

Date: May 2, 2023

To: Thomas B. Modica, City Manager 

From: Bo Martinez, Director of Economic Development 

For: Mayor and Members of the City Council

Subject: **Update on the Disposition of Former Fire Station 9 Located at 3917 Long Beach Boulevard**

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The purpose of this memorandum is to provide an update to the City Council regarding the next steps for the former location of Fire Station 9.

### **Background**

In memorandums dated [August 20, 2019](#), [January 27, 2020](#), and [July 6, 2020](#), City staff provided the City Council with information regarding the relocation of apparatus and personnel from Fire Station 9, located at 3917 Long Beach Boulevard (Subject Property). Given concerns over water penetration into areas inhabited by Fire Department personnel, the history of active mold in the station, illnesses reported by crew members, and the extent of required repairs, Engine 9 was relocated to Fire Station 16 (2890 East Wardlow Road), while Rescue 9 was moved to Fire Station 13 (2475 Adriatic Avenue). These apparatuses, and their respective crews, operated out of these locations for approximately 14 months until a single site could be found to house both Rescue and Engine 9.

On [July 14, 2020](#), the City Council authorized Lease No. 35645 for 2019 East Wardlow Road to allow Fire Station 9 to operate out of this temporary location until a permanent replacement site could be purchased, entitled, and constructed. On [August 11, 2020](#), the City Council authorized the purchase of 4101 Long Beach Boulevard as the permanent replacement site for Fire Station 9. The City of Long Beach (City) took ownership of the replacement site on December 29, 2020, and the design process for the construction of a new Fire Station 9 facility is currently underway.

In a memorandum dated [April 5, 2021](#), staff outlined immediate next steps related to the disposition process providing the opportunity to reactivate the Subject Property, generate sales proceeds, and generate property tax by returning the Subject Property to the tax rolls. Next steps included compliance with Surplus Land Act and then either issuing a Request for Proposal or a competitive listing to dispose of the Subject Property.

### **Surplus Land Act**

The Surplus Land Act (SLA), as codified in Government Code Section 54220 *et seq.*, requires all public agencies to prioritize affordable housing as well as parks and open space when disposing of surplus land. Surplus land is land owned by a local agency that is determined to be no longer necessary for the agency's use and declared as either "surplus" or "exempt surplus" at a regular public meeting of the agency's governing body. As the Subject Property did not qualify as exempt under the SLA, the City Council adopted a Resolution declaring the Subject Property as Surplus at its meeting held [October 5, 2021](#).

In compliance with SLA Procedures, a Written Notice of Availability was issued on December 9, 2021 to the following required entities:

- For the purposes of developing low- and moderate-income housing, a written notice of availability of surplus land shall be sent to any “local public entity” as defined in Health and Safety Code Section 50079 within whose jurisdiction the surplus land is located and to “Housing Sponsors” that have notified the California Department of Housing and Community Development (HCD) of their interest in surplus land. Local public entities include the Long Beach Community Investment Company and the Housing Authority of the City of Long Beach.
- For open space purposes, a written notice of availability of surplus land shall be sent to the Los Angeles County Department of Parks and Recreation, Los Angeles County Regional Park and Open Space District, the State Resources Agency or any agency that may succeed to its powers.
- For the purpose of use by a school district for school facilities construction or open space purposes, a written notice of availability of the surplus land shall be sent to the Long Beach Unified School District.

The entities noticed are provided 60 days to submit a letter of interest to the City, at which point the City would enter into good faith negotiations with all such entities for a period of 90 days. No letters of interest were received, the clearing the way for disposition either through a competitive process. As a result of the Surplus Land Act process, the City is required to record a covenant on the Subject Property that requiring that should residential development of 10 or more units occur, 15 percent of the total units will be restricted for affordable housing.

### **Request for Proposal**

Disposition of City-owned property is usually accomplished through either the Request for Proposals (RFP) process or competitive listing or sometimes both if one is unsuccessful. The RFP process includes preparing the scope of the solicitation, 30-60-day circulation period, and a 60-day evaluation period before a selection is determined. Certification of the RFP and the selected respondent are both subject to City Council approval. A competitive listing is an open market competition whereby the City lists the property for sale with a licensed real estate broker. Through this competitive process, the fair market value is determined by formal offers submitted by potential buyers. The City would set the lower limit of what it will accept as a purchase price.

To that end, an RFP process was initiated to allow the City to dispose of the Subject Property while retaining the ability to manage outcomes, including possible development/adaptive reuse of the Subject Property in its highest and best use. Potential uses noted in the RFP that the City would consider included:

- Open space for passive recreation
  - Community or recreational center
  - Affordable housing
  - Commercial (office, retail, services)
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- Institutional (government, education, public safety, workforce development)
- Public benefit (community development, nonprofit or social services)
- Other uses, as identified through the disposition process

On October 28, 2022, the City posted RFP ED 22-149 (Subject RFP) for the sale and development/adaptive reuse of the Subject Property. In-person site visits were conducted on November 1 and December 1, 2022, during which prospective bidders were allowed to tour the Subject Property. Considering significant community interest in the Subject Property and to give prospective bidders more time to prepare bids, the RFP closing date was extended from December 29, 2022, to January 17, 2023. Although numerous prospective bidders toured the Subject Property and registered as bidders on LB Buys, no bids were received, and the RFP closed without response.

As no responses were received, staff has assigned the Subject Property's disposition to a broker from the City's on-call list, who evaluates market conditions, determines a recommended listing value, and lists the Subject Property on the open market on City's behalf. Once listed, the Subject Property will be subject to offers, which the City and Broker will collaboratively review. Once the buyer(s) are chosen, staff will return to an open session of the City Council for authorization to execute a Purchase and Sale Agreement before proceeding to escrow. Staff anticipates listing the Subject Property in the next 30-60 days.

Any proceeds from the sale of Subject Property will accrue to the General Fund in the Economic Development Department. Staff will return to an open session of the City Council to authorize a Purchase and Sale Agreement with the buyer(s), pending the outcome of the broker listing.

For any questions, please contact Bo Martinez, Director of Economic Development, at [bo.martinez@longbeach.gov](mailto:bo.martinez@longbeach.gov) or (562) 570-5282.

CC: DAWN MCINTOSH, CITY ATTORNEY  
DOUGLAS P. HAUBERT, CITY PROSECUTOR  
LAURA L. DOUD, CITY AUDITOR  
LINDA F. TATUM, ASSISTANT CITY MANAGER  
TERESA CHANDLER, DEPUTY CITY MANAGER  
KATY NOMURA, DEPUTY CITY MANAGER  
APRIL WALKER, ADMINISTRATIVE DEPUTY CITY MANAGER  
KEVIN LEE, CHIEF PUBLIC AFFAIRS OFFICER  
MONIQUE DE LA GARZA, CITY CLERK  
DEPARTMENT DIRECTORS