

C-13

May 5, 2020

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to execute all documents necessary for a Management Agreement with Conservation Corps of Long Beach, a California nonprofit corporation, for the continued occupancy and management of City-owned property at 340 Nieto Avenue, for a period of 20 years. (District 3)

DISCUSSION

The City of Long Beach (City) currently owns the property located at 340 Nieto Avenue, which measures approximately 35,065 square feet and is improved with a 10,961-square-foot building and includes a fenced outdoor parking and storage area (Subject Property). The building consists of the Field Office for City Council District 3, the Conservation Corps of Long Beach (CCLB) administrative offices, and a conference room. Since 2004, the CCLB has utilized the Subject Property to house its administrative offices and manage community serving activities including, but not limited to, youth development, environmental community and social services, conservation and education, City recycling activities, and other special community events. CCLB, whose primary mission is "to develop at-risk youth to reach their full potential through work, service, conservation, and education", has partnered with the City for nearly three decades to provide job training and educational opportunities for local youth while improving the local environment, community, and neighborhoods.

CCLB has expressed an interest in deepening its partnership with the City by expanding job training opportunities, increasing community services, and investing capital funds to upgrade the Subject Property. CCLB is seeking a Management Agreement for a period of 20 years, the time period required by most granting agencies to allow CCLB to pursue grant funding for services and infrastructure upgrades. CCLB would immediately seek grant funding to address critically-needed upgrades to the Subject Property such as Heating, Ventilation and Air-Conditioning (HVAC) systems, roofing and energy-efficient windows. Additionally, as new or additional grant funding becomes available, CCLB would work with granting agencies to bring additional resources to the Subject Property and the Parks, Recreation and Marine Department. CCLB would pay for the maintenance and operation of the Subject Property, including utilities, such as electricity, gas and telephone. The City would continue to pay for water furnished to the Subject Property. CCLB would also manage the use of the conference room, which will be made available for community-related events, including use by the City.

The proposed Management Agreement has been negotiated to contain the following major terms and provisions:

- City: City of Long Beach, a municipal corporation.
- Firm: Conservation Corps of Long Beach, a California nonprofit organization.
- Management Area: Approximately 35,065 square feet (SF) improved with a 10,961 square-foot building at 340 Nieto Avenue.
- Term: The Agreement will be for 20 years.
- Rent: In lieu of a rental fee to manage the Subject Property, CCLB will be responsible for all operations and maintenance as well as utilities, including electricity, gas and telephone. The City will pay for water/sewer furnished to the Subject Property.
- Capital Improvements: CCLB will contribute allocated grant funds to capital improvements meant to extend the useful life of the building including, but not limited to, Heating, Ventilation and Air-Conditioning (HVAC) systems, roofing, energy-efficient windows, and future capital needs as mutually agreed upon with the City and as additional grant funding becomes available.
- Termination: Either party may terminate the Lease by providing a 30-day advance written notice to the other party.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on April 8, 2020 and by Budget Management Officer Rhutu Amin Gharib on April 16, 2020.

TIMING CONSIDERATIONS

City Council action is requested on May 5, 2020, to allow for timely execution of the Management Agreement.

FISCAL IMPACT

The Management Agreement with CCLB will be for a term of 20 years. In lieu of a rental fee to manage the Subject Property, CCLB will be responsible for all operations and maintenance as well as utilities, including electricity, gas and telephone. The Parks, Recreation and Marine Department will continue to pay for water service at the Subject Property each year for the duration of the agreement. Based on FY 19 usage, FY 20 water costs for the Subject Property are estimated to be \$899 and sufficient appropriation is budgeted in the Tidelands Operating Fund Group in the Parks, Recreation and Marine Department. This cost will increase at such time water rates or water usage increases. This recommendation has no staffing impact beyond normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

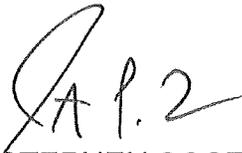
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN KEISLER
DIRECTOR OF
ECONOMIC DEVELOPMENT



STEPHEN SCOTT
INTERIM DIRECTOR OF
PARKS, RECREATION AND MARINE

APPROVED:



THOMAS B. MODICA
CITY MANAGER