

January 19, 2021

**C-3**  
**REVISED**

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**RECOMMENDATION:**

Authorize the City Manager, or designee, to execute all documents necessary for a Lease with Israel Dakar Trust, for the continued use of the premises at 402 Atlantic Avenue, Assessor Parcel Numbers 7281-006-010 and -007, for City employee parking and/or community uses. (District 1)

**DISCUSSION**

On June 11, 2019, the City Council authorized Lease No. 35320 with Israel Dakar Trust (Lessor), for the property located at 402 Atlantic Avenue (Leased Premises) (Attachment A - Site Map). The Leased Premises is a former gas station that has been activated by allowing general parking for staff of the Housing Authority of the City of Long Beach (Housing Authority), as well as periodic City-supported special events and programming that serve the adjacent community.

Lease No. 35320 has since expired and City staff have negotiated a new lease with the Lessor for continued use of the Leased Premises for a two-year period at an annual rental amount of \$26,400, payable in advance of the lease year. The Housing Authority will be relocating in the early part 2021 and will not use the parking lot. Further, the Lessor has agreed to allow additional community uses such as fitness classes, restaurant pop-ups, and community gardens in exchange for the preparation and recording of lien releases to remove previously paid liens from title. While the liens have been paid, lien releases must be prepared and recorded to clear the liens from the Lessor's title. The estimated amount to cover the preparation and recording fees is \$4,000.

The proposed lease contains the following major terms and provisions:

- Lessor: Israel Dakar Trust.
- Lessee: City of Long Beach, a municipal corporation.
- Leased Premises: 402 Atlantic Avenue. The building on the site is excluded from the Leased Premises.
- Purpose/Use: The Premises will be used for general and permitted parking purposes and for periodic City-supported programming, including fitness classes, farmers markets, dog runs, food trucks, restaurant pop-ups, art galleries, performances, art classes, community gardens and associated parking.

- Term: To commence on June 1, 2020 and terminate on June 1, 2022.
- Options to Extend: Lease may be extended for one additional one-year term.
- Rent: Rent will be \$2,200 per month. Total rent per year of \$26,400 is payable in advance of the lease year.
- Maintenance/Utilities: Lessee will be responsible for keeping the Leased Premises clear of dumping and debris. Lessor will remain responsible for all other maintenance and improvements.
- Termination: Either party may terminate the Lease upon 30 days advance written notice.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on December 16, 2020 and by Budget Management Officer Rhutu Amin Gharib on December 27, 2020.

#### TIMING CONSIDERATIONS

City Council action is requested on January 19, 2021, to finalize and execute the new lease in a timely manner.

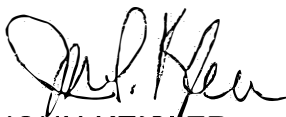
#### FISCAL IMPACT

The annual cost of the lease will be \$26,400. The City will also pay a one-time payment in FY 21 estimated to be \$4,000 for the preparation and recording of lien releases to remove previously paid liens from title for the lessor. The cost of the lease and one-time cost is not currently budgeted. For FY 21, the Economic Development Department will make every effort to absorb the costs of the lease within its current General Fund Group appropriation. Costs of the lease in subsequent years will be addressed in the FY 22 budget development process. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

#### SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

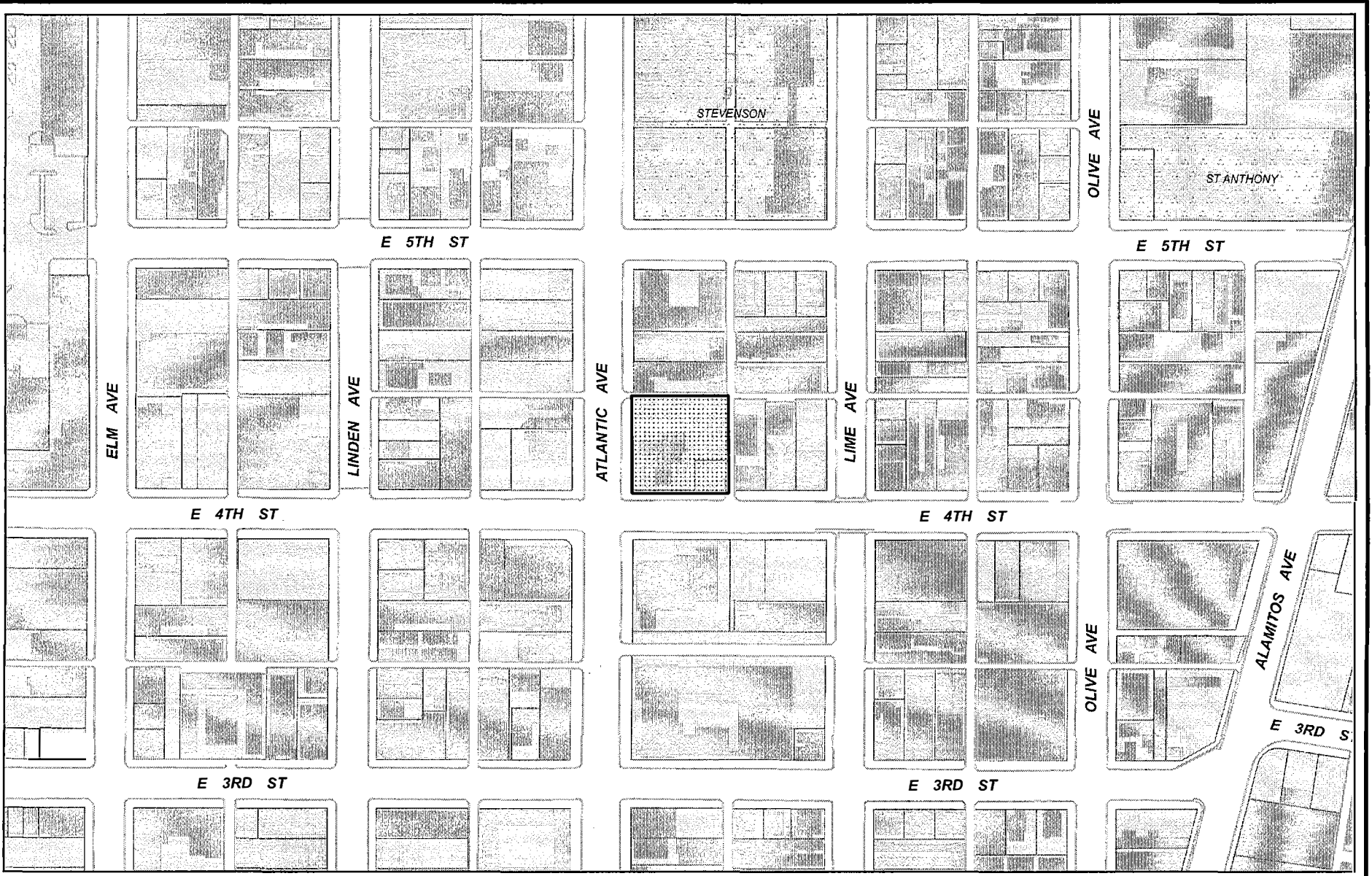


JOHN KEISLER  
DIRECTOR OF ECONOMIC DEVELOPMENT

APPROVED:



THOMAS B. MODICA  
CITY MANAGER



**Subject Property:**  
 APNs: 7281-006-010 &  
 7281-006-011  
 Council District : 1

**Attachment A**

