



Legislation Text

File #: 16-011SA, **Version:** 1

Recommendation to declare the property located at 213 East Broadway, formerly known as Edison Theatre, Assessor Parcel Number 7280-019-905 (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 Temple Creative Realty, LLC (Buyer), for the sale of the Subject Property in the amount of \$268,000; and accept Categorical Exemption CE 16-069. (District 2)

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 213 East Broadway (Subject Property) (Exhibit A). The Subject Property is approximately 4,100 square feet, improved with a two-story, 4,954-square-foot commercial building, currently leased to Intertrend Communications, Inc., an affiliate of the Buyer, for creative office and community event space. The Subject Property is included in the Successor Agency's Long Range Property Management Plan (LRPMP), which was approved by the State of California Department of Finance on March 10, 2015 and amended on June 24, 2015. 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 LRPMP, staff restarted negotiations with the Buyer through its broker, Lee and Associates, who worked with the Buyer to present an offer for the purchase of the Subject Property for \$268,000, the fair market value of the Subject Property as determined by an independent appraisal after deductions of needed capital improvements funded and completed by the Buyer during its occupancy. The Subject Property would continue to be utilized as creative office and community event space consistent with the vision and intent of the Downtown Plan. Staff supports proceeding with this proposal as the sale of the Subject Property is consistent with the LRPMP and dissolution law.

In compliance with Government Code Section 54220 (Chapter 621, Statutes of 1968), on June 1, 2015, staff notified the State of California (State) that the Successor Agency was declaring all Future Development and Sale of Property parcels as surplus. Further, 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 nor any City Department has expressed an interest in, or objection to, the sale of the Subject Property, A Categorical Exemption, CE 16-069 (Exhibit B), was completed related to

the proposed transaction on February 29,2016.

This matter was reviewed by Deputy City Attorney Richard Anthony on March 30, 2016 and by Budget Management Officer Victoria Bell on April 1, 2016.

Successor Agency action is requested on April 19, 2016, so the sale of 213 East Broadway may be considered by the Oversight Board on May 2,2016.

Sale proceeds of \$268,000, less escrow and closing fees, commission, and recovery of administrative costs, will be remitted to the Los Angeles County Auditor-Controller for distribution to the affected taxing agencies. The net proceeds available for remittance is estimated to be \$230,480. The County will distribute the net proceeds to the affected taxing agencies based on their share of the \$1 tax rate. The City's share is approximately 21 percent, resulting in roughly \$48,401.

Approve recommendation.

AMY J. BODEK, AICP
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:

PATRICK H. WEST
CITY MANAGER