





City of Long Beach
Working Together to Serve

Memorandum

Date: January 14, 2020

To: Thomas B. Modica, Acting City Manager 

From: John Keisler, Director of Economic Development 

For: Mayor and Members of the City Council

Subject: North Long Beach Higher Education Center

At its November 13, 2018 meeting, the City Council directed the City Manager to work with the Long Beach Community College District (LBCC), Long Beach Department of Economic Development (ED), Pacific Gateway Workforce Investment Network (PGWIN), and North Long Beach higher education experts and advocates to explore the feasibility of establishing a higher education center in North Long Beach (Center). On March 28, 2019, the City Manager provided a written update to the City Council regarding the progress made in meetings among City staff from ED and PGWIN, and the leadership of LBCC. Much has been accomplished since last March. The purpose of this memorandum is to update the City Council regarding this project and to recommend next steps.

Background

An important objective in the City's Blueprint for Economic Development (Blueprint) is to increase the number of Long Beach residents who re-engage with the education and training system. More specifically, the Blueprint includes a recommendation that the City partner with the private sector and LBCC to create a long-term strategy to increase vocational training opportunities citywide. The establishment of a Center—to provide greater access to economic and workforce training to residents in North Long Beach—is consistent with this objective.

Course Offerings

On June 10, 2019, City staff met with leadership of LBCC to further refine key elements of the business plan for the Center, including recommendations about course offerings, potential sites, operating resources, and minimum space requirements. The initial list of non-credit courses includes: Adult Education (LBCC), Parenting (LBCC), English as Second Language (LBCC), Computer and Office Studies (LBCC), Business Development (Small Business Development Center), and Workforce Development (PGWIN).

To accommodate the range of service providers from LBCC, PGWIN, and the Small Business Development Center (SBDC), as well as provide space for community events, local non-profit organizations, and overflow programming from the Library Services

Department (LS) located at the Michelle Obama Neighborhood Library, the leadership team has recommended space for the following basic uses:

- Reception area
- Private offices for site manager
- Standard 40-student classroom space
- Conference room
- Counseling and support service offices
- Computer lab
- ADA accessibility
- Flexible art space
- Retail area
- On-street parking for students and staff

Site Lease & Tenant Improvements

On August 19, 2019, the City received a formal Letter of Intent (LOI) from the Long Beach Arts District, LLC (Arts District, LLC), to lease approximately 3,200 square feet at 635 E. South Street, for two years commencing once improvements to the building are completed. Although the precise items to be paid by the tenant will be written into the lease, the base rent will be \$2.00 per square foot per month for interior space, increased annually by 5 percent on the anniversary of the rent commencement date. Additionally, the Arts District, LLC, agreed to deliver the property with improvements, including: improving and painting the building exterior, new storefronts (fixed on South Street and Roll-up or Slider on Lime Avenue), a new roof with rigid insulation to allow for an exposed wood ceiling, polished floor, new electrical, trash enclosure, ADA parking spaces in back lot, exterior lighting, and landscape improvements.

On November 20, 2019, City staff met with the Arts District, LLC, and LBCC leadership to review site plans and finalize the proposed layout for the building. City staff coordinated a follow-up meeting on December 20, 2019 that included all current stakeholders. City staff are currently waiting for Arts District, LLC, to secure construction bids for the proposed improvements and provide an estimated cost and timeline for the project. Although the Arts District, LLC, is expected to cover costs for building exterior, core and shell work, the City and LBCC will be responsible for interior tenant improvements, furnishing, and equipment costs for the facility as described in the fiscal impact section below.

Operations

Operating the Center will be a collaboration and require cost-sharing between the City, LBCC, and other programming partners as identified. On January 6, 2020, LBCC leadership confirmed that they will provide both an instructor and a receptionist at the Center during times when LBCC is providing non-credit classes and other services. LBCC may only staff the Center when it is actively providing services due to restrictions from its non-credit program funding sources. To fill this gap, workforce development staff

from PGWIN will temporarily provide scheduling and other coordination at the Center, offset by existing resources, until another programming partner can be identified. City staff will work with LBCC to establish an MOU for the operations of the Center and return to the City Council for final approval when finalized.

Next Steps

As anticipated, there are several steps to be accomplished before staff can bring back a final agreement for City Council approval. Given that the length of time to complete construction at the proposed site has not been determined, both parties continue to work on short-term activation of the Michelle Obama Neighborhood Library to test programming offerings and demand in the area.

At its November 19, 2019 meeting, the City Council authorized the City Manager to execute an agreement with LBCC, to provide free non-credit and certificate courses at the Michelle Obama Neighborhood Library. The agreement further states that the City will provide the use of the Michelle Obama Neighborhood Library facility free of charge to the LBCC to provide non-credit courses.

On December 5, 2019, staff met with the Library branch manager to determine potential offerings. Both parties are exploring computer literacy, security guard, and business communication courses, which would cover the job search process, job search tools, and the interview process. Staff will also explore the availability of computers at the Library and what is needed to be in place to support non-credit computer courses for both the short- and long-term. City staff will follow-up with LBCC on the MOU for the use of the Michelle Obama Neighborhood Library and finalize the non-credit courses to be offered at that location beginning in early 2020.

Fiscal Impacts

As described above, the estimated cost to the City for rent paid to the Arts District, LLC will be \$76,800 for the first year and \$80,640 for the second year, not including utilities, for a total of \$157,440 over the two-year period. At its September 3, 2019 meeting, as part of the Budget Oversight Committee (BOC) recommendations, the City Council approved a motion to appropriate the next available \$150,000 of the 75 percent project area share of proceeds from the sale of the former-RDA properties anywhere in the City to establish a two-year lease for the Center. While final costs for interior tenant improvements are still not finalized, staff continue to seek funding solutions for costs that exceed current appropriation and will return to City Council for final approval once available.

In addition to costs for the two-year lease, there are costs associated with tenant improvements and equipment that are still only partially funded. To support the proposed programming, LBCC has committed up to \$162,000 to furnish and equip the Center with a standard 40-student classroom and computer lab. Staff are still developing the plan and budget that will be required for ongoing equipment maintenance and support, which will be included in the proposed MOU described above and presented to the City Council for final approval.

Conclusion

Expanding access to higher learning citywide is a major priority of the Blueprint for Economic Development, and a critical foundation for increasing economic opportunities for workers, investors, and entrepreneurs in Long Beach. City staff will continue to provide regular written updates to the City Council on the progress of this important initiative. Please direct questions or comments to me by phone at (562) 570-5282 or by email at john.keisler@longbeach.gov.

CC: CHARLES PARKIN, CITY ATTORNEY
LAURA DOUD, CITY AUDITOR
REBECCA GARNER, ACTING ASSISTANT CITY MANAGER
KEVIN JACKSON, DEPUTY CITY MANAGER
TERESA CHANDLER, INTERIM DEPUTY CITY MANAGER
AJAY KOLLURI, ACTING ADMINISTRATIVE DEPUTY TO THE CITY MANAGER
MONIQUE DE LA GARZA, CITY CLERK (REF. FILE #18-1006)
DEPARTMENT HEADS