



## Legislation Text

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**File #:** 21-0496, **Version:** 1

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Recommendation to authorize City Manager, or designee, to execute any and all necessary documents with City Ventures, LLC, a Delaware limited liability company, or affiliate (Buyer), for the reduction in sale price of 4800 Long Beach Boulevard, Assessor Parcel Numbers 7133-010-900, -901, -902, -903, -904, for a total purchase amount of \$1,109,056. (District 8)

On June 21, 2016, the City Council authorized the sale of property located at 4800 Long Beach Boulevard (Subject Property) (Attachment). The Subject Property totals approximately 48,127 square feet and is currently unimproved. The total sales price approved was \$1,250,000, or approximately \$26 per square foot.

The Subject Property is in escrow and a proposed development was approved by the Planning Commission on June 18, 2020. As a condition of approval, it was determined that a dedication of 13 feet of right-of-way along Long Beach Boulevard and 8 feet of right-of-way along East 49<sup>th</sup> Street adjacent to the project site would be needed by the City for future street widening projects. As a result, only 42,706 square feet remain as developable square footage of the Subject Property. The Buyer has requested a proportionate reduction in the sale price of approximately \$140,944, which is equal to the original sale price of \$26 per square foot, for a revised total sales price of \$1,109,056. The revised sale price remains the highest price offered and provides the best value for the City. Additionally, the sale of the Subject Property remains consistent with the Successor Agency's revised Long-Range Property Management Plan and dissolution law.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on May 11, 2021 and by Budget Management Officer Rhutu Amin Gharib on May 12, 2021.

City Council action is requested on June 1, 2021, to facilitate the closing of escrow on the Subject Property, which will allow development to commence in a timely manner.

The requested action approves a reduction in the purchase price from \$1,250,000 to \$1,109,056 to compensate for the decrease in developable square footage of the Subject Property. Sale proceeds of \$1,109,056, less escrow and closing fees, commission, and recovery of administrative costs, will be remitted to the Los Angeles County Auditor-Controller (County) for distribution to the affected taxing agencies. The net proceeds available for remittance is estimated to be \$931,607. The County will distribute the net proceeds to the affected taxing agencies based on their share of the 1 percent tax rate. The City's share is approximately 21 percent, which is estimated to be \$195,637.

Consistent with City Council policy direction, 75 percent of the City's proceeds will be

retained for non-recurring economic programs in the former North Long Beach Project Area, and 25 percent will be retained for non-recurring economic programs with a Citywide impact. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

Approve recommendation.

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JOHN KEISLER  
DIRECTOR OF ECONOMIC DEVELOPMENT

APPROVED:

THOMAS B. MODICA  
CITY MANAGER