



Legislation Text

File #: 21-0497, **Version:** 1

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 5100 Long Beach Boulevard, Assessor Parcel Numbers 7131-032-900, -905, -908, -909, -910, -911, -912, -913, for a total purchase amount of \$2,214,727. (District 8)

On May 24, 2016, the City Council authorized the sale of property located at 5100 Long Beach Boulevard (Subject Property) (Attachment). The Subject Property totals approximately 75,376 square feet and is assembled into nearly a block of vacant land. The total sales price approved was \$2,500,000, or approximately \$33 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 8 feet of right-of-way along Cedar Avenue, 3 feet of right-of-way along East Sunset Street, 10 feet of right-of-way along East Home Street, and between 3 and 13 feet of right-of-way along Long Beach Boulevard adjacent to the project site would be needed by the City for sidewalk improvements and future street widening projects. As a result, only 66,731 square feet remain as developable square footage of the Subject Property. The Buyer has requested a proportionate reduction in the sale price of approximately \$285,273, which is equal to the original sale price of \$33 per square foot, for a revised total sales price of \$2,214,727. The revised sale price does not represent the highest price offered but does provide 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 and by Budget Management Officer Rhutu Amin Gharib on May 11, 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 \$2,500,000 to \$2,214,727 to compensate for the decrease in developable square footage of the Subject Property. Sale proceeds of \$2,214,727, 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 \$1,860,371. 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 \$390,678.

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