



Legislation Text

File #: 05-2930, **Version:** 1

Recommendation to receive supporting documentation into the record; conclude the hearing; adopt a resolution making certain findings; and approve and authorize the Executive Director of the Redevelopment Agency of the City of Long Beach to execute a Disposition and Development Agreement with Smith-Co Construction, Inc. (District 1)

Redevelopment Agency (Agency) staff has concluded the negotiation of a Disposition and Development Agreement (Agreement) with Smith-Co Construction, Incorporated (Developer) for the sale and development of Agency-owned property located at the northwest corner of Hayes Avenue and 14th Street (Site), consisting of three lots with Assessor Parcel Numbers 7429-018-904,906 and 907 (Exhibit A - Site Map). The Site

is located in the West Long Beach Industrial Redevelopment Project Area (Project Area). The Agreement was approved by the Redevelopment Agency Board at a public hearing on August 22, 2005. Smith-Co Construction, Inc. is a California State Licensed Contractor that has been in business since 1990. They currently lease office space in Long Beach and wish to transition from being a tenant to property owner in the Project Area. The Developer proposes to construct a new 6,100 square foot office and warehouse facility. The development will create four new permanent jobs in the Project Area. The DDA includes the following major provisions:

Under the terms of the Agreement, the Developer will pay the Agency \$15.00 per square foot for the 9,587 square foot Site. The total sale price for the property is \$143,805. The Developer will utilize the Site in accordance with the West Long Beach Industrial Redevelopment Plan and all applicable City codes and regulations, including providing appropriate landscaping, screening and parking. An Agreement Containing Covenants will be recorded at closing. This document will prohibit certain uses, describe maintenance responsibilities and levels of maintenance, and require that any future improvements be subject to the Design Guidelines for the Project Area. If the Developer does not close escrow within 12 months of the date of the Disposition and Development Agreement, the purchase price for the Site will increase by 15 percent. The Developer will provide evidence of financing for the development Site. At its meeting held on March 12, 2003, the Westside Project Area Committee made a recommendation to approve the Developer's conceptual site plan for the project. The Developer entered into an Exclusive Negotiation Agreement with the Agency on June 9, 2003. The City's Environmental Planning Officer has determined that the project contemplated by the Agreement qualifies for a Categorical Exemption under the California Environmental Quality Act (Exhibit B - Categorical Exemption). Since the property was purchased by the Agency with tax increment monies, California Law requires that this sale must also be approved by the City Council by resolution after a public hearing. The City Council will hold a public hearing on August 23, 2005. Pursuant to California Redevelopment Law, the Agency has made available for public inspection and reproduction a Summary Report (Exhibit C - Section 33433 Summary Report) that contains the following: The estimated value of the interest to be conveyed, determined at the highest and best use permitted under the Redevelopment Plan; The estimated value of the interest to be conveyed, and with the conditions, covenants and development costs required by the Agreement; The purchase price; The cost of the Agreement to the Agency; The net cost benefit to the Agency; An explanation of why the sale of the Site will assist in the elimination of blight; and An explanation of

why the sale of the Site is consistent with the Agency's AB 1290 Implementation Plan. The following documents are attached to this staff report: Site Map, the Categorical Exemption, a Summary of the Agreement (as required by Section 33433 of the California Redevelopment Law), and an Agency Resolution which makes the necessary findings required by Section 33433 and authorizes the execution of the Agreement. This item was reviewed by Heather A. Mahood, Assistant City Attorney on July 13, 2005 and Budget Management Officer David Wodynski on August 15, 2005.

An August 23, 2005 public hearing date is requested in order to accommodate the time restriction of the Disposition and Development Agreement and to allow sufficient time to close escrow and initiate project construction prior to the end of Fiscal Year 2005.

The property will be purchased by the Developer, who has provided evidence of financing for the development of the Site. No City or Agency funding is required. Proceeds from the land sale will be deposited into the Department of Community Development Redevelopment Agency Project Income Fund RD225.

Approve recommendation.

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 SMITH-CO
CONSTRUCTION; 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

[Respectfully Submitted,]