



June 11, 2013

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute all documents necessary for the Second Amendment to Lease No. 30218 with the Openden Family Trust (Landlord), 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 two-year extended term at the monthly base rent of \$975; and

Increase appropriations in the General Fund (GP) in the Department of Parks, Recreation, and Marine (PR) by \$11,500. (District 2)

DISCUSSION

On June 22, 2010, the City Council authorized the execution of the First Amendment to Lease No. 30218 (Lease) with Kiet Chi Hong, an individual, predecessor in interest to Landlord, for approximately 800 square feet of space (Site) at 1526 East 4th Street, for a three-year term. 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 an art education program for neighborhood children. 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. 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 (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.

HONORABLE MAYOR AND CITY COUNCIL

June 11, 2013

Page 2

In March 2012, the Landlord purchased the property and assumed the terms of the existing lease, which expired on May 31, 2013. To provide for the continuation of the art education program at the Site, the Landlord has agreed to a proposed Second Amendment to Lease No. 30218 containing the following major terms and provisions:

- Landlord: Openden Family Trust.
- Tenant: City of Long Beach.
- Leased Premises: The leased premises 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 two-year period, commencing on June 1, 2013 and terminating on May 31, 2015.
- Rent: The monthly base rent for the entire leased premises shall increase from \$950 per month (\$1.19 per square foot) to \$975 per month (\$1.22 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.
- Termination Option: Tenant shall have the right to terminate the Lease upon ninety (90) days prior written notice to the Landlord.

All remaining terms and provisions of the Lease shall remain in full force and effect. The Cingular Lease will terminate on February 28, 2016, and PRM wishes to continue using funding from the Senior Center Trust to cover monthly base rent payments for the Lease.

This matter was reviewed by Deputy City Attorney Gary J. Anderson on May 7, 2013 and by Budget Manager Officer Victoria Bell on May 21, 2013.

TIMING CONSIDERATIONS

City Council action is requested on June 11, 2013 in order to execute the Second Amendment in a timely manner to formalize the continued occupancy of the Leased Premises.

FISCAL IMPACT

Annual base rent payments shall total \$11,500 for FY 13, \$11,700 for FY 14 and \$7,800 for FY 15. An FY 13 appropriations increase of \$11,500 is requested in the General Fund (GP) in the Department of Parks, Recreation, and Marine (PR). Revenues

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June 11, 2013

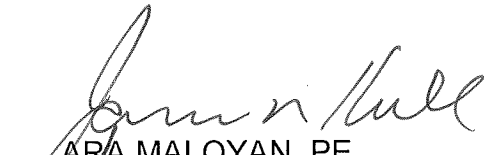
Page 3

collected in the Senior Center Trust will offset this expenditure. There will be no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



ARA MALOYAN, PE
ACTING DIRECTOR OF
PUBLIC WORKS



GEORGE CHAPJIAN
DIRECTOR OF
PARKS, RECREATION AND MARINE

AM:GC:JLR:MTB
06.11.13 1526 E. 4th St. 2nd Amendment v1

APPROVED:



PATRICK H. WEST
CITY MANAGER