



CITY OF LONG BEACH

C-6

DEPARTMENT OF ECONOMIC DEVELOPMENT

333 West Ocean Boulevard 3RD Floor • Long Beach, CA 90802 • (562) 570-6099

January 23, 2018

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to execute all documents necessary for an Amended and Restated Lease Agreement No. 34222 with Long Beach Downtown Development Corporation, for the continued occupancy and management of City-owned property generally located at the southeast corner of Pine Avenue and Ocean Boulevard. (District 1)

DISCUSSION

Effective March 21, 2016, under the City's Short-Term Occupancy program, the City entered into a six-month lease with the Long Beach Downtown Development Corporation (DDC), which allowed the DDC to develop and manage an 8,240-square-foot space at the southeast corner of Pine Avenue and Ocean Boulevard. The space is located within Victory Park and anchors a vital pedestrian connector between Downtown and the waterfront. An interactive art installation, commissioned by the Downtown Long Beach Alliance (DLBA), called "The Loop," opened to the public on April 15, 2016. The lease of the space was subsequently renewed by DDC for an additional six months and expired March 20, 2017. Due to the success of the space, and to provide for additional investment into the site, the City and DDC wish to enter into a long-term lease agreement.

Since its opening, The Loop has been embraced by surrounding property owners and residents, and has accomplished several goals identified at the outset of the project, including: creating a new public gathering space for residents, workers, and visitors; serving as a focal point linking the Convention Center and waterfront to destinations north of Ocean Boulevard; and, offering an iconic destination and social media attraction in Downtown. As part of the Amended and Restated Lease Agreement, the DDC has committed to make a significant investment to refurbish the Loop including the replacement of the existing fabric with a new aluminum skin that is more durable to natural elements, less prone to vandalism, and easier and quicker to repair. Additionally, improvements to lighting and audio features will create a more dynamic and colorful appearance in the evening at this high-profile corner of the entertainment district. Total investment by the DDC is projected to be \$37,500 one-time and another \$12,650 for ongoing maintenance, repair, and insurance.

The proposed Lease contains the following major terms and provisions:

- Landlord: City of Long Beach, a municipal corporation.
- Tenant: Long Beach Downtown Development Corporation, a non-profit corporation.

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- Premises: Approximately 8,240 square feet of land located at the southeast corner of Ocean Boulevard and Pine Avenue, as shown on the attached Site Map (Exhibit A).
- Use: The Premises shall be utilized as an art installation and public space, hosting select programs and events, and providing limited concession opportunities. The Premises shall conform to Park zoning regulations. Any and all improvements located or erected thereupon shall only be used in conformance with Park zoning regulations.
- Term: The Lease shall extend for two years from original expiration through March 20, 2019, and provide for two six-month extension options.
- Termination: Either party may terminate the Lease for all or any portion of the Premises upon 30 days prior written notification.
- Rent: The Premises shall be leased for the nominal fee of \$1 per month. As additional consideration, Tenant shall be responsible for all costs associated with coordinating and providing activities on the Premises for the benefit of the Downtown Long Beach community.
- Maintenance: Tenant shall be responsible for repair and maintenance of the Premises and all improvements or landscaping existing or constructed thereon.
- Utilities: Tenant shall pay for necessary utility services, including the cost of installation of connections for services, if needed.
- Special Events/Sponsorships: To offset the cost of maintenance and utilities at the site, Tenant will offer limited concessions, sponsorships, and special event permitting on the premises. Fees will be generally consistent with that of the City's Special Events and Filming Office.
- Insurance: Tenant shall maintain property, liability and other insurance at all times satisfactory to the Landlord.

This matter was reviewed by Principal Deputy City Attorney Gary J. Anderson and by Revenue Management Officer Geraldine Alejo on January 2, 2018.

TIMING CONSIDERATIONS

City Council action on this matter is requested on January 23, 2018, to formalize and execute the Lease in a timely manner.

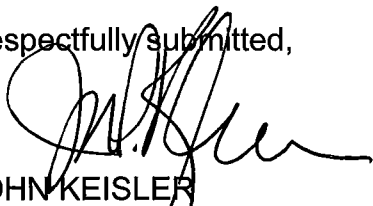
FISCAL IMPACT

Annual revenues of approximately \$12 shall continue to accrue in the General Fund (GF) in the Parks, Recreation and Marine Department (PR). The tenant will also be responsible for all costs associated with coordinating and providing activities on the Premises to the benefit of the Downtown Long Beach community as well as the maintenance for the location. There is no local job impact associated with this recommendation.

SUGGESTION ACTION:

Approve recommendation.

Respectfully submitted,



JOHN KEISLER
DIRECTOR OF ECONOMIC DEVELOPMENT

Attachment: Exhibit A - Site Map

APPROVED:


PATRICK H. WEST
CITY MANAGER

Exhibit A
Site Map



SE Corner of Pine Ave & E Ocean Blvd
8,240.3 sq ft – 0.19 acres