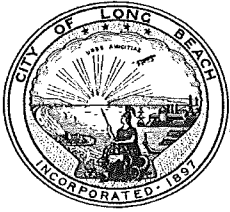


CITY OF LONG BEACH

DEPARTMENT OF ECONOMIC AND PROPERTY DEVELOPMENT

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

November 3, 2015

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Declare the City-owned property located at 240 Long Beach Boulevard, 320 East 3rd Street – 356 East 3rd Street, and 269 Elm Avenue (Assessor Parcel Numbers 7281-017-904, -905, -906, -911, -912, -913, -914 and -915, collectively, the Subject Properties) as surplus, authorize the City Manager, or designee, to execute any and all documents necessary, including a Purchase and Sale Agreement (PSA), with Ratkovich Properties, LLC, a California limited liability company (Buyer), for the sale of the Subject Properties in the amount of \$2,340,000, and accept Categorical Exemption CE 15-149. (District 2)

DISCUSSION

The City of Long Beach currently owns the Subject Properties (Exhibit "A"), which measure approximately 52,500 square feet and contain the former Acres of Books building with an adjoining parking lot, and a cluster of storefronts currently leased to The Art Exchange Visual Art Center, Inc. (ArtExchange) also with an adjoining parking lot. Formerly owned by the Redevelopment Agency of the City of Long Beach (Agency), the Subject Properties were 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. The Subject Properties have been categorized with a permissible use of "Future Development" allowing for the disposition of the Subject Properties for development consistent with the vision and intent of the Downtown Plan.

At the time of the Agency's dissolution, the Agency was in pre-existing and near-final discussions with the Buyer for the purchase and development of the Subject Properties. The Buyer has expressed an interest in proceeding with the purchase of the Subject Properties from the City for \$2,340,000, the fair market value of the Subject Properties as determined by an independent appraisal. The Subject Properties' development, north of the Acres of Books building, will include a mid-rise, mixed-use building consisting of residential apartment lofts above ground-floor retail, creative office, live-work and gallery spaces, adaptive reuse of the Acres of Books building and assignment of the ArtExchange lease to the Buyer. The new building's design will be collaborative with the adjacent buildings and will be organized around a common courtyard and pedestrian walkway to be shared with the Acres of Books building. Buyer has a separate agreement to convey the ArtExchange property to the existing tenant.

HONORABLE MAYOR AND CITY COUNCIL

November 3, 2015

Page 2

In compliance with Government Code Section 54220 (Chapter 621, Statutes of 1968), on June 1, 2015, staff notified the State of California (State) that the City was declaring the Subject Properties 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 these parcels surplus. To date, neither the State nor any City Department has expressed an interest or objection. A Categorical Exemption, CE 15-149 was completed related to the proposed transaction on October 20, 2015 (Exhibit "B").

This matter was reviewed by Deputy City Attorney Richard F. Anthony on October 12, 2015 and by Budget Management Officer Victoria Bell on October 13, 2015.

TIMING CONSIDERATIONS

City Council action is requested on November 3, 2015 in order to execute the PSA and related documents to complete the transaction.

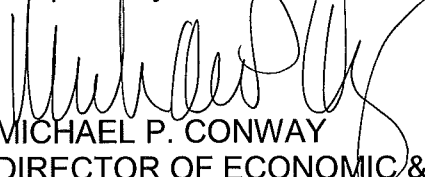
FISCAL IMPACT

Sale proceeds of \$2,340,000, less escrow and closing fees, commission, and recovery of administrative costs, will be remitted to the City. The net proceeds available for remittance is estimated to be \$2,012,400 and will be deposited into the General Fund (GF) in FY 16. The City will retain 21 percent, an estimated \$422,604, and shall distribute the remainder to various taxing agencies. Consistent with City Council policy direction, 75 percent of the City's proceeds, \$316,953, shall be retained for non-recurring economic programs in the former Downtown Project Area and 25 percent, \$105,651, shall be retained for non-recurring economic programs with a City-wide impact.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

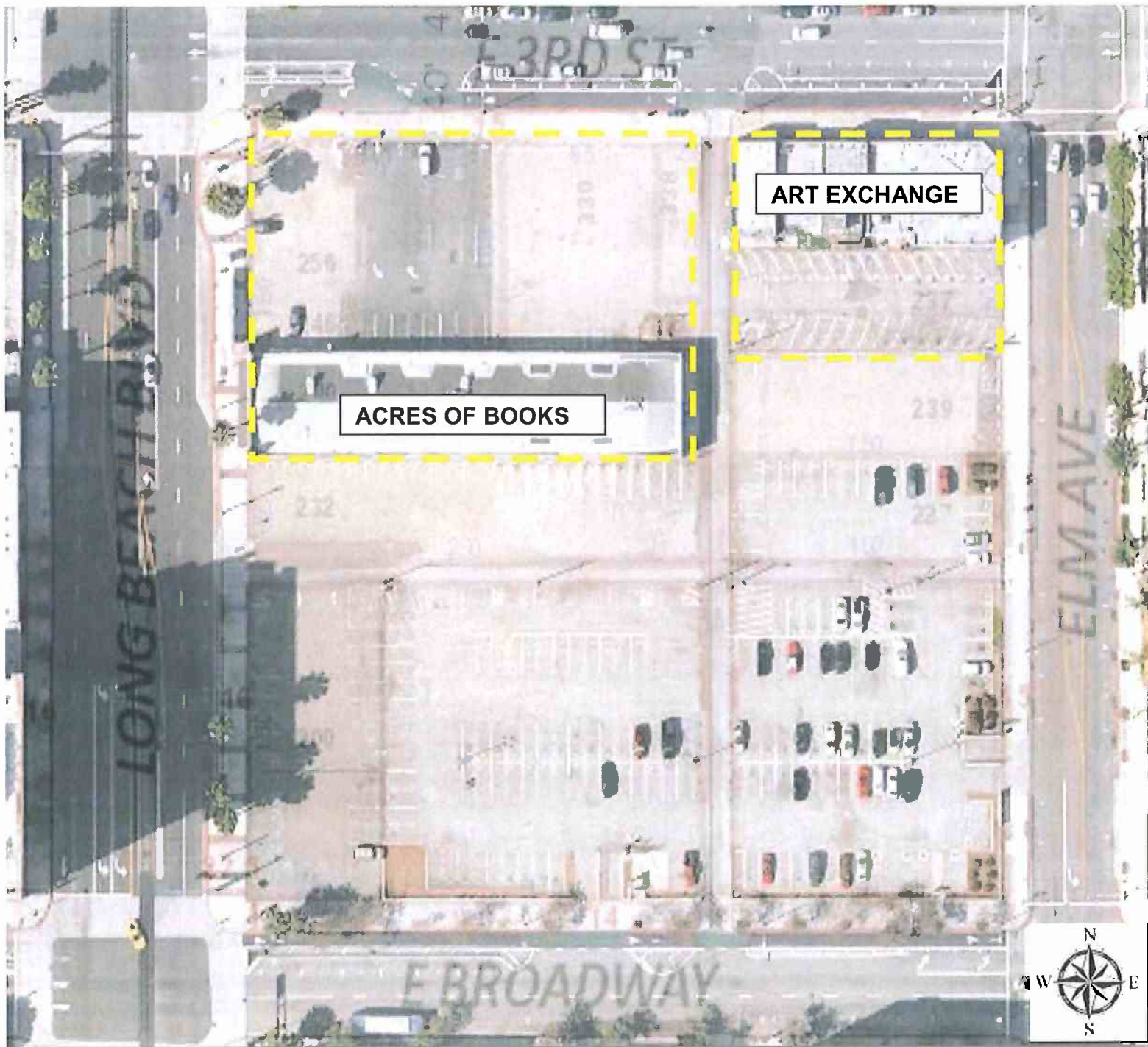

MICHAEL P. CONWAY
DIRECTOR OF ECONOMIC &
PROPERTY DEVELOPMENT

MPC:JMLR
Attachments

APPROVED:


PATRICK H. WEST
CITY MANAGER

EXHIBIT "A"



SUBJECT PROPERTIES



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

Categorical Exemption CE- 15-149 Project Title: CE 15-149

Project Location/Address: 240 Long Beach Boulevard, 320 East 3rd Street – 356 East 3rd Street, and 269 Elm Avenue (Assessor Parcel Numbers 7281-017-904, -905, -906, -911, -912, -913, -914 and -915

Project/Activity Description: Transfer of ownership of approximately 52,500 square feet of property, improved with two commercial buildings, at 240 Long Beach Boulevard, 320 East 3rd Street – 356 East 3rd Street, and 269 Elm Avenue (Assessor Parcel Numbers 7281-017-904, -905, -906, -911, -912, -913, -914 and -915 from the City of Long Beach to Ratkovich Properties, LLC

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: 5625706816 Applicant Signature: Mary Frountz

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 15301 and 15308, Class 1 and Class 8

Statement of support for this finding: This activity qualifies for a Categorical Exemption with Class 1 and Class 8 as the appropriate exemptions.

Contact Person: Craig Chalfant Contact Phone: 562-570-6368
Signature: [Signature] Date: 10/20/15