

(RA-2004-4)

REDEVELOPMENT AGENCY OF
THE CITY OF SAN DIEGO
RESOLUTION NO. R-03675
ADOPTED ON SEPTEMBER 2, 2003

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF
THE CITY OF SAN DIEGO AUTHORIZING THE EXECUTIVE
DIRECTOR TO EXECUTE A LEASE WITH URBAN VILLAGE
COMMERCIAL FOR OFFICE SPACE AT 4305 UNIVERSITY
AVENUE IN THE CITY HEIGHTS REDEVELOPMENT
PROJECT AREA.

WHEREAS, the Redevelopment Agency of the City of San Diego [the Agency] has negotiated a lease with Urban Village Commercial, LLC [Lessor] for approximately 1441 square feet of office space (1335 usable square feet) located at 4305 University Avenue; and

WHEREAS, the initial rental rate for the office space is \$1.85 per square foot (\$2,665.85 per month) in base rent, plus additional rent to cover actual operating expenses capped at \$0.60 per square foot (\$864.60 per month), plus utilities, estimated by staff to be an additional \$0.15 per usable square foot (\$200.25 per month) for a total estimated monthly rent of \$3,730.70; and

WHEREAS, the proposed lease provides for tenant improvements to be paid for by Lessor in the estimated amount of \$46,725; and

WHEREAS, the lease would commence upon the substantial completion of construction of the tenant improvements, now expected to be on or about September 1, 2003, and continue for a term of ten years with an option to extend the lease for two additional five-year terms, with annual increases to the base rent of three percent (3%) and annual increases to the cap on actual operating expenses of five percent (5%); and

WHEREAS, the purpose of this lease is to provide office space for the Redevelopment Agency within the City Heights Redevelopment Project area and to provide office space for the Mid-City Community Service Center; and

WHEREAS, pursuant to section 1.12 of the proposed lease, the Agency has the option to terminate the lease in the event that in any fiscal year the sum of tax increment attributable to the office building plus the amount of "In Lieu Payments" due from the Lessor are less than the Base Rent due from the Agency in the same fiscal year; and

WHEREAS, as part of the Lease, Agency will also be renting four parking spaces in the building at an additional cost of \$200 per month, subject to increases of two percent per year; and

WHEREAS, staff has not been able to locate comparable class A office space in the City Heights neighborhood and other office space in City Heights rents for approximately \$1.63 per square foot; NOW, THEREFORE,

BE IT RESOLVED, by the Redevelopment Agency of the City of San Diego, as follows:

1. That the proposed Office Lease Agreement and the terms and conditions thereof are approved.

2. That the Executive Director of the Agency, or designee, is authorized to execute, for and on behalf of the Agency, the Office Lease Agreement with Urban Village Commercial for approximately 1441 square feet of office space located at 4305 University Avenue for use by the Agency and the Mid-City Community Service Center as office space, at an initial rental rate (including utilities) of approximately \$3,730.70 per month, on the terms and conditions set forth in the Office Lease Agreement on file in the office of the secretary to the Agency as

Document No. D-03675.

APPROVED: CASEY GWINN, General Counsel

By _____
Carrie Gleeson
Deputy General Counsel

CLG:mm
06/24/03
Or.Dept:Redev.
Aud.Cert:N/A
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