



CITY OF LONG BEACH C-10

DEPARTMENT OF DEVELOPMENT SERVICES

333 West Ocean Blvd., 3rd Floor Long Beach, CA 90802 (562) 570-5237 Fax: (562) 570-5072

September 16, 2014

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the Department of Development Services to process a refund in the amount of \$361,170 on deposit related to a 2006 development proposal adjacent to the World Trade Center Project; and

Authorize the Office of the City Attorney to file an interpleader action with the Los Angeles Superior Court to determine to whom the refund should be made. (District 2)

DISCUSSION

In November 2006, PPD Long Beach, LLC, submitted a check for deposit in the amount of \$422,650 to cover the anticipated entitlement expenses and fees related to the then-proposed World Trade Center expansion in the 600-700 block of West Broadway. To date, the Planning Bureau has drawn a total of \$61,480 to reimburse expenses incurred in developing the environmental impact report (EIR).

The development proposal never proceeded. Staff work on this proposal has ceased, and the applicant is entitled to a refund of \$361,170, the remaining balance of the original deposit. In accordance with Long Beach Municipal Code, Section 3.48.040, which requires that refunds exceeding \$10,000 be approved by the City Attorney and City Council, an approval to process the refund is requested on behalf of the applicant.

To whom the refund should be made is unclear. While the deposit was paid from the checking account of PPD Long Beach, LLC, the applicant appears to have been a partnership among the following firms at various times: Molasky Group of Properties; Pacific Properties Development, LLC; Molasky Pacific Properties of California, Inc. (Molasky/Pacific); and Affiliated Development Group. The president of Pacific Properties Development, LLC, and Molasky/Pacific has passed away, and Molasky/Pacific has been dissolved. The City has received a request to process the refund on behalf of Affiliated Development Group.

A legal process, known as an interpleader action, can be used to identify the party or parties to whom the refund should be made. If authorized by the City Council, the City Attorney will file an interpleader action with the Los Angeles Superior Court. A refund will not be issued until the court issues a judgment that identifies the legal recipient(s) of the refund.

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September 16, 2014

Page 2 of 2

This matter was reviewed by Assistant City Attorney Michael Mais on August 18, 2014, and by Budget Management Officer Victoria Bell on August 27, 2014.

TIMING CONSIDERATIONS

City Council action is requested on September 16, 2014, to initiate the process for determining the refund beneficiary.

FISCAL IMPACT

The deposit has been held in trust; its return will not affect the funds available or the operating budget of the Development Services Department. The amount of \$361,170 will be refunded from the Development Services Fund (EF 337). There will be no local job impact as a result of the recommended action.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



AMY J. BODEK, AICP
DIRECTOR OF DEVELOPMENT SERVICES



CHARLES PARKIN
CITY ATTORNEY

AJB:LAF:AA
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APPROVED:



PATRICK H. WEST
CITY MANAGER