



## Legislation Text

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File #: 20-0247, Version: 1

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Recommendation to authorize City Manager, or designee, to execute any and all documents necessary for the Second Amendment to Lease No. 30102, with Long Beach Airport Hangar Owner, LLC (Landlord), to expand the lease area to include a vacant hangar for use by the Department of Health and Human Services at 3205 Lakewood Boulevard, for a period of one year, with the option to renew for one additional one-year period, at the discretion of the City Manager. (District 5)

On March 4, 2020, the City of Long Beach (City) declared local health and city emergencies to strengthen the City's preparedness and ability to respond to COVID-19, commonly known as novel coronavirus. The City's Department of Health and Human Services (Health Department) requires a location to meet the COVID-19 response, and suitable vacant hangar space is available at 3205 Lakewood Boulevard.

The ability to support mass prophylaxis and supply operations is critical to COVID-19 pandemic response. In a pandemic event, the Health Department as the City's Public Health Agency, will be tasked with having to provide medical countermeasures to the local community. The use of midlevel warehouses, or Local Distribution Site(s) (LDS), may enhance capabilities to rapidly deliver medical countermeasures (MCM) and supplies to the local population. LDS operations are advantageous to the City because they diversify channels to deliver MCM and provide additional resource options for support of the MCM distribution mission. LDS operations are also advantageous to participating jurisdictions because they provide further control of the distribution of MCM to their respective populations and/or dispensing sites.

On April 24, 2007, the City Council authorized the execution of Lease No. 30102 for the relocation and co-location of the Long Beach Fire Department Headquarters and the Long Beach Police Department Field Support Division at 3205 Lakewood Boulevard, at the Long Beach Airport. On September 20, 2011, the City Council authorized the First Amendment to Lease No. 30102 to relocate and expand the area leased within the building. Lease No. 30102 will terminate on January 13, 2038.

To memorialize the expanded lease area, the proposed Second Amendment has been negotiated containing the following major terms and provisions:

- Landlord: Long Beach Airport Hangar Owner, LLC, a Delaware limited liability company.
- Tenant: City of Long Beach, a municipal corporation.

- Leased Premises: Approximately 43,574 rentable square feet of warehouse space at 3205 Lakewood Boulevard.
- Use: Warehouse, general office, and other permitted uses for the Health Department emergency response storage.
- Term: One-year term. Lease can be terminated by Tenant with 30 days notice should funding not be available.
- Renewal Option: One additional one-year option to renew the lease, subject to securing of grant funding.
- Base Rent: The monthly Base Rent will be \$0.60 per square-foot and will increase by 3 percent for the renewal option term.
- Operating Costs: Tenant is obligated to pay its pro-rata share of operating expenses, currently estimated at \$0.42 to \$0.50 per square-foot.
- Free Rent/Early Possession: The City will be given possession of the space upon Lease execution, delivery of proof of insurance, and other administrative requirements. Base Rent and Operating Costs will not be charged until June 1, 2020, with the remainder of March, April, and May costs being abated.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on March 12, 2020 and by Grants and Projects Officer Arlen Crabtree on March 13, 2020.

### STATEMENT OF URGENCY

With the possible postponement or cancellation of upcoming City Council meetings as a precautionary measure to COVID-19, City Council action is requested on March 17, 2020, to ensure adequate storage space is available for the storage of Health Department supplies during the local health emergency.

City Council consideration of this transaction is requested on March 17, 2020, to ensure timely execution of the Lease to provide the necessary emergency response to COVID-19.

Under the agreement, the monthly base rent will be \$26,144. The anticipated monthly operating costs are estimated to be between \$18,300 and \$21,787. The lease agreement provides two months of cost abatement; therefore, the annual base rent and operating costs

for the first year will be between \$444,454 and \$479,314. Costs for the lease agreement will be offset by grant reimbursement revenue. The Health Department has applied for, and were awarded, a grant for the implementation of the LDS under Los Angeles County Measure B, which includes costs for the lease agreement and other related eligible expenses. There is no match or in-kind services requirement associated with this grant. This award has not yet been accepted or approved by the City Council. The Health Department will bring forward the grant to the City Council for approval in a subsequent item. An increase in appropriation in the Health Fund Group in the Health and Human Services Department will be requested at that time. 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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APPROVED:

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