



OVERSIGHT BOARD

OF THE CITY OF LONG BEACH AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH

333 West Ocean Blvd., 3rd Floor, Long Beach, CA 90802 Phone: 562.570.6615 Fax: 562.570.6215

June 4, 2012

OVERSIGHT BOARD MEMBERS

RECOMMENDATION:

Approve of the decision of the City Council of the City of Long Beach, as Successor Agency to the Long Beach Redevelopment Agency, for the sale of property located at 225 Locust Avenue to Mark S. Schneider and Nancy J. Schneider, Trustees of the Schneider Family Trust dated December 29, 1994, in the amount of \$322,101.

DISCUSSION

Staff has concluded the negotiation of a Purchase and Sale Agreement (Agreement) with Mark S. Schneider and Nancy J. Schneider, Trustees of the Schneider Family Trust dated December 29, 1994 (Purchaser), for the sale of City-owned property located at 255 Locust Avenue (Subject Property), Assessor Parcel Numbers 7280-020-900 and 7280-020-906 (Exhibit A – Site Map). This property, formerly owned by the Redevelopment Agency (Agency), was transferred to the City of Long Beach (City) in March 2011. In accordance with Health & Safety Code Section 34167.5, the City received a letter from the State Controller dated April 20, 2012, ordering that the transfer of the Subject Property from the Agency to the City be reversed. In order to comply with current law and to provide Purchaser with a clear title to the Subject Property, staff is bringing this item before the Oversight Board for its approval.

Dave Schneider's Fine Jewelry opened in 1945 in the historic Insurance Exchange Building. In 1961, the Schneider Family built and moved into a two-story brick building at 245 The Promenade North where the business still operates today, managed and owned by Mark Schneider. Mr. Schneider is a third-generation jeweler and is recognized for his fashion-forward, award-winning designs. He has successfully continued the family business, expanding its customer base well beyond Long Beach.

Since 1990, Dave Schneider's Fine Jewelry rented the adjacent surface parking lot on the Subject Property from the former Redevelopment Agency (Exhibit B – Site Photos). The Purchaser approached the former Redevelopment Agency regarding the purchase of the subject property in June 2010. The Purchaser proposes to acquire the 5,190-square-foot site and make additional improvements that will enhance the appearance of the parking lot and ensure the safety of its users. The acquisition of the property will ensure the long-term economic viability of the use and any future users, since it will now have dedicated parking.

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The Purchaser intends to install lighting, fencing and/or screening, and landscaping around the perimeter of the Subject Property in accordance with the Downtown Plan PD-30 and Promenade Master Plan. No structures are proposed for the Subject Property.

The Agreement includes the following major provisions:

- Under the terms of the Agreement, Purchaser will pay the City \$322,101 (\$68 per square foot) for the Subject Property, due upon close of escrow. This represents the fair market value of the property as determined by an appraisal dated September 14, 2010, subject to minor discounts as described below for public improvements. The appraisal assumptions were further confirmed as accurate on April 5, 2012.
- Purchaser will be responsible for lighting, fencing/screening, landscaping the parking lot in accordance with the new Downtown Plan PD-30 zoning ordinance, and refurbishing the trash enclosure located on the site. The fair market land sale price has been reduced by \$25,000 to offset the cost of these enhancements.
- A performance deposit in the amount of \$25,000 will be due upon execution of the Agreement. Plans for the parking lot enhancements must be approved by the City. All work must be completed within ninety (90) days after close of escrow. The deposit will be released to Purchaser within thirty (30) days following completion of the enhancements.
- The land sale price has been further reduced by \$5,800 in consideration of an existing trash enclosure (approximately 251 square feet) located on the west portion of the Subject Property that will remain on the Subject Property under an easement between the City and Purchaser for a period of ten years. If, prior to the end of the 10-year easement period, the property at 139 East Broadway on the south side of the Purchaser's building is developed, the trash enclosure users may relocate to facilities in the new development, and the trash enclosures on the Purchaser's property may be removed at the Purchaser's expense.
- The City will retain the east 12 feet of Lot 1 and the east 12 feet of the north 12.5 feet of Lot 3 for development as part of The Promenade North Block improvements.
- The current rental agreement will remain in effect until close of escrow.
- Purchaser will utilize the Subject Property in accordance with all applicable City of Long Beach codes and regulations.
- An Agreement Containing Covenants for the benefit of the City of Long Beach will be recorded at closing. This document will prohibit certain uses and describe maintenance responsibilities and levels of maintenance that will be required for the Subject Property.

In accordance with the California Environmental Quality Act, a Categorical Exemption was prepared and filed for this item on March 16, 2012 (Exhibit C – Categorical Exemption).

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This matter was reviewed by Deputy City Attorney Richard Anthony on March 22, 2012, and again on May 21, 2012. The sale of the Subject Property was approved by the Long Beach City Council on April 17, 2012, where it authorized the City Manager to execute any and all documents related to this transaction.

Respectfully submitted,



PATRICK H. WEST
CITY MANAGER

PHW:AJB:RMZ:bc

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Attachments: Exhibit A – Site Map
Exhibit B – Site Photos
Exhibit C – Categorical Exemption

EXHIBIT B – SITE PHOTOS



Exhibit C



CITY OF LONG BEACH NOTICE OF EXEMPTION

DEPARTMENT OF DEVELOPMENT SERVICES
333 W. OCEAN BLVD., 5TH FLOOR, LONG BEACH, CA 90802
(562) 570-6194 FAX: (562) 570-6068
lbs.longbeach.gov

TO: [] Office of Planning & Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

FROM: Department of Development Services
333 W. Ocean Blvd, 5th Floor
Long Beach, CA 90802

[x] L.A. County Clerk
Environmental Filings
12400 E. Imperial Hwy. 2nd Floor, Room 2001
Norwalk, CA 90650

FILED

MAR 27 2012

DEAN C. LOGAN
REGISTRAR-RECORDER/COUNTY CLERK
A. RUBALCAVA DEPUTY

Categorical Exemption CE- 11-12

Project Location/Address: 255 Locust Avenue, Long Beach, CA 90802

Project/Activity Description: Sale of existing surface parking lot (approx. 5,190 SF) to adjacent property owner for continued use as a parking lot for his employees and customers.

Public Agency Approving Project: City of Long Beach, Los Angeles County, California

Applicant Name: City of Long Beach

Mailing Address: 333 W. Ocean Blvd., 3rd Floor, Long Beach, CA 90802

Phone Number: (562) 570-6710

Applicant Signature: Barb Clark

BELOW THIS LINE FOR STAFF USE ONLY

Application Number: Planner's Initials:

Required Permits:

THE ABOVE PROJECT HAS BEEN FOUND TO BE EXEMPT FROM CEQA IN ACCORDANCE WITH STATE GUIDELINES SECTION 15301 and 15308

Statement of support for this finding: This activity qualifies for a Categorical Exemption with Class 1 and Class 8 as the appropriate exemptions per Article 19.

Contact Person: Craig Chantant
Signature: [Handwritten Signature]

Contact Phone: 562-570-6368
Date: 3/16/12

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THIS NOTICE WAS POSTED
MAR 28 2012

UNTIL APR 27 2012

REGISTRAR-RECORDER/COUNTY CLERK

Revised Sept. 2008