

**C-4**

December 10, 2019

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**RECOMMENDATION:**

Authorize the City Manager, or designee, to execute all documents necessary for a lease with Platinum Capital, Inc., a Delaware corporation, for office space at 500 West Willow Street. (District 7)

**DISCUSSION**

Since October 1997, the City of Long Beach (City), in partnership with various public and private organizations, has assisted approximately 300 job seekers each month with free job training and employment placement services. The Economic Development Department's Workforce Development Bureau (Workforce Development) previously operated the Career Transition Center (CTC) and Youth Opportunity Center (YOC) at 3447 Atlantic Avenue. At its meeting on December 15, 2015, the City Council authorized the execution of a Lease Agreement with 4811 Airport Plaza, LLC, for office space for the CTC; and Workforce Development has operated the America's Job Center of California for training and employment placement services, now known as the WorkPlace, at 4811 Airport Plaza Drive since August 1, 2018.

The YOC has been operating temporarily at the WorkPlace while the Economic Development Department has searched for an adequate location for youth services. Office space at 500 West Willow Street has been identified as the most suitable option, as this location provides convenient access for youth clients and provides an appropriate location for a satellite facility for adult services (Attachment A).

The proposed modified gross Lease has been negotiated containing the following major terms and provisions:

- Landlord: Platinum Capital, Inc., a Delaware corporation.
- Tenant: City of Long Beach, a municipal corporation.
- Leased Premises: Approximately 7,472 square feet of office space at 500 West Willow Street.
- Use: General office space for youth and adult Workforce Development services.
- Term: Seven year term from the Rent Commencement Date, which is anticipated to be April 1, 2020.

- Option: One five-year option to renew the lease.
- Base Rent: The monthly Base Rent will be \$2.70 per square foot and will increase annually by \$0.06 per square foot. Monthly Base Rent will be abated for months two through six.
- Operating Costs: Tenant is obligated to pay its pro-rata share of actual increases, if any, in operating expenses and property taxes over the Base Year. Tenant is responsible for separately metered electricity services and janitorial services to the Premises.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on November 14, 2019 and by Budget Analysis Officer Julissa José-Murray on November 15, 2019.

TIMING CONSIDERATIONS

City Council action is requested on December 10, 2019, to execute any necessary documents to facilitate the execution of the proposed Lease.

FISCAL IMPACT

Under the Lease Agreement, the annual base rent will be \$242,093 (\$2.70 per square foot per month). The lease agreement provides five months of rent abatement; therefore, the annual base rent for the first year will be \$141,221. Base rent will increase annually by \$5,380 (\$0.06 increase per square foot). Operating cost for the premises, which include separately metered electricity and janitorial services, are estimated to be \$27,000 annually. The lease and operating cost are funded with the Workforce Innovation Opportunity Act (WIOA) funds and sufficient budget is appropriated in the Community Development Grants Fund Group in the Economic Development Department. This recommendation has no staffing impact beyond the 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

APPROVED:



THOMAS B. MODICA  
ACTING CITY MANAGER

