



LONG BEACH REDEVELOPMENT AGENCY

333 WEST OCEAN BOULEVARD, THIRD FLOOR • LONG BEACH, CA 90802 • (562) 570-6615 • FAX (562) 570-6215

January 23, 2006

REDEVELOPMENT AGENCY BOARD MEMBERS

City of Long Beach
California

RECOMMENDATION:

Approve and authorize the Executive Director to enter into an Exclusive Negotiation Agreement with Dream Space Productions and Houk Development Company for the development of the Agency-owned property located at 1709 Santa Fe Avenue. (West Industrial – District 1)

DISCUSSION

On January 31, 2005, the Redevelopment Agency (Agency) issued its annual Request for Proposals (RFP) offering an opportunity to purchase and develop Agency-owned properties located in the West Long Beach Industrial Redevelopment (Westside) Project Area. As a result of this solicitation, Dream Space Productions and Houk Development Company (Developer) has made an offer to purchase and develop Agency-owned property located at 1709 Santa Fe Avenue (Site). The vacant site is approximately 37,400 square feet (Exhibit A – Site Map). The Developer has offered the minimum purchase price of \$710,600 (\$19.00 per sq. ft.)

The Developer proposes to build a three-story 132,000 square foot high-density movie studio with two levels of subterranean parking. The proposed facility will be used to produce national commercials, films and TV network shows. The development will also include executive suites, a café, offices and support offices for the studio, film production and editing areas. The project will create 70 new jobs, and Dream Space plans to work very closely with local colleges and learning institutions to establish internships, workshops and career mentoring for local high school and college students.

Agency staff has prepared an Exclusive Negotiation Agreement (ENA) between the Agency and the Developer, which gives the Developer the sole rights to negotiate a Disposition and Development Agreement with the Agency for the sale and development of the Site. Major points of the ENA are as follows:

The mission of the Long Beach Redevelopment Agency is to enhance the quality of life by improving blighted areas of Long Beach, revitalizing neighborhoods, promoting economic development, creating jobs, providing affordable housing and encouraging citizen participation.

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- The term of the ENA will be six months, with authorization given to the Agency's Executive Director to extend the term up to an additional 45 days.
- During the term of the ENA, the Developer shall complete the following:
 - Develop a program of financing and provide the Agency with reasonable evidence that financing will be available for the acquisition and development of the site;
 - Formulate a development plan for the site and submit it to the Agency for its approval; and
 - Furnish necessary information to the Agency regarding the proposed project as may be required to perform an environmental review pursuant to the California Environmental Quality Act.
- The Developer has provided the Agency with a non-refundable Good Faith Deposit in the amount of \$25,000.
- If the Developer does not close escrow within 12 months of the date of the Disposition and Development Agreement, the purchase price for the Site will increase by 15%.

The West Long Beach Industrial Project Area Committee (PAC) considered the Developer's proposal at its meeting held in June 2005. At that meeting, the PAC voted to recommend support for the proposal (Exhibit B).

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



PATRICK H. WEST
EXECUTIVE DIRECTOR

APPROVED:



GERALD R. MILLER
CITY MANAGER

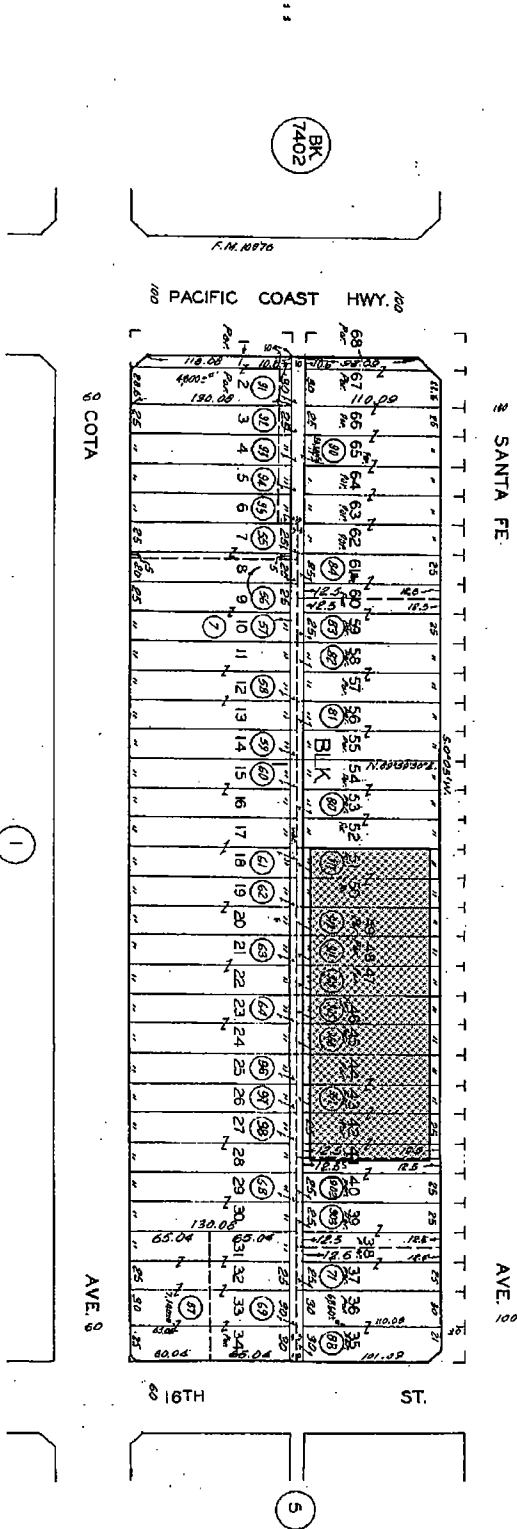
BAK: MCB: kjm

Attachments: Exhibit A – Site Map
Exhibit B – June 9, 2005 Letter from Westside PAC

EXHIBIT A
Site H: 1709 Santa Fe Avenue
SITE MAP

County of Los Angeles: Rick Auerbach, Assessor

7432 6 2004
 SCALE 1" = 80'



84412529
 83041202
 8115606
 90127188
 89441209
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FOR PREV ASSMT SEE
 7429 - 32 & 33
 TRACT NO. 2600
 M. B. 26-88-90

ASSESSOR'S MAP
 COUNTY OF LOS ANGELES, CALIF.

All 900 series parcels on this page are assessed to:
 Redevelopment Agency of the City of Long Beach,
 unless otherwise noted.

CODE
 5521

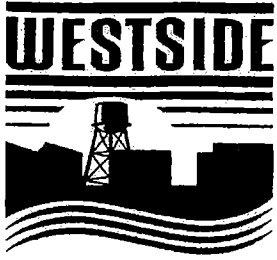


EXHIBIT B

Westside Project Area Committee

1724 Santa Fe Avenue, Suite 204 * Long Beach, CA. 90813

Michael Betts/Redevelopment Project Officer
Redevelopment Bureau, Dept. of Community Development
333 West Ocean Blvd., 3rd Floor
Long Beach, CA 90802

June 9, 2005

Dear Mr. Betts:

The following are the motions made at the June 8 General Meeting of the Westside PAC.

- Budget – A motion was made to approve the proposed 2006 budget issued by the City and that motion carried unanimously.
- Dream Space – A motion was made to accept Dream Space's proposal for Site H and that motion carried unanimously.

If you have any questions, please feel free to contact me at the Westside PAC office Monday through Wednesday from 9 to 5.

Sincerely,

Lee Adams

Coordinator/Westside Project Area Committee