

January 18, 2005

**Honorable Mayor and Members
of the Hermosa Beach City Council**

**Regular Meeting of
January 25, 2005**

SUBJECT: SALE OF SURPLUS CITY PROPERTY ON 14TH STREET

Recommendation:

That the City Council declare the lot on 14th Street behind the Beach Market as surplus and authorize solicitation of bids for sale of the property.

Background:

The City owns a lot on 14th Street behind the beach Market that is currently used for public parking, containing seven metered parking stalls (Assessor Parcel No. 4183-003-905). The lot is rectangular, with a frontage of 30 feet and an approximate area of 2,850 square feet (see attached map). The property is zoned "C2" (General Commercial), which allows commercial, office, and hotel uses but does not allow residences.

In accordance with Government Code Section 54222, the property was previously offered to other public agencies for development as affordable housing or for parks and recreation purposes. No responses were received from those agencies within the required 60-day offer period, which expired on December 28, 2004. Therefore, the City is now free to offer the property for sale on the open market.

Analysis:

Staff is recommending sale of the lot for the following reasons:

1. The property is presently underutilized, accommodating only seven parking spaces;
2. The property can be better utilized for commercial development, especially if purchased by an owner who can assemble adjacent lots for coordinated redevelopment;
3. Development of the lot will further the City's downtown revitalization, especially if combined with the redevelopment of adjacent properties;
4. Proceeds from the sale of the lot could contribute to the funding of City projects.

If the Council authorizes the sale, staff recommends that the following conditions be imposed on the sale and use of the property, consistent with the above goals:

- Minimum bid shall be \$1 million;
- Zoning shall remain C2;
- If different bids are received which are of approximately equal dollar amounts, the City may favor the bidder who gives evidence of the ability to assemble property adjacent to the subject lot.

Fiscal Impact:

The City commissioned an appraisal of the property by Lea Associates. The appraisal report, dated September 30, 2004, states that, "Based on our investigations and analyses, we conclude that, as of September 27, 2004, the subject property has an 'as is' fair market value of: one million dollars."

Schedule:

The proposed schedule for sales of the property is:

January 25, 2005	Council authorization to solicit bids
February 3 & February 10, 2005	Public Notices
February 17, 2005	Bid Opening by City Clerk
March 22, 2005	Council Award of Bid

Sol Blumenfeld, Director
Community Development Department

Concur:

Steven R. Burrell,
City Manager

Attachments:

1. Maps of subject property
2. Advertisement

F:b95/cd/14thStreetSale

Easy Reader

Run Date: February 3 and February 10, 2005

Acct: 7010-2110

DISPLAY

**NOTICE SOLICITING BIDS FOR PURCHASE OF
SURPLUS CITY PROPERTY ON 14TH STREET**

NOTICE IS HERBY GIVEN that the City of Hermosa Beach is soliciting bids for the purchase of surplus City-owned real estate located at:

**Assessor Parcel No. 4183-003-905: South Side of 14th Street between
Hermosa Avenue and The Strand, Hermosa Beach, California,**

The lot is located behind the Beach Market and is rectangular, with a frontage of 30 feet and an approximate area of 2,850 square feet. The property is presently used for public parking and is zoned "C2" (General Commercial), which allows commercial, office, and hotel uses but does not allow residences. The City is seeking a buyer for the subject lot to redevelop it to further the City's downtown revitalization. In addition, the City intends to impose the following conditions on the sale and use of the property:

1. Minimum bid shall be \$1 million; and
2. Zoning shall remain C2;
3. If different bids are received which are of approximately equal dollar amounts, the City may favor the bidder who gives evidence of the ability to assemble property adjacent to the subject lot.

Further information pertaining to the parcel may be obtained by calling 310-318-0235 or in person at the Community Development Department, 1315 Valley Dr., Hermosa Beach CA during office hours: 7 a.m. to 6 p.m. Monday through Thursday.

Sealed bids for the purchase of the subject property shall be due at the office of the City Clerk, City Hall, 1315 Valley Dr., Hermosa Beach, CA 90254 no later than 2:00 P.M. on February 17, 2005. Bids will be opened at the time. Award of the bid shall be by the City Council at its regularly scheduled meeting of March 22, 2005.

All bids must be submitted in writing and must be accompanied by a cashier's check, certified check or money order made payable to the City of Hermosa Beach in an amount not less than five percent of the total bid submitted in order to guarantee that the successful bidder will enter into escrow and deposit therein the balance of the sale price. The escrow shall be entered into between the City and the successful bidder at a mutually agreed on escrow company located within the City. The successful bidder shall pay the usual charges of the buyer in addition to the sale price of the property. The length of the escrow shall be mutually agreed upon but shall not exceed 60 days.

The City reserves the right to reject any or all bids and to waive any informality or irregularity in any bid received and to be the sole judge for the merits of the respective bids received.

ELAINE DOERFLING
CITY CLERK