



CITY OF LONG BEACH C-14

DEPARTMENT OF PUBLIC WORKS

333 West Ocean Boulevard 9th Floor • Long Beach, CA 90802 • (562) 570-6383 • Fax (562) 570-6012

May 3, 2011

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute any and all documents necessary for the Fourth Amendment to Lease No. 23828 with Behringer Harvard Downtown Plaza LP, a Delaware limited partnership, and any successors in interest, for office space at 211 East Ocean Boulevard, Suite 500, for the continued occupancy by the Long Beach Gas and Oil Department's Oil Properties, for an additional three-month term. (District 2)

DISCUSSION

In an effort to consolidate business operations and to implement cost savings for the City, the Long Beach Gas and Oil Department will relocate Oil Properties to its main offices at 2400 East Spring Street (Headquarters). Oil Properties, located in City-leased office space at 211 East Ocean Boulevard, Suite 500, administers all City oil operations, contracts, leases and agreements, and directs all subsidence control activities.

Office modifications are under construction at Headquarters to accommodate Oil Properties. These modifications are expected to be ready for occupancy in November 2011. Lease No. 23828 will terminate on August 31, 2011.

In an effort to accommodate Oil Properties in its current office space until its offices at Headquarters are ready for occupancy, the proposed Fourth Amendment to Lease No. 23828 (Amendment) has been negotiated and contains the following major provisions:

- Landlord: Behringer Harvard Downtown Plaza LP, a Delaware limited partnership, and any successor in interest. The property is currently in escrow with Jamison Properties, Inc., a California corporation. Jamison Properties has approved the three-month lease extension. At the time of execution of the Amendment, the Landlord may be Jamison Properties, Inc., or one of its affiliates.
- Leased Premises: 211 East Ocean Boulevard, Suite 500, consisting of 15,369 rentable square feet.
- Term: The term of the Lease shall be extended for an additional three-month period and shall terminate on November 30, 2011.

- Rent: The current monthly base rent of \$27,664, or \$1.80 per rentable square foot, shall remain the same for the extended three-month period.

All remaining terms, covenants and conditions in Lease No. 23828 shall remain in full force and effect. This letter was reviewed by Deputy City Attorney Richard F. Anthony on April 5, 2011, and Budget Management Officer Victoria Bell on April 13, 2011.

TIMING CONSIDERATIONS

City Council action on this matter is requested on May 3, 2011, in order to execute the Amendment in a timely fashion.

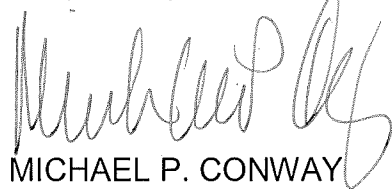
FISCAL IMPACT

Total rental costs of \$82,992 for the three-month extended lease term is budgeted in the Tidelands Oil Revenue Fund (NX 420) in the Long Beach Gas and Oil Department (LBGO) to support this activity. There is no impact to the General Fund or to local jobs.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



MICHAEL P. CONWAY
DIRECTOR
PUBLIC WORKS



CHRISTOPHER J. GARNER
DIRECTOR
LONG BEACH GAS AND OIL

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APPROVED:



PATRICK H. WEST
CITY MANAGER