



Legislation Text

File #: 10-1123, **Version:** 1

Recommendation to authorize City Manager, or designee, to execute any and all documents necessary for the new lease with Ann Pham, for the continued use of the parking lot at 220 West 20th Street by the Long Beach Police Department, Youth Services Division, for a 46-month term, at an initial monthly base rent of \$800. (District 6)

Since 1995, the Long Beach Police Department, Youth Services Division, has leased the office facilities at 1957 Pacific Avenue. Currently, it has five details assigned to this office site.

On August 19, 2008, the City Council approved a five-year term extension for Lease No. 24468 at 1957 Pacific Avenue. The Lease contains a one-time right to cancel between September 1, 2011 and December 1, 2011; otherwise, the Lease shall terminate on August 31, 2013.

When the Youth Services Division opened its facility at 1957 Pacific Avenue in 1995, the on-site parking was limited and available for only half of the personnel. Consequently, the City entered into Lease No. 26420 with Beasley Investments, L.P., for the adjoining secured parking lot at 220 West 20th Street, to accommodate the staff assigned to the Youth Services Division. A Vicinity Map of the parking lot is attached.

In 2009, Beasley Investments, L.P., sold the property to Ann Pham, who permitted the Youth Services Division to continue parking on the lot while a new Lease was being negotiated for its use. The proposed new Lease contains the following major provisions:

- Lessor: Ann Pham, a single woman.
- Lessee: City of Long Beach.
- Premises: The leased premises consist of a surface parking lot and several garage stalls having a total of 29 parking spaces and measures approximately 8,878 square feet. The site is located at 220 West 20th Street.
- Length of Term: The term shall commence on November 1, 2009 and terminate on August 31, 2013 (46 months). The termination date mirrors that of Lease No. 24468 for the Youth Services Division office facility at 1957 Pacific Avenue.
- Right to Terminate: Should the Lessee exercise its right to cancel Lease No. 24468 at 1957 Pacific Avenue, the Lessee shall have the same right to terminate the Lease at 220 West 20th Street. The Lessee has the one-time right to cancel Lease No. 24468 between September 1, 2011 and December 1, 2011.
- Rent: The monthly rent shall be \$800, or approximately \$28/stall/month. This rate is considered to be very competitive for the Wrigley Village area in Central Long Beach. The rent

shall increase by three (3) percent each year on the anniversary date of the Lease.

The Lessee shall also pay the difference between the new rent (\$800/month) and the current rent (\$450/month) from November 1, 2009 to the execution date of the new Lease. This amount shall be approximately \$3,850 for an 11-month period ($\$350 \times 11 \text{ months} = \$3,850$).

- Real Estate Taxes and Operating Expenses: The Lessor shall be responsible for real estate taxes, property insurance, property management, and maintenance of the parking lot surface, fence and on-site garage structures.
- Utilities and Maintenance: The Lessee shall be responsible for utilities and maintaining the parking lot landscaping, as well as the security gate. The estimated annual charge for utilities is \$336 ($\$28 \times 12 \text{ months}$) and \$1,896 ($\$158 \times 12 \text{ months}$) for parking lot landscaping.

This letter was reviewed by Deputy City Attorney Gary Anderson on August 19, 2010 and Budget Management Officer Victoria Bell on August 25, 2010.

City Council action is requested on October 12, 2010 in order to formalize a Lease for the continued use of the parking lot.

The total FY 10 costs for the Lease are estimated to be \$9,574. Of this amount, the base rent payment is approximately \$4,950 ($\$450 \times 11 \text{ months}$), the differential rent is approximately \$3,850, and the initial landscaping services are approximately \$774 ($\$158 \times 3 \text{ months} + \$300 \text{ initial service fee}$). Sufficient funds are budgeted in the General Fund (GP) in the Police Department (PD) to support this activity.

The total FY 11 costs for the Lease are estimated to be \$12,096. Of this amount, base rent payments are estimated to be \$9,864 ($\$800 \times 1 \text{ month} + \$824 \times 11 \text{ months}$), utilities are estimated to be \$336, and landscaping services are estimated to be \$1,896. Sufficient funds are included in the FY 11 Proposed Budget in the General Fund (GP) in the Police Department (PD) to support this activity.

The total estimated cost for the Lease over the 46-month term is estimated to be \$45,698. Of this amount, the base rent payments are estimated to be \$34,564, the differential rent is estimated to be \$3,850, the utilities are estimated to be \$980, and the landscaping services are estimated to be \$6,304. There is no local job impact associated with the recommendation.

Approve recommendation.

MICHAEL P. CONWAY
DIRECTOR OF PUBLIC WORKS

JIM MCDONNELL
CHIEF OF POLICE

APPROVED:

PATRICK H. WEST
CITY MANAGER