



Legislation Details (With Text)

File #: 07-1396 **Version:** 1 **Name:** CD-D&D w/ Everbright Mgt at 1515 Judson Ave
Type: Resolution **Status:** Adopted
File created: 11/19/2007 **In control:** City Council
On agenda: 12/4/2007 **Final action:** 12/4/2007
Title: Recommendation to receive supporting documentation into the record, conclude the hearing, and adopt resolution making certain findings; and authorize City Manager to execute a First Amendment to the Disposition and Development Agreement with Everbright Management, LLC, for the development of property at 1515 Judson Avenue. (District 1)
Sponsors: Community Development
Indexes:
Code sections:
Attachments: 1. 120407-H-1sr&att, 2. RES-07-0165.pdf

Date	Ver.	Action By	Action	Result
12/4/2007	1	City Council	approve recommendation and adopt	Pass

Recommendation to receive supporting documentation into the record, conclude the hearing, and adopt resolution making certain findings; and authorize City Manager to execute a First Amendment to the Disposition and Development Agreement with Everbright Management, LLC, for the development of property at 1515 Judson Avenue. (District 1)

On July 1, 2003, the City Council approved a Disposition and Development Agreement (DDA) between the Redevelopment Agency (Agency) and Everbright Management, LLC (Developer) for the development of 1515 Judson Avenue (Site) (Exhibit A). The Developer acquired the land from the Agency on September 12, 2003.

The Developer currently owns an adjacent property and intends to expand its recycling business onto the Site. The Site will be used to operate a bulk paper recycling and processing center only, and will be subject to the conditions of the Conditional Use Permit granted in 2003. In order to accommodate the proposed uses on the Site, the Developer will demolish an existing one-story metal building to construct a new 3,564 square foot two-story industrial building and bale staging area. The additional space will allow the Developer to consolidate his business services within one location in the Project Area.

During the project entitlement process the Developer experienced changes in their corporate structure, thus altering the composition of their company. These changes created challenges for the Developer to meet the development timeline specified by the original DDA, thus the Developer did not commence development of the project.

Subsequently, through negotiations with Agency staff, an amendment to the DDA was agreed upon to assure the development would start and finish within a timely manner.

The amendment to the DDA reflects a new schedule of performance dictating project development

milestones. Section 511 of the DDA, Termination and Damages, was replaced with Termination and Damages: Liquidated Damages, which assesses specific financial penalties for failing to meet the milestones specified in the revised schedule of performance.

Staff also added an Option to Purchase, which allows the Agency to re-purchase the property from the developer at the original 2003 selling price, upon an event that constitutes a material default under the DDA and if the default is not cured within an appropriate amount of time. Hence, staff believes this amendment to the DDA will ensure the property will be developed as planned, and within a timely manner.

Since the DDA involves the sale of land previously purchased by the Agency with tax increment monies, California Redevelopment Law requires that the DDA must also be approved by the City Council by Resolution after a public hearing. The City's Environmental Planning Officer previously determined that the project contemplated by the Agreement qualified for a Categorical Exemption pursuant to the California Environmental Quality Act (CEQA). The proposed amendment to the DDA is not subject to additional CEQA review. The following documents are attached to this staff report: a Site Map, the Categorical Exemption (Exhibit B), a Summary Report of the Agreement as required by Section 33433 of the California Redevelopment Law (Exhibit C), and a City Council Resolution which makes certain findings and authorizes execution of the amendment to the DDA.

This letter was reviewed by Assistant City Attorney Heather Mahood on October 29, 2007 and Budget Management Officer Victoria Bellon October 31, 2007.

City Council action is requested on December 4, 2007, as the Agency and Developer wish to proceed quickly with the development.

There is no fiscal impact associated with this action.

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING THE PROPOSED AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH, CALIFORNIA, AND EVERBRIGHT MANAGEMENT, LLC; 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 AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT

Michael P. Conway
Acting Director of Community Development

NAME
TITLE

APPROVED:

PATRICK H. WEST
CITY MANAGER

Attachments: (see attachments section)

Exhibit A - Site Map

Exhibit B - Categorical Exemption

Exhibit C - Section 33433 Summary Report City Council Resolution