

July 14, 2020

R-21

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to execute any and all documents necessary for a Lease with GCC LONG BEACH, LLC (Landlord), and the City of Long Beach (Tenant), for the use of the premises at 2019 East Wardlow Road for the temporary location of Fire Station 9, for a period of three years;

Increase appropriations in the General Fund Group in the Fire Department by \$246,400; and,

Decrease appropriations in the Capital Project Fund Group in the Public Works Department by \$246,400, to offset the transfer to the General Fund Group. (District 5)

DISCUSSION

In 2019, the City of Long Beach (City) was forced to permanently close Long Beach Fire Department (LBFD) Station 9 at 3917 Long Beach Boulevard. Engine 9 was moved to Fire Station 16 (2890 East Wardlow Road) while Rescue 9 was moved to Fire Station 13 (2475 Adriatic Avenue). Fire Stations 13 and 16 were chosen for the short-term temporary relocation of Fire Station 9 resources because they share contiguous response areas and minimize the impacts of the move. The loss of Fire Station 9, which serviced the Bixby Knolls and a portion of North Long Beach neighborhoods, has impacted the LBFD's ability to service these areas. The City has been diligently working to locate, vet and acquire a suitable property to construct a permanent replacement, which is ongoing.

While the work on a permanent location continues, the City needs better temporary accommodations. The temporary trailers are insufficient for longer term habitation. In the interim, to address the immediate needs of the LBFD and improve response times. City staff evaluated over 15 locations and identified 2019 East Wardlow Road (Premises) as the most suitable option to best meet the service delivery needs of the community having the ideal combination of proximity to the impacted area and the necessary acreage to house the displaced Fire Station 9 crew and apparatus. Further, relocation of Fire Station 9 to the Premises will allow LBFD crews to maintain the social distancing requirements of the COVID-19 pandemic. By moving closer to the Fire Station 9 response area, this move is expected to improve response times--1.5 minutes for the engine, and 2.5 minutes for the rescue.

The Premises measure approximately 2.8 acres and include a 16,647-square-foot-building, formerly operated as the Boeing Employees Fitness Center, surrounding grounds and parking lot south of the building (Attachment). Minimal interior improvements would be required,

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including deep cleaning, installation of LBFD communication system, and installation of modular sleeping quarters. The exterior improvements required consist of installation of automated entry and exit gates, installation of temporary apparatus bay structures for fire engine and paramedic rescue in the parking lot, and some striping modifications. The Landlord has agreed to construct all exterior improvements, estimated at \$125,000, and the City will reimburse the Landlord as a one-time payment after all improvements have been completed. On September 3, 2019, City Council approved the FY 20 Adopted Budget, which included a four-year plan to allocate \$7,761,510 of Measure A funds to help with the costs of both temporary and long-term solutions for Fire Station 9.

To provide for the timely relocation of Fire Station 9 to 2019 East Wardlow Road, a proposed Lease has been negotiated containing the following major terms and provisions:

- Landlord: GCC LONG BEACH, LLC, a limited liability corporation.
- Tenant: City of Long Beach, a municipal corporation.
- Premises: Approximately 2.8 acres located at 2019 East Wardlow Road.
- Use: Interim Fire Station 9, including supportive City services such as office and storage.
- Rent: \$10,300 per month.
- Term: Three years.
- Termination Option: Tenant will have the option to terminate this Lease at any time by providing the Landlord with 30 days' advance written notice.
- Maintenance: Tenant will activate, secure, insure, and maintain the Premises.
- Utilities: Tenant will assume responsibility for all utilities to the Premises.
- Exterior Tenant Improvements: Landlord will perform exterior tenant improvements required to secure the entire parking lot directly to the south of the building, including installation of automated entry and exit gates, installation of automated gates at the entry off of East Wardlow Road, installation of temporary apparatus bay structures for fire engine and paramedic rescue in the parking lot south of the building, and some striping modifications. The City will reimburse the Landlord for the exterior improvements made, which are subject to Prevailing Wage Requirements.

In connection with the execution of the Lease, the City will be required to execute an indemnity agreement with the previous owner of the Premises, The Boeing Company, which will indemnify The Boeing Company against all environmental liability resulting from the City's use of the Premises. It is anticipated that there is minimal likelihood liability under this indemnity will arise given that the Premises has received a No Further Action for soils granted by the California Regional Water Quality Control Board, Los Angeles Region on February 21, 2007.

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This matter was reviewed by Deputy City Attorney Richard F. Anthony on June 24, 2020 and by Budget Analysis Officer Julissa José-Murray on June 26, 2020.

TIMING CONSIDERATIONS

City Council action is requested on July 14, 2020, to provide for the timely relocation of Fire Station 9.

FISCAL IMPACT

Under the agreement, the monthly rent will be \$10,300. The anticipated monthly utility cost is \$3,500. Further, both interior and exterior improvements are anticipated to be \$205,000. The total estimated FY 20 cost for rent, utilities, and improvements is estimated at \$246,400. The FY 20 adjusted budget includes \$4,514,645 in appropriation for costs associated with temporary solutions for Fire Station 9 in the Capital Projects Fund Group in the Public Works Department. An increase in appropriation in the General Fund Group in the Fire Department is requested to cover rent payments and both interior and exterior improvements, offset by a decrease in appropriation of \$246,400 in the Capital Projects Fund Group in the Public Works Department.

Estimated rent and operating costs for FY 21 and FY 22 are \$165,600 annually, and costs for FY 23 are estimated to be \$117,300. These costs will be offset by a combination of \$30,000 in annual operating budget savings for Fire Station 9 and the Measure A funds approved for the Fire Station 9 project, as well as the elimination of the current temporary trailers at \$10,000 per month. Annual operating costs for future years at this temporary site will be appropriated as part of the annual budget process. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN KEISLER
DIRECTOR OF ECONOMIC DEVELOPMENT



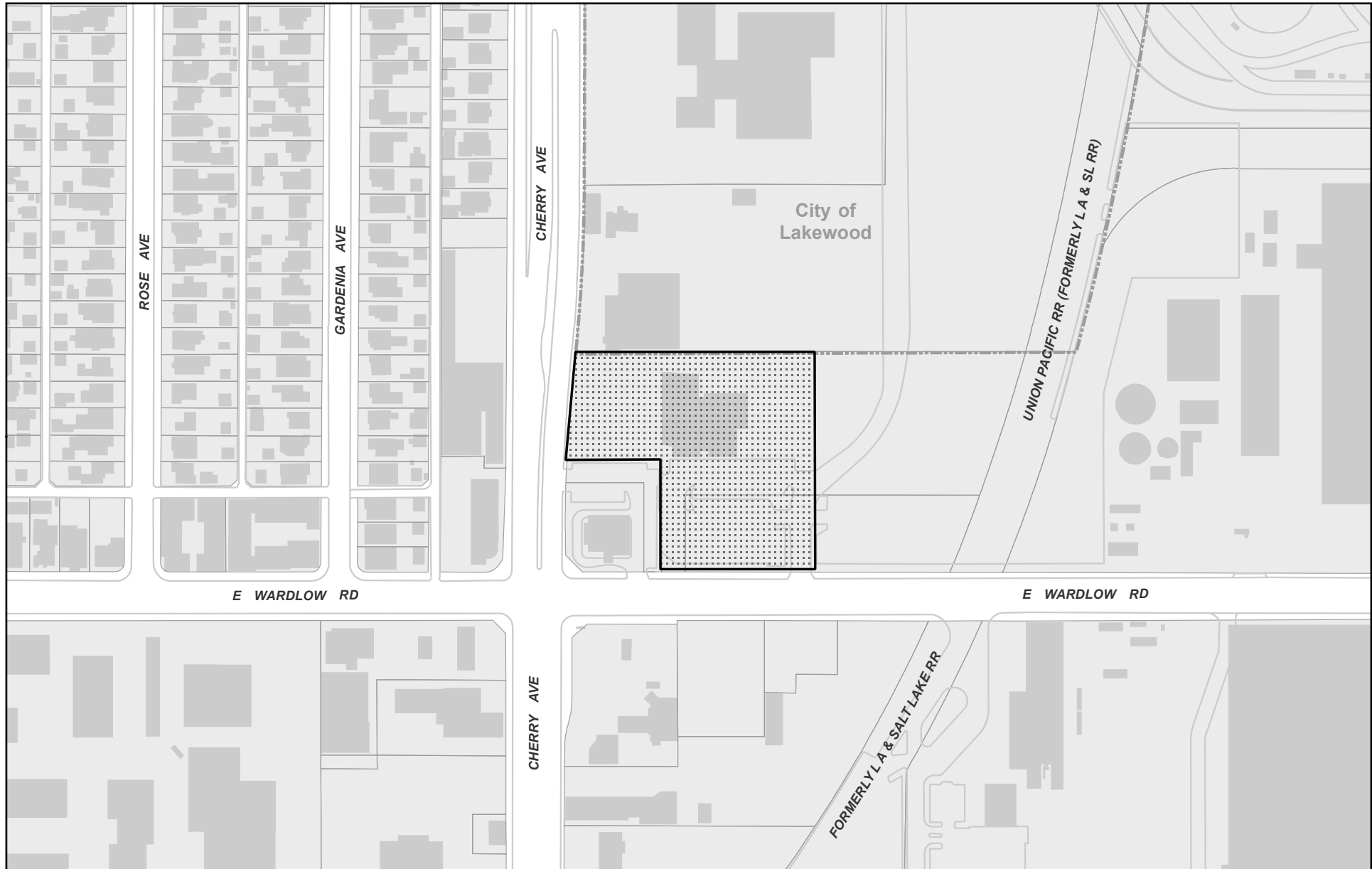
XAVIER ESPINO
FIRE CHIEF

APPROVED:



THOMAS B. MODICA
CITY MANAGER

ATTACHMENT



Subject Property:
2019 E Wardlow Rd
Council District : 5

Attachment

