

# ***LONG BEACH TRANSIT***

## ***SPECIAL BOARD OF DIRECTORS' MEETING***

***Tuesday, August 4, 2020 — 10 a.m.***

Video Conference

***Zoom Meeting ID:*** 925 1926 5501 ***Password:*** 1963

### **2020 Board of Directors**

***Colleen Bentley***, Chair

***Michael Clemson***, Vice Chair

***Adam Canillo***, Secretary/Treasurer

***Sumire Gant***, Director

***Jeffrey Price***, Director

***David Sutton***, Director

***Lea Enksen***, City Representative

### **Long Beach Transit**

***Kenneth A. McDonald***, President & CEO

Agenda Packet Available for Review:

Long Beach Transit  
Board Secretary's Office  
1963 E. Anaheim St.  
Long Beach, CA 90813  
[board@lbtransit.com](mailto:board@lbtransit.com)

Or Online:  
[www.idelbt.com](http://www.idelbt.com)



### ***Long Beach Transit***

1963 E. Anaheim St.  
Long Beach, CA 90813  
Phone: 562.591.8753  
Fax: 562.218.1994



**LONG BEACH TRANSIT  
BOARD OF DIRECTORS MEETING  
AGENDA**

**TUESDAY, AUGUST 4, 2020  
VIA VIDEOCONFERENCE, 10:00 AM**

Colleen Bentley, Chair  
Michael Clemson, Vice Chair  
Adam Carrillo, Secretary/Treasurer  
Jeffrey Price, Director



Sumire Gant, Director  
David H. Sutton, Director  
Lea Eriksen, City Representative

Kenneth A. McDonald,  
President and Chief Executive Officer

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**SPECIAL BOARD MEETING  
VIA VIDEOCONFERENCE PURSUANT TO  
EXECUTIVE ORDER N-29-20 ISSUED BY  
GOVERNOR GAVIN NEWSOM**

**THE CIVIC CHAMBERS WILL BE CLOSED TO THE PUBLIC.**

**MEMBERS OF THE PUBLIC MAY LISTEN TO THE MEETING BY DIALING  
(669) 900-9128 AND ENTERING THE FOLLOWING  
MEETING ID: 925 1926 5510 (PASSWORD: 1963)**

**MEMBERS OF THE PUBLIC MAY ALSO JOIN THE VIDEO CONFERENCE VIA  
THE FOLLOWING ZOOM MEETING LINK:  
<https://zoom.us/j/92519265510?pwd=RkdobmtBS2NhK1ptVTBkK0RUUDI5QT09>**

**PERSONS WISHING TO ADDRESS THE BOARD MUST SUBMIT PUBLIC COMMENT VIA EM  
OR TELEPHONE NO LATER THAN 8 A.M., TUESDAY, AUGUST 4, 2020.**

Public comments on agenda items may be submitted by email to [board@lbtransit.com](mailto:board@lbtransit.com) or telephone at 562.599.8554.

If calling, please leave a voicemail with your name (please state it clearly), your telephone number for a return call, and the item number on which you would like to comment (or specify "public comment").

If emailing, please include your name, your telephone number for a return call, and the item number on which you would like to comment (or specify "public comment").

All public comment requests need to be submitted no later than 8 a.m., Tuesday, August 4, 2020.

More information on this process may be found at [ridelbt.com/about-us](http://ridelbt.com/about-us).

1. Call to Order. (Colleen Bentley)
2. Roll Call. (Ivette Dubois)
3. 20-050TR            Recommendation to authorize the President and CEO to enter into a contract with Newmark Knight Frank for Property Management services for the commercial office building located at 4801 Airport Plaza Drive. The term of the contract is for three years at a cost of \$772,725, with two, one-year options at \$273,181 for Option Year One and \$281,387 for Option Year Two for a total authorization amount not to exceed \$1,327,293. (Debra Johnson)  
**Suggested Action:**        Approve recommendation.
4. 20-051TR            Recommendation to authorize the President and CEO to expend up to \$7.0 million for owner and tenant improvements for the property located at 4801 Airport Plaza Drive. (Kenneth McDonald)  
**Suggested Action:**        Approve recommendation.
5. 20-052TR            Adjourn. The next regular meeting will be held on August 27, 2020. (Colleen Bentley)  
**Suggested Action:**        Approve recommendation.

Note:

Long Beach Transit intends to provide reasonable accommodations with the Americans with Disabilities Act of 1990. If special accommodation is desired, please call the Board Secretary's Office 48 hours prior to the meeting at 562.599.8554.

Long Beach Transit is an entity which is separate and distinct from the City of Long Beach.

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**SUBJECT**

*Property and Construction Management Services (Staff Representative: Debra Johnson)*

**RECOMMENDED ACTION**

*To authorize the President and CEO to enter into a contract with Newmark Knight Frank for Property Management services for the commercial office building located at 4801 Airport Plaza Drive. The term of the contract is for three years at a cost of \$772,725, with two, one-year options at \$273,181 for Option Year One and \$281,387 for Option Year Two for a total authorization amount not to exceed \$1,327,293.*

**BACKGROUND**

On February 27, 2020, LBT's Board of Directors authorized the President and CEO to purchase an eight-story multi-use office building located at 4801 Airport Plaza Drive (Property) in the City of Long Beach, as well as granting authorization for the President and CEO to meet and/or address all real commercial property acquisition requirements.

The Property will serve as the agency's administrative corporate offices, thereby enabling LBT1, located at Anaheim Street and Cherry Avenue, to function as a full-fledged operations and maintenance facility for LBT's battery-electric bus fleet.

The Property being acquired is a 176,860-square-foot building and LBT's current space needs require 40,000-square feet. It is the agency's intent to occupy and utilize three of the eight floors, one of which being the ground floor which has a Boardroom.

LBT plans to lease the remaining five floors and anticipates using the leasing revenue to invest in improvements at its existing facilities.

Property management is a line of business of which LBT staff does not have experience nor has subject matter expertise.

Hence, staff is recommending to obtain property management services for the Property to include all property management and operation services that are typically required for managing a standard commercial building.

These services include tenant management; general engineering; janitorial and commercial cleaning services; security; building upkeep and preservation; contract procurement and management; budget compliance; as well as emergency preparedness planning.

Services also include construction management for improvements or alterations occurring at the Property, including the procurement of contracts for the development and implementation of the construction and the supervision, direction and coordination of improvements and alterations to completion.

## **PROCUREMENT**

On behalf of LBT, Atkinson, Andelson, Loya, Ruud & Romo (AALR&R), the agency's real estate counsel, issued a Request for Proposal (RFP) to several firms to provide property and construction management services. Three proposals were received, which were reviewed for compliance with the solicitation requirements.

Newmark Knight Frank, in Los Angeles, California, scored the highest rating and was found to be responsive and responsible by AALR&R.

## **DBE/SBE PARTICIPATION**

A Disadvantaged Business Enterprise (DBE) goal was not established for the property and construction management services contract due to the specialized nature of professional services required by LBT to manage commercial property and the limited availability of DBEs.

Subcontracting opportunities for support services will be made available by Newmark Knight Frank and goals will be established by LBT on an as needed basis to ensure disadvantaged, small and local firm utilization.

## **ALTERNATIVES CONSIDERED**

Staff considered two alternatives:

1. Assuming the responsibility of property management services internally; however, LBT does not have any employees who have the skills or experience to perform property management services.

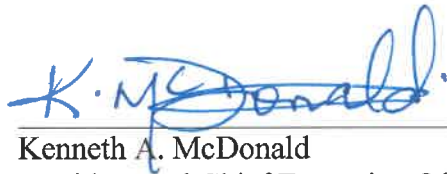
LBT could hire subject matter experts as full-time LBT personnel; however, staff concluded this alternative is not fiscally prudent relating to the number of employees warranted.

2. Selecting another firm to provide property management services; however, Newmark Knight Frank's experience, as well their cost proposal was better aligned with LBT's needs.

**BUDGETARY/FISCAL IMPACT**

Staff is requesting LBT's Board of Directors to authorize the President and CEO to enter into a contract with Newmark Knight Frank for Property Management services for the commercial office building located at 4801 Airport Plaza Drive. The term of the contract is for three years at a cost of \$772,725, with two, one-year options at \$273,181 for Option Year One and \$281,387 for Option Year Two for a total authorization amount not to exceed \$1,327,293.

Funds for the first year of the property management services contract will be included in the Fiscal Year (FY) 2021 Operating Budget and funding for subsequent years will be included in future operating budgets.



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Kenneth A. McDonald  
President and Chief Executive Officer

**SUBJECT**

*Commercial Building Owner and Tenant Improvement Expenditures  
(Staff Representative: Kenneth McDonald)*

**RECOMMENDED ACTION**

*To authorize the President and CEO to expend up to \$7.0 million for owner and tenant improvements for the property located at 4801 Airport Plaza Drive.*

**BACKGROUND**

On February 27, 2020, LBT's Board of Directors authorized the President and CEO to purchase an eight-story multi-use office building located at 4801 Airport Plaza Drive (Property) in the City of Long Beach, as well as granting authorization for the President and CEO to meet and/or address all real commercial property acquisition requirements.

The Property will serve as the agency's administrative corporate offices, thereby enabling LBT1, located at Anaheim Street and Cherry Avenue, to function as a full-fledged operations and maintenance facility for LBT's battery-electric bus fleet.

The Property being acquired is a 176,860-square-foot building and LBT's current space needs require 40,000-square feet. It is the agency's intent to occupy and utilize three of the eight floors, and lease the remaining five floors.

Prior to taking occupancy of the building improvements and/or alterations at the Property are warranted to ensure habitation for staff and prospective tenants. At this time, staff projects these improvements to be approximately one-third of the purchase price of the property; thus, staff's recommendation of \$7.0 million.

**PROCUREMENT – N/A****DBE/SBE PARTICIPATION**

Subcontracting opportunities for construction support services will be made available through the guidance of LBT staff and its regulatory and compliance policies by the property management firm. Goals will be established by LBT, on an as needed basis, to ensure disadvantaged, small and local firm utilization.

**ALTERNATIVES CONSIDERED**

Staff considered not improving the property prior to occupancy; however, that is infeasible. Improvements are required for LBT and prospective tenants, as the property is currently uninhabitable.



**BUDGETARY/FISCAL IMPACT**

Staff is requesting LBT's Board of Directors to authorize the President and CEO to expend up to \$7.0 million for owner and tenant improvements for the property located at 4801 Airport Plaza Drive.

Funds for owner and tenant improvements will be included in the FY 2021 Capital Budget and funding for subsequent years will be included in future capital budgets.

A handwritten signature in blue ink that reads "K. McDonald".

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Kenneth A. McDonald  
President and Chief Executive Officer