



Legislation Text

File #: 09-0326, **Version:** 1

Recommendation to authorize City Manager to execute a First Amendment to Lease No. 29143 between the City of Long Beach and Malibu Ceramic Works, a California corporation, for City-owned property located at 903 Fairbanks Avenue, in order to re-define in-kind programming. (District 1)

On September 7, 2004, the City Council authorized the acquisition of a 1.22-acre parcel of land (Site), located at 903 Fairbanks Avenue, for the Drake/Chavez Greenbelt Project (Project). The Site contains a one-story industrial building previously used as a ceramics factory. In order to utilize the property until development of the Project could proceed, the City negotiated lease terms with Malibu Ceramic Works (Lessee) for ceramic production, sales, tours, and classes. City Council approved Lease No. 29143 at their meeting held on May 24, 2005. As part of the original lease provisions, Lessee is required to provide classes and tours in the form of in-kind programming. While the Lessee's classes have been listed in the Department of Parks, Recreation and Marine's Recreation Class Guide, there was a lack of interest and classes were discontinued due to poor enrollment. Lessee has demonstrated best-faith efforts toward the fulfillment of contractual obligations as currently written. In order to ensure that the City receives some form of in-kind compensation, the rental section of the lease shall be redefined.

The proposed First Amendment contains the following revisions, which all parties have agreed to:

. Rent: Lessee shall pay \$7,500 per month, plus \$2,500 in additional consideration in the form of:

- ~ One guided tour per month (limited to 25 persons), and one souvenir per person; and/or
- ~ Two-hour weekday or weekend classes (limited to 15 students per class); and/or
- ~ Tiles, related materials, and labor.

All other provisions of Lease No. 29143 shall remain the same.

This matter was reviewed by Deputy City Attorney Gary J. Anderson on March 16, 2009, and Budget and Performance Management Bureau Manager David Wodynski on March 20, 2009.

City Council action is requested on April 21, 2009, in order to authorize the execution of a First Amendment to Lease No. 29143.

There is no fiscal impact associated with this request.

Approve recommendation.

PHIL T. HESTER
DIRECTOR OF PARKS, RECREATION AND MARINE

DENNIS J. THYS
DIRECTOR OF COMMUNITY DEVELOPMENT

NAME
TITLE

APPROVED:

PATRICK H. WEST
CITY MANAGER