



CITY OF LONG BEACH

C-16

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

August 2, 2005

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute the Second Amendment to Lease No. 25776 with Coastal Long Beach Properties, LLC, for office space at 575-585 Pine Avenue, to house certain veterans' organizations, and the Third Amendment to related Subleases between the City of Long Beach and Disabled American Veterans, Long Beach Chapter No. 17 (Sublease No. 25905); Fleet Reserve Association, Branch 43 (Sublease No. 25906); and Arthur L. Peterson Post No. 27, Inc., the American Legion, Department of California (Sublease No. 25907). (District 1)

DISCUSSION

On May 19, 1998, the City Council authorized the City Manager to execute Lease No. 25776 with Coastal Long Beach Properties, LLC, and related subleases for 3,517 square feet of office space at 575-585 Pine Avenue to house certain veterans' organizations. The Lease provided a five-year term through September 14, 2003, with three one-year options to renew at pre-negotiated rates.

On September 2, 2003, the City Council authorized the First Amendment exercising the first one-year option to extend the term. Although the City entered into First Amendments with its sub-lessees, the landlord never executed the City's First Amendment. On August 24, 2004, the City Council authorized a revised First Amendment exercising both the first and second-year options to extend the term and authorizing related Second Amendments for the subleases. The Lease will expire on September 14, 2005.

The veterans' organizations were displaced from their original offices in the Veterans' Memorial Building in the mid-1970s as part of an exchange of real property between the City and State of California. The City's continuing obligation to provide these veterans' organizations with office space is discussed in more detail in the attached May 19, 1998 City Council letter.

The proposed Second Amendment to Lease No. 25776 contains the following major provisions:

- Lease Term: The term of the Lease shall be extended from September 15, 2005 through September 14, 2006.

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- Rent: The current base rent is \$1.07 per square foot. The pre-negotiated base rent for the extended term shall be \$1.10 per square foot or \$3,868.70 per month.

The proposed Third Amendment to Subleases 25905, 25906, and 25907 contains the following major provision:

- Sublease Term: The term of the Sublease shall be extended from September 15, 2005 through September 14, 2006.

This letter was reviewed by Senior Deputy City Attorney Donna F. Gwin on July 20, 2005 and Budget Management Officer David Wodynski on July 21, 2005.

TIMING CONSIDERATIONS

City Council action is requested on August 2, 2005 in order to execute the agreements prior to the expiration of the existing lease term.

FISCAL IMPACT

Annual lease payments of approximately \$46,425 and utilities and maintenance costs of approximately \$10,320 are budgeted in the Civic Center Fund (IS 380) in the Department of Technology Services (TS).

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,


CRAIG BECK
ACTING DIRECTOR
OF COMMUNITY DEVELOPMENT


CURTIS TANI
DIRECTOR OF
TECHNOLOGY SERVICES

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8.2.05.CC Ltr.VETS.doc
Attachment

APPROVED:


GERALD R. MILLER
CITY MANAGER