



Date: February 6, 2014

To: Chair and Planning Commissioners

From:  Amy J. Bodek, Director of Development Services

Subject: **Study Session for the proposed California State University Long Beach (CSULB) Foundation Retail Project (District 7)**

The 9.88-acre project site is located at the northwestern corner of Pacific Coast Highway and Cota Avenue, within the eastern portion of CSULB Foundation's Research and Technology Center (Technology Park).

The Site Plan Review request is to construct a one-story, 122,500-square-foot retail building for one or two undetermined retail tenants (Exhibit A – Site Plan). The project also requires: A Zoning Text Amendment to allow retail sales as a permitted use and alcohol sales for off-site consumption as a conditionally permitted use in the PD-31 district; a Lot Merger and Lot Line Adjustment; the vacation of Technology Place and the westerly half of Cota Avenue; and the certification of the Final Environmental Impact Report.

The Site Plan Review Committee letter dated May 17, 2012, recommended revising design features to prevent a big-box appearance, considering a two-story structure to reduce the building footprint, and blending the project with the scale and character of the surrounding community (Exhibit B – Site Plan Review Committee Letter).

Planning Commission comments from the May 3, 2012 Study Session addressed project compliance with the Land Conveyance Agreement for Technology Park, project benefits for the community and CSULB students, past marketing strategies for this site, and the possibility of additional building pads with improved building design (Exhibit C – Memo to Planning Commission).

The Applicant letter dated July 12, 2012, responded to City comments and defended the design preference for a one-story retail building (Exhibit D – Applicant Response Letter).

The current project proposal retains the one-story building footprint and location with building colors to match the white and gray Technology Park color scheme. Some variations in horizontal and vertical massing have been added to the design (Exhibit E – Project Elevations).

AJB: JW: CC

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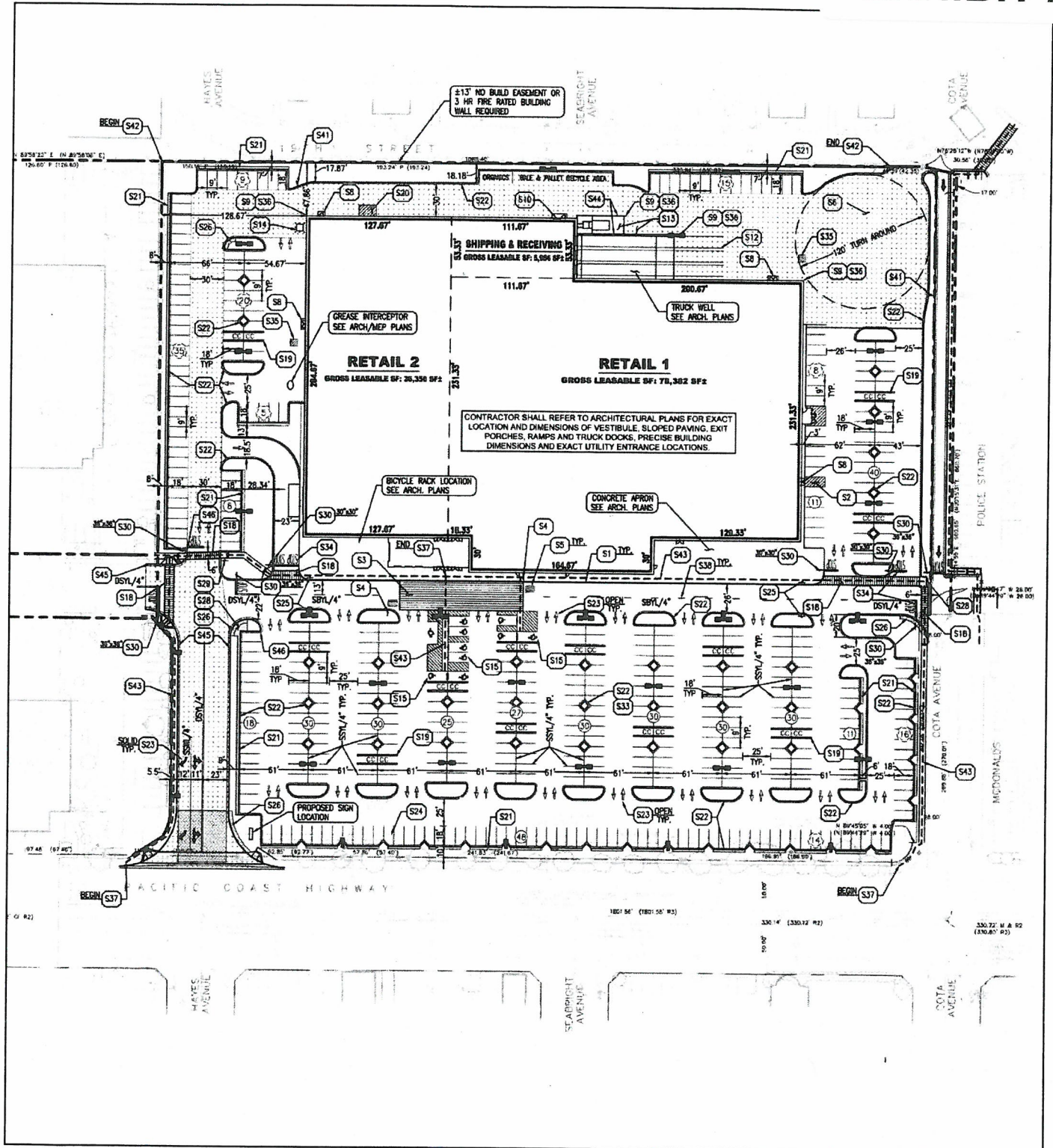
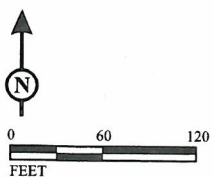


FIGURE 3.4

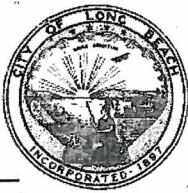
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CSULB Foundation Retail Project
Site Plan



CITY OF LONG BEACH

DEPARTMENT OF DEVELOPMENT SERVICES

EXHIBIT B

333 West Ocean Blvd., 5th Floor

Long Beach, CA 90802

(562) 570-6194

FAX (562) 570-6068

PLANNING BUREAU/CURRENT PLANNING DIVISION

May 17, 2012

Mo Tidemanis
CSULB Foundation
6300 State University Drive., Ste. 260
Long Beach, CA 90815

Dear Mr. Tidemanis:

Your application for the proposed new development project located at 1745 E Pacific Coast Highway (Application No. 1203-01) was presented to the Site Plan Review Committee on March 28, 2012 and the Planning Commission May 3, 2012, and it was determined the application requires revisions.

In response to your plans for the new construction, the Site Plan Review Committee and the Planning Commission have requested the following comments be addressed; revised plans and an application for Site Plan Review must be submitted before the application can be processed for further review:

Site and Building Design:

- Provide human scale architectural features.
- Provide clearly defined, pedestrian friendly connections to the adjacent land uses. Pedestrian walkways should have a minimum width of 5 feet.
- Decrease the footprint, massing and expansive walls of the proposed structure to prevent the appearance of a monolithic box.
- Activate the exterior of the building by relocating the ancillary retail and service uses to line the exterior of the building.
- Include courtyards, arcades and intimate spaces as a way to break down mass.
- Decrease the proposed footprint by creating a two or three story structure.
- Architectural themes, modules and materials present on the main façade of the building shall be used on all other facades.
- Exterior elevations shall be designed with articulation to create visual interest and enhance pedestrian experience and activity. Three dimensional elements (both structural and non-structural) such as cornices, pilasters, wall offsets and structural bays shall be used to modulate façade planes.
- Provide variety of roof and parapet heights; and variety of materials and colors to create visual interest.
- Open up the walls by adding glass windows; maximize storefront glazing and openness.
- Clear, untinted, and non-reflective windows/doors shall be incorporated in the design.
- Illuminate display windows at night.

- Include awnings and canopies to create visual interest.
- Provide eye-level displays, outdoor seating and special wall treatment to enhance visual interest and activate the exterior area of the structure.
- Lighting shall be provided at all building entrances.
- Security grilles are prohibited.
- Incorporate building accent lighting.
- Provide a lighting plan for the project.
- The project must comply with the City's Construction and Demolition Debris Recycling Ordinance.

Materials:

- Materials that contribute to good quality architecture are: natural stone, smooth stucco with light finish, architectural concrete with integral color, fully backed metal panels, wood and brick.
- Simulated materials, foam cornices and applied details are discouraged.
- Use subtle colors; architectural accent should rely on changes in materials rather than paint.
- Minimize use of stucco.
- Enhanced paving, such as architectural concrete and pavers, are encouraged to promote an urban character.
- Paving should enhance the relationship of the building and landscape.

Equipment and Service Area Screening:

- All rooftop mechanical equipment (except solar collectors) shall be screened on all sides to a height not less than that of the tallest item screened.
- All rooftop mechanical equipment screening devices shall be of a material requiring a low degree of maintenance and well integrated into the design of the building.
- Adequate trash receptacles shall be provided to accommodate all refuse generated on site. Recycling material containers must also be accommodated. All trash areas shall have a roof, be screened from public view on three sides, and shall conform to the development standards contained in LBMC Sections 18.95 and 21.45.
- Service areas should not be visible from the surrounding public streets; should be located as far as possible from building entries and pedestrian oriented zones, and should be screened.
- Loading docks should not be visible from public streets. Screening should be complete and should be integrated with the design of the building.
- Utility cabinets and meters shall be located in an area least visible from the public right-of-way. Additional landscape planting shall provide further screening.
- All overhead utility service to the site shall be placed underground. The utility company's design of the electric system, including locations and aesthetic treatment, shall be in accordance with the regulations of the Public Utilities Commission of the State of California.

Landscaping:

- Landscaping shall be provided as required by LBMC Chapter 21.42.
- Include a bioswale on site to help retain and filter runoff.

- Provide additional landscape screening on 19th Street and Cota Avenue to minimize the building's impact on the adjacent uses.

Parking:

- Parking should be screened and visually buffered from the public rights-of-way.
- Parking should not disrupt the quality of pedestrian environments.
- Parking lot lighting shall be appropriately shielded to minimize glare.
- Car and pedestrian entries to the site should be separated, and clearly defined. Pedestrian walkways should be a minimum width of 5 feet clear, and should be protected from driveways by a minimum of 6-inch curb.
- Provide clearly defined pedestrian routes from parking to building entrances by special walkways with appropriate landscaping and lighting; pedestrian crossing of parking aisles should be minimized.
- The parking lot should not be the dominant visual element of the site. Parking should be broken down in smaller multiple lots separated by landscaping and buildings. Surface parking lots should be located away from primary street frontage.
- Parking and loading areas shall be provided as required in LBMC 21.41. See: Sustainability on requirements for a Transportation Demand Management Plan as well as sustainability measures for shared parking and parking areas and landscape requirements.
- Provide bicycle racks on site.

Public and Private Streets:

- Public rights-of-way shall be reserved, dedicated and improved as provided in LBMC Chapter 21.47 (Dedication and Improvement of Public Rights-of-Way).
- Required private streets shall be recorded as private rights-of-way, subject to public access, and designed and constructed to standards of public streets as required by LBMC Chapter 21.47, and shall be approved by the Director of Public Works.
- Entrance from Cota Avenue shall be extended and expanded on site for better traffic flow into the parking lot.
- 19th Street shall be improved to accommodate both vehicular and pedestrian traffic.
- Remove all unnecessary driveway approaches adjacent to the site.

Additional Comments and Concerns:

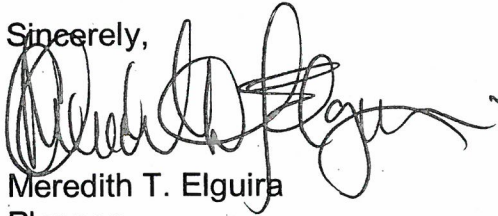
- Explain how the proposed project meets the original intent of the Land Conveyance Agreement for a Technology Park and how the proposed use will benefit the community.
- Maintain a portion of the site for its originally intended use.
- Provide reasons for proposed use and hours of operation.
- Reach out to the community.
- Will the funds from this transaction benefit the students of CSULB?
- Provide projected employment number, type and wage level.
- Provide a program for local hiring.
- Concerns about alcohol sales being adjacent to an alcohol treatment facility at Cabrillo Villages.

- Concerns about additional truck traffic, proximity to the Port of Long Beach and industrial sites.

Please submit revised plans addressing the comments above along with an application for the additional entitlement requests for lot merger, zoning amendment, conditional use permit, EIR, and General Plan Amendment. Once we receive your revisions and application, we will review the project and the application will be processed.

Please call me if you have any questions regarding your application. I can be reached at 562.570.5081.

Sincerely,

A handwritten signature in black ink, appearing to read 'Meredith T. Elguira', written over the printed name.

Meredith T. Elguira
Planner



EXHIBIT C

Date: August 30, 2012

To: Honorable Chair and Members of Planning Commission

From: Amy J. Bodek, Director of Development Services

Subject: **Proposed Big Box Retail Update (120,000 Square Feet) for 1745 PCH (District 7)**

At the May 3, 2012 meeting, the Planning Commission held a study session for a proposed big box retail development to be located at 1745 W. Pacific Coast Highway. The Commission expressed significant concerns about the proposed development and directed the applicant to: 1) confirm that the proposed use will comply with the Land Conveyance Agreement for the Technology Park; 2) clarify how the community and CSULB's student body will benefit from the proposed project; 3) provide an overview of past marketing strategies and vacancy rate; 4) explore ways to preserve a portion of the site for its intended use; and 5) redesign the project to allow additional developable pads while improving building and site design.

In addition to the concerns mentioned above, the Site Plan Review Committee also commented on the proposed project design and zoning amendment (see Site Plan Review Letter). The applicant was directed to incorporate human scale design elements; provide better connections to the adjacent land uses and larger community; and create a project that blends in with the scale and character of the existing neighborhood. Lastly, the Committee would like to ensure that all potential uses permitted under the current Planned District 31: Technology Center & Villages at Cabrillo have been sufficiently exhausted and alternative options have been examined prior to amending the zone. The proposed change in land use is a significant departure from the original goals of the PD and thus, merits a careful evaluation of the potential drawbacks and benefits of the amendment.

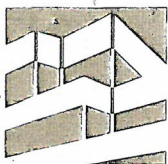
In response to the City's comments, the applicant submitted a letter addressing some of the land use and design concerns (see CSULB Response Letter). However, there are still significant outstanding issues that need to be resolved by CSULB. The applicant is currently preparing revised plans and staff is working closely with them to come up with a plan that will benefit both the applicant and the community. As the proposal evolves, we will continue to keep you informed. If you have any questions, please contact either myself at (562) 570-6428 or Derek Burnham at (562) 570-6261.

AJB:DB:ME

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Attachments: Site Plan Review Letter, May 17, 2012
CSULB Response Letter, July 12, 2012

cc: Robert Zur Schmiede, Deputy Director
Derek Burnham, Planning Administrator



July 12, 2012

Members of the Planning Commission
City of Long Beach
333W. Ocean Boulevard
Long Beach, California 90802

Re: CSULB Technology Park

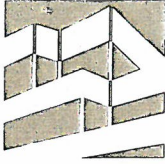
Dear Planning Commissioners:

The California State University Long Foundation ("Foundation") is a non-profit entity that administers grants to California State University Long Beach ("CSULB") for research and training, and performs other functions for CSULB. As you know, the Foundation is proposing a 10-acre retail use (the "Site") on the east side of the 30-acre CSULB Technology Park ("Technology Park"), which would require an amendment to the Planned Development No. 31 ("PD 31"). At the May 3rd Planning Commission hearing, Commission members asked whether the retail use conforms to the CSULB Technology Park use, proposed when the Navy conveyed the Technology Park to the City of Long Beach ("City"). The City then conveyed the Technology Park to the Foundation. This letter addresses that issue. It also provides information regarding the design of a typical big box use, in response to aesthetic issues raised at the meeting.

1. Purpose of the original conveyance

In 1993, the Committee on Armed Services of the House of Representatives passed a bill providing for the transfer of the CSULB Technology Park to the City, with the understanding that the Site would be subsequently transferred to the Foundation. The bill, attached as Exhibit "A", authorizes the transfer without reimbursement for use as a Technology Park, and specifies that no conditions or restrictions on the use of the conveyed property by the Foundation be imposed.

In July 1996, the Navy transferred the Technology Park to the City for "the development of a research and technology center to be operated by the City in partnership with the Foundation". The Deed from the Navy to the City ("Conveyance Deed"), attached as Exhibit "B", contains several conditions regarding the conveyance. It states that the value used to determine the sales price did not reflect the highest and best use of the land, but rather the more limited research and technology use, and requires the City to hold in trust for the U.S. Treasury the proceeds from any sale or lease of the Technology Park for a substantially different use that occurs before July 29, 1999 (three years after the date of the property transfer).



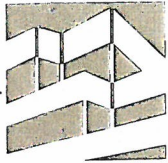
Several years later, the Navy converted the conveyance to a no cost conveyance, documenting the terms of the change in the "Memorandum of Agreement Among the United States of America, the City of Long Beach, and the California State University, Long Beach Foundation for Modification of Economic Development Conveyance" (the "MOA") signed in 2002. The MOA documents the terms of the conveyance transaction as follows: (i) the City and the Foundation were obligated to pay the United States of America \$1,040,000 for the Technology Park in the form of a promissory note bearing interest at 6.78% per annum, payable solely from future profits from the Technology Park, if any, (ii) the note and debt were cancelled when the conveyance was converted into a No Cost Economic Conveyance, and (iii) in connection with that change, the City became obligated to use all net proceeds from the sale/lease of the Technology Park to support long-term job creation and economic redevelopment until November 27, 2009. See the MOA, attached as Exhibit "C". A detailed description of the history of the conveyance is attached as Exhibit "D".

2. Attempt at establishing the job incubator use

In 1999, the Foundation renovated 12,000 square feet of building space on the Site, and donated 6,000 square feet to provide a site for the job incubator use, and the City Council approved \$250,000 to fund the operation. The Long Beach Enterprise Center, a non-profit entity, was chosen to provide the service. The Enterprise Center established a Board of Directors, and worked to initiate the use, but never began operating the use on the Site, because they were unable to raise enough funding to commence operations.

3. Existing development and uses in the Center

The Technology Park contains three flex tech buildings totaling 210,879 square feet located on the west side (Phase I), and two buildings containing 84,277 square feet located in the middle (Phase II of the Technology Park. Both Phase I and Phase II are 100% leased to private industry companies who have been operating in the Technology Park for over 10 years. A 104,737 square foot building in Phase I is currently leased to Damco Distribution Services. A 42,712 square foot building in Phase I is currently leased to Corinthian Colleges, Inc., for their National Institute of Technology trade school. A 29,320 square foot building in Phase I is currently leased to Wartsila, a manufacturer and servicer of marine power systems. A 34,554 square foot building in Phase II is currently leased to TireCore, a large tire storage use. A 49,723 square foot building in Phase II is currently leased to Corinthian Colleges, Inc., for their Wyotech trade school. The Leasing Site Plan for the Technology Park is attached as Exhibit "E".



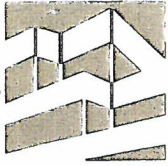
4. Marketing of the Site

In 2007, Pacific Retail Partners, the CSULB Foundation's real estate brokers, started marketing the Site for mixed and retail uses. At that time, Home Depot proposed a 135,623 square foot home improvement store on the Site and processed a Conceptual Site Plan review, but abandoned the project before filing any formal entitlement application. Thereafter, many small and mid-sized retailers expressed interest in the Site because it is located in the "underserved west-side." These retailers were unwilling to commit to the Site, however, because of the lack of sales performance history in the trade area, and the absence of anchor retailers to draw customers to the area. These marketing efforts are described in the letter from Pacific Retail Partners, attached as Exhibit "F".

5. Design Questions regarding the retail use

- (i) **Why the larger departments in a big box use cannot operate in separate buildings:** One of the Commissioners asked that the retailer "break up the massing of the big box retail" by placing the primary departments in a separate building clustered around a central retail corps. This design would trigger the need for management personnel, separate entrances/exits, cash registers and security facilities at each building. One of the benefits of the big box is that it provides for centralized sales and management functions, increasing efficiency and cost savings, that are passed on to the consumer as lower prices. "Breaking out" the larger uses in individual buildings would result in a significant increase in construction costs, and cost more to operate as described above, along with a decrease in efficiency.
- (ii) **Why big box retailers reject two-story buildings:** The Commission asked whether the Site could be developed with a two-story big-box to reserve space for a future job incubator use. However, based on the circumstances associated with the attempt at establishing the use in 1999, long-term funding would be required in addition to space, for the use to become established and operate on the Site.

If long-term funding were available for the job-incubator use, the negative aspects of operating a retail store in a two-story building would remain. Big box retailers develop two-story buildings as a last resort in areas where only small parcels are available. Operating costs for a two-story store are also higher due to the specially-equipped escalators required to carry shoppers and their shopping carts to and from the second floor. Restocking costs are also higher, and the merchandise is less accessible to customers. For these reasons, the sales floor on the second floor generates lower average-sales per



buildings except in extremely desirable areas where small parcels are the only available option.

Accordingly, the development of the Site for the proposed retail use is not prohibited. The House of Representatives authorized the conveyance without imposing any conditions or restrictions on the use. The Conveyance Deed and the MOA require the City to remit to the U.S. Treasury the proceeds of any sale/lease of the Technology Park for a substantially different use that occurs before 1999 and 2009, respectively. However, because these provisions have expired, the Foundation may sell or lease the Technology Park or the Site, for a retail use without obligation to the U.S. Treasury.

Very Truly Yours,

Mo Tidemanis

Director of Real Estate

6300 E. State University Drive, Suite 356

Long Beach, California 90815

103D CONGRESS
1ST SESSION

H. R. 3092

To provide for the conveyance of real property located at the Naval Housing Cabrillo Site, Long Beach, California, to the California State University, Long Beach Foundation.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 15, 1993

Mr. TUCKER introduced the following bill; which was referred to the Committee on Armed Services

A BILL

To provide for the conveyance of real property located at the Naval Housing Cabrillo Site, Long Beach, California, to the California State University, Long Beach Foundation.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CONVEYANCE OF REAL PROPERTY, NAVAL**
4 **HOUSING CABRILLO SITE, LONG BEACH,**
5 **CALIFORNIA.**

6 (a) CONVEYANCE AUTHORIZED.—The Secretary of
7 Defense shall convey, without reimbursement, to the Cali-
8 fornia State University, Long Beach Foundation (in this

1 section referred to as the "University"), all right, title,
2 and interest of the United States in and to a parcel of
3 real property consisting of approximately 30 acres, includ-
4 ing improvements thereon, containing military family
5 housing units associated with the Long Beach Naval Sta-
6 tion, California, and known as the Naval Housing Cabrillo
7 Site.

8 (b) PURPOSE OF CONVEYANCE.—The purpose of the
9 conveyance required by subsection (a) is to permit the
10 University to include the conveyed property as part of the
11 Long Beach Research and Technology Park being devel-
12 oped by the University.

13 (c) PROHIBITION ON USE CONDITIONS.—The Sec-
14 retary shall not impose as part of the conveyance required
15 by subsection (a) any condition or restriction on the use
16 of the conveyed real property by the University.

17 (d) DESCRIPTION OF PROPERTY.—The exact acreage
18 and legal description of the property to be conveyed under
19 subsection (a) shall be determined by the Secretary on the
20 basis of the educational public benefit transfer application
21 submitted by the University.

○

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ONLY. IT HAS NO
OR AS TO ITS
TITLE

Recording requested by
The City of Long Beach
When recorded mail to

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RECORDED/FILED IN OFFICIAL RECORDS
RECORDER'S OFFICE
LOS ANGELES COUNTY
CALIFORNIA

12:41 PM AUG 16 1996

QUITCLAIM DEED AND ENVIRONMENTAL RESTRICTION
PURSUANT TO CIVIL CODE § 1471

FREE 8 Y

This Deed is made this 29 day of July, 1996,
by the UNITED STATES OF AMERICA, acting by and through the
Department of the Navy, (herein called "Grantor") in favor
of the CITY OF LONG BEACH, a municipal corporation of the
State of California ("Grantee"),

RECITALS

1. The Defense Base Closure and Realignment Commission's
recommendations for 1991 included the closure of the former
Naval Station Long Beach in the City of Long Beach, County
of Los Angeles. The former Naval Station property includes
the Cabrillo military family housing complex, also in the
City of Long Beach. The Navy declared the housing complex
surplus to the needs of the United States on March 4, 1993
and closed it in June 1994.

2. In accordance with the Defense Base Closure and
Realignment Act of 1990, the authority of the Administrator
of General Services under the Federal Property and
Administrative Services Act of 1949 with respect to the
disposal of surplus real property at installations closing
thereunder has been delegated to the Secretary of Defense
and redelegated to the Secretary of the Navy.

3. Pursuant to the power and authority provided by section
2903 of the National Defense Authorization Act for Fiscal
Year 1994 (P.L. 103-160) and the implementing regulations of
the Department of Defense (32 CFR Part 91), the Secretary of
the Navy may convey surplus property at a closing
installation to the local redevelopment authority for
economic development purposes. By application dated January
18, 1995, the City of Long Beach requested an economic
development conveyance of a parcel of property within the
Cabrillo complex, approximately 32 acres in size, to be used
for the development of a research and technology center to
be operated in partnership with the California State

University, Long Beach Foundation. Such a development is consistent with the redevelopment plan prepared by the City and approved by the Department of Housing and Urban Development on October 26, 1995.

4. The legal description of the 32 acre parcel ("Property") is contained in Exhibits "A" and "B" which are attached hereto and made a part hereof as if set out-at length.

5. In accordance with the provisions of the Community Environmental Response Facilitation Act, the Navy has performed an environmental baseline survey. A Finding of Suitability to Transfer regarding the Property was executed on June 21, 1994.

AGREEMENT

6. Grantor, in consideration of the foregoing, the performance by Grantee of its covenants, conditions and restrictions hereinafter contained and other good and valuable consideration, the receipt of which is hereby acknowledged, does hereby remise, release and forever quitclaim to Grantee, its successors and assigns, any and all right, title and interest, reserving only such rights as may arise from the operation of the restrictions and covenants of this deed, which the UNITED STATES OF AMERICA has in and to the Property.

7. Grantee acknowledges that it has received copies of the environmental baseline survey, the Finding of Suitability to Transfer, together with all referenced and related documents, and the lead based paint and asbestos surveys relating to the Property.

8. Grantee acknowledges that in setting the sales price for the Property, Grantor did not value it for its highest and best use, but rather for a limited use restricted to the project described in Grantee's economic development conveyance application. Therefore, Grantee covenants and agrees, on behalf of itself and its successors and assigns, that it will give prior-written-notice to Grantor of any sale, encumbrance, lease in excess of five years, or proposed use involving the Property or any part thereof. Notice, together with copies of all documentation related to such sale, encumbrance, lease or use, shall be mailed to the address set forth in the deed of trust executed as security for this transaction.

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In the event the Property, or any part thereof, is sold, encumbered, leased or used for purposes or in a manner substantially different than described in Grantee's application, all revenues or the reasonable value of other benefits received by Grantee or its successors and assigns, directly or indirectly, from such sale, encumbrance, lease or use, as determined by the Grantor, will be considered to have been received and held in trust by the Grantee or its successors and assigns for the account of the United States. Upon demand, such receipts shall be paid to The Treasurer of the United States. If Grantor fails to notify Grantee of its objections to the sale, encumbrance, lease or use within 30 days of notice, the provisions of the preceding sentence shall not apply to the revenues and benefits derived from that transaction.

~~The provisions of this paragraph 8 shall terminate three years from the date of conveyance or at such time as all sums due under the note executed by Grantee for the purchase price of the Property are paid, whichever period is longer. The trust and notice provisions of this paragraph 8 shall have no application to the lease, sale or conveyance of the Property, or any portion thereof by Grantee to California State University, Long Beach Foundation or a lease of the Property, or any portion thereof, by the Foundation to the City of Long Beach.~~

9. Grantee covenants and agrees, on behalf of itself, its successors and assigns, that it will ~~comply with all~~ Federal, state and local laws relating to asbestos and lead-based paint in its use and occupancy of the Property (including demolition and disposal of existing structures). Grantee further covenants and agrees, on behalf of itself, its successors and assigns, that it will ~~not permit existing structures to be occupied or used for any purpose prior to~~ the performance of all recommendations contained in the lead-based paint and asbestos assessments which have been provided to the Grantee or, if not occupied or used for housing purposes, as required by applicable law.

10. In accordance with the provisions of 42 U.S.C. § 9620(h)(4)(A) the Property has been identified as property on which no hazardous substances and no petroleum products or their derivatives were stored for one year or more, known to have been released, or disposed of. The Department of Toxic Substances Control of the State of California has concurred with this identification.

11. Grantor covenants that any ~~response action or~~ ~~corrective action~~ (as those terms are used in the

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Comprehensive Environmental Response, Compensation and Liability Act of 1980) found to be necessary after the date of this deed shall be conducted by the United States; provided, however, that the foregoing covenant shall not apply in any case in which the Grantee is a potentially responsible party with respect to the Property.

12. In connection with the warranty made in paragraph 11, the Grantee agrees on behalf of itself, its successors and assigns, as a covenant running with the land, that the United States, the U.S. Environmental Protection Agency, the California Department of Toxic Substances Control, the Regional Water Quality Control Board, their officers, agents, employees, contractors and subcontractors shall have the right, upon reasonable notice to Grantee, to enter upon the Property in any case in which a response or corrective action is found to be necessary after the date of this deed at such property, or such access is necessary to carry out a response action or corrective action on adjoining property. Neither Grantee, nor its successors and assigns, shall have any claim on account of such entries against the United States or any of its officers, agents, employees, contractors or subcontractors.

13. The right to enter described in paragraph 12 shall include ~~the right to conduct tests, investigations and surveys, including, where necessary, drilling, testpitting, boring and other similar activities.~~ Such right shall also include the right to construct, operate, maintain or undertake any other response or remedial action as required or necessary including, but not limited to, monitoring wells, pumping wells and treatment facilities. Any such entry, including such activities, responses or remedial actions, shall be coordinated with the Grantee or its successors and assigns, and shall be performed in a manner which minimizes 1) any damage to any structures on the Property and 2) any disruption or disturbance of the use and enjoyment of the Property.

(Signatures on the following page)

UNITED STATES OF AMERICA

By James H. Strotman
James H. Strotman
Real Estate Contracting Officer
Southwest Division
Naval Facilities Engineering
Command

GRANTEE'S COVENANTS

TO INDICATE ACCEPTANCE of its covenants and agreements contained in this deed, Grantee has executed this document on the date written below.

CITY OF LONG BEACH

By James C. Hankla
James C. Hankla
City Manager

APPROVED AS TO FORM

Dated: July 29, 1996

7/29, 1996
JOHN R. CALHOUN, City Attorney

By JRH
Vice Mayor

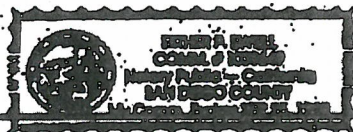
State of California

County of San Diego

On July 29, 1996 before me, Esther P. Ewell, Notary Public

personally appeared James H. Strotman
(Name of Signer)

☒ personally known to me - OR - ☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal

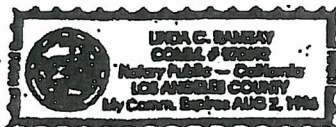
Esther P. Ewell
Signature of Notary Public

96 1327592

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of CALIFORNIA
 County of Los Angeles
 On July 29, 1996 before me, LINDA C. RAMSAY
Name and Title of Officer (e.g., Notary Public)
 personally appeared JAMES C. HANKLA
Name(s) of Signer(s)

☒ personally known to me — OR — ☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) are subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity(ies), and that by his signature on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Linda C. Ramsay
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Quitclaim Deed & Environmental Restriction
 Document Date: July 29, 1996 Number of Pages: 5 plus exhibits

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: JAMES C. HANKLA

- ☐ Individual
- ☐ Corporate Officer
- Title(s): _____
- ☐ Partner — ☐ Limited ☐ General
- ☐ Attorney-in-Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: _____

Signer is Representing: _____

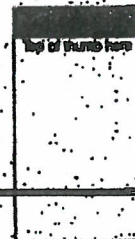
City of Long Beach



Signer's Name: _____

- ☐ Individual
- ☐ Corporate Officer
- Title(s): _____
- ☐ Partner — ☐ Limited ☐ General
- ☐ Attorney-in-Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: _____

Signer is Representing: _____



7

EXHIBIT "A"

ROBERT BEIN, WILLIAM FROST & ASSOCIATES
14725 Alton Parkway
Irvine, California 92718

Revised August 2, 1996
January 20, 1994
JN 30238-2.L13
Page 1 of 1

Page 1 of 1
LEGAL DESCRIPTION

CALIFORNIA STATE UNIVERSITY
LONG BEACH RESEARCH PARK

That certain parcel of land situated in the City of Long Beach, County of Los Angeles, State of California, being that portion of the "Navy Enlisted Housing-Cabrillo Project" as shown on a Real Estate Summary Map on NAVFAC Drawing Number 6117916, sheet two of four sheets, dated June 25, 1965, lying southerly of the following described line:

BEGINNING at the centerline intersection of Nineteenth Street, 60.00 feet wide (formerly Davis Street) and Cota Avenue, 60.00 feet wide as shown on said map of Lybargers Long Beach Harbor Tract, filed in Book 12, Pages 146 and 147 of Maps in the Office of the County Recorder of said Los Angeles County; thence North 78°27'20" West 30.62 feet; thence South 89°52'36" West 1147.76 feet; thence North 00°01'06" East 3.79 feet; thence South 89°59'19" West 990.71 feet to the westerly line of said "Navy Enlisted Housing-Cabrillo Project".

CONTAINING: 30.472 Acres gross, more or less.

SUBJECT TO all Covenants, Rights, Rights-of-Way and Easements of Record.

EXHIBIT "B" attached and by this reference made a part hereof.




Kevin D. McHugh Jr. L.S. 6310

96. 1327592

MEMORANDUM OF AGREEMENT

AMONG

THE UNITED STATES OF AMERICA, THE CITY OF LONG BEACH, AND

CALIFORNIA STATE UNIVERSITY, LONG BEACH FOUNDATION

FOR MODIFICATION OF ECONOMIC DEVELOPMENT CONVEYANCE

**MEMORANDUM OF AGREEMENT AMONG
THE UNITED STATES OF AMERICA, THE CITY OF LONG BEACH, AND
CALIFORNIA STATE UNIVERSITY, LONG BEACH FOUNDATION
FOR MODIFICATION OF ECONOMIC DEVELOPMENT CONVEYANCE (EDC)**

THIS AGREEMENT is made between the United States of America, acting by and through the Department of the Navy, hereinafter referred to as the "Navy," and the City of Long Beach, a municipal corporation and charter city organized and existing under the laws of the State of California, hereinafter referred to as the "City," and California State University, Long Beach Foundation, a California non-profit corporation, hereinafter referred to as "CSULB." The Navy, the City and CSULB may sometimes be referred to jointly as the "Parties."

RECITALS

- A. In July 1996 the Navy, under its authority to convey surplus federal property at a closing installation to the local redevelopment authority for economic development purposes, conveyed a 30 acre parcel of property (the "Property") to the City. This parcel was to be used by the city and CSULB for the development of a research and technology center, a component of the City's redevelopment plan approved by the Department of Housing and Urban Development; and
- B. As consideration for the conveyance, the City executed a promissory note in the amount of \$1,040,000.00 in favor of the United States, with interest at the rate of 6.78% per annum, together with a deed of trust securing the transaction; and
- C. Simultaneously with the execution of the note, the City and CSULB executed an assignment and assumption agreement pursuant to which the City assigned all of its right, title, interest and obligations under the deed, deed of trust and note to CSULB, and CSULB accepted the same; and
- D. Under the National Defense Authorization Act for Fiscal Year 2000, the Secretary of Defense was authorized to modify existing economic development conveyances. This authority was implemented by a policy memorandum from the Office of the Under Secretary of Defense dated October 29, 1999. By letter dated October 23, 2000, the City requested that the Navy exercise its authority to release the City from its obligations under the promissory note; and
- E. Thereafter, the Navy and the Department of Defense determined that the requirements of the statute and implementing policy had been met for conversion of the EDC to a new No Cost EDC and that the city should be relieved of its obligations, subject to the City releasing CSULB from its obligations to it under the assignment and

assumption agreement and both parties agreeing to the terms of the No Cost EDC on reinvestment of proceeds and liability to recoupment if not reinvested for job generation.

AGREEMENTS

NOW, THEREFORE, the Parties hereby covenant and agree as follows:

1. Release. City hereby releases CSULB from any and all obligations to the City under the aforementioned assignment and assumption agreement.

2. Use of Proceeds From Sale or Lease.

(a) Any net proceeds, after payment of all expenses (including, but not limited to construction cost, equipment amortization, salary, consultant, attorney's fee and maintenance expenses), from a sale, lease, or equivalent use of the Property (i.e., any mechanism that serves to accomplish the same purposes of a sale or lease such as licenses, permits, concession agreements, etc.) received by the CSULB for the Property ("Proceeds"), during the first seven years after the date this Agreement has been fully executed, shall be used to support long-term job creation and the economic redevelopment of, or related to, the Property. Proceeds shall be expended for such purposes as quickly as practicable, but in no event later than 180 days following the end of said seven year period.

(b) Allowable uses of Proceeds pursuant to subparagraph (a) include payment for, or offsetting the costs of public investment, for the following purposes:

- Road construction
- Transportation management facilities
- Storm and sanitary sewer construction
- Police and fire protection facilities and other public facilities
- Utility construction
- Building rehabilitation
- Historic property preservation
- Pollution prevention equipment or facilities
- Demolition
- Disposal of hazardous materials generated by demolition
- Landscaping, grading, and other site or public improvements
- Planning for or the marketing of the redevelopment and reuse of the Property.

Other activities on the Property related to those listed above (for example, new construction related to job creation and economic redevelopment, capital improvements, and operation and maintenance of the Property required to market its redevelopment and reuse) will also be considered allowable uses of Proceeds.

(c) Proceeds may also be expended for the allowable uses enumerated in subparagraph (b) off of the Property; provided, however, in order for expenditures made off of the Property to be considered allowable uses of Proceeds, the CSULB shall first submit appropriate documentation to the Navy for its approval which demonstrates that such investments are related to those listed in subparagraph (b) and directly benefit the CSULB's economic redevelopment and long term job generation efforts on the Property.

(d) Consistent with generally accepted accounting practices, CSULB shall maintain adequate records and books of account for income and expenses related to the redevelopment of the Property, detailing transactions described in subparagraphs (a), (b) and (c). CSULB shall provide the Navy with access to such records and books of account and proper facilities for inspection thereof at all reasonable times.

(e) CSULB shall submit to the Navy an annual financial statement certified by an independent certified public accountant. The statement shall cover the CSULB's use of Proceeds it receives from the sale, lease, or equivalent use of the Property. The first such statement shall cover the 12-month period beginning on the date this Agreement has been fully executed and shall be delivered to the Navy within 60 days of the end of that period and annually thereafter. Once statements have been submitted for the first seven annual periods after this Agreement has been fully executed, this requirement shall be fully satisfied.

3. Recoupment of Proceeds. The Navy may recoup all Proceeds described in paragraph 2(a) which have not been reinvested in allowable uses described in paragraphs 2(b) and 2(c). If recoupment is desired, the Navy shall notify CSULB in writing that it intends to recoup Proceeds in a specific amount, describing why it believes that those Proceeds have not been reinvested as required by paragraph 2. Within 30 days of receipt of such notification, CSULB shall submit its response to the Navy. Within 30 days of receipt of CSULB's response or within 30 days of the date CSULB's response was due under this paragraph, the Navy shall issue its decision on the matter which shall be final and binding on the CSULB. The amount of the recoupment described in the decision shall be paid by CSULB within 30 days of the date the decision becomes final.

4. Preparation of Documentation. CSULB shall prepare and record the reconveyance required by the deed of trust, as well as any other instrument related to the implementation of this Agreement.

5. Submission of Notices. Notice and correspondence under or related to this Agreement shall be in writing and shall be addressed to the addressees set out below or to such addressees as may from time to time be identified by the Parties. Such notice and correspondence may be delivered by hand, express delivery, overnight courier, or by prepaid registered or certified mail, return receipt requested.

If to Navy:

BRAC Operations Office, Long Beach Base Closure Manager
Southwest Division, Naval Facilities Engineering Command
1220 Pacific Highway
San Diego, CA 92132-5190

If to City:

City Manager
City of Long Beach
333 West Ocean Boulevard
Long Beach, CA 90802

If to CSULB:

California State University, Long Beach Foundation
1250 Bellflower Boulevard, SSAD-320
Long Beach, CA 90840-2008

6. Agreement: This Agreement shall not be modified unless in writing and signed by all Parties. No oral statements or representations made by, or on behalf of any of the Parties shall be a part of this Agreement. This Agreement constitutes the entire agreement between the Parties. All prior discussions and understandings on this matter are superceded by this Agreement.

7. Failure To Insist On Compliance. The failure of any Party to insist, in any one or more instances, upon strict performance of any of the terms of this Agreement shall not be construed as a waiver or relinquishment of such Party's right to future performance of this Agreement, but the obligations of the other Party with respect to such future performance shall continue in full force and effect.

(This Space Intentionally Left Blank)

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives on the respective dates set forth beneath each of their signatures and hereby deem this Agreement to be effective as of the latest such date, which date shall be considered the date of this Agreement for all purposes.

THE UNITED STATES OF AMERICA

By: 

Real Estate Contracting Officer

WILLIAM R. CARSILO
REAL ESTATE CONTRACTING OFFICER
DEPARTMENT OF THE NAVY

Date: 11-27-02

CITY OF LONG BEACH

By: 

Acting City Manager

Date: Oct. 15, 2002

APPROVED AS TO FORM

10/14 2002
ROBERT E. SHANNON, City Attorney

By: 

HEATHER A. MAHOOD
ASSISTANT CITY ATTORNEY

ATTEST: 

~~Charles G. Abdelnour, City Clerk~~

Elaine M. Marsh, Acting City Clerk

DATE: 10-15-02

CALIFORNIA STATE UNIVERSITY, LONG BEACH FOUNDATION

By: 

Executive Director

DATE: 10/10/02

By: 

Treasurer

DATE: 10/10/02

History of the Conveyance of the Research and Technology Center from the US Navy to the City of Long Beach

In 1991, the Department of Defense notified the City that it was going to close three Naval facilities in the City, the 60-acre Cabrillo and Savannah Naval housing facilities, the Naval hospital, and a portion of the Naval Station at the port. To study reuse options for these facilities, the City Council established the Naval Properties Reuse Committee.

In 1993, the House of Representatives passed H.R. 3092, providing for the conveyance of the Naval Housing Facilities at Cabrillo to the CSULB Foundation at no cost to permit the development of a Research and Technology Park. (See H.R. 3092, attached as Exhibit "B").

In 1996, the Navy conveyed the following three sites in the City: (i) the 30-acre Cabrillo Naval Housing Facilities to the City on behalf of the CSULB Foundation, (ii) the 26-acre Villages at Cabrillo site to provide housing for the homeless, and (iii) 17 acres to the City for the Job Corps Training Center. The first Economic Development Conveyance employed nationwide was used to transfer the Cabrillo Naval Housing Facilities to the City. The Economic Development Conveyance mechanism is discussed in more detail, below. The purpose of the Center stated in the Economic Development Conveyance Application was to "provide opportunities for established as well as new companies to work together with CSULB to mutually expand technology while also providing needed jobs (and) while expanding research capabilities for the public and private sector."

From 1997 – 1999, the CSULB Foundation received grants for \$5,800,000 from the US Department of Commerce, which it used to demolish the Cabrillo Housing Facilities, and prepare the Center development. The CSULB Foundation then renovated 12,000 square feet of building space on the Site, half of which it leased to the Cole Vocational Center, and the other half it offered free of charge to house a job-incubator use. The Long Beach Enterprise Center, a non-profit entity, was established to operate the job-incubator, and the City Council approved a grant of \$250,000 to fund the use. The Enterprise Center established a Board of Directors, and hired a Director, but never began operating in the Center.

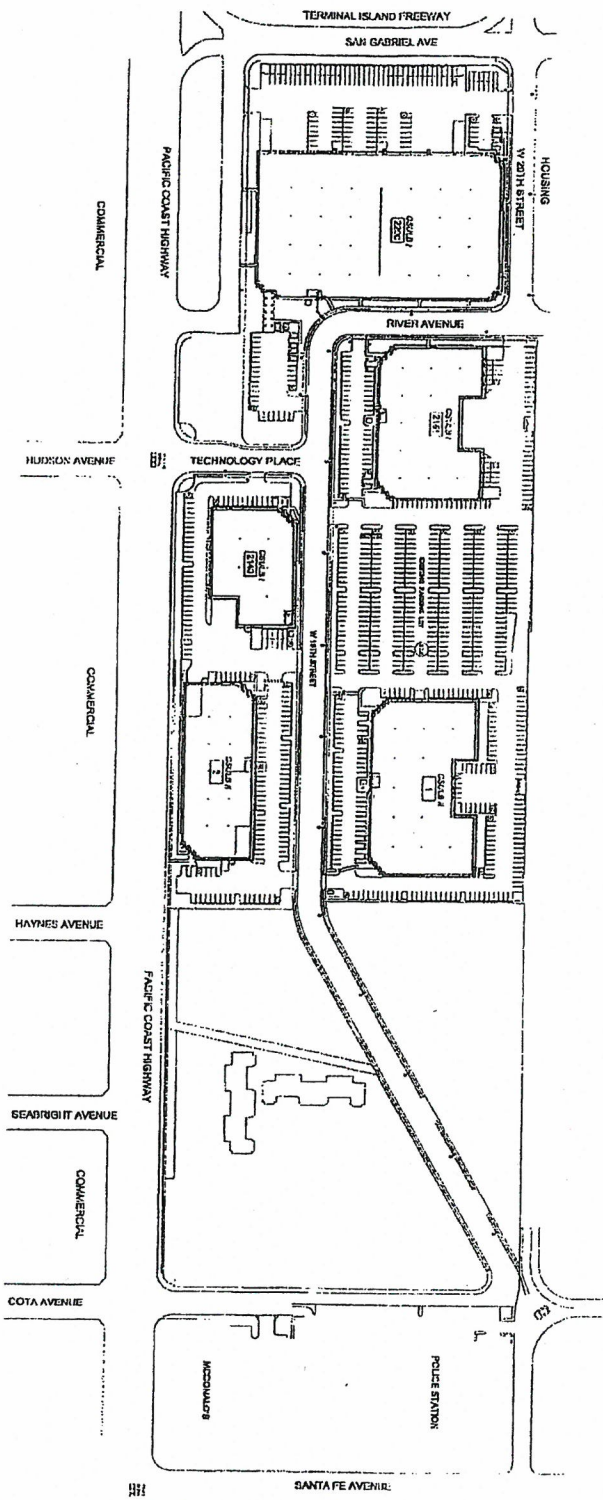
Exhibit "D"

THESE PLANS AND SPECIFICATIONS ARE THE PROPERTY OF THE COMPANY AND ARE NOT TO BE REPRODUCED OR COPIED IN ANY MANNER WITHOUT THE WRITTEN PERMISSION OF THE COMPANY. ANY VIOLATION OF THESE TERMS SHALL BE CONSIDERED A BREACH OF CONTRACT AND SHALL BE SUBJECT TO THE FULL AND COMPLETE REMEDY OF THE COMPANY. THE COMPANY SHALL NOT BE LIABLE FOR ANY DAMAGES, INCLUDING ATTORNEY'S FEES, ARISING OUT OF OR FROM THE USE OF THESE PLANS AND SPECIFICATIONS. THE COMPANY SHALL NOT BE LIABLE FOR ANY DAMAGES, INCLUDING ATTORNEY'S FEES, ARISING OUT OF OR FROM THE USE OF THESE PLANS AND SPECIFICATIONS.

CSULB TECHNOLOGY PARK 2740-2200 TECHNOLOGY PLACE LONG BEACH, CA 90810 SITE LEASE PLAN

VWAT
COMPANIES
2115 GREAT PARK BLVD
SAN ANTONIO, TX 78217

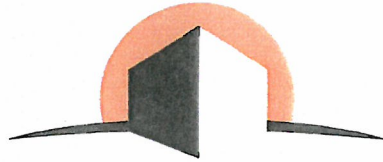
SCALE: 1" = 100'
DATE: APR. 27, 1990
SHEET: 1 OF 1



TOTAL BUILDING SQ. FT.	28,718 SF
PARKING PROVIDED:	882 SPACES
PARKING RATE:	3.000 SF
CONCRETE	1,125 YARDS
ASPHALT	1,125 YARDS
GRASS	1,125 YARDS
LANDSCAPING	1,125 YARDS
UTILITIES	1,125 YARDS
WATER	1,125 YARDS
SEWER	1,125 YARDS
ELECTRICITY	1,125 YARDS
TELEPHONE	1,125 YARDS
HAZARDOUS WASTE	1,125 YARDS
OTHER	1,125 YARDS

TENANT LEGEND			
SUITE	TENANT	SF	
CSULB II	CSULB II	49,725 SF	
2	WARTSILA	34,654 SF	
2740	WARTSILA	23,350 SF	
2151	CONANTMAN COLLEGE	42,712 SF	
2133	EXCEL	104,737 SF	

EXHIBIT "E"



PACIFIC RETAIL PARTNERS

July 2, 2012

Derek Burnham
333 W. Ocean Blvd.
Long Beach, CA 90802

Re: CSULB Foundation Property
NWC PCH and Santa Fe
Long Beach, CA

Dear Mr. Burnham:

The following is a summary of the efforts our firm has taken on behalf of California State University Long Beach Foundation to market the undeveloped 9 acre area within the Technology Park. During the past two years, we have actively marketed the aforementioned site to retail users and developers.

We face two challenges in marketing this site: 1) Addressing CSULB's vision for a development in the Tech Park; and 2) The quality of the users interested in developing new stores in that trade area.

Our marketing efforts targeted the following segments of the retail sector:

- big boxes (75,000 sq. ft.),
- mid size boxes (35,000 to 50,000), and
- junior boxes (15,000 sq. ft. to 30,000 sq. ft.).

We focused on a spectrum of retailers that are currently expanding in the western United States, including, hardware/ home improvement, discounters, home goods, department stores, electronic stores, grocers, drug stores, dollar stores, health clubs, furniture manufacturers, apparel, craft stores, sporting goods, pet stores, office suppliers, banking services, health, and nutrition. We also marketed the site for mixed-use development, and as a neighborhood center with groceries and a Pharmacy that caters to people's everyday needs.

Our marketing efforts to the expanding retailers generated little interest from small and mid-size box users. Most of the small and mid-size boxes rely on anchors to draw customers to their doorstep, and as you know, the 9-acre site is not currently developed. Retail supply and demand in the City is grossly unbalanced. The west side of the City is currently underserved by retail users.

Creating Real Estate Value

911 Studebaker Road, Suite 205, Long Beach, California 90815
tel: (562) 431-8734 fax: (562) 431-1856

EXHIBIT "F"

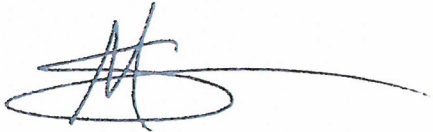
July 2, 2012
Derek Burnham
Page 2 of 2

Most small and mid size boxes are hesitant to commit to that trade area because it has no previous history of sales performance.

In the past, we had interest from home improvement retailers proposing to occupy the entire site, and negotiated with Home Depot. However, in the end, the deal did not come to fruition.

A successful shopping center or retail node in a mature trade area is almost always anchored by a big box retailer that drives customers to that area and benefits other smaller retail users. We are confident that this site will be the catalyst in bringing other national retailers to the underserved west side of Long Beach. Should you have additional questions or comments, please feel free to contact me.

Very truly yours,

A handwritten signature in blue ink, consisting of a stylized 'M' followed by a long horizontal line that curves upwards at the end.

Mark Shenouda
Pacific Retail Partners