



Legislation Text

File #: 09-0577, **Version:** 1

Recommendation to adopt resolution making certain findings regarding the construction of public improvements to modernize the CityPlace Parking Structures (A, B, and C) with funds from the Downtown Redevelopment Project Area;

On September 12, 2000, the City of Long Beach (City) and the Redevelopment Agency (Agency) entered into an Owner Participation Agreement with Coventry Long Beach Plaza, LLC, later known as Developers Diversified Realty (DDR), for the acquisition and development of the former Long Beach Plaza site, an enclosed shopping mall that included a multi-level parking structure. As part of the CityPlace development, the Long Beach Plaza parking structure was redesigned and subdivided into three separate structures, commonly known as CityPlace A, B, and C.

The parking equipment at CityPlace A, B, and C was installed nearly a decade ago. The equipment (including gate arms, parking ticket dispensers, and exit booths) is antiquated and prone to maintenance problems. The operational design is inefficient and results in high labor costs and less than optimal service. Among the goals of the Downtown Redevelopment Project Area is the retention and attraction of businesses. A primary factor in a business' decision to locate to or remain in a particular area is convenient, affordable parking. In order to provide such parking, it is crucial that operations at CityPlace A, B, and C be at peak performance and capability.

To assist the City's budget condition and to ensure a positive experience for Downtown residents and business patrons parking at the CityPlace garages, the Agency took the following actions on May 18, 2009: 1) approved the payment of Fiscal Year 2009 (FY09) and Fiscal Year 2010 (FY10) debt service on the 2001 Long Beach Plaza Parking Revenue bonds (2001 Bonds) and 2) approved a contract with Amana McGann to provide and install automated parking equipment.

The Amano McGann contract is for an amount not to exceed \$990,000. Under the contract, Amano McGann will install two pay-on-foot stations at each of the structures, along with entry and exit equipment to accommodate monthly parkers and to process exit tickets. In addition, 20 surveillance cameras will be placed in each structure to increase patron security. These improvements are estimated to save the City \$400,000 annually due to decreased labor and operating costs.

The 2001 Bonds were issued to cover the costs to reconstruct the Long Beach Plaza Parking Facility into CityPlace A, B, and C. Debt service payments during FY09 are \$828,370 and \$829,460 in FY10 for a combined total of \$1,657,830.

California Redevelopment Law provides that a Redevelopment Agency may, with the consent of the City Council, pay for public improvements, if the City Council determines all of the following:

- That the installation of such public improvements is of benefit to the redevelopment project area or the immediate neighborhood in which the public improvement project is located.

- That no other reasonable means of financing the public improvements are available to the community.
- That the payment of Agency funds for the installation of public improvements will assist in the elimination of one or more blighting conditions within the project area.

Because the Agency is funding the construction of these public improvements, these findings must be made. Attached are resolutions making the necessary findings for the aforementioned public improvements with redevelopment funds in the Downtown Redevelopment Project Area.

The City will realize significant cost savings as a result of the automated equipment installed by the Agency. In recognition of the benefit accruing to the City, the City will share 50 percent of net operating revenues from the CityPlace garages with the Agency until the Agency has been reimbursed for installation of the automated parking equipment (up to \$990,000).

This letter was reviewed by Chief Assistant City Attorney Heather Mahood on May 19, 2009, and by Budget Management Officer Victoria Bell on May 20, 2009.

City Council action is requested on June 9, 2009, to expedite these public improvements and to start garnering the financial benefits as quickly as possible.

Debt service payments for FY09 are \$828,370 and \$829,460 in FY10, for a total of \$1,657,830. The cost to purchase the automation equipment is less than \$990,000, which includes installation, freight, tax, and a 30-percent contingency fee in the amount of \$227,628.

Funding for this equipment and debt service is available in the Redevelopment Fund (RD) in the Department of Development Services (DV). During the next two years, this action will save the City up to \$2,647,830 in the General Fund (GP).

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH MAKING CERTAIN FINDINGS REGARDING THE CONSTRUCTION OF CERTAIN PUBLIC IMPROVEMENTS WITH REDEVELOPMENT FUNDS (CITY PLACE PARKING STRUCTURE MODERNIZATION)

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APPROVED:

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