



# CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

October 18, 2005

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Authorize the City Manager to execute a First Amendment to Lease No. 26907 between Kurt Schneider, Lisa Schneider, George Karahalios and Angie Chioles (Landlord) and the City of Long Beach for City-leased property at 350 Long Beach Boulevard for use as the Youth Opportunity Center. (District 1)

## DISCUSSION

On April 25, 2000, the City Council authorized the City Manager to execute a lease for office space at 350 Long Beach Boulevard (Premises) for the relocation of the Youth Opportunity Center (YOC), formerly known as the Job Start Center. The YOC serves as the City's primary youth employment services entity, providing job training and employment opportunities to Long Beach youth ages 14-24. The YOC offers a variety of programs and services designed to enhance the job specific skills and job readiness of youth clients. Job training programs include pre-employment work, work experience, job shadowing and mentoring, paid and unpaid internships and direct placement, as well as enhancement training in basic computer skills and applications.

In February 2005, the Landlord approached the City to discuss the Landlord's desire to redevelop the Premises to provide additional commercial and residential units in the Downtown area. Lease No. 26907 provided for a 5-year option to extend the term, which if exercised, would have precluded redevelopment of the Premises until 2010. In an effort to encourage development in Downtown and continue services provided by the YOC, the City has chosen not to exercise its option and instead intends to relocate the YOC operations.

The search for a relocation site is currently underway. Staff continues surveying the City in an effort to identify a location that can provide adequate office space, sufficient parking for staff and clients, convenience to public transportation and safety and security. Although options have been limited to date, staff remains optimistic that a new location will be ready for occupancy in early 2006.

The Lease terminated on September 19, 2005; however the Landlord agreed to extend the occupancy of the Premises to allow the City additional time to identify a new site to relocate its operations. Because a new facility will likely not be available until early 2006, the YOC operations may be relocated in the interim to other City facilities.

To memorialize the continued occupancy of the Premises, a First Amendment has been proposed containing the following terms and provisions:

- Term: The term of the Lease shall be extended to terminate at 5 p.m. on December 12, 2005.
- Base Rent: Rent shall continue at the monthly rental rate of \$12,962.16. Rent shall be abated for the period of September 20, 2005 to October 31, 2005. The next rental payment will be due on November 1, 2005.
- Capital Improvements: Lessor shall be under no obligation to make any capital improvements to the Premises during the extended term. Should the building become uninhabitable, the City shall have the right to vacate the Premises and any rents paid shall be refunded on a prorated basis for any days that the Premises is not occupied.
- Option to Extend: As inducement to the City for agreeing to not exercise its option to extend the term of the Lease, Lessor shall provide \$138,250 to partially offset relocation expenses and underwriting costs of the YOC's Internship Program stipends.

This letter was reviewed by Deputy City Attorney J. Charles Parkin on October 5, 2005 and Budget Management Officer David Wodynski on October 7, 2005.

#### TIMING CONSIDERATIONS

City Council action is requested on October 18, 2005, to allow time for execution of the First Amendment and payment of rent on November 1, 2005.

#### FISCAL IMPACT

Revenues of \$138,250 will accrue into the Community Development Grants Fund (SR 150) in the Department of Community Development (CD) for relocation expenses and Workforce services. Of the total, \$50,000 was paid in FY05, with the remaining \$88,250 to be provided in FY06.

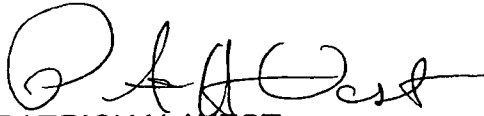
Total rental payments for the remaining term of the Lease shall be approximately \$18,150. Sufficient funding is budgeted in the Community Development Grants Fund (SR 150) in the Department of Community Development (CD). There is no impact on the General Fund.

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



PATRICK H. WEST  
DIRECTOR OF  
COMMUNITY DEVELOPMENT

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APPROVED:



GERALD R. MILLER  
CITY MANAGER