

CITY OF LONG BEACH

R-19

DEPARTMENT OF ECONOMIC AND PROPERTY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CA 90802 • (562) 570-6099 • Fax (562) 570-6380

August 15, 2017

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Declare the City-owned property located at 1404 Hayes Avenue and 1351 Seabright Avenue, Assessor Parcel Numbers 7429-041-900 through -912 as surplus; authorize the City Manager, or designee, to execute any and all documents necessary, including a Purchase and Sale Agreement, with DiCarlo Seafood Company, Inc., a California corporation, or Assignee (Buyer), for the sale of the Subject Property in the amount of \$1,966,291; and, accept Categorical Exemption CE 17-179. (District 1)

DISCUSSION

The City of Long Beach currently owns a 53,329 square-foot unimproved lot located at 1404 Hayes Avenue and 1351 Seabright Avenue, Assessor Parcel Numbers 7429-041-900 through -912 (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 West Long Beach Industrial Redevelopment Project Area (Project Area) and its guiding documents.

In February 2016, the City released Request for Proposals No. CM15-160 soliciting proposals for the sale and development of the Subject Property; however, only one proposal was received and the proposed concept was not consistent with the Project Area guiding documents. The City released a second Request for Proposals, EP16-090, in February 2016; however, no proposals were received. Subsequently, the Subject Property was assigned to Lee and Associates, who solicited offers through an open real estate market listing; seven offers were received through this process. Lee and Associates worked with the Buyer to present the City with the subject offer. The subject offer calls for the purchase price of \$1,966,291, which is 23 percent above fair market value as determined by a broker opinion of value. A panel consisting of representatives from the Departments of Development Services and Economic and Property Development, and an outside real estate economics consultant, reviewed all offers and unanimously selected the offer submitted by the Buyer, as the offer was the highest responsive offer received. The sale of the Subject Property is consistent with the LRPMP and dissolution law.

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August 15, 2017

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In compliance with Government Code Section 54220 et seq (Chapter 621, Statutes of 1968), on June 1 and December 8, 2015, staff notified the State of California (State) and requesting parties that the Successor Agency was declaring all Future Development and Sale of Property parcels as surplus. Further, on October 6, 2016, November 9, 2016, and February 6, 2017, staff notified qualified housing sponsors of the proposed sale as required by Government Code Section 54222(a). Finally, 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, requesting parties, qualified housing sponsors, nor any City Department has expressed an interest in, or objection to, the sale of the Subject Property. A Categorical Exemption, CE 17-179 (Exhibit B), was completed related to the proposed transaction on August 1, 2017.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on July 26, 2017 and by Budget Analysis Officer Julissa Josè-Murray on August 1, 2017.

TIMING CONSIDERATIONS

City Council action is requested on August 15, 2017, to allow development to occur in a timely manner.

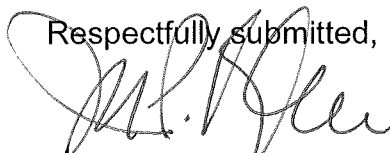
FISCAL IMPACT

Sale proceeds of \$1,966,291, 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. The net proceeds available for remittance is estimated to be \$1,651,684. 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 West Long Beach Industrial Redevelopment Project Area, and 25 percent shall be retained for non-recurring economic programs with a Citywide impact.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



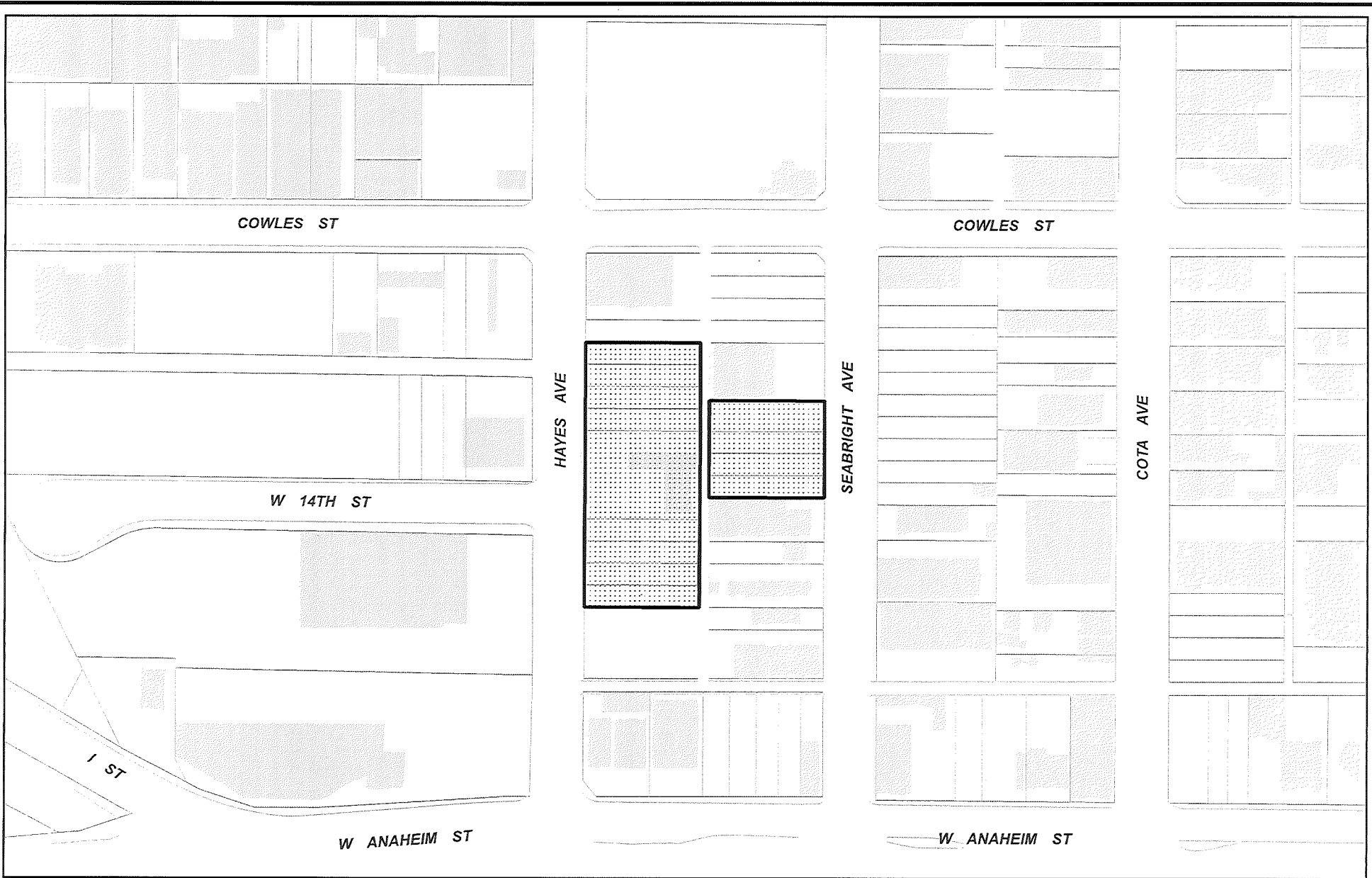
JOHN KEISLER
DIRECTOR OF ECONOMIC
& PROPERTY DEVELOPMENT

APPROVED:


PATRICK H. WEST
CITY MANAGER

JK:mft

Attachments: Exhibit A – Subject Property
Exhibit B – Categorical Exemption CE 17-179



Subject Property:
 1404-1420 Hayes Ave
 AIN: 7429-041-900 through -912
 Council District : 1

Exhibit A

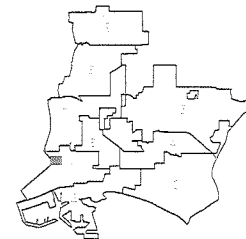
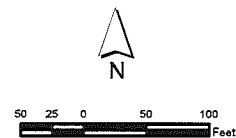




EXHIBIT B

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
lbds.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-17-179

Project Location/Address: 1404 Hayes Avenue & 1351 Seabright Avenue, APNs 7429-041-900 through-912

Project Activity/Description: Transfer of approximately 53,329 square feet of surplus property owned by the City of Long Beach, at 1404 Hayes Avenue & 1351 Seabright Avenue, APNs 7429-041-900 through -912

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

Applicant Name: The City of Long Beach

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

Phone Number: 562-570-6846

Applicant Signature: *Raymond*

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: 8/1/17

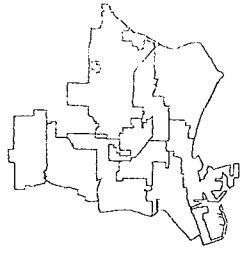


Exhibit A



Subject Property:
 1404-1420 Hayes Ave
 AIN: 7429-041-900 through -912
 Council District: 1

