

SUBJECT

***Commercial Building Owner and Tenant Improvement Expenditures
(Staff Representative: Kenneth McDonald)***

RECOMMENDED ACTION

To authorize the President and CEO to expend up to \$7.0 million for owner and tenant improvements for the property located at 4801 Airport Plaza Drive.

BACKGROUND

On February 27, 2020, LBT's Board of Directors authorized the President and CEO to purchase an eight-story multi-use office building located at 4801 Airport Plaza Drive (Property) in the City of Long Beach, as well as granting authorization for the President and CEO to meet and/or address all real commercial property acquisition requirements.

The Property will serve as the agency's administrative corporate offices, thereby enabling LBT1, located at Anaheim Street and Cherry Avenue, to function as a full-fledged operations and maintenance facility for LBT's battery-electric bus fleet.

The Property being acquired is a 176,860-square-foot building and LBT's current space needs require 40,000-square feet. It is the agency's intent to occupy and utilize three of the eight floors, and lease the remaining five floors.

Prior to taking occupancy of the building improvements and/or alterations at the Property are warranted to ensure habitation for staff and prospective tenants. At this time, staff projects these improvements to be approximately one-third of the purchase price of the property; thus, staff's recommendation of \$7.0 million.

PROCUREMENT – N/A**DBE/SBE PARTICIPATION**

Subcontracting opportunities for construction support services will be made available through the guidance of LBT staff and its regulatory and compliance policies by the property management firm. Goals will be established by LBT, on an as needed basis, to ensure disadvantaged, small and local firm utilization.

ALTERNATIVES CONSIDERED

Staff considered not improving the property prior to occupancy; however, that is infeasible. Improvements are required for LBT and prospective tenants, as the property is currently uninhabitable.



BUDGETARY/FISCAL IMPACT

Staff is requesting LBT's Board of Directors to authorize the President and CEO to expend up to \$7.0 million for owner and tenant improvements for the property located at 4801 Airport Plaza Drive.

Funds for owner and tenant improvements will be included in the FY 2021 Capital Budget and funding for subsequent years will be included in future capital budgets.

A handwritten signature in blue ink, reading "K. McDonald", written over a horizontal line.

Kenneth A. McDonald
President and Chief Executive Officer