



# CITY OF LONG BEACH

**R-34**

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

August 8, 2006

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

## RECOMMENDATION:

Authorize the City Manager to execute all documents necessary for the acquisition, remediation and right-of-entry of a 5.05-acre site at 970 West Chester Place with the Los Angeles County Metropolitan Transportation Authority for the Drake/Chavez Greenbelt project, expend \$3,950,000 for the acquisition of the property, and receive \$888,750 for right-of-entry fee from the Los Angeles County Metropolitan Transportation Authority for the net cost of \$3,061,250, plus approximately \$45,613 in escrow and closing fees. (District 1)

## DISCUSSION

On June 18, 2002, the City Council adopted a resolution authorizing the City Manager to apply for grant funding to the California Resources Agency for the acquisition of several parcels of land along the lower Los Angeles River. The City was awarded a grant in the amount of \$6,048,900 through the Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Bond Act of 2000 (Proposition 12) for the acquisition of 7.27 acres identified as the Drake/Chavez Greenbelt Project (Attachment "A"). The City Council accepted these grant funds on June 1, 2004.

The City has acquired the former Stoneware Design property at 903 Fairbanks Avenue and is in negotiations with the remaining property owners. One of the remaining property owners, the Los Angeles County Metropolitan Transportation Authority (MTA), has agreed to sell the 5.05-acre site at 970 West Chester Place (Attachment "B") to the City. The fair market value of the property, as determined by an independent appraisal, is \$4,450,000, which includes \$500,000 in improvements. The City and MTA have determined that the improvements are of no value to either party and the MTA has agreed to reduce the purchase price to \$3,950,000.

HONORABLE MAYOR AND CITY COUNCIL

August 8, 2006

Page 2

The MTA is obligated to conduct any remediation required by the oversight agency. This remediation will occur after close of escrow and is expected to take a minimum of two years to complete. As part of this transaction, the City will grant a right-of-entry permit to the MTA for a fee of not less than \$888,750, nor more than \$925,000. The MTA will prepay the minimum fee at the close of escrow, thereby reducing the purchase price for the property to \$3,061,250. The City will pay an additional amount of approximately \$45,613 for escrow and closing fees. If the MTA occupies the property for thirty months or longer, the MTA will pay the City an additional \$36,250.

This letter was reviewed by Senior Deputy City Attorney Donna F. Gwin on June 8, 2006 and Budget Management Officer David Wodynski on July 19, 2006.

#### TIMING CONSIDERATIONS

City Council action is requested on August 8, 2006, in order to facilitate acquisition of the property.

#### FISCAL IMPACT

Of the total acquisition amount of \$3,106,863, \$3,061,250 will be funded through the Proposition 12 grant and \$30,613 will be paid through Park Impact Fees, both of which are budgeted in the Capital Projects Fund (CP) in the Department of Public Works (PW). The remaining amount of \$15,000 will be paid through redevelopment bond proceeds via a transfer from the Redevelopment Fund (RD) in the Department of Community Development (CD) to the Capital Project Fund (CP) in the Department of Parks, Recreation and Marine (PR). There will be no impact on the General Fund.

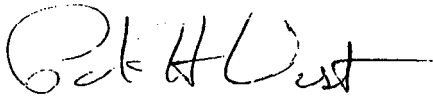
In the event remediation by MTA takes longer than 30 months, one-time revenues of \$36,250 will accrue to the Capital Projects Fund (CP) in the Department of Parks, Recreation and Marine (PR).

HONORABLE MAYOR AND CITY COUNCIL  
August 8, 2006  
Page 3

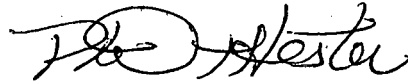
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



PATRICK H. WEST  
DIRECTOR OF  
COMMUNITY DEVELOPMENT



PHIL T. HESTER  
DIRECTOR OF PARKS,  
RECREATION AND MARINE



CHRISTINE F. ANDERSEN  
DIRECTOR OF PUBLIC WORKS

MSF:PTH:CFA:MFT:lel

Attachments: Attachment "A" Proposed Project Map  
Attachment "B" County Assessor Map  
8/8/06 CC Ltr Acq MTA.

APPROVED:



GERALD R. MILLER  
CITY MANAGER