



CITY OF LONG BEACH

R-13

DEPARTMENT OF DEVELOPMENT SERVICES

333 West Ocean Blvd., 3rd Floor Long Beach, CA 90802 Phone: 570.6615 Fax: 570.6215

June 9, 2009

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt resolution making certain findings regarding the construction of public improvements to modernize the CityPlace Parking Structures (A, B, and C) with funds from the Downtown Redevelopment Project Area; and

Adopt resolution making certain findings regarding the payment of debt service for the construction of certain public improvements at the CityPlace Parking Structures (A, B, and C) with funds from the Downtown Redevelopment Project Area; and

Authorize the City Manager to execute a reimbursement agreement with the Redevelopment Agency of the City of Long Beach. (District 2)

DISCUSSION

On September 12, 2000, the City of Long Beach (City) and the Redevelopment Agency (Agency) entered into an Owner Participation Agreement with Coventry Long Beach Plaza, LLC, later known as Developers Diversified Realty (DDR), for the acquisition and development of the former Long Beach Plaza site, an enclosed shopping mall that included a multi-level parking structure. As part of the CityPlace development, the Long Beach Plaza parking structure was redesigned and subdivided into three separate structures, commonly known as CityPlace A, B, and C.

The parking equipment at CityPlace A, B, and C was installed nearly a decade ago. The equipment (including gate arms, parking ticket dispensers, and exit booths) is antiquated and prone to maintenance problems. The operational design is inefficient and results in high labor costs and less than optimal service. Among the goals of the Downtown Redevelopment Project Area is the retention and attraction of businesses. A primary factor in a business' decision to locate to or remain in a particular area is convenient, affordable parking. In order to provide such parking, it is crucial that operations at CityPlace A, B, and C be at peak performance and capability.

To assist the City's budget condition and to ensure a positive experience for Downtown residents and business patrons parking at the CityPlace garages, the Agency took the following actions on May 18, 2009: 1) approved the payment of Fiscal Year 2009 (FY09) and Fiscal Year 2010 (FY10) debt service on the 2001 Long Beach Plaza Parking Revenue bonds (2001 Bonds) and 2) approved a contract with Amano McGann to provide and install automated parking equipment.

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The Amano McGann contract is for an amount not to exceed \$990,000. Under the contract, Amano McGann will install two pay-on-foot stations at each of the structures, along with entry and exit equipment to accommodate monthly parkers and to process exit tickets. In addition, 20 surveillance cameras will be placed in each structure to increase patron security. These improvements are estimated to save the City \$400,000 annually due to decreased labor and operating costs.

The 2001 Bonds were issued to cover the costs to reconstruct the Long Beach Plaza Parking Facility into CityPlace A, B and C. Debt service payments during FY09 are \$828,370 and \$829,460 in FY10 for a combined total of \$1,657,830.

California Redevelopment Law provides that a Redevelopment Agency may, with the consent of the City Council, pay for public improvements, if the City Council determines all of the following:

- That the installation of such public improvements is of benefit to the redevelopment project area or the immediate neighborhood in which the public improvement project is located.
- That no other reasonable means of financing the public improvements are available to the community.
- That the payment of Agency funds for the installation of public improvements will assist in the elimination of one or more blighting conditions within the project area.

Because the Agency is funding the construction of these public improvements, these findings must be made. Attached are resolutions making the necessary findings for the aforementioned public improvements with redevelopment funds in the Downtown Redevelopment Project Area.

The City will realize significant cost savings as a result of the automated equipment installed by the Agency. In recognition of the benefit accruing to the City, the City will share 50 percent of net operating revenues from the CityPlace garages with the Agency until the Agency has been reimbursed for installation of the automated parking equipment (up to \$990,000).

This letter was reviewed by Chief Assistant City Attorney Heather Mahood on May 19, 2009, and by Budget Management Officer Victoria Bell on May 20, 2009.

TIMING CONSIDERATIONS

City Council action is requested on June 9, 2009, to expedite these public improvements and to start garnering the financial benefits as quickly as possible.

FISCAL IMPACT

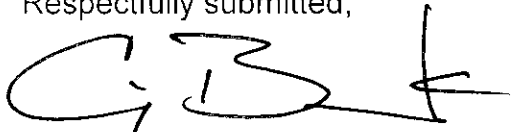
Debt service payments for FY09 are \$828,370 and \$829,460 in FY10, for a total of \$1,657,830. The cost to purchase the automation equipment is less than \$990,000, which includes installation, freight, tax, and a 30-percent contingency fee in the amount of \$227,628.

Funding for this equipment and debt service is available in the Redevelopment Fund (RD) in the Department of Development Services (DV). During the next two years, this action will save the City up to \$2,647,830 in the General Fund (GP).

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CRAIG BECK
DIRECTOR OF DEVELOPMENT SERVICES

CB:AJB:LAF
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Attachments: City Council Resolutions

APPROVED:



PATRICK H. WEST
CITY MANAGER

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 RESOLUTION NO.

2
3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH MAKING CERTAIN FINDINGS
5 REGARDING THE CONSTRUCTION OF CERTAIN PUBLIC
6 IMPROVEMENTS WITH REDEVELOPMENT FUNDS (CITY
7 PLACE PARKING STRUCTURE DEBT SERVICE)

8
9 WHEREAS, the City Council of the City of Long Beach adopted and
10 approved a certain Redevelopment Plan (the "Redevelopment Plan") for the Downtown
11 Redevelopment Project (the "Project"); and

12 WHEREAS, in furtherance of the Project and the immediate neighborhood
13 in which the Project is located, the Redevelopment Agency of the City of Long Beach,
14 California (the "Agency"), has recognized the need for certain public improvements,
15 which improvements will be located within the boundaries of the Project, and proposes to
16 use redevelopment funds to reimburse the City for the cost of constructing the
17 improvements; and

18 WHEREAS, Section 33445 of the California Community Redevelopment
19 Law (Health and Safety Code Section 33000 et seq.) requires the Agency to make
20 certain findings prior to the acquisition of land and construction of public improvements or
21 facilities thereon; and

22 WHEREAS, Section 33678 of the Community Redevelopment Law provides
23 that under certain conditions tax increment funds shall not be subject to the
24 appropriations limitation of Article XIII B of the California Constitution;

25 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
26 follows:

27 Section 1. The City Council determines that the construction of public
28 improvements, more particularly described in Exhibit "A", are of benefit to the Project and

1 the immediate neighborhood in which the Project is located. This finding is supported by
2 the following facts:

3 These improvements have assisted in the removal of blight by improving
4 the availability of parking and enhanced the Downtown visitor experience, thereby
5 promoting business attraction along Pine Avenue and nearby streets.

6 Section 2. The City Council determines that no other reasonable means
7 of financing the above-described improvements are available to the community. This
8 finding is supported by the following facts:

9 Before the passage of Proposition 13, most of the City's general operating
10 and capital improvements were funded through property taxes. However, the initiative
11 placed severe constraints on the City's ability to use property tax revenues to offset
12 increases in operating and capital costs. It has also been difficult for the City, by itself, to
13 provide sufficient funds to pay the debt service for the construction of major public
14 improvements. In fiscal year 2009-2010, the limited resources of the City's General Fund
15 are committed to previously incurred obligations and planned projects.

16 Section 3. The City Council further determines that the payment of funds
17 to reimburse the City for the cost of the construction of the public improvements, will
18 assist in the elimination of one or more blighting conditions within the Project, and is
19 consistent with the implementation plan adopted pursuant to Health and Safety Code
20 Section 33490.

21 Section 4. This resolution shall take effect immediately upon its adoption
22 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

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I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 2009 by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

EXHIBIT "A"

DESCRIPTION OF THE PUBLIC IMPROVEMENTS

Payment of debt service for bonds sold to finance original construction of the City Place parking garages.