



Legislation Text

File #: 22-1435, **Version:** 1

Recommendation to authorize City Manager, or designee, to execute an Improvement and Reimbursement Agreement (Agreement), and any other necessary documents including subsequent amendments, with Centro C.H.A. Inc., for the delivery of the Center for Inclusive Business and Workforce Development (Center) located at 1858 Atlantic Avenue. (District 6)

For the past three years, the City of Long Beach (City) and Centro C.H.A., Inc. (Centro CHA), have been engaged in negotiations for the use and purchase of the City-owned property located at 1858 Atlantic Avenue (Subject Property) for the establishment of a new Center for Inclusive Business and Workforce Development (Center).

The City Council authorized Lease with an Option to Purchase No. 35521 on January 21, 2020, that contained an option for Centro CHA to purchase the Subject Property at a fixed price of \$800,000, which Centro CHA exercised on April 8, 2020. Centro CHA applied and was approved for a loan from the Los Angeles County Development Authority for approximately \$1.1 million, which allowed Centro CHA to proceed with the purchase of the Subject Property. Subsequently, the City and Centro CHA executed a Purchase and Sale Agreement (PSA) dated July 1, 2020, opened escrow for the Subject Property on December 10, 2020, and sought entitlements for the Center and received an Administrative Use Permit, Site Plan Review approval, and Categorical Exemption on November 8, 2021. City staff have continued to work with Centro CHA to identify funding sources for the project to design, bid, and construct the Center.

On March 1, 2022, the City Council adopted a Resolution authorizing the acceptance of grant funds from the California Governor's Office of Business and Economic Development (GO-Biz) in the amount of \$5 million for the delivery of a workforce center (Project). The grant funding was made possible by State Senator Lena Gonzalez's efforts to secure a \$5 million allocation from the State budget which had seen an unprecedented surplus in its Fiscal Year 2021-22 Budget. The City continues to coordinate with the State, and California GO-Biz continues to administer the funding. As outlined in GO-Biz Agreement No. 36252, the amount approved for construction is \$3,500,000 with an additional \$500,000 approved for furniture, fixtures and equipment, and \$1,000,000 for direct project delivery costs.

Since the adoption of the Resolution on March 1, 2022, the Public Works Department has worked with Centro CHA, California GO-Biz, and the Economic Development Department to on-board an architectural and engineering team to advance the entitlement phase concepts into detailed designs and to prepare construction documents necessary for plan check, permitting, and bidding.

If approved, the Agreement will allow and is limited to reimbursement of project costs related to conceptual design, entitlement, and eligible project delivery costs undertaken by Centro CHA to support the Project's entitlement prior to the City's receipt of grant funding.

Finally, should escrow close prior to the completion of construction of the Project, the City will accept and agree to a temporary exclusive license from Centro CHA to facilitate construction, and allow for access over, across, and through the property to allow for access and construction.

This matter was reviewed by Deputy City Attorney Vanessa S. Ibarra and by Budget Management Officer Nader Kaamoush on November 14, 2022.

City Council action is requested on December 6, 2022, to allow the City to continue to partner with Centro CHA to proceed with design, permitting, bidding, and construction of the Center in a timely manner.

The current available budget for the Project is approximately \$5 million. The total cost includes planning, design, permitting, construction, construction management, labor compliance, and project management. The City has received a total of \$5 million of grant revenue from GO-Biz, which is currently appropriated in the Capital Projects Fund Group in the Public Works Department, to support the entire project. The grant funding has no match requirements. While there may be a desire to design and construct a larger project, City staff does not currently have the funding required to do so and is working to create a project within the identified budget.

This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There will be a positive impact on short-term construction and laborer jobs from the construction of the Center and a long-term impact on local jobs through the programmatic workforce development efforts that are to take place at the Center after its opening. However, the specific type and number of jobs anticipated have yet to be determined.

Approve recommendation.

ERIC LOPEZ
DIRECTOR OF PUBLIC WORKS

APPROVED:

THOMAS B. MODICA
CITY MANAGER

