



CITY OF LONG BEACH

R-22

OFFICE OF THE CITY MANAGER

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December 2, 2014

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute all documents necessary for Amended and Restated Lease No. 11576 with Legacy Partners I Long Beach Oceangate, LLC, a Delaware limited liability company, for the use of approximately 15,800 square feet of City-owned property for parking purposes located under the Queens Way Bridge along W. Seaside Way. (District 2)

DISCUSSION

In 1973, the City executed Lease No. 11576 (Lease) with Boise Cascade Urban Development Corporation, predecessor-in-interest to Legacy Partners I Long Beach Oceangate, LLC (Legacy), for the use of approximately 15,800 square feet of City-owned property (Site) for parking purposes. Located under the Queens Way Bridge (Bridge) along the northern side of W. Seaside Way, the Site (attached) is comprised of the northernmost half of an approximate 32,500 square foot rectangular area in the space beneath the Bridge where the elevation drops from Magnolia Avenue to Seaside Way. The Site is used for parking by employees of Legacy's office building located west of the Bridge at 100 Oceangate. The southernmost portion of the area under the Bridge is leased for parking purposes for the employees of the office building at 444 W. Ocean, located east of the Bridge.

The Lease terminated on February 15, 2013, and Legacy has remained on the Site on a month-to-month holdover while discussions ensued regarding the Site's continued use and negotiation of a market value rent adjustment. Due to the Site's location, it is only accessible from Legacy's property or through the adjoining leasehold, thus making the area most appropriate for continued use by the office buildings on either side of the Bridge. In addition, the Site's long-term use may be restricted based on any future Bridge maintenance or modification.

Discussions have concluded with Legacy and Amended and Restated Lease No. 11576 has been negotiated containing the following major terms and provisions:

- Landlord: City of Long Beach, a municipal corporation.
- Tenant: Legacy Partners I Long Beach Oceangate, LLC, a Delaware limited liability company.

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- Leased Premises: Approximately 15,800 square feet of City owned property under the Queens Way Bridge for parking purposes.
- Term: The term of the Lease shall be extended through June 30, 2054, so as to be coterminous with the adjacent leasehold.
- Use: The Leased Premises shall only be used for the parking of motor vehicles.
- Rent: Effective and retroactive to October 1, 2014, the annual rent shall increase from \$1 to \$25,884 (\$2,157 per month) and shall adjust every five years thereafter based on the five-year change in the consumer price index (CPI). In no event shall the annual rent decrease.
- Termination: City may terminate the Lease if the Leased Premises becomes unusable due to safety concerns or if repairs and/or reconstruction of the Bridge renders the Leased Premises unusable for parking purposes.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on November 5, 2014 and by Budget Management Officer Victoria Bell on September 25, 2014.

TIMING CONSIDERATIONS

City Council action on this matter is requested on December 2, 2014, in order to execute the Amended and Restated Lease to formalize continued long-term occupancy of the Leased Premises.

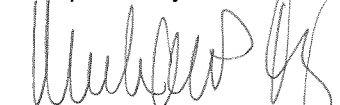
FISCAL IMPACT

Effective October 1, 2014, annual revenues of \$25,884 shall accrue to the General Fund (GP) in the Department of Public Works (PW). Approval of this recommendation will provide continued support to the local economy.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



MICHAEL P. CONWAY
DIRECTOR OF ECONOMIC
AND PROPERTY DEVELOPMENT

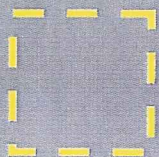
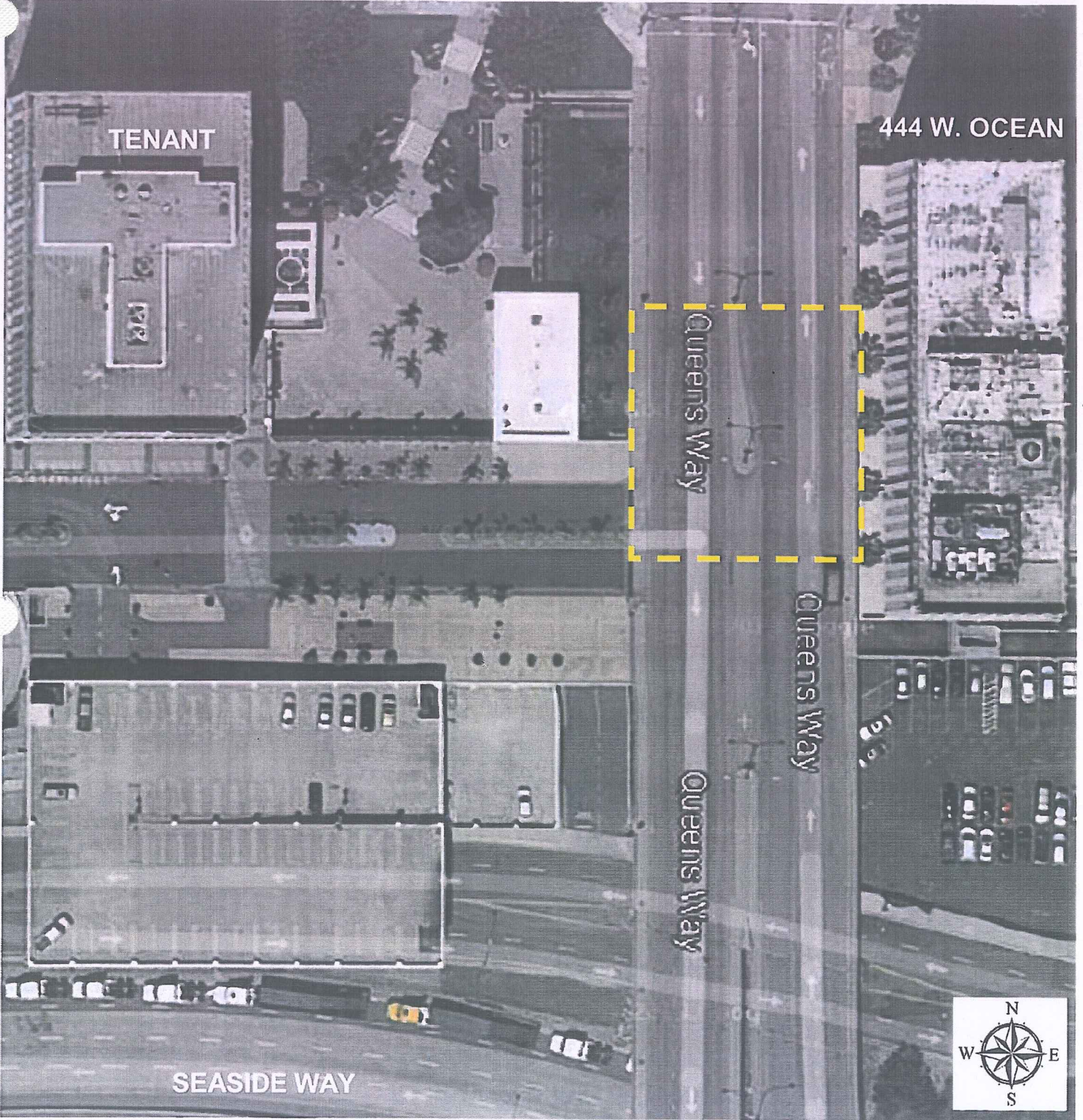
MPC:JMLR

APPROVED:



PATRICK H. WEST
CITY MANAGER

ATTACHMENT



Approximate location of Leased Premises underneath the Queensway Bridge