



CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

C-15

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

June 20, 2006

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute the Third Extension Agreement to Lease No. 9406 with Chevron U.S.A., Inc., to extend the term of the Lease through May 31, 2008 with a monthly base rent of \$11,546, for a gasoline service station on City-owned property at 3405 N. Lakewood Boulevard. (District 5)

DISCUSSION

On February 21, 1968, the City Council approved Lease No. 9406 with Standard Oil Company of California, for a gasoline service station on City-owned property at the northwest corner of Lakewood Boulevard and Donald Douglas Drive (see Attachment), for a term of 25 years, with two five-year extension options. Both extension options were exercised, which extended the term through February 20, 2003. On July 2, 2002 and February 10, 2004, the City Council approved Extension Agreements to extend the term of the Lease through February 20, 2006. Chevron U.S.A., Inc. (Chevron) is successor in interest to Standard Oil Company. Chevron is currently operating on a month-to-month basis and has requested an extension of the term of the Lease through May 31, 2008.

The proposed Third Extension Agreement to Lease No. 9406 contains the following major provisions:

- The term of the Lease shall be extended through May 31, 2008.
- Effective June 1, 2006, the monthly base rent shall increase from \$5,302 to \$11,546, as determined by appraisal for current fair market value.

All remaining terms and conditions shall remain in full force and effect.

This letter was reviewed by Deputy City Attorney Richard F. Anthony on June 7, 2006 and Budget Management Officer David Wodyski on May 30, 2006.

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TIMING CONSIDERATIONS

City Council action is requested on June 20, 2006, in an effort to formalize an agreement for the lease extension.

FISCAL IMPACT

Annual revenue in the amount of \$138,552 will accrue to the Airport Fund (EF 320) in the Department of Public Works (PW). There is no impact to the General Fund.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



PATRICK H. WEST
DIRECTOR OF
COMMUNITY DEVELOPMENT



CHRISTINE F. ANDERSEN
DIRECTOR OF
PUBLIC WORKS

PHW:CFA:TEP:lel
6.20.06 CC Ltr Chevron
Attachment

APPROVED:



GERALD R. MILLER
CITY MANAGER