



# CITY OF LONG BEACH

# C-5

DEPARTMENT OF ECONOMIC AND PROPERTY DEVELOPMENT

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January 19, 2016

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Authorize the City Manager to execute all documents necessary for the Third Amendment to Lease No. 27103 with LALB Harbor, LLC (Lessor), and the City of Long Beach (Lessee) for warehouse space at 1400 Canal Avenue, for the continued operation of the Long Beach Police Department's crime lab and property detail. (District 1)

## DISCUSSION

Since 2001, the Long Beach Police Department (PD) has leased approximately 17,400 square feet (SF) of warehouse space at 1400 Canal Avenue (Leased Premises) from PCH Properties, a California General Partnership, predecessor in interest to Lessor, for its crime lab and property detail functions. Extensive tenant improvements have been made to the Leased Premises throughout the term of the Lease to accommodate the specialty functions of the crime lab. As such, this special-purpose facility currently meets PD's requirements in terms of location, parking, building size and features.

The current term of the Lease is set to expire on January 31, 2016. PD desires to extend the term of the Lease and a Third Amendment has been negotiated containing the following major terms and conditions:

- Lessor: LALB Harbor, LLC, a California limited liability company.
- Lessee: City of Long Beach, a municipal corporation.
- Leased Premises: The Leased Premises consist of approximately 17,400 SF of industrial warehouse space on approximately 30,900 SF of land located at 1400 Canal Avenue.
- Lease Term: The term of the Lease shall be extended through January 31, 2021.
- Base Rent: The initial monthly base rent shall be \$0.93 per SF or \$16,137 per month, which includes the amortization of real property taxes and insurance and shall adjust annually by any increase in the Consumer Price Index (CPI).

- Brokerage Commission: Lessor shall pay Lessee's brokerage firm a total commission in the amount of \$14,523.30 for its representation of Lessee during this transaction. Lessor shall amortize this amount over the extended term of the Lease and be reimbursed by Lessee the sum of \$284 per month as additional rent, for a total monthly rent amount of \$16,421.
- Option to Renew: Lessee shall have one 5-year option to extend the term of the Lease pursuant to the negotiation of the new fair market rental rate and subject to City Council approval.

All remaining terms of Lease No. 27103 shall remain in full force and effect.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on December 22, 2015, and Budget Management Officer Victoria Bell on December 29, 2015.

TIMING CONSIDERATIONS

City Council action is requested on January 19, 2016 in order to finalize and execute the Third Amendment to Lease prior to the expiration of the current term on January 31, 2016.


FISCAL IMPACT


Effective February 1, 2016, the total monthly rent payment will increase from \$16,137 to \$16,421. The total Lease cost for FY 16 shall be approximately \$195,916. Sufficient funds are budgeted in the General Fund (GF) in the Police Department (PD) to support this activity. There will be no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

  
MICHAEL P. CONWAY  
DIRECTOR OF ECONOMIC  
AND PROPERTY DEVELOPMENT

  
FOR R. LUNA  
ROBERT G. LUNA  
CHIEF OF POLICE

MPC:RGL:JLR:MTB

APPROVED:

  
PATRICK H. WEST  
CITY MANAGER