

EXHIBIT A

Site F: Northwest Corner of Hays Avenue and 14th Street  
SITE MAP

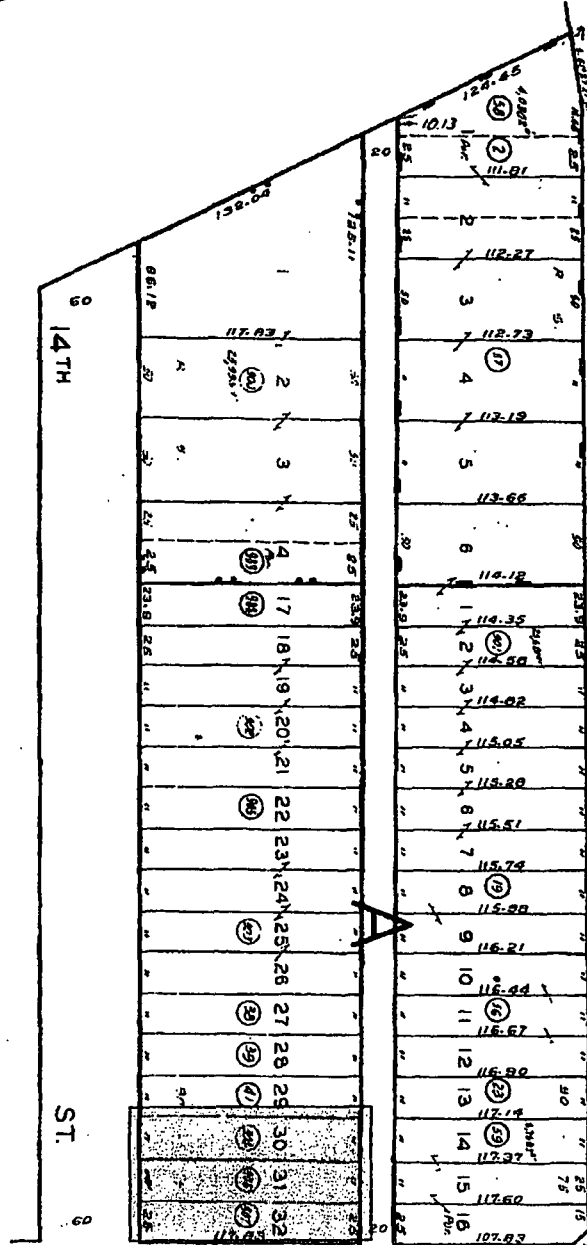
County of Los Angeles: Rick Auerbach, Assessor

7429 18  
SCALE 1" = 60'

1989

COWLES

ST.



CODE  
5521

FOR PREV. ASSMNT. SEE:  
7429-18

TRACT NO. 7347      TRACT NO. 8120

M.B. 77-46              M.B. 113-94-95

TRACT NO. 9138

M.B. 121-24-25

All 900 series parcels on this map are  
assessed to the Assessor Agent of  
the City of Long Beach, unless otherwise  
noted.

ASSESSOR'S MAP  
COUNTY OF LOS ANGELES, CALIF.

Revised  
11/10/88  
728992232  
73418307  
73271423201  
2000-01  
810001204  
80625003-87  
810000033-87  
311-3000-01-0005  
8000000000000000

EXHIBIT B

\$25.00 FILING FEE



**FILED**  
Categorical Exemption CEP-451-03  
**AUG 06 2003**

NOTICE OF EXEMPTION

CORINNY B. MCCORMACK/COUNTY CLERK  
J. Baker  
J. Baker DEPUTY

To: Office of Planning & Research  
1400 Tenth street, Room 121  
Sacramento, CA 95814

From: Department of Planning & Building  
333 W. Ocean Blvd., 5th Floor  
Long Beach, CA 90802

L. A. County Clerk  
Environmental Filings  
12400 E. Imperial Hwy. 2nd Floor, Rm. 2001  
Norwalk, CA 90650

03 0006419

Project Title: Smith-Co Construction

Project Location - Specific: NW CORNER of Hayes Avenue & 14th St.

Project - City: Long Beach Project Location - County: Los Angeles

Activity Description: office & Warehouse for construction business plus Rental space

Name of Public Agency Approving Project: City of Long Beach

Name of Person or Agency Carrying Out Project: Melanie Fallon  
(Printed Name)

333 W. Ocean Blvd. LB 90802 3rd Floor  
(Mailing Address)

(562) 570-6725 Judith Unkley for Melanie Fallon  
(Telephone) (Signature)

LONG BEACH CITY PLANNING COMMISSION

The above project has been found to be exempt from CEQA in accordance with the State Guidelines Section 15303 (c)

Statement of Support for this finding: New structures, INDUSTRIAL, under 10,000 sq ft

Lead Agency Contact Person: Angela Reynolds Area Code/Telephone: (562) 5706357

Signature: [Signature] Date: 7/30/03 Title: Environmental Officer

Signed by Lead Agency

Signed by Applicant

THIS NOTICE WAS POSTED  
ON AUG 06 2003  
UNTIL SEP 08 2003  
REGISTRAR-RECORDER/COUNTY CLERK

Charge Point: \_\_\_\_\_

CDR 30V56-B

**EXHIBIT C**

**SUMMARY REPORT PURSUANT TO  
SECTION 33433 OF THE  
CALIFORNIA HEALTH AND SAFETY CODE  
REGARDING A DISPOSITION AND DEVELOPMENT AGREEMENT  
BY AND BETWEEN THE  
REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH  
AND  
SMITH-CO CONSTRUCTION, INC.**

**I. INTRODUCTION**

The California Health and Safety Code, Section 33433, provides that if a redevelopment agency wishes to sell or lease any property to which it holds title and if that property was acquired in whole or in part, directly or indirectly, with tax increment funds, the agency must first secure approval of the proposed sale or lease from its local legislative body (the City Council) by resolution after a public hearing. The following Summary Report (the "Report") documents the Disposition and Development Agreement (the "Agreement") by and between the Redevelopment Agency of the City of Long Beach (the "Agency") and Smith-Co Construction, Inc, (the "Developer") for Agency-owned property in the West Long Beach Industrial Project Area (the "Project Area").

As contained in the Health and Safety Code, the following information shall be included in the Report:

1. The cost of the proposed agreement to the agency, including land acquisition costs, site clearance costs, relocation costs, the costs of any improvements to be provided by the agency, plus the expected interest on any loans or bonds to finance the agreement;
2. The estimated value of the interest to be conveyed or leased, determined at the highest and best use permitted under the redevelopment plan;

3. The estimated value of the interest to be conveyed or leased determined at the use and with the conditions, covenants and development costs required by the sale or lease; and the purchase price or present value of the lease payments, which the lessor will be required to make during the term of the lease. If the sale price or total rental amount is less than the fair market value of the interest to be conveyed or leased, determined at the highest and best use consistent with the redevelopment plan, then the agency shall provide as part of the summary an explanation or the reasons for the difference; and
4. An explanation of why the sale or lease of the property will assist in the elimination of blight, with reference to all supporting facts and materials relied upon in making this explanation.

Section 33433 also requires a finding to be included in the resolution approving the sale or lease that the transaction is consistent with the implementation plan adopted pursuant to Section 33490 (the "AB 1290 Implementation Plan"). The basis for this finding with regard to the subject agreement is discussed at the close of this Report.

The Report outlines the salient parts of the Agreement which provides for the disposition and development of certain real property as depicted on the Site Map and as described in the Legal Description, attached hereto as Attachments "1" and "2." The Report is organized into the following seven sections:

1. Salient Points of the Agreement – This section includes a description of the property, the proposed utilization of the property, and a summary of the major responsibilities of the Agency and the Developer under the Agreement.
2. Cost of the Agreement to the Agency – This section outlines the cost of the proposed Agreement to the Agency.
3. Estimated Value of the Interest to be Conveyed – This section summarizes the value of the property to be conveyed to the Developer at the highest and best use permitted under the Redevelopment Plan.
4. Estimated Reuse Value of the Interest to be Conveyed – This section identifies the estimated reuse value of the interest to be conveyed, determined at the use and with the conditions, covenants and development costs required by the Agreement.
5. Purchase Price and Comparison with Fair Reuse Value – This section contains a comparison of the purchase price and the fair reuse value of the interest to be conveyed.

6. Blight Elimination – This section provides an explanation of how the implementation of the Agreement will assist in the elimination of blight within the Project Area.
7. Consistency with the Implementation Plan – This section describes how the Agreement is in conformance with the Agency's adopted AB 1290 Implementation Plan for the Project Area.

## II. SALIENT POINTS OF THE AGREEMENT

### A. Property Description

The property to be acquired by the Developer (the "Site") is that portion of the Project Area located at the Northwest corner of Hayes Avenue and 14<sup>th</sup> Street (see Site Map). The Site is currently owned by the Agency.

### B. The Proposed Utilization of the Property

The Developer proposes to purchase the Site and construct a two-story 6,100 square foot industrial/commercial building with offices, shop and storage facilities to operate its construction business. This use is consistent with the goals of the Redevelopment Plan.

### C. Major Responsibilities of the Developer

Under the Agreement, the Developer agrees to accept all of the following responsibilities:

1. The Developer will pay the Agency \$15.00 per square foot for the 9,587 square feet of land, for a total purchase price of \$143,805 for the Site;
2. The Developer will pay one-half of the escrow fee;
3. The Developer will pay for the Developer's share of the premium for the title insurance policy and recording fees as appropriate;
4. The Developer will comply with the Agency's Percent for Public Art requirements;
5. The Developer will secure necessary permits for all site work;
6. The Developer will utilize the Site in accordance with the Redevelopment Plan and all applicable City codes and regulations,

including providing appropriate landscaping, screening, and parking;

7. The Developer agrees that the Site shall be maintained in a clean and attractive condition at all times and in accordance with Project Area guidelines and the Redevelopment Plan;
8. The Developer agrees that from tax years 2005 – 2006 through 2024 – 2025, the taxable assessed value to be used by the Los Angeles County Tax Assessor shall be the greater of (a) the existing taxable assessed value of the Acquisition Parcel as determined by the Assessor or (b) the sum of (i) the Purchase Price plus (ii) the value of the building(s) to be constructed pursuant to approved plans as determined by the Planning and Building Department for purposes of issuing building permits for the Project (the "Stipulated Value"); and
9. The Developer agrees to relocate sewers, drains, water and gas distribution lines, electric, telephone and telegraph lines, and all other public utility lines, installations, and facilities as are necessary to be installed or relocated outside the Site by reason of any development of the Site.

**D. Major Responsibilities of the Agency**

Under the Agreement, the Agency agrees to accept all of the following responsibilities:

1. The Agency will transfer the Site to the Developer in return for a payment of \$143,805;
2. The Agency will pay one-half of the escrow fee;
3. The Agency will pay the Agency's share of the premium for the title insurance policy and recording fees as appropriate; and
4. The Agency will provide all proper assistance to the Developer in securing necessary permits for all site work.

**III. COST OF THE AGREEMENT TO THE AGENCY**

The Site is currently owned by the Agency. The Agency has undertaken activities required to prepare the Site for sale. Thus, the majority of the costs shown below have previously been incurred by the Agency. The only remaining out-of-pocket expenditures

resulting from the Agreement are minor amounts of escrow fees, recording fees, and staff time.

The list of incurred and anticipated costs is outlined below. The total estimated cost of the Agreement to the Agency is \$ 38,250.00. When land sale proceeds and the present value of tax increment are taken into account, the revenues exceed the costs by \$158,770.00, as follows:

Property Acquisition Costs	\$15,000.00
Landscaping and Maintenance	5,000.00
Environmental Report (Site Characterization)	3,000.00
Escrow & Title Costs	2,250.00
Legal/Appraisal/Consulting Fees	7,000.00
Estimated Staff Time & Overhead	5,000.00
Site Clearance and Remediation	\$1,000.00
Estimated Total Agency Costs	\$38,250.00
Less: Land Sale Proceeds	<u>(\$143,805.00)</u>
Net Costs (Benefit) to Agency (before allowance for Tax Increment Revenues)	(\$105,000.00)
Less: Present Value of Tax Increment Revenue <sup>1</sup>	<u>(\$53,770.00)</u>
Net Cost (Benefit) to Agency	<u><u>(\$158,770.00)</u></u>

#### **IV. ESTIMATED VALUE OF THE INTEREST TO BE CONVEYED AT THE HIGHEST AND BEST USE PERMITTED UNDER THE REDEVELOPMENT PLAN**

The Redevelopment Plan for the Project Area and the City of Long Beach General Plan specify that the Site be zoned for general industrial use. Therefore, the Site may only be used for general industrial use.

The Agency periodically updates land sale comparables within the Project Area. A review of these comparables and discussions with the Agency's appraiser indicates that, based on current valuation trends within the Project Area and the current condition of the Southern California economy, the fair market value of the Site is \$15.00 per square foot for land, or \$143,805.

<sup>1</sup>Based on estimated increase in assessed value of \$ 468,805.00 at a 6% discount rate over 20 years (includes housing set-aside)

**V. ESTIMATED REUSE VALUE OF THE INTEREST TO BE CONVEYED DETERMINED BASED ON THE USE AND WITH THE CONDITIONS, COVENANTS AND DEVELOPMENT COSTS REQUIRED BY THE AGREEMENT**

Because the conditions, covenants and development costs required by the Agreement do not add any unique restrictions on the reuse of the Site, the future reuse alternatives are not limited by the Agreement. Based upon the Agency's determination as summarized above, the reuse value of the Acquisition Parcel is determined to be \$15.00 per square foot for land, or \$143,805.

**VI. PURCHASE PRICE TO BE PAID BY THE DEVELOPER AND COMPARISON WITH FAIR REUSE MARKET VALUE**

The Site will be sold to the Developer for \$143,805. This selling price reflects the Site's fair market value as determined by the Agency's appraiser. This amount is equal to both the established fair reuse value and the highest use allowed by the Redevelopment Plan.

**VI. BLIGHT ELIMINATION**

Section 33030 of Article 3 of California Health and Safety Code states that a blighted area is one in which the combination of blighting conditions identified in Article 3 are so prevalent and so substantial that it causes a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical and economic burden on the community which cannot reasonably be expected to be reversed or alleviated by private enterprise, or governmental action, or both, without redevelopment.

Physical blighting conditions, as defined in Section 33031 of Article 3 include, but are not limited to factors that prevent or substantially hinder the economically viable use or capacity of buildings or lot. Furthermore, economic blighting conditions as identified in Section 33031 of Article 3 include, but are not limited to, depreciated or stagnant property values and impaired investments, including properties containing hazardous wastes.

Prior to acquisition by the Agency, the Site exemplified the primary physical and economic blighting conditions found throughout the Project Area. The proposed sale of the Site will eliminate blighting conditions in the Project Area by effectuating the purpose of the Redevelopment Plan.



### **VIII. CONFORMITY TO AB 1290 IMPLEMENTATION PLAN**

The AB 1290 Implementation Plan adopted by the Agency contains the following operational goals and objectives:

- The development of vacant parcels into modern industrial uses appropriate to the goals of the Redevelopment Plan;
- The creation of a healthy industrial environment and a significant increase in job opportunities in the Project Area;
- The promotion of maximum retention of existing industries and employment in the Project Area;
- The generation of new private investments and increased land values, resulting in increased tax increment revenues;
- The installation and upgrading of street improvements throughout the Project Area to correct drainage, reconfigure street patterns, extend utilities, and provide key amenity features;
- The selective widening and improvement of some streets to relieve congestion and parking problems, supplemented by off-street parking requirements or parking districts; and
- The assessment of opportunities for assemblage of parcels for small and medium sized industrial buildings.

The Agreement will assist the Agency in meeting the objectives and goals of the AB 1290 Implementation Plan in the following manner:

- The Agreement provides for development of the parcels for privately-owned industrial uses consistent with the Business and Land Development Program of the Implementation Plan;
- The Agreement will place a publicly owned property into private ownership, will generate additional property tax revenue for reinvestment, and will transfer site maintenance costs to a private property owner;
- The Agreement will generate new private investment and increased land values within the Project Area;

- The Agreement will help relieve parking congestion by supplementing off-street parking;
- The Agreement provides for promotion and attraction of a new business; and
- The Agreement provides opportunities for expanded economic activity.

Based on the preceding factors, the Agreement is consistent with the adopted AB 1290 Implementation Plan.

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING THE PROPOSED DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH, CALIFORNIA, AND SMITH-CO CONSTRUCTION; FINDING THAT THE CONSIDERATION FOR THE SALE OF CERTAIN REAL PROPERTY IN THE WEST LONG BEACH INDUSTRIAL REDEVELOPMENT PROJECT IS NOT LESS THAN FAIR MARKET VALUE IN ACCORDANCE WITH COVENANTS AND CONDITIONS GOVERNING SUCH SALE; AND APPROVING THE SALE OF THE PROPERTY AND THE DISPOSITION AND DEVELOPMENT AGREEMENT

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333 West Ocean Boulevard  
Long Beach, California 90802-4664  
Telephone (562) 570-2200

WHEREAS, the Redevelopment Agency of the City of Long Beach, California (the "Agency"), is engaged in activities necessary to execute and implement the Redevelopment Plan for the West Long Beach Industrial Redevelopment Project (the "Project"); and

WHEREAS, in order to implement the Redevelopment Plan, the Agency proposes to sell certain real property (the "Property") in the Project pursuant to the terms and provisions of the Disposition and Development Agreement and which Property is described in Exhibit "A" which is attached and incorporated by reference; and

WHEREAS, Smith-Co Construction (the "Developer") has submitted to the Agency a written offer in the form of a Disposition and Development Agreement to purchase the Property for not less than fair market value for uses in accordance with

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1 the Redevelopment Plan and the covenants and conditions of the Disposition and  
2 Development Agreement; and

3 WHEREAS, the proposed Disposition and Development Agreement  
4 contains all the provisions, terms and conditions and obligations required by Federal,  
5 State and local law; and

6 WHEREAS, Developer possesses the qualifications and financial  
7 resources necessary to acquire and insure development of the Property in accordance  
8 with the purposes and objectives of the Redevelopment Plan; and

9 WHEREAS, the Agency has prepared a summary setting forth the cost of  
10 the Disposition and Development Agreement to the Agency, the estimated value of the  
11 interest to be conveyed, determined at the highest uses permitted under the Redevel-  
12 opment Plan and the purchase price and has made the summary available for public  
13 inspection in accordance with the California Redevelopment Law; and

14 WHEREAS, the Agency has determined that the development of the  
15 Property is categorically exempt under the California Environmental Quality Act; and

16 WHEREAS, pursuant to the provisions of the California Community  
17 Redevelopment Law, the City Council of the City of Long Beach held a public hearing  
18 on the proposed sale of the Property and the proposed Disposition and Development  
19 Agreement after publication of notice as required by law; and

20 WHEREAS, the City Council has duly considered all terms and conditions  
21 of the proposed sale and believes that the redevelopment of the Property pursuant to  
22 the proposed Disposition and Development Agreement is in the best interests of the  
23 City and the health, safety, morals and welfare of its residents and in accord with the  
24 public purposes and provisions of applicable Federal, State and local law;

25 NOW, THEREFORE, the City Council of the City of Long Beach resolves  
26 as follows:

27 Section 1. The City Council finds and determines that the consideration  
28 for sale of the Property pursuant to the Disposition and Development Agreement is not



EXHIBIT A

LEGAL DESCRIPTION

The land referred to herein is situated in the State of California, County of Los Angeles, described as follows:

ALL OF LOTS 30, 31, AND 32 IN BLOCK "A" OF TRACT NO. 7347, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 77, PAGE 46 OF MAPS, IN THE OFFTCE OF THE COUNTY RECORDER OF SAID COUNTY.

End of Legal Description