



Legislation Text

File #: 11-0475, **Version:** 1

Recommendation to authorize City Manager to execute a First Amendment to the Agreement to Negotiate Exclusively with City Ventures, LLC, for the development of the 3rd Street and Pacific Avenue project. (District 1)

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 Pacific Avenue, 3rd Street, 4th Street, and Solana Court (Exhibit A - Site Map).

An Agreement to Negotiate Exclusively (Agreement) with the Developer was executed on April 13, 2010, and was subsequently assigned to the City Council on March 8, 2011. The Developer proposes to build a mixed-used project with approximately 65 residential units on the Site. To date, the Developer has completed due diligence, completed Conceptual Design Review through the Planning Bureau (Planning), submitted to and received recommendations from the Arts Council for Long Beach, 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 enter into 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, Agency and Developer; (2) that Section 2 of the Agreement be amended to extend the term to October 13, 2011, with the ability to extend for two additional go-day periods at the discretion of the Agency's Executive Director. During this period of 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 March 14, 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 April 19, 2011 and by Budget Management Officer Victoria Bell on April 28, 2011.

City Council action is requested on May 17, 2011, to expedite implementation of the proposed Agreement.

There is no impact to the General Fund associated with this action. Any third-party costs will be paid from the good faith deposit provided by the developer pursuant to the original agreement. This action will have no affect on local jobs.

Approve recommendation.

AMY J. BODEK, AICP
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:

PATRICK H. WEST
CITY MANAGER