



CITY OF LONG BEACH

LONG BEACH AIRPORT

C-11

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February 16, 2010

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute all documents necessary for the Third Lease Extension Agreement No. 29211 between the City of Long Beach and Williams Scotsman, Inc., a Maryland corporation, for the continued lease of temporary modular building units at the Long Beach Airport in the amount of \$193,200 per year. (District 5)

DISCUSSION

In 2002, the City, in conjunction with JetBlue Airways, installed three temporary modular buildings (Modulars) at the Long Beach Airport to accommodate substantial increased passenger activity. The Modulars were utilized for the creation of the North Boarding Lounge, the relocation of rental car companies to a stand-alone facility across from the Terminal, and the creation of additional South Boarding Lounge space, including improvements to the existing security screening area as required by the Transportation Security Administration (TSA). The Modulars were leased for an initial three-year term in anticipation of the construction of permanent facilities.

On February 1, 2005, the Modulars were consolidated under Lease Extension Agreement No. 29211 and the City Council authorized a three-year extension of the term. On January 22, 2008, the City Council authorized the execution of the Second Lease Extension Agreement No. 29211 for an additional two-year extension of the term. The Agreement terminated on January 31, 2010, and continues on a month-to-month term.

Airport staff is currently engaged in the planning, permitting and financing approval processes for the construction of permanent passenger boarding lounges as part of the Airport Terminal Improvement Project. In the interim, in an effort to continue to utilize the Modulars at the Airport, staff has negotiated the Third Extension Agreement No. 29211 containing the following major terms and conditions:

- Term: The term of the Agreement shall be extended for an additional two years and shall terminate on January 31, 2012.
- Rent: Effective March 1, 2010, the monthly rental amount for the modular building units shall be \$16,100 for an annual total of \$193,200, which represents a 15 percent discount from the current rate.

In addition, various provisions and attachments shall be updated or added to reflect updates to personnel, regulations and requirements since the initial execution of the Agreement. All other remaining terms and conditions of the Agreement shall remain in full force and effect.

This letter was reviewed by Deputy City Attorney Richard F. Anthony on January 28, 2010, and by Budget and Performance Management Bureau Manager David Wodynski on January 20, 2010.

TIMING CONSIDERATIONS

City Council action is requested on February 16, 2010, to secure pricing and minimize interruption with the Agreement.

FISCAL IMPACT

Sufficient funding for the monthly rental payment of \$16,100 is budgeted in the Airport Enterprise Fund (EF 320) in the Airport Department (AP). There is no impact to the General Fund.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



for MARIO RODRIGUEZ
DIRECTOR, LONG BEACH AIRPORT

MR:jmlr
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APPROVED:



PATRICK H. WEST
CITY MANAGER