



# Building A Better Long Beach

September 21, 2009

## REDEVELOPMENT AGENCY BOARD MEMBERS

City of Long Beach  
California

### RECOMMENDATION:

Approve and authorize the Executive Director to execute a Purchase and Sale Agreement and all other related documents for the acquisition of property at 2144 W. 16<sup>th</sup> Street for a purchase price of \$421,000 plus closing costs; and

Approve and authorize the Executive Director to execute a Loan Agreement and Memorandum of Understanding between the Redevelopment Agency and Cal-Can Holdings, LLC that assists the Redevelopment Agency in acquiring a non-conforming residential property at 2144 W. 16<sup>th</sup> Street. (West Long Beach Industrial – District 1)

### DISCUSSION

One of the goals of the West Long Beach Industrial Redevelopment Plan is to remove non-conforming residential uses and underutilized small grain parcels to satisfy the growth needs of existing businesses within the West Long Beach Industrial Redevelopment Project Area (Project Area). The property is located at 2144 W. 16<sup>th</sup> Street (Property) and is within the Project Area (Exhibit A – Site Map).

The Property has approximately 6,506 square feet of land and is improved with a combination of single-family residences of wood frame and stucco construction and a commercial storage yard (Exhibit B – Site Photograph). An independent appraisal was conducted and determined the fair market value to be \$250,000 with a date of value of February 27, 2008. The purchase price includes a \$146,000 payment to compensate the owners for a substantial amount of interior and exterior improvements done in recent months and to recognize the ability to voluntarily acquire a non-conforming residential property. The property owner has agreed to the voluntary sale of the Property for \$421,000.

In order to meet its expansion needs, Cal-Can Holdings, LLC, dba RedBarn Pet Products (Cal-Can), has offered to participate in this acquisition by executing a loan agreement and entering into a Memorandum of Understanding (MOU) with the

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Redevelopment Agency (Agency) whereby Cal-Can will provide the Agency with a loan in the amount of \$146,000 toward the purchase of the Property. Cal-Can and the Agency will then enter into an Owner Participation Agreement for their own adjacent project once the Property is cleared and combined with the adjacent Agency-owned parcel at 2138 W. 16<sup>th</sup> Street. The sale price will reflect the fair market value and a credit of \$146,000 toward the purchase price of the properties. In the event the Agency elects not to purchase the Property, or if the Agency has not opened escrow within 90 days after the full execution of this MOU, the Executive Director will return the funds to Cal-Can.

Since the purchase of this Property is consistent with the goal of removing non-conforming residential uses and developing small parcels into larger sites to meet the growth needs of existing industrial businesses, Agency staff is recommending acquisition. The existing residential and business tenants will be relocated according to state business relocation law.

The West Long Beach Industrial Project Area Committee (WPAC) determined the acquisition of the Property is consistent with the WPAC's adopted land acquisition policy and recommended acquisition at their October 8, 2008 meeting. Sufficient funding is budgeted for this activity in the West Long Beach Industrial Redevelopment Project Area FY 2009 budget.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



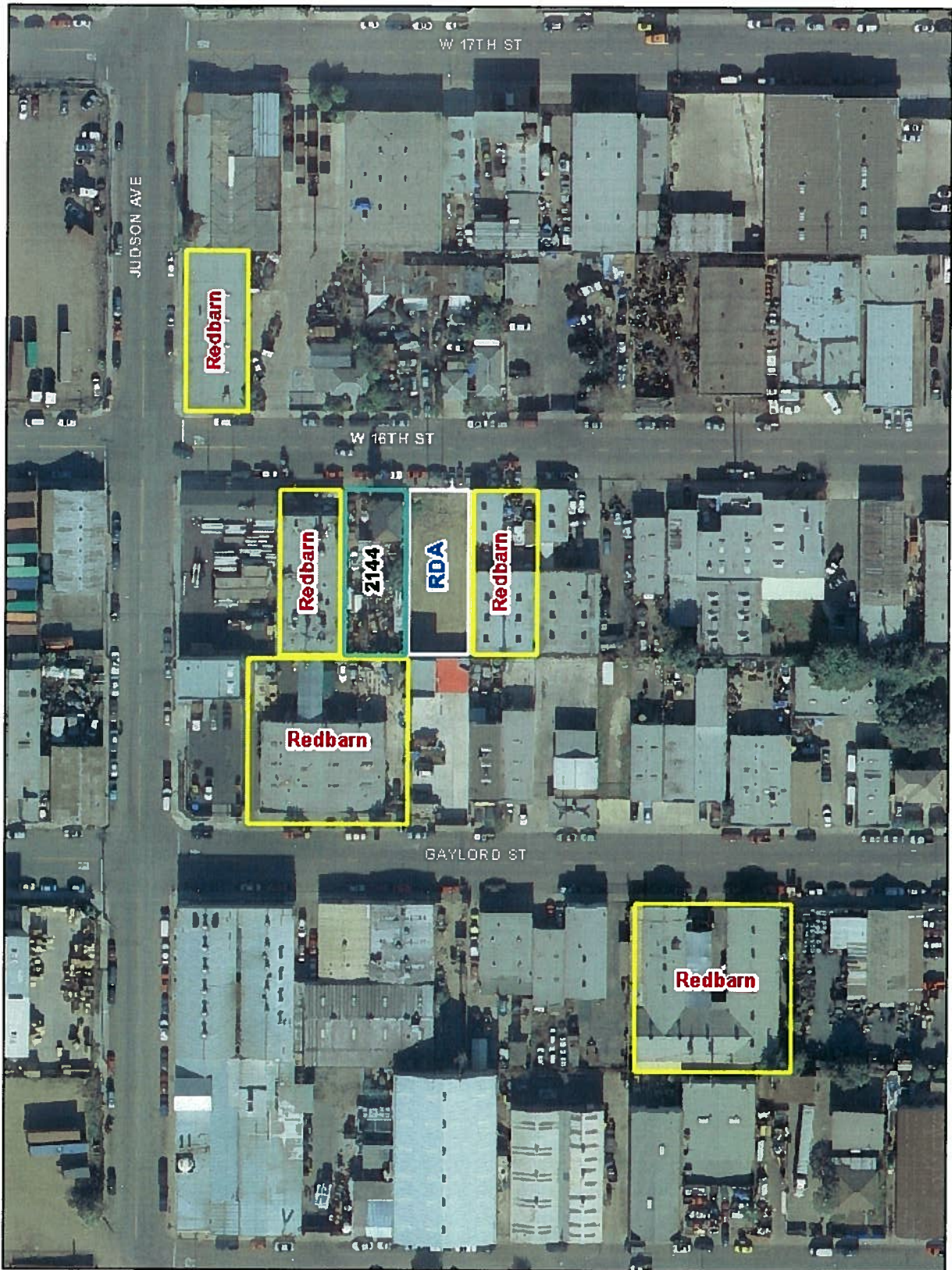
CRAIG BECK  
EXECUTIVE DIRECTOR

CB:AJB:SJ

Attachments: Exhibit A – Site Map  
Exhibit B – Site Photograph



# Exhibit A SITE MAP



**Exhibit B**  
**2144 W. 16<sup>th</sup> Street**

