



CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

C-8

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

February 14, 2006

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute all documents necessary for a Lease with Westside Neighborhood Clinic, Inc., a California nonprofit corporation, for City-owned property at the West Facilities Center at 2125 Santa Fe Avenue. (District 7)

DISCUSSION

The Department of Health and Human Services (Health) operates the West Facilities Center (Facility) at 2125 Santa Fe Avenue in Admiral Kidd Park. Built in 1974, the two-story structure, measuring approximately 11,650 square feet, provides office space to support various community and health services and programs including Women, Infants and Children (WIC), Long Beach Unified School District child day care, and Brown Bag Food distribution. The Facility also provides a multi-purpose room for use by public agencies. In early 2005, Catholic Healthcare West terminated its lease for the operation of a primary care clinic (see Attachment), which utilized approximately 2,462 square feet of space on the first floor of the Facility. Health has since been marketing the space to other health care providers.

The Westside Neighborhood Clinic (WNC) is a non-profit community clinic dedicated to the health care needs of low income, uninsured families, and individuals who reside primarily in West Long Beach. WNC provides low cost medical services including general, acute and chronic care, pediatrics, immunizations, prenatal care, women's services, and health education. The WNC has been serving the West Long Beach community since 1975.

Facing the loss of their current location due to financial hardship, the WNC contacted the City seeking assistance in identifying a new location for its clinic. Matching this need with the available space at the Facility, Health saw an opportunity to continue to provide medical services to the West Long Beach Community. As a result, a proposed Lease has been negotiated containing the following provisions:

- Lessor: City of Long Beach.
- Lessee: Westside Neighborhood Clinic, a non-profit corporation.

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- Premises: The Premises shall consist of approximately 2,575 square feet of space on the first floor and approximately 100 square feet of space on the second floor of the Facility.
- Term: Ten-year term commencing March 1, 2006 and terminating February 29, 2016.
- Option to Renew: One 5-year option to renew at the mutual agreement of both Lessor and Lessee.
- Rent: The monthly rent shall be \$1,500 and shall increase 3 percent annually.
- Rent Abatements: Lessee shall be entitled to a six-month rent abatement period to allow for the procurement of State licensing for the Premises and for the construction of certain tenant improvements required for operation on the Premises. Occupancy of the Premises by the Lessee is not anticipated during this time.
- Utilities: Lessee shall pay an additional \$450.00 per month for the utilities for the Premises.
- Janitorial: Lessee shall be responsible for janitorial services for the Premises.
- Tenant Improvements: The Premises are leased "as-is". Any proposed improvements to the Premises shall require Lessor's prior approval. Lessee shall seek grant funding for the construction of tenant improvements required for the initial occupancy of the Premises. It is anticipated that the grant funding shall cover all costs of construction. Lessee shall be granted a rent credit in an amount not to exceed \$9,000, for costs associated with construction but not covered under the provisions of any approved grant funding. The rent credit shall only apply to the construction of tenant improvements required for initial occupancy of the Premises. Lessee shall be responsible for all costs associated with any subsequent construction of tenant improvements including the procurement of all necessary entitlements.
- Lessee Termination Option: Lessee may terminate the Lease at any time by providing 90-days' prior written notice to the Lessor.
- Lessor Termination Option: Lessor may terminate the Lease at any time after the sixth anniversary of the commencement date by providing 180-days' prior written notice to the Lessee.

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- Assignment: Lessee shall not assign nor sublease the Premises without prior written approval of Lessor, which may be withheld at Lessor's sole discretion.

This letter was reviewed by Deputy City Attorney Richard F. Anthony on January 31, 2006 and Budget Management Officer David Wodynski on February 6, 2006.

TIMING CONSIDERATIONS

City Council action is requested on February 14, 2006 in order to facilitate the timely relocation of the WNC to the Premises.

FISCAL IMPACT

Revenue in the amount of \$2,250 for Fiscal Year 2006 and subsequent annual revenue of approximately \$18,000 will accrue to the General Fund (GP 100) in the Department of Health and Human Services (HE). Revenue up to \$9,000 in the form of rent credits may be sacrificed for approved tenant improvement costs.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,




PATRICK H. WEST
DIRECTOR OF
COMMUNITY DEVELOPMENT



RONALD R. ARIAS
DIRECTOR OF
HEALTH AND HUMAN SERVICES

PHW:RRA:VLA:lel
Attachment
02.14.06 CC Ltr 2125 Santa Fe

APPROVED:



GERALD R. MILLER
CITY MANAGER