



CITY OF LONG BEACH

C-12

DEPARTMENT OF ECONOMIC DEVELOPMENT

333 West Ocean Boulevard 3rd Floor • Long Beach, CA 90802 • (562) 570-6099 • Fax (562) 570-6380

July 10, 2018

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. 30534 between Ocean Capital Partners, LLC, a California limited liability company, and Ocean Holdings Group, LLC, a California limited liability company, as successor in interest to Behringer Harvard Downtown Plaza, LP, a Delaware limited partnership, (Landlord), and the City of Long Beach (Tenant), for office space at 211 East Ocean Boulevard, Suite 410, for the Office of Special Events and Filming. (District 2)

DISCUSSION

On November 20, 2007, the City Council authorized the execution of Lease No. 30534 (Lease) for office space at 211 East Ocean Boulevard, Suite 410 (Site). The Site was originally occupied by the City's Citizen Police Complaint Commission (CPC) until 2010 when the CPC returned to City Hall and the Site became the home of the City's Office of Special Events and Filming (SEF). The Lease has been amended three times to authorize term extensions, construction allowances, and changes in rent. The current term of the Lease is through July 31, 2018.

SEF is responsible for permitting all special events and film productions within the City, permitting more than 400 events each year, including festivals, runs/walks, holiday celebrations, and other activities. SEF issues an average of 500 film permits annually and is a full-service operation that provides assistance to film, television, music, commercial production, and still photography by coordinating and facilitating the permitting process, as well as serving as a liaison with local government, the community, and the production industry. The Site continues to provide a suitable location for SEF to conduct its business operations as it is centrally located in the downtown area and within walking distance of many of the permitted activities that require compliance monitoring.

Negotiations have been finalized with the Landlord and the proposed Fourth Amendment to Lease No. 30534 contains the following major terms and provisions:

- Landlord: Ocean Capital Partners, LLC, a California limited liability company, and Ocean Holdings Group, LLC, a California limited liability company, as successor in interest to Behringer Harvard Downtown Plaza, LP, a Delaware limited partnership.
- Tenant: City of Long Beach, a municipal corporation.

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- Term: The Lease will be extended for an additional one-year period and will terminate on July 31, 2019, with one option to extend for a period of one year.
- Leased Premises: The Leased Premises consists of approximately 2,975 rentable square feet (RSF), also known as Suite 410.
- Base Rent: Effective August 1, 2018, the monthly base rent will increase from \$2.10 per RSF to \$2.45 per RSF. The new monthly base rent will be \$7,289.

All remaining terms and provisions of Lease No. 30534 shall remain in full force and effect.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on May 16, 2018 and by Budget Analysis Officer Julissa José-Murray on May 18, 2018.

TIMING CONSIDERATIONS

City Council action is requested on July 10, 2018, to execute the Fourth Amendment to the Lease in a timely manner for the continued occupancy of the Site by SEF.

FISCAL IMPACT

Base rent for Fiscal Year 2018 will be \$68,088, comprised of \$53,510, under the current Lease terms and \$14,578 under the Third Amendment terms. The annual cost of the new base rent amount will be \$87,468. Sufficient funds for rental payments are currently appropriated in the Special Advertising and Promotions Fund (SR 133) in the City Manager Department (CM). Approval of this recommendation will provide continued support to the local economy.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN KEISLER
DIRECTOR OF ECONOMIC DEVELOPMENT

JK:JMV:FN

APPROVED:



PATRICK H. WEST
CITY MANAGER