

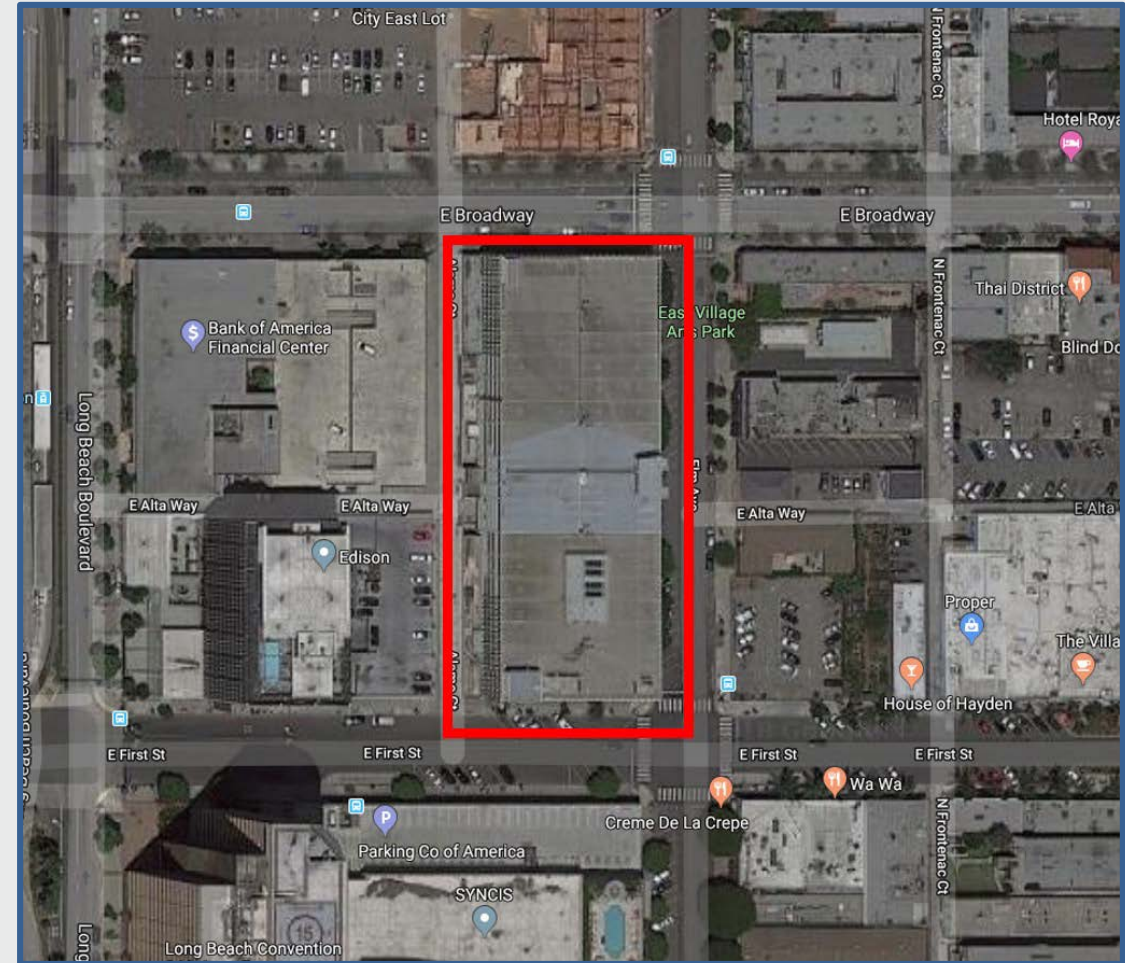


Purchase and Sale Agreement - 125 Elm Avenue
City Council Meeting – October 11, 2022

125 Elm Avenue

Background

- **Owner**: Southern California Edison Company.
- **Use**: Former SCE Long Beach Service Center.
- **Size**: 286,334-square-foot five-story building with rooftop deck parking. Office space available is approximately 91,411 square feet.
- **Status**: Currently vacant.
- **Acquisition Process**: Owner listed property for sale in March 2022, notified City in early September of selection to purchase property.



Proposed Uses

- Acquisition would provide solution office space needs as well as replacement of City facilities that require significant upgrades.
- Facility Needs Addressed:
 - ✓ Permanent location for Long Beach Police Department Crime Lab on City-owned property.
 - ✓ Administrative Offices for Energy Resources reducing additional rebuild at Spring Street location.
 - ✓ Provide modern, more efficiently planned Long Beach Senior Center.
- Tenant improvements will be required for proposed services and programs.
- Anticipated construction timeline is 18-24 months.



Fiscal Impact

- Purchase price: \$21,000,000
- Transaction costs: \$150,000
- Tenant Improvements: \$23,315,000
- Total Project Cost: \$44,465,000

Operations and Fund Group	Allocated Space	Purchase Price	Refurbishment Costs	Total
Parks, Recreation & Marine, Police Departments, and Other Administrative Functions <i>General Fund Group</i>	71%	14,980,571	17,110,000	32,090,571
Energy Resources Department <i>Gas Fund Group</i>	29%	6,019,429	6,205,000	12,224,429
Total	100%	\$21,000,000	\$23,315,000	\$44,315,000
Transaction Costs			\$150,000	\$44,465,000

Sources

Source	Description	Amount
General Fund Group	Measure A 5-year plan, Police Department Mid-year Savings	\$12,630,000
Gas Fund Group	Budgetary Funds Available	\$12,224,429
Future Bond Sale - General Fund Group	If authorized by City Council	\$19,610,571
Total Proposed Sources		\$44,465,000

Recommendations

- Authorize the City Manager, or designee, to execute any and all documents necessary, including a Purchase and Sale Agreement and Escrow Instructions with Southern California Edison Company for the purchase of 125 Elm Avenue, in an amount not to exceed \$21,000,000;
- Increase appropriations in the General Fund Group in the Economic Development Department by \$21,000,000, offset by various funding sources;
- Increase appropriations in the Gas Fund Group in the Energy Resources Department by \$12,224,429 offset by budgetary funds available; and,
- Accept the Categorical Exemption CE-22-157.



Thank you.