



## Legislation Details (With Text)

|                       |  |                      |   |                      |                                    |
|-----------------------|--|----------------------|---|----------------------|------------------------------------|
| <b>File #:</b>        | 15-0425  | <b>Version:</b>      | 1 | <b>Name:</b>         | CM - Amend Parking Agrmnt w/Molina |
| <b>Type:</b>          | Contract   | <b>Status:</b>       |   | <b>CCIS:</b>         | CCIS                               |
| <b>File created:</b>  | 5/5/2015   | <b>In control:</b>   |   | <b>City Council:</b> | City Council                       |
| <b>On agenda:</b>     | 5/19/2015  | <b>Final action:</b> |   | <b>5/19/2015:</b>    | 5/19/2015                          |
| <b>Title:</b>         | Recommendation to authorize City Manager to execute any and all documents necessary for the First Amendment to Parking License Agreement No. 32678 between the City of Long Beach and 6th & Pine Development, LLC, a California Limited Liability Company, for the use of City-owned property for parking purposes. (Citywide) |                      |   |                      |                                    |
| <b>Sponsors:</b>      | City Manager   |                      |   |                      |                                    |
| <b>Indexes:</b>       | Agreements, Amendments, Licenses   |                      |   |                      |                                    |
| <b>Code sections:</b> |  |                      |   |                      |                                    |
| <b>Attachments:</b>   | 1. 051915-C-5sr.pdf  |                      |   |                      |                                    |

| Date      | Ver. | Action By    | Action                 | Result |
|-----------|------|--------------|------------------------|--------|
| 5/19/2015 | 1    | City Council | approve recommendation | Pass   |

Recommendation to authorize City Manager to execute any and all documents necessary for the First Amendment to Parking License Agreement No. 32678 between the City of Long Beach and 6th & Pine Development, LLC, a California Limited Liability Company, for the use of City-owned property for parking purposes. (Citywide)

6th & Pine Development, LLC, (Licensee) is the owner of the former Press-Telegram building at 6th Street and Pine Avenue (Site) in downtown Long Beach. Molina Healthcare currently occupies the Site under lease with Licensee. Molina generates up to 900 local jobs and has a significant positive impact on the downtown area and economic health of the City.

Although the Site complies with code-required parking, additional parking is needed to accommodate the number of employees. To address this need, on May 1, 2012, the City Council approved Parking License Agreement #32678 (Agreement) with Licensee to provide the additional parking. City staff identified a number of locations in the City that, either singularly or in aggregate, can accommodate the parking need. Multiple locations were identified, providing the City with maximum flexibility to assign parking in a manner that minimizes neighborhood impacts and allows prudent development of vacant land.

Licensee has recently extended its agreement with Molina Healthcare, and City staff recommends the following amendments to the Agreement:

- Term: Extend the base term of the Agreement by five years to expire December 31, 2029
- Location: Establish a radius of five miles from the Site for additional parking

All other terms and conditions of the Agreement shall remain in place including the following:

- Licensors: The City of Long Beach
- Licensee: 6th & Pine Development, LLC
- Use: Parking of vehicles by employees only.
- Options: The current Parking License Agreement provides that upon mutual agreement, the Agreement may be extended for two successive periods of 5 years each. Each option term shall be exercised no earlier than 180 days, nor later than 60 days prior to expiration of the then-existing term. The provision shall remain in place.
- Reserved Rights: Licensors reserves the right, upon 60 days written notice, to identify replacement Premises that Licensee shall, at the end of the 60 day period, begin use of the identified replacement Premises for employee parking.
- Parking Permit Fee: Licensee shall pay to Licensors, in advance, on an annual basis, \$600 per parking space included in the Premises. This initial rate was established January 1, 2013 and is adjusted annually by the Consumer Price Index.
- Parking Permits: Licensors shall issue to Licensee annual parking permits equal to the number of parking spaces included in the Premises. Such permits shall allow for parking in any of the lots or structures included in the Premises.
- Repair: Licensee, at Licensee's cost, shall repair the Premises in the event the Premises are damaged by Licensee's use of the Premises.
- Utilities: Licensee, at Licensee's cost, shall pay for all utilities related to Licensee's use of the Premises.

Staff believes that there is a high likelihood that the parking need will be addressed through alternative private efforts and that the proposed Agreement will be terminated prior to the end of the initial term.

This letter was reviewed by Deputy City Attorney Richard F. Anthony on May 6, 2015, and Budget Management Officer Victoria Bell on May 7, 2015.

City Council action is requested on May 19, 2015, in order to prepare an Agreement at the earliest possible date to secure the long-term lease.

Annual parking revenue is currently \$165,000 based on the utilization of 260 spaces, and is deposited to the General Fund (GF) in the Public Works Department (PW). Future parking revenue could increase to approximately \$300,000 a year if all 500 available parking spaces are utilized. Execution of this Agreement is anticipated to generate up to 900 local jobs.

Approve recommendation.

MICHAEL CONWAY,  
DIRECTOR OF ECONOMIC & PROPERTY DEVELOPMENT

APPROVED:

PATRICK H. WEST  
CITY MANAGER