



Long Beach Water

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Board of Water Commissioners
August 8, 2019 Board Meeting

Christopher J. Garner, General Manager

Subject:

Authorize the General Manager to execute a one (1) year Lease Agreement with an option to extend the term two (2) times for a period of one (1) year each, with Sully-Miller Contracting Co., for use of 20,000 sq. ft. of space at Long Beach Water Department-owned property at St. Louis Avenue and 32nd Street, for staging vehicles, equipment and materials, necessary for paving and other street related services provided to the Long Beach Water Department (LBWD) and City.

Executive Summary:

On October 4, 2018, the Board of Water Commissioners (Board) authorized the General Manager to execute a three (3) month Revocable Facility Use Permit (Permit) with Sully-Miller Contracting Co., with an option to extend the term two (2) times for a period of three (3) months each, for use of 20,000 square feet of the 248,423 square foot (5.7 acres) Long Beach Water Department-owned property at St. Louis Avenue and 32nd Street, for staging vehicles, equipment and materials, necessary for paving services provided to the Long Beach Water Department and City.

On June 27, 2019, the Board authorized the General Manager to execute an additional one (1) month extension of the Permit. The Permit is set to terminate on August 9, 2019, having exhausted the initial three (3) month Permit period, and extension periods authorized by the Board.

Sully-Miller Contracting Co. has requested a one (1) year Lease Agreement, with two (2) options to extend the Lease for one (1) year each, for the same 20,000 square feet of space at St. Louis Avenue and 32nd Street, for the continued staging of vehicles, equipment and materials, necessary for paving and other street related services provided to LBWD and City (Refer to Exhibit A).

Although there are no immediate plans for development of the site, LBWD will ensure that any Lease Agreement with Sully-Miller Contracting Co., as authorized by the Board, permits LBWD to terminate the Lease early should an opportunity for development of the site present itself, or should an emergency involving public safety, health or welfare, occur.



The St. Louis Avenue and 32nd Street property was appraised in May 2019, and the Lease Agreement would require Sully-Miller Contracting Co. to pay the current appraised monthly rental value, with annual adjustments based on increases (if any) in the Consumer Price Index, and to release LBWD from liability in the event of loss of Sully-Miller Contracting Co.'s property or that of their representatives.

Recommended Action/Fiscal Impacts:

Authorize the General Manager to execute a one (1) year Lease Agreement with an option to extend the term two (2) times for a period of one (1) year each, with Sully-Miller Contracting Co., for use of 20,000 sq. ft. of space at Long Beach Water Department-owned property at St. Louis Avenue and 32nd Street, for staging vehicles, equipment and materials, necessary for paving and other street related services provided to the Long Beach Water Department (LBWD) and City.


Fiscal Impact: Approximately \$50,400 for the initial one (1) year term of the Lease Agreement. The monthly rental rate is based on the property's most recent appraisal, and the rent charged to Sully-Miller Contracting Co. will be annually adjusted to reflect the increase (if any) in the Consumer Price Index.



B. Anatole Falagan
Assistant General Manager

7/31/19

Date



Christopher J. Garner
General Manager

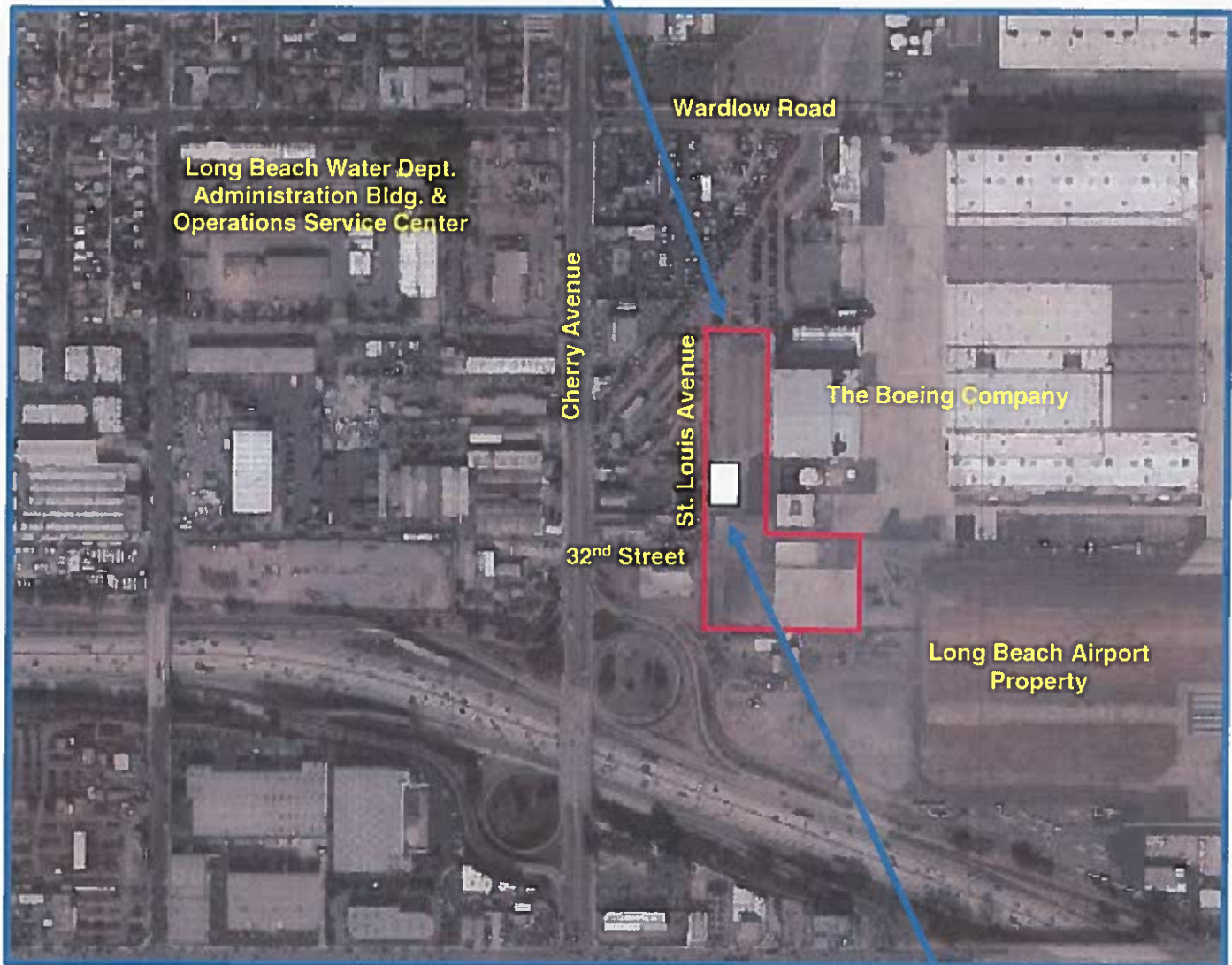
7/31/19

Date

Attachment

Exhibit A

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



**Space Requested by
Sully-Miller Contracting Co.
(20,000 sq. ft.)**