



**HOUSING AUTHORITY**  
of the City of Long Beach

Community Development  
521 East Fourth Street  
Long Beach, CA 90802  
Tel 562.570.6985  
Fax 562.570.8700

December 15, 2009

## **AGENDA ITEM 5**

HONORABLE HOUSING AUTHORITY  
City of Long Beach  
California

### **RECOMMENDATION:**

Request for authorization to execute the First Amendment to Lease No. 27059 with East Village Partners, LLC (Landlord), for 35 parking spaces located at 434 East Fourth Street, for the continued occupancy by the Housing Authority, for an additional five-year term, at an initial monthly rent of \$1,995. (District 1)

### **DISCUSSION**

On August 10, 1999, the Housing Authority Commission authorized the execution of Lease No. 27059 between Gregory R. Ginn, predecessor in interest to Landlord, and the Housing Authority of the City of Long Beach (Tenant) for 35 parking spaces located at 434 East Fourth Street (Premises), for use by Housing Authority staff. The term of the lease was for approximately nine years and four months and is scheduled to terminate on March 31, 2010. In December 2008, the Premises were purchased by East Village Partners, LLC (Landlord), who wish to continue leasing the parking spaces to the Housing Authority beyond the expiration of the current term.

To provide for the continued occupancy of the Premises by Housing Authority, a new Lease extension has been negotiated. The proposed First Amendment to Lease No. 27059 contains the following major terms and provisions:

- Landlord: East Village Partners, LLC.
- Tenant: The Housing Authority of the City of Long Beach.
- Premises: The leased premises shall consist of 35 parking spaces, which are part of a 15,000 square foot parking lot located at 434 East Fourth Street (Exhibit A).
- Length of Term: The term of the Lease shall be extended for an additional five-year period, commencing on April 1, 2010 and terminating on March 31, 2015.

HONORABLE HOUSING AUTHORITY

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- Early Termination: Landlord and Tenant shall both have the right to terminate the lease with 180 days prior written notice.
- Rent: The monthly base rent for the entire leased premises (35 parking spaces) shall be as follows:

Months 1-12:	\$1,995.00 (\$57.00 per parking space)
Months 13-24:	\$2,054.83 (\$58.71 per parking space)
Months 25-36:	\$2,116.50 (\$60.47 per parking space)
Months 37-48:	\$2,180.00 (\$62.29 per parking space)
Months 49-60:	\$2,245.42 (\$64.15 per parking space)

The base rent under the current Lease is \$1,867 per month. With the recent purchase of the Premises and the improvements described below, the Landlord has requested that the new rent reflect current market rates. As such, the new monthly rent for the first 12 months of the extended term shall increase by approximately six percent (6%) to \$1,995 per month and shall increase three percent (3%) each year thereafter.

- Landlord Improvements: Landlord, at its sole cost and expense, shall slurry coat and re-stripe the property and make all necessary repairs to ensure that the fencing and all lighting on the property is in good working order.

All other terms, covenants and conditions of the current Lease shall remain in effect.

This letter was reviewed by Deputy City Attorney Linda Trang on November 10, 2009 and Budget and Performance Management Bureau Manager David Wodynski on November 25, 2009.

TIMING CONSIDERATIONS

Housing Authority Commission action is requested on December 15, 2009 to allow for the timely execution of the First Amendment to Lease No. 27059 and to facilitate the improvement work at 434 East Fourth Street.

FISCAL IMPACT

The total Fiscal Year 2010 (FY 10) costs for the First Amendment to Lease No. 27059 are estimated to be \$23,940. (Estimated cost for term of the lease is \$127,100.) Sufficient funds to cover rental payments are currently appropriated in the Housing Authority Fund (SR 151) in the Department of Community Development (CD). There is no impact to the General Fund.

HONORABLE HOUSING AUTHORITY

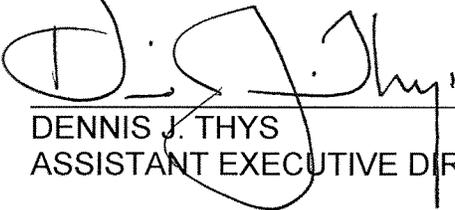
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SUGGESTED ACTION:

Approve recommendation.

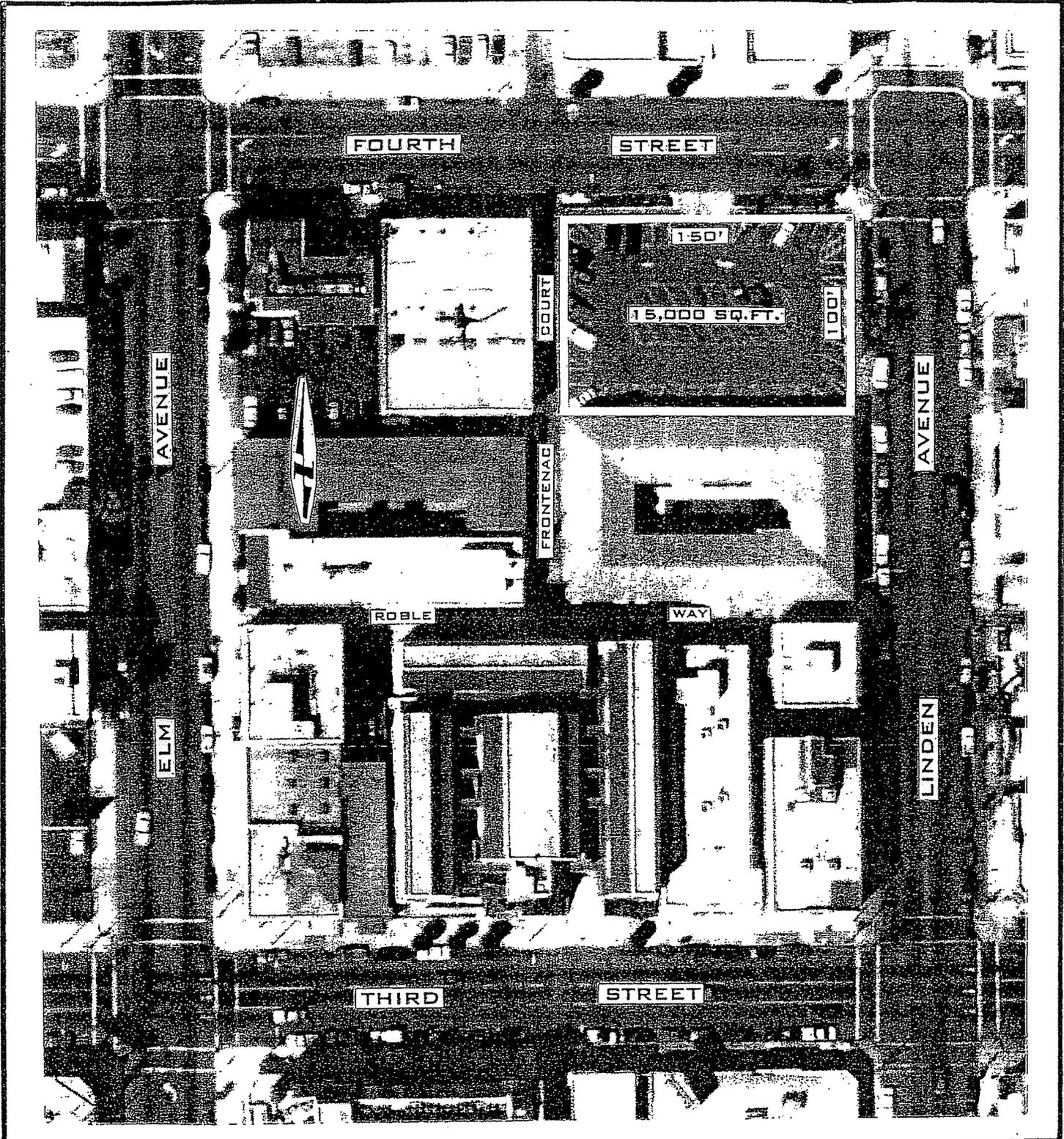
Respectfully submitted,

  
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DENNIS J. THYS  
ASSISTANT EXECUTIVE DIRECTOR

APPROVED:

  
\_\_\_\_\_  
PATRICK H. WEST  
EXECUTIVE DIRECTOR

Attachments



CITY OF LONG BEACH - CALIFORNIA  
DEPARTMENT OF PUBLIC WORKS

VICINITY MAP EXHIBIT FOR  
FOURTH STREET PARKING LOT AGREEMENT  
434 EAST FOURTH STREET

EXHIBIT "A"

OFFICE OF THE CITY ATTORNEY  
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333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

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**FIRST AMENDMENT TO LEASE NO. 27059**

This First Amendment to Lease No. 27059 (“Amendment”) is made and entered, in duplicate, between EAST VILLAGE PARTNERS, LLC, a California limited liability company, as successor-by-assignment to Gregory R. Ginn (“Landlord”), and THE HOUSING AUTHORITY OF THE CITY OF LONG BEACH, a public agency (“Tenant”), pursuant to a minute order adopted by the Housing Authority Board of Commissioners at its meeting on \_\_\_\_\_, 2009.

WHEREAS, Landlord and Tenant previously entered into a Lease dated October 10, 2000 (the “Lease”), and all capitalized terms used herein and not otherwise defined shall have the meanings given them in the Lease; and

WHEREAS, Landlord and Tenant now desire to amend the Lease to, among other things, extend the term of the Lease;

NOW, THEREFORE, Landlord and Tenant mutually agree as follows:

1. This Amendment shall be effective as of the date on which this Amendment is executed by both parties.
2. The term of the Lease is hereby extended for a period of five (5) years, beginning April 1, 2010 and ending March 31, 2015 (the “Extension Term”).
3. Tenant shall pay to Landlord annual rent for the 35 spaces available on the Property as follows: Twenty-Three Thousand Nine Hundred Forty Dollars (\$23,940) for the first year of the Extension Term; Twenty-Four Thousand Six Hundred Fifty-Eight Dollars (\$24,658) for the second year of the Extension Term; Twenty-Five Thousand Three Hundred Ninety-Eight Dollars (\$25,398) for the third year of the Extension Term; Twenty-Six Thousand One Hundred Sixty Dollars (\$26,160) for the fourth year of the Extension Term; and Twenty-Six Thousand Nine Hundred Forty-Five Dollars (\$26,945) for the fifth and final year of the Extension Term.
4. Landlord, at Landlord’s sole cost and expense, shall (i) slurry coat and re-stripe the Property, (ii) make repairs necessary (if any) to ensure that perimeter fencing around the property is in good working order, and (iii) make any repairs

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1 necessary (if any) to ensure that all lighting on the Property is in good working order.

2 5. All terms, covenants, and conditions of the Lease and amendments  
3 thereto, except as amended herein, shall remain unchanged and in full force and effect.

4 IN WITNESS WHEREOF, the parties hereto have executed this  
5 Amendment.

6 "Tenant"

7 THE HOUSING AUTHORITY OF THE CITY OF LONG  
8 BEACH, a public agency

9 By: \_\_\_\_\_  
10 Name: \_\_\_\_\_  
11 Title: \_\_\_\_\_

12 "Landlord"

13 EAST VILLAGE PARTNERS, LLC,  
14 a California limited liability company

15 By: \_\_\_\_\_  
16 Name: \_\_\_\_\_  
17 Title: \_\_\_\_\_

18 Approved as to form this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

19 ROBERT E. SHANNON, City Attorney

20 By: \_\_\_\_\_  
21 Deputy

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