



CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

October 11, 2005

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute all documents necessary for a lease by and between Shooshani Developers, LLC, and the City of Long Beach for office space at 275 E. 4th Street, for the operation and management of the City Place parking structures for a term of five years, with two five-year options for renewal at the discretion of the City Manager. (District 1)

DISCUSSION

The City is the owner and operator of the parking structures located at the City Place retail center (City Place) in downtown Long Beach, formerly the Long Beach Downtown Plaza. ACE Parking, Inc. (ACE) currently manages the structures on behalf of the City. The original developer of City Place provided the City with temporary office space for ACE's parking operations. Although not designed for office use, the space was located on site and ideal for security purposes.

Shooshani Developers, Inc. (Shooshani) recently acquired City Place. The City's temporary office space was needed for other purposes and the City was provided with an alternative onsite location on September 1, 2005 at 275 E. 4th Street (Site), adjacent to the City Place security offices. Shooshani has no immediate plans for the Site and has offered to lease it to the City to ensure a secured office space on a long-term basis.

A Lease has been proposed containing the following major provisions:

- Lessor: Shooshani Developers, LLC.
- Lessee: The City of Long Beach.
- Premises: Approximately 1,000 square feet of office space at 275 E. 4th Street.
- Use: The Site shall be used by City staff or its contracted agents for the operation and management of the City Place parking structures.
- Term: Five year initial term commencing September 1, 2005 and terminating August 31, 2010.

HONORABLE MAYOR AND CITY COUNCIL

October 11, 2005

Page 2

- Rent: \$600 per month (\$0.60 per square foot) with annual three percent increases thereafter. This is well below the office space lease rate of \$1.35 - \$1.45 per square foot in the immediate vicinity.
- Utilities: \$100 per month with annual three percent increases thereafter.
- Tenant Improvements: The Site shall be leased in its "as-is" condition.
- Option to Renew: Two five-year options to renew the Lease.
- Option Rent and Utilities: The starting rental and utility rates for each option period shall continue at a three percent increase with annual three percent increases thereafter.

This letter was reviewed by Deputy City Attorney Richard F. Anthony on September 21, 2005 and Budget Management Officer David Wodynski on September 26, 2005.

TIMING CONSIDERATIONS

City Council action is requested on October 11, 2005, in order to formalize an agreement for the City's long-term use of the Site.

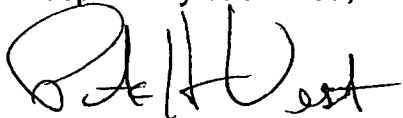
FISCAL IMPACT

Sufficient funds for the monthly rent and utility payments of \$700 (\$8,400 annually) are currently budgeted in the General Fund (GP) budget of the Department of Community Development (CD).

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



PATRICK H. WEST
COMMUNITY DEVELOPMENT

PHW:JMLR:lel
10.11.05 CC Ltr 275 E 4th Street.doc

APPROVED:



GERALD R. MILLER
CITY MANAGER