



CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

H-1

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

March 14, 2006

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive supporting documentation into the record, conclude the public hearing, and adopt the attached Resolution making certain findings and approving and authorizing the Executive Director of the Redevelopment Agency to execute a Disposition and Development Agreement with Paul Allen Collins, dba PAC Design. (District 1)

DISCUSSION

Redevelopment Agency (Agency) staff has concluded the negotiation of a Disposition and Development Agreement (Agreement) with Paul Allen Collins, dba PAC Design (Developer) for the sale and development of Agency-owned property located at 1881-1891 West 16th Street (Site), commonly known as Assessor Parcel Number 7432-001-042 (Exhibit A). The Site is located in the West Long Beach Industrial Redevelopment Project Area (Project Area).

PAC Design has been in business in the Westside Project Area for over 14 years. The Developer proposes to build a 2,507 square foot, two-story office and warehouse building. The proposed development will have the required landscaping and on-site parking for employees and clients. The Developer currently has one employee and the proposed expansion will create two additional jobs.

The Agreement includes the following major provisions:

- Under the terms of the Agreement, the Developer will pay the Agency \$14.75 per square foot, or \$56,817, as compensation for the approximately 3,852 square foot Site.
- The Developer will utilize the Site in accordance with the West Long Beach Industrial Redevelopment Plan and all applicable City codes and regulations including providing appropriate landscaping, screening and parking.

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- An Agreement Containing Covenants will be recorded at closing. This document will prohibit certain uses, describe maintenance responsibilities and levels of maintenance, and require that any future improvements be subject to the Design Guidelines for the Project Area.
- If the Developer does not close escrow within 12 months of the date of the Disposition and Development Agreement, the purchase price for the Site will increase by 15 percent. The Developer has provided evidence of financing for the development of the Site.

At its meeting held on April 26, 2005, the Westside Project Area Committee made a recommendation to approve the Developer's proposal (Exhibit B). The Developer entered into an Exclusive Negotiation Agreement with the Agency on July 11, 2005.

The City's Environmental Planning Officer has determined that the project contemplated by the Agreement qualifies for a Categorical Exemption under the California Environmental Quality Act (Exhibit C).

Since the property was purchased by the Agency with tax increment monies, California law requires that this sale must also be approved by the City Council by resolution after a public hearing.

Pursuant to California Redevelopment Law, the Agency has made available for public inspection and reproduction a Summary Report (Exhibit D) that contains the following:

- The estimated value of the interest to be conveyed, determined at the highest and best use permitted under the Redevelopment Plan;
- The estimated value of the interest to be conveyed and with the conditions, covenants and development costs required by the Agreement;
- The purchase price;
- The cost of the Agreement to the Agency;
- The net cost/benefit to the Agency;
- An explanation of why the sale of the Site will assist in the elimination of blight; and
- An explanation of why the sale of the Site is consistent with the Agency's AB 1290 Implementation Plan.

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This letter was reviewed by Assistant City Attorney Heather A. Mahood on March 1, 2006 and Budget Management Officer David Wodynski on March 3, 2006.

TIMING CONSIDERATIONS

City Council action is requested on March 14, 2006, as the Agency and Developer wish to proceed with an escrow closing on or before May 1, 2006.

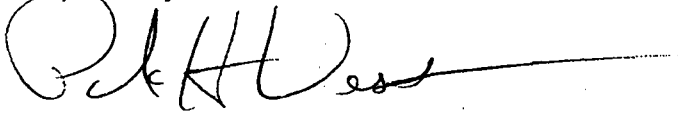
FISCAL IMPACT

The proceeds of \$56,817 from the proposed sale will be deposited into the Redevelopment Fund (RD) in the Department of Community Development (CD). The Developer will purchase the property with private funds.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



PATRICK H. WEST
DIRECTOR OF COMMUNITY DEVELOPMENT

APPROVED:



GERALD R. MILLER
CITY MANAGER

BAK:MCB:mb

- Attachments: Exhibit A – Site Map
Exhibit B – WPAC Recommendation
Exhibit C - Categorical Exemption
Exhibit D - Section 33433 Summary Report
City Council Resolution