



Long Beach Water

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Board of Water Commissioners

August 18, 2022

CHRISTOPHER J. GARNER, General Manager

Subject

Authorize the General Manager to extend the executed Revocable Facilities Use Permit with the College of Instrument Technology for up to 12 months to allow continued use of 52,500 sq. ft. of space at Long Beach Water Department-owned property at St. Louis Avenue and 32nd Street, as an interim location for its hands-on trucking and heavy equipment training.

Executive Summary

At its meeting on December 19, 2019, the Board of Water Commissioners (Board) authorized the General Manager to negotiate and execute a Revocable Facilities Use Permit (RFUP), for 2 years and 1 month, with the College of Instrument Technology (CIT), a private post-secondary educational institution that provides hands-on trucking and heavy equipment training. The Board authorized the RFUP for 52,500 sq. ft. of space at Long Beach Water Department-owned property at St. Louis Avenue and 32nd Street, as shown on Exhibit A, to provide an interim location for its training services. The RFUP's original term ending date was February 28, 2022. A 6-month extension for the RFUP was authorized by the Board in March 2022 with a new ending date of August 27, 2022.

CIT has requested a second extension of their RFUP to allow up to a 12-month period in order to locate a permanent location for their training operations. CIT will continue to be charged a monthly rental rate, of which will increase from \$4,725 to \$7,875. This rental rate is in line with the property's most recent appraisal, completed in May 2019, minus a total rental credit of \$37,800 provided by CIT over the 12-month extended period for commercial classroom driver training and behind-the-wheel training provided to Long Beach Water Department staff. The rental increase is due to reduction of rental credit in half which was originally \$75,600 annually. If authorized for an additional 12-month period, the extended RFUP will have a new term ending date of August 31, 2023.

The Long Beach Water Department (LBWD) may revoke the RFUP with 5 days prior notice to CIT if LBWD has a need for the use of the permit area, including, but not limited to, another party willing to pay the equivalent full market rental rate.

There are no immediate plans for development at this property.

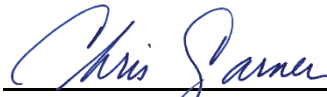
Recommendation

Authorize the General Manager to extend the executed Revocable Facilities Use Permit with the College of Instrument Technology for up to 12 months to allow continued use of 52,500 sq. ft. of space at Long Beach Water Department-owned property at St. Louis Avenue and 32nd Street, as an interim location for its hands-on trucking and heavy equipment training.

Fiscal Impact: Projected revenue to the Water fund for the additional 12-month extension period in FY 21-22 and FY 22-23 is \$7,875 and \$86,625 respectively (\$94,500 total). This 12-month revenue is calculated based on the property's most recent appraisal with equivalent rental amount of \$132,300, for 52,500 sq. ft. of space, minus rental credit of \$37,800 for training. The rent charged to CIT will be prorated, should they vacate the property early.



Robert J. Verceles
Director of Engineering / Chief Engineer

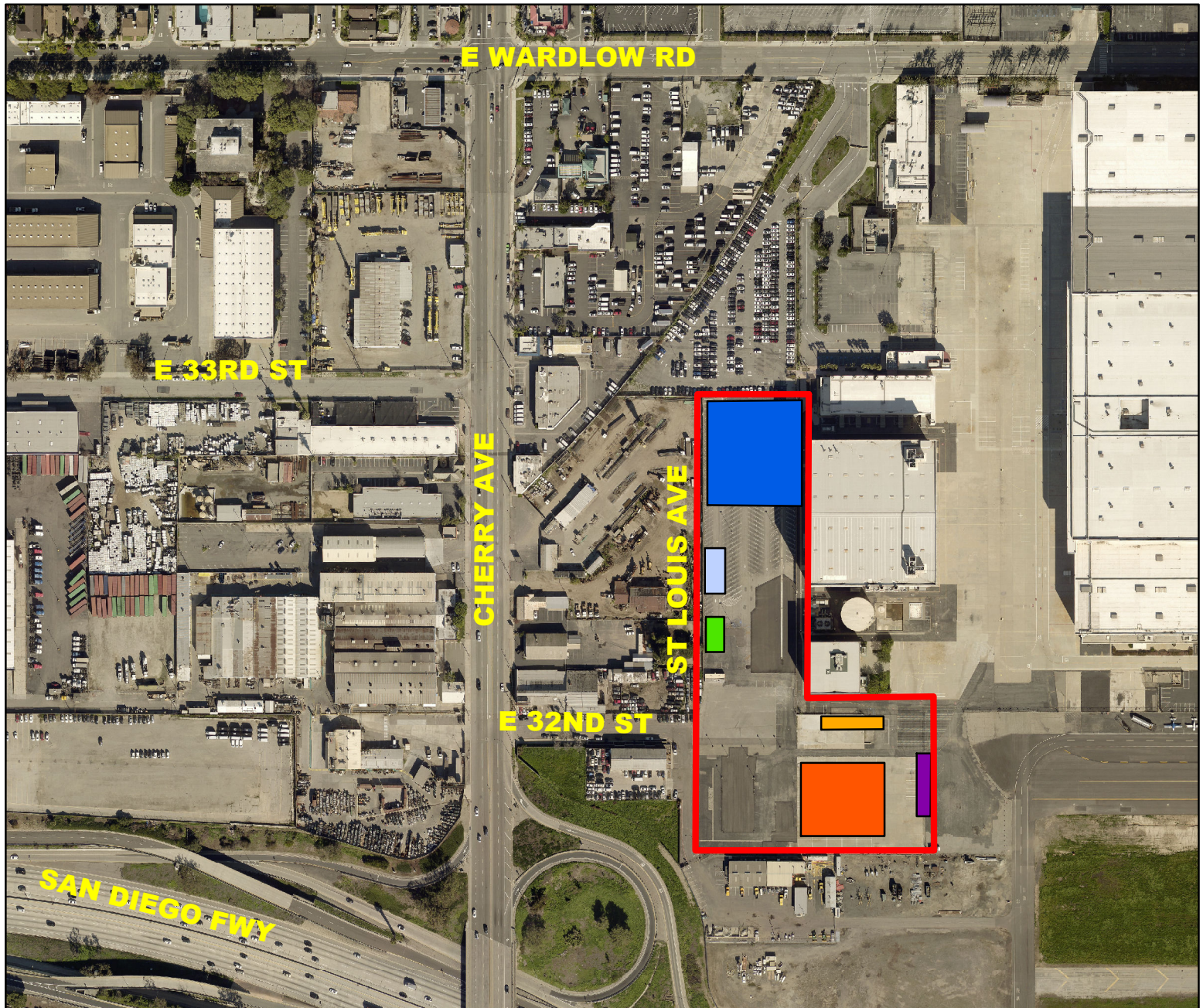


Christopher J. Garner
General Manager







Attachment: Exhibit A

Long Beach Water Department-Owned Property
St. Louis Avenue and 32nd Street (5.7 acres - 248,423 sq. ft.)

Exhibit A



Permitees:

-  CIT RFUP for 52,500 sq.ft (Term ends August 27, 2022)
-  Cora RFUP for 6,000 sq.ft (Term ends August 2022, with one six-month extension period available.)
-  M & J Property Services RFUP for 3,000 sq. ft. (Term ends March 31, 2023)
-  LBWD Storage
-  Public Works' Rail Car Storage
-  Clutch Motorcycle RFUP for 41,800 sq. ft. (Term ends February 27, 2023)