

CITY OF LONG BEACH

DEPARTMENT OF DEVELOPMENT SERVICES

H-2

333 West Ocean Blvd., 3rd Floor Long Beach, CA 90802 Phone: 570.5237 Fax: 570.6205

April 17, 2012

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive supporting documentation into the record, conclude the Public Hearing and adopt a Resolution making certain findings; and

Approve and authorize the 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)

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, 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.

TIMING CONSIDERATIONS

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.

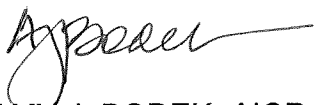
FISCAL IMPACT

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.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



AMY J. BODEK, AICP
DIRECTOR OF DEVELOPMENT SERVICES

AJB:RMZ:bec
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Attachments: Exhibit A – Site Map
City Council Resolution

APPROVED:



PATRICK H. WEST
CITY MANAGER

Exhibit A – Site Map

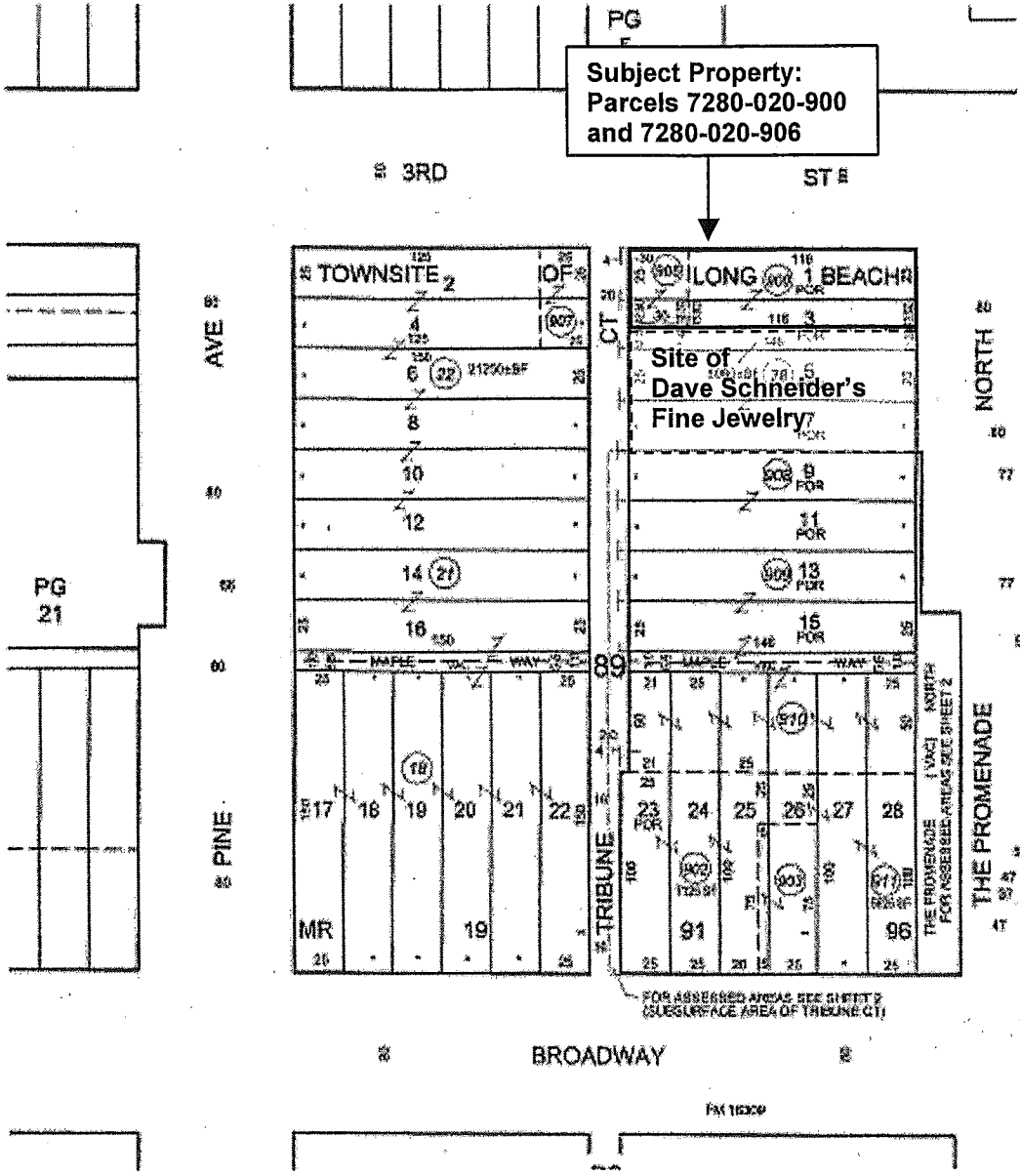
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MAPPING AND GIS SERVICES
SCALE 1" = 50'

Subject Property:
Parcels 7280-020-900
and 7280-020-906



PK 16359

RESOLUTION NO.

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

WHEREAS, the City proposes to sell certain real property (the "Property") pursuant to the terms and provisions of a Purchase and Sale Agreement and which Property is described in Exhibit "A" which is attached and incorporated by reference; and

WHEREAS, MARK S. SCHNEIDER AND NANCY J. SCHNEIDER, as Trustees of the SCHNEIDER FAMILY TRUST (the "Purchaser") have submitted to the City a written offer in the form of a Purchase and Sale Agreement to purchase the Property for not less than fair market value for uses in accordance with the covenants and conditions of the Purchase and Sale Agreement; and

WHEREAS, the proposed Purchase and Sale Agreement contains all the provisions, terms and conditions and obligations required by Federal, State and local law; and

WHEREAS, Developer possesses the qualifications and financial resources necessary to acquire the Property in accordance with the purposes and objectives of the Purchase and Sale Agreement; and

WHEREAS, the City has determined that the development of the Property is categorically exempt under the California Environmental Quality Act; and

WHEREAS, pursuant to the provisions of the California Redevelopment Law, the City Council of the City of Long Beach held a public hearing on the proposed sale of the Property and the proposed Purchase and Sale Agreement after publication of

1 notice as required by law; and

2 WHEREAS, the City Council has duly considered all terms and conditions
3 of the proposed sale and believes that the sale of the Property is in the best interests of
4 the City and the health, safety, morals and welfare of its residents and in accord with the
5 public purposes and provisions of applicable Federal, State and local law;

6 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
7 follows:

8 Section 1. The City Council finds and determines that the consideration
9 for sale of the Property pursuant to the Purchase and Sale Agreement is not less than fair
10 market value in accordance with covenants and conditions governing the sale.

11 Section 2. The sale of the Property by the City to Purchaser and the
12 Purchase and Sale Agreement which establish the terms and conditions for the sale and
13 development of the Property are approved.

14 Section 3. This resolution shall take effect immediately upon its adoption
15 by the City Council, and the City Clerk shall certify to the vote adopting this resolution.

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OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 2012 by the following vote:

Ayes: Councilmembers: _____

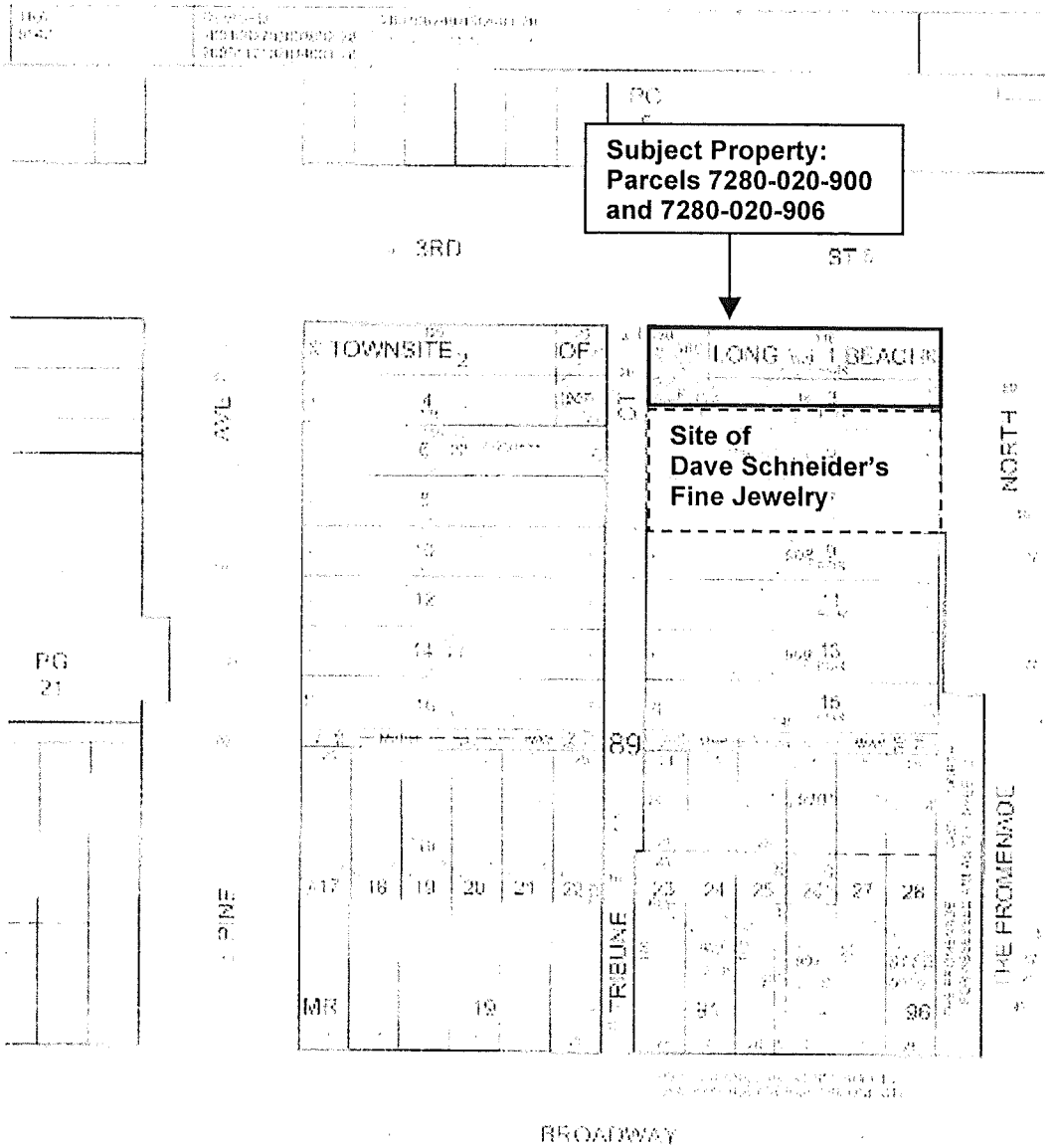
Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk

Exhibit A – Site Map

7280 | 20 | 2011



PG 21

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