



CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

C-5

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

August 24, 2004

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach
California

SUBJECT: First Amendment to Lease No. 25776 With Coastal Long Beach Properties, L.L.C., for Office Space at 575-585 Pine Avenue, to House Certain Veterans' Organizations, and Second Amendment to Related Subleases Between the City of Long Beach and 1) Disabled American Veterans, Long Beach Chapter No. 17 (Sublease 25905), 2) Fleet Reserve Association, Branch 43 (Sublease 25906), 3) Arthur L. Peterson Post No. 27, Inc., The American Legion, Department of California (Sublease 25907) (District 1)

DISCUSSION

On May 19, 1998, the City Council authorized the City Manager to execute a lease with Coastal Long Beach Properties, L.L.C., for 3,517 square feet of office space at 575-585 Pine Avenue to house subject veterans' organizations. The City has a continuing obligation to provide these veterans' organizations with office space as discussed in more detail in the attached May 19, 1998 City Council letter. Lease No. 25776 was for five years with three one-year options to renew at pre-negotiated rates. The five-year lease period expired September 15, 2003. On September 2, 2003 the City Council authorized the First Amendment for the first one-year option to extend the lease; however, the landlord never executed it. Accordingly, this revised First Amendment will exercise the first and second one-year option to extend the term of the lease from September 15, 2003 to September 15, 2005.

The pre-negotiated first option-year lease rate is \$1.04 per square foot (\$3,657.68 per month) and the second option period is \$1.07 per square foot (\$3,763.19 per month). Additionally, the City pays for utilities, a quarterly HVAC inspection and monthly janitorial costs totaling approximately \$860 per month. The First Amendment to lease No. 25776 and Second Amendment to subleases 25905, 25906 and 25907 will extend the term to September 15, 2005 and increase the monthly rent as noted above. All other conditions remain the same.

This letter was reviewed by Donna F. Gwin, Senior Deputy City Attorney on July 28, 2004 and Budget Management Officer David Wodynski on August 5, 2004.

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TIMING CONSIDERATIONS

City Council action is requested on August 24, 2004 in order to exercise the renewal option prior to the expiration of the existing lease term.

FISCAL IMPACT

Annual lease payments of \$45,158 and utilities and maintenance costs of approximately \$10,320 are budgeted in the Civic Center Fund (IS 380) in the Department of Technology Services (TS).

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to execute the First Amendment to Lease No. 25776 with Coastal Long Beach Properties, L.L.C., and a Second Amendment to Subleases 25905, 25906 and 25907 for office space at 575-585 Pine Avenue to house certain veterans' organizations, at annual lease payments of \$45,158 plus the cost of utilities and maintenance.

Respectfully submitted,



MELANIE S. FALLON
DIRECTOR OF COMMUNITY DEVELOPMENT

MSF:RN:lel

Attachment: Council Letter Dated May 19, 1998
4.24.04 CC Ltr Vets2Amend.Revised

APPROVED:



GERALD R. MILLER
CITY MANAGER