



CITY OF LONG BEACH

R-28

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

August 5, 2008

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to enter into a Reimbursement Agreement with Boeing Realty Corporation for the Reimbursement Costs Related to the Master Planning of Boeing's 100-Acre Project North of Cover Street. (District 5)

DISCUSSION

Boeing Realty Corporation (BRC) has requested to modify their existing land use plan that was approved by City Council in December 2004. BRC has commenced efforts to redesign 100-acres of their approved master plan located between Lakewood Boulevard and Paramount and between Carson Street and Cover Street (see attached map). Staff has determined that the redesign of the already approved master plan will necessitate subsequent discretionary actions, possible amendments to the existing entitlements, and possible subsequent environmental review per the California Environment Quality Act.

The BRC has agreed to execute a Reimbursement Agreement (Agreement) between the City of Long Beach (City) and BRC. The Agreement will allow the City to maintain an arms-length relationship with BRC by authorizing the City to select and utilize its own consultants independent of those used by BRC. City staff and consultants assigned to work on the Douglas Park project will continue to report through their respective City departments for direction and feedback.

Key terms of the Agreement are as follows:

- The Agreement will be effective July 1, 2008 through December 31, 2009. This will allow the City to recapture expenses incurred during the City's coordination efforts with BRC as they have already commenced.
- For budgeting purposes, staff estimates total costs of \$280,500 to be reimbursed by BRC. The City expects to be reimbursed only for those expenses actually incurred. If actual costs do not exceed estimated total costs of \$280,500 BRC is not liable for payment to the City beyond the actual expenses incurred.
- In the event actual costs exceed the estimated costs set forth in the Agreement, BRC agrees to pay the actual costs.

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- Notwithstanding the above, the City and BRC agree to amend the Agreement to reflect greater expenses paid or incurred or anticipated to be paid or incurred in the event that City costs exceed the estimated costs by more than 10 percent due to the need for services not anticipated by the City at the time of the signing of the Agreement.
- The City will maintain exclusive control over the work to be performed by staff and its consultants. Nothing in the Agreement shall be deemed to require the City to approve any plan, proposal, suggestion, application or request submitted by BRC.

This report was reviewed by Deputy City Attorney, Richard F. Anthony, on July 15, 2008, and by Budget Management Officer Victoria Bell on July 21, 2008.

TIMING CONSIDERATIONS

Since the City's coordination efforts with BRC have already commenced, City Council action is requested on August 5, 2008, in order to immediately secure funding from BRC.

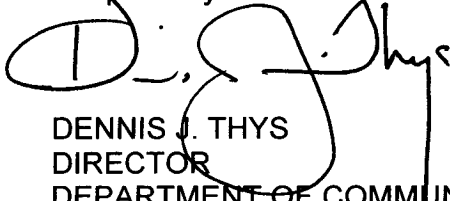
FISCAL IMPACT

Sufficient funds are currently appropriated in the General Fund (GP) in the Department of Community Development (CD). This appropriation will support the estimated initial outlays in FY 08. Appropriation for FY 09 will be requested in a quarterly budget adjustment next fiscal year. It is important to note that all costs associated with this project will be reimbursed in full to the City by Boeing Realty Corporation as set forth in the Reimbursement Agreement.

SUGGESTED ACTION:

Approve recommendation.


Respectfully submitted,



DENNIS J. THYS
DIRECTOR
DEPARTMENT OF COMMUNITY DEVELOPMENT

DJT:SR:gw
6-5-08 Boeing Realty Corp v3.doc

APPROVED:



for PATRICK H. WEST
CITY MANAGER