City of Long Beach



Legislation Text

File #: 07-1225, Version: 1

Recommendation to authorize City Manager to execute a Consent to Sublease and a subsequent Consent to Assignment for Parcel 3 of Fixed Base Operation Lease No. 20556 from Brahma Properties, Ltd. (Brahma) to Airspace LLC, dba Long Beach Air Center (Airspace), for City-owned property at 4310 Donald Douglas Drive. (District 5)

On November 15, 1988, the City Council authorized the execution of Fixed Base Operation Lease No. 20556 (Lease) with Petrowings Limited (Petrowings) for City-owned property at 4310 Donald Douglas Drive consisting of Parcels 1, 2 and 3 (Premises). On June 20, 2000, the City Council authorized the reconfiguration of the Premises resulting in Parcels 1, 3 and 4 (see attached).

In October 2003, Parcel 3 of the Lease, consisting of approximately 0.37 acres, was assigned from Petrowings to Brahma for use as a fuel-farm for the storage, distribution, sale and dispensing of aviation fuel. In February 2006, Parcels 1 and 4 of the Lease, consisting of approximately 3.35 acres, including 33,000 square feet of hangar space, 10,000 square feet of office space, and 2,000 square feet of workshop space, was assigned from Petrowings to Airspace.

Brahma has entered into negotiations with Airspace for a proposed sublease and subsequent assignment of Parcel 3 of the Lease. As described above, Airspace is currently the City's lessee for the remainder of the Lease consisting of Parcels 1 and 4.

The assignment of Parcel 3 to Airspace would make Airspace the City's lessee for the entire leased premises. As per the terms of the Lease, the City's consent is required for the sublease and assignment. City Council authorization is required for execution of the consent documents.

This letter was reviewed by Deputy City Attorney Richard F. Anthony on October 1, 2007 and Budget Management Officer Victoria Bell on October 11, 2007.

City Council action is requested on October 23, 2007, in an effort to execute the consent documents in a timely manner.

Monthly rent in the amount of \$1,036.79 for Parcel 3 will continue to accrue to the Airport Fund (EF 320) in the Department of Public Works (PW). There is no impact to the General Fund.

Approve recommendation.

MICHAEL P. CONWAY
ACTING DIRECTOR OF COMMUNITY DEVELOPMENT

CHRISTINE F. ANDERSEN

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| AIRPORT MANAGER | APPROVED: |
| | PATRICK H. WEST CITY MANAGER |