



CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

C-11

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

August 16, 2005

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute an Exclusive Negotiating Agreement between the City of Long Beach and Marina Retail Associates, LLC, for the term of one-year for a proposed restaurant at 6500 Marina Drive and execute any amendments necessary to exercise extension options provided for therein. (District 3)

DISCUSSION

The City of Long Beach is the owner of the Basin Three parking lot at Alamitos Bay Marina (Site), located at 6500 Marina Drive (see Exhibit "A"). Though the Site provides parking for marina visitors and boat owners, it is primarily underutilized given its relative location to the waterfront. Staff proposes that the City explore developing the Site into a waterfront restaurant that will enhance the visitors' experience at the Marina.

In an effort to develop a waterfront restaurant on the Site, staff recommends the City enter into an Exclusive Negotiating Agreement (ENA) with Marina Retail Associates, LLC, (Developer) to facilitate negotiations of development agreement(s) and/or a ground lease that will mutually benefit the City and its residents.

The Developer has over 40 years of combined experience in retail development and leasing, redevelopment and acquisition of urban real estate, office and mixed-use properties. The principals have been involved with the development and redevelopment of over \$1 billion of commercial real estate projects nationwide. Some of their tenant transactions include upper scale restaurants such as the Cheesecake Factory, Magianno's Little Italy, PF Changs, and McCormick and Schmick.

The ENA does not provide any promise or commitment by the City, or any agency of the City, with respect to the approval of development. It is merely an agreement to enter into a period of exclusive negotiations according to the terms of the ENA, reserving final discretion and approval by the City Council of any subsequent ground lease or development agreement.

HONORABLE MAYOR AND CITY COUNCIL

August 16, 2005

Page 2

The proposed ENA contains the following major terms and provisions:

- The City and the Developer agree to negotiate in good faith pursuant to the terms of the Agreement.
- During the term of the ENA, the City will not negotiate with any other party for the operation of a proposed restaurant on the Site.
- The term of the ENA will expire one year from the execution date of the ENA, subject to a 90 day extension option.
- The Developer shall deposit a "Good Faith Deposit" of \$10,000 to reimburse all costs and expenses reasonably incurred by the City in connection with the execution and administration of the ENA.
- The Developer will formulate a development plan, including conceptual drawings, for the City's approval.
- The Developer will comply with all requirements of an Environment Impact Report (EIR) if it is determined that one is required for the project.
- The Developer shall provide the City with the evidence of a leasing commitment with a tenant and terms that are reasonably acceptable to the City.
- The Developer shall provide the City with the evidence of a financing program reasonably acceptable to the City.
- All fees and expenses associated with engineers, architects, financial consultants, lawyers, planning consultants, environmental consultants, and all other consultants, permitting processes, environmental review and contractors retained by the Developer shall be the sole responsibility of the Developer.
- The Director of Community Development is authorized on behalf of the City to extend any of the Developer's ENA deadlines.

This letter was reviewed by Deputy City Attorney, Richard F. Anthony on July 20, 2005. and Budget Management Officer David Wodynski on July 28, 2005.

TIMING CONSIDERATIONS

Action on this item is not time critical.

HONORABLE MAYOR AND CITY COUNCIL

August 16, 2005

Page 3

FISCAL IMPACT

The ENA provides up to \$10,000 in revenue to reimburse the City for costs incurred in connection with the execution and administration of this Agreement. The expenses and offsetting revenues are included in the FY 06 Proposed Budget in the General Fund (GP) in the Department of Community Development (CD).

SUGGESTED ACTION

Approve recommendation.

Respectfully submitted,

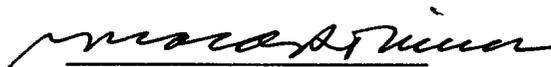


CRAIG BECK
ACTING DIRECTOR OF
COMMUNITY DEVELOPMENT



PHIL T. HESTER
DIRECTOR OF
PARKS, RECREATION, AND MARINE

APPROVED:



GERALD R. MILLER
CITY MANAGER

CB:SR:nb
Attachment: Exhibit A