



Legislation Text

File #: 17-016SA, **Version:** 2

Recommendation to declare the property located at 540-558 East Willow Street, Assessor Parcel Numbers 7208-006-909 and -918 (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 Israel Weinberg and/or assignee(s), for the sale of the Subject Property in the amount of \$1,080,000; and, accept Categorical Exemption CE 18-055. (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 540-558 East Willow Street (Subject Property) (Exhibit A). The Subject Property is approximately 21,580 square feet and is improved with a public parking lot serving the adjacent area. 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.

Upon approval of the Revised Plan, the Subject Property was marketed by Cushman and Wakefield, Inc., who worked with the Buyer to present the Successor Agency with an offer to purchase the property for \$1,080,000, which is fair market value as determined by a broker opinion of value. The offer was the highest of three offers received. The selection panel, consisting of representatives from the Departments of Development Services and Economic Development, and an outside real estate economics consultant, also recommended selection of the Buyer based on the Buyer's development and construction experience and the Buyer's ownership of the adjacent parcel. 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 July 31, 2017, 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. On February 22, 2018, Categorical Exemption CE 18-055, was completed related to the proposed transaction (Exhibit B).

This matter was reviewed by Deputy City Attorney Richard F. Anthony on February 22, 2018 and by Budget Analysis Officer Julissa Jose-Murray on March 1, 2018.

Successor Agency action is requested on April 3, 2018, so the sale of 540-558 East Willow Street may be considered by the Oversight Board on April 16, 2018.

Sale proceeds of \$1,080,000, 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 \$907,200. 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 \$190,512.

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 Long Beach Redevelopment Project Area, and 25 percent shall be retained for non-recurring economic programs with a Citywide impact.

Approve recommendation.

LISA A. FALL
ADMINISTRATIVE AND FINANCIAL SERVICES BUREAU MANAGER, DEVELOPMENT
SERVICES

PATRICK H. WEST
CITY MANAGER