



CITY OF LONG BEACH

C-12

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

September 12, 2006

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute all documents necessary for a lease between Golden Shore Partners, a California general partnership, (Landlord) and the City of Long Beach (Tenant) for office space at 11 Golden Shore, Suites 110 & 120, for the relocation of the Long Beach Police Department Information Technology Division for a five-year term at the initial monthly base rent of \$12,534. (District 2)

DISCUSSION

The Information Technology Division (ITD) of the Long Beach Police Department (PD) is composed of five Units staffed by 21 employees. The Information Technology Unit provides internal hardware and technical support for the PD's 700 desktop and 300 mobile data computers, as well as systems support for the PD Records Management System. The Wireless Unit maintains all PD wireless communications devices, including handheld radios, Blackberries, cell phones and pagers. The Planning and Research Unit maintains specialized software to assist in the analysis of computerized crime data and mandated crime reporting and maintains the PD web pages. The Crime Prevention Through Environmental Design section is within the Planning and Research Unit. They work with other City departments to evaluate new construction proposals and provide design suggestions to reduce criminal activity. The Fleet Unit is responsible for coordinating PD fleet operations to ensure that each division is provided with adequate vehicular resources. Fleet also ensures that vehicular equipment is properly maintained and replaced as needed. The newly formed Video Monitoring Unit will be involved in the monitoring and support of the Pine Avenue Video Project, which was approved by City Council on May 23, 2006.

ITD is currently located at 100 Long Beach Boulevard in the former Southern California Edison building, also known as City Hall East. Plans for the closure of this facility, as envisioned in the Financial Strategic Plan and the Fiscal Year 2006 (FY 06) Proposed Budget, have necessitated the relocation of ITD to an alternate site. A survey of current City-owned and City-leased facilities found no available office space to accommodate the 21 staff members and functions of ITD. Consequently, a search for potential new office space was conducted and an available site was identified at 11 Golden Shore, Suites 110 & 120 (see Exhibit "A"). Located within Downtown Long Beach and adjacent

to Interstate 710, the proposed site is optimal for the deployment of resources as well as coordination with Police Department Headquarters and City Hall.

To accommodate ITD, a proposed lease has been negotiated containing the following major provisions:

- Landlord: Golden Shore Partners, a California general partnership.
- Premises: 11 Golden Shore, Suites 110 & 120, consisting of approximately 7,596 rentable square feet (RSF) of office space.
- Length of Term: Sixty-one months (5 years, 1 month).
- Target Commencement Date: October 1, 2006 or five calendar days following the date that the tenant improvements are completed and the Premises are ready for occupancy.
- Rent: Rent for the first month shall be free. The monthly base rent for the remaining term of the lease shall be:

Months 2-13	\$12,533.40	(\$1.65 per Rentable Square Foot per month);
Months 14-25	\$12,913.20	(\$1.70 per Rentable Square Foot per month);
Months 26-37	\$13,293.00	(\$1.75 per Rentable Square Foot per month);
Months 38-49	\$13,672.80	(\$1.80 per Rentable Square Foot per month);
Months 50-61	\$14,052.60	(\$1.85 per Rentable Square Foot per month);

The average monthly rental rate over the term of the lease is \$1.72 per Rentable Square Foot. This is comparable for buildings in the Downtown of similar characteristics.

- Tenant Improvement Allowance: Landlord shall provide City with a Tenant Improvement (TI) Allowance of \$151,920 (\$20 per Rentable Square Foot) to be used for architectural fees, design and engineering, permits and construction costs associated with the build-out of the Premises. The City may use a portion of the TI Allowance for new voice/data cabling, modular furniture or towards rent.
- Additional Allowance: The estimated cost for the tenant improvements is \$200,000. Landlord shall provide an Additional Allowance up to \$75,960 (\$10 per Rentable Square Foot). The Additional Allowance shall be reimbursed by the City as additional rent and shall be amortized over the term of the lease at an eight percent interest rate for an additional monthly rental payment of \$1,520. The balance may be paid at any time without penalty.

- Parking: Landlord shall provide approximately 30 parking spaces for the term of the Lease at the set rate of \$60 per unreserved space per month and \$75 per reserved space per month. Total monthly parking expenses are estimated at \$1,920.

Landlord shall also provide a 30-minute grace period for any official police vehicles in the visitor/guest parking areas.

- Right to Cancel: City shall have the right to cancel the lease after the thirty-sixth month by providing 180-days prior written notice and payment within 90 days thereafter of the unamortized costs of the tenant improvement allowance, any additional allowance, the broker's commissions paid and the cost of the first month's free rent.
- Option to Renew: City shall have one 5-year option to renew the lease by providing the Landlord with at least one-year prior written notice. If exercised, the City and Landlord shall negotiate a fair market rental rate, TI allowance and parking rates for the renewal term.

This letter was reviewed by Deputy City Attorney Richard F. Anthony on August 21, 2006 and Budget Management Officer David Wodynski on August 28, 2006.

TIMING CONSIDERATIONS

City Council action is requested on September 12, 2006, in order to execute the agreement in a timely manner and initiate commencement of the tenant improvement project.

FISCAL IMPACT

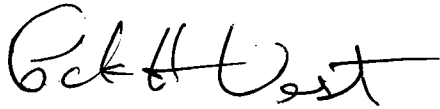
Assuming the lease commences on October 1, 2006, Fiscal Year 2007 (FY 07) annual base rent payments will be \$137,868 (months 2-11), annual Additional Allowance payments will be no more than \$18,240 and annual parking payments will be \$23,040.

Sufficient funds are currently appropriated 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:JMLR:lej
Attachment: Exhibit "A"
9.12.06 CC Ltr 11 Golden Shore Ste 110 & 120.doc



ANTHONY W. BATTIS
CHIEF OF POLICE

APPROVED:



GERALD R. MILLER
CITY MANAGER