



Legislation Text

File #: 13-0773, **Version:** 1

Recommendation to authorize City Manager to execute all documents necessary to amend Lease No. 29211 with Williams Scotsman, Inc., for the Long Beach Airport's temporary building units and to extend the lease term for an additional 24-month period, in an amount not to exceed \$181,000, with a month-to-month holdover option. (District 5)

On January 29, 2002, the City Council authorized the City Manager to execute a 36-month lease with Williams Scotsman, Inc. (Williams Scotsman), of temporary modular building units for the North Boarding Lounge and the Rental Car Building. The installation of the temporary modular building units was necessary to accommodate the substantial increase in passengers due to the increase in flights with JetBlue Airways (JetBlue) in April 2002. Rental car companies were relocated to a modular building to provide more floor space in the Airport Terminal building.

On August 27, 2002, the City of Long Beach approved a Lease/Leaseback Agreement with JetBlue for a temporary South Boarding Lounge. Due to limited cash flow and timing considerations, JetBlue shouldered the total cost of procuring and installing modular trailers, furnishings, and the improvements to the existing security screening area as required by the Transportation Security Administration (TSA). The City reimbursed JetBlue for the cost of these latter improvements via credits to the airline's monthly use fees.

On February 1, 2005, the City Council authorized a 36-month extension of the lease for the three temporary facilities. The City Council authorized additional 24-month extensions of the lease of three facilities on January 22, 2008 and February 16, 2010, and the remaining two facilities on May 1, 2012.

The modular units were intended to provide reasonable accommodations for near-term passenger activity, pending the construction of permanent terminal improvements consistent with the Long Beach Airport Noise Compatibility Ordinance.

Terminal improvement construction is nearing completion, with the largest phase of the project, the Passenger Concourse, having been completed in December 2012. The final phase of the current improvement program and replacement of the rental car facility is anticipated to be completed in approximately two years. The cost for extending the current lease by an additional 24 months, through January 31, 2016, for the remaining modular units will be \$15,700 each year, for a \$31,400 two-year total. The terms and conditions of the lease extension will include an early termination clause and a month-to-month holdover provision.

The additional cost of the lease includes spending authority of \$149,600 for the removal of the temporary North Boarding Lounge and the future removal of the Rental Car building. The contract calls for the City to be responsible for the removal of the building units, which includes the breakdown of multiple sections, skirting removal, axle/tire/hitch installation, transportation permit procurement and return freight. The total amount for the lease extension (\$31,400) and removal of temporary trailers (\$149,600) is \$181,000.

This matter was reviewed by Deputy City Attorney Richard Anthony on August 22, 2013 and Budget Management Officer Victoria Bell on August 26, 2013.

City Council action on this matter is requested on September 17, 2013, in order to continue to provide these essential facilities for Airport tenants and passengers.

Sufficient funds for the additional lease cost of \$181,000 will be budgeted in the Airport Enterprise Fund (EF 320) in the Airport Department (AP) for FY 14 and FY 15. There is no local job impact associated with this recommendation.

Approve recommendation.

MARIO RODRIGUEZ
DIRECTOR, LONG BEACH AIRPORT

APPROVED:

PATRICK H. WEST
CITY MANAGER