

# Lompoc City Council Agenda Item



**City Council Meeting Date:** December 16, 2014

**TO:** Patrick Wiemiller, City Administrator

**FROM:** Richard Fernbaugh, Aviation/Transportation Administrator  
r\_fernbaugh@ci.lompoc.ca.us

**SUBJECT:** Rental Agreement – Apex Building Systems, Inc.

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## **Recommendation:**

Staff recommends the City Council approve and authorize the City Administrator to sign a Rental Agreement with Apex Building Systems, Inc. for a portion of the property at 320 North 'D' Street for operating a wood truss manufacturing business.

## **Background:**

Apex is a start-up business which would utilize a portion of the 'D' Street property while looking for a permanent location in Lompoc. They would be using approximately 35,000 square-feet of the property for manufacturing wood trusses. The Rental Agreement proposes an initial term of six months, with automatic renewal of an additional six-month period at the end of each six-month term with the option for either party to terminate the Rental Agreement upon 60-days' notice after the initial six months. The rent, beginning January 1, 2015, will be \$5,000.00 per month, with annual CPI increases on July 1<sup>st</sup> of each year.

## **Discussion:**

Apex plans to build wooden trusses for the building industry and is looking for a permanent home in Lompoc. The 'D' Street location is currently awaiting development as the new Transit/Fleet Maintenance and Operations Facility. This development is not likely to take place before 2016.

## **Fiscal Impact:**

An additional \$30,000 in operating revenue for the City of Lompoc's Transit enterprise would be generated the first six months of the Rental Agreement that was not anticipated for FY 2014-15. That additional cash received from operating revenue will be held as transit reserves due to the source of the money the City used to purchase the property and could be used at a later date to supplement other funding sources to pay for future site development costs. The current additional revenues can also be

used to supplement the local component of fare box income to decrease the use of Measure A funds needed to meet Transit's required local fare box ratio.

**Conclusion:**

Staff recommends City Council approve a Rental Agreement with Apex Building Systems, Inc. for a portion of the property at 320 North 'D' Street.

Respectfully submitted,

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Richard Fernbaugh, Aviation/Transportation Administrator

**APPROVED FOR SUBMITTAL TO THE CITY ADMINISTRATOR:**

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Kevin P. McCune, P.E., Public Works Director

**APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:**

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Patrick Wiemiller, City Administrator

Attachment: [Rental Agreement for 35,000 Square-Foot at 320 North 'D' Street](#)