



Legislation Details (With Text)

**File #:** 12-0284      **Version:** 1      **Name:** DS - RES American Hotel DDA  
**Type:** Resolution      **Status:** Adopted  
**File created:** 3/29/2012      **In control:** City Council  
**On agenda:** 4/17/2012      **Final action:** 4/17/2012  
**Title:** Recommendation to receive supporting documentation into the record, conclude the hearing and adopt resolution making certain findings; and  
 Approve and authorize City Manager to execute a Disposition and Development Agreement with Temple Creative Realty, LLC, for the American Hotel project. (District 2)  
**Sponsors:** Development Services  
**Indexes:** Disposition and Development Agreement  
**Code sections:**  
**Attachments:** 1. 041712-H-1sr&att.pdf, 2. RES-12-0034.pdf

Date	Ver.	Action By	Action	Result
4/17/2012	1	City Council	approve recommendation and adopt	Pass

Recommendation to receive supporting documentation into the record, conclude the hearing and adopt resolution making certain findings; and

Approve and authorize City Manager to execute a Disposition and Development Agreement with Temple Creative Realty, LLC, for the American Hotel project. (District 2)

On February 2, 2010, the former Redevelopment Agency (Agency) agreed to negotiate exclusively with Urbana Development, LLC, for the development of the American Hotel located at 224 East Broadway (Exhibit A - Site Map) (Property). Urbana Development, LLC, has teamed with local business InterTrend Communications, Inc., to form Temple Creative Realty, LLC (Developer). The Agency transferred the Property to the City in March of 2011 and is currently held as a City asset, however, the Property was purchased by the Agency using tax increment funds. Therefore, City staff, working with the City Attorney’s Office, has determined to hold this public hearing and otherwise comply with the applicable provisions of the Community Redevelopment Law, for the purpose of considering the sale of the Property to the Developer.

Built in 1905, the American Hotel is one of the rare surviving original commercial buildings in downtown Long Beach. Although retrofitted with a nominal seismic upgrade, subsequent assessments concluded that considerable renovation of the structural, mechanical and electrical systems will 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 an Agreement to Negotiate Exclusively (ANE) with Urbana Development, LLC, on February 2, 2010, for the development of the American Hotel. Since entering into the ANE significant progress on the project includes:

- Selective removal of the black tile overlay to expose the existing substructure and better understand how to restore the Broadway façade.
- 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 California Environmental Quality Act categorical exemption.
- Completion of preliminary plans.

This project will result in the restoration of the historic façade, as well as eliminate a physical and economic blight in the downtown. 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 Disposition and Development Agreement (DDA) between the City of Long Beach (City) and the Developer. A reuse appraisal valued the property at negative three hundred thirty-one thousand dollars (-\$331,000). Under the terms of the DDA, the Developer will acquire the 5,100-square-foot site at no cost. City shall have no liability to the Developer if the City fails to transfer the Property to the Developer due to disapproval by any government agency having jurisdiction over the Property transfer or any other challenge to the DDA.

The Developer will adaptively reuse the American Hotel as a mixed-used 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. 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.

The Agency obtained a California Environmental Quality Act categorical exemption for this project on September 22, 2010 (Exhibit B - Notice of Categorical Exemption).

A Summary Report has been prepared pursuant to Section 33433 of the California Health and Safety Code, and made available for public inspection.

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.

City Council action is required on April 17, 2012 in order to facilitate the sale transaction and begin construction as soon as possible.

There is no fiscal impact associated with this recommendation. The sale of this property will not generate any revenues or expenses for the City. The project will provide new short-term construction jobs, but no long-term jobs are anticipated as the Developer plans to relocate from another Long Beach office building to this site.

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING THE PROPOSED DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LONG BEACH, AND TEMPLE CREATIVE REALTY, LLC; FINDING THAT THE CONSIDERATION FOR THE SALE OF CERTAIN REAL PROPERTY IS NOT LESS THAN FAIR MARKET VALUE IN ACCORDANCE WITH COVENANTS AND CONDITIONS GOVERNING SUCH SALE; AND APPROVING THE SALE OF THE PROPERTY AND THE DISPOSITION AND DEVELOPMENT AGREEMENT

AMY J. BODEK, AICP  
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:

PATRICK H. WEST  
CITY MANAGER