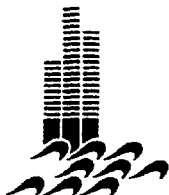


EXHIBIT "A"



# CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

94 NOV -9 PM 12:26

November 15, 1994

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**SUBJECT: Agreement with WHC-One Investors, L.P., Limited Partnership, to Lease Office Space at 211 East Ocean Boulevard for the City's Department of Oil Properties (2)**

It is recommended that the City Council authorize the City Manager to execute a lease with WHC-One Investors, L.P., Limited Partnership, for office space at 211 East Ocean Boulevard for the City's Department of Oil Properties.

## BACKGROUND

On February 27, 1990, the City Council approved a five-year lease with IDM for office space in the Downtown Plaza Building at 211 East Ocean Boulevard (please see attached map) that was used by the Fire Department. Later, in an effort to reduce costs to the General Purpose Fund, the Fire Department relocated to the Harbor Department Building, where they were provided rent-free space.

When the Fire Department vacated the Downtown Plaza Building, the Department of Oil Properties (DOP) assumed the office lease. The DOP administers all City oil operations, contracts, leases, and agreements, and directs all subsidence control activities; its funding is from oil revenues and does not impact the General Fund.

The term of the Oil Properties lease at 211 East Ocean Boulevard expires on March 31, 1995. To accommodate the DOP, a new lease agreement has been negotiated for the 15,369 rentable square feet of office space they currently occupy in the Downtown Plaza Building. Oil Properties prefers to remain at this location because of its close proximity to its contractors and the Civic Center; the conference space which is available for Department and public meetings; and the monetary savings of \$480,645.60 in rent, \$22,500.00 in parking fees, and \$41,476.00 in tenant improvements that have been negotiated in the new lease. This represents a total savings of \$544,621.60 when compared to the previous 5-year lease. An additional \$31,000.00 will be saved under the remainder of the current lease term by having renegotiated the new agreement early.

Recently, the Downtown Plaza Building was sold to WHC-One Investors, L.P. The proposed lease agreement with the new owner contains the following major provisions:

- o Term: Five years with an option to renew for an additional five years at 95% of the then current fair market rental rate.

HONORABLE MAYOR AND CITY COUNCIL

November 15, 1994

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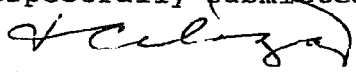
- o Use: General offices of the Department of Oil Properties.
- o Rent: The monthly base rent for months 1-24 shall be \$19,211.25 (\$1.25/rentable square foot/month); the rent for months 25-36 shall be \$20,748.15 (\$1.35/rentable square foot/month); and the rent for months 37-60 shall be \$22,285.05 (\$1.45/rentable square foot/month). This represents an effective rate of \$1.35 per rentable square foot per month over a 60-month period, which is considered very competitive for office lease rates in the downtown Long Beach area.
- o Parking: The Landlord will provide 40 tandem stalls at \$37.50/stall per month and five reserved stalls at \$50/stall per month. Parking charges shall be abated during the first six months of the lease.
- o Utilities, Services, and Taxes: The Landlord shall furnish all utilities and services and will be responsible for paying real property taxes. The Lessee shall pay its pro-rata share of increases in operating expenses and tax expenses above the 1994 base year.
- o Tenant Improvements: The Landlord shall provide \$4.00 per rentable square foot (\$61,476.00) for space planning, engineering, and tenant improvements, with a rental credit for the unused allowance.

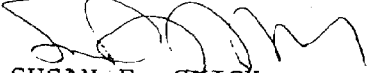
Donna F. Gwin, Deputy City Attorney, is assisting Community Development staff with this lease agreement.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to execute a lease with WHC-One Investors, L.P., Limited Partnership, for office space at 211 East Ocean Boulevard for the City's Department of Oil Properties.

Respectfully submitted,

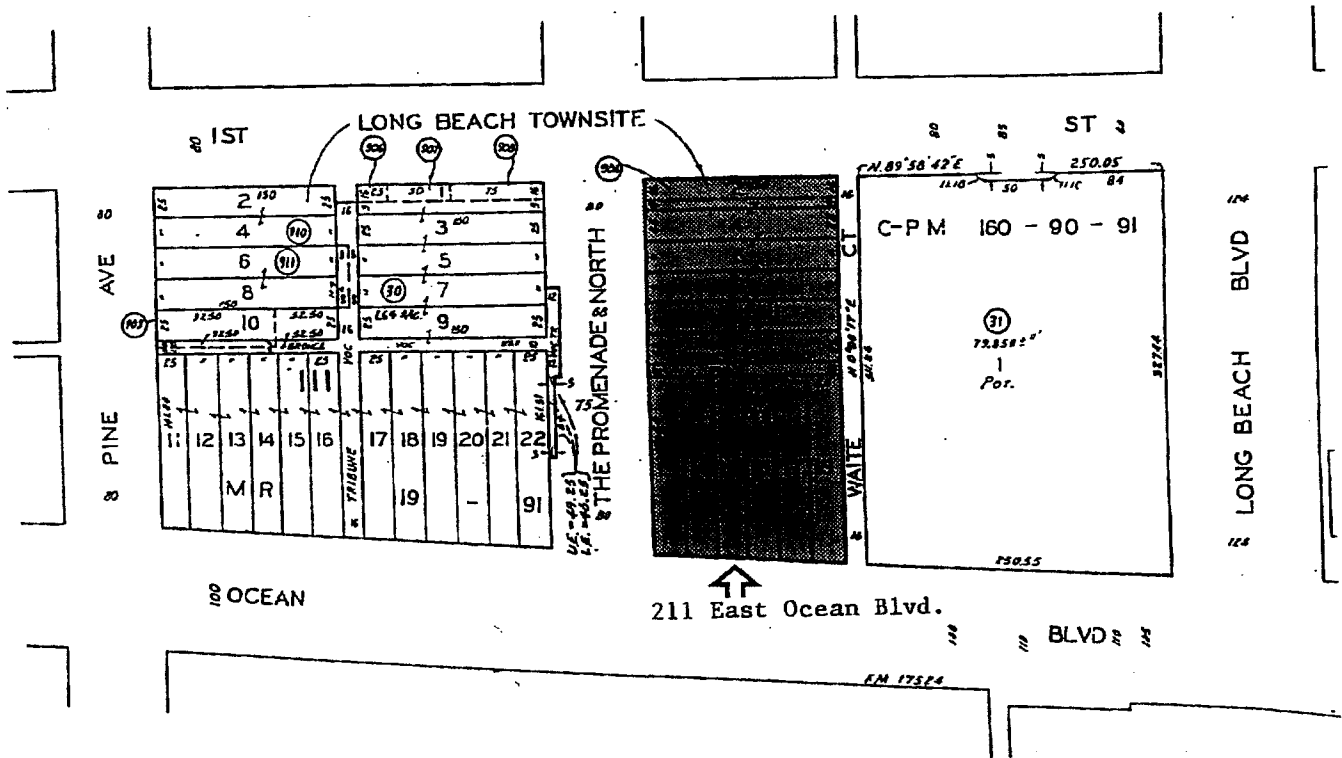
  
XENOPHON C. COLAZAS  
DIRECTOR OF OIL PROPERTIES

  
SUSAN F. SHICK  
DIRECTOR OF COMMUNITY DEVELOPMENT

APPROVED:

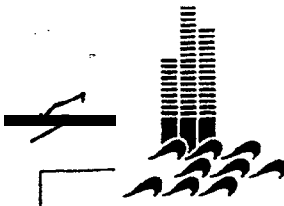
  
\_\_\_\_\_  
JAMES C. HANKLA  
CITY MANAGER

SFS:MDL:klw  
Attachment  
a:oilcounc.mdl(m)



PROPOSED LEASE SITE  
 211 EAST OCEAN BOULEVARD  
 DOWNTOWN PLAZA BUILDING





# CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

July 13, 1999

99 JUL -8 AM 9:35

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

SUBJECT: First Amendment to Lease No. 23828 With WMP II Real Estate Limited Partnership for Office Space at 211 East Ocean Boulevard, Suite 500, for the City's Department of Oil Properties (District 2)

## DISCUSSION

On November 15, 1994, the Long Beach City Council approved a five-year lease with WHC-One Investors, Limited Partnership, for office space in the Downtown Plaza Building at 211 East Ocean Boulevard, Suite 500, to house the City's Department of Oil Properties (DOP). The DOP administers all City oil operations, contracts, leases, and agreements, and directs all subsidence control activities. Its funding is from oil revenues and does not impact the General Fund.

The term of the City's lease at 211 East Ocean Boulevard expires on December 31, 1999. To accommodate the DOP, an extension has been negotiated for the 15,369 rentable square feet of office space they currently occupy in the Downtown Plaza Building. Oil Properties prefers to remain at this location because of its close proximity to its contractors and the Civic Center, and the conference space which is available for departmental and public meetings. Also, the DOP will realize a monetary savings of \$23,053.50 in rent and \$6,802.50 in parking fees when compared to similar market transactions, and gain three (3) additional reserved parking stalls in the building, which currently is 100 percent leased. Having renegotiated the lease early, a total of \$67,726.00 will be saved in rent, parking fees, and additional tenant improvements, as addressed below.

In 1996, the Downtown Plaza Building was assigned from the original owner, WHC-One Investors, Limited Partnership, to the current owner, WMP II Real Estate Limited Partnership. The proposed lease extension with the new landlord contains the following major provisions:

- Length of Term: Five years.
- Renewal Option: The City shall have an option to renew for one period of five years.

HONORABLE MAYOR AND CITY COUNCIL

July 13, 1999

Page 2

- Rent: The monthly base rent for months 1-30 shall be \$23,053.50 or \$1.50 per rentable square foot per month, and the monthly base rent for months 31-60 shall be \$23,821.95 or \$1.55 per rentable square foot per month. This represents an effective rate of \$1.53 per rentable square foot per month over a 60-month period, which is considered very competitive for office lease rates in the downtown Long Beach area.
- Parking: The Landlord shall provide 38 tandem stalls at \$41.25 per stall per month and 10 reserved stalls at \$70.00 per stall per month. Parking charges shall be abated during the first three months of the lease extension.
- Security Deposit: Upon execution of the First Amendment, the Landlord shall return the City's security deposit of \$19,211.25 which was paid at the time the original lease was executed.
- Use: General offices of the Department of Oil Properties.
- Utilities, Services and Taxes: The Landlord shall continue to furnish all utilities and services, and will be responsible for paying real property taxes. The City shall pay its pro-rata share of increases in operating expenses and tax expenses above the 2000 base year.
- Tenant Improvements: The Landlord shall provide \$6.85 per rentable square foot (\$105,277.65) for tenant improvements, which represents \$37,870.00 of additional tenant improvements when compared to typical transactions of \$5.00 per usable square foot for renewing tenants.

Donna F. Gwin, Deputy City Attorney, is assisting Community Development with the First Amendment to Lease No. 23828 and reviewed this letter on June 28, 1999.

FISCAL IMPACT

Lease payments are equal to \$23,053.50 per month for the first 30 months or \$276,642.00 annually. Parking charges are equal to \$2,267.50 per month for the term of the lease or \$27,210.00 annually. Sufficient funding has been budgeted in the Tidelands Oil Revenue Fund (NX 420) by the Department of Oil Properties to support this activity.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to execute the First Amendment to Lease No. 23828 with WMP II Real Estate Limited Partnership for office space at 211 East Ocean Boulevard, Suite 500, for the City's Department of Oil Properties at a monthly rental

HONORABLE MAYOR AND CITY COUNCIL  
July 13, 1999  
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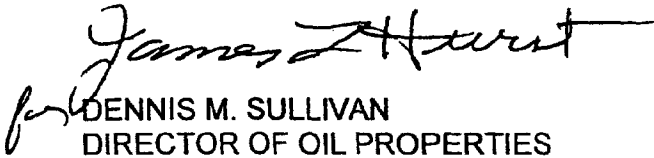
rate of \$23,053.50 and a monthly parking charge of \$2,267.50 for a term of five years with an option to renew for an additional five-year period.

Respectfully submitted,



SUSAN F. SHICK  
DIRECTOR OF COMMUNITY DEVELOPMENT

APPROVED:



DENNIS M. SULLIVAN  
DIRECTOR OF OIL PROPERTIES



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HENRY TABOADA  
CITY MANAGER

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a:oiljun23.mdl