



CITY OF LONG BEACH

C-8

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

May 24, 2005

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute a Lease between the City of Long Beach and Malibu Ceramic Works, a California Corporation, for City-owned property at 903 Fairbanks Avenue for use as a ceramics studio. (District 1)

DISCUSSION

On September 7, 2004, the City Council authorized the acquisition of a 1.22-acre parcel of land (Site), located at 903 Fairbanks Avenue, for the Drake/Chavez Greenbelt Project (Project). (Please see Exhibit "A" and Exhibit "B"). While acquisition of the property is complete, development of the Project will not commence until adjoining parcels can be assembled and the appropriate community planning and environmental reviews can be accomplished. The Site contains a one-story industrial building previously used as a ceramics factory. In order to utilize the property until development of the Project can proceed, the City has negotiated lease terms with Malibu Ceramic Works for ceramic production, sales, tours and classes.

The proposed lease contains the following major terms and provisions:

- Lease Term: Month-to-month, beginning June 1, 2005.
- Use: The leased premises will be utilized for the production and sale of ceramics. Tours and classes in ceramics will also be provided at no cost to local school children and community members.
- Rent: The monthly market rent for the leased premises was appraised at \$10,000. Lessee shall pay \$7,500 per month plus \$2,500 in additional consideration in the form of classes and tours for the benefit of the City. Details regarding number of classes, times, and participant availability will be determined by the Department of Parks, Recreation and Marine.
- Free Rent Period: Lessee is accepting the leased premises in an "as-is" condition. A 60-day free rent period will be provided to allow the Lessee

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appropriate time for the completion of tenant improvements to conduct business and offer classes within the facility.

- Utilities and Maintenance: The Lessee shall be responsible for the cost of all utilities and maintenance for the leased premises.
- Termination: Either party may terminate the Lease by providing a 30-day advance written notice to the other party.

This letter was reviewed by Senior Deputy City Attorney Donna F. Gwin on April 28, 2005 and Budget Management Officer David Wodynski on May 13, 2005.

TIMING CONSIDERATIONS

City Council action is requested on May 24, 2005, in order to facilitate the target lease commencement date of June 1, 2005.

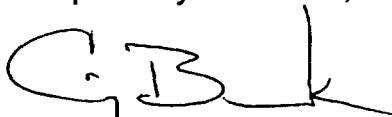
FISCAL IMPACT

Monthly revenue in the amount of \$7,500 will accrue to the General Fund (GP) in the Department of Parks, Recreation and Marine (PRM).

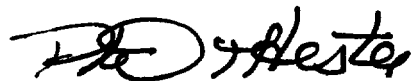
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CRAIG BECK
ACTING DIRECTOR OF
COMMUNITY DEVELOPMENT



PHIL T. HESTER
DIRECTOR OF PARKS,
RECREATION AND MARINE

CB:PTH:MFT:lej

Attachments: Exhibit "A" Council Letter Dated September 7, 2004
Exhibit "B" - Site Map

APPROVED:



GERALD R. MILLER
CITY MANAGER