



CITY OF LONG BEACH

LONG BEACH AIRPORT

C-7

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May 1, 2012

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

RECOMMENDATION:

Authorize the City Manager to execute a 24-month extension, with an optional month to month holdover provision, with Williams Scotsman, Inc., for the Airport's temporary building units in the total amount of \$ 150,000 for a two year period. (District 5)

DISCUSSION

On January 29, 2002, the City Council authorized the City Manager to execute a 36-month lease of temporary modular building units for the North Boarding Lounge and the Rental Car Building. The installation of the temporary modular building units was necessary to accommodate the substantial increase in passengers due to the increase in flights with JetBlue Airways in April 2002. Rental car companies were relocated to a modular building to provide more floor space in the Airport terminal building.

On August 27, 2002, the City of Long Beach approved a Lease/Leaseback Agreement with JetBlue Airways for a temporary South Boarding Lounge. Due to limited cash flow and timing considerations, JetBlue Airways shouldered the total cost of procuring and installation of modular trailers, furnishings, and the improvements to the existing security screening area as required by the Transportation Security Administration (TSA). The City reimbursed JetBlue Airways for the cost of these latter improvements via credits to the airline's monthly use fees.

On February 1, 2005, the City Council authorized a 36-month extension of the lease of the three temporary facilities. The City Council authorized additional 24-month extensions of the lease of these facilities on January 22, 2008, and February 16, 2010.

The modular units were intended to provide reasonable accommodations for near-term passenger activity, pending the construction of permanent terminal improvements consistent with the Long Beach Airport Noise Compatibility Ordinance.

Terminal improvements construction is now well-underway, with the current phase of the project (the passenger concourse) scheduled for completion within one year. Following completion of the concourse is the rental car facility, to be replaced with a

HONORABLE MAYOR AND CITY COUNCIL

May 1, 2012

Page 2

two years. Extending the current lease for another 24-months will cost the City \$127,000 for the first year and \$23,000 for the second year, for a \$150,000 two-year total.

The terms and conditions of the 24-month lease will include a termination clause and a month-to-month holdover provision.

This matter was reviewed by Deputy City Attorney Richard Anthony on April 10, 2012, and Budget Management Officer Victoria Bell on April 16, 2012.

TIMING CONSIDERATIONS

City Council action on this matter is requested on May 1, 2012, for the further extension of the lease with Williams-Scotsman, Inc., in order to continue to provide these essential facilities for Airport tenants and passengers.

FISCAL IMPACT

Sufficient funds to cover the monthly lease payments are budgeted in the Airport Enterprise Fund (EF 320) in the Airport Department (AP). There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,


MARIO RODRIGUEZ
DIRECTOR, LONG BEACH AIRPORT

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APPROVED:



PATRICK H. WEST
CITY MANAGER