





# Westside Project Area Committee

1724 Santa Fe Avenue, Suite 204 \* Long Beach, CA. 90813

## EXHIBIT B

Michael Betts/Redevelopment Project Officer  
Redevelopment Bureau, Dept. of Community Development  
333 West Ocean Blvd., 3<sup>rd</sup> Floor  
Long Beach, CA 90802

April 27, 2005

Dear Mr. Betts:

The following is a list of the motions made at the April 26 Special Meeting of the WPAC devoted to site proposals. The WPAC is recommending the following developers to the Agency for consideration. They are:

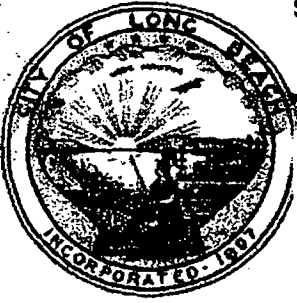
- Site S (1662-1666 Seabright) – Marinus Scientific  
Motion to support Marinus Scientific carried unanimously.
- Site R ((1881 & 1891 West 16<sup>th</sup> Street) – PAC Design  
Motion to support PAC Design carried unanimously.
- Site H (1709 Santa Fe) – Motion to postpone  
Motion to postpone carried unanimously.
- Site E (2110 West Cowles) – Red Barn  
Motion to support Red Barn carried unanimously.

If you have any questions, please feel free to contact me at the Westside PAC office Monday through Wednesday from 9 to 5.

Sincerely,

Lee Adams

Coordinator/Westside Project Area Committee



\$25.00 FILING FEE

Categorical Exemption CEP- 33 - 066

### NOTICE OF EXEMPTION

#### Exhibit C

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

**FILED**

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

NOV 09 2005

CONNOR B. McCORMACK, COUNTY CLERK

H. Harper

Project Title: PAC Design

Project Location - Specific: 1881-1891 West 16<sup>th</sup> Street

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

Activity Description: 3,852 sq site. Construct 2,507 sq two-story office space.

Name of Public Agency Approving Project: Community Development / RDA

Name of Person or Agency Carrying Out Project: Michael C. Betts  
(Printed Name)

333 West Ocean Blvd., Third Floor, L.B., CA. 90802  
(Mailing Address)

(562) 570-5202 Michael C. Betts  
(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

Statement of Support for this finding: new construction under 10,000 sq ft in an industrial district

Lead Agency  
Contact Person: ANANDA REYNOLDS Area Code/Telephone: (562) 570-6357

Signature: [Signature] Date: 10/20/05

Title: Environmental Officer

Signed by Lead Agency

Signed by Applicant

Charge Point: CDR3 ADMIN  
CDRCYL

THIS NOTICE WAS POSTED  
ON NOV 09 2005  
UNTIL DEC 09 2005

05 0017641

**EXHIBIT D**

**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  
PAUL ALLEN COLLINS, dba PAC DESIGN**

**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 Paul Allen Collins, dba PAC Design (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 of 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 1881 and 1891 West 16<sup>th</sup> Street. The Site is currently owned by the Agency.

### B. The Proposed Utilization of the Property

The Developer proposes to build a 2,507 square foot, two-story, Mediterranean-style concrete block, wood and stucco office and warehouse building. The facility will not generate significant additional traffic in the area. The development will retain one current employee and create five additional jobs in the Westside Project Area.

### 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 \$14.75 per square foot for the 3,852 square feet of land, for a total purchase price of \$56,817 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;

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 2006 – 2007 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 \$56,817;
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 \$309,912. When land sale proceeds and the present value of tax increment are taken into account, the costs exceed the revenue by \$223,080, as follows:

Property Acquisition Costs	\$253,000.00
Landscaping and Maintenance	700.00
Environmental Report (Site Characterization)	1,000.00
Escrow & Title Costs	2,000.00
Legal/Appraisal/Consulting Fees	3,500.00
Estimated Staff Time & Overhead	5,000.00
Relocation Costs	42,712.00
Site Clearance and Remediation	<u>\$ 2,000.00</u>
Estimated Total Agency Costs	<u>\$309,912.00</u>
Less: Land Sale Proceeds	<u>(\$56,817.00)</u>
Net Costs (Benefit) to Agency (Before allowance for Tax Increment Revenues)	\$253,095.00
Less: Present Value of Tax Increment Revenue <sup>1</sup>	<u>(\$30,015.00)</u>
Net Cost (Benefit) to Agency	<u><u>\$223,080.00</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

<sup>1</sup> Based on estimated increase in assessed value of \$269,079 at a 6% discount rate over 19 years (includes housing set-aside)



of the Southern California economy, the fair market value of the Site is \$14.75 per square foot for land, or \$56,817.

**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 \$14.75 per square foot for land, or \$56,817.

**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 \$56,817. 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.

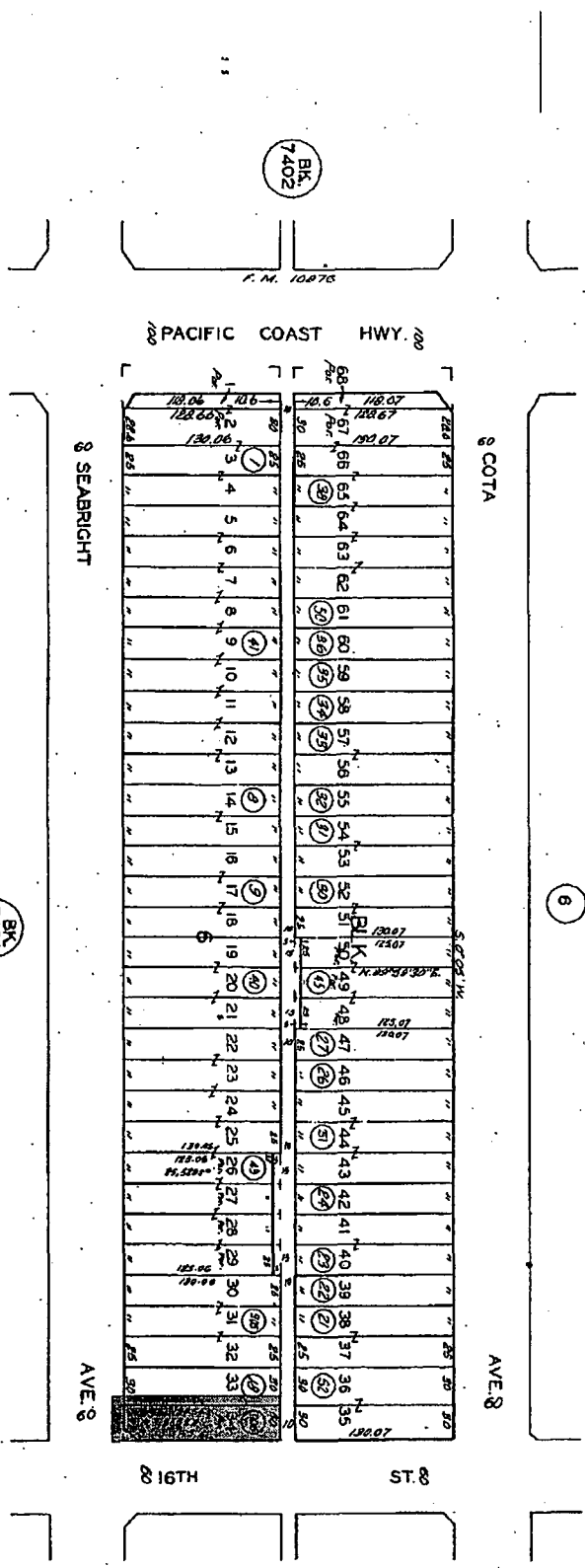
Based on the preceding factors, the Agreement is consistent with the adopted AB 1290 Implementation Plan.

**ATTACHMENT 1 – SITE MAP**  
**APN 7432-001-042**  
**Site R: 1981 & 1891 West 16<sup>th</sup> Street**

7432 1  
 SCALE 1" = 80'

**2005**

County of Los Angeles · Rick Auerbach, Assessor



CODE  
 5521

FOR PREV. ASSMNT SEE:  
 7428 - 30.51

TRACT NO. 2600 M. B. 26 - 88 - 90

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

ASSESSOR'S MAP  
 COUNTY OF LOS ANGELES, CALIF.

680416580  
 740412306  
 762811  
 811106731497-27  
 9102370203100-27  
 350500002004001-27  
 55501602000001-27  
 50012000000001-27  
 50012000000001-27  
 50012000000001-27  
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**ATTACHMENT NO. 2**

**LEGAL DESCRIPTION OF THE SITE**

APN: 7432-001-042

1881- 1891 West 16<sup>th</sup> Street

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

ALL OF LOT 34 IN BLOCK 6 OF TRACT NO. 2600, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 26, PAGES 88 – 90 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

End of Legal Description.

Robert E. Shannon  
City Attorney of Long Beach  
333 West Ocean Boulevard  
Long Beach, California 90802-4664  
Telephone (562) 570-2200

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 PAUL ALLEN COLLINS DBA PAC DESIGN 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

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, Paul Allen Collins dba PAC Design (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

Robert E. Shannon  
City Attorney of Long Beach  
333 West Ocean Boulevard  
Long Beach, California 90802-4664  
Telephone (562) 570-2200

1 accordance with the Redevelopment Plan and the covenants and conditions of the  
2 ~~Disposition and 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

Robert E. Shannon  
City Attorney of Long Beach  
333 West Ocean Boulevard  
Long Beach, California 90802-4664  
Telephone (562) 570-2200

1 less than fair market value in accordance with covenants and conditions governing the  
2 sale, and the Council further finds, and determines that the consideration for the sale of  
3 the Property, determined at the highest and best use under the Redevelopment Plan, is  
4 necessary to effectuate the purposes of the Redevelopment Plan for the Project.

5           Sec. 2.           The sale of the Property by the Agency to Developer and the  
6 Disposition and Development Agreement which establish the terms and conditions for  
7 the sale and development of the Property are approved.

8           Sec. 3.           The sale and development of the Property shall eliminate  
9 blight within the Project Area and is consistent with the implementation plan for the  
10 Project adopted pursuant to Health and Safety Code Section 33490.

11           Sec. 4.           This resolution shall take effect immediately upon its  
12 adoption by the City Council, and the City Clerk shall certify to the vote adopting this  
13 resolution.

14           I hereby certify that the foregoing resolution was adopted by the City  
15 Council of the City of Long Beach at its meeting of \_\_\_\_\_, 2005, by the  
16 following vote:

17           Ayes:           Councilmembers: \_\_\_\_\_  
18           \_\_\_\_\_

19           \_\_\_\_\_

20           Noes:           Councilmembers: \_\_\_\_\_  
21           \_\_\_\_\_

22           \_\_\_\_\_

23           Absent:           Councilmembers: \_\_\_\_\_  
24           \_\_\_\_\_

25           \_\_\_\_\_

26           \_\_\_\_\_

City Clerk

27 HAM:kdh  
12/20/05  
28 L:\APPS\CtyLaw\32\WPDOCS\ID020\005\00083495.WPD  
#05-06100



**EXHIBIT "A"**

**LEGAL DESCRIPTION OF THE SITE**

APN: 7432-001-042

1881- 1891 West 16<sup>th</sup> Street

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

ALL OF LOT 34 IN BLOCK 6 OF TRACT NO. 2600, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 26, PAGES 88 – 90 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

End of Legal Description.