



CITY OF LONG BEACH R-16

LONG BEACH AIRPORT

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February 4, 2014

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute all documents necessary for the First Amendment to Lease No. 30225 with PT-1 Hangers, LLC; the First Amendment to Lease No. 26120 with White Buffalo Holdings, LLC; the First Amendment to Lease No. 30547 with Aeroexec Services Inc.; the First Amendments to Lease Nos. 26761 and 26762 with Tom's Aircraft Maintenance, Inc.; the First Amendment to Lease No. 30546 with Candace A. Larned Enterprises, Inc.; and the First Amendments to Lease Nos. 27940 and 27628 with FliteServe, LLC; for City-owned property at 2501-2901 East Spring Street at the Long Beach Airport. (District 5)

DISCUSSION

In 1996, the City executed Lease No. 26120 with Westland Construction (Westland) for the development of City-owned property located at the corner of Spring Street and Temple Avenue at the Long Beach Airport. Westland developed the property into what is now known as the Parcel J development (Parcel J), which largely supports the Airport's general aviation activities. As Parcel J was developed, individual parcels were subdivided from Lease No. 26120 and leased separately to other tenants. Consisting of eleven parcels, Parcel J is operated by six tenants under the terms of eight similar leases. Further, these leaseholds comprise an association that shares common space (primarily parking areas) spanning the entire development. The common areas are set forth in a property map as an exhibit in all of the leases.

In 2011, Lease No. 26120 was acquired by White Buffalo Holdings, LLC. As part of the assignment process, it was discovered that the legal descriptions for Lease No. 26120 were not correct. Upon closer examination, it was clear that following the completion of Parcel J, the legal descriptions were not revised to reflect the final development. The affected parcels were resurveyed and the legal descriptions were modified to reflect the true boundaries. As a result of this effort, the common areas of Parcel J were also accurately depicted.

The Parcel J leases are based on Lease No. 26120, which was written for the initial development of the property. The insurance requirements include construction-related provisions and limits that are no longer applicable to the operations of the tenants and should be removed and updated to reflect the current insurance requirements for their respective operations.

In order to provide accurate leases for the Parcel J tenants, amendments are proposed in similarity containing the following major terms and provisions:

- **Legal Descriptions:** If applicable, the legal description of the parcels under each lease will be updated to reflect the true boundaries.
- **Common Area Map:** The map of the overall development in each lease shall be amended to reflect the true boundaries.
- **Insurance:** The insurance requirements in each lease shall be modified to reflect the current insurance requirements for their respective operations. As customary, language shall be included to allow for periodic modifications of insurance as necessary.

All remaining terms and provisions of the Parcel J leases shall remain in full force and effect.

This matter was reviewed by Deputy City Attorney Richard F. Anthony and by Budget Management Officer Victoria Bell on January 14, 2014.

TIMING CONSIDERATIONS

City Council action on this matter is requested on February 4, 2014, to allow for the timely execution of the amendments in order to provide an accurate agreement for each tenant's operational need.

FISCAL IMPACT

There is no fiscal impact or local job impact associated with the recommendation.

SUGGESTED ACTION:


Approve recommendation.

Respectfully submitted,



MARIO RODRIGUEZ
DIRECTOR, LONG BEACH AIRPORT

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ARA MALOYAN, PE
DIRECTOR OF PUBLIC WORKS

APPROVED:



PATRICK H. WEST
CITY MANAGER