



CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

C-11

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

April 15, 2008

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute a First Amendment to Sublease No. 23972 between Million Air North, Inc., as successor-in-interest to Long Beach Million Air, Inc., (Sublessor) and the City of Long Beach (Sublessee) for office space at 4135 Donald Douglas Drive for the Airport Community Information and Noise Abatement Center to extend the term for an additional two-year period at a rental rate of \$3,800.70 per month. (District 5)

DISCUSSION

On April 19, 2005, the City Council authorized the execution of Sublease No. 23972 between Million Air North, Inc., as successor-in-interest to Long Beach Million Air, Inc., and the City of Long Beach for approximately 1,800 square feet of office space at 4135 Donald Douglas Drive to house the Airport Community Information and Noise Abatement Center (Airport Center). The Airport Center provides enhanced airport, safety, and noise abatement information to the Long Beach community and Airport passengers and pilots. Originally housed in the Long Beach Airport Terminal building (Terminal), the Airport Center was relocated to its current site in order to provide full public and Airport user accessibility. The current site is located in a one-story facility situated approximately 100 feet from the Terminal on City-owned property leased to Million Air North under Lease No. 23972 (Master Lease) consisting of office space, general aviation aircraft hangers, aircraft tiedowns and public automobile parking.

The Sublease will terminate on April 30, 2008. Under the terms of the Sublease, the City may extend the term for an additional two-year period. In an effort to continue Airport Center operations, a First Amendment to Sublease No. 23972 has been proposed containing the following major terms and conditions:

- Premises: The subleased premises shall be composed of approximately 1,800 rentable square feet of office space at 4135 Donald Douglas Drive.
- Term: The term of the Sublease shall be extended for an additional two-year period and shall terminate on April 30, 2010.

HONORABLE MAYOR AND CITY COUNCIL

April 15, 2008

Page 2

- Rent: The current base rent is \$3,510 per month. Under the terms of the Sublease, the base rent for the extended two-year period shall increase to \$3,690 per month.
- Additional Rent: Under the terms of the Master Lease, the City as lessor is entitled to three percent of the base rent of the Sublease as revenue. Under the terms of the Sublease, the City shall pay a three percent "Additional Rent" payment of \$110.70 per month as an offset for the revenue due to the City under the Master Lease.

All other remaining terms and provisions of Sublease No. 23972 shall remain in full force and effect.

This letter was reviewed by Deputy City Attorney Richard F. Anthony on March 24, 2008 and Budget Management Officer Victoria Bell on March 26, 2008.

TIMING CONSIDERATIONS

City Council action is requested on April 15, 2008, in order to extend the Sublease term for the two-year period commencing May 1, 2008 and terminating April 30, 2010.

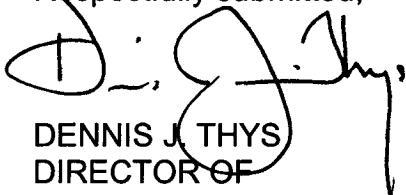
FISCAL IMPACT

Sufficient funds are budgeted in the Airport Enterprise Fund (EF 320) in the Department of Public Works (PW). There is no impact to the General Fund.

SUGGESTED ACTION

Approve recommendation.

Respectfully submitted,



DENNIS J. THYS
DIRECTOR OF
COMMUNITY DEVELOPMENT


For CHRISTINE F. ANDERSEN
AIRPORT DIRECTOR

DJT:CFA:TEP:gw
4.15.08 CC Ltr Airport 1st Amendment to Sublease.doc

APPROVED:


PATRICK H. WEST
CITY MANAGER