

C-6

February 18, 2020

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to execute all documents necessary for a Fourth Amendment to Lease No. 34078 (Lease) with Mental Health America of Los Angeles (MHA), to amend the Default provision in the Lease. (District 6)

DISCUSSION

On March 19, 2013 and May 2, 2017, the City Council authorized Lease No. 34078 (Lease) with Mental Health America of Los Angeles (MHA) for tenancy of City-owned property located at 1955-65 Long Beach Boulevard (Leased Premises). The Leased Premises, which were purchased by the City expressly for the purpose of providing homeless services by MHA, were in need of significant improvements. In addition to authorizing execution of the Lease, \$1,200,000 was appropriated for tenant improvements (TIs), which are ongoing and currently under active construction. The Lease contains a requirement within the Default Provision, that MHA begin significant operations at the Leased Premises on or before the third anniversary of the Commencement Date, which was later made time-certain as June 1, 2019 (Operational Date) via the Second Amendment to the Lease, and further extended to October 31, 2019 via the Third Amendment to the Lease. Due to the extent of construction at the Leased Premises, unforeseen rain delays, ongoing issues, and repairs to utilities onsite, MHA has requested that the Operational Date be amended to May 1, 2020. Therefore, approval of Fourth Amendment is requested to memorialize the new Operational Date.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on January 30, 2020 and by Budget Management Officer Rhutu Amin Gharib on January 3, 2020.

TIMING CONSIDERATIONS

City Council action is requested on February 18, 2020, to memorialize the new Operational Date and allow for the execution of the Fourth Amendment to the Lease.

FISCAL IMPACT

This recommendation has no staffing impact beyond the budgeted scope of duties and is consistent with existing City Council priorities. There is no fiscal or local job impact associated with this recommendation.

HONORABLE MAYOR AND CITY COUNCIL
February 18, 2020
Page 2

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

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JOHN KEISLER
DIRECTOR OF ECONOMIC DEVELOPMENT

APPROVED:

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THOMAS B. MODICA
ACTING CITY MANAGER