



CITY OF LONG BEACH

C-6

DEPARTMENT OF ECONOMIC AND PROPERTY DEVELOPMENT

333 West Ocean Boulevard 3rd Floor • Long Beach, CA 90802 • (562) 570-6099 • Fax (562) 570-6380

January 10, 2017

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute all documents necessary for a lease with Israel Dakar Trust (Lessor), and the City of Long Beach (Lessee) for the premises at 402 Atlantic Avenue, for special events and programming; and,

Increase appropriations in the General Fund (GF) in the Economic and Property Development Department (EP) by \$12,000, offset by the release of funds set aside from sale proceeds of former Redevelopment Agency (RDA) properties. (District 1)

DISCUSSION

The property at 402 Atlantic Avenue is a privately-owned former gas station at the corner of Atlantic Avenue and 4th Street (Site). The Site has been vacant for several years, although it is periodically rented out by the property owner for staging for filming activities. The Site has a relatively prominent location on Atlantic Avenue, and is accessible to both Downtown and East Village area residents.

The current property owner has not been able to secure a long-term tenant for the Site. Due to inactivity at the Site, illegal dumping and transient issues have become frequent occurrences. The owner has recently increased clean-up activities at the location.

City staff approached the landlord with a proposal for a below-market lease of the Site, for the City to conduct special events and programming to serve the adjacent community. The lease will be funded by revenue received from the Central Redevelopment Project Area's 75 percent share of the proceeds from the sale of former RDA properties. The lease was negotiated with the following major terms and conditions:

- Leased Premises: 402 Atlantic Avenue comprised of two parcels, 7281-006-101 and 7281-006-011.
- Lessor: Israel Dakar Trust
- Lessee: City of Long Beach, a municipal corporation.
- Purpose/Use: The Premises will be used for City-supported programming, including, but not limited to, arts, music, community events and associated parking.

HONORABLE MAYOR AND CITY COUNCIL

January 10, 2017

Page 2

- Term: The Lease shall be for one year, with option to extend for an additional one-year period.
- Rent: \$1,000 per month.
- Maintenance/Utilities: City, as Lessee, shall be responsible for keeping the Site clear of dumping and debris. Lessor shall remain responsible for all other utilities/maintenance/repair not arising from Lessee's direct use of the Site.
- Termination: The Lease can be terminated by either party with 30 days written notice.
- Unavailability of Premises: Lessor retains the right to rent the Site for the purpose of filming and staging through the Office of Special Events and Filming, with at least 14 days written notice.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on December 12, 2016 and by Budget Analysis Officer Julissa Josè-Murray on December 14, 2016.

TIMING CONSIDERATIONS

City Council action is requested on January 10, 2017, to facilitate future programming of the site.

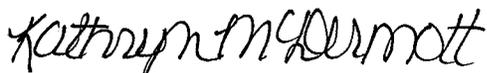
FISCAL IMPACT

The annual lease amount of \$12,000 will be funded from the former Downtown Redevelopment Project Area's 75 percent share of the proceeds from the sale of former RDA properties. The amount will be appropriated in the General Fund (GF) in the Economic and Property Development Department (EP). There is no local job impact associated with this recommendation

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,


KATHRYN MCDERMOTT
INTERIM DIRECTOR OF
ECONOMIC & PROPERTY DEVELOPMENT

APPROVED:


PATRICK H. WEST
CITY MANAGER