



Legislation Text

File #: 06-0047, **Version:** 1

Recommendation to authorize City Manager to execute the First Amendment to Lease No. 27103 with PCH Properties for warehouse space at 1400 Canal Avenue to house the Long Beach Police Department's crime lab and property detail. (District 1)

In 2001, the City Council approved a five-year Lease with PCH Properties ("Lessor") for the warehouse facility at 1400 Canal Avenue ("Site") to house the Police Department's crime lab and property detail (Attachment - January 16, 2001 Council Letter).

The Site is located within the West Long Beach Industrial Area and contains approximately 17,400 rentable square feet. Extensive tenant improvements have been made to the building to accommodate the specialty functions of the crime lab and property detail. As such, this special-purpose facility meets the requirements of the Police Department in terms of location, parking, building size and features.

On January 31, 2006, Lease No. 27103 will terminate; however, the Lease provides for one option to extend for a period of five years. As the Police Department prefers to continue its tenancy at the Site beyond the end of the current term, the City ("Lessee") has negotiated the following provisions for the proposed First Amendment:

. Premises: The leased premises are composed of approximately 17,400 rentable square feet of warehouse space at 1400 Canal Avenue.

. Length of Term: The term of the Lease shall be extended for five additional years and shall terminate on January 31, 2011.

. Length/Number of Options to Extend: The Lessee shall have two additional five-year options to extend the term of the Lease.

. Rent: The monthly base rent shall be \$13,891 (approximately \$0.80 per rentable square foot per month), which includes the real property taxes and property insurance, and shall increase on the anniversary date of the Lease by the change in the Consumer Price Index ("CPI"). The above-mentioned rental rate is considered appropriate for industrial warehouse space in this area, which currently averages \$0.70 - \$0.80 per square foot.

considered appropriate for industrial warehouse space in this area, which currently averages \$0.70 - \$0.80 per square foot.

. property insurance and real property taxes: The City shall continue to pay property insurance and real property taxes as part of the monthly base rent.

. Utilities and Maintenance Services: The City shall continue to be responsible for paying utilities and for maintenance services.

With the exception of the above changes, all other terms, covenants and conditions in Lease No. 27103 shall remain in effect.

This letter was approved by Deputy City Attorney Richard F. Anthony on January 9, 2006 and Budget Management Officer David Wodynski on January 11 , 2006.

City Council action is requested on January 24, 2006, to allow time for the completion of the real estate transaction prior to the expiration of the current term.

Sufficient funds are budgeted in the General Fund (GP 100) in the Police Department (PD) to support this activity. The annual Lease payment for the first year of the extension term shall be \$166,692.

Approve recommendation.

PATRICK H. WEST
DIRECTOR OF COMMUNITY DEVELOPMENT

ANTHONY W. BATTS
CHIEF OF POLICE

APPROVED:

GERALD R. MILLER
CITY MANGER