

CITY OF LONG BEACH

C-4

DEPARTMENT OF ECONOMIC AND PROPERTY DEVELOPMENT

333 West Ocean Boulevard 3rd Floor • Long Beach, CA 90802 • (562) 570-6099 • Fax (562) 570-6380

June 23, 2015

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute all documents necessary for the Third Amendment to Lease No. 30218 with the Openden Family Trust (Landlord), for approximately 800 rentable square feet at 1526 East 4th Street, for the continued operation of a children's art program; and

Increase appropriations in the General Fund (GF) in the Parks, Recreation and Marine Department (PR) by \$11,820. (District 2)

DISCUSSION

On June 11, 2013, the City Council authorized the execution of the Second Amendment to Lease No. 30218 (Lease) with the Openden Family Trust (Landlord) for approximately 800 square feet of space at 1526 East 4th Street (Site) for a two-year term. The Site is adjacent to the Miracle on 4th Street mini-park (Attachment) and is used by the Department of Parks, Recreation and Marine (PRM) to provide an art education program for neighborhood children. The Site provides a much needed space in the area that lacks a community center and park space to provide traditional after school, weekend and summer programming. On average, 75 neighborhood children participate daily in the various programs offered at the Site.

On February 14, 2006, the City Council authorized the execution of Lease No. 29538 with Cingular Wireless PCS (Cingular Lease) for the use of the Long Beach Senior Center rooftop for the placement of wireless communication equipment. Under the terms of the Cingular Lease, revenues are set aside in a trust account (Cingular Senior Center Trust) for future purchases, programming, maintenance, and operations at parks and park facilities within the greater Alamitos Beach neighborhood area. The neighborhood area includes the Long Beach Senior Center and the Miracle on 4th Street Park.

The current term of the Lease expired on May 31, 2015. To provide for the continuation of the art education program at the Site, the Landlord has agreed to a proposed Third Amendment to Lease No. 30218 containing the following major terms and conditions:

- Landlord: Openden Family Trust.
- Tenant: City of Long Beach.
- Leased Premises: The leased premises consist of approximately 800 square feet of space and five parking spaces at the rear of the building at 1526 East 4th Street.
- Lease Term: The term of the Lease shall be extended through May 31, 2020.
- Rent: The initial monthly base rent shall increase from \$975 per month to \$1,005 per month (\$1.26 per square foot) and be subject to three percent annual increases throughout the extended term of the Lease.
- Utilities and Taxes: Landlord shall continue to be responsible for all utilities serving the Leased Premises, as well as all real estate taxes.
- Termination Option: Tenant shall continue to have the right to terminate the Lease upon ninety (90) days prior written notice to the Landlord.

All remaining terms of Lease No. 30218 shall remain in full force and effect. The current term of the Cingular Lease runs through February 28, 2016, and includes two five-year options to renew. PRM wishes to continue using funding from the Cingular Senior Center Trust to cover monthly base rent payments for the Lease.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on May 20, 2015, and by Budget Management Officer Victoria Bell on June 5, 2015.

TIMING CONSIDERATIONS

City Council action is requested on June 23, 2015 in order to finalize and execute the Third Amendment in a timely manner to formalize the continued occupancy of the Leased Premises.

FISCAL IMPACT

Annual base rent payments shall total \$11,820 for FY 15 and this cost is not budgeted. An appropriations increase of \$11,820 is requested in the General Fund (GF) in the Parks, Recreation and Marine Department (PR). Revenues collected in the Cingular Senior Center Trust will offset this expenditure. There is no local job impact associated with this recommendation.

HONORABLE MAYOR AND CITY COUNCIL

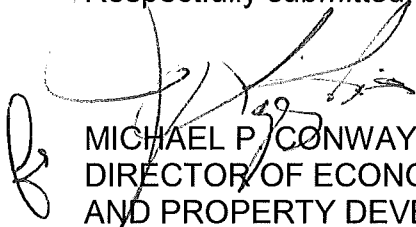
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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



MICHAEL P. CONWAY
DIRECTOR OF ECONOMIC
AND PROPERTY DEVELOPMENT



GEORGE CHAPJIAN
DIRECTOR OF
PARKS, RECREATION AND MARINE

MPC:GC:JLR:MTB

APPROVED:



PATRICK H. WEST
CITY MANAGER



1526 E. 4th Street
(Miracle on 4th Street Mini Park)

Lease No. 30218



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