



Legislation Text

File #: 07-0521, **Version:** 1

Recommendation to authorize City Manager to execute the First Amendment to Lease No. 11661 between the City of Long Beach (Lessor) and the Long Beach Firemen's Credit Union, a nonprofit corporation (Lessee), for City-owned property at 2245 Argonne Avenue. (District 4)

On January 23, 1973, the City Council authorized the City Manager to execute Lease No. 11661 (Lease) with the Long Beach Firemen's Credit Union (LBFCU) for a 3,750 square foot parcel of land (Premises) located at 2245 Argonne Avenue adjacent to Fire Station No. 17 on the campus of the Fire Department Training Center (see Attachment). The 35-year Lease, scheduled to terminate on May 3, 2008, provided for the construction of a 1,400 square foot building at Lessee's sole expense for use as the offices of the LBFCU. Since the initial construction, the building has been modified at Lessee's sole expense and is currently a two-story building measuring approximately 4,000 square feet. The annual rent for the Premises is \$1. In addition, the LBFCU provides like-kind consideration in the form of valuable services to approximately 3,100 current members of the LBFCU; construction and maintenance of all improvements on the Premises, including landscaping, and free use by the City of the building's conference room, which is also utilized during training center operations as the back-up emergency operations center.

Established in 1936, LBFCU provides banking, credit and loan services to employees and retirees of the Long Beach Fire Department, employees of LBFCU and members of affiliated organizations such as Long Beach Fire Fighters Local 372. In order to support long-term planning efforts for continued operations on the Premises, LBFCU has requested a Lease extension.

The First Amendment to Lease No. 11661 has been proposed containing the following major provisions:

- **Term:** The term of the Lease shall be extended for an additional 35 years and shall terminate on May 3, 2043.
- **Rent:** The monthly base rent for the Premises shall continue at \$1 per year. As additional consideration, LBFCU shall continue to be responsible for all costs associated with Capital Improvements and ongoing maintenance including landscaping. The City shall continue to have the right to utilize the conference room for meetings and for use in training center operations as the back-up emergency operations center.
- **Termination:** The City shall have the right to terminate the Lease at any time upon sixty-days prior written notice if (a) the Premises are no longer utilized as the primary offices for the operation of the LBFCU or (b) LBFCU is acquired by or merges with another corporation(s) and ceases to be an independent, non-profit corporation solely serving the Long Beach Fire Department and its affiliated organizations.

The City shall also have the right to terminate the Lease at any time after the first five years of

the extended term (May 4, 2013) at its sole discretion by providing LBFCU with one-year prior written notice.

- Relocation: Lessee shall not be entitled to any relocation assistance or reimbursement of expenses due to the expiration or termination of the Lease.

Provisions addressing hazardous materials and compliance with the Americans with Disabilities Act shall also be included. As is customary, the provisions for indemnity, insurance and notices shall be modified to reflect current language and terminology. All other terms and conditions shall remain in full force and effect.

This letter was reviewed by Deputy City Attorney Gary J. Anderson on April 23, 2007 and Budget and Performance Management Bureau Manager David Wodynski on April 27, 2007.

City Council action is requested on May 15, 2007, in order to execute the First Amendment and to formalize the continued long-term use of the Premises.

There is no fiscal impact associated with the recommended action.

Approve recommendation.

PATRICK H. WEST
DIRECTOR OF COMMUNITY DEVELOPMENT

APPROVED:

GERALD R. MILLER
CITY MANAGER