



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 6

HONORABLE HOUSING AUTHORITY
City of Long Beach
California

RECOMMENDATION:

Request for authorization to execute the Second Amendment to Lease No. 26572 with Craig A. MacPherson and Stuart S. MacPherson (Landlord), for 12 parking spaces located at 523 East Fourth Street, for the continued occupancy by the Housing Authority, for a five-year term, at an initial monthly rent of \$602. (District 1)

DISCUSSION

On August 10, 1999, the Housing Authority Commission authorized the execution of Lease No. 26572 between Stuart S. MacPherson (Landlord) and the Housing Authority of the City of Long Beach (Tenant) for 11 parking spaces located at 523 East Fourth Street (Premises), for use by Housing Authority staff, on a month-to-month tenancy.

On February 13, 2001, the Housing Authority Commission authorized the execution of the First Amendment to Lease No. 26572 with Craig A. MacPherson and Stuart S. MacPherson (Landlord), which amended the Lease to include rental increases of five percent (5%) per year. On April 30, 2002, both parties agreed through a letter agreement prepared by the City Attorney's Office to expand the Premises to include 12 parking spaces.

To provide for the continued occupancy of the Premises by the Housing Authority, a new Lease extension has been negotiated. The proposed Second Amendment to Lease No. 26572 contains the following major terms and provisions:

- Landlord: Craig A. MacPherson and Stuart S. MacPherson.
- Tenant: The Housing Authority of the City of Long Beach.
- Premises: The leased premises shall consist of 12 parking spaces, which are part of a 5,000 square foot parking lot located at 523 East Fourth Street (Exhibit A).

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- 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.
- 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 (12 parking spaces) shall be as follows:

Months 1-12:	\$601.58 (\$50.13 per parking space)
Months 13-24:	\$631.66 (\$52.64 per parking space)
Months 25-36:	\$663.24 (\$55.27 per parking space)
Months 37-48:	\$696.40 (\$58.03 per parking space)
Months 49-60:	\$731.22 (\$60.94 per parking space)

The current base rent is \$572.92 per month and the existing Lease provides for five percent (5%) annual increase to the rental rate. In consideration for the improvements described below, the new monthly rent for the first 12 months of the extended term shall increase by five percent (5%) to \$601.58 per month and shall continue to increase at the same rate each year thereafter. This rental rate is considered very competitive for parking rates in the East Village area of Long Beach.

- Landlord Improvements: Landlord, at its sole cost and expense, shall slurry coat and re-stripe the property.

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 Second Amendment to Lease No. 26572 and to facilitate the improvement work at 523 East Fourth Street.

FISCAL IMPACT

The total Fiscal Year 2010 (FY 10) costs for the Second Amendment to Lease No. 26572 are estimated to be \$7,219. (Estimated cost for the term of the lease is \$39,890.) Sufficient funds to cover rental payments are currently appropriated in the Housing

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Authority Fund (SR 151) in the Department of Community Development (CD). There is no impact to the General Fund.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



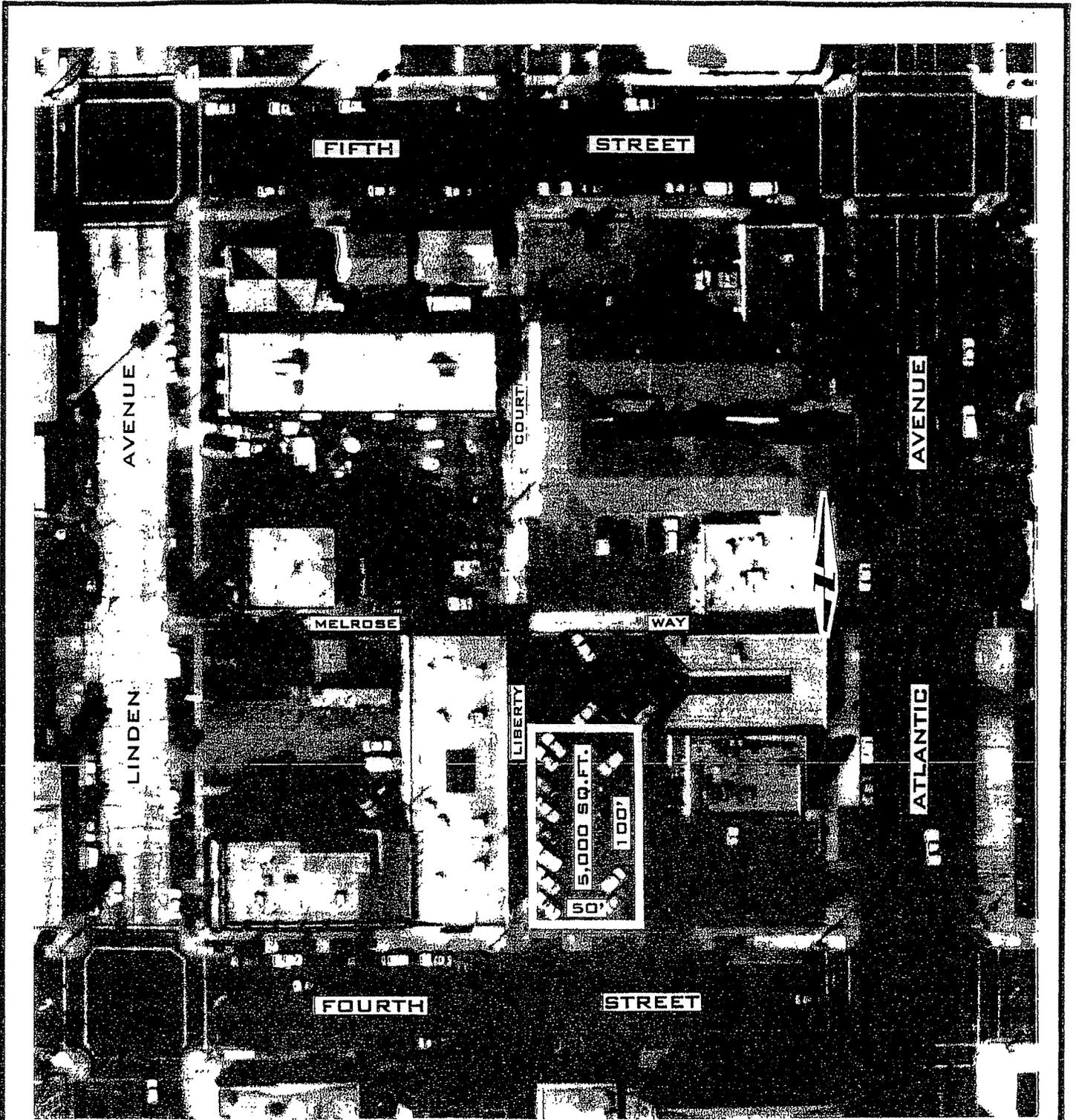
DENNIS J. THYS
ASSISTANT EXECUTIVE DIRECTOR

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
NORTH SIDE OF EAST FOURTH
EAST OF LIBERTY COURT
EXHIBIT "A"

1 **SECOND AMENDMENT TO LEASE NO. 26572**

2 This Second Amendment to Lease No. 26572 ("Amendment") is made and
3 entered, in duplicate, between CRAIG A. MACPHERSON AND STUART S.
4 MACPHERSON, individuals (collectively, "Landlord"), and THE HOUSING AUTHORITY
5 OF THE CITY OF LONG BEACH, a public agency ("Tenant"), pursuant to a minute order
6 adopted by the Housing Authority Board of Commissioners at its meeting on
7 _____, 2009.

8 WHEREAS, Landlord and Tenant previously entered into (i) a Lease dated
9 August 10, 1999, (ii) a First Amendment to Lease dated January 1, 2001, and a Letter
10 Agreement dated April 10, 2002 (collectively, the "Lease"), and all capitalized terms used
11 herein and not otherwise defined shall have the meanings given them in the Lease; and

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

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

15 1. This Amendment shall be effective as of the date on which this
16 Amendment is executed by both parties.

17 2. The term of the Lease is hereby extended for a period of sixty-three
18 (63) months, beginning January 1, 2010 and ending March 31, 2015 (the "Extension
19 Term").

20 3. Tenant shall pay to Landlord annual rent for the 12 spaces available
21 on the Property as follows: Seven Thousand Two Hundred Nineteen Dollars (\$7,219) for
22 the first year of the Extension Term; Seven Thousand Five Hundred Eighty Dollars
23 (\$7,580) for the second year of the Extension Term; Seven Thousand Nine Hundred
24 Fifty-Nine Dollars (\$7,959) for the third year of the Extension Term; Eight Thousand
25 Three Hundred Fifty-Seven Dollars (\$8,357) for the fourth year of the Extension Term;
26 and Eight Thousand Seven Hundred Seventy-Five Dollars (\$8,775) for the fifth year of
27 the Extension Term; and Two Thousand Three Hundred Four Dollars (\$2,304) for the
28 final three (3) months of the Extension Term.

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
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Long Beach, CA 90802-4664

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1 4. Tenant's hours of use of the Premises shall be from 7:00 a.m. to
2 6:30 p.m., Monday through Friday.

3 5. Landlord, at Landlord's sole cost and expense, shall slurry coat and
4 re-stripe the Property, including clearly marking the applicable spaces as reserved for
5 Tenant. In performing such work, Landlord shall comply with California Labor Code
6 Section 1720 regarding the payment of prevailing wages.

7 6. Landlord agrees, subject to applicable laws, rules and regulations,
8 that no person shall be subject to discrimination in the performance of this Lease on the
9 basis of race, color, religion, national origin, gender, sexual orientation, AIDS, HIV status,
10 age, disability, handicap or veteran status.

11 7. All terms, covenants, and conditions of the Lease and amendments
12 thereto, except as amended herein, shall remain unchanged and in full force and effect.

13 IN WITNESS WHEREOF, the parties hereto have executed this
14 Amendment.

"Tenant"

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

By: _____
Name: _____
Title: _____

"Landlord"

STUART S. MACPHERSON

CRAIG A. MACPHERSON

Approved as to form this _____ day of _____, 2009.

ROBERT E. SHANNON, City Attorney

By: _____
Deputy

02-01294