



## Legislation Text

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**File #:** 15-0765, **Version:** 1

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Recommendation to authorize City Manager to execute all documents necessary for the Third Amendment to Lease

No. 27371 between the City of Long Beach and the Girl Scouts of Greater Los Angeles, a California nonprofit corporation, for City-owned property at 4040 North Bellflower Boulevard. (District 5)

Since 1940, the Girl Scouts of Greater Los Angeles (Girl Scouts), has leased approximately 2.29 acres of City-owned property at 4040 North Bellflower Boulevard (Leased Premises). The Leased Premises are located immediately south of Carson Street on North Bellflower Boulevard within Heartwell Park (see Attachment). The Leased Premises are currently used as a campground, service center and headquarters for Girl Scouts serving the City of Long Beach, which is an allowable use under the Park zoning regulations.

The Leased Premises includes two small buildings totaling approximately 6,366 square feet (SF) which provides for the following: office space for administrative staff; a Girl Scouts store; meeting rooms for program activities and training of volunteers; overnight and day camping activities; showers and restroom facilities; and various other improvements such as a climbing wall and archery range. The Leased Premises affords Girl Scouts the ability to offer a unique and safe outdoor and educational experience each summer.

Through its various programs, Girl Scouts fulfills its mission of building courage, confidence, character, and empowering girls to make a difference in their community and to take on leadership roles. To this end, approximately 50 girls from the Long Beach area earn their annual Gold Award. This is the highest award given and requires approximately 80 hours of planning and implementing a challenging large scale project that is innovative, engages others, and has a lasting impact on its targeted community with an emphasis on sustainability. As a nonprofit organization, Girl Scouts strives to provide services to all girls and young adults in the community by providing financial assistance to those in need through funding general registration fees and covering participation fees for day and overnight camping known as “camperships.” Last fiscal year, Girl Scouts covered registration fees for 513 girls and provided 46 camperships to girls throughout the City. In 2014, these community efforts amounted to approximately \$60,000 in financial assistance to individuals from the local community.

In 2014, Girl Scouts approached City staff to begin discussions and negotiations to extend the term of the Lease in order to continue operations and plan for investment in additional capital improvements to the Leased Premises. City staff are amenable to the extension of the Lease, as Girl Scouts serves to augment the recreational activities provided by the Department of Parks, Recreation and Marine. In addition, under the provisions of the Lease, the Leased

Premises, including all improvements, parking lots and landscaping, are fully maintained by the Girl Scouts which serves to offset maintenance costs that would otherwise be incurred by the City. The current term expired on June 30, 2015, and the Lease is currently on month-to-month holdover status.

To provide for the continued use of the Leased Premises, a proposed Third Amendment to Lease No. 27371 has been negotiated containing the following major terms and conditions:

- Landlord: City of Long Beach, a municipal corporation.
- Tenant: Girl Scouts of Greater Los Angeles, a California nonprofit corporation.
- Leased Premises: The Leased Premises shall consist of an approximate 2.29 acre parcel of land at 4040 North Bellflower Boulevard with three existing buildings totaling 6,366 SF and all surrounding improvements thereon.
- Lease Term: The term of the Lease shall be extended for approximately 10 years and shall terminate on September 30, 2025.
- Rent: Effective October 1, 2015, the monthly base rent for the buildings shall be \$0.75 per SF, for a total of \$4,775 per month or \$57,294 per year. This rate is comparable to recent transactions for similar leases. Rent shall be due annually in arrears and shall increase by five percent effective October 1, 2020. In consideration of the financial assistance and community services provided annually to the Long Beach community by Girl Scouts, the financial assistance and community services may be credited against annual rent due only within the lease year in which they were provided.
- Capital Improvements: Planned capital improvements, estimated at \$200,000, include three new picnic shelters, outdoor cooking area, stage, landscaping and irrigation system upgrades, and the addition of walkways through the property compliant with the American with Disabilities Act. The cost of these capital improvements may be credited against annual rent due and shall be primary to any credits for community financial assistance in which they were provided. Credit for these capital improvements may be carried from year to year until fully credited.
- Maintenance and Utilities: Tenant shall continue to be responsible for all maintenance and capital improvements to the Leased Premises, including the payment of all utilities.
- Insurance: Insurance provisions within the Lease shall be updated to reflect current requirements of the City's Office of Risk Management.

All remaining terms of Lease No. 27371 shall remain in full force and effect.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on August 5, 2015, and by Budget Management Officer Victoria Bell on July 22, 2015.

City Council action is requested on August 18, 2015 in order to finalize and execute the Third Amendment in a timely manner to formalize the continued occupancy of the Leased Premises and allow for the commencement of the capital improvements.

As a result of rental credits for capital improvements, financial assistance and community service, it is anticipated that there will be no fiscal impact nor local job impact associated with the recommended action. Any future revenues that should arise in the event of a lack of rental credits shall accrue to the General Fund (GP) in the Parks, Recreation and Marine Department (PR).

Approve recommendation.

MICHAEL P. CONWAY  
DIRECTOR OF ECONOMIC AND PROPERTY DEVELOPMENT

STEPHEN P. SCOTT  
INTERIM DIRECTOR OF PARKS RECREATION AND MARINE

APPROVED:

PATRICK H. WEST  
CITY MANAGER