



CITY OF LONG BEACH

C-8

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

August 16, 2005

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Approve and authorize the City Manager to execute the Second Implementation Agreement to the Owner Participation Agreement among the Redevelopment Agency, the City of Long Beach and Coventry Long Beach Plaza, LLC, dated as of September 12, 2000, and related documents. (District 1)

DISCUSSION

The September 12, 2000, Owner Participation Agreement (OPA) with Coventry Long Beach Plaza LLC (Coventry) for the development of CityPlace contemplated the sale of the non-retail parcels to other developers, including the vacant land on the north side of 3rd Street between The Promenade and Pine Avenue adjacent to the public parking garage (3rd Street Site). At that time a hotel use was contemplated. However, during the ensuing years it became apparent that the 3rd Street Site (Exhibit A – Site Map) was not suitable for a hotel use. Instead, development of the 3rd Street Site as residential homes with first floor retail space was approved by the Redevelopment Agency in October 2002 (Exhibit B – Site Plan and Elevation).

Coventry has reached an agreement with Promenade Loft Partners, LLC, a single-purpose entity controlled by Urban Pacific Builders (Developer), to sell the 3rd Street Site for the construction of 39 residences and approximately 5,745 square feet of first floor retail space (Promenade Lofts). Because this sale is a partial assignment of the OPA, Coventry needs the consent of both the Redevelopment Agency and the City to the proposed sale.

The Second Implementation Agreement and a separate agreement to be delivered at the close of escrow, known as the Assignment and Assumption Agreement (Exhibit A to the Second Implementation Agreement), are four-party agreements in which the Redevelopment Agency, Coventry, Promenade Loft Partners and the City of Long Beach all consent to the proposed sale. The Redevelopment Agency approved the

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proposed sale on July 25, 2005. Pursuant to the Assignment and Assumption Agreement, Coventry assigns to Promenade Loft Partners and Promenade Loft Partners assumes all of Developer's obligations under the OPA with respect to the 3rd Street Site, and the City and the Redevelopment Agency consent to the assignment.

In addition, development of the 3rd Street Site requires an exchange of easements between the developer and the City. The private development requires that easements be granted over the City-owned parking garage and historic mural site, and the City requires easements over the 3rd Street Site for public access to and around the mural. The Second Implementation Agreement provides for the granting of these easements as follows:

- Stairway Easement to Promenade Loft Partners for that portion of Promenade Lofts that will be built on the west side of the parking garage driveway;
- Open Space Easement to Promenade Loft Partners over the southerly five feet of the open space above the parking garage to permit windows above the garage on the north wall of Promenade Lofts;
- Exclusive Access Easement to Promenade Loft Partners for an entrance from the 3rd floor of the residences to the top floor of the parking garage, where parking for the project will be located;
- Encroachment Easement to Promenade Loft Partners allowing construction on top of and behind the mural;
- Public Access Easement to the City of Long Beach and the general public, to allow passage from the courtyard in front of the mural to the CityPlace parking garage; and
- Mural and Public Access Easement to the City of Long Beach and the general public to allow viewing of and access to the mural.

In addition, the Mural and Public Access Easement requires the developer to maintain the mural in a clean and graffiti-free condition, to illuminate the mural, and to comply with the Conditions of Approval imposed by the City and the Cultural Heritage Commission.

The Second Implementation Agreement requires a \$50,000 performance deposit from Promenade Loft Partners. In addition, under the Agreement, the Redevelopment Agency has the option to purchase the 3rd Street Site for the same price negotiated by Promenade Loft Partners if the Developer has not purchased the 3rd Street Site by April 1, 2006, or if construction has not commenced by July 1, 2006.

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This letter was reviewed by Assistant City Attorney Heather A. Mahood on July 25, 2005, and Budget Management Officer David Wodynski on August 9, 2005.

TIMING CONSIDERATIONS

Consent to this assignment of rights and obligations is necessary for the development of Promenade Lofts to move forward on the schedule anticipated by all parties.

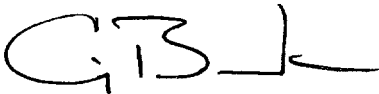
FISCAL IMPACT

There is no fiscal impact on the General Fund associated with this action.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CRAIG BECK
ACTING DIRECTOR OF COMMUNITY DEVELOPMENT

APPROVED:

CB:BAK:JVK:jvk

R:\City Council Letters\8.16.05.CC ltr.Coventry Assignment



GERALD R. MILLER
CITY MANAGER

Attachments: Exhibit A – Site Map
Exhibit B – Site Plan and Elevation