



CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

C-10

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

May 18, 2004

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Grant of Subterranean Easement to 100 East Ocean Investments, LLC for
Parking Purposes (District 2)

DISCUSSION

The property located at 100 East Ocean Boulevard at Pine Avenue is owned by 100 East Ocean Investments, LLC, a California limited liability company (Owner). The Owner also owns a lot on the north side of Seaside Way between Locust and Collins Way (see Exhibit "A"). The Owner had previously proposed to construct a hotel, restaurant and related parking at 100 East Ocean Boulevard, construct a 4-level parking structure at Seaside Way (Seaside Structure) and construct a subterranean garage under that portion of Victory Park adjoining 100 East Ocean Boulevard (Subterranean Structure). The Subterranean Structure was to contain 65 parking spaces and, in compensation, the City was to receive rights to 65 non-reserved spaces in the Seaside Structure. For a variety of reasons, the hotel project did not move forward. In place of the hotel, a 24-level residential project, with restaurant, health club, and retail uses, was approved by the Planning Commission on July 17, 2003. The project proposes expansion of the Subterranean Structure to 100 spaces, with the City being equally compensated with 100 non-reserved spaces in the Seaside Structure.

Victory Park is a dedicated public park in perpetuity. It is a linear park of varying width along the south side of Ocean Boulevard between Golden Avenue and Alamitos Boulevard. After construction of the Subterranean Structure, the Owner will be required to reconstruct that portion of Victory Park above the Subterranean Structure, (Park Site) adjoining the property at 100 East Ocean Boulevard. On June 19, 2003, the Parks and Recreation Commission approved the design for the improvements to the Park Site. Additionally, the Owner, and its successors in interest, will covenant to maintain the Park Site in perpetuity.

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The Subterranean Structure will be constructed adjacent to the Jergins Pedestrian Subway that traverses Ocean Boulevard near Pine Avenue. The Subway is not currently accessible to the public. However, public access to permit local historical groups access to the Subway, through the Subterranean Structure, will be provided through the easement document.

The subterranean easement is approximately 9,830 square feet. The City's consideration for the subterranean easement is 100 non-reserved public parking spaces in the Seaside Structure, which represents 39 percent of the proposed 255 spaces. The Seaside Structure is valued at \$4,375,000 and the City's 39 percent is valued at \$1,706,250. This is considered more than adequate compensation for the subterranean easement. This arrangement will help ease a parking deficit with the Convention Center across Seaside Way. The Owner will covenant to maintain the Seaside Structure in a decent and safe condition and in compliance with all laws.

This letter was reviewed by Assistant City Attorney Heather Mahood on April 28, 2004 and Budget Manager Michael Killebrew on May 5, 2004.

FISCAL IMPACT

There is no fiscal impact associated with the recommended action.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to grant a subterranean easement for parking purposes in City-owned land adjoining the property at 100 East Ocean Boulevard to 100 East Ocean Investments, LLC, or its nominee, execute all other related documents, and accept assignable rights to an equal number of parking spaces in a future parking structure on Seaside Way.

Respectfully submitted,



for

MELANIE S. FALLON
DIRECTOR OF
COMMUNITY DEVELOPMENT



PHIL T. HESTER
DIRECTOR OF PARKS,
RECREATION AND MARINE

MSF:PTH:MC:lel
Attachment: Exhibit "A"

APPROVED:



GERALD R. MILLER
CITY MANAGER