



# CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

# C-5

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

July 17, 2007

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Authorize the City Manager to execute all documents necessary for a Lease with Kiet Chi Hong, an individual, for approximately 800 square feet of rentable space at 1526 East 4<sup>th</sup> Street for the continuation of a children's art education program for a three-year term at the initial monthly base rent of \$850; and, increase appropriations in the amount of \$13,800 in the General Fund (GP) in the Department of Parks, Recreation and Marine (PR). (District 2)

## DISCUSSION

On January 18, 2005, the City Council authorized the execution of Lease No. 29128 with Daryl and Kim Rouse (Landlord) for approximately 800 square feet of space (Site) at 1526 East 4<sup>th</sup> Street. The Site is adjacent to the Miracle on 4<sup>th</sup> Street mini-park and is used by the Department of Parks, Recreation and Marine (PRM) to provide an art education program for neighborhood children. Approximately 75 neighborhood children participate on a daily basis in the after-school programs at the Site.

The lease expired on December 31, 2005. The City has remained at the Site on a month-to-month tenancy while the Landlord contemplated plans for redevelopment or sale of the Site. On April 27, 2007, the Site was sold to Kiet Chi Hong. In an effort to continue the art education program in connection with the Miracle on 4<sup>th</sup> Street mini-park, Mr. Hong has agreed to the following major terms and provisions of a proposed new lease:

- Lessor: Kiet Chi Hong.
- Lessee: The City of Long Beach.
- Leased Premises: Approximately 800 square feet of space located at the rear of the building at 1526 East 4<sup>th</sup> Street.
- Lease Term: Three-year term commencing June 1, 2007 and terminating May 31, 2010.

- Base Rent: The monthly base rent shall be as follows:

June 1, 2007	\$850
June 1, 2008	\$900
June 1, 2009	\$950
- Termination Option: Lessee shall have the right to terminate the lease upon 90-days prior written notice to the Lessor.
- Utilities: Lessor shall be responsible for all utilities to, at or on the Leased Premises including water, gas, electricity and trash disposal.

On February 14, 2006, the City Council authorized the execution of Lease No. 29538 with New Cingular Wireless PCS (Cingular Lease) for City-owned property at 1150 East 4<sup>th</sup> Street at the Long Beach Senior Center for the installation of wireless communication antennas. Under the terms of the Cingular Lease, revenues are set aside in a trust account for future purchases, programming, maintenance and operations at parks and park facilities within the greater Alamitos Beach neighborhood area. The neighborhood area includes the Site and the Miracle on 4<sup>th</sup> Street Park. PRM proposes to utilize these funds to cover monthly base rent payments for the proposed new lease at the Site.

This letter was reviewed by Deputy City Attorney Gary J. Anderson on June 13, 2007 and Budget and Performance Management Bureau Manager David Wodynski on June 28, 2007.

#### TIMING CONSIDERATIONS

City Council action is requested on July 17, 2007, in order to formalize an agreement for the City's continued occupancy of the Site.

#### FISCAL IMPACT

Annual base rent payments shall be \$3,400 for FY 07 and \$10,400 for FY 08. An appropriations increase of \$13,800 is requested in the General Fund (GP) in the Department of Parks, Recreation and Marine (PR) from the Cingular – Senior Center trust account (GP 105) in the Department of Parks, Recreation and Marine (PR).

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July 17, 2007

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



PATRICK H. WEST  
DIRECTOR OF  
COMMUNITY DEVELOPMENT

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PHIL T. HESTER  
DIRECTOR OF  
PARKS, RECREATION AND MARINE

APPROVED:



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ANTHONY W. BATTS  
CITY MANAGER