

CITY OF LONG BEACH

H-1

DEPARTMENT OF DEVELOPMENT SERVICES

333 West Ocean Blvd., 3rd Floor Long Beach, CA 90802 Phone: 570.6615 Fax: 570.6215

July 21, 2009

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive the supporting documentation into the record, conclude the public hearing, and adopt the attached resolution making certain findings; and

Authorize the City Manager to execute an Owner Participation Agreement with Cowelco Properties, Inc., for the development of 1328-1340 West Canal Avenue. (District 1)

DISCUSSION

The Long Beach Redevelopment Agency (Agency) staff has concluded the negotiation of an Owner Participation Agreement (Agreement) with Cowelco Properties, Inc., (Developer) for the exchange of the Agency-owned property located at 1328-1340 Canal Avenue (Site) (Exhibit A – Site Map). The Site is located in the Westside Industrial Redevelopment Project Area (Westside).

The Developer is a steel fabrication business located at 1634 West 14th Street in the Westside. The company started as a custom sailboat builder in the mid-1940s by the current owner's father who subsequently transitioned to metals and structural steel contracting to take advantage of the post World War II construction demand. Since then, the company has grown to become one of the Westside's major manufacturing businesses, employing approximately 80 people. The company is certified as a WBE (Women Business Enterprise), allowing them to take advantage of major state and federal government procurement opportunities.

The Developer currently does not have off-street parking and proposes to enhance his current business in the Westside by acquiring the Site for off-street employee parking. The Developer intends to improve the Site with a surface parking lot for 30 cars, install wrought iron fencing, and add five feet of landscaping around the perimeter of the Site. The lot would include handicap parking, curbs, gutters, and sidewalks. No structures are proposed for the Site (Exhibit B – Site Improvement Plan).

The Agreement includes the following major provisions:

- Under the terms of the Agreement, the Developer will exchange a 10,000-square-foot property at 1325 Harbor Avenue with the 10,600-square-foot Agency-owned property at 1328-1340 Canal Avenue.
- The Developer will pay the Agency \$20,000 as compensation for the difference between the value of exchanged properties.

- The Developer will utilize the Site in accordance with the West Long Beach Industrial Redevelopment Plan and all applicable City of Long Beach codes and regulations including providing appropriate landscaping and screening.
- An Agreement Containing Covenants will be recorded at closing. This document will prohibit certain uses, describe maintenance responsibilities and levels of maintenance, and require that any future improvements be subject to the Design Guidelines for the Project Area.
- The Developer agrees to close escrow within six months of the date of the Agreement and complete construction on the Site within 180 days.

At its meeting held on October 8, 2008, the Westside Project Area Committee made a recommendation to approve the Developer's conceptual site plan for the project. The Redevelopment Agency approved the Agreement at its meeting of July 20, 2009.

Since the Site was purchased by the Agency with tax increment monies, California law requires that this sale must also be approved by the City Council by resolution after a public hearing.

This letter was reviewed by Chief Assistant City Attorney Heather A. Mahood on June 30, 2009 and by Budget and Performance Management Bureau Manager David Wodynski on July 1, 2009.

TIMING CONSIDERATIONS

City Council action is requested on July 21, 2009, as the Agency and Developer wish to proceed with an escrow closing on or before December 31, 2009.

FISCAL IMPACT

The proceeds of \$20,000 from the proposed property exchange will be deposited into the Redevelopment Agency Fund (RD) in the Department of Development Services (DV). The Developer will pay the Agency with private funds. There will be no impact to the General Fund (GP).

SUGGESTED ACTION:

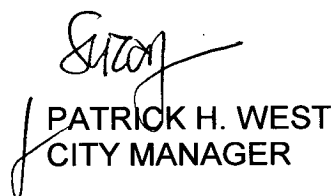
Approve recommendation.

Respectfully submitted,



CRAIG BECK
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:

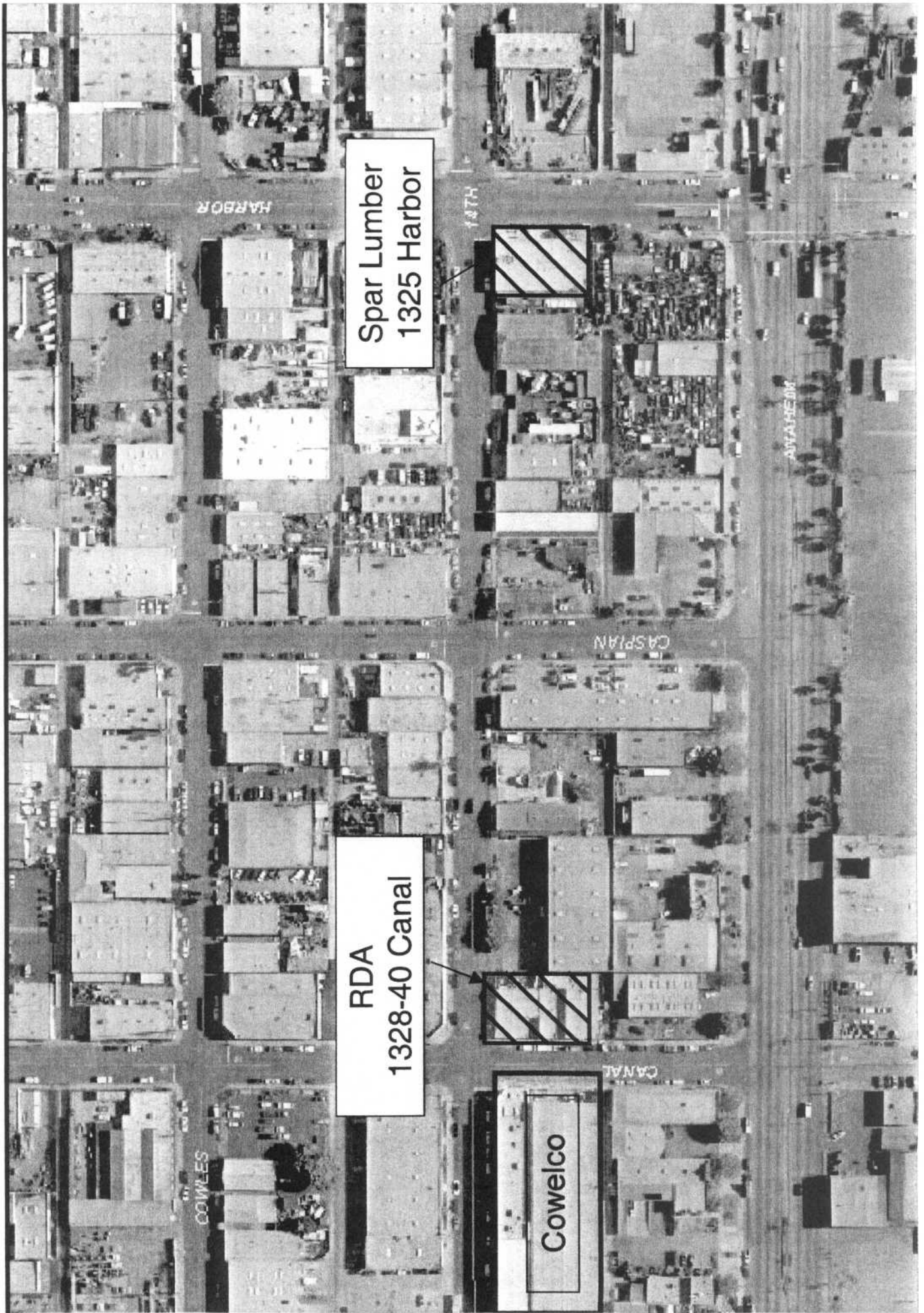


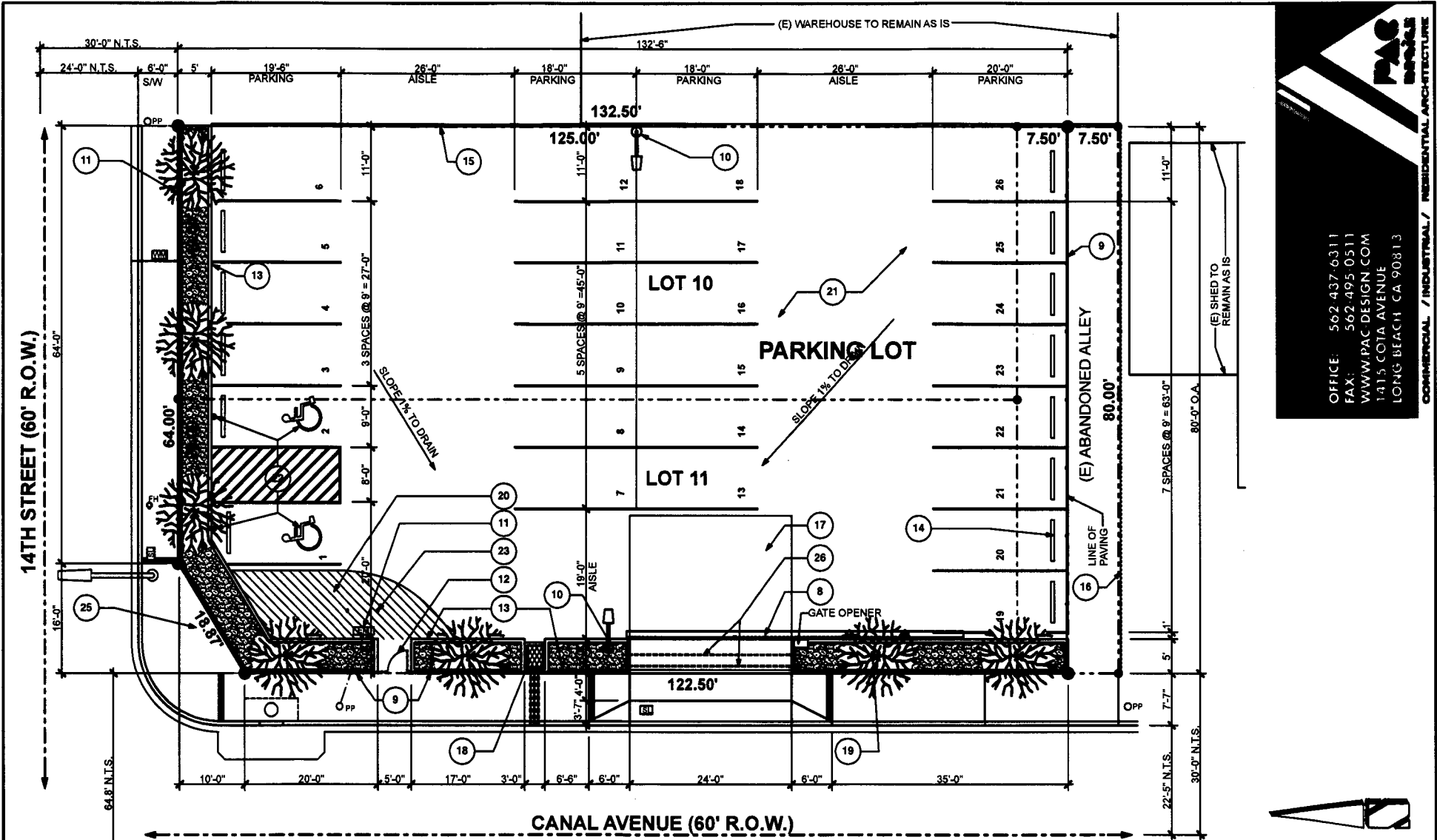
PATRICK H. WEST
CITY MANAGER

CB:AJB:SJ
Attachments:

Exhibit A – Site Map
Exhibit B – Site Improvement Plan
City Council Resolution

Exhibit A – Site Map





PAC
BRAD
ARCHITECTURE

OFFICE: 562.437.6311
 FAX: 562.495.0511
 WWW.PAC-DESIGN.COM
 1415 COTA AVENUE
 LONG BEACH, CA 90813

COMMERCIAL / INDUSTRIAL / RESIDENTIAL ARCHITECTURE

Site Improvement Plan

SCALE: 1" = 20'

COWELCO PARKING LOT
1328 CANAL AVENUE
LONG BEACH, CA 90813

- KEY NOTES**
- 8 (N) 26' L X 8' H ROLLING TUBE STL GATES @ REC'D STL "W" TRACK W/ 12" W X 24" DR. CONC. FTG W/ (2) #5 @ T&B. SEE DETAIL 5/C4. PROVIDE "LIFT-MASTER" OR "DOOR-KING" COMMERCIAL GATE OPENER W/ 1/2 HP MOTOR, REMOTE KEYPAD, CONTROL LOOP & REMOTE OPENERS PER OWNERS REQUIREMENTS. INSTALL OPENER ON CONC. PAD PER MANUF'S SPECS. SEE ELECT. PLAN, SHEET E1.
 - 9 (N) 8' H TUBE STEEL FENCE ABV. (N) CONC. CURB FTG ALONG STREETS & ABV. PCC PAVING @ SOUTH PL.
 - 10 (N) PARKING LOT LIGHT STANDARDS W/ FULL CUT OFF SHIELDS @ 22'-6" H POLE @ 2'-6" H X 18" Ø CONC. BASE & FTG, SEE DETAIL 8/C4
 - 11 (N) 100A, 240 / 120V, 1/2, 3W METER / PANEL IN NEMA 3R CABINET MOUNTED @ +48" AFS @ 4" SQ. TUBE STL POST SET IN CONC. PAD-SEE SIGHT LIGHTING & POWER PLAN SHEET E1
 - 12 (N) 3' W X 8' H TUBE STEEL SWING GATE W/ HC APPROVED LOCK & HANDLE
 - 13 (N) 6" W CONC. CURB W/ 12" DP. CONC. FOOTING SURROUND (N) PLANTER AREAS, SEE PLANTER SECTION C/C2
 - 14 (N) 6" H X 6" W X 6" L CONC. BUMPERS W/ (2) #5 REBAR SET 18" INTO GRADE. SEE DETAIL 4/C4
 - 15 (E) 4' H CHAIN LINK FENCE @ 4'-6" H X 8" THK. CONC. WALL TO REMAIN AS IS
 - 16 (E) TUBE STL FENCE TO BE RELOCATED 7.5' NORTH BY OTHERS, N.I.C.
 - 17 24" W X 18" L X 8" THK. PCC PAVING W/ #5 @ 18" O.C. EAWW @ MID-HEIGHT @ 4" AGG BASE @ 95% COMPACT GRADE ADJACENT TO DRIVEWAY. PROVIDE CONTROL JOINTS @ 12' O.C. EAWW, PER DETAIL 2/C4
 - 18 (N) "FLO GARD" LO PRO 38" X 24" CATCH BASIN W/ FILTER INSERT & (3) 3" Ø PVC PIPES UNDER (E) SIDEWALK & THRU CURB FACE W/ BOT. OF PIPES @ 1" ABV. FLOW LINE @ (E) GUTTER. SEE DRAINAGE SECTION B/C2 & DETAIL 11/C4
 - 19 (N) PLANTER AREAS - PROVIDE AUTOMATIC IRRIGATION SYSTEM, TREES, SHRUBS & GROUND COVER PER CLB REQUIREMENTS - SEE LANDSCAPE PLANS, SHEET L1
 - 20 (N) LUNCH AREA - PROVIDE YELLOW PAINT STRIPPING
 - 21 GRADE LOT TO SURROUND 6" PC CONCRETE SLAB W/ #4 BAR @ 24" O.C. EAWW @ MID-HEIGHT @ 4" AGG BASE @ 95% COMPACTED GRADE
 - 22 HANDICAPPED ACCESSIBLE PARKING & LOADING SPACE. PAINT STRIPPING & SIGNAGE PER CLB & TITLE 24 REQUIREMENTS, SEE DETAILS 7, 9, & 10/C4
 - 23 (2) 4" Ø X 36" H CONC. FILLED STEEL BOLLARDS TO PROTECT ELECTRICAL EQUIPMENT, SEE DETAIL 13/C4
 - 24 PAVING CONTRACTOR TO PROVIDE 2X10 HEADER W/ STAKES TO RMAIN IN PLACE ALONG PAVEMENT EDGE
 - 25 CORNER COT OFF DEDICATED TO CLB FOR STREET PURPOSES
 - 26 (2) 2" Ø PVC SCH 40 PIPE SLEEVES 6" MIN. BEYOND (N) CURB BELOW DRIVEWAY FOR IRRIGATION & POWER CONDUITS

1 RESOLUTION NO.

2
3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH APPROVING THE PROPOSED
5 OWNER PARTICIPATION AGREEMENT BETWEEN THE
6 REDEVELOPMENT AGENCY OF THE CITY OF LONG
7 BEACH, CALIFORNIA, AND COWELCO PROPERTIES,
8 INC.; FINDING THAT THE CONSIDERATION FOR THE
9 SALE OF CERTAIN REAL PROPERTY IN THE WEST
10 LONG BEACH INDUSTRIAL REDEVELOPMENT PROJECT
11 AREA IS NOT LESS THAN FAIR MARKET VALUE IN
12 ACCORDANCE WITH COVENANTS AND CONDITIONS
13 GOVERNING SUCH SALE; AND APPROVING THE SALE
14 OF THE PROPERTY AND THE OWNER PARTICIPATION
15 AGREEMENT
16

17 WHEREAS, the Redevelopment Agency of the City of Long Beach,
18 California (the "Agency"), is engaged in activities necessary to execute and implement
19 the Redevelopment Plan for the West Long Beach Industrial Redevelopment Project
20 Area (the "Project"); and

21 WHEREAS, in order to implement the Redevelopment Plan, the Agency
22 proposes to sell certain real property (the "Property") in the Project pursuant to the terms
23 and provisions of the Owner Participation Agreement and which Property is described in
24 Exhibit "A" which is attached and incorporated by reference; and

25 WHEREAS, Cowelco Properties, Inc. (the "Developer") has submitted to the
26 Agency a written offer in the form of an Owner Participation Agreement to purchase the
27 Property for not less than fair market value for uses in accordance with the
28 Redevelopment Plan and the covenants and conditions of the Owner Participation

1 Agreement; and

2 WHEREAS, the proposed Owner Participation Agreement contains all the
3 provisions, terms and conditions and obligations required by Federal, State and local law;
4 and

5 WHEREAS, Developer possesses the qualifications and financial resources
6 necessary to acquire and insure development of the Property in accordance with the
7 purposes and objectives of the Redevelopment Plan; and

8 WHEREAS, the Agency has prepared a summary setting forth the cost of
9 the Owner Participation Agreement to the Agency, the estimated value of the interest to
10 be conveyed, determined at the highest uses permitted under the Redevelopment Plan
11 and the purchase price and has made the summary available for public inspection in
12 accordance with the California Redevelopment Law; and

13 WHEREAS, the Agency has determined that the development of the
14 Property is categorically exempt under the California Environmental Quality Act; and

15 WHEREAS, pursuant to the provisions of the California Community
16 Redevelopment Law, the City Council of the City of Long Beach held a public hearing on
17 the proposed sale of the Property and the proposed Owner Participation Agreement after
18 publication of notice as required by law; and

19 WHEREAS, the City Council has duly considered all terms and conditions
20 of the proposed sale and believes that the redevelopment of the Property pursuant to the
21 proposed Owner Participation Agreement is in the best interests of the City and the
22 health, safety, morals and welfare of its residents and in accord with the public purposes
23 and provisions of applicable Federal, State and local law;

24 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
25 follows:

26 Section 1. The City Council finds and determines that the consideration
27 for sale of the Property pursuant to the Owner Participation Agreement is not less than
28 fair market value in accordance with covenants and conditions governing the sale, and

1 the Council further finds and determines that the consideration for the sale of the
2 Property, determined at the highest and best use under the Redevelopment Plan, is
3 necessary to effectuate the purposes of the Redevelopment Plan for the Project.

4 Section 2. The sale of the Property by the Agency to Developer and the
5 Owner Participation Agreement which establish the terms and conditions for the sale and
6 development of the Property are approved.

7 Section 3. The sale and development of the Property shall eliminate
8 blight within the Project Area and is consistent with the implementation plan for the
9 Project adopted pursuant to Health and Safety Code Section 33490.

10 Section 4. This resolution shall take effect immediately upon its adoption
11 by the City Council, and the City Clerk shall certify to the vote adopting this resolution.

12 I hereby certify that the foregoing resolution was adopted by the City
13 Council of the City of Long Beach at its meeting of _____, 2009 by the
14 following vote:

15
16 Ayes: Councilmembers: _____

17 _____

18 _____

19 _____

20 Noes: Councilmembers: _____

21 _____

22 Absent: Councilmembers: _____

23 _____

24
25
26 _____
City Clerk

EXHIBIT A
LEGAL DESCRIPTION

PARCEL 1:

LOTS 10 AND 11, BLOCK 44, INNER HARBOR TRACT, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 8, PAGES 62 AND 63 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS, AND OTHER MINERALS CONTAINED WITHIN SAID PROPERTY, WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED, TOGETHER WITH THE RIGHT TO PRODUCE, MINE, EXTRACT AND REMOVE OIL, GAS AND OTHER MINERALS UPON, FROM AND THROUGH SAID PROPERTY AT DEPTHS BELOW FIVE HUNDRED FEET FROM THE SURFACE AND FROM LOCATIONS ON ADJACENT OR NEIGHBORING LANDS BUT WITHOUT THE RIGHT TO ENTER ANY PORTION OF SAID LAND LYING ABOVE A DEPTH OF 500 FEET BELOW THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED MARCH 24, 1964 AS INSTRUMENT NO. 1741 OF OFFICIAL RECORDS.

PARCEL 2:

THAT PORTION OF THE NORTHERLY 7.5 FEET OF THE ALLEY ADJOINING LOTS 10 AND 11, IN BLOCK 44, OF THE INNER HARBOR TRACT, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 8, PAGES 62 AND 63 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY LYING EASTERLY OF THE SOUTHERLY PROLONGATION OF THE WESTERLY LINE OF SAID LOT 11 AND LYING WESTERLY OF THE SOUTHERLY PROLONGATION OF THE EASTERLY LINE OF LOT 10 OF SAID TRACT. SAID ALLEY BEING VACATED PURSUANT TO RESOLUTION NO. C-24132 PASSED BY THE CITY COUNCIL OF THE CITY OF LONG BEACH ON APRIL 15, 1986 AND RECORDED ON APRIL 25, 1986 AS INSTRUMENT NO. 86-512390, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

1328; 1330/1340 Canal Avenue

END OF LEGAL DESCRIPTION

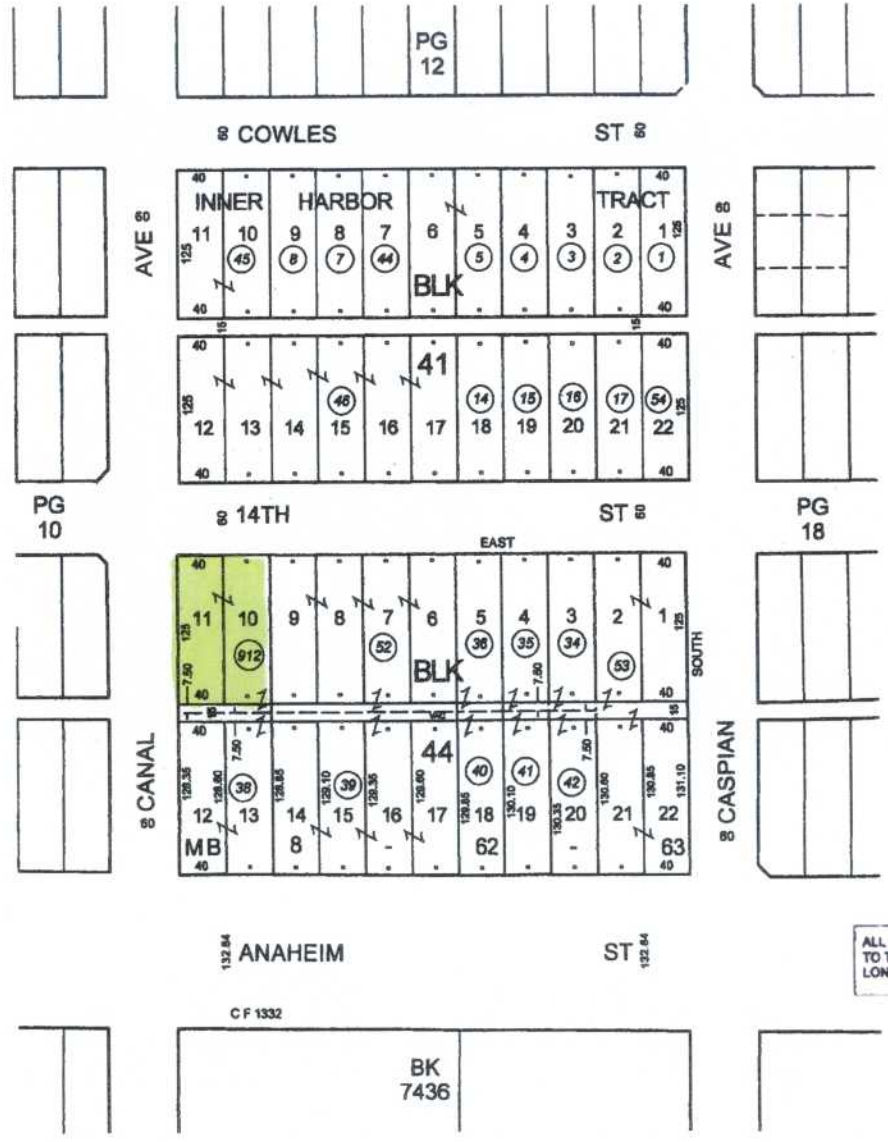
Subject Property
APN: 7432-011-912
1328; 1330 and 1340 Canal Avenue

7432	11 SHEET	P. A. 849-7	TRA 5521	REVISED 2003040107 2003040107004001-22	200902180004001-25		SEARCH NO	OFFICE OF THE ASSESSOR COUNTY OF LOS ANGELES COPYRIGHT © 2002
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2009



MAPPING AND GIS
SERVICES
SCALE 1" = 100'



ALL 900 SERIES PARCELS ON THIS PAGE ARE ASSESSED TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH, UNLESS OTHERWISE NOTED