



Legislation Text

File #: 17-006SA, **Version:** 1

Recommendation to declare the property located at 1827 Pacific Avenue, Assessor Parcel Number 7209-022-900 (Subject Property) as surplus; authorize City Manager, or designee, to execute any and all documents, including the Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate with Kay Mendoza and/or assignee(s), for the sale of the Subject Property in the amount of \$355,000; and accept Categorical Exemption CE 16-163. (District 6)

The City of Long Beach, as Successor Agency to the Redevelopment Agency of the City of Long Beach (Successor Agency), currently owns the property located at 1827 Pacific Avenue (Subject Property) (Exhibit A). The Subject Property is approximately 16,000 square feet and is currently unimproved. The Subject Property is included in the Successor Agency's Long Range Property Management Plan, which was approved by the State of California Department of Finance on March 10, 2015, and amended on June 24, 2015 (Revised Plan). The Subject Property has been categorized with a permissible use of "Sale of Property" allowing for the Subject Property to be sold and proceeds distributed as property tax to the local taxing agencies.

The City and the former Redevelopment Agency (Agency) of the City of Long Beach were in pre-existing and near-final discussions with the Buyer for the purchase of the Subject Property at the time of the Agency's dissolution. Upon approval of the Revised Plan, the Subject Property was assigned to Cushman & Wakefield of California, Inc., who worked with the Buyer to present the Successor Agency with an offer to purchase the property for \$355,000, which is based on an appraisal prepared during pre-existing negotiations and reflects the price agreed to at that time. The sale of the Subject Property is consistent with the Revised Plan and dissolution law.

In compliance with Government Code Section 54220 et seq (Chapter 621, Statutes of 1968), on June 1 and December 8, 2015, staff notified the State of California (State) and requesting parties that the Successor Agency was declaring all Future Development and Sale of Property parcels as surplus. Further, on September 28, 2016, staff notified qualified housing sponsors of the proposed sale as required by Government Code Section 54222(a). Finally, in accordance with past practice, a memorandum was circulated to all City Departments to determine their interest in, or objection to, declaring any parcel surplus. To date, neither the State, requesting parties, qualified housing sponsors, nor any City Department has expressed an interest in, or objection to, the sale of the Subject Property. A Categorical Exemption, CE 16-163 (Exhibit B), was completed related to the proposed transaction on July 1, 2016.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on December 12, 2016 and by Budget Management Officer Rhutu Amin Gharib on December 29, 2016.

Successor Agency action is requested on January 24, 2017, so the sale of 1827 Pacific Avenue may be considered by the Oversight Board on January 25, 2017.

Sale proceeds of \$355,000, less escrow and closing fees, commission, and recovery of administrative costs, will be remitted to the Los Angeles County Auditor-Controller (County) for distribution to the affected taxing agencies. The net proceeds available for remittance is estimated to be \$305,300. The County will distribute the net proceeds to the affected taxing agencies based on their share of the 1 percent tax rate. The City's share is approximately 21 percent, resulting in roughly \$64,113. Consistent with City Council policy direction, 75 percent of the City's proceeds shall be retained for non-recurring economic programs in the former Central Redevelopment Project Area, and 25 percent shall be retained for non-recurring economic programs with a Citywide impact.

Approve recommendation.

AMY J. BODEK, AICP
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:

PATRICK H. WEST
CITY MANAGER