



CITY OF LONG BEACH

R-22

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

October 7, 2008

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute any and all documents necessary for the Second Amendment to Lease No. 23033 between the Automobile Club of Southern California and the City of Long Beach for commercial office space at 4800 Los Coyotes Diagonal, for the continued occupancy by the Long Beach Police Department, East Patrol Division, for an additional five-year term, at an initial monthly base rent of \$12,954. (District 4)

DISCUSSION

On August 3, 1993, the City Council approved Lease No. 23033 between the Automobile Club of Southern California (Landlord) and the City of Long Beach (Tenant) for the commercial office space at 4800 Los Coyotes Diagonal (Premises), to house the Long Beach Police Department, East Patrol Division (Division). Subsequently, on June 3, 2003, the City Council authorized the First Amendment to Lease No. 23033 to extend the Lease term to October 31, 2008.

The Long Beach Police Department has four designated patrol divisions (North, South, East, and West), all of which emphasize community policing. The Community Policing Program provides citizens with easier access to police services and affords the officers a better opportunity to work closely with the general public.

In anticipation of Lease No. 23033 terminating on October 31, 2008, a survey of all other potentially suitable office space within the Division's patrol area was conducted. The survey yielded 19 properties; however, none of the alternative sites met all of the lease criteria (i.e., available ground floor space, adequate square footage, sufficient dedicated parking, competitive rental rates, and/or were cost prohibitive when calculating the relocation costs).

The Division prefers to remain at 4800 Los Coyotes Diagonal, which has been modified to accommodate the Police Department's program operations and is centrally located within the Division's patrol area. To provide for the continued occupancy of the

HONORABLE MAYOR AND CITY COUNCIL

October 7, 2008

Page 2

Premises by the Long Beach Police Department, East Patrol Division, a new Lease extension has been negotiated. The proposed Second Amendment to Lease No. 23033 contains the following major terms and provisions:

- Landlord: Automobile Club of Southern California.
- Tenant: The City of Long Beach.
- Premises: The leased premises consist of approximately 7,002 rentable square feet of commercial office space at 4800 Los Coyotes Diagonal, Long Beach.
- Length of Term: The term shall be extended for an additional five-year period, commencing on November 1, 2008 and terminating on October 31, 2013.
- Rent: The monthly base rent for the entire leased premises (7,002 rentable square feet) shall be as follows:

Months 1-12	\$12,953.70 per month (\$1.85 per rentable square foot)
Months 13-24	\$13,342.31 per month (\$1.91 per rentable square foot)
Months 25-36	\$13,742.58 per month (\$1.96 per rentable square foot)
Months 37-48	\$14,154.86 per month (\$2.02 per rentable square foot)
Months 49-60	\$14,579.50 per month (\$2.08 per rentable square foot)

The effective base rent for the new 60-month term shall be \$1.96 per rentable square foot per month. This rate is considered very competitive for commercial office lease rates in the East Long Beach area.

- Utilities, Services and Taxes: The City shall continue to pay for all utilities, janitorial services, and property taxes. The City shall also be responsible for the additional increase in real property taxes resulting from the sale or transfer of ownership of the property by Landlord.
- Capital Improvements: Landlord shall provide \$3,500 for the replacement of the exterior door and be responsible for patching and painting the exterior of the building.
- Tenant Improvements: Landlord shall provide a tenant improvement allowance in the amount of \$4.50 per rentable square feet (\$31,509) for new flooring, patching and painting of interior walls, and ceiling grid work. In addition, Landlord will provide up to \$10.00 per rentable square feet (\$70,020) to be used at Tenant's discretion. If utilized, this amount shall be amortized over the term of the Lease at nine percent and paid in addition to Base Rent.
- Option to Renew: The City shall have one three-year option to renew the Lease.

HONORABLE MAYOR AND CITY COUNCIL

October 7, 2008

Page 3

All remaining terms and provisions of Lease No. 23033 shall remain in full force and effect.

This letter was reviewed by Deputy City Attorney Gary J. Anderson on September 15, 2008 and Budget Management Officer Victoria Bell on September 17, 2008.

TIMING CONSIDERATIONS

City Council action is requested on October 7, 2008 in order to finalize and execute the Second Amendment to Lease prior to the termination date of October 31, 2008, and to facilitate the tenant improvement project at 4800 Los Coyotes Diagonal.

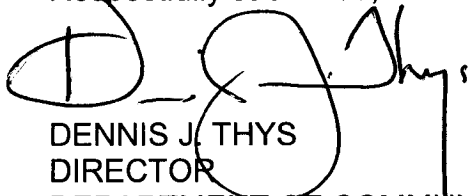
FISCAL IMPACT

The total Fiscal Year 2009 (FY 09) costs for the Second Amendment to Lease No. 23033 are estimated to be \$196,448. Of this amount, the base rent payment is estimated to be \$151,803, utilities and janitorial services are estimated to be \$38,040, and property taxes are estimated to be \$6,605. Sufficient funds to cover rental payments and all other costs associated with the lease are included in the FY 09 Adopted Budget in the General Fund (GP) in the Police Department (PD).

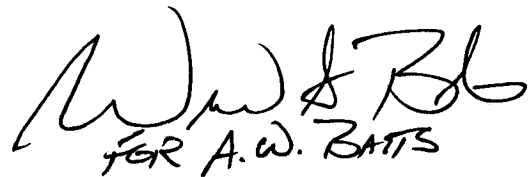
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,




DENNIS J. THYS
DIRECTOR
DEPARTMENT OF COMMUNITY DEVELOPMENT


FOR A.W. BATTIS

ANTHONY W. BATTIS
CHIEF OF POLICE

DJT:AWB:MTB:mtb
10-7-08 LBPD East Patrol Division v3.doc

APPROVED:


PATRICK H. WEST
CITY MANAGER