



CITY OF LONG BEACH

R-23

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

June 10, 2008

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

RECOMMENDATION:

Authorize the City Manager to execute an Exclusive Negotiating Agreement between the City of Long Beach and BANCAP, for the term of one-year for a proposed restaurant at 6500 Marina Drive and execute any amendments necessary to exercise extension options provided for therein; and increase appropriations in the General Fund (GP) in the Department of Community Development by \$10,000. (District 3)

DISCUSSION

The City of Long Beach (City) is the owner of the Basin Three parking lot at Alamitos Bay Marina (Site), located at 6500 Marina Drive (Exhibit "A"). Though the Site provides parking for marina visitors and boat owners, it is primarily underutilized given its relative location to the waterfront. Staff proposes that the City explore developing the Site into a waterfront restaurant that will enhance the visitors' experience at the Marina.

In an effort to develop a waterfront restaurant on the Site, staff recommends the City enter into an Exclusive Negotiating Agreement (ENA) with BANCAP (Developer) to facilitate negotiations of development agreement(s) and/or a ground lease that will benefit the City and its residents. A previous ENA relating to this site, between the City and Marina Retail Associates, LLC, has expired without resulting in a development agreement.

The Developer has partnered with the City on several projects along Marina Drive including Alamitos Bay Marina Center, Alamitos Bay Landing, the Crab Pot Restaurant, and the weekly Farmers' Market. BANCAP's principals all reside in Long Beach and are active in the community.

The ENA does not provide any promise or commitment by the City, or any agency of the City, with respect to the approval of development. It is merely an agreement to enter into a period of exclusive negotiations according to the terms of the ENA, reserving final discretion and approval by the City Council of any subsequent ground lease or development agreement.

The proposed ENA contains the following major terms and provisions:

- The City and the Developer agree to negotiate in good faith pursuant to the terms of the Agreement.
- During the term of the ENA, the City will not negotiate with any other party for the operation of a proposed restaurant on the Site.
- The term of the ENA will expire one-year from the execution date of the ENA, subject to a 90-day extension option.
- The Developer shall deposit a "Good Faith Deposit" of \$10,000 to reimburse all costs and expenses reasonably incurred by the City in connection with the execution and administration of the ENA.
- The Developer will formulate a development plan, including conceptual drawings, for the City's approval.
- The Developer will comply with all requirements of an Environment Impact Report (EIR) if it is determined that one is required for the project.
- The Developer shall provide the City with the evidence of a leasing commitment with a tenant and terms that are reasonably acceptable to the City.
- The Developer shall provide the City with the evidence of a financing program reasonably acceptable to the City.
- All fees and expenses associated with engineers, architects, financial consultants, lawyers, planning consultants, environmental consultants, and all other consultants, permitting processes, environmental review and contractors retained by the Developer shall be the sole responsibility of the Developer.
- The Director of Community Development is authorized on behalf of the City to extend any of the Developer's ENA deadlines.

This letter was reviewed by Deputy City Attorney, Richard F. Anthony on May 19, 2008, and Budget Management Officer Victoria Bell on May 22, 2008.

TIMING CONSIDERATIONS

Action on this item is not time critical.

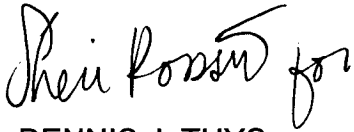
FISCAL IMPACT

Section 3 of the ENA provides that prior to its execution, the Developer shall deposit with the City \$10,000 in immediately available funds. This deposit shall be drawn upon to reimburse the City for all costs reasonably incurred in connection with the execution and administration of subject Agreement. An appropriation increase equivalent to the deposit amount of \$10,000 is requested in the General Fund (GP) in the Department of Community Development.

SUGGESTED ACTION

Approve recommendation.

Respectfully submitted,



DENNIS J. THYS
DIRECTOR OF
COMMUNITY DEVELOPMENT



PHIL T. HESTER
DIRECTOR OF
PARKS, RECREATION, AND MARINE

DJT:JMV
ENA.BANCAP.Marina.v3

Attachment: Exhibit A – Site Map

APPROVED:



PATRICK H. WEST
CITY MANAGER

Exhibit A

