

August 8, 2023

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to execute all documents necessary for a new sublease to Lease No. 35335 between LGB CA Holdings, LLC, a Delaware limited liability company, dba Atlantic Aviation, and the City of Long Beach, for leased office space at 3250 Airflite Way for continued occupancy by the Airside Operations and Noise Compliance Divisions of the Airport Department. (Districts 4, 5)

DISCUSSION

On January 20, 1987, the City Council authorized the execution of Lease No. 19331 (Master Lease) with Airflite, predecessor-in-interest to Atlantic Aviation (Master Tenant), for the development of approximately 12 acres of land at the Long Beach Airport (Airport). The Master Tenant provides fixed base operator (FBO) services for general aviation, including the leasing of office space, meeting facilities, aircraft hangars, aircraft tie-downs, and the sale of fuel to based and transient aircraft.

On March 13, 2018, the City Council authorized the execution of Sublease No. 34904 (Sublease) with the Master Tenant, then dba Ross Aviation, for approximately 2,736 sq. ft. of office space at 3250 Airflite Way (Subleased Premises) for an initial term of approximately five years with an option to renew for an additional five years. In 2019, the Master Lease was amended and restated (Lease No. 35335).

The Subleased Premises is utilized by the Airport's Airside Operations and Noise Compliance Divisions, benefiting from office space with both direct airfield access and visibility. The Master Tenant and the Airport initiated negotiations for a modified extension term, with the understanding that the existing Sublease terms would be honored until a new agreement was approved and executed. Negotiations have concluded and a new sublease has been negotiated containing the following major terms and provisions:

- **Master Lessor:** City of Long Beach, a municipal corporation.
- **Master Tenant:** LGB CA Holdings, LLC, a Delaware limited liability corporation, doing business as Atlantic Aviation.
- **Sublessee:** City of Long Beach, a municipal corporation.

- Subleased Premises: Approximately 2,736 sq. ft. of office space located at 3250 Airflite Way, Suite 201.
- Sublease Term: The term of the sublease will be for a period of three years beginning August 1, 2023, through July 31, 2026, with an option to further renew for two additional, one-year renewal periods.
- Base Rent: The initial monthly base rent shall be \$2.04 per square foot, or \$5,582 per month. The base rent shall increase annually based on the percentage change in the Consumer Price Index; however, the increase shall be no less than three percent nor greater than five percent.
- Utilities: The monthly base rent shall be inclusive of the costs for utilities and janitorial services including heating, ventilation, air-conditioning, electricity, and water service.
- Parking: The City shall have the right to use up to 15 parking spaces for employees at no charge. The City shall also be allowed to park two airfield operations vehicles on the landside and three operations vehicles on the airside at no charge.

This matter was reviewed by Principal Deputy City Attorney Richard F. Anthony on July 17, 2023 and by Budget Analysis Officer Greg Sorensen on July 20, 2023.

TIMING CONSIDERATIONS

City Council action is requested on August 8, 2023, to execute the new sublease in a timely manner.

LEVINE ACT

This item is subject to the Levine Act. The Mayor, Councilmembers, and Commissioners who have received a contribution of more than \$250 within 12 months prior from a party, participant, or their representatives involved in this proceeding may do either of the following: (1) disclose the contribution on the record and recuse themselves from this proceeding; OR (2) return the portion of the contribution that exceeds \$250 within 30 days from the time the elected official knew or should have known about the contribution and participate in the proceeding.

All parties, participants, and their representatives must disclose on the record of this proceeding any contribution of more than \$250 made to the Mayor or any Councilmembers within 12 months prior to the date of the proceeding. The Mayor, Councilmembers, and Commissioners are prohibited from accepting, soliciting, or directing a contribution of more than \$250 from a party, participant, or their representatives during a proceeding and for 12 months following the date a final decision is rendered.

FISCAL IMPACT

The initial annual base rent shall be \$66,984 and shall increase annually by a minimum of three percent with a maximum of five percent. Sufficient appropriation for the initial annual base rent exists in the Airport Fund Group in the Airport Department. Appropriation for subsequent years rent increases will be included 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,



CYNTHIA GUIDRY
DIRECTOR, LONG BEACH AIRPORT

APPROVED:



THOMAS B. MODICA
CITY MANAGER

LEVINE ACT DISCLOSURE STATEMENT

California Government Code Section 84308, commonly referred to as the "Levine Act," prohibits any Long Beach City Councilmember, the Mayor, and Commissioner ("City Officer") from participating in any action related to a proceeding if they receive any political contributions totaling more than \$250 within the previous twelve months, while a proceeding is pending, and for 12 months following the date a final decision in a proceeding concerning a license, permit, entitlement, franchise or, contract (collectively "license, permit, or contract") has been made, from the person or company awarded the said license or contract. The Levine Act also requires a City Officer that has received such a contribution to disclose the contribution on the record of the proceeding.

City Officers are listed at the following sites:

- The Mayor and Councilmembers - <https://www.longbeach.gov/officials/>
- Harbor Commissioners - <https://polb.com/commission>
- Water Commissioners - <https://lbwater.org/about-us/current-water-commissioners/>
- Planning Commissioners - <https://www.longbeach.gov/mayor/action/commissions/>
- Parks and Recreation Commissioners - <https://www.longbeach.gov/mayor/action/commissions/>
- Board of Examiners, Appeals, and Condemnation - <https://www.longbeach.gov/mayor/action/commissions/>
- Cultural Heritage Commission - <https://www.longbeach.gov/mayor/action/commissions/>
- Long Beach Community Investment Company - <https://www.longbeach.gov/lbds/hn/lbcic/>

Proposers are responsible for accessing these links to review the names prior to answering the following questions.

1. Have you or your company, or any agent on behalf of you or your company, made any political contributions of more than \$250 to any City Officer in the 12 months preceding the date of the submission of your proposals or the anticipated date of any City Council, Board, or Commission action related to this license, permit, or contract?

YES

NO

If yes, please identify the City Officer(s):

2. Do you or your company, or any agency on behalf of you or your company, anticipate or plan to make any political contribution of more than \$250 to any City Officer in the 12 months following any City Council, Board, or Commission action related to this license, permit, or contract?

YES

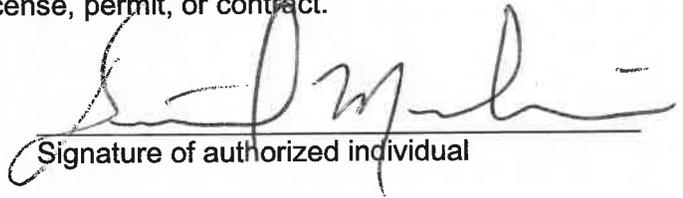
NO

If yes, please identify the City Officer(s):

Answering yes to either of the two questions above does not preclude the City of Long Beach from awarding a license, permit, or contract to your firm or any taking any subsequent action related to the said license, permit, or contract. It does, however, preclude the identified City Officers from participating in any actions related to this license, permit, or contract.

7/18/23

Date



Signature of authorized individual

Daniel Medina

Type or write name of authorized individual

Atlantic Aviation

Type or write name of company