

May 5, 2020

C-17

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to execute all documents necessary to enter into a new Lease with Jan M. Todd, dba Todd's Christmas Trees, for the sale of Christmas trees and related ancillary items, using a portion of the former Pacific Electric Right-of-Way property located between 7th Street and Ximeno Avenue, for a period of three months from October 1, 2020 through December 31, 2020; with two, one-year renewal options for the same three-month period in the years 2021 and 2022, at the discretion of the City Manager or designee. (District 3)

DISCUSSION

Jan M. Todd (Lessee), dba Todd's Christmas Trees, has been selling Christmas trees in Long Beach for the past 61 years. On April 13, 1993, the City Council approved Lease No. 22897 for the Lessee's use of a portion of the former Pacific Electric Right-of-Way (PE ROW) property located between Ximeno and Tremont Avenues, for the operation of a seasonal Christmas tree lot. During the 2010 holiday season, the Lessee's operation was moved to a different portion of the PE ROW, located between 7th Street and Ximeno Avenue (Premises), as shown on the aerial map (Attachment).

On October 3, 2017, the City Council approved the twenty-first amendment to Lease No. 22897 through December 31, 2019. To update the terms of the Lease and allow the Lessee to continue to operate, the Parks, Recreation and Marine Department (Department) would like to enter into a new lease. The Lessee has successfully operated at the PE ROW location and has requested to return for additional holiday seasons.

The proposed Lease contains the following major provisions:

- Term: October 1, 2020 through December 31, 2020
- Options to Renew: Two, one-year options to renew for the three-month period, October to December 31, for the years 2021 and 2022 at the discretion of the City Manager, or designee.
- Termination: 30-day written termination notice by either party to the other party, no later than March 1 each year.

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- Premises: The portion of the former PE ROW located between 7th Street and Ximeno Avenue as shown on the Attachment.
- Authorized Use: The Premises will be used for the sale of Christmas trees and related ancillary items only.
- Premises Rent: Beginning on October 1, 2020, and in subsequent renewal periods, the \$4,723 in rent paid for 2019 will be adjusted by the percent change in the Consumer Price Index (CPI) for the Los Angeles-Long Beach-Anaheim, CA area (June to June), as published by the United States Department of Labor, Bureau of Labor Statistics. A \$1,000 rent deposit is due by October 1 each year with the balance due by January 31 the following year.
- Maintenance of Premises: Lessee will be solely responsible for maintaining the Premises in good condition. At the end of December each year during the term of the Lease, or sooner termination, Lessee will restore the Premises to its original unused state, as deemed satisfactory by the City Manager, or designee.
- Utilities: Lessee will be solely responsible for all costs related to the temporary installation and use of utilities at the Premises.
- Insurance: Lessee will provide and maintain insurance as required and approved in advance by the City's Risk Manager.

This matter was reviewed by Deputy City Attorney Arturo D. Sanchez on March 23, 2020 and by Revenue Management Officer Geraldine Alejo on March 25, 2020.

TIMING CONSIDERATIONS

City Council action is requested on May 5, 2020, to allow the execution of the Lease in a timely manner.

FISCAL IMPACT

Annual revenue due from the existing lease agreement was \$4,723 in FY 20. Starting in FY 21, the annual revenue due to the City will be adjusted each year by the CPI. The revenue will accrue to the General Fund Group in the Parks, Recreation and Marine Department. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. The recommendation will result in a positive impact on jobs, as several part-time seasonal jobs will be created by the Lessee to assist in its operation during the three-month term.

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'S.P. Scott'.

STEPHEN P. SCOTT
INTERIM DIRECTOR
PARKS, RECREATION AND MARINE

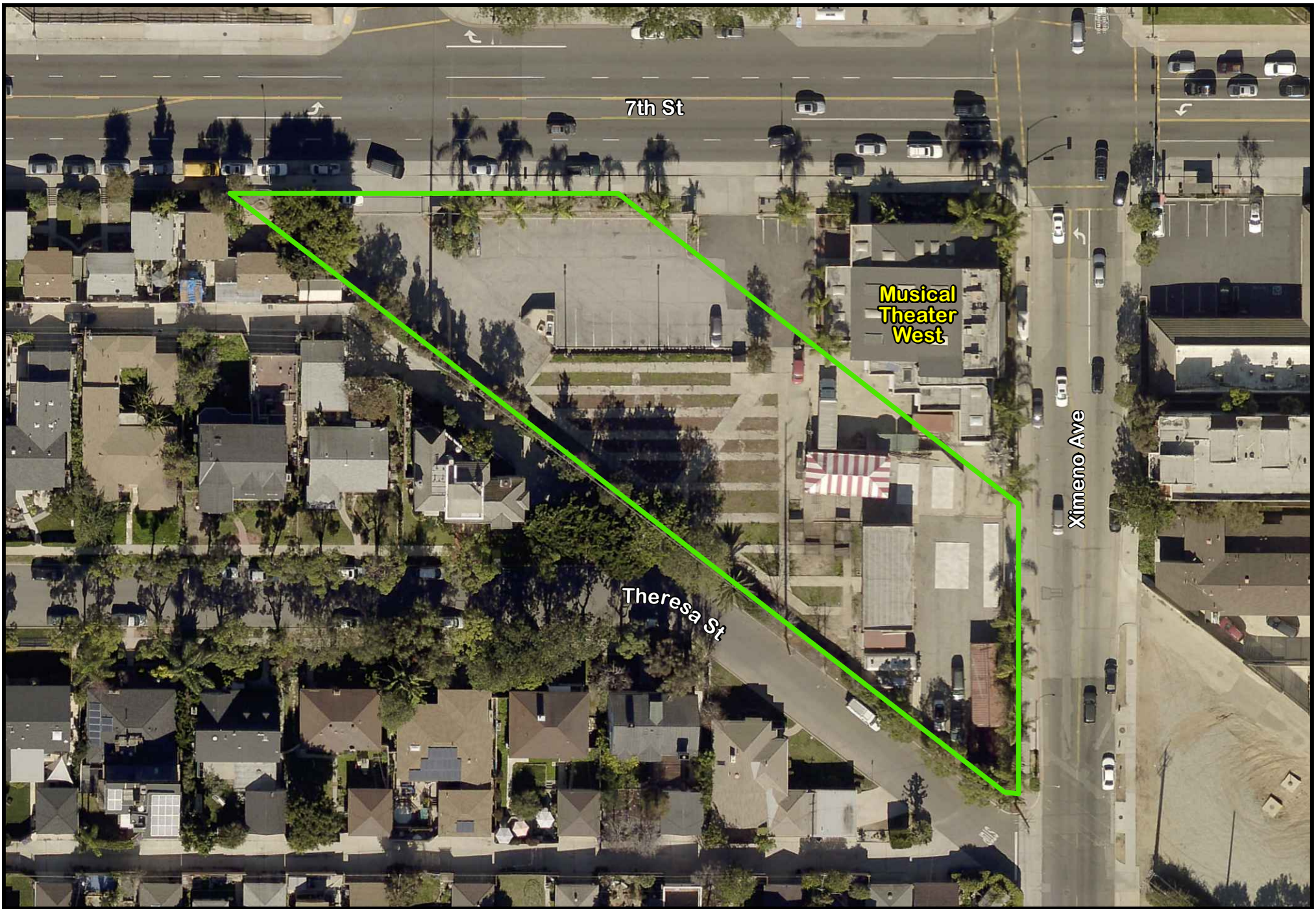
SS:MR:lh

Attachment: PEROW Aerial Map

APPROVED:

A handwritten signature in black ink, appearing to read 'T. B. Modica'.

THOMAS B. MODICA
CITY MANAGER



Todd's Christmas Trees
Former PE R.O.W.

