



# CITY OF LONG BEACH

# R-22

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

November 11, 2008

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach  
California

**RECOMMENDATION:**

Authorize the City Manager to execute any and all documents necessary for the Second Amendment to Office Lease No. 25822 with Jimmy Blair and Becky Blair, husband and wife in joint tenancy, successors by assignment to Topdanmark (California) Inc., for office space at 333 West Broadway, Suite 100, for the occupancy by the Long Beach Police Department, Internal Affairs Division, for a five-year term, at an initial monthly base rent of \$7,387. (District 1)

**DISCUSSION**

On May 19, 1998, the City Council approved Office Building Lease No. 25822 (Lease) between Topdanmark (California) Inc. (Landlord), and the City of Long Beach (Tenant) for the office premises at 333 West Broadway, Suites 100 and 302, for a five-year term to house the Long Beach Police Department, Community Relations Division and the Internal Affairs Division. Subsequently, on July 8, 2003, the City Council authorized the First Amendment to Office Building Lease No. 25822 to extend the Lease term to November 14, 2008.

The Community Relations Division, which is currently housed in Suite 100, oversees communications between the Police Department and the general public on an individual basis and through neighborhood meetings, press releases, television interviews, and information brochures and materials. The Internal Affairs Division, which is currently housed in Suite 302, investigates matters regarding the Police Department's service performance.

In an effort to reduce the Department's expenditures, the Police Department has proposed to consolidate its offsite facilities at 333 West Broadway. First, the Community Relations Division will relocate its entire office operations to 333 West Broadway, Suite 308, which is under lease to the City until 2010, via Lease No. 26704 with Western Gardena Property, LLC. Currently, both Divisions share this site for additional business activities. Secondly, the Internal Affairs Division will relocate its entire office operations from 333 West Broadway, Suites 302 and 308, to 333 West Broadway, Suite 100. Thus, by relinquishing 333 West Broadway, Suite 302, the Police Department will realize a net savings in rent and utility costs of approximately \$54,660 in FY 09.

HONORABLE MAYOR AND CITY COUNCIL

November 11, 2008

Page 2

The Sea Spray Office Building at 333 West Broadway is conveniently located near the Police Department's headquarters at 400 West Broadway (Public Safety Building) and accommodates the Police Department's space needs. To provide for the Police Department's continued occupancy of 333 West Broadway, Suite 100, a new Lease extension has been negotiated. The proposed Second Amendment to Office Building Lease No. 25822 contains the following major terms and provisions:

- Landlord: Jimmy Blair and Becky Blair, husband and wife in joint tenancy, as successors by assignment to Topdanmark (California) Inc. Jimmy Blair and Becky Blair acquired the office condominiums at 333 West Broadway, Suites 100 and 302, in 2004.
- Tenant: The City of Long Beach.
- Premises: The leased premises shall consist of approximately 4,450 usable square feet of office space at 333 West Broadway, Suite 100.
- Length of Term: The term shall be extended for an additional five-year period, commencing on November 15, 2008 and expiring on November 14, 2013.
- Rent: The monthly base rent for the leased premises shall be as follows:  
Months 1 – 30 - \$7,387 per month (\$1.66 per usable square foot/per month)  
Months 31 – 60 - \$7,743 per month (\$1.74 per usable square foot/per month)  
  
The effective base rent for the new 60-month term shall be \$1.70 per usable square foot per month. This rate is considered very competitive for office space in the downtown Long Beach area.
- Utilities, Services and Taxes: The Landlord shall continue to pay for all real property taxes, common area maintenance and property insurance. The Tenant shall continue to pay for costs associated with electricity, gas, water and janitorial services that are provided to the Premises.
- Parking: The Tenant shall be entitled to twelve (12) parking stalls free of charge for this extension term.
- Tenant Improvements: The Landlord shall provide a tenant improvement allowance in the amount of \$15,575 (\$3.50 per usable square foot) for remodeling the receptionist area and enhancing office security.
- Option to Renew: The City shall have one remaining option to renew the Lease for a period of five years. The monthly base rent for the next option period shall be as follows:

Months 1-30 - \$8,144 per month (\$1.83 per usable square foot/per month)  
Months 31-60 - \$8,544 per month (\$1.92 per usable square foot/per month)

In the event the Tenant exercises the option to renew, the Landlord shall contribute \$17,800 (\$4.00 per usable square foot) as a remodeling allowance.

All remaining terms, covenants and conditions in Lease No. 25822 shall remain in effect.

This letter was reviewed by Deputy City Attorney Gary J. Anderson on October 14, 2008 and Budget Management Officer Victoria Bell on October 21, 2008.

TIMING CONSIDERATIONS

City Council action is requested on November 11, 2008, in order to finalize and execute the Second Amendment to Office Lease No. 25822 prior to the termination date of November 14, 2008, and to facilitate the tenant improvement project at 333 West Broadway, Suite 100.

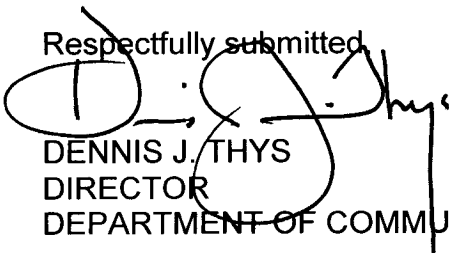
FISCAL IMPACT

The total Fiscal Year 2009 (FY 09) costs for the Second Amendment to Office Lease No. 25822 are estimated to be \$86,314. Of this amount, the base rent payment is estimated to be \$77,564, and utilities are estimated to be \$8,750. Sufficient funds to cover rental payments and all other costs associated with the Lease are included in the FY 09 Budget in the General Fund (GP) in the Police Department (PD).

**SUGGESTED ACTION:**

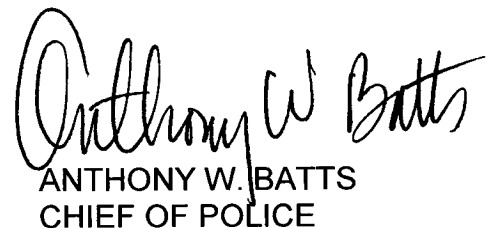
Adopt recommendation.

Respectfully submitted,



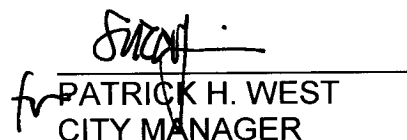
DENNIS J. THYS  
DIRECTOR  
DEPARTMENT OF COMMUNITY DEVELOPMENT

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ANTHONY W. BATTS  
CHIEF OF POLICE

APPROVED:



PATRICK H. WEST  
CITY MANAGER