

February 16, 2021

C-4

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to execute all documents necessary for the Fourth Amendment to Lease No. 27103 with LALB Harbor, LLC, for warehouse space at 1400 Canal Avenue, for the continued operation of the Long Beach Police Department's crime lab and property detail, to extend the term of the Lease through April 30, 2021. (District 1)

DISCUSSION

On January 19, 2016, the City Council authorized the execution of the Third Amendment to Lease No. 27103 with LALB Harbor, LLC (Lessor), for the continued operation of the Long Beach Police Department's (LBPD) crime lab and property detail.

Since 2001, the LBPD has leased approximately 17,400 square feet (SF) of warehouse space at 1400 Canal Avenue (Leased Premises) from PCH Properties, a California general partnership, predecessor in interest to the Lessor, for its crime lab and property detail functions. The current lease expired on January 31, 2021, and is currently on a month-to-month holdover status. Staff from the LBPD and Economic Development Department have been reviewing both short- and long-term options for the crime lab and property detail. To accommodate the time needed to negotiate a new lease agreement, the Lessor has agreed to extend the current term of the Lease for a three-month period until April 30, 2021.

To facilitate the extension of the Lease term, a Fourth Amendment has been negotiated containing the following major terms and conditions:

- Lessor: LALB Harbor, LLC, a California limited liability company.
- Lessee: City of Long Beach, a municipal corporation.
- Leased Premises: Approximately 17,400 SF of industrial warehouse space on approximately 30,900 SF of land at 1400 Canal Avenue.
- Lease Term: Lease will be extended through April 30, 2021.
- Base Rent: Effective February 1, 2021, the base rent will be \$1.09 per SF or \$18,962 per month, which includes the amortization of real property taxes and insurance.

All remaining terms of Lease No. 27103 shall remain in full force and effect.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on January 21, 2021 and by Budget Management Officer Rhutu Amin Gharib on January 26, 2021.

TIMING CONSIDERATIONS

City Council action is requested on February 16, 2021, to finalize and execute the Fourth Amendment to the Lease.

FISCAL IMPACT

Effective February 1, 2021, the total monthly rent payment will increase from \$18,410 to \$18,962, which represents a \$552, or 3 percent, monthly increase over the previous cost. The total costs of the lease extension will be \$56,886 for the three-month period. Sufficient appropriation is budgeted in the General Fund Group in the Police Department to support the increased cost of extending the lease an additional three months. Staff will return to the City Council with authorization or a proposed lease once a new lease agreement has been negotiated. This recommendation has no staffing impact beyond the 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



ROBERT G. LUNA
CHIEF OF POLICE

APPROVED:



THOMAS B. MODICA
CITY MANAGER