



CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

December 13, 2005

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute a Consent to Assignment and Assumption of Lease No. 20556 from Petrowings Limited to Airspace LLC, and execute a Consent to Sublease from Airspace LLC to Air Rutter International, for City-owned property at 4310 Donald Douglas Drive (District 5)

DISCUSSION

On November 15, 1988, the City Council authorized the execution of Lease No. 20556 with Petrowings Limited for City-owned property at 4310 Donald Douglas Drive (Premises) at the Long Beach Airport. The Lease will terminate on November 30, 2028. The Premises consists of approximately 3.35 acres, including 33,000 square feet of hangar space, 10,000 square feet of office space, and 2,000 square feet of workshop space (See attached vicinity map).

Petrowings has requested the assignment of the Lease to Airspace LLC. Concurrently, Airspace LLC has requested to sublease the premises to Air Rutter International (ARI) to conduct aircraft charter operations, subject to the terms and conditions of the Airport's Rules and Regulations, Minimum Standards for Aeronautical Activities, and Airport Noise Compatibility Ordinance (Chapter 16.43 of the Municipal Code).

Real estate consulting firm Keyser Marston and Associates (KMA) has reviewed the financial background and experience of Airspace LLC and advised that Airspace LLC has the financial capability and experience to serve as the City's Lessee. Staff has reviewed the proposed Consent to Assignment and Assumption of Lease and the Consent to Sublease documents and found them to be consistent with the Lease requirements. City Council authorization is required for execution of these documents.

This letter was reviewed by Deputy City Attorney Everett L. Glenn on November 15, 2005 and Budget Management Officer David Wodynski on November 17, 2005.

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TIMING CONSIDERATIONS

City Council action is requested on December 13, 2005, in an effort to complete this transaction before the end of the year.

FISCAL IMPACT

Monthly rent in the amount of \$9,379 will continue to accrue to the Airport Fund (EF 320) in the Department of Public Works (PW).

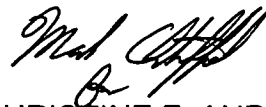
SUGGESTED ACTION :

Approve recommendation.

Respectfully submitted,



PATRICK H. WEST
DIRECTOR OF
COMMUNITY DEVELOPMENT



CHRISTINE F. ANDERSEN
DIRECTOR OF
PUBLIC WORKS

PHW:CFA:TEP:lcl
12.13.05 CC Ltr Petrowings
Attachment

APPROVED:



GERALD R. MILLER
CITY MANAGER