



CITY OF LONG BEACH

LONG BEACH AIRPORT

C-13

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December 2, 2008

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute all documents necessary for a reciprocal easement agreement between the City of Long Beach and The Boeing Company for City-owned property at 2750 E. Wardlow Road and Boeing-owned property at 2400 E. Wardlow Road. (District 5)

DISCUSSION

In 1970, the City Council authorized the execution of Lease No. 10450 (Lease) between the City of Long Beach and Carrier Aircraft, Incorporated, for City-owned property at 2750 E. Wardlow Road (Site). In 1983, the Lease was assigned to Group Six Leasing Company. In 1986, the Lease was assigned to McDonnell Douglas Corporation. In 1997, McDonnell Douglas Corporation merged with The Boeing Company (MD/Boeing).

Used over the years for various aviation purposes, the Site has most recently been utilized to augment the manufacturing space needs for the C-17 manufacturing facility (C-17 Facility) located adjacent to the Site. The Lease terminated in 1995 and MD/Boeing has remained on the Site on a month-to-month basis. In an effort to consolidate various leased space, MD/Boeing has submitted its 30-day notice to vacate the Site. When vacated, the Site will retain three structures containing office, storage and warehouse space.

As part of MD/Boeing's preparations for vacancy, a survey was completed to identify the exact location of the property line between the Site and the C-17 Facility, due to the Site's long-term use by various entities and its coupling with the adjacent C-17 Facility. The survey confirmed that one of the Site structures is encroaching onto the C-17 Facility property. Additionally, an electrical substation for the C-17 Facility is encroaching onto the Site. Relocation or demolition of these improvements would be costly for both the City and MD/Boeing at this time.

In an effort to allow continued use of both the structure and substation, a reciprocal easement agreement has been negotiated containing the following major terms and provisions:

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- Parties: The parties to the agreement shall be the City of Long Beach, a municipal corporation, and The Boeing Company, a Delaware corporation.
- Reciprocal Easements: The City of Long Beach shall be granted an easement for an approximate 6,000 square foot area located on Boeing-owned property at 2400 E. Wardlow Road. The Boeing Company shall be granted an easement for an approximate 5,000 square foot area located on City-owned property at 2750 E. Wardlow Road.
- Relinquishment: Shall either party desire to remove its improvements and relinquish its respective easement, a lease shall be negotiated at fair market value for the remaining easement area. Said lease shall be subject to City Council approval.

This letter was reviewed by Deputy City Attorney Richard F. Anthony on October 9, 2008, and Budget Management Officer Victoria Bell on October 13, 2008.

TIMING CONSIDERATIONS

City Council action is requested on December 2, 2008, in order to execute the reciprocal easement agreement and complete Boeing's vacancy of City-owned property at 2750 E. Wardlow Road.

FISCAL IMPACT

There is no financial impact to the City relative to this item.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CHRIS KUNZE
ACTING DIRECTOR
LONG BEACH AIRPORT

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APPROVED:


PATRICK H. WEST
CITY MANAGER