

**Los Cerritos Wetlands Authority**

**Date:** August 1, 2019  
**To:** Governing Board Members  
**From:** Mark Stanley, Executive Officer  
**Subject:** Item 10: Consideration of resolution to enter lease agreements with current commercial tenants of the OTD parcel

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**RECOMMENDATION:** Adoption of a resolution authorizing the Executive Officer to enter into a lease agreement with Ellis Equipment, Inc. and D & S Washout Systems, Inc. occupants of the OTD parcel (LA County APN #7237-019-006)

**BACKGROUND:** The Offer to Dedicate (OTD) parcel is located on the northeast corner of Studebaker road and 2nd Street in the City of Long Beach and commonly referred to as the 'Edison Parcel' or 'Offer To Dedicate (OTD) Parcel.' The OTD parcel is approximately five acres and within the LCWA jurisdiction on the northeast corner of the Los Cerritos Wetlands Complex, surrounding land uses to the north and east are industrial (see Exhibit A). The parcel lies in an industrial zoned sub-area of the local coastal program and was graded by the previous land owner to provide the present configuration that is ideal for use as a storage yard. Historical use of the site includes equipment storage, and a maintenance facility consisting of office trailers and steel storage containers. The land is currently leased by both Ellis Equipment Inc. and D&S Washouts System – occupying 71,120 square feet (1.63 acres) and 16,000 square feet (0.37 acres), respectively – who shares the driveway, providing both lessees to access the property (see Exhibit B).

The property was formerly leased by Atkinson Construction from 2012 through 2016. The lease was amended in August 2015 when D&S Washouts Systems, a subcontractor to Atkinson Construction, requested to lease a portion of the OTD Parcel at a monthly fee of \$950. In late 2016, Atkinson Construction subleased to Ellis Equipment Inc. On March 13, 2017, the lease agreement was amended to allow Ellis Equipment Inc. to assume the lease as the new tenant through September 30, 2017, and the agreement was subsequently renewed for a two-year term with a lease end date of September 30, 2019. Both Ellis Equipment Inc. and D&S Washout Systems are interested in entering a new lease agreement for one year to store non-hazardous materials, k-rail barriers, truck trailers, and other non-hazardous construction-related materials.

**FISCAL INFORMATION:** The annual lease agreements will begin on October 1, 2019 through September 30, 2020 with a new annual lease fee for the OTD parcel commercial tenants, both fees adjusted for CPI at 3.245%<sup>1</sup>: a) Ellis Equipment, Inc from \$25,080 to \$25,896 and b) D & S Washouts, Inc. from \$11,400 to \$11,772. The annual lease fee would serve to fund property/land management costs, Los Cerritos Wetlands Stewardship Program, and other miscellaneous administrative costs.

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<sup>1</sup> The percentage increase is calculated utilizing the Consumer Price Index (CPI) for All Urban Consumers for the Los Angeles-Long Beach-Anaheim area for the 12-month period ending December 31.

**Exhibit A**



**Exhibit B**



August 1, 2019 – Agenda Item 10  
RESOLUTION 2019 - 09

RESOLUTION OF THE LOS CERRITOS WETLANDS AUTHORITY  
ADOPT A RESOLUTION TO ENTER LEASE AGREEMENTS WITH CURRENT COMMERCIAL  
TENANTS OF THE OTD PARCEL

WHEREAS, the Los Cerritos Wetlands Authority (Authority) has been established between the Coastal Conservancy, the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, the City of Seal Beach and the City of Long Beach to facilitate the acquisition, protection, conservation, restoration, maintenance and operation an environmental enhancement of the Los Cerritos Wetlands; and

WHEREAS, the LCWA adopts a resolution to amend the lease agreement on the OTD parcel to included Ellis Equipment Inc. as a lessee and renew the lease; and

WHEREAS, this action is exempt from the environmental impact report requirements of the California Environmental Quality Act (CEQA); and

*Therefore be it resolved*, that the LCWA hereby:

1. FINDS that this action is consistent with the purposes and objectives of the LCWA.
2. FINDS that the actions contemplated by this resolution are exempt from the environmental impact report requirements of the California Environmental Quality Act.
3. ADOPTS staff report dated August 1, 2019.
4. AUTHORIZES the Executive Officer to enter lease agreements with the current commercial tenants of the OTD parcel for FY 2019/2020.

*~ End of Resolution ~*

Passed and Adopted by the Board of the LOS CERRITOS WETLANDS AUTHORITY on August 1, 2019.

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Sam Schuchat,  
LCWA Board Chair

ATTEST:

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David Edsall, Jr.  
Deputy Attorney General