



Legislation Text

File #: 17-015SA, **Version:** 1

Recommendation to declare the property located at 140 West 7th Street/650-656 Pacific Avenue, Assessor Parcel Numbers 7273-024-901 and -902 (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 FAMCO and/or assignee(s), for the sale of the Subject Property in the amount of \$1,200,000; and, accept Categorical Exemption CE 17-249. (District 1)

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 140 West 7th Street/650-656 Pacific Avenue (Subject Property) (Exhibit A). The Subject Property is approximately 11,250 square feet and is currently improved as a public parking lot. 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 Coldwell Banker Commercial WestMac, who worked with the Buyer to present the Successor Agency with an offer to purchase the property for \$1,200,000, which is above fair market value as determined by an independent appraisal or broker opinion of value, as appropriate. 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 January 3 and February 6, 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 nor any City department has expressed an interest in, or objection to, the sale of the Subject Property. One qualified housing sponsor submitted a request to negotiate on April 5, 2017. Subsequent negotiations of price and terms were unsuccessful and staff now wishes to proceed with the sale to the Buyer. In compliance with Section 54233 of the Government Code, 15 percent of any residential units developed on the Subject Property will be subject to a deed restriction requiring that the units be affordable. On September 27, 2017, a Categorical Exemption, CE 17-249 (Exhibit B), was completed related to the proposed transaction.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on September 21, 2017 and by Budget Management Officer Rhutu Amin Gharib on October 3, 2017.

Successor Agency action is requested on October 24, 2017, so the sale of 140 West 7th Street/650-656 Pacific Avenue may be considered by the Oversight Board on November 6, 2017.

Sale proceeds of \$1,200,000, 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 \$1,008,000. 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 \$211,680.

Consistent with City Council policy direction, 75 percent of the City's proceeds shall be retained for non-recurring economic programs in the former Downtown Long Beach Redevelopment Project Area, and 25 percent shall be retained for non-recurring economic programs with a Citywide impact.

Approve recommendation.

AMY J. BODEK, AICP
DIRECTOR OF DEVELOPMENT SERVICES

PATRICK H. WEST
CITY MANAGER