



# CITY OF LONG BEACH

# R-19

DEPARTMENT OF ECONOMIC AND PROPERTY DEVELOPMENT

333 West Ocean Boulevard 3<sup>rd</sup> Floor • Long Beach, CA 90802 • (562) 570-6099 • Fax (562) 570-6380

December 6, 2016

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Declare the City-owned property located at 6101-6141 Atlantic Avenue, Assessor Parcel Number 7125-036-900 (Subject Property) as surplus, authorize the City Manager, or designee, to execute any and all documents necessary, including a Purchase and Sale Agreement, with Amusement Industry, Inc. (Buyer) for the sale of the Subject Property in the amount of \$655,578, and accept Categorical Exemption CE 16-273. (District 9)

## DISCUSSION

The City of Long Beach currently owns a 60,984-square-foot unimproved lot located at 6101-6141 Atlantic Avenue, Assessor Parcel Number 7125-036-900 (Subject Property) (Exhibit A). Formerly owned by the Redevelopment Agency of the City of Long Beach (Agency), the Subject Property was included in the Successor Agency's Long Range Property Management Plan (LRPMP), which was approved by the State of California Department of Finance (DOF) on March 10, 2015 and amended on June 24, 2015. The Subject Property has been categorized with a permissible use of "Future Development" allowing for the disposition of the Subject Property for development consistent with the vision and intent of the North Long Beach Redevelopment Project Area and its guiding documents.

The goals and objectives of the LRPMP is to partner with landowners in assembly of land in furtherance of the project area goals. The Subject Property is adjacent to a 49,223-square foot lot owned by an entity controlled by the Buyer, and currently improved with an aged retail center. Together, the adjacent parcel and Subject Property encompass an entire City block bounded on the north by Harding Street, on the south by 61<sup>st</sup> Street, on the west by Linden Avenue and on the east by Atlantic Avenue. In March of 2016, the City entered into an Exclusive Negotiating Agreement with the Buyer allowing both the City and the Buyer to determine the suitability of the project and review site plans and design. Based on a positive determination, the Buyer has expressed an interest in proceeding with the purchase of the Subject Property from the City.

The fair market value of the property is \$1.2 million, as determined by broker opinion of value. The owner's development plan includes redevelopment of the entire block (owner-owned and City-owned properties). The development concept will include expansion and renovation of an existing shopping center including office, retail and restaurant uses.

The LRPMP, which controls the disposition of former Redevelopment Agency properties, states that economic opportunity occurs when development of the property serves to create, retain or expand jobs, and results in increased property taxes revenues at full implementation of a project. As a result, the LRPMP is intended to further economic opportunity through the consideration of disposition strategies to attain the stated goals of the Redevelopment Plan, associated Strategic Guides and related guiding documents, including offerings to adjoining owners. The guiding documents for the North Redevelopment Project Area clearly identify the Subject Property as an economic development goal. In order to ensure that the project proceeds and achieves the goal of development, staff recommends selling the Subject Property at \$655,578, rather than \$1.2 million. This is not the highest price offered for the property; however, the proposal presented by the Buyer will serve to redevelop the adjacent shopping center property, which is in an inferior condition. The redevelopment of the private property along with the development of the Subject Property will revitalize the entire block and benefit the community.

In compliance with Government Code Section 54220 (Chapter 621, Statutes of 1968), on June 1 and December 8, 2015, staff notified the State of California (State) and requesting parties that the City, as both the City and Successor Agency, was declaring all Future Development and Sale of Property parcels as surplus. Further, in accordance with past practice, a memorandum was circulated to all City Departments to determine their interest in, or objection to, declaring any parcel surplus. To date, neither the State nor any City Department has expressed an interest in, or objection to, the sale of the Subject Property. A Categorical Exemption, CE 16-273, was completed related to the proposed transaction on November 9, 2016 (Exhibit B).

This matter was reviewed by Deputy City Attorney Richard F. Anthony on November 7, 2016 and by Revenue Management Officer Julissa Jose-Murray on November 14, 2016.

#### TIMING CONSIDERATIONS

City Council consideration of this transaction is requested on December 6, 2016, to ensure that entitlement on the Subject Property can occur in a timely manner.

#### FISCAL IMPACT

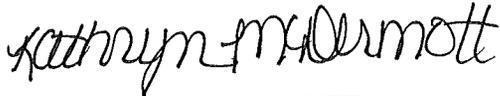
Sale proceeds of \$655,578, less escrow and closing fees and recovery of administrative costs, will be remitted to the Los Angeles County Auditor-Controller for distribution to the affected taxing agencies. If required under the terms of tax-exempt bonds issued for the acquisition of a portion of the Subject Property, proceeds will first be used to redeem the bonds. If repayment of bonds is not required, the net proceeds available for remittance is estimated to be \$550,686. The County will distribute the net proceeds to the affected taxing agencies based on their share of the 1 percent tax rate. The City's share is approximately 21 percent of the net sale proceeds. Consistent with City Council policy direction, 75 percent of the City's proceeds shall be retained for non-recurring economic programs in the former North Project Area, and 25 percent shall be retained for non-recurring economic programs with a Citywide impact.

HONORABLE MAYOR AND CITY COUNCIL  
December 6, 2016  
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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



KATHRYN MCDERMOTT  
INTERIM DIRECTOR OF  
ECONOMIC & PROPERTY DEVELOPMENT

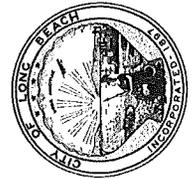
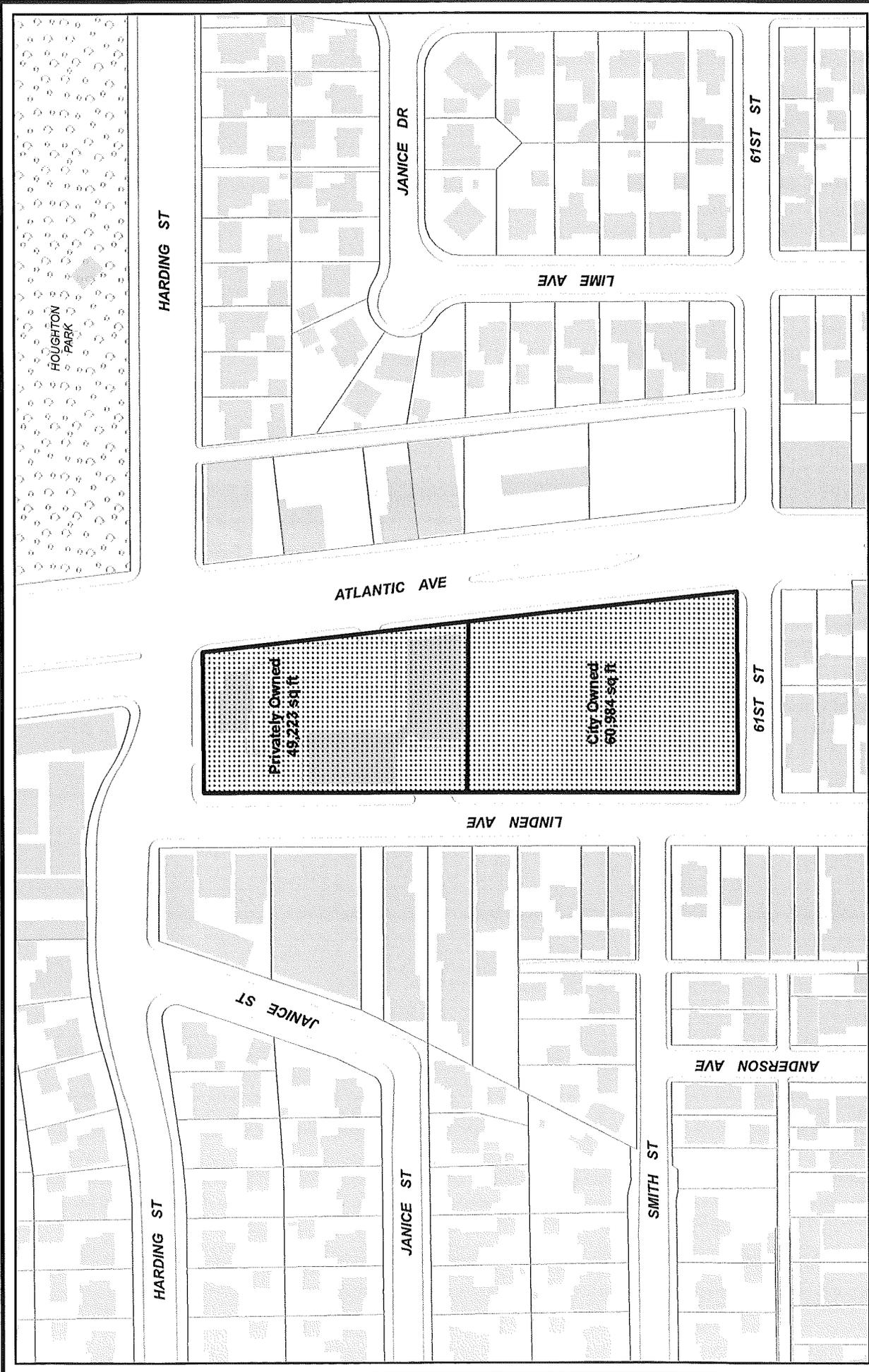
MPC: MFT

Attachments: Exhibit A – Subject Property Map  
Exhibit B – Categorical Exemption CE 16-273

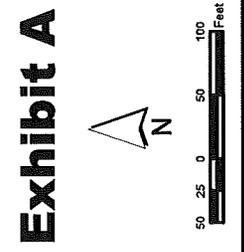
APPROVED:



PATRICK H. WEST  
CITY MANAGER



**Subject Property:**  
 6101-6141 Atlantic Ave  
 AIN: 7125-036-900  
 Council District : 9



# Exhibit A



EXHIBIT B

NOTICE of EXEMPTION from CEQA

DEPARTMENT OF DEVELOPMENT SERVICES
333 W. OCEAN BLVD., 5TH FLOOR, LONG BEACH, CA 90802
(562) 570-6194 FAX: (562) 570-6068
lbs.longbeach.gov

TO: [ ] Office of Planning & Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

FROM: Department of Development Services
333 W. Ocean Blvd, 5th Floor
Long Beach, CA 90802

[ ] L.A. County Clerk
Environmental Fillings
12400 E. Imperial Hwy., Room 1201
Norwalk, CA 90650

Project Title: CE-16-273
16-273

Project Location/Address: 6101-6141 Atlantic Avenue (Assessor Parcel Number 7125-036-900)

Project Activity/Description: Transfer of ownership of approximately 60,984 square feet of surplus property owned by the City of Long Beach, located at 6101-6141 Atlantic Avenue, Assessor Parcel Number 7125-036-900

Public Agency Approving Project: City of Long Beach, Los Angeles County, California

Applicant Name: City of Long Beach

Mailing Address: 333 West Ocean Blvd., 3rd Floor, Long Beach, CA 90802

Phone Number: 562-570-6846

Applicant Signature: Mary Francis

BELOW THIS LINE FOR STAFF USE ONLY

Application Number: Planner's Initials:

Required Permits:

THE ABOVE PROJECT HAS BEEN FOUND TO BE EXEMPT FROM CEQA IN ACCORDANCE WITH STATE GUIDELINES SECTION 15312, Class 12, Surplus Government

Property Sales

Statement of support for this finding:

This ownership transfer meets the requirements for a Class 12 exemption

Contact Person: Craig Chalfant

Contact Phone: 562-570-6368

Signature: [Signature]

Date: 11/9/16