



Legislation Text

File #: 11-0604, **Version:** 1

Recommendation to approve and authorize City Manager to execute a first amendment to the Agreement to Negotiate Exclusively with City Ventures, LLC, for the development of Broadway and Elm Avenue. (District 2)

Redevelopment Agency (Agency) staff has been in negotiations with City Ventures, LLC, (Developer) for the development of the property located in the block bounded by Broadway, Elm Avenue, 3rd Street, and Alamo Court (Exhibit A - Site Map).

An Agreement to Negotiate Exclusively (Agreement) with the Developer was executed on June 22, 2010, and was subsequently assigned to the City Council on March 8, 2011. The Developer proposes to build a mixed-used project with approximately 44 residential units on the Site. To date, the Developer has completed due diligence, completed Conceptual Design Review through the Planning Bureau (Planning), and submitted pro formas to reflect various financing scenarios.

The Developer has met with Agency and Planning staff to review the feedback from the Conceptual Design Review process and has been incorporating staff's comments in refining the plans to ensure that they are in conformance with the goals and objectives of the proposed Downtown Plan.

As all parties wish to continue the negotiations necessary to finalize a Disposition and Development Agreement (DDA), staff recommends the Agreement be amended (First Amendment) as follows: (1) the First Amendment will be between the City of Long Beach, Agency, and Developer; (2) Amend Section 1 of the Agreement to exclude the buildings fronting 3rd Street as reflected in the revised Site Map (Exhibit A to the Agreement); (3) Amend Section 2 of the Agreement to extend the term to December 22, 2011, with the ability to extend for two additional 90-day periods at the discretion of the Agency's Executive Director; (4) Amend Section 3 of the Agreement to reflect the current proposed project with 44 residential units on the revised Site; and (5) amend the Schedule of Performance as needed to reflect modified milestones for the project. During this time, the Developer and staff propose to finalize business points, conclude negotiations, and bring forward a DDA for Agency Board consideration and recommendation to the City Council.

On June 6, 2011, the Agency Board approved a recommendation to authorize the execution of a First Amendment to the Agreement (Exhibit B - Redevelopment Agency Board Staff Report).

This letter was reviewed by Chief Assistant City Attorney Heather Mahood on May 23, 2011, and by Budget Management Officer Victoria Bell on June 3, 2011.

City Council action is requested on June 21, 2011, to expedite implementation of the proposed Agreement.

There will be no fiscal impact and no local job impact as a result of the recommendation. Any third-party costs will be paid from the Redevelopment Fund (RD) good faith deposit provided by the

Developer pursuant to the original Agreement.

Approve recommendation.

AMY J. BODEK, AICP
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:

PATRICK H. WEST
CITY MANAGER