

CITY OF LONG BEACH

AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH

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February 16, 2016

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF LONG BEACH
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to execute any and all documents, including an Addendum to the Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate with Yogesh Patel and Minal Patel (Buyer), for the reduction in sale price of 101 North Long Beach Boulevard/243 East 1st Street, Assessor Parcel Numbers 7280-028-905 and -906, for a total amount of \$1,040,000. (District 2)

DISCUSSION

On July 21, 2015, the City of Long Beach, as Successor Agency to the Redevelopment Agency of the City of Long Beach (Successor Agency), authorized the sale of property located at 101 North Long Beach Boulevard/243 East 1st Street (Subject Property) (Exhibit A). The Subject Property totals approximately 10,125 square feet and is currently improved as a parking lot. Subsequent to Successor Agency approval, the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Long Beach (Oversight Board) and the State of California Department of Finance approved the sale on August 3, 2015 and September 18, 2015, respectively. The total sales price approved was \$1,300,000, or approximately \$128 per square foot.

The property is in escrow and the buyer is pursuing entitlements. During that process, it was determined that a dedication of approximately 2,033 square feet of the Subject Property would be required for any project developed. As a result, only 8,092 square feet remains as the developable square footage of the Subject Property. The Buyer has requested a proportionate reduction in the sale price of approximately \$260,000 for a revised total sales price of \$1,040,000. The price per developable square-foot remains above fair market value, as determined by an independent appraisal or broker opinion of value, as appropriate. The revised sale of the Subject Property remains consistent with the Successor Agency's Long Range Property Management Plan and dissolution law.

This matter was reviewed by Deputy City Attorney Richard F. Anthony January 26, 2016 and by Budget Management Officer Victoria Bell on January 29, 2016.

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TIMING CONSIDERATIONS

Successor Agency action is requested on February 16, 2016, so the reduction in sale price of 101 North Long Beach Boulevard/243 East 1st Street may be considered by the Oversight Board on March 7, 2016.

FISCAL IMPACT

Sale proceeds of \$1,040,000, less escrow and closing fees, commission, and recovery of administrative costs, will be remitted to the Los Angeles County Auditor-Controller for distribution to the affected taxing agencies. The net proceeds available for remittance is estimated to be \$894,400. The County will distribute the net proceeds to the affected taxing agencies based on their share of the \$1 tax rate. The City's share is approximately 21 percent, resulting in roughly \$187,824.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



AMY J. BODEK, AICP
DIRECTOR OF DEVELOPMENT SERVICES

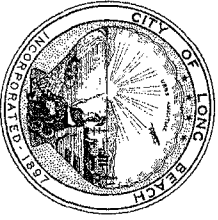


PATRICK H. WEST
CITY MANAGER

PHW:AJB:LAF:mft

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Attachments: Exhibit A – Subject Property



Subject Property:

101 N Long Beach Blvd / 243 E 1st St
AIN: 7280-028-905 & 906
Council District: 2

Exhibit A

