



CITY COUNCIL STAFF REPORT

ITEM NO. 6.2

DATE: November 10, 2025

TO: Honorable Mayor and City Council

FROM: Brent Smith, Community Development Director

SUBJECT: Resolution authorizing the City Manager to execute the Second Amendment to the Purchase and Sale Agreement with Mr. Michael Messinger to amend the initial use of the property from a restaurant with bar to a restaurant with bar or event center at 2324 Second Street.

RECOMMENDED ACTION

Staff recommends the City Council approve the resolution authorizing the City Manager to sign, on behalf of the City of Livermore, the Second Amendment to the Purchase and Sale Agreement with Mr. Michael Messinger to amend the initial use of the property from a restaurant with bar to a restaurant with bar or event center with bar at 2324 Second Street.

DECISION TYPE

Administrative

SUMMARY

On July 12, 2021, the City Council authorized execution of a Purchase and Sale Agreement (Agreement) with Mr. Michael Messinger for the City-owned property at 2324 Second Street (readdressed in 2024 as 180 South Livermore Avenue) and formerly known as the Southwestern Bell Company (SBC) building (Attachment 1). The Agreement set forth conditions for the buyer to design and convert the vacant, underutilized building into a revitalized restaurant space that preserves its historic character and reflects the goals of the City's Downtown Specific Plan.

On September 20, 2022, the Planning Commission approved a project review of the application for Downtown Design Review (DDR) 22-001 for the preservation of the historic portion of the building and for the architecture of the newer additions of the building for the proposed restaurant. As of this hearing date, the construction is in process, and in August 2025, the owner of the property submitted an application for a change in use from a restaurant with bar to an event center.

The change in use requires an amendment to the Agreement which currently states that the initial use

(12 months) of the building must be as a restaurant with bar. The change in use also requires a Conditional Use Permit (CUP), which will be reviewed by the Planning Commission at a future date. The Agreement amendment must precede the CUP that is required for the event center. According to the applicant, the proposed architecture that was approved in 2022 will remain the same (Attachment 2).

DISCUSSION

BACKGROUND

On July 12, 2021, City Council approved a Purchase and Sale Agreement (Agreement) which set forth the scope, timeline, and conditions for the buyer to design, purchase, and convert the property into a restaurant use that would preserve the historic character of the building and support the development goals of the Downtown Specific Plan (Specific Plan).

The historic SBC building was constructed in 1928 to house a telephone repeater station. A large addition on the western portion of the building was constructed in 1967. The property continuously housed telephone operations from the time of its construction in 1928 until the City purchased the property in 2004. The City leased the property to various innovation-based tenants in the subsequent years.

On September 20, 2022, the Planning Commission approved Mr. Messinger's application for a Downtown Design Review to remodel the non-historic addition to the original building. City and state historic standards require non-historic building elements to be clearly distinguishable from the original, so the newer portion of the building will be updated to a more modern design that is still consistent with the Specific Plan. The 2022 approved design includes a raised patio deck along Second Street and Livermore Avenue, new windows and entry doors, elevator access to all building levels, construction of a rooftop patio for dining, and landscaping and lighting enhancements that create synergies with the neighboring uses. The building was going to be a restaurant, but the owner has more recently proposed the use to be an event center instead of a restaurant.

STAFF ANALYSIS

The Specific Plan does not specifically call out event centers as a permitted use, however the Specific Plan allows the Planning Commission to approve another use for the district if it finds that the use meets the purpose and intent of the Specific Plan. City staff found that the proposed use as an event center is similar to other permitted uses, which include public halls, meeting facilities, and community centers as well as restaurants and entertainment establishments. The proposed event center use would still direct investment towards the Downtown, provide a meeting venue that is undersupplied in the City and Tri-Valley, and avoid over-saturation of restaurant uses in the Downtown, so there is ample evidence to support a determination that the use meets the intent of the Specific Plan.

The proposed amendment would not eliminate a possible restaurant use but instead would allow the flexibility of an event center use in addition to a restaurant use (Attachment 3). Should the operator ultimately choose to revert to a restaurant in the future, the proposed amendment to the Agreement would allow for that change. For these reasons, staff recommends City Council approve an amendment to the Agreement.

ENVIRONMENTAL DETERMINATION

Amending a Purchase and Sale Agreement does not constitute a project for the purposes of the California Environmental Quality Act (CEQA) per CEQA section 21065, and therefore no environmental review under CEQA is required. A separate environmental review will be required for the event center Conditional Use Permit.

FISCAL AND ADMINISTRATIVE IMPACTS

The change in use will not have fiscal and administrative impacts other than the staff time to prepare this amendment. Previously, it was determined that the proposed restaurant use would provide an increased property and sales tax benefit to the City on a parcel that was producing little to no tax revenue. The proposed event center use is also expected to increase both sales and property tax compared to the previous uses of the building.

COMMUNITY PILLAR

2: Economy that Prospers

GOAL

2: Lead efforts, in collaboration with other City departments and outside partners, to maintain and enhance the diversity and resilience of Livermore's economy.

ATTACHMENTS

1. Location Map
2. Proposed Architecture
3. Resolution
4. Exhibit A - Second Amendment to Agreement

Prepared by: Jennifer Ackerman
Associate Planner

Approved by:



Marianna A. Burch
City Manager

Fiscal Review by:



Tina Olson
Administrative Services Director