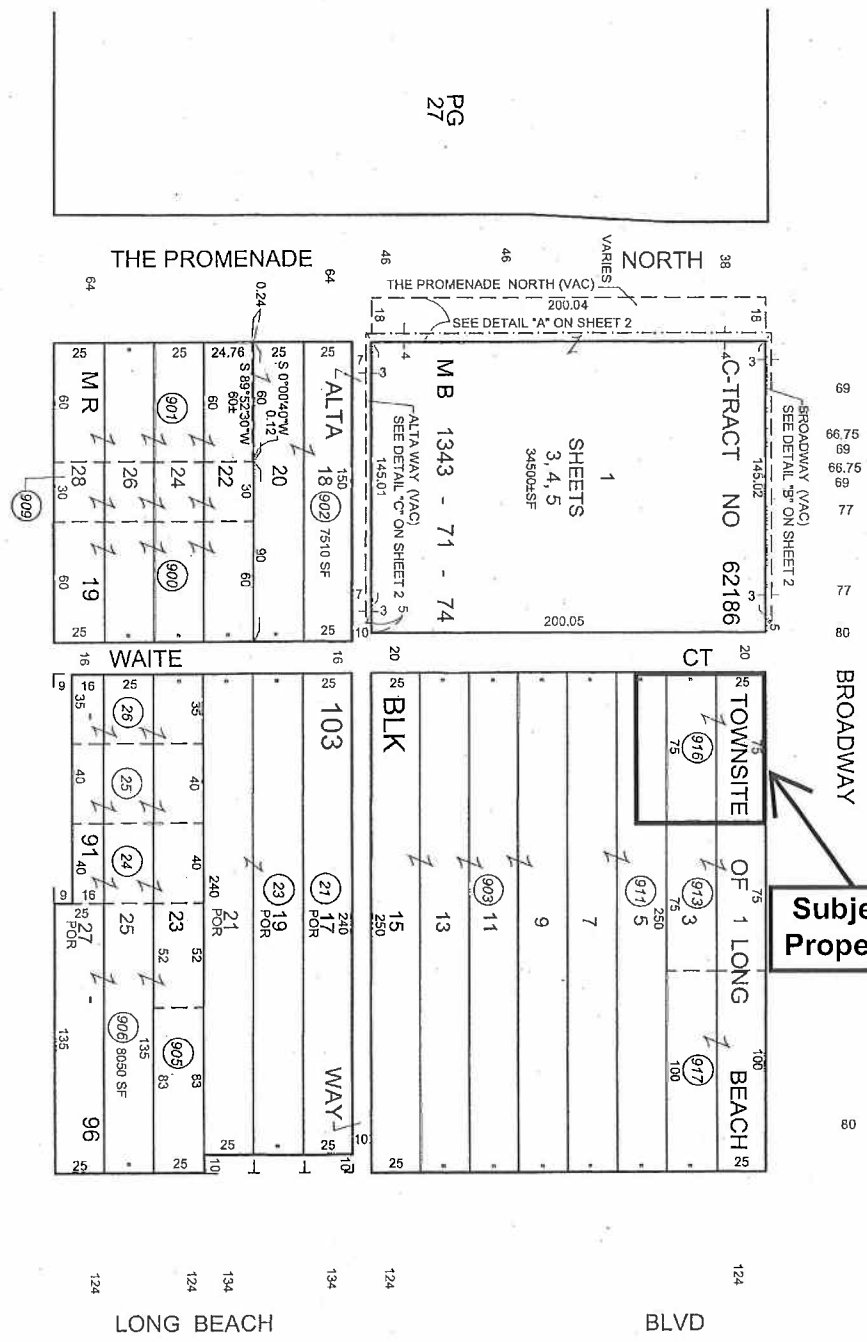
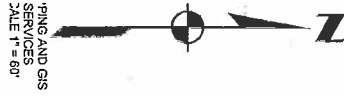
Respectfully submitted,

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Attachments: Exhibit A – Site Map
Exhibit B – Site Photos
Exhibit C – Categorical Exemption
Exhibit D – Conceptual Design Plans

2009

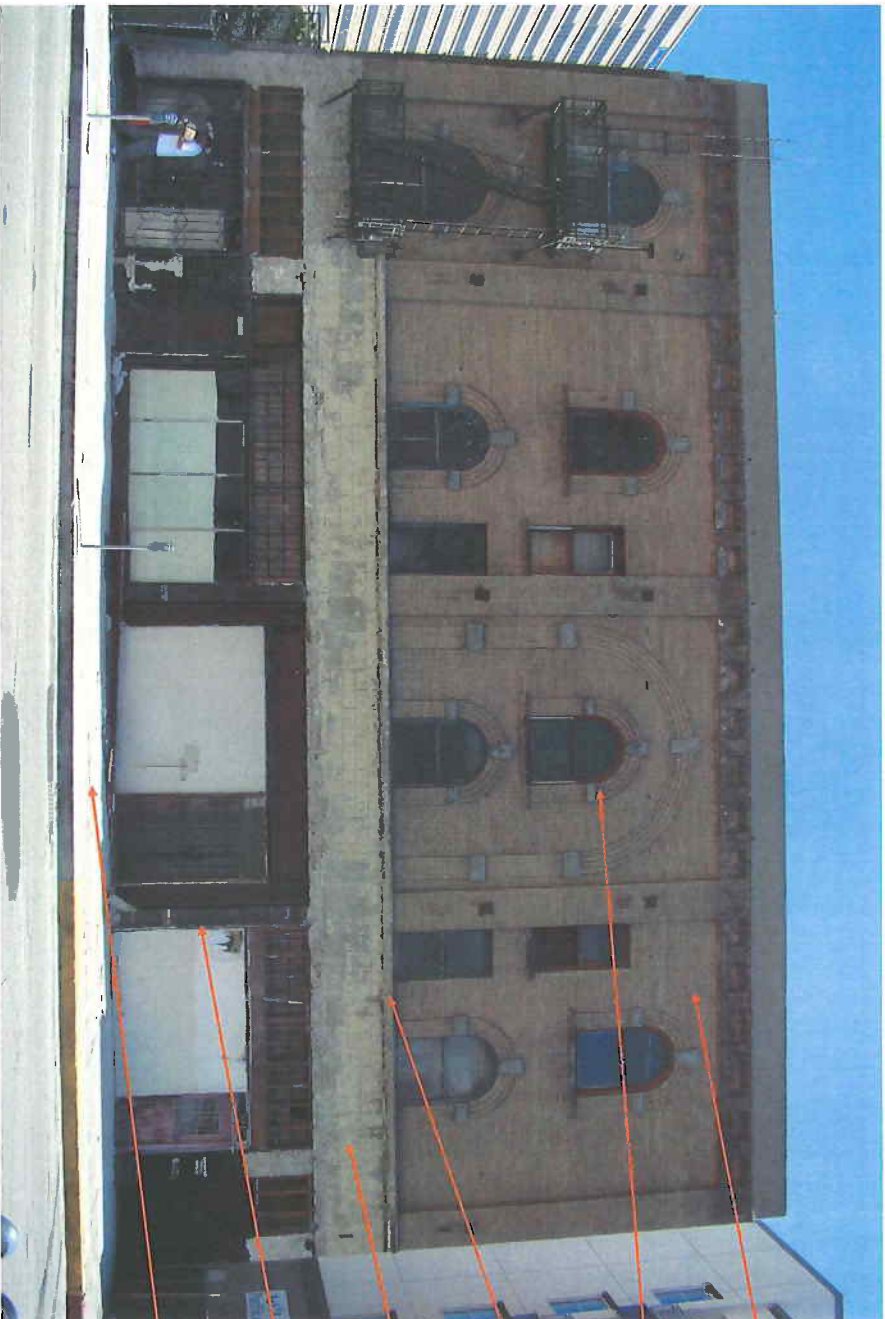
EXHIBIT A - SITE MAP



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ALL 900 SERIES PARCELS ON THIS PAGE ARE ASSESSED TO REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH UNLESS OTHERWISE NOTED

Exhibit B



NORTH ELEVATION

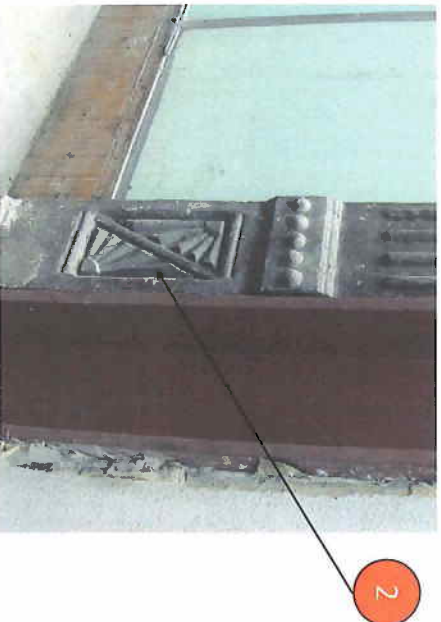
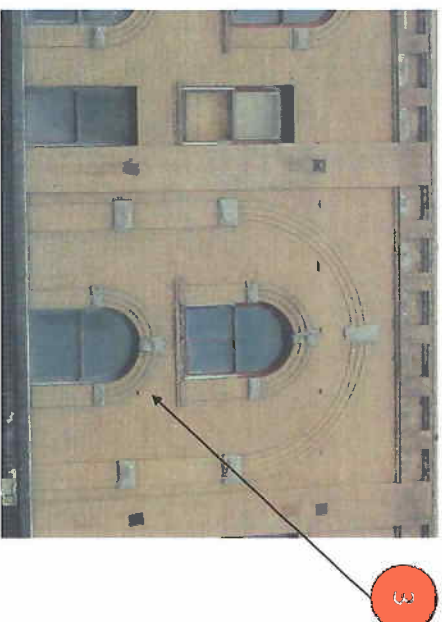
KEYNOTES

- 1 Original facing brick and stone details on 1st and 2nd floors
- 2 Existing double-hung windows on the Broadway facade
- 3 Original cornice elements between plaster and brick facade
- 4 Plaster brick pattern detailing above clearstory windows
- 5 Original cast-iron support columns
- 6 Patterned sidewalk with blue glass light well inserts.

HISTORICAL ELEMENTS

KEYNOTES

- 1 Selective demolition revealed two decorative cast iron columns bordering one of the central bays on the ground floor.
- 2 The two columns are identical in design with detail work running from top to bottom adding a unique element to the restored façade.
- 3 The original exposed facade uses a tan colored facing brick installed in a colonnade design seen here in the field, and varied relief designs surrounding the upper story windows. Also note the prominent decorative granite keystones.
- 4 Also exposed during the selective demolition was this plaster veneer stamped with a brick pattern and capped with an Ogee style cornice. Under the non-original fire escape an egg and dart cornice can also be seen.





1



3



2

EAST, SOUTH AND WEST ELEVATIONS

KEYNOTES

- 1 **East Elevation of Building**
Masonry block repair to remain.

- 2 **South Elevation of Building**
New steel exterior stairs to be installed as second point of egress.

- 3 **West Elevation of Building**
Non-functioning vent system to be removed.
Fire escape balconies to stay. Ladders to be removed.

Demo and Repair Notes

Repair and replace deteriorated brick in kind with salvage or new brick and mortar that matches original. Clean surface using the gentlest method possible such as low pressure water and detergents using natural bristled brushes.

Remove deteriorated mortar by carefully hand raking the joints to prevent damage. Duplicate old mortar in strength, composition, color and texture.

Remove any deteriorated paint and patch concrete and plaster as needed.

All windows on East, South and West elevations to be replaced with new double hung windows.



CITY OF LONG BEACH NOTICE OF EXEMPTION

DEPARTMENT OF DEVELOPMENT SERVICES
333 W. OCEAN BLVD., 5TH FLOOR, LONG BEACH, CA 90802
(562) 570-6194 FAX: (562) 570-6068
lbsd.longbeach.gov

Exhibit C

TO: ☐ Office of Planning & Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

FROM: Department of Development Services
333 W. Ocean Blvd, 5th Floor
Long Beach, CA 90802

☐ L.A. County Clerk
Environmental Fillings
12400 E. Imperial Hwy. 2nd Floor, Room 2001
Norwalk, CA 90650

Categorical Exemption CE- 10-080

Project Location/Address: 224 E. Broadway

Project/Activity Description: A Certificate of Appropriateness request to restore and renovate the exterior of the American Hotel, a designated historic landmark. The scope of work includes removing non-original additions and restoring the commercial storefront to a design consistent with the historical period of the building.

Public Agency Approving Project: **City of Long Beach, Los Angeles County, California**

Applicant Name: Urbana Development, LLC

Mailing Address: 425 E. 4th Street, Unit A, Long Beach, CA 90802

Phone Number: (562) 436-5200

Applicant Signature: Richard Lewis

BELOW THIS LINE FOR STAFF USE ONLY

Application Number: HP10-0281 Planner's Initials: AZ

Required Permits: Certificate of Appropriateness

THE ABOVE PROJECT HAS BEEN FOUND TO BE EXEMPT FROM CEQA IN ACCORDANCE WITH STATE GUIDELINES SECTION 15331 - Historical Resource Restoration/Rehabilitation Class 31

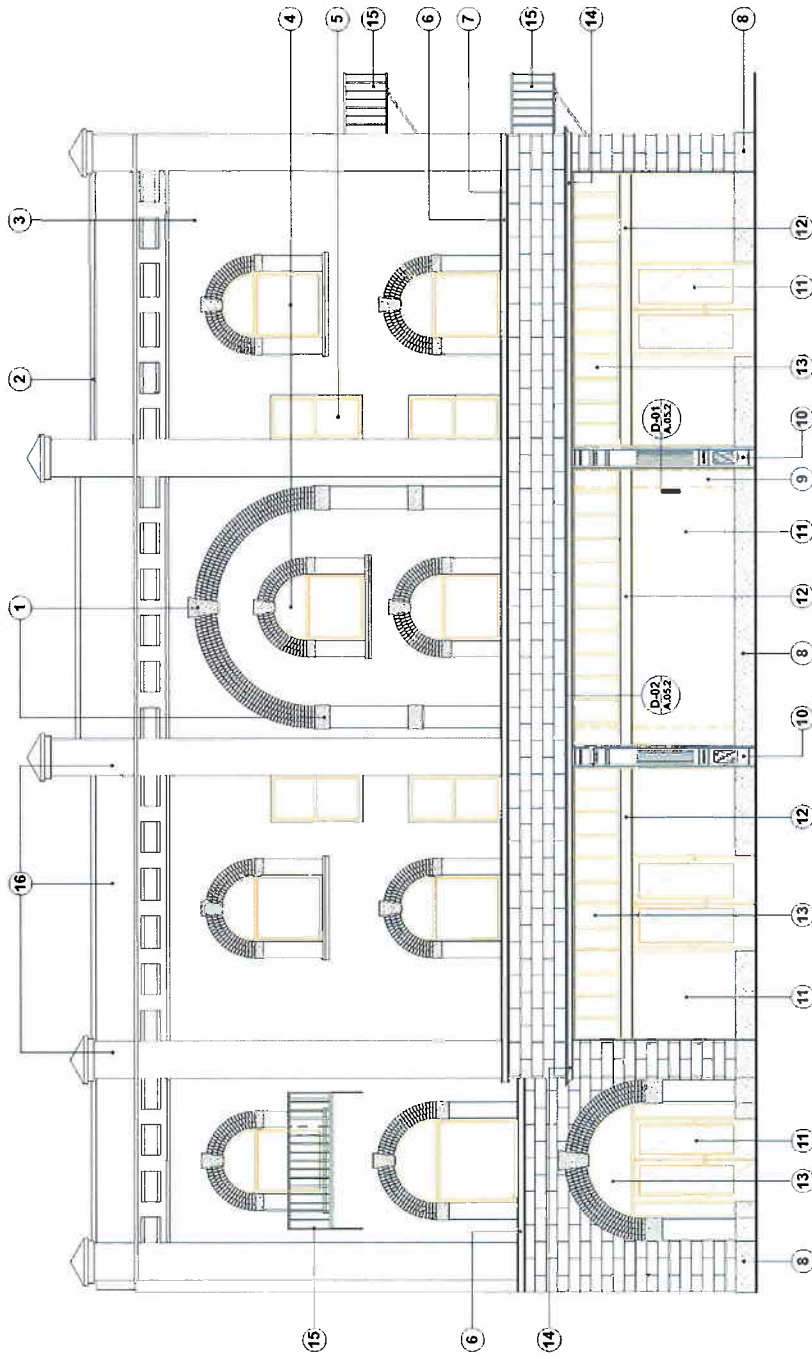
Statement of support for this finding: The proposed project includes the repair, rehabilitation, and restoration of a locally designated landmark. The work will be conducted in a manner consistent with the Secretary of Interior's Standards for the Treatment of Historic Properties. At anytime it is determined that the work is not being completed per the Standards, it shall constitute a significant adverse impact requiring the preparation of an ND, MND, or EIR per CEQA.

Contact Person: ANNE ZETTERQUIST

Contact Phone: 562 570 6553

Signature: [Signature]

Date: 9-22-2010

**KEYNOTES**

- | | | |
|---|--|---|
| ① Existing rough stone keystone and springblock to remain | ⑥ Existing concrete cornice to be repaired | ⑪ New butt glazed storefront |
| ② New pre-cast concrete cornice | ⑦ Existing scored plaster to be restored to original condition | ⑫ New painted steel "I" BEAM for support. (TYP.) |
| ③ Clean and repair existing brick cladding. (TYP.) | ⑧ Stone base to match existing keystones above | ⑬ New clerestory windows (TYP.). |
| ④ Restore all existing wood framed double hung arched windows. (TYP.) | ⑨ Existing steel frame to be painted (behind) | ⑭ Repair/replace existing plaster cornice |
| ⑤ Replace all wood double hung rectangular windows to match existing. | ⑩ Existing cast iron columns to be restored | ⑮ Existing fire escape to be retained.
Remove existing vertical ladders. |
| | | ⑯ New plaster caps on top. (TYP.) |