



OVERSIGHT BOARD

OF THE CITY OF LONG BEACH AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH

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October 10, 2012

OVERSIGHT BOARD MEMBERS

RECOMMENDATION:

Adopt a resolution approving the decision of the Successor Agency to the Redevelopment Agency of the City of Long Beach to execute an Owner Participation Agreement, and any other related documents, with Pacific Court–Pine Square Partners for the redevelopment of the Pine Court property located at 250-270 Pacific Avenue.

DISCUSSION

Pacific Court–Pine Square Partners (Participant) is the owner of the property known as Pine Court located at 250-270 Pacific Avenue (Exhibit A – Site Map). A portion of the property (the “theatre space”) has been leased to American Multi-Cinema, Inc. (AMC Theatres) since the development’s opening in 1992. AMC Theatres ceased operations in the theatre space on November 28, 2010, and the Participant wishes to rebuild the theatre space as a residential apartment project upon expiration of the lease with AMC Theatres (December 31, 2012). Conversion of the theatre space to residential units was reviewed and approved by the Planning Commission on June 2, 2011.

Pine Court is currently subject to several agreements with the City of Long Beach (City) and/or the former Redevelopment Agency (Redevelopment Agency) that limit its current use to a movie theatre or other commercial use, and which would preclude redevelopment of the theatre space for residential purposes. In order for the theatre space to be redeveloped as apartments, each of the following agreements must be amended or terminated. Each is addressed in the Owner Participation Agreement and its attachments.

- Theatre Space Offsite Parking Agreement (“TSOPA”). This agreement allowed all code-required parking related to the theatre and other commercial space to be provided offsite by the City/Redevelopment Agency. The TSOPA with the Redevelopment Agency must be terminated. All related Parking Easement Agreements with the City also must be terminated. Parking for the new residential units will be fully provided onsite.
- Communities Facilities District (“CFD”). Pine Court is currently encumbered by a CFD, which secures repayment of CFD bonds. The CFD requires, among other matters, that the subterranean garage be a public garage. Development of a residential project at Pine Court requires that the garage become a private garage. In order to allow the garage to be converted to private use, the CFD must be terminated; in order to

OVERSIGHT BOARD MEMBERS

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terminate the CFD, the Participant must repay the CFD bonds, and they are prepared to do so. When the bonds have been repaid, the City shall execute and record a Notice of Cancellation of Special Tax Lien.

- Maintenance and Reciprocal Easement Agreement. This agreement required, among other matters, that the subterranean garage be a public parking garage. This agreement with the City and Redevelopment Agency must be terminated.
- Public Facilities Lease. As long as the CFD bonds are outstanding, the subterranean garage must be subject to the Public Facilities Lease, which requires that the garage be used as a public garage. This lease with the City must be terminated after repayment of the CFD bonds by the Participant.
- Agreement Containing Covenants. Pine Court is subject to restrictions contained in the Agreement Containing Covenants. One of the restrictions is that Pine Court be held as one parcel and not be further subdivided. In order to allow the project to move forward, the City as Successor Agency to the Redevelopment Agency of the City of Long Beach must amend the Agreement Containing Covenants to (a) allow the subdivision of the Site, (b) remove the restriction that the Retail Parcel and the Multifamily Parcel shall be held as one parcel, (c) permit use of the Site for residential uses, and (d) impose a covenant to maintain the property to reasonable standards.

Oversight Board and State Department of Finance approval of the Successor Agency's decision is required to allow the Successor Agency to execute the Owner Participation Agreement.

The amendment is necessary to continue the provision of an essential service in support of an enforceable third-party obligation as authorized by Health & Safety Code Section 34177(c) and 34177(i). Without this amendment, the project will not be able to move forward.

This matter was approved by both the Successor Agency of the City of Long Beach and the City Council on October 2, 2012.

Respectfully submitted,



PATRICK H. WEST
CITY MANAGER

PHW:RMZ:bec

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Attachments: Exhibit A – Site Map
Resolution

EXHIBIT A



Pine Court



Disclaimer

DISCLAIMER OF DATA ACCURACY: The services provided on this web site are intended for informational purposes only and the GIS data used is compiled from various sources and is subject to constant change. While reasonable effort has been made to ensure the accuracy of the data, the information provided herein may be inaccurate or out of date.

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RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD OF THE CITY OF LONG BEACH AS THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH APPROVING AN OWNER PARTICIPATION AGREEMENT, AND ANY OTHER RELATED DOCUMENTS, WITH PACIFIC COURT-PINE SQUARE PARTNERS FOR THE REDEVELOPMENT OF THE PINE COURT PROPERTY LOCATED AT 250-270 PACIFIC AVENUE

WHEREAS, Pacific Court-Pine Square Partners ("Participant") is the owner of the property known as Pine Court located at 250-270 Pacific Avenue ("Development"); and

WHEREAS, a portion of the property has been leased to American Multi-Cinema, Inc. ("AMC Theatres") since the Development's opening in 1992; and

WHEREAS, AMC Theatres ceased operations November 28, 2010 and the Participant wishes to rebuild the theatre space as a residential apartment project upon expiration of its lease on December 31, 2012; and

WHEREAS, Pine Court is currently subject to the following agreements with the City of Long Beach and/or the former Redevelopment Agency of the City of Long Beach that limit its use to a movie theatre or other commercial use: Theatre Space Offsite Parking Agreement, Communities Facilities District, Maintenance and Reciprocal Easement Agreement, Public Facilities Lease, and Agreement Containing Covenants; and

WHEREAS, in order for the theatre space to be redeveloped as apartments, each of these agreements needs to be amended or terminated; and

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1 WHEREAS, an Owner Participation Agreement addresses the amendment
2 or termination, as applicable, of each of these agreements; and

3 WHEREAS, this matter was approved by the Successor Agency to the
4 Redevelopment Agency of the City of Long Beach on October 2, 2012;

5 NOW, THEREFORE, the Oversight Board of the City of Long Beach as the
6 Successor Agency to the Redevelopment Agency of the City of Long Beach ("Oversight
7 Board") resolves as follows:

8 Section 1. Approve the decision of the Successor Agency to the
9 Redevelopment Agency of the City of Long Beach to execute an Owner Participation
10 Agreement, and any other related documents, with Pacific Court-Pine Square Partners
11 for the redevelopment of the Pine Court property located at 250-270 Pacific Avenue.

12 Section 2. This resolution shall take effect immediately upon its adoption
13 by the Oversight Board, and the City Clerk shall certify the vote adopting this resolution.

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PASSED, APPROVED, and ADOPTED at a meeting of the Oversight Board of the City of Long Beach as the Successor Agency to the Redevelopment Agency of the City of Long Beach held this 10th day of October, 2012 by the following vote:

Ayes: _____

Noes: _____

Absent: _____

Chairperson, Oversight Board

APPROVED:

Secretary, Oversight Board