



CITY OF LONG BEACH

C-8

DEPARTMENT OF HEALTH AND HUMAN SERVICES

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July 14, 2009

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, to execute a First Amendment to the Lease-Back Agreement No. 25916 between the City of Long Beach and the Society for the Prevention of Cruelty to Animals Los Angeles (spcaLA) for clarification purposes. (District 5)

DISCUSSION

The Department of Health and Human Services, Animal Care Services Bureau, is requesting approval to amend the Lease-Back Agreement No. 25916, between the City of Long Beach and the spcaLA. The original Lease-Back Agreement was approved by the City Council on April 7, 1998 to provide space at the spcaLA P.D. Pitchford Companion Animal Village (Village) for the purposes of animal control services. The intent of the amendment is to clarify the terms of the agreement and replace missing exhibits. The amendment is the result of a collaborative process between Health and Human Services Department and spcaLA leadership.

There are three agreements that govern the construction of facilities at 7700 E. Spring Street, Long Beach, CA 90815 (the Property), dedicated for the purposes of animal care services and adoptions. These agreements, originally approved by City Council on April 7, 1998, include:

1. Agreement No. 25914: establishing that the City of Long Beach and the spcaLA will each contribute \$1.5 million toward the design and construction of an animal care facility at the Property; and provides a document on joint financing of the facility.
2. Lease Agreement No. 25915: establishing that the City of Long Beach will lease the Property to the spcaLA for the construction and maintenance of an animal care facility for a period of 55 years.
3. Lease-Back Agreement No. 25916: establishing that the spcaLA will lease-back a portion of the Property to the City of Long Beach for the purpose of providing animal control services.

The need for an amendment to the Lease-Back Agreement No. 25916 is for the following clarification purposes:

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- Clarifying the project to date, and providing attachments defined in the Lease-Back Agreement that were never included with the original document. These attachments show the common areas and lease-back premises, as well as completed and future construction.
- Clarifying the responsibilities of each party with regard to debt service on funds borrowed to pay for original construction of the project.
- Recommendations from the City Auditor and City Treasurer for accounting purposes, including the certification of invoices submitted to the City for reimbursement.

It is recommended that the City Council authorize the City Manager to execute an amendment to the Lease-Back Agreement No. 25916 to improve transparency and accountability between parties, and provide a sound financial and operational foundation through 2053, or the remainder of the agreement.

This matter was reviewed by Deputy City Attorney Linda Trang on June 23, 2009 and Budget and Performance Management Bureau Manager David Wodynski on June 22, 2009.

TIMING CONSIDERATIONS

City Council action is requested on July 14, 2009 to ensure that the agreement is amended appropriately, and both parties can reconcile shared operating costs associated with the original agreement.

FISCAL IMPACT

There is no fiscal impact anticipated.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



RONALD R. ARIAS
DIRECTOR
HEALTH AND HUMAN SERVICES

APPROVED:



PATRICK H. WEST
CITY MANAGER