



Legislation Text

File #: 10-0789, **Version:** 1

Recommendation to authorize City Manager to execute a First Amendment to Lease with The Original 620 Cisco, Inc., a California corporation, for lease of excess former Union Pacific Railroad Company right-of-way, for an additional ten-year term, with two five-year options to renew the Lease. (District 1)

On November 22, 2005, The Original 620 Cisco, Inc. (Lessee), entered into a Lease with Union Pacific Railroad Company (UPRC), for excess right-of-way located south of Anaheim Street, north of Loma Vista Drive, and west of Daisy Avenue (Premises). The Premises are located immediately adjacent to both a vacant piece of City-owned property at 602 West Anaheim (Additional City Property) and to privately held property at 620 West Anaheim, where the Lessee operates the restaurant, Cisco Burgers (Exhibit A).

On April 30, 2007, UPRC sold its interest in the Premises to the City of Long Beach (City) and an Assignment and Assumption Agreement was executed between the parties, whereby the City assumed all of the rights and obligations of UPRC under the Lease.

The Lessee has made significant improvements to the Premises that include an extension of the existing parking lot, landscaping, and the creation of an outdoor eating area for customers of Cisco Burgers. Said improvements have substantially contributed to the removal of blight in the area and the Premises are now a compliment to the adjacent neighborhood and the restaurant which has become a popular eating destination. Photos of the improvements are attached as Exhibit B.

The City is desirous of having the Additional City Property adjacent to the Premises improved and maintained with landscaping. The Lessee is willing to make said improvements and to provide on-going maintenance to the additional City property along with the maintenance of the Premises. To this end, staff proposes a First Amendment to the Lease containing the following major terms and provisions.

- Lessor: City of Long Beach.
- Lessee: The Original 620 Cisco, Inc., a California corporation.
- Length of Term: The term shall be extended for an additional ten-year period with two five-year options to renew the Lease.
- Right to Terminate: The City shall have the right to terminate the Lease for future green belt improvements upon thirty days written notice to the Lessee.
- Improvements: Lessee shall be responsible for improving City-owned property at 602 West Anaheim to the equivalent landscaping conditions that exist on the Premises.

- **Rent:** No rent shall be charged in exchange for the above improvements to the additional City property and the ongoing maintenance of said property along with the Premises throughout the extended term. All previous rental obligations shall be satisfied by the prior improvements completed on the Premises.

All remaining terms and provisions of the Lease shall remain in full force and effect.

This letter was reviewed by Deputy City Attorney Richard F. Anthony on July 30XX, 2010 and Budget Management Officer Victoria Bell on July 1, 2010.

City Council action on this matter is requested on August 3, 2010 in order to proceed with the site improvements immediately.

In lieu of monthly rental obligations, the Lessee shall improve and maintain the adjacent City-owned property at 602 West Anaheim. There is no impact to the General Fund. The recommended action will not have an impact on jobs.

Approve recommendation.

DENNIS J. THYS
DIRECTOR
DEPARTMENT OF COMMUNITY DEVELOPMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER