



Legislation Text

File #: 07-1474, **Version:** 1

Recommendation to receive supporting documentation into the record, conclude the hearing, and adopt resolution making certain findings; and authorize City Manager to execute a Disposition and Development Agreement with Glenn Dobbs, for the development of 2025 W. 17th Street. (District 1)

Redevelopment Agency (Agency) staff has concluded the negotiation of a Disposition and Development Agreement (Agreement) with Glenn Dobbs (Developer) for the sale and development of Agency-owned property located at 2025 West 17th Street (Site), commonly known as Assessor Parcel Number 7429-026-900 (Exhibit A). The Site is located in the West Long Beach Industrial Redevelopment Project Area (Project Area).

The Developer's family owns a Westside equipment motor and engine construction and maintenance company that has been a Westside business since 1948. For over 30 years, the Developer has owned the two adjacent properties on the east and west of the Site. The Developer currently does not have off street parking and proposes to enhance his current business in the Project Area by acquiring the Site for off street employee parking.

The Developer intends to improve the Site with a surface parking lot for 5 to 8 cars, install wrought iron fencing, and five feet of landscaping around the perimeter of the Site. The lot would include handicap parking, curbs, gutters, and sidewalks. No structures are proposed for the Site.

The Agreement includes the following major provisions:

- Under the terms of the Agreement, the Developer will pay the Agency \$14.75 per square foot, or \$46,138, as compensation for the approximately 3,128 square foot Site.
- The Developer will utilize the Site in accordance with the West Long Beach Industrial Redevelopment Plan and all applicable City codes and regulations including providing appropriate landscaping and screening.
- An Agreement Containing Covenants will be recorded at closing. This document will prohibit certain uses, describe maintenance responsibilities and levels of maintenance, and require that any future improvements be subject to the Design Guidelines for the Project Area.
- If the Developer does not close escrow within six months of the date of the Disposition and Development Agreement, the purchase price for the Site will increase by 15 percent. The Developer has provided evidence of financing for the development of the Site.

At its meeting held on May 10, 2006, the Westside Project Area Committee made a recommendation to approve the Developer's conceptual site plan for the project. The Developer entered into an Exclusive Negotiation Agreement with the Agency on July 24, 2006.

The City's Environmental Planning Officer has determined that the project contemplated by the Agreement qualifies for a Categorical Exemption under the California Environmental Quality Act (Exhibit B).

Since the property was purchased by the Agency with tax increment monies, California law requires that this sale must also be approved by the City Council by resolution after a public hearing.

Pursuant to California Redevelopment Law, the Agency has made available for public inspection and reproduction a Summary Report (Exhibit C) that contains the following:

- The estimated value of the interest to be conveyed, determined at the highest and best use permitted under the Redevelopment Plan;
- The estimated value of the interest to be conveyed and with the conditions, covenants and development costs required by the Agreement;
- The purchase price;
- The cost of the Agreement to the Agency;
- The net cost/benefit to the Agency;
- An explanation of why the sale of the Site will assist in the elimination of blight; and
- An explanation of why the sale of the Site is consistent with the Agency's AB 1290 Implementation Plan.

This letter was reviewed by Assistant City Attorney Heather Mahood on December 6, 2007, and Budget Management Officer Victoria Bell on December 6, 2007.

City Council action is requested on December 18, 2007, as the Agency and Developer wish to proceed with an escrow closing in February 2008.

The proceeds of \$46,138 from the proposed sale will be deposited into the Redevelopment Agency Fund (RD). The Developer will purchase the property with private funds.

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING THE PROPOSED DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH, CALIFORNIA, AND GLENN DOBBS; FINDING THAT THE CONSIDERATION FOR THE SALE OF CERTAIN REAL PROPERTY IN THE WEST LONG BEACH INDUSTRIAL REDEVELOPMENT PROJECT 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

CRAIG A. BECK
DIRECTOR OF PLANNING AND BUILDING

APPROVED:

PATRICK H. WEST
CITY MANAGER