



Legislation Text

File #: 21-0502, **Version:** 1

Recommendation to authorize City Manager, or designee, to execute all documents necessary for the Fifth Amendment to Lease No. 29995 (Lease) between Long Beach Center Loan, LLC, a Delaware limited liability company, as successor in interest to Long Beach Center, LLC (Landlord), and the City of Long Beach (Tenant), for a 12-month extension for City-leased office space at 420 Pine Avenue, Suite No. P-100 (Premises), for the offices of certain veterans' organizations; and

Authorize City Manager, or designee, to execute all documents necessary to amend Sublease No. 30276 with Arthur L. Peterson Post No. 27, Inc., The American Legion, Department of California, and Sublease No. 30277 with Long Beach Chapter No. 17, Disabled American Veterans, Inc. (collectively, Subtenants), for the sublease of the Premises. (District 1)

On August 18, 2020, the City Council authorized the execution of the Third Amendment to Lease No. 29995 for the continued lease of 420 Pine Avenue, Suite No. P-100 (Premises) (Attachment) and amendments to Subleases No. 30276 and 30277 with Subtenants for the continued sublease of the Premises. The action also included the provision of a three-month term extension that was memorialized as the Fourth Amendment to Lease No. 29995, which extended the expiration date to March 31, 2021. The Lease is currently on a month-to-month holdover status.

In 1936, the City of Long Beach (City) and the County of Los Angeles (County) joined together to construct the Veterans' Memorial Building (Original Building) at the northwest corner of Broadway and Pacific Avenue for the exclusive use and benefit of the Subtenants. The City contributed the land and the County contributed the funding for construction of the Original Building. The agreement required that the City be given exclusive jurisdiction over the management, operation, control, maintenance, upkeep, and repair of the Original Building. In 1952, the State Attorney General opined that the agreement created an easement benefitting the Subtenants, thereby obligating the City to maintain a facility for the Subtenants until they formally abandon said easement.

Since that time, the City has continued to maintain office space for the Subtenants, which necessitated several relocations. The Subtenants have occupied the current Premises since 2016 when they relocated at the option of the Landlord. In effort to find a permanent location for Subtenants and reduce operating costs, space was identified within the Billie Jean King Main Library. Planning and relocation efforts were underway until the onset of the COVID-19 pandemic. Relocation was expected to occur prior to the expiration date; however, due to the COVID-19-related closure, the move process has been delayed. Due to this delay, the

Landlord and City have negotiated an extension to the Lease to provide sufficient time for the Subtenants to relocate.

To continue to meet the City's obligation to provide a facility for the Subtenants and the additional time needed to complete the Subtenants' relocation, staff recommend a Fifth Amendment to Lease No. 29995 containing the following major terms and conditions:

- Landlord: Long Beach Center Loan, LLC, a Delaware limited liability company, as successor in interest to Long Beach Center, LLC.
- Tenant: City of Long Beach, a municipal corporation.
- Premises: Approximately 1,908 square feet of ground floor office space at 420 Pine Avenue, Suite No. P-100.
- Use: General offices for the Subtenants.
- Term: Lease will be extended through March 31, 2022.
- Rent: The monthly base rent will remain at \$4,378.56.
- Utilities Services and Taxes: The City will continue to be responsible for its pro-rata share of the property operation costs including common area maintenance charges, real estate taxes, utilities, and other property-related expenses.

The Sublease with each of the Subtenants will be amended to contain the following major terms and conditions:

- Sublandlord: City of Long Beach, a municipal corporation.
- Subtenants: Arthur L. Peterson Post No. 27, Inc., The American Legion, Department of California, and Long Beach Chapter No. 17, Disabled American Veterans, Inc.
- Premises: Approximately 1,908 square feet of ground floor office space for the veterans organizations at 420 Pine Avenue, Suite No. P-100.
- Use: General offices of the Subtenants.
- Term: Each Sublease will be extended through March 31, 2022.
- Rent, Utilities, Services, and Taxes: As discussed above, it is the City's obligation to provide office space for the Subtenants.

All remaining terms and provisions of Lease No. 29995 and Subleases No. 30276 and 30277

will remain in full force and effect.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on May 12, 2021 and by Budget Management Officer Rhutu Amin Gharib on May 19, 2021.

City Council action is requested on June 8, 2021, to finalize and execute the Fifth Amendment to Lease No. 29995 and Subleases.

The requested amendments will extend the term of the Lease and Subleases for an additional 12 months. The monthly cost, including base rent and common area operating expenses, will be approximately \$6,189. The total rent for the 12-month extension term will be \$74,268; \$37,134 in Fiscal Year 21 and \$37,134 in Fiscal Year 22. Funding to cover these expenses is budgeted in the Civic Center Fund Group in the Economic Development Department. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

Approve recommendation.

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JOHN KEISLER
DIRECTOR OF ECONOMIC DEVELOPMENT

APPROVED:

THOMAS B. MODICA
CITY MANAGER