



Legislation Text

File #: 21-0555, **Version:** 1

Recommendation to authorize City Manager, or designee, to execute all documents necessary for a Second Amendment to Exclusive Negotiation Agreement No. 35865 with Gundry Partners, LP, dba Howard CDM, for the continuation of negotiations in connection with the proposed development of the former Long Beach Armory, at 854 East Seventh Street. (District 1)

On February 2, 2021, the City Council authorized Exclusive Negotiating Agreement No. 35865 (ENA) to allow Gundry Partners, LP, dba Howard CDM (Howard CDM), to enter into negotiations with the City of Long Beach (City) for the potential development and long-term lease of the former Long Beach Armory (Armory) at 854 East Seventh Street. Howard CDM proposes developing a 100 percent affordable housing development, various improvements to Gumbiner Park, and adaptive reuse of the Armory building to accommodate arts-focused uses. Negotiations for these items are ongoing and will push past the initial 90-day term, which expired on June 10, 2021. The City and Howard CDM have executed the First Amendment to the ENA, which will extend it through September 11, 2021.

After executing the First Amendment, Howard CDM notified the City that it needs the ENA to be in place beyond September 11, 2021, to accommodate its application for the State of California Department of Housing and Community Development's Infill Infrastructure Grant Program. Staff considers this to be a reasonable request, as funding will affect Howard CDM's proforma for the project and the viability of a long-term lease. To that end, a Second Amendment to the ENA would be necessary to extend the term for an additional consecutive 90 days through December 10, 2021. To provide for any contingencies or delays, Howard CDM will also have an option to extend for another consecutive 90 days should Howard CDM and the City require more time to negotiate.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on June 1, 2021 and by Budget Management Officer Rhutu Amin Gharib on May 31, 2021.

City Council action is requested on June 15, 2021, to ensure the Second Amendment to the ENA can be executed in a timely manner.

There is no known fiscal impact associated with this recommendation at this time. 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