



Building A Better Long Beach

Item 6

March 3, 2008

REDEVELOPMENT AGENCY BOARD MEMBERS

City of Long Beach
California

RECOMMENDATION:

Approve and authorize the Executive Director to execute a contract amendment with Overland, Pacific and Cutler, Inc. for property acquisition, relocation, site clearance and property management services. (All Project Areas – Citywide)

DISCUSSION

On April 16, 2007, the Redevelopment Agency (Agency) approved a three-year, \$3 million contract with Overland, Pacific and Cutler, Inc. (OPC) to provide services related to the acquisition, relocation, management and clearance of properties in the Agency's redevelopment project areas. The \$3 million maximum will be reached within a short amount of time. It is recommended that the contract be amended to add another \$3 million to the amount of allowable compensation for a total of \$6 million. An extension to the term of the agreement is not being recommended.

The Agency has always pursued an active site assembly program; however, in 2004 the level of activity increased dramatically with the assembly of multiple sites in the Downtown, North, Central, Poly High and West Long Beach Industrial Project Areas.

Since 2004, the Agency has acquired more than 200 properties and relocated more than 500 tenants, businesses, and homeowners with the assistance of OPC. Until 2007, OPC was the only firm under contract with the Agency to provide these services. In 2007, the Agency entered into contracts with four additional firms to provide these services. For continuity purposes, the Agency has continued to use OPC for projects in which the firm was already involved.

The extensive services OPC provides during the acquisition and relocation processes are outlined in Exhibit A. In order to protect the Agency's interests during the acquisition process, OPC also subcontracts with environmental firms to assess property conditions and with surveyors to verify property characteristics such as easements, public utilities and property lines.

THE CITY OF LONG BEACH REDEVELOPMENT AGENCY

333 West Ocean Blvd., Long Beach, CA 90802 T: 562.570.6615 F: 562.570.6215 rda.longbeach.gov

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In addition, OPC has provided property management services for Agency projects in the Downtown, North and West Long Beach Industrial Project Areas. Property management encompasses a wide range of activities: collecting monthly rents, preparing and delivering required notices, collecting keys and verifying abandonment, paying utility bills, and disconnecting utilities and removing meters. OPC will subcontract for emergency repairs, grounds maintenance, and boarding up vacant premises until demolition can occur. When the site has been vacated, OPC will arrange for the demolition of existing improvements, clearance of the site and finally fencing of the vacant lot.

The following outlines OPC's and its subcontractors' costs since execution of the contract in May 2007. More than two-thirds of the amount paid to OPC has been for the subcontractor services necessary to assemble a site and clear it for development.

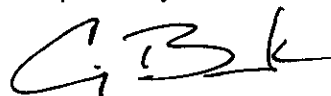
Term: 05/2007 - 05/2010

<u>Activity</u>	<u>Budget</u>	<u>Amount Invoiced</u>	<u>Subcon-tracted</u>	<u>Balance</u>
Acquisition	\$600,000	\$407,000	58%	\$193,000
Relocation	550,000	365,000	22%	\$185,000
Property Management	750,000	592,000	84%	\$158,000
Demolition and Site Clearance	1,100,000	809,000	92%	\$291,000
Total	<u>\$3,000,000</u>	<u>\$2,173,000</u>		<u>\$827,000</u>

SUGGESTED ACTION:

Adopt recommendation.

Respectfully submitted,



CRAIG BECK
EXECUTIVE DIRECTOR

CB:DSW:LAF:laf

Attachment: Exhibit A - Relocation and Acquisition Services Description

Exhibit A

Overland, Pacific & Cutler, Inc.

Relocation and Acquisitions Services Description

Relocation Implementation Services

Consultant will comply with all applicable federal and state laws, rules and regulations relating to relocation assistance and the Agency adopted relocation assistance policies and procedures. The Scope of relocation implementation services includes, but is not limited to, the following:

- A. Conduct the following activities necessary for the effective relocation of *residential occupants*:
1. Conduct personal, on-site interviews of prospective displacees to ascertain relocation housing needs and special requirements.
 2. Inform displaced persons of available relocation assistance services and benefits, and explain relocation process.
 3. Provide displacees with on-going advisory assistance to minimize their hardship, including referrals to and coordination with community service resources, public housing and other public services, as necessary.
 4. Prepare and distribute Informational Statements, Notices of Displacement, 90-Day Notices to Vacate, and other notices, as may be required.
 5. Provide written referrals to replacement housing and physically assist displacees in locating replacement housing.
 6. Prepare replacement housing/down payment assistance entitlement reports for displaced households.
 7. Determine eligibility for and proposed amount of relocation benefits, including moving payments, rental/down payment assistance, and replacement housing payments.
 8. Inspect replacement dwellings to determine if they meet "decent, safe and sanitary" requirements.
 9. Prepare all applicable benefit claim forms, secure claimant's signatures on claim forms, and submit claim forms to Agency for processing and payment.
 10. Monitor the move to replacement site, as necessary.
 11. Transmit benefit checks and other appropriate payments to claimants.
 12. Maintain necessary case documentation and provide Agency with monthly standard status reports.



B. Conduct the following activities necessary for the effective relocation of *non-residential occupants*:

1. Conduct personal, on-site interviews of prospective displacees to ascertain relocation needs and special requirements.
2. Inform displaced businesses of available relocation assistance services and benefits, and explain relocation process.
3. Prepare and distribute Informational Statements, Notices of Displacement, 90-Day Notices to Vacate, and other notices, as may be required.
4. Assist displacees in locating replacement business sites and provide a required number of written referrals to same.
5. Provide on-going advisory assistance to business displacees, including lists of qualified movers and vendors.
6. Prepare specifications for the move and inventory of personal property, insuring thorough coordination with Agency staff and/or legal counsel, that no real property is included on the personal property inventory list.
7. Coordinate the walk-through for a minimum of two bids and move estimates with movers and the displaced business.
8. Monitor the actual move to replacement site and re-establishment activities, as necessary.
9. Determine eligibility for and proposed amount of relocation benefits, including actual and reasonable moving payments, re-establishment payments, and fixed payments.
10. Prepare all applicable benefit claim forms, secure claimant's signatures on claim forms, and submit claim forms to Agency for processing and payment.
11. Transmit benefit checks and other appropriate payments to claimants.
12. Maintain necessary case documentation and provide Agency with monthly standard status reports.

Acquisition Services – Fee Owner

1. Establish and maintain a complete and current record file for each ownership in a form acceptable to the City.
2. Receive and analyze title information, approved appraisal reports and legal descriptions in sufficient detail to negotiate with property owners and other parties.
3. Prepare all offer letters, summary statements, and lists of compensable items of fixtures and equipment, in accordance with state or federal regulations and approval of legal counsel.
4. Present written offer to purchase to the appropriate owners or their representatives in person, when possible. Secure receipt of delivery of offer as practical and present and secure tenant information statements (as applicable).



5. Notify relocation agent of initiation of negotiations within 2 business days and provide appraisal information, occupant contact information, and tenant information as necessary.
6. Personally negotiate with the property owners (or their appointed representatives) for the purchase of the required property rights.
7. Prepare and assemble acquisition contracts, deeds and related acquisition documents required for the acquisition of necessary property interests. Legal descriptions of partial acquisitions or easements to accompany deeds are not included in this Scope of Work.
8. Follow-up and negotiate with each property owner, as necessary, and submit required justifications in writing to the City for review and approval prior to presentation of any settlement offer to the property owner. Ongoing negotiations will continue for 60 days after the initial offer or until we reach settlement or impasse.
9. Maintain a diary report of all contacts made with property owners or representatives and a summary of the status of negotiations indicating attitude of owners, problem areas, and other pertinent information. Originals or copies of all applicable written correspondence will be maintained in files.
10. Prepare an impasse letter for City staff for any parcel where, after diligent attempts to settle by negotiation, it appears eminent domain will be needed or prudent to acquire the needed interest. City will send final letter based on information and circumstances to be provided by OPC.
11. Transmit executed acquisition documents to City as soon as possible; and
 - a) A brief settlement memorandum, which summarizes, explains, and justifies, as applicable, the pertinent data relative to the transaction.

Acquisition Services – Tenant-Interest

1. After the formal offer to purchase is delivered to the underlying property owner, deliver a “tenant notification letter” notifying tenant of their rights in the transaction and informing them of needed quitclaims of interests.
2. Request copy of lease to determine the extent of possessory interest in property to be acquired.
3. Coordinate leasehold value analysis.
4. Participate in and/or facilitate discussions between property owner and tenant regarding apportionment of just compensation, ownership of fixtures and equipment or improvements, and other elements needed to secure tenants voluntary settlement of rights and interests.
5. Prepare purchase agreements and deeds for acquisition of tenants’ rights and property.
6. Present un-apportioned offer to purchase leasehold interest and fixtures and equipment to tenant as may be required to facilitate settlement by eminent domain.

