



CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

May 17, 2005

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

RECOMMENDATION:

Authorize the City Manager to execute a Sublease to Lease No. 26704 by and between the City of Long Beach and Sepia Productions, Inc., a California corporation, and the subsequent amendments extending the term for two additional terms, at the discretion of the City Manager, for office space at 333 West Broadway, Suite 308. (District 1)

DISCUSSION

On December 9, 1999, the City Council approved Lease No. 26704 with Kan International, Inc., for approximately 3,318 rentable square feet of office space at 333 West Broadway, Suite 308, to house the Long Beach Police Department ("Department"), Information Technology Division.

In 2004, the office premises were sold to Western Gardena Property, LLC ("Lessor"), which became the successor in interest to Kan International, Inc., under the Lease.

On December 7, 2004, the City Council approved the First Amendment extending the term of the leased premises for five years through March 25, 2010. The First Amendment also included options to renew. The first renewal option is for a period of 42 months and the second renewal option is for a period of 60 months.

During the first term of the Lease, the Information Technology Division relocated to City Hall East and the Police Department's on-site Internal Affairs Division and Community Relations Division assumed occupancy of Suite 308. The Divisions utilize the leased premises to conduct Internal Affairs' investigation interviews, as well as to provide video production services for the Police Department.

In addition to its own internal video production services, the Department has a sole source contract with Sepia Productions, Inc. ("Sepia"), for supplemental video production work. The contract provides for the production of training videos, surveillance video enhancements, promotional video projects and internal

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communication videos, as well as on-call status for taping high-profile crime/incident scenes. Sepia consistently provides the Department with a superior product and good customer service.

As more investigative and patrol personnel learn of Sepia's capabilities, the demand for Community Relations' video production services has increased. To better address the Department's expanding service requests, it is proposed that Community Relations and Sepia combine resources at one office site. In this way, the Department's video production management and services will be enhanced.

To accommodate the Department's video production requirements, a Sublease has been negotiated between the City of Long Beach (as "Sublessor") and Sepia (as "Sublessee") for approximately 930 rentable square feet of office space in Suite 308. The proposed Sublease contains the following provisions:

- Premises: The eastern portion of Suite 308, consisting of approximately 930 rentable square feet of office space.
- Use: General office use and video production services.
- Length of Term: The Sublease term shall be for the remaining period of Lease No. 26704 (approximately 58 months). The target commencement date shall be on June 1, 2005 and the expiration date shall be on March 25, 2010.
- Early Termination Option: Upon thirty days' written notice, the Sublessor or Sublessee may terminate the Sublease without cause.
- Option to Renew: The Sublessee shall have two options to renew, provided Sublessor extends the term of the Lease.
- Rent: In lieu of rent, the Sublessee shall provide approximately \$1,200.00 in video services per month to Sublessor. These services shall be in addition to any existing services contracted annually under a blanket purchase order.
- Utilities, Services and Taxes: The Lessor shall pay the monthly common area maintenance dues and be responsible for all costs associated with property taxes. The Sublessor shall pay for all utilities and janitorial services that are provided to the subleased premises.
- Parking: The Sublessor shall provide Sublessee with one reserved parking stall at no cost.
- Tenant Improvements: The Sublessee shall pay the costs for all tenant improvements and related expenses.

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The Sublessee shall comply with all terms and conditions of Lease No. 26704. The Lessor has provided its written consent to sublease a portion of the leased premises.

This letter was reviewed by Deputy City Attorney Richard F. Anthony on April 26, 2005 and Budget Management Officer David Wodynski on May 6, 2005.

TIMING CONSIDERATIONS

City Council action is requested on May 17, 2005, in order to meet the June 1, 2005 target commencement date.

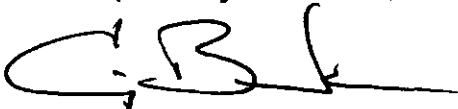
FISCAL IMPACT

There is no fiscal impact associated with the recommendation. Annual services in the amount of \$14,400 will accrue to the Police Department. These services are additional and will not replace contracted, budgeted expenditures.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CRAIG BECK
ACTING DIRECTOR OF
COMMUNITY DEVELOPMENT

CB:AWB::MDL:lej
5.17.05 CC Ltr PD Sepia Prod.

ANTHONY W. BATTS
CHIEF OF POLICE



APPROVED:



GERALD R. MILLER
CITY MANAGER