



Legislation Details (With Text)

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Title: Recommendation to authorize City Manager to execute the Amended and Restated Development Agreement between the City of Long Beach and the Boeing Company regarding the Douglas Park Development Project. (District 5)

Sponsors: Development Services

Indexes: Agreements

Code sections:

Attachments: 1. 050410-R-23sr&att.pdf

Date	Ver.	Action By	Action	Result
5/4/2010	1	City Council	approve recommendation	Pass

Recommendation to authorize City Manager to execute the Amended and Restated Development Agreement between the City of Long Beach and the Boeing Company regarding the Douglas Park Development Project. (District 5)

In October 2009, City Council authorized the City Manager to execute an Amended and Restated Development Agreement with the Boeing Company (Boeing) regarding the Douglas Park Development. Since that time, Boeing has requested certain amendments to the Development Agreement. Staff acknowledges that the Development Agreement remains substantially the same in form notwithstanding the amendments listed below:

. Section 8.23.2 Due to changes in the real estate market and the bond financing market, Boeing has requested deferral of the formation of the North of Cover Community Facilities District (CFD) to be used to finance construction of infrastructure improvements within the North of Cover (Exhibit A - Site Map) portion of the project for up to five years. (Initially, this CFD was to be formed immediately following execution of the Amended Development Agreement, but that is no longer feasible given current market conditions).

. Section 8.23.3.1 In the event Boeing fails to cooperate in the formation of the North of Cover Services CFD and the levy of Special Tax B as promised, the remedy has been changed. Previously, the Developer's breach entitled the City of Long Beach (City) to withhold Certificates of Occupancy for any improvements within the portion of the project located North of Cover Street until that breach was cured. The Reinstated Development Agreement will now require Boeing to provide an immediate \$1 million payment to the City to cure the default, as opposed to waiting for the accruals of the Special Tax B over the 30 years of the development period. Any project funds spent from this \$1 million must be spent within Douglas Park or provide a direct nexus to the project area.

The other terms previously negotiated in the October 2009 Amended and Restated Development Agreement remain substantially the same.

This letter was reviewed by Assistant City Attorney Michael J. Mais on April 20, 2010 and by Budget and Performance Management Bureau Manager David Wodynski on April 19, 2010.

SUSTAINABILITY

Green building development standards will be addressed and included in the development standards for the overall project.

City Council action is requested on May 4, 2010, in order to allow the agreement to go into effect.

In the event Boeing fails to cooperate in the formation of the North of Cover Services CFD and the levy of Special Tax B as promised, Boeing will be required to provide a \$1 million payment to the City. The payment will be deposited into a Douglas Park Special Assessment Fund that must be spent on public improvements and maintenance within the project area or have a direct nexus to the project.

There is no fiscal impact to the general fund. There will be no job impact as a result of this recommended action.

Approve recommendation.

REGINALD I. HARRISON
INTERIM DIRECTOR OF DEVELOPMENT SERVICES

NAME
TITLE

APPROVED:

PATRICK H. WEST
CITY MANAGER