

# 25 REVISED

September 3, 2024

Honorable Mayor and City Council  
City of Long Beach  
California

## RECOMMENDATION:

Recommendation to authorize the City Manager, or designee, to execute an amendment to the Amended and Restated Access and Demolition Agreement with Plenary Properties Long Beach LLC, Mid Block Site Devco LP, and Mid Block Demo LLC, all of Los Angeles, CA for the ongoing maintenance of the Mid Block site; and,

Increase appropriation in the Civic Center Fund Group in the Public Works Department by \$299,778, offset by a reduction in the \$6,000,000 receivable from Plenary Properties Long Beach, LLC. (District 1)

## DISCUSSION

City Council approval is requested to amend the agreement with Plenary Properties, Mid Block Site Devco, and Mid Block Demo for ongoing maintenance of the Mid Block site and increase appropriations.

On December 15, 2015, the City Council approved a project agreement with Plenary Properties Long Beach LLC (Plenary), for the design, build, finance, operation, and maintenance of a new Long Beach Civic Center, including City Hall, Main Library, Port Administration, and revitalized Lincoln Park (Project). At that time, the City Council approved a contract contingency to address various design updates and unforeseen conditions that might occur during construction. Over the past five years, the Project team and City of Long Beach's (City) leadership have worked to design and construct facilities that meet the requirements of City operations and sustainability targets within the approved budget and contingency.

On October 30, 2020, Plenary achieved final completion on the following facilities: City Hall, Port Administration, and Main Library. The new Lincoln Park (Park) is now open and old City Hall demolition is complete.

As specified in the agreement, the City team is working to transfer the old City Hall site (Mid Block) to Plenary or its designee for proposed development. On February 16, 2021, City Council authorized the execution of a Fourth Amendment to the project agreement and any other documents or agreements necessary, which included an Amended and Restated Access and Demolition Agreement (Agreement), to allow Plenary to proceed with old City Hall demolition activities prior to the transfer of Mid Block. The demolition has been completed but there is currently no development timeline. The City and Plenary are proposing a second amendment

to the Amended and Restated Access and Demolition Agreement in order to formalize a cost sharing arrangement for the maintenance of the Mid Block site. The proposed second amendment shall include the following major terms:

- Parties: City of Long Beach, Plenary Properties Long Beach LLC, Mid Block Site Devco LP, and Mid Block Demo LLC.
- Maintenance Obligations: Mid Block Site Devco LP shall secure and dewater the Mid Block site and remove all trash, debris and vegetation as necessary from the Mid Block site.
- Cost Sharing: City shall be responsible for 50 percent of the actual costs incurred by Mid Block Site Devco LP in performing the non-dewatering maintenance obligations and dewatering obligations prior to March 7, 2024. The term for the costs is from September 6, 2022, to March 31, 2024. The City has paid these cost to Plenary through a payment reduction from Plenary's Developer's Reimbursement Obligations of the Project Agreement.
- Dewatering Cost Sharing: City shall be responsible for 25 percent of the actual costs of dewatering the Mid Block site when necessary starting March 7, 2024, and thereafter when necessary.
- City shall pay its share of such costs through March 31, 2024, in an amount equal to \$299,778, and shall thereafter pay its share of actual costs quarterly.

This matter was reviewed by Deputy City Attorney Vanessa S. Ibarra on August 5, 2024, and by Budget Management Officer Nader Kaamoush on August 16, 2024.

### TIMING CONSIDERATIONS

City Council action is requested on September 3, 2024, so that needed site maintenance can commence.

### FISCAL IMPACT

The amended agreement will result in a cost share for maintenance of the Mid Block site. An appropriation increase in the amount of \$299,778 is requested in the Civic Center Fund Group in the Public Works Department, offset by a reduction in the \$6,000,000 receivable from Plenary Properties Long Beach, LLC. This is for backpay to Plenary for maintenance costs already incurred. The City has received the payment for the receivable net of these shared cost and agreed interest accumulated on the receivable for a final amount of \$5,846,244 deposited in the Civic Center Fund Group.

The estimated costs to the City is \$25,000 per month on an on-going basis, based on previous Mid-block site maintenance costs. This estimate is subject to change based on future maintenance needs of the site. These future costs will be offset by revenue from the annual Civic Center Memorandum of Understanding (MOU), which reallocates Civic Center charges to Civic Center departments and funds. If future maintenance costs cannot be absorbed by the Civic Center Fund Group, the Public Works Department will return to City Council to request

additional appropriation.

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.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



Eric Lopez  
Director  
Public Works

APPROVED:



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THOMAS B. MODICA  
CITY MANAGER