



Legislation Text

File #: 12-0285, **Version:** 1

Recommendation to receive supporting documentation into the record, conclude the hearing and adopt resolution making certain findings; and

Approve and authorize City Manager to execute any and all documents necessary for the sale of the property located at 225 Locust Avenue to Mark S. Schneider and Nancy J. Schneider, Trustees of the Schneider Family Trust dated December 29, 1994, for \$322,101. (District 2)

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, was transferred to the City in March 2011. While title to the site is clouded due to Assembly Bill 1X 26, the Purchaser desires and staff recommends moving forward with the transaction.

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. Mark 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.

As a matter of convenience and safety for customers and employees, it is important to have parking in close proximity to the building. Since 1990, Dave Schneider's Fine Jewelry rented the adjacent surface parking lot on the Subject Property from the former Redevelopment Agency. At this time, the Purchaser would like to purchase 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 Purchaser intends to install lighting, fencing and/or screening, and landscaping around the perimeter of the Subject Property in accordance with the Downtown Plan 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.
- Purchaser will be responsible for lighting, fencing/screening, landscaping the parking lot in accordance with the new Downtown Plan, and refurbishing the trash enclosure located on the site. The 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 reduced by \$5,800 to account for the 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 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.

The City's Environmental Planning Officer has determined that the project contemplated by the Agreement qualifies for a Categorical Exemption under the California Environmental Quality Act.

This matter was reviewed by Deputy City Attorney Richard Anthony on March 22, 2012 and by Budget Management Officer Victoria Bell on March 30, 2012.

City Council action on this matter is requested on April 17, 2012 in order to facilitate the sale of the Subject Property and begin the improvements as soon as possible.

The sale proceeds of \$322,101, less any escrow and closing fees, will be held in the Capital Projects Fund (CP 203) in the Department of Development Services until uncertainties arising from Assembly Bill 1X 26 have been resolved. There is no local job impact associated with this recommendation.

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING THE PROPOSED PURCHASE AND SALE AGREEMENT BETWEEN THE CITY OF LONG BEACH, AND THE SCHNEIDER FAMILY TRUST; AND APPROVING THE SALE OF THE PROPERTY AND THE PURCHASE AND SALE AGREEMENT

AMY J. BODEK, AICP
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:

PATRICK H. WEST

CITY MANAGER