



CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

December 7, 2004

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Lease for a Portion of the Former Palace Hotel, 2644 Anaheim Street,
With Marjorie Freeman, an Individual, DBA Family Nutrition Center
(District 4)

DISCUSSION

The City acquired the Palace Hotel property at 2644 Anaheim Street on April 8, 2004 at a Los Angeles County Sheriff's sale for delinquent earthquake loan assessments. The two-story building contains approximately 11,700 square feet and has one remaining occupant, Marjorie Freeman, DBA Family Nutrition Center. Ms. Freeman is requesting to lease, on a month-to-month basis, the 1,107 square feet of the ground floor space in the building, commonly referred to as 2644 Anaheim Street. Ms. Freeman has been utilizing this space since June 1999 for the retail sales of food staples. The terms and conditions of the proposed lease will be as follows:

- **Tenant/Business Name:** Marjorie Freeman, an individual, DBA Family Nutrition Center.
- **Premises:** The Premise is approximately 1,107 square feet located at 2644 E. Anaheim Street, Long Beach, CA 90804.
- **Lease Term:** The Lease will be month-to-month commencing on the first of the month after the date the agreement is signed by the City Manager.
- **Use:** The use of the Premises is for the retail sales of food staples.
- **Monthly Rent:** Rent will be \$750 per month and will be increased by the percentage increase in the consumer's price index for the prior 12 months at every lease annual anniversary.
- **Utilities:** Tenant will be responsible for arranging and paying for utility services for telephone and electrical power. The City will provide normal water usage and sewer connections from the existing services. Tenant may use the City's waste bin at no charge for non-hazardous paper/cardboard waste generated from the business conducted on the Premises.

HONORABLE MAYOR AND CITY COUNCIL

December 7, 2004

Page 2

- Improvements: With the City's prior written permission and proper permitting the Tenant may install improvements to the Premises at its sole cost and expense and without rent credit or offset.
- Required Insurance: Tenant will be required to meet the City's standard insurance requirements.
- No Relocation Benefits: Tenant expressly waives any and all rights to relocation benefits.
- Condition of Premises and Maintenance: Tenant will keep the Premises in a neat, orderly and safe condition at all times and will maintain, repair and replace any improvements, keeping all such items in good working order, at its sole cost and expense without rent credit or offset.

This letter was reviewed by Chief Assistant City Attorney Heather Mahood on November 17, 2004 and Budget Management Officer David Wodynski on November 23, 2004.

TIMING CONSIDERATIONS

City Council action is requested on December 7, 2004 to proceed with the Lease in a timely manner.

FISCAL IMPACT

Monthly rental revenue from the lease will be deposited into the General Fund (GP) .

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to execute a Lease for a portion of the former Palace Hotel, 2644 Anaheim Street, with Marjorie Freeman, an individual, DBA Family Nutrition Center.

Respectfully submitted,



MELANIE S. FALLON
DIRECTOR OF
COMMUNITY DEVELOPMENT

APPROVED:



GERALD R. MILLER
CITY MANAGER