



CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

C-13

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

April 18, 2006

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute all documents necessary for a Sublease to Lease No. 27583 by and between the City of Long Beach and the Long Beach Heritage Museum, a California non-profit corporation, for approximately 2,900 useable square feet of storage space at 2311 South Street. (District 9)

DISCUSSION

On September 25, 2001, the City Council approved Lease No. 27583 with Proficiency South Street LLC, as predecessor-in-interest to Rivin Properties, L.P. (Lessor), for approximately 23,239 square feet of vacant retail space and the adjacent outside paved area at 2311 South Street to house the North Long Beach Police Athletic League (NLB PAL). Site improvements were completed to accommodate the NLB PAL facility, including a new fire sprinkler monitoring system, air conditioning units, lighting, ADA-compliant restrooms, and resurfaced and re-stripped parking lots. The subdivided building provides office space and recreational facilities for the NLB PAL (approximately 20,339 square feet), and separate warehouse storage facilities (approximately 2,900 square feet), which are currently unused. This unused space is not improved for office use and would require an investment of at least \$100,000 to provide proper mechanical, electrical, telecommunication and other tenant improvements. As a result, the preferred use is for storage.

Recently, the Long Beach Heritage Museum (Museum) was notified that it must vacate its temporary warehouse storage facilities in West Long Beach. The Museum, which was established in 1971, has an extensive collection of historical Long Beach artifacts and exhibits.

Originally, the Museum was housed on First Street at Linden Avenue and, later, on Third Street at Elm Avenue. The Museum remained at the Third Street location for twenty years and was open to the public free of charge. During this time, many historical artifacts and other memorabilia were added to the collection. Exhibits included the only roller coaster car left from the Pike Cyclone Racer, the Harriman Jones drug store fountain (complete with swivel chairs and soda fountain equipment), rare historical photographs, and a wide assortment of other historical mementos.

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In 1994, the Museum was required to vacate its Third Street premises and has been in temporary storage since that time. However, throughout this period, the Museum's Board of Directors has been raising funds to acquire a suitable replacement site for the permanent display of the Museum's collection of historical memorabilia.

To protect and secure this significant collection of Long Beach historical artifacts and to accommodate the Museum's immediate need for a temporary storage site, a Sublease has been negotiated between the City of Long Beach (as Sublessor) and the Long Beach Heritage Museum (as Sublessee) for approximately 2,900 square feet of storage space at 2311 South Street. The proposed Sublease contains the following major provisions:

- Premises: The southeastern portion of the building at 2311 South Street, consisting of approximately 2,900 square feet of storage space.
- Use: Storage of historical artifacts and exhibits.
- Length of Term: The Sublease term shall mirror the remaining term (approximately 83 months) of Lease No. 27583 subject to the early termination option below. The target commencement date shall be May 1, 2006 and the expiration date shall be August 20, 2012, unless the Sublease is terminated earlier.
- Early Termination Option: Upon thirty days' written notice, the Sublessor or the Sublessee may terminate the Sublease without cause. Sublessee has waived relocation benefits, if any.
- Option to Renew: The Sublessee shall have one option to renew for a period of 60 months, commencing on August 21, 2012, provided Sublessor exercises its option to extend the term of the Lease.
- Rent: The base rent shall be \$1.00 per year.
- Utilities, Services and Taxes: The Sublessor shall pay the costs associated with services and taxes for the subleased space. The Sublessee shall not require the use of any utilities.
- Parking: The Sublessor shall provide Sublessee with parking at no cost.
- Tenant Improvements: The Sublessee shall sublease the space "as is" and does not require any tenant improvements.

The Sublessee shall comply with all terms and conditions of Lease No. 27583.

This letter was reviewed by Deputy City Attorney Richard F. Anthony on March 23, 2006 and Budget Management Officer David Wodynski on April 6, 2006.

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TIMING CONSIDERATIONS

City Council action is requested on April 18, 2006 in order to meet the May 1, 2006 target commencement date.

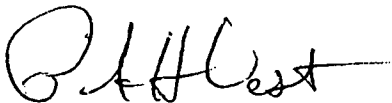
FISCAL IMPACT

There is no fiscal impact associated with the recommendations. Sufficient funding for the annual Lease rental payments are budgeted in the General Fund (GP) in the Police Department (PD).


SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



PATRICK H. WEST
DIRECTOR OF
COMMUNITY DEVELOPMENT


PHW:AWB:MDL:lel
4.18.06 CC Ltr LB Heritage



ANTHONY W. BATTS
CHIEF OF POLICE

APPROVED:



GERALD R. MILLER
CITY MANAGER