



## CITY OF MARTINEZ

## CITY COUNCIL AGENDA May 18, 2011

**TO:** Mayor and City Council

**FROM:** Economic Development Subcommittee Members Vice Mayor Janet Kennedy and Councilmember Lara DeLaney

**PREPARED BY:** Philip Vince, City Manager

**SUBJECT:** Exclusive Negotiating Agreement with Southland Corporation for Renovation of Sharkey Building located at 630 Court Street

**DATE:** May 12, 2011

### **RECOMMENDATION:**

- A. Consider entering into an exclusive negotiating agreement with David Fischer, president of Southport Land and Commercial Company, for renovation of the Sharkey building located at 630 Court Street.
- B. Discuss options available for the community in considering relocating the Martinez Art Gallery from its current location at 630 Court Street to another suitable building, including 610 Court Street which is currently owned by the County and considered surplus property.

### **BACKGROUND:**

The Sharkey Building was constructed in 1926 and is located at 630 Court Street in Martinez. It is a two story building, 5920 square feet, un-reinforced masonry building which also contains a partial basement (not included in the square footage). Historically, its uses range from newspaper publishing to a saloon, and finally, to offices.

The original intent for renovating the Sharkey building expressed by Council in 2004 was to utilize the ground floor for a restaurant that would serve the daytime crowd of County and City workers, jurors, court-related personnel, and downtown residents. The City Council expressed interest in building evening activity in the Downtown, attracting residents from throughout Martinez and the area to dine, shop, and stroll along the historic streets.

Likewise, the City would like to enhance weekend activity, building upon the current draw of new restaurants and shops, a Farmer's Market, and various special events offering residents a compelling reason to visit downtown on Saturdays and Sundays. The Downtown's well-established residential neighborhood has also expressed a strong desire for new amenities to serve their shopping and entertainment needs.

In June 2009, Council elected not to extend the intent to purchase option with Goldenberg and Associates, Inc., and directed staff to find an experienced developer who may be interested in transforming the entire block and renovating both buildings at 610 and 630 Court Street. While various promising leads developed over the past 20 months no further action has transpired to date.

The Council's Economic Development Subcommittee met on May 4, and May 11, 2011, with staff and the public to determine whether there was further interest to renovate 630 Court Street. At the second public meeting one of the developers' who expressed interest in preserving the historical character of the Sharkey building back in 2004, David Fischer, made a presentation on behalf of Southport Land and Commercial Company.

Mr. Fischer and his partner shared visual layouts of 630 Court Street with the Subcommittee and confirmed they were still interested in renovating the building and providing a restaurant in the approximately 2600 square foot area downstairs and adding an executive office suite upstairs. He indicated that the transfer of property and the deed and the renovation of the Sharkey building would take between 18 and 24 months to complete, which included finding tenants.

Further discussion ensued as to whether the County would be receptive to leasing approximately 1200 square feet of surplus property located at 610 Court Street to the Martinez Arts Association during the two year period 630 Court Street was under construction. Moreover, if during that two year period the County indicated interest in selling the 610 Court Street building, then perhaps an interested downtown property owner, or even Mr. Fischer's Southland Corporation, might renovate this property and consider leasing out 1200 square feet of the 6700 square foot building size to the Martinez Arts Association at a greatly reduced rate. This issue was left for further discussion.

Mr. Fischer conveyed to the Subcommittee and staff that the Southland Corporation Board was meeting on May 27, and would like a commitment from the full Council to enter into an exclusive negotiating agreement. The Southland Corporation would more than likely commit up to \$1.5 million dollars in funding if there was an exclusive negotiating agreement commitment from the Council.

### **FISCAL IMPACT:**

All legal and staff costs would be paid by the applicant as a legal agreement is prepared and approved by both parties.

### **ACTION:**

- A. Authorize Staff to enter into an exclusive negotiating agreement with David Fischer, on behalf of the Southland Corporation, as the first step in renovating 630 Court Street.
- B. Discuss options to find the Martinez Arts Association a temporary space for their gallery during the design and construction of 630 Court Street, including renting out space at 610 Court Street, which is currently considered surplus property and owned by the County.