



Legislation Text

File #: 17-0148, **Version:** 1

Recommendation to authorize City Manager, or designee, to execute any and all documents necessary for an Amended and Restated Lease with Art Exchange Visual Arts Center, Inc., a California nonprofit corporation, for commercial office space at 340-356 East 3rd Street. (District 2)

The City of Long Beach is the owner of a commercial property located at 340-356 East 3rd Street (Subject Property). The Subject Property is located within the East Village Arts District at the corner of 3rd Street and Elm Avenue (near the former “Acres of Books”) and is comprised of four contiguous buildings with addresses of 340-342 East 3rd Street (Building 1), 344-346 East 3rd Street (Building 2), 348-350 East 3rd Street (Building 3) and 352-356 East 3rd Street (Building 4) totaling approximately 7,880 total square feet. Currently, Buildings 1 and 4, and five parking spaces adjoining Building 4, are leased to the Art Exchange Visual Arts Center, Inc. (Lessee).

The Lessee currently utilizes the Subject Property for various community service- oriented uses including, professional art development, training, and programs and workshop space, and office/storage space. A broad sector of the community is served at the Subject Property including senior citizens, economically-challenged students, California State University, Long Beach, and Long Beach City College art students, physically/mentally-challenged children, and other groups. Over the past year, the Lessee has offered art-related programs and exhibit opportunities to over 2,000 people. The Lessee has expressed an interest in amending the Lease to include Buildings 2 and 3 and the balance of the parking lot, which would allow for the Lessee to expand classroom programming at the Subject Property. As such, City staff proposes to enter into an Amended and Restated Lease with the Lessee to encompass Buildings 1 through 4 as well as the adjacent parking lot (Attachment).

The proposed Amended and Restated Lease contains the following major terms and provisions:

- Landlord: The City of Long Beach, a municipal corporation.
- Lessee: Art Exchange Visual Arts Center, Inc., a California nonprofit corporation.
- Subject Property: 340-356 East 3rd Street, consisting of four contiguous buildings and comprised of approximately 7,880 total square feet as well as the adjacent parking lot, comprised of approximately 16 parking spaces.
- Use: The Subject Property shall be utilized for offices, storage, programming and

workshops, galleries and artist studio space.

- Term: The Amended and Restated Lease shall be month-to-month, commencing March 1, 2017.
- Rent: The Subject Property shall be leased for the nominal fee of \$1 per month. As additional consideration, the Lessee shall provide low or no cost art related educational workshops to the Long Beach communities mentioned above. The Lessee will be required to submit an annual financial report, showing in detail all programs and services provided by the Lessee for the previous 12-month period.
- Maintenance: Lessee shall be responsible for all routine maintenance of the Subject Property. Landlord shall be responsible for all major capital repairs to the building and its major components associated with normal use and occupancy of the Subject Property.
- Utilities: Lessee shall be responsible for all utilities serving the Subject Property.
- Insurance: Lessee shall maintain property, liability and other insurance at all times satisfactory to the Landlord.
- Relocation Benefits: Lessee waives any rights to future relocation benefits.
- Tenant Improvements: The Lessee shall be responsible for all costs associated with tenant improvements (including all permitting fees) required for its occupancy.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on January 31, 2017 and by Budget Analysis Officer Julissa Jose-Murray on February 13, 2017.

City Council action is requested on March 7, 2017, to formalize and execute the Lease in a timely manner and to facilitate programming and other associated activities at the Subject Property.

All lease payments accrue to the General Fund (GF) in the Economic and Property Development Department (EP). There is no known local job impact associated with this recommendation.

Approve recommendation.

JOHN KEISLER
DIRECTOR OF ECONOMIC
AND PROPERTY DEVELOPMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER