

March 19, 2024

Honorable Mayor and City Council
City of Long Beach
California

RECOMMENDATION:

Recommendation to authorize the City Manager, or designee, to execute all documents necessary for a Right-of-Entry Permit with Holland Construction, Inc., for the use of City-owned property located adjacent to 6700 East Pacific Coast Highway for construction trailer staging and contractor vehicle parking purposes in connection with the adjacent development project, for a term of 30 months. (District 3)

DISCUSSION

On April 18, 2023, the City Council denied an appeal of Planning Commission approval for the redevelopment of a 2.61-acre site located at 6700 Pacific Coast Highway, consisting of the demolition of all existing structures on the site and construction of a new mixed-use project consisting of 281 residential dwelling units, thirteen of which are affordable (very low income), 3,100 square feet of commercial/retail space in a building with 592,100 square feet of area including a minimum of 507 vehicular parking spaces, 142 bicycle parking spaces, and 27,534 square feet of common and private open space area (Project). Upon City Council determination, the developer of the Project, Holland Construction, Inc. (Permittee), reached out to the City expressing a desire to utilize a portion of a City-owned parcel located at 280 Marina Drive (Subject Property), directly adjacent to the Project, for the express purpose of construction trailer staging and contractor vehicle parking. The Subject Property measures approximately 20,436 square feet and contains greenspace and trees.

The Permit term will be for a period of 30 months, commencing on a date to be determined based on the readiness of the Project, which will be memorialized by the Permittee providing notice of its intent to begin occupation of the Subject Property. If the City has not received notice by July 1, 2025, the Permit will automatically terminate. If construction of the Project commences but is not completed within the 30-month term, the Permit will automatically extend on a month-to-month basis, but in no event will it extend beyond 48 months. The Permittee may also terminate the Permit at any time with 30 days' advance written notice. The Permittee will pay an occupancy fee of \$6,131 per month, pro-rated daily for any partial occupancy month. The Permittee shall not use the Subject Property for any other purposes and will be required to protect the trees in place during its use and restore the property back to its original condition upon completion.

The proposed Right-of-Entry Permit contains the following major terms and provisions:

<u>City/Permittor:</u>	City of Long Beach, a municipal corporation.
<u>Permittee:</u>	Holland Construction, Inc., a Washington corporation.
<u>Permit Area:</u>	20,436 square feet of City-owned property located at 280 E. Marina Drive.
<u>Permitted Uses:</u>	Construction trailer staging and contractor vehicle parking in connection with the Permittee's development project adjacent to the Premises at 6700 E. Pacific Coast Highway.
<u>Permit Fee:</u>	The Monthly Permit Fee shall be \$6,131 per month, pro-rated daily for any partial occupancy month, payable in advance of each month.
<u>Term:</u>	30 months commencing on a date to be determined by Permittee based on readiness of development project. However, Permit will be terminated if development project has not commenced before July 1, 2025.
<u>Renewals:</u>	If construction is not completed during the Term, the Permit will automatically extend on a month-to-month basis until completed. In no event shall the term of the Permit extend beyond 48 months.
<u>Termination:</u>	At any time during the term, the Permittee may terminate the Permit upon 30 days' advance written notice for any reason or no reason. City may only terminate Permit in the event Permittee fails to comply with any of its obligations and fails to cure such default within ten business days after written notice from the City.

This matter was reviewed by Principal City Attorney Richard F. Anthony on February 28, 2024, and Budget Management Officer Nader Kaamoush on March 1, 2024.

TIMING CONSIDERATIONS

City Council action is requested on March 19, 2024, in order to execute the Right-of-entry Permit.

LEVINE ACT

This item is subject to the Levine Act. The Mayor, Councilmembers, and Commissioners who have received a contribution of more than \$250 within 12 months prior from a party, participant,

or their representatives involved in this proceeding may do either of the following: (1) disclose the contribution on the record and recuse themselves from this proceeding; OR (2) return the portion of the contribution that exceeds \$250 within 30 days from the time the elected official knew or should have known about the contribution and participate in the proceeding.

All parties, participants, and their representatives must disclose on the record of this proceeding any contribution of more than \$250 made to the Mayor or any Councilmembers within 12 months prior to the date of the proceeding. The Mayor, Councilmembers, and Commissioners are prohibited from accepting, soliciting, or directing a contribution of more than \$250 from a party, participant, or their representatives during a proceeding and for 12 months following the date a final decision is rendered.

FISCAL IMPACT

Upon commencement, a monthly Permit Fee in the amount of \$6,131 per month will be deposited into the General Fund Group in the Economic Development Department. The commencement date is unknown. As the Permittee must notify the City of its intent to start occupancy by December 31, 2024, revenue will likely be received beginning sometime in FY 25. 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,



Bo Martinez
Director
Economic Development

APPROVED:



THOMAS B. MODICA
CITY MANAGER