



# CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

C-9

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

September 7, 2004

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**SUBJECT:** Renewal of Lease No. 23673, With Thomas F. Merrick and Barbara A. Merrick, Individuals, for the Department of Health and Human Services Women, Infants and Children Program Office at 13-17 Market Street (District 9)

## DISCUSSION

On June 21, 1994, the Long Beach City Council approved Lease No. 23673 (see attached Council Letter) with Thomas F. Merrick and Barbara A. Merrick, individuals, for the Department of Health and Human Services Women, Infants and Children (W.I.C.) Program office at 13-17 Market Street. Since 1994, the City's Department of Health and Human Services has been administering the W.I.C. Program to approximately 6,500 families in North Long Beach by providing supplemental food and nutritional education for pregnant women and young children. The original ten-year lease is set to expire on September 30, 2004. Staff is recommending the lease be renewed for an additional five-year period. The terms and conditions of the proposed lease renewal is as follows:

- **Premises:** The premises consist of 2,610 square feet of office space with 18 parking spaces.
- **Lease Term:** The five-year term will start October 1, 2004 and expire September 30, 2009.
- **Rent:** The first year annual rent shall be increased from \$27,408 to \$32,208 to reflect the current fair market rent. Annual rent for lease years two through five will be \$33,300, \$34,320, \$36,000 and \$37,800 respectively.

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- Utilities Maintenance, Repair and Replacement: The City will pay for utilities, janitorial service, routine maintenance and repair of the premises. The Landlord will be responsible for painting the building exterior, as needed, and to repave the parking lot. Repairs to the heating, ventilation and air conditioning system (HVAC) will be split equally between the Landlord and City. The Landlord has agreed to pay 75 percent of the cost of replacing the HVAC system, when needed, not to exceed \$5,000.
- Tenant Allowance: The Landlord will provide the City with a \$6,000 tenant allowance to be used to maintain the premises, such as interior painting and replacement of carpet. After the initial six-months of the renewed lease term any unused portion of the tenant allowance will be used to offset the City's rent obligation.
- Early Cancellation: The City will have the ability to terminate the lease with six months advance notice in the event that funding for this program is no longer available. In the event that the City terminates the lease, the Landlord will be reimbursed for unamortized tenant allowance and leasing commissions.

This letter was reviewed by Deputy City Attorney Everett Glenn on August 25, 2004 and Budget Management Officer David Wodynski on August 30, 2004.

TIMING CONSIDERATIONS

City Council action is requested on September 7, 2004 to complete the lease renewal prior to expiration.

FISCAL IMPACT

The lease payment in Fiscal Year 2005 (FY 05) will be \$32,280, which will be supported by grant funds from the State Department of Health Services for the WIC Program. Sufficient funds to support this activity have been included in the FY 05 budget in the Health Fund (SR 130) in the Department of Health and Human Services (HE). There is no impact on the General Fund.

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IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to execute a five-year lease for office space located at 13-17 Market Street for the Department of Health and Human Services for use as a Women, Infants and Children Program office at an initial annual cost of \$32,280.

Respectfully submitted,



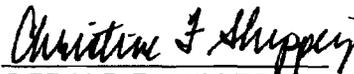
*Fr* MELANIE S. FALLON  
DIRECTOR OF  
COMMUNITY DEVELOPMENT

MSF:RA:VA:lej  
Attachment: Council Letter Dated June 21, 1994  
9.7.04 CC Ltr 13-17 Market St



RONALD R. ARIAS  
DIRECTOR OF HEALTH  
AND HUMAN SERVICES

APPROVED:

*for*   
GERALD R. MILLER  
CITY MANAGER