



CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

C-9

June 22, 2010

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute all documents necessary for the First Amendment to Lease No. 30218 with Kiet Chi Hong, an individual, for approximately 800 square feet of rentable space at 1526 East 4th Street, for the continued operation of a children's art program, for a three-year term, at the current monthly base rent of \$950, with one, two-year option to renew, and increase appropriations in the General Fund (GP) and in the Department of Parks, Recreation, and Marine (PR) by \$11,400. (District 2)

DISCUSSION

On July 17, 2007, the City Council authorized the execution of Lease No. 30218 with Kiet Chi Hong, an individual (Landlord), for approximately 800 square feet of space (Site) at 1526 East 4th Street. The Site is adjacent to the Miracle on 4th Street mini-park and is used by the Department of Parks, Recreation, and Marine (PRM) to provide a children's art program. A vicinity map is attached.

The Site is currently used due to the lack of a community center and park space in the area to provide traditional after school, weekend, and summer programming, as is the case at other staffed park sites. On average, 75 neighborhood children participate daily in the various programs offered at the Site.

The current lease term expired on May 31, 2010, and both parties are currently under a month-to-month holdover arrangement. To provide for the continued occupancy of the Site by PRM, a new lease extension has been negotiated. The proposed First Amendment to Lease No. 30218 contains the following major terms and provisions:

- Landlord: Kiet Chi Hong, an individual.
- Lessee: City of Long Beach.
- Leased Premises: The leased premises shall consist of approximately 800 square feet of space at the rear of the building at 1526 East 4th Street.

- Length of Term: The term shall be extended for an additional three-year period, commencing on June 1, 2010 and terminating on May 31, 2013.
- Rent: The monthly base rent for the entire leased premises shall be \$950 per month (\$1.19 per square foot) throughout the extended term of the Lease.
- Utilities and Taxes: The Landlord shall continue to be responsible for all utilities to, at, or on the Leased Premises as well as all real estate taxes.
- Option to Renew: Tenant shall have one option to renew the Lease for a period of two years.

All remaining terms and provisions of Lease No. 30218 shall remain in full force and effect.

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 located at 1150 East 4th 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 (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 Site and the Miracle on 4th Street Park. PRM wishes to continue using funding from said trust account to cover monthly base rent payments due for Lease No. 30218.

This letter was reviewed by Deputy City Attorney Gary J. Anderson on May 25, 2010 and Budget Officer Victoria Bell on May 28, 2010.

TIMING CONSIDERATIONS

City Council action is requested on June 22, 2010, in order to formalize an agreement for the continued occupancy of the site.

FISCAL IMPACT

The cost for the First Amendment to Lease No. 30218 will remain at the current rate of \$950 per month, for a total cost of \$11,400 for FY 10. This expense is not currently budgeted. Funding to support the lease expense is provided by the annual Cingular Lease payments for the adjacent Senior Center, which have been reserved in a General Fund trust account. An appropriation increase of \$11,400 in the Department of Parks, Recreation, and Marine is requested in order to support the unbudgeted lease expense. The recommended action will not have an impact on jobs.

HONORABLE MAYOR AND CITY COUNCIL

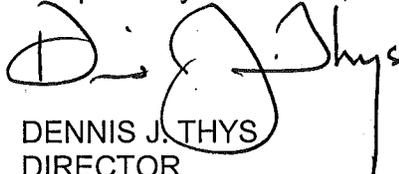
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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



DENNIS J. THYS
DIRECTOR
DEPARTMENT OF COMMUNITY DEVELOPMENT



PHIL T. HESTER
DIRECTOR
DEPARTMENT OF PARKS,
RECREATION, AND MARINE

DJT: PTH:VSG:MTB
6-22-10 1526 E. 4th St. 1st Amendment v1.doc

Attachment

APPROVED:



PATRICK H. WEST
CITY MANAGER



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

Lease No. 30218

