



Legislation Details (With Text)

File #: 17-022OB **Version:** 1 **Name:** 113017-OB-RES-IDM Corporation
Type: OB-Resolution **Status:** Adopted
File created: 11/20/2017 **In control:** Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Long Beach
On agenda: 11/30/2017 **Final action:** 11/30/2017
Title: Recommendation to adopt resolution authorizing City Manager, or designee, to execute an agreement to assign to the City of Long Beach all interests of the Successor Agency to the Redevelopment Agency of the City of Long Beach as a party to that certain Parking Structure Lease dated December 1, 1992, by and between IDM Corporation and the Redevelopment Agency of the City of Long Beach.

Sponsors:

Indexes:

Code sections:

Attachments: 1. 113017.ob.item2.pdf, 2. O.B. 14-2017.pdf

Date	Ver.	Action By	Action	Result
11/30/2017	1	Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Long Beach	approve recommendation and adopt	Pass

Recommendation to adopt resolution authorizing City Manager, or designee, to execute an agreement to assign to the City of Long Beach all interests of the Successor Agency to the Redevelopment Agency of the City of Long Beach as a party to that certain Parking Structure Lease dated December 1, 1992, by and between IDM Corporation and the Redevelopment Agency of the City of Long Beach.

On September 11, 2017, the Oversight Board considered this item. The Department of Finance referred it back to the Oversight Board for further consideration as to how assignment of the lease will benefit the affected taxing agencies, documentation of the proposed agreement between the City of Long Beach and the Successor Agency to the Redevelopment Agency (Successor Agency), and technical changes to the resolution.

In 1992, the former Redevelopment Agency of the City of Long Beach (Agency) and IDM Corporation entered into a Parking Structure Lease (Lease) for the operation of a free-standing parking structure containing approximately 645 parking spaces in downtown Long Beach. The parking structure was primarily built to serve the 100 W. Broadway building and is located on Pacific Avenue between First Street and Broadway. The Lease specified the days and hours during which the Agency would occupy and operate the entire structure, specifically nights and weekends, retaining the revenue earned during those times to defray parking operation costs. The Lease also entitled the Agency to occupy 150 parking spaces for reserved monthly use. The term of the Lease was 65 years, terminating on January 31, 2057. The Agency paid \$2,254,082 for the entire term of the Lease in advance.

The Agency's original interest in operating the parking structure during off hours and on

weekends was to encourage people to visit downtown restaurants and a multi-screen movie theatre in the 200 block of Pine Avenue. The movie theatre closed its doors in November 2010, eliminating a considerable share of potential parkers. While the Lease puts the onus on the property owner to provide ongoing maintenance and long-term improvements, the cost to operate the parking structure (provide parking attendants and security) during non-business hours exceeds the revenues earned. Any revenue loss by the Successor Agency reduces the amount of revenue available to offset the cost of its enforceable obligations without requesting funding from the Redevelopment Property Tax Trust Fund. To the extent that the Successor Agency does not have to fund parking operation deficits, the affected taxing agencies are served by receiving a greater amount of residual revenue than they otherwise would.

To facilitate the process of winding down the former Redevelopment Agency's activities, as required by Health and Safety Code Section 34171(d)(1)(E), and to the benefit of affected taxing agencies pursuant to the Health and Safety Code Section 34181(e), the Successor Agency wishes to transfer all interest in the Lease to the City.

This matter was approved by the Successor Agency to the Redevelopment Agency of the City of Long Beach on August 22, 2017.

Approve recommendation.

AMY J. BODEK, AICP
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:

PATRICK H. WEST
CITY MANAGER