



# CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

C-7

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

September 7, 2004

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

SUBJECT: First Amendment to Lease No. 26453 With Charles L. Truitt and Donald K. Truitt for the Office Premises at 425 Atlantic Avenue to House the City of Long Beach Neighborhood Resource Center (District 1)

## DISCUSSION

On August 24, 1999, the City Council approved a five-year lease (City Contract No. 26453) with the Donald B. Truitt Family Trust (as "Lessor") for the office premises at 425 Atlantic Avenue to house the City's Neighborhood Resource Center (Exhibit "A"). The property has been removed from the Donald B. Truitt Family Trust and deeded to Charles L. Truitt and Donald K. Truitt.

The Neighborhood Resource Center (Center) is used to provide workshops, training and resources to Long Beach residents throughout the City. In addition, it is used as a multipurpose service facility for the Central Long Beach Redevelopment Project Area Committee, many city wide neighborhood associations, the Los Angeles County Bar Association's Dispute Resolution Services and the Veterans in Community Service's Low-Income Home Energy Assistance Program.

The Center also provides several neighborhood organizations with access to a variety of resources including agendas for the City Council and Planning Commission meetings; a library of informational materials describing various community services, neighborhood improvement and housing programs; computers for writing neighborhood newsletters; copier services for printing flyers; and other items necessary to prepare and conduct neighborhood meetings. Additionally, the Center coordinates the Safe Streets, NOW! Program, which is designed to assist neighborhood residents in resolving neighborhood nuisances in a safe and legal manner.

Lease No. 26453 expires on December 4, 2004. To accommodate the Neighborhood Resource Center, the City (as "Lessee") has notified the Lessor of its interest to exercise its option to extend the term of the Lease. The Center prefers to remain at its current site because of its close proximity to public transportation and its central location for emerging neighborhood associations. The Center also has off-street parking for staff and visitors as well as full accessibility for the disabled.

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Recently, the property at 425 Atlantic Avenue was removed from the Donald B. Truitt Family Trust and deeded to Charles L. Truitt and Donald K. Truitt. The First Amendment to Lease No. 26453 with Charles L. Truitt and Donald K. Truitt, as successors in interest to the Donald B. Truitt Family Trust, contains the following major provisions:

- Premises: Approximately 2,715 rentable square feet of office space at 425 Atlantic Avenue.
- Use: General offices of the Neighborhood Resource Center.
- Length of Term: Extended five years, expiring on November 30, 2009.
- Length/Number of Renewal Options: None.
- Rent: The monthly base rent shall be \$2,850.75 (\$1.05 per rentable square foot per month) for months 1-24 of the extended term; \$2,993.29 (approximately \$1.10 per rentable square foot per month) for months 25-48 of the extended term; and \$3,142.95 (approximately \$1.16 per rentable square foot per month) for months 49-60 of the extended term.

The effective base rent for the extended term shall be \$1.09 per rentable square foot per month or \$2,959.35 per month. This rate is considered to be very competitive for downtown Long Beach office space.

- Utilities, Services and Taxes: The Lessor shall continue to pay for real property taxes. The Lessee shall continue to pay for electricity, gas, water and janitorial services.
- Tenant Improvements: The Lessor shall contribute, at Lessee's option, up to \$4.00 per rentable square foot (\$10,860) to Lessee as a remodeling allowance, the cost for which shall be amortized at 10 percent over the 60-month term and payable monthly.

The Lessor, at Lessor's sole cost, shall replace the windows in five offices and the galley kitchen, and the ceiling tiles throughout the leased Premises as designated on the Lessor/Lessee approved site plan.

With the exception of the above changes, all other terms, covenants and conditions in Lease No. 26453 shall remain in effect.

This letter was reviewed by Senior Deputy City Attorney Donna F. Gwin on August 18, 2004 and Budget Management Officer David Wodynski on August 25, 2004.

TIMING CONSIDERATIONS

City Council action is requested on September 7, 2004, to complete this real estate transaction and to facilitate the tenant improvement project at 425 Atlantic Avenue in a timely manner.

FISCAL IMPACT

In Fiscal Year 2005, the Department of Community Development shall incur an estimated cost of \$33,938 for rent for the new contract term.

The annual rental payments to be paid by the Department of Community Development shall be as follows:

<u>Lease Year</u>	<u>Annual Base Rent</u>
1 - December 2004 – November 2005	\$34,209
2 - December 2005 – November 2006	\$34,209
3 - December 2006 – November 2007	\$35,919
4 - December 2007 – November 2008	\$35,919
5 - December 2008 – November 2009	\$37,715

Sufficient funds will be budgeted in the Community Development Grants Fund (SR 150) in the Department of Community Development (CD) to support this activity.

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IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to execute the First Amendment to Lease No. 26453 with Charles L. Truitt and Donald K. Truitt and any subsequent amendments, except those pertaining to rent, for the office premises at 425 Atlantic Avenue, to house the City of Long Beach Neighborhood Resource Center at the effective monthly rental rate of \$1.09 per rentable square foot extending the term for a period of five years with the approval of the City Council.

Respectfully submitted,



MELANIE S. FALLON  
DIRECTOR OF COMMUNITY DEVELOPMENT

MSF:MDL:lel  
Attachment: Exhibit "A"  
9.7.04 CC Ltr 425 Atlantic.MDL

APPROVED:



GERALD R. MILLER  
CITY MANAGER