



## Legislation Text

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**File #:** 09-1146, **Version:** 1

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Recommendation to receive supporting documentation into the record, conclude the public hearing, and adopt resolution making certain findings for an Owner Participation Agreement with Parker Diving Service, Inc., for development of 1650 Seabright Avenue and 1881 West 16th Street; and

Request City Manager, or designee, to accept an easement deed for alley widening at 1650 Seabright Avenue and 1881 West 16th Street. (District 1)

The Long Beach Redevelopment Agency (Agency) has concluded the negotiation of an Owner Participation Agreement (Agreement) with Parker Diving Service, Inc. (Developer), for the sale and development of Agency owned properties located at 1650 Seabright Avenue and 1881 West 16th Street (Site) (Exhibit A - Site Map). The Site is located in the Westside Industrial Redevelopment Project Area.

The Developer is the oldest continually operating diving company in California. It has been servicing the Ports of Long Beach and Los Angeles since 1945, and currently holds the General Diving Services contract for the Port of Long Beach. The company employs highly experienced diver-technician teams for underwater surveys; inspections; damage assessments; repairs; maintenance; and remediation of hazardous materials in and around harbors, marinas and construction projects worldwide. The Developer is owned and operated by management personnel who formerly worked as civilian employees for the United States Navy and have over 30 years experience in this field. Their work with the government also included diving in the Naval Nuclear Program as quality control inspectors and the development and engineering of special underwater equipment for nuclear submarines.

In 2004, the Agency facilitated the Developer's relocation to Long Beach through a property acquisition at 1651 Seabright Avenue. Since then, the company has enjoyed a continuous increase in business creating a need for additional space. The Developer intends to purchase the Agency property to construct an approximately 5,000-square-foot warehouse and office space with on-site parking.

The Agreement includes the following major provisions:

- Under the terms of the Agreement, the Developer will pay the Agency \$32.50 per square-foot, or \$242,255 as compensation for the approximately 7,454-square-foot Agency-owned properties.
- The Developer will utilize the Site in accordance with the West Long Beach Industrial Redevelopment Plan and all applicable City of Long Beach codes and regulations including providing appropriate landscaping and screening.

- 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.
- The Developer agrees to close escrow within six months of the date of the Agreement and complete construction on the Site within 180 days.

At its meeting held on November 12, 2008, the Westside Project Area Committee made a recommendation to approve the Developer's conceptual site plan for the project (Exhibit B - Site Improvement Plan). The Agency Board approved the Agreement at its meeting of September 21, 2009.

Since the Site 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.

Development requirements for this site include the widening of the existing 16-foot-wide alley to 20 feet, with a dedication of two feet coming from this development. As a part of this action, we recommend that City Council approve the dedication of the two feet by the Agency prior to transferring the property to Parker Diving Service, Inc.

In conformance with the California Environmental Quality Act, Categorical Exemption No. CE-37 -09 was issued for this project (Exhibit C - City of Long Beach Notice of Exemption).

Pursuant to California Redevelopment Law, the Agency has made available for public inspection and reproduction a Summary Report (Exhibit D - 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.
- An explanation of why the sale of the site is consistent with the Agency's AB 1290 Implementation Plan.

This letter was reviewed by Chief Assistant City Attorney Heather A. Mahood on September 30, 2009 and by Budget and Performance Management Bureau Manager David Wodynski on October 6, 2009.

City Council action is requested on November 3, 2009, as the Agency and Developer wish to proceed with an escrow closing on or before December 31, 2009.

The proceeds of \$242,255 from the proposed property exchange will be deposited into the Redevelopment Fund (RD) in the Department of Development Services (DV). The Developer will pay the Agency with private funds. There will be no impact to the General Fund relative to the property disposition. The Agency will pay the document-processing fee of \$1,057 required for the dedication of alley right-of-way, and this shall be deposited in the General Fund (GP) in the Department of Public Works (PW).

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING THE PROPOSED OWNER PARTICIPATION AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH, CALIFORNIA, AND PARKER DIVING SERVICE, INC.; FINDING THAT THE CONSIDERATION FOR THE SALE OF CERTAIN REAL PROPERTY IN THE WEST LONG BEACH INDUSTRIAL REDEVELOPMENT PROJECT AREA 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 OWNER PARTICIPATION AGREEMENT

CRAIG BECK  
DIRECTOR OF DEVELOPMENT SERVICES

MICHAEL P. CONWAY  
DIRECTOR OF PUBLIC WORKS

NAME  
TITLE

APPROVED:

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PATRICK H. WEST  
CITY MANAGER